



the **Local Shopping** reit plc

JPMorgan 
CAZENOVE



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This document has been drawn up in accordance with the Prospectus Rules and comprises a prospectus relating to the Company for the purposes of section 85(1) of FSMA. Accordingly this document has been approved by and filed with the FSA in accordance with the Prospectus Rules.

The Company and the Directors, whose names and functions are set out on page 13 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

An application has been made to the UK Listing Authority for all of the Ordinary Shares in the Company (issued and to be issued) to be admitted to the Official List. An application has also been made for the Ordinary Shares to be admitted to trading on the London Stock Exchange.

It is expected that Admission will become effective and that unconditional dealings on the London Stock Exchange in the Ordinary Shares will commence on 2 May 2007. Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange on 27 April 2007. No application is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other exchange.

The Local Shopping REIT plc

(Incorporated in England and Wales under the Companies Act 1985 – No. 5304743)

Placing and Offer for Subscription of up to 91,954,023 Ordinary Shares at 174 pence per Ordinary Share

**Sponsored by
JPMorgan Cazenove Limited**

The Offer for Subscription will remain open until 3.00 p.m. on 24 April 2007. The procedure for application for persons wishing to participate in the Offer for Subscription is set out in the paragraph headed “The Offer for Subscription” on page 22 of this document and in the Application Form set out at the end of this document. To be valid, Application Forms must be completed and returned with the appropriate remittance so as to reach Lloyds TSB Registrars, Corporate Actions, 3rd Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX as soon as possible and in any event no later than 3.00 p.m. on 24 April 2007.

Upon Admission, the Ordinary Shares being issued pursuant to the Issue will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company and will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company.

JPMorgan Cazenove Limited, which is authorised and regulated by the Financial Securities Authority, is acting exclusively for the Company in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to customers of JPMorgan Cazenove Limited or for advising any such person in connection with the Issue, nor for giving advice in relation to the Issue, or in connection with the contents of any part of this Prospectus or any other matter referred therein.

If any prospective investor is in any doubt as to the merit of investing in Ordinary Shares of the Company, they should consult their appropriately authorised independent financial adviser. The attention of potential investors is drawn to the section entitled ‘Risk Factors’ on page 6 of this document.

The Issue is not being made, directly or indirectly, in or into the United States, Canada, Australia or Japan or their respective territories or possessions, and this document should not be distributed, forwarded or transmitted in or into such territories. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia or Japan.

CONTENTS

	<i>Page</i>
Summary Information	3
Risk Factors	6
Important Information	11
Directors, Secretary and Advisers	13
Expected Timetable	14
Placing and Offer for Subscription Statistics	14
Part 1 The Company	15
Part 2 Other Information	21
Part 3 The Issue	22
Part 4 The Current Portfolio	25
Part 5 Valuation Report	26
Part 6 Pro Forma Financial Information	72
Part 7 Financial Information in respect of the Company	76
Part 8 Principal Bases and Assumptions	98
Part 9 Taxation	99
Part 10 General Information	109
Part 11 Definitions	138
Part 12 Terms and Conditions of Application under the Offer	140
Notes on how to complete the application form	146
Application Form	148

SUMMARY INFORMATION

You should read the whole of this document, and not rely solely on the summary information set out below. This summary conveys the essential characteristics and risks associated with the Issue and should be read as an introduction to this document. Any decision to invest in the Ordinary Shares should be based on a consideration of this document as a whole by the investor.

Where a claim relating to the information contained in this document is brought before a court where English is not the language in which proceedings are conducted, a plaintiff investor might have to bear the costs of translating this document before the legal proceedings are initiated.

Civil liability attaches to the persons responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document.

The Company

The Local Shopping REIT plc (LSR) is a limited liability, UK resident, self-managed, closed ended property investment company. Shortly following Admission, the Company will elect to become a Real Estate Investment Trust. The Company's capital structure will consist solely of Ordinary Shares and the Company will have an indefinite life. The Company's investment objective is to provide Shareholders with an attractive level of income with the potential for income and capital growth. Its investment policy is to focus on investments in 'local' retail assets in the United Kingdom.

Any material change to the investment objective or policy described above will only be made following Shareholder approval.

Investment Opportunity and Strategy

LSR is seeking to become the leading owner of local retail property in the UK. In building its portfolio, the Group principally targets non-prime and specialist retail property in major conurbations, and selectively targets prime retail property in towns or suburban locations. Typical of the portfolio are shops in local parades, village stores and neighbourhood venues for "top-up" shopping. For the most part, the portfolio comprises shops which are well established in their local communities. However, the Group will also consider new developments of local shops where these are supported by existing or new residential property.

The Investment Team

LSR employs 10 full time property investment professionals headed up by Executive Directors Mike Riley and Nick Gregory. Mike has been working in the property industry for over 20 years and co-founded LSR in January 2005 following previous executive roles at Quintain Estates and Development Plc. Prior to co-founding LSR in January 2005, Nick held various positions including being a property fund manager and director at UBS Global Asset Management (UK) Limited.

Competitive Strengths

An immature property investment sector

The Directors believe that the market for properties which LSR is targeting has traditionally been the preserve of smaller, often local, investors. With little competition from institutional property investors, the market is fragmented and underdeveloped, with little property held in large institutional portfolios. The Directors consider that, with professional asset management, this situation provides opportunities for LSR to generate above average returns for investors.

An experienced and entrepreneurial investment team

The LSR property management team have a broad range of real estate experience which will benefit the Company in the execution of its investment strategy. The investment and asset management team have many years' experience between them, gained across numerous asset types, thus enabling swift identification of the most appropriate option for each property.

Management will look to exploit added value initiatives, for example in residential units above retail space, surplus land for development or sale, reconfigurations and better tenant mix.

Supported by its professional advisers, the Directors believe that the Group has established a reputation for swift and efficient deal execution. This has led to repeat business with vendors and their agents on an off-market basis, with consequent benefits for pricing and deal costs. In support of

its operations, the LSR property management team has developed a highly efficient transaction processing and tracking system.

Agent & adviser network

LSR's management have established a network of national and local advisers, who are kept in close touch with the Company's objectives and progress. This strategy has greatly assisted in identifying and converting investment opportunities and maximising asset management benefits.

LSR has active relationships with 4 specialist managing agents and 18 reputable local property agents around the UK. These are expected to continue to provide the Group with access to potential acquisitions and facilitate the execution of transactions and management. In all, over 50 agents are actively identifying investment opportunities for the Group and providing asset management and professional services in respect of the portfolio.

Structure as a Real Estate Investment Trust

As a Real Estate Investment Trust, the Group will have a tax efficient corporate structure. Additionally, the Group may, once it has become a REIT, be able to offer vendors of property in corporate structures with unrealised capital gains a higher price than other potential purchasers may be prepared to pay for the corporate entity which owns the underlying property. This is because those gains will be extinguished following acquisition of the relevant corporate entity by the Group and payment of a 2 per cent. conversion charge. LSR is looking to become the REIT of choice in the local shopping sector.

Alignment of interests of Directors and Shareholders

On Admission it is expected that the Board of LSR and their family interests will own approximately 13 per cent. of the Company's issued share capital. The Company is self-managed and the Executive Directors' interests will be aligned with the interests of Shareholders through performance related bonuses and the Long Term Incentive Plan.

The Current Portfolio

The Company owns its property portfolio through wholly owned Property Subsidiaries. As at the date of this document, the portfolio has a valuation of £207.7m and consists of 484 properties. There are 1,409 tenants within the property portfolio producing an overall net rental income of £13.8m per annum. The property portfolio is expected to generate an initial 6.32 per cent. rental yield with reversionary yield of 6.69 per cent.

Dividends and Initial NAV

Dividends on the Ordinary Shares are expected to be paid in bi-annual instalments in June and December in respect of each financial year. The Directors will aim to grow dividends each year at least in line with the UK Index of Consumer Prices. The Directors expect that, in the absence of unforeseen circumstances, the Company will pay gross dividends totalling 11.684 pence per Ordinary Share in respect of the period from Admission to 30 September 2008 (representing an equivalent annual gross dividend of 4.75 per cent. on the Issue Price over that period). It is expected that the first dividend payment will be in December 2007.

The initial net asset value per Ordinary Share immediately following Admission is expected to be 164.86 pence (unaudited, source: Pro Forma information in Part 6).

These forecasts are based on certain assumptions and projections and should not be regarded as a profit, earnings or dividend forecast. There can be no assurance that the assumptions will prove accurate, that the projections will be achieved or that the Company will be able to pay dividends at the targeted level or at all.

The Issue

Up to 91,954,023 Ordinary Shares are available in aggregate under the Issue at the Issue Price of 174 pence per Ordinary Share. In the event that commitments under the Placing and valid applications under the Offer for Subscription total less than £140 million, the Issue will not proceed.

The Placing will close at 3.00 pm on 26 April 2007. The latest date and time for receipt of Application Forms under the Offer for Subscription is 3.00 pm on 24 April 2007.

The Directors may, with prior approval of JPMorgan Cazenove, bring forward such date and thereby shorten the Placing Period, to a time and date no earlier than 3.00 p.m. on 25 April 2007, or extend the Placing and Offer periods, to a time and date no later than 3.00 p.m. on 3 May 2007. If the Placing and Offer periods are shortened or extended, the Company will notify investors of such change by the publication of a notice through a regulatory information service provider to the London Stock Exchange, which notification will include a revised timetable for Admission.

Borrowings

On Admission, the Company will have the power to borrow up to an amount equal to a maximum of 65 per cent. of the Group's Gross Assets at the time of drawdown.

The Directors, however, currently intend to target borrowings to between 65 per cent. and 70 per cent. of the Group's Gross Assets. The Directors propose to put a resolution to Shareholders following Admission to amend the Articles to allow the Company to borrow up to 75 per cent. of the Group's Gross Assets. Such resolution is likely to be considered and voted on at the Company's annual general meeting, which is expected to be held in January 2008, although the Directors will consider convening an extraordinary general meeting of the Company before then if they consider that this is in the interests of the Company.

Risk Factors

An investment in Ordinary Shares is subject to a number of risks. Accordingly, prospective investors should consider carefully all the information set out in this document and the risks attaching to the Company and the Ordinary Shares prior to making any investment decision. The Group's business, financial condition or results of operations could be materially and adversely affected by a number of risks relating either to the business of the Group or general risks (such as the value of investments fluctuating), certain of which are highlighted below.

The key risk factors include (but are not limited to the following):

- the market price of Ordinary Shares may vary considerably from their underlying net asset value;
- the Company does not have a fixed winding up date. Unless Shareholders vote to wind up the Company, Shareholders will be able to realise their investment only through the market and may not be able to realise the net asset value of the Ordinary Shares held by them from time to time;
- there is no assurance that the investment objective of the Company will be met;
- there is no guarantee that the expected dividends in respect of the period to 30 September 2008 (or any other periods) will be paid; and
- if the rental income realised from the Group's property portfolio falls for whatever reason, including tenant defaults and void periods, the use of borrowings by the Group will increase the impact of such a fall and will have an adverse effect on the Net Asset Value and the Company's ability to pay dividends.

RISK FACTORS

Prospective investors should carefully consider all the information in this document, including the risks described below. The Directors have identified these risks as the material risks involved in an investment in Ordinary Shares, but additional risks and uncertainties not presently known to the Directors, or that the Directors consider immaterial may also adversely affect the Group's business, results of operations or financial condition, such risks being inherent in any investment in equity securities. If any or a combination of the following risks materialise, the Group's business, financial condition and operational performance could be materially adversely affected. In that case, the trading price of the Ordinary Shares could decline and potential investors may lose all of their investment.

An investment in the Company may not be suitable for all recipients of this document. Accordingly, investors are strongly advised to consult an independent adviser authorised under FSMA who specialises in advising on investments before investing in Ordinary Shares.

For the avoidance of doubt none of the risk factors detailed below seek to qualify the working capital statement set out in paragraph 10 of Part 10 of this document.

General risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from an investment in Ordinary Shares. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Group's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Group's prospects.

Risks relating to the Group and its business

The market value of the Ordinary Shares, as well as being affected by their net asset value, is also likely to take into account their dividend yield, prevailing interest rates and market movements in share prices generally. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value.

The Company does not have a fixed winding-up date and, therefore, unless Shareholders vote to wind up the Company, Shareholders will be able to realise their investment only through selling their Ordinary Shares in the market.

There can be no guarantee that the investment objective of the Company will be met.

There is no guarantee that the expected dividends in respect of the period to 30 September 2008 or any other periods will be paid.

The financial projections contained in this document involve numerous assumptions relating to interest rates, operating expenses, taxes, rental rates, occupancy levels and lack of voids and tenant defaults, all of which are subject to various risks and contingencies. Additionally, the ability of the Company to achieve the results described in the projections will be dependent upon market conditions and responses to market conditions that are subject to uncertainties due to possible changes in national or local economic conditions, restricted availability of financing, unanticipated expenditures, changes in real estate tax rates, delays in obtaining permits and approvals, changes in laws, governmental rules and fiscal policies and other factors beyond the control of the Company.

If property values rise significantly between the publication of this document and the time when the funds available to the Company following the Issue (including borrowings) are invested, the potential returns available for Shareholders may be less than those set out in this document.

REIT status

The levels of, and reliefs (including those afforded by REIT status) from, taxation may change, adversely affecting the financial prospects of the Group and/or the returns to Shareholders.

Prospective investors should note that there is no guarantee that the Group (as defined in Part 9A) will, following conversion to a REIT, continue to maintain REIT status (whether by reason of failure to satisfy the conditions for REIT status or otherwise). If the Group ceases to be a REIT it will no longer be able to benefit from the tax regime for REITs described in Part 9A. A further consequence of this is that the Group would not need to continue to satisfy the 90% distribution test referred to in Part 9A.

Prospective investors should also be aware that if the Group is required to leave the REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed (before and after it leaves the REIT regime) and to determine the date on which the Group is treated as exiting the REIT regime.

Loss of REIT status may therefore adversely affect the financial prospects of the Group and/or returns to shareholders.

Interest Rate Risks

If the Group is unable to refinance any loan at the end of its term, this may have an adverse effect on the Company's capital and income growth and its ability to pay dividends to Shareholders. The market price of Ordinary Shares may be affected by changes in interest rates. This is because the price of such Ordinary Shares is likely to be affected by their yield and a rise in interest rates would make the yield relatively less attractive. Conversely, a fall in interest rates would make the yield relatively more attractive.

Gearing

The Group will borrow to fund the acquisition of investments. Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

In addition, in the event that the rental income of the Group's portfolio falls for whatever reason, including tenant defaults and void periods, the use of borrowings will increase the impact of such a fall on the net revenue of the Group and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

In certain circumstances, including breach of financial covenants relating to interest cover and loan to value ratios, the Group's bank borrowings may be repayable prior to the date on which they would otherwise fall due for repayment. In such circumstances, assets may have to be sold at depressed prices to repay borrowings and prepayment penalties may be payable.

Security granted over the Group's property portfolio

Members of the Group have granted security over the properties owned by them in favour of banks which have provided banking facilities to them for the acquisition of such properties. In the event of a default under such banking facilities by members of the Group, the Banks which have provided such banking facilities may seek to realise such security.

Dependence on Key Personnel

The Company's ability to pay dividends and achieve its investment objective is partially dependent on the continued performance of its key personnel, including Mike Riley and Nick Gregory, in the acquisition and disposal of properties on behalf of the Group, the management of such properties and the determination of any financing arrangements in respect of the acquisition of such properties.

Property

Property and property-related assets are inherently subjective as regards value due to the individual nature of each property. As a result, valuations are subject to uncertainty. The valuations in the valuation report in Part 5 are made on the basis of certain assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

Liquidity of underlying investments

Investments in property are relatively illiquid. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could have an adverse effect on the Group's financial condition and results of operations.

Ability to integrate further portfolio acquisitions into its existing portfolio successfully

A significant part of the Group's strategy is the acquisition by the Group of further properties. The extent to which it is able successfully to identify and acquire such properties and to integrate such properties within its business, thereby achieving resulting economies of scale, may have an impact on its future financial performance.

Lease liabilities and obligations

The Group may in future acquire lease liabilities and obligations in connection with property acquisitions. The Group's earnings may be adversely affected to the extent that the Group is not able to manage mismatches between its liabilities and obligations and the corresponding liabilities and obligations of the Group's tenants.

Economic risk

The performance of the Group and the ability of the Company to make dividend payments would be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields. In the event of a default by a tenant or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyors' costs in re-letting, maintenance costs, insurance premiums, rates and marketing costs.

Any future property market recession could materially adversely affect the value of properties in the Group's portfolio from time to time. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value.

Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates.

Rent reviews may not be agreed at previously estimated rental values.

Both rental income and property values may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner when the property is vacant.

Competition

The Company's market place has traditionally been the preserve of smaller, often locally-based, investors and the Directors believe that there are few major organised competitors. However, the Company may face competition as a result of others attempting to move into the sector.

The Company may also face competition as a result of market fluctuations in the wider property market. Competition in the property market may lead either to an over-supply of commercial premises through over-development of existing properties or to prices of land for development being driven up through competing bids by potential purchasers. Accordingly, the existence of such competition may have a material adverse impact on the Group's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and to acquire properties or develop land at satisfactory prices.

Dependency on tenants

The success of the Group depends on the financial stability of the Group's tenants. Lease payment defaults by tenants could cause the Company to reduce the level of dividends to Shareholders. In the event of a tenant default, the Group may experience delays in enforcing its rights as landlord and may incur substantial costs, including litigation and related expenses, in protecting its investment and

re-letting its property. If a lease is terminated, the Group may be unable to lease the property for the rent previously received or sell the property without incurring a loss. In such situations the Group may incur costs attaching to the property, such as local taxes and non-recoverable insurance and service charge contributions.

Lack of funding for future improvements

When a tenant at one of the Group's properties does not renew its lease or otherwise vacates its space in one of the properties, in order to attract one or more new tenants, the Group may be required to expend funds to construct new improvements in the vacated space or to provide financial inducements to the new tenants such as rent free periods. While the Group intends to manage its cash position or financing availability to pay for any improvements or other benefits required for re-letting and to meet the loss of revenue that may result, the Group cannot be certain that it will have adequate sources of funding available to it for such purposes in the longer term.

Uninsured losses

The Company will attempt to ensure that all the Group's properties are adequately insured to cover casualty losses. However, changes in the costs or availability of insurance could expose the Group to uninsured casualty losses. In the event that any of the properties suffers a loss that is not fully covered by insurance, the value of the Group's assets will be reduced by any such uninsured loss. In addition, the Group may have no source of funding to repair or reconstruct the damaged property, and it cannot be certain that any such sources of funding will be available to it for such purposes in the future.

Discovery of previously undetected environmentally hazardous conditions

Under various environmental laws, those who cause or knowingly permit contamination or owners or occupiers of real property may be liable for the cost of removing or remediating hazardous or toxic substances on or migrating from such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances and liability may be retrospective, applying to pollution which occurred before the relevant environmental laws were implemented. Environmental laws may also impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, by private parties. The costs of defending environmental claims or compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect the Group's business, assets or results of operations and, consequently, amounts available for dividends to Shareholders.

Inability to find suitable investments

The Company cannot be sure that it will be successful in obtaining suitable investments on financially attractive terms or that its investment objectives will be achieved.

Inability to sell a property

The property market is affected by many factors such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the Group's control. The Company cannot predict whether the Group will be able to sell any property for the price or on the terms set by it, or whether any price or other terms offered by a prospective purchaser would be acceptable to it. Nor can the Group predict the length of time needed to find a willing purchaser and to complete the sale of a property.

The Group may be required to expend funds to correct defects or to make improvements before a property can be sold. The Company cannot be certain that the Group will have funds available to correct such defects or to make such improvements.

In acquiring a property, the Group may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These provisions could restrict the Group's ability to sell a property.

Development

The Group may undertake development (including redevelopment) of property. The risks of development include, but are not limited to: (i) delays in timely completion of the project; (ii) cost

overruns; (iii) poor quality workmanship; and (iv) inability to lease or inability to let at a sufficient rental level to generate adequate profits.

Use of managing agents

The Group is reliant on its four main managing agents for continuity of service and on its network of local agents for deal introductions and property lettings. The Group's trading could be affected should agents' businesses get into difficulty or if their internal systems cease to function or should they lose key members of staff. However, the directors consider that the Group's spread of agents is such as to minimise the impact of any such occurrence.

Changes in Law and Regulation

The levels of, and reliefs from, taxation may change. Any tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors.

Changes in taxation, environmental, landlord and tenant and planning laws and regulations, and the interpretation by relevant public authorities of such laws and regulations, may have an adverse effect on the Group, its investments and/or the position of Shareholders and may reduce returns to Shareholders. Specifically, any change to laws and regulations relating to the commercial property market may have an adverse effect on the capital value of the assets comprised in the Group's portfolio and/or the rental income arising from the portfolio.

Before making any investment decision, prospective investors are strongly advised to consult an independent adviser authorised under FSMA who specialises in advising upon investments.

Cancellation of share premium account in the discretion of the court

Prospective investors should note that, under the Companies Act, a company may not pay a dividend except out of profits available for that purpose. Subject to confirmation by the court, it is intended that the share premium account arising on the issue of Ordinary Shares under the Issue will be cancelled, creating a distributable reserve which will be available for the payment of dividends to Shareholders. If the court does not grant an order for the cancellation of the Company's share premium account, or changes in the law mean that the reserve created on such cancellation is not distributable, this may adversely affect the Company's ability to pay the dividends expected to be paid in respect of the period to 30 September 2008 and to pay dividends in respect of subsequent periods.

IMPORTANT INFORMATION

The attention of potential investors is drawn to the Risk Factors set out on pages 6 to 10 of this document. Investment in the Company will involve certain risks and special considerations. Investors should be able and willing to withstand the loss of their entire investment. The investments of the Group are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. The price of Ordinary Shares and the income from such Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment.

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

Forward Looking Statements

This document contains forward looking statements, including, without limitation, statements containing the words “believe”, “anticipated”, “expect” and similar expressions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that could affect the Company’s ability to achieve its objectives and could cause actual results to differ materially from those in forward looking statements include, but are not limited to, those discussed in “Risk Factors” set out in this document.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. Subject to any regulatory obligation (including the Listing Rules, the Prospectus Rules, the Disclosure Rules and applicable laws), the Company disclaims any obligation to update any such forward looking statements in this document to reflect future events or developments.

For the Attention of United States Persons

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S under the Securities Act). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this Prospectus.

General

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

Statements made in this Prospectus are based on the law and practice currently in force in the United Kingdom and are subject to changes therein.

This Prospectus should be read in its entirety before making any application for Ordinary Shares. All shareholders in the Company are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the memorandum and articles of association of the Company.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	John Grahame Whateley (Chairman), non-executive Nicholas John Gregory, Executive Michael Edward Riley, Executive Victoria Ann Whitehouse, Executive Andrew Rolland Cunningham, non-executive Nicholas John Vetch, non-executive
Secretary:	William Alexander Heaney all of: 4th Floor 11 Hanover Street London W1S 1YQ
Telephone no of Company:	020 7187 4444
Registered office of Company:	4th Floor 11 Hanover Street London W1S 1YQ
Sponsor and broker:	JPMorgan Cazenove Limited 20 Moorgate London EC2R 6DA
Auditors to the Company:	KPMG LLP 2 Cornwall Street Birmingham B3 2DL
Solicitors to the Company:	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL
Registrars:	Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA
Principal Bankers:	Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB HSBC Bank plc 8 Canada Square London E14 5HQ The Royal Bank of Scotland plc Level 8 280 Bishopsgate London EC2M 4RB
Valuers:	Allsop LLP 27 Soho Square London W1D 3AY

EXPECTED TIMETABLE

	<i>2007</i>
Placing commences	12 April
Offer for Subscription opens	12 April
Latest time and date for applications under the Offer for Subscription*	3.00 p.m. on 24 April
Latest time and date for commitments under the Placing*	3.00 p.m. on 26 April
Expected date of commencement of conditional dealings in Ordinary Shares†	8.00 a.m. 27 April
Admission of the Ordinary Shares to the Official List	2 May
Unconditional dealings in Ordinary Shares commence	8.00 a.m. on 2 May
Crediting of CREST stock accounts in respect of the Ordinary Shares	8.00 a.m. on 2 May
Share certificates in respect of the Ordinary Shares despatched	week commencing 7 May
Anticipated date of conversion to a REIT	by 31 May

* The Directors may, with prior approval of JPMorgan Cazenove, bring forward such date and thereby shorten the Placing period, to a time and date no earlier than 3.00 p.m. on 25 April 2007, or extend the Placing and Offer periods, to a time and date no later than 3.00 p.m. on 3 May 2007. If the Placing and Offer periods are shortened or extended, the Company will notify investors of such change by the publication of a notice through a regulatory information service provider to the London Stock Exchange, which notification will include a revised timetable for Admission.

† All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a “conditional basis”, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

PLACING AND OFFER FOR SUBSCRIPTION STATISTICS

Subscription price per Ordinary Share	174 pence
Number of Ordinary Shares to be issued	up to 91,954,023
Initial NAV per Ordinary Share*†	164.86 pence
Initial annualised dividend yield*†	4.75 per cent.

* Unaudited, sourced to the pro forma information at Part 6.

† Based on the Assumptions and on the basis that the Issue is fully subscribed.

PART 1

THE COMPANY

The Company

The Local Shopping REIT plc is a limited liability, UK resident, self-managed, closed ended property investment company. Shortly following Admission, the Company will elect to become a Real Estate Investment Trust. The Company's capital structure will consist solely of Ordinary Shares and the Company will have an indefinite life. The Company's investment objective is to provide Ordinary Shareholders with an attractive level of income with the potential for income and capital growth. Its investment policy is to focus on investments in 'local' retail assets in the United Kingdom.

Having developed the business concept with Grahame Whateley, Mike Riley and Nick Gregory started the Company's activities in January 2005 and the Group began acquiring properties in April 2005. Since that time, Mike Riley and Nick Gregory have been responsible for identifying and acquiring investment properties fitting the Company's business model, as well as negotiating investment finance and ensuring effective asset management. The Group has built up a portfolio with a valuation of £207.7m.

Any material change to the investment objective or policy described above will only be made following Shareholder approval.

Investment Opportunity and Strategy

LSR is seeking to become the leading owner of local retail property in the UK. In building its portfolio, the Group principally targets non-prime and specialist retail property in major conurbations, and selectively targets prime retail property in towns or suburban locations. Typical of the non-prime element of the portfolio are shops in local parades, village stores and neighbourhood venues for "top-up" shopping. It is estimated that the size of this 'local' shopping market in the UK is £20bn (source: Colliers CRE). The 'local' market will be able to compete with out of town formats as consumers are incentivised to shop locally for example due to congestion and higher fuel charges.

The Group will, to a lesser extent, purchase prime assets on the high street where there is strong potential for asset management opportunities and the size of this market is estimated at £5bn (source: Colliers/Verdict).

New stock in the market in which the Company operates is constrained by local planning and it is anticipated that new retail space will principally be supporting new residential development.

For the most part, the portfolio comprises shops which are well established in their local communities. The Group will also consider new developments of local shops, where these are supported by existing or new residential property.

The Directors believe that the Company operates in a large and highly fragmented market such that there are significant returns to be made from buying local assets off-market, at attractive yields and aggregating them within an institutional portfolio, thereby creating potential for valuation uplift. The management team aim to exploit pricing inefficiencies within local markets and, with active asset management, generate a sustainable income stream with the potential for capital growth. The Directors anticipate that as the Group's portfolio grows its cost structure will increasingly benefit from economies of scale.

High yielding retail property has outperformed standard retail investment categories, with lower volatility, which is illustrated by the following performance data:

<i>1981 – 2005</i>	<i>Annualised total return</i>	<i>Standard* Deviation</i>
IPD all standard shops	10.85%	7.88
High yield standard shops	12.94%	7.11

Source: IPD/Colliers CRE.

* Standard deviation measures the degree of variation of returns around the mean return.

The Directors believe that the tenants in the target portfolio have a low exposure to discretionary spend and comparison shopping such that the portfolio will have a robust track record even in slow consumer market conditions. Rent affordability for 'local' retailers is a strong characteristic of this sector and Colliers CRE estimate that rent is approximately 6.9 per cent. of their turnover, which compares with high street ratios in the range of 8 per cent. to 12 per cent. of turnover.

IPD findings also indicate the defensive attributes of the property type targeted by LSR.

Typically, properties purchased by the Group have from the date of purchase supplied yields in excess of the cost of borrowing, thus generating a net income return with immediate effect.

An investment in the Company will thus provide an opportunity for retail and institutional investors who wish to obtain exposure to the local retail real estate market in the UK and are seeking an attractive level of income with the potential for income and capital growth.

Competitive Strengths

An immature property investment sector

The Directors believe that the market for properties which LSR is targeting has traditionally been the preserve of smaller, often local, investors. With relatively little competition from institutional property investors, the market is fragmented and underdeveloped, with little property held in large institutional portfolios. The Directors consider that, with professional asset management, this situation provides opportunities for LSR to generate above average returns for investors.

An experienced and entrepreneurial investment team

The LSR property management team have a broad range of real estate experience which will benefit the Company in the execution of its investment strategy. The executive management team have many years' experience between them, gained across numerous asset types, thus enabling swift identification of the most appropriate option for each property.

Management will look to exploit added value initiatives, for example in residential units above retail space, surplus land for development or sale, reconfigurations and better tenant mix.

Supported by its professional advisers, the Directors believe that the Group has established a reputation for swift and efficient deal execution. This has led to repeat business with vendors and their agents on an off-market basis, with consequent benefits for pricing and deal costs. In support of its operations, the team has developed a highly efficient transaction processing and tracking system.

Agent & adviser network

LSR's management have established a network of national and local advisers, who are kept in close touch with the Company's objectives and progress. This strategy has greatly assisted in identifying and converting investment opportunities and maximising asset management benefits.

LSR has active relationships with 4 specialist managing agents and 18 reputable local property agents around the UK. These are expected to continue to provide the Group with access to potential acquisitions and facilitate the execution of transactions and management. In all, over 50 agents are actively identifying investment opportunities for the Group and providing asset management and professional services in respect of the portfolio.

Structure as a Real Estate Investment Trust

As a Real Estate Investment Trust, the Group will have a tax efficient corporate structure. Additionally, the Group may, once it has become a REIT, be able to offer vendors of property in corporate structures with unrealised capital gains a higher price than other potential purchasers may be prepared to pay for the corporate entity which owns the underlying property because those gains will be extinguished following acquisition of the relevant corporate entity by the Group and payment of a 2 per cent. conversion charge. LSR is looking to become the REIT of choice in the local shopping sector.

Alignment of interests of Directors and Shareholders

On Admission it is expected that the Board of LSR and their family interests will own approximately 13 per cent. of the Company's issued share capital. The Company is self-managed and the Executive Directors' interests will be aligned with the interests of Shareholders through performance related bonuses and the LTIP.

The Current Portfolio

The Company owns its property portfolio through its wholly-owned Property Subsidiaries. As at the date of this document, the portfolio has a valuation of £207.7m and consists of 484 properties. There are 1,409 tenants within the property portfolio producing an overall net rental income of £13.8m per

annum. The property portfolio is expected to generate an initial 6.32 per cent. rental yield with reversionary yield of 6.69 per cent.

The issue price has been determined by reference to the net asset value of the Group estimated as at Admission. This has been determined valuing the property assets of the Group per the valuation reports as at 28 February 2007 and 28 March 2007 (as the sum of their individual values and excluding any portfolio premium) as set out in part 5, the mark to market value of hedging arrangements at fair value at 31 March 2007, and excluding any deferred tax balances.

On the assumption that the Issue is fully subscribed, approximately 73 per cent. of the proceeds of the Issue will be used to pay down bank debt and other funding, 5.5 per cent. of such proceeds will be used to meet the costs of the Issue and REIT conversion and the remaining proceeds will be used for working capital requirements and as consideration for future acquisitions of properties by the Group.

The Company intends to acquire further real estate investments in accordance with its investment policy. The Company anticipates spending the net proceeds of the Issue and available bank facilities in accordance with its gearing policy on the acquisition of further real estate investments by September 2008. At such time, the Company expects to have invested approximately a further £143 million. The Group has, at the date of this document, exchanged on 2 properties at a cost of £0.35 million which it anticipates completing prior to Admission. Furthermore, the Group has 58 properties under offer at a cost of £17.33 million.

Dividends

Dividends on the Ordinary Shares are expected to be paid in bi-annual instalments in June and December in respect of each financial year. The Directors will aim to grow dividends each year at least in line with the UK Index of Consumer Prices. The Directors expect that, in the absence of unforeseen circumstances, the Company will pay gross dividends totalling 11.684 pence per Ordinary Share in respect of the period from Admission to 30 September 2008 (representing an equivalent annual gross dividend of 4.75 per cent. of the Issue Price over that period).

The extent to which the income generated on the Group's property assets can be distributed to Shareholders by way of dividend will depend upon, amongst other things, the application of applicable accounting and legal principles. Whilst it is the current intention of the Company to pay out dividends only from net cash income, it is possible that not all of the net cash income recorded in the Group's consolidated financial statements will be available to the Directors in the form of distributable profits of the Company from which to pay a dividend. To the extent that the net cash income or available distributable reserves of the Company are less than the dividend proposed to be paid, this might lead to capital erosion in respect of such period.

It is expected that the dividends in respect of the period to 30 September 2008 will be paid as follows:

<i>Ex-dividend (Month)</i>	<i>Payment Month</i>	<i>Gross amount per Ordinary Share*</i>
December 2007	December 2007	3.419
June 2008	June 2008	4.133
December 2008	December 2008	4.133

* These forecasts are based on the Assumptions, relate to dividends only and are not a profit or earnings forecast.

Initial Net Asset Value

The net asset value per Ordinary Share immediately following Admission is expected to be 164.86 pence (unaudited, source: Pro Forma information in Part 6). This includes a provision for the conversion charge to REIT status of £4.5m.

Borrowings and Funding Strategy

On Admission, the Company will have the power, under the Articles, to borrow up to an amount equal to a maximum of 65 per cent. of the Group's Gross Assets at the time of drawdown. This borrowing limit is a requirement of the Listing Rules. However, the Listing Rules do not preclude the Company from seeking shareholder consent to amend the Articles in this regard following Admission. The Directors believe that it would be more appropriate for the Company to have the flexibility to adopt a gearing policy permitting borrowings of up to 75 per cent. of the Group's Gross Assets. The

Directors currently intend to target borrowings to between 65 per cent. and 70 per cent. of Group's Gross Assets and propose to put a resolution to Shareholders following Admission to amend the Articles to allow the Company to borrow up to 75 per cent. of the Group's Gross Assets. Such resolution is likely to be considered at the Company's annual general meeting which is expected to be held in January 2008, although the Directors will consider convening an extraordinary general meeting of the Company before then if they consider that this is in the interests of the Company.

On Admission, the Group will have a secured senior facility of £10 million with The Royal Bank of Scotland plc which will be repayable after 2 years. Interest on the facility will be paid quarterly at an annual rate equal to LIBOR plus 100 basis points plus mandatory costs. The Group will also have a secured senior facility of £95.6 million with Barclays Bank PLC repayable after 10 years. Interest on the facility will be paid quarterly initially at an annual rate of LIBOR plus 112.5 basis points plus mandatory costs falling to LIBOR plus 75 basis points plus mandatory costs. The facility is swapped at 4.845 per cent. until January 2017. The Group will also have a secured senior facility of £150m with HSBC Bank plc which will be repayable after 9 years. Interest on the facility will be paid quarterly at an annual rate equal to LIBOR plus 60 basis points to 75 basis points (plus mandatory costs) between loan to value ratios of 50 per cent. to 75 per cent. respectively. The Group intends to hedge between 85 per cent. and 100 per cent. of this facility. On Admission the Company will repay its existing mezzanine facility with Castlemore Holdings Limited.

Authority for the Company to make market purchases of Ordinary Shares by the Company

The Directors will have authority to buy back up to 14.99 per cent. of the Company's Ordinary Shares in issue immediately following Admission and will seek annual renewal of this authority from Shareholders. Any buy back of Ordinary Shares will be made subject to applicable law and within guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Group). It is intended that buy backs will only be made if the Directors believe that to do so would be in the interests of Shareholders not participating in any such buy backs. Accordingly, purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing net asset value of the Ordinary Shares where the Directors believe such purchases will enhance the net asset value per Ordinary Share of the remaining Ordinary Shares. The making and timing of any buy backs will be at the absolute discretion of the Board. Such purchases will also only be made in accordance with the rules of the UK Listing Authority and any other applicable law or regulation which provide that the price to be paid is not more than the higher of (i) 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Ordinary Share is purchased; and (ii) the 'Buy-back Regulation price', being the higher of the last independent trade and the highest current independent bid. The Company may hold shares as treasury shares.

The Company passed a special resolution on 11 April 2007 cancelling, subject to the sanction of the Court, the amount standing to the credit of its share premium account immediately following the Issue. The Company intends to apply to the Court for an order confirming such cancellation of the share premium account shortly following Admission. Subject to any undertaking to be given to the Court, the reserve created on such cancellation will create a distributable reserve which will be available for all purposes including the buy back of Ordinary Shares and the payment of dividends by the Company.

Directors, Management and Administration

Directors of the Company

The Directors are as follows:

John Grahame Whateley, aged 63, non-executive Chairman, has been in the property industry for approximately 45 years, after qualifying as a surveyor. He founded Castlemore Securities Limited (now a subsidiary of Castlemore Holdings, his family holding company) 36 years ago. Castlemore is currently involved in developing a portfolio of office, retail and large mixed use schemes worth over £1 billion around the country, totalling 10 million square feet of new space. In addition, he is also Chairman of the Cedar group of companies, which he also started over 36 years ago.

Nicholas John Gregory, aged 41, Executive Director. Along with Mike Riley, Nick was a director of Castlemore Securities Limited between October 2002 and January 2005, when he became a director of the Company. Previously, Nick was at UBS Global Asset Management (UK) Limited from April 1996 to September 2002. At UBS, he was appointed fund manager responsible for the management of

a portfolio with a value of £175m for Philips & Drew Second Property Partnership (later renamed Triton Property Fund).

His role included stock selection, purchase diligence and sales, and he later became responsible for all purchase and sales transactions. He became a director in July 2000 and a member of the Property Investment Committee in May 2001 with responsibility for setting fund strategy and transaction approval for a fund with £568m of property assets (as at June 2002). At UBS, Nick was an FSA approved person (having obtained the IIMR Investment Management Certificate 1997). Prior to joining UBS, Nick was a trainee surveyor at Chesterton from 1993 to 1996.

Michael Edward Riley, aged 46, Executive Director. Mike has been working in the property industry since 1986. Along with Nick Gregory, he was a director of Castlemore Securities Limited between October 2002 and January 2005, when he became a director of the Company. Mike was responsible (with Nick Gregory) for developing the investment business within Castlemore Securities Limited and the Company, which has included the following responsibilities:

- Building up and asset managing a diversified property portfolio;
- Ongoing asset management of completed development properties held as investments;
- Arranging and structuring property investment financing for the Company; and
- Setting up and acquiring/asset managing properties for a joint venture with a major UK bank.

Prior to joining Castlemore, Mike was at Quintain Estates and Development Plc from July 2001 until July 2002, holding the role of Chief Executive from March 2002. Previously, Mike worked at HVB Real Estate Capital for four years where he became joint managing director in October 1999 and was responsible for the bank's marketing team and sat on its London credit committee. Prior to that he was at Chesterton International from 1989 to 1997. Mike trained as a chartered surveyor with Hillier Parker between 1986 and 1989.

Victoria Whitehouse, aged 33, Executive Director. Victoria joined the Company as Finance Director designate in January 2007 from ProLogis Developments Limited where, as Group Financial Controller, she was responsible for directing the accounts team. Previously, Victoria was with KPMG, between 1997 and 2005, becoming senior audit manager responsible for a variety of clients with turnovers up to £350m per annum, including publicly listed companies and a property group. Victoria trained with Felton & Co in Birmingham and qualified as a Chartered Accountant in 1997.

Andrew Cunningham, aged 50, non-Executive director, qualified as an accountant with Deloitte Haskins & Sells, becoming a partner in 1989 with responsibility for a broad range of audit clients. He joined Grainger PLC as Finance Director in 1996, becoming Deputy Chief Executive in 2002.

Nicholas Vetch, aged 45, non-Executive Director, was a co-founder of Big Yellow Group PLC in September 1998. Prior to that he was joint Chief Executive of Edge Properties plc, which he co-founded in 1989 and which was subsequently listed on the Official List of the London Stock Exchange in 1996 before being taken over by Grantchester Properties plc in 1998. Mr Vetch is also a non-executive director of Blue Self Storage S.L, a self storage operation in Spain.

The investment team

In addition to the Company's executive directors, the Group will have ten further full time and attached staff in total who encompass all the disciplines associated with property investment management: research; acquisitions; disposals; development; finance and legal; property asset management; and administration. The Group has established a network of 18 investment acquisition agents and manages its property portfolio through 4 property management specialists. In all, the Group has a close network of 50 professional property advisers. Each agent employed is a recognised expert in its field, either nationally or locally. The management team engages and monitors agents' performance against established rigorous standards.

Corporate governance

The Directors have implemented appropriate measures (having regard to the current stage of development of the Company) to comply, so far as practicable, with the Combined Code.

Further information on the Group's corporate governance arrangements is set out in paragraph 8 of Part 10 of this document.

Valuations

The Group's property portfolio will be valued every six months which will involve 25 per cent. of the properties held at the previous date and all properties acquired since that date being valued by the external valuation agent and the balance as a directors' valuation. The external valuation agents will have free choice as to which properties to value but their valuation shall include all properties purchased since the previous valuation.

ISAs and PEPs

Offer for Subscription

Ordinary Shares allotted under the Offer for Subscription will be eligible for inclusion in an ISA or a PEP, subject to the applicable subscription limits, as set out below, being complied with.

Placing

Ordinary Shares allotted under the Placing are not eligible for inclusion in an ISA or PEP. However, Ordinary Shares subsequently acquired in the secondary market may be eligible for inclusion in an ISA or PEP, subject to the applicable subscription limits set out below being complied with. The Ordinary Shares would need to be acquired by an account manager by purchase in the market and the manager will confirm ISA or PEP eligibility. Further information relating to ISAs and PEPs is provided below.

ISAs

Eligibility for inclusion of the Ordinary Shares in an ISA is subject to the usual subscription limits applicable (for the tax year 2007/8 an individual may invest £7,000 worth of stocks and shares in a maxi ISA or £4,000 in a stocks and shares mini ISA). Investors are reminded that they cannot subscribe for both a maxi ISA and a mini ISA in the same year. In each tax year, investors may invest either in one maxi ISA (which may include a stocks and shares component and a cash component) or in two mini ISAs, one of which may be a cash mini ISA and one of which may be a stocks and shares mini ISA.

PEPs

Although no new PEPs may be opened and no further subscription made to existing PEPs, the Ordinary Shares may be qualifying investments for existing PEPs provided that the PEP manager has acquired such Ordinary Shares by subscription under the Offer for Subscription or by purchase in the market and is satisfied on the subject of eligibility.

SSAS and SIPPs

The Directors have been advised that the Ordinary Shares in the Company will be eligible for inclusion in a SSAS or a SIPP.

PART 2

OTHER INFORMATION

Fees and Expenses of the Group

Costs and expenses of the Issue and entry into the REIT regime

The costs of the Issue incurred by the Group will be met by the Group following Admission. Such fees and expenses will include fees payable under the Placing and Offer Agreement, receiving agent's fees, listing and admission fees, printing, advertising and distribution costs and legal and accounting fees and any other applicable expenses (and any VAT thereon). Such expenses include the charge which will be payable to HMRC by the Group on its conversion to REIT status.

The Directors do not anticipate that these expenses will exceed 5.5 per cent. of the amount raised under the Issue, on the assumption that the Issue is fully subscribed.

Ongoing and Annual Fees and Expenses

The Group will also incur ongoing and annual fees and expenses. These fees and expenses will include among others, the fees of the independent valuation agent, Directors' fees, regulatory fees, legal and accounting fees, tax advisory fees, rent review fees, letting fees, certain expenses incidental to the management, administration and continuation of the Property Subsidiaries, insurance costs, audit fees and other expenses (and any VAT thereon).

On the basis of the Assumptions, it is anticipated that the Group will have utilised the net proceeds of the Issue and available bank facilities on the acquisition of property investments by 30 September 2008. It is estimated that the total expenses of the Group (as described above) for the year ended 30 September 2009 on the basis of the Assumptions, will not exceed 1.3 per cent. per annum of the value of the property assets of the Group.

The costs of acquiring properties, which will include property acquisition costs and related stamp duty (or transfer taxes) will vary according to the way in which the relevant acquisition is structured. The Group will seek to minimise these costs at all times so far as is reasonably practicable.

Each non-executive Director will initially be paid a fee of £30,000 per annum (£50,000 for the Chairman).

Accounting policies

The audited accounts of the Group will be prepared under International Financial Reporting Standards ("IFRS"). Under IFRS, the Group will prepare an income statement which, unlike a statement of total return, does not differentiate between revenue and capital and also includes net realised and unrealised investment gains. The Company's management and administration fees, finance costs (including interest on bank facilities) and all other expenses will be charged through the income statement.

Shareholder information

The Company's annual report and accounts will be prepared up to 30 September each year, and it is expected that copies of the report and accounts will be sent to Shareholders within the following 4 months. Shareholders will also receive an unaudited interim report covering the six months to 31 March each year, which is expected to be despatched within the following 2 months. The first annual report and accounts that Shareholders will receive will be the report and audited accounts for the period ended 30 September 2007.

All general meetings of the Company and separate shareholder meetings will be held in the United Kingdom. The Company will hold an annual general meeting which is expected to be in January each year.

PART 3

THE ISSUE

Up to 91,954,023 million Ordinary Shares are available, in aggregate, under the Issue subject to a minimum of 80,459,770 million Ordinary Shares.

In the event that there are any significant changes affecting any of the matters described in this document or where a significant new matter has arisen after the publication of this document and prior to Admission, the Company will publish a supplementary prospectus giving details of the significant change or the significant new matter.

The Directors may, with prior approval of JPMorgan Cazenove, bring forward such date and thereby shorten the Placing period, to a time and date no earlier than 3.00 p.m. on 25 April 2007, or extend the Placing and Offer periods, to a time and date no later than 3.00 p.m. on 3 May 2007. If the Placing and Offer periods are shortened or extended, the Company will notify investors of such change by the publication of a notice through a regulatory information service provider to the London Stock Exchange, which notification will include a revised timetable for Admission.

The Issue is conditional upon:

- (i) the Placing and Offer Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (ii) Admission becoming effective not later than 8.00 a.m. on 2 May 2007 or such later time and/or date as JPMorgan Cazenove and the Company may agree in writing, being not later than 30 June 2007.

The Company has applied for listing under Chapter 15 of the UK Official List.

The Placing

Under the Placing and Offer Agreement between the Company and JPMorgan Cazenove, JPMorgan Cazenove has agreed to use its reasonable endeavours to procure placees under the Placing for the Ordinary Shares comprised in the Issue.

Ordinary Shares are being made available under the Placing at 174p per Ordinary Share, to raise approximately £160 million before expenses.

Further details of the Placing and Offer Agreement are set out in paragraph 9 of Part 10 of this document. Commitments under the Placing must be for a minimum subscription amount of £2,000 and thereafter in multiples of £1,000.

The Offer for Subscription

The Company has also agreed to make an offer to the public pursuant to the Offer for Subscription. Ordinary Shares are being made available under the Offer for Subscription at a price of 174 pence per Ordinary Share, subject to the terms and conditions of application under the Offer for Subscription. These terms and conditions should be read carefully before an application is made. The Offer for Subscription will close at 3.00 p.m. on 24 April 2007.

If Ordinary Shares are acquired under the Offer for Subscription through financial intermediaries, a commission of up to 3 per cent. of the amount subscribed by the relevant investor will be payable to his or her financial intermediary. Where a commission is payable, the investor will receive such number of Ordinary Shares as is calculated by deducting from his or her total amount subscribed the commission payable to his or her financial intermediary and dividing the resultant amount by the Issue Price, save that any fractional Ordinary Share shall be rounded down and sold for the benefit of the Company. No commission will be payable to financial intermediaries in respect of Ordinary Shares acquired otherwise than pursuant to the Offer for Subscription.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £2,000 and thereafter in multiples of £1,000.

Completed application forms accompanied by a cheque or banker's draft in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours) to Lloyds TSB Registrars, Corporate Actions, 3rd Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX so as to be received by 3.00 p.m. on 24 April 2007.

General

The Issue is sponsored by JPMorgan Cazenove. It has not been underwritten.

The Directors shall be entitled at their absolute discretion not to proceed with the Issue if they determine, in consultation with the Sponsor, that it would not be viable to do so. The Issue will not proceed if the minimum size of £140m is not reached. In such circumstances subscription monies received under the Placing and Offer for Subscription would be returned to investors without interest.

Up to 91,954,023 Ordinary Shares are available under the Issue. In the event that commitments under the Placing and valid applications under the Offer for Subscription exceed 91,954,023 Ordinary Shares, commitments under the Placing and applications under the Offer for Subscription will be scaled back at the Directors' discretion (in consultation with the Sponsor) and thereafter no further commitments or applications will be accepted and the Placing and Offer for Subscription will be closed.

The results of the Issue will be announced by the Company on or around 27 April 2007 through a regulatory information service provider.

Settlement and dealings

The Issue Price under the Placing is payable in full in cash upon the issue of the Ordinary Shares. Under the Offer, the Issue Price is payable in full in cash upon application. To the extent that any application is rejected, in whole or in part, monies received will be returned without interest at the risk of the applicant.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 12 of this document and an application form for use under the Offer for Subscription is attached at the end of this document.

Ordinary Shares issued pursuant to the Issue will be issued in registered form and may be held either in certificated form or in uncertificated form and settled through CREST. It is expected that CREST accounts will be credited on Admission in respect of Ordinary Shares issued in uncertificated form and definitive certificates in respect of Ordinary Shares in certificated form will be despatched by post within ten Business Days of Admission. Temporary documents of title will not be issued. Unconditional dealings in the Ordinary Shares are expected to commence on 2 May 2007. Prior to Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock exchange at 8.00 a.m. on 27 April 2007. The earliest date for settlement of such dealings will be 2 May 2007. All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a "conditional basis", will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. These dates and times may be changed. Prior to despatch of share certificates in relation to Ordinary Shares to be registered in certificated form, transfers will be certified against the Register of Members.

Lock-up arrangements

Immediately following Admission, the Directors and their family interests will be interested, in aggregate, in 12,635,056 Ordinary Shares representing approximately 13 per cent. of the enlarged issued share capital of the Company. Under the terms of the Placing and Offer Agreement, which is described more fully in paragraph 9 of Part 10 of this document, the Directors have undertaken that, subject to certain exceptions, without the consent of JPMorgan Cazenove, they will not sell or otherwise dispose of, or agree to dispose of, any of their respective interests in the Ordinary Shares held immediately following Admission at any time prior to the first anniversary of Admission. The Castlemore Securities FURBS Scheme and Lara Whateley have given similar undertakings.

Share Incentives

The Directors believe that equity incentives are and will continue to be an important means of retaining, attracting and motivating senior management and key employees. Therefore, the Board proposes to offer to senior management and key employees the opportunity to participate in the future growth of the Company through the Share Incentive Schemes outlined below:

The Local Shopping REIT Plc Company Share Option Plan 2007 (the "CSOP")

The CSOP has been adopted by the Company conditional on Admission but with effect immediately prior to Admission. The Company is seeking the approval of the CSOP from HMRC. Such approval will not be given until Admission or shortly thereafter.

Once HMRC approval has been obtained in respect of the CSOP, the Company may grant options over Ordinary Shares to any employees of the Company and any of its subsidiaries selected at the discretion of the Remuneration Committee provided that such persons do not breach the statutory provisions relating to HMRC approved company share option plans. It is the intention of the Remuneration Committee that in relation to the grant of options under the CSOP no Directors shall receive such a grant and that, accordingly, the grant of options under the CSOP shall not normally be subject to the satisfaction of a performance target.

Further details of the principal terms of the CSOP are summarised at paragraph 5 of Part 10.

The Local Shopping REIT Plc Long Term Incentive Plan (2007) (the "LTIP")

The LTIP has been adopted by the Company conditional on Admission but with effect immediately prior to Admission.

Under the LTIP, awards over Ordinary Shares may be granted to any employees of the Company or any of its subsidiaries selected at the discretion of the Remuneration Committee. Awards will be granted at the discretion of the trustees of the EBT after consultation with the Remuneration Committee. It is the intention of the Remuneration Committee that the initial grant of awards under the LTIP will only be made to the executive Directors of the Company and also to Chris Moulden, the Group's senior asset manager.

Awards made under the LTIP shall be subject to the achievement of stretching performance targets. Further details of the principal terms of the LTIP and the performance targets that the Remuneration Committee intend to apply to the initial grant of awards under the LTIP are summarised at paragraph 5 of Part 10.

The Local Shopping REIT Plc Employee Benefit Trust (the "EBT")

The EBT is constituted by a trust deed entered into between the Company and LSR Trustee Limited ("EBT Trustee").

The EBT Trustee is able to either purchase existing Ordinary Shares in the market or subscribe for new Ordinary Shares.

It is intended that the EBT will be used in conjunction with the LTIP but it may be used to satisfy options granted under the CSOP or any other employees' share scheme adopted by the Company.

Further details of the EBT are set out at paragraph 5 of Part 10.

PART 4

THE CURRENT PORTFOLIO

A detailed list of the current portfolio is set out as a Schedule to the Valuation report in Part 5. Further analysis of this portfolio is set out below.

Summary of tenure

88.2 per cent. of the properties are freehold/virtual freehold, 11.4 per cent. of properties are long leasehold with leases expiring between 50 and 250 years, the remaining 0.4 per cent. of properties have shorter leaseholds.

Capital value

A breakdown of the capital value of the portfolio is as follows:

<i>Capital Value</i>	<i>No. of Properties</i>	<i>Value</i>	<i>Initial Yield (%)</i>
£0 – £100k	37	£3.2m	6.47
£101 – £200k	159	£24.5m	6.55
£201 – £500k	171	£53.7m	6.43
£501k – £1m	82	£59.0m	6.26
£1 – £3m	31	£48.3m	6.40
£3m +	4	£19.0m	5.73
Total	484	£207.7m	6.32

Regional weightings

The regional weightings of the property portfolio can be summarised as follows:

	<i>As a percentage of current Estimated Rental Value</i>
East Anglia	5.7
East Midlands	4.2
North	5.8
North West	9.2
Scotland	12.9
South East (including London)	26.2
South West	13.0
West Midlands	7.8
Wales	7.2
Yorkshire and Humberside	8.0

Lease length

The length of the leases can be summarised as follows:

	<i>As a percentage of portfolio Estimated Rental Value</i>
<i>Length of leases</i>	
Vacant	4.5
Rent guarantee	1.5
0-3 years	24.0
3-6 years	18.7
6-9 years	21.3
9+ years	30.0

PART 5
VALUATION REPORT



12 April 2007

The Directors
The Local Shopping REIT Plc
11 Hanover Street
London
W1S 1YQ

JPMorgan Cazenove Limited
20 Moorgate
London
EC2R 6DA

Dear Sirs

THE LOCAL SHOPPING REIT PLC (THE “COMPANY”)

In accordance with instructions received from the Directors of the Company, the freehold and unexpired leasehold interests in the properties held by subsidiaries of the Company, as set out on the attached schedule, have been valued for the purposes of the publication of a prospectus relating to the Company in connection with a proposed offer of shares in the Company and the admission of the Company’s shares to the Official List of the UK Listing Authority.

The majority of the properties are valued as at 28 February 2007 (the main portfolio) with the exception of those properties acquired between 1 March 2007 and 28 March 2007 which are to be valued as at 28 March 2007 (the March portfolio).

Over the past two years, Allsop LLP has earned fees from Castlemore Securities Ltd/the Company and its subsidiaries which represents less than 5% of our total fee income.

We are of the opinion that we are acting as an independent valuer in this matter.

The valuations have been carried out in compliance with the Practice Statements contained within the Appraisal and Valuation Standards 2003 prepared by the Royal Institution of Chartered Surveyors. The interests have been valued subject to and with the benefit of any lettings which have been disclosed. No allowance has been made for expenses incurred in sale nor for taxation that may arise in the event of a disposal, deemed or otherwise, although valuations are net of a purchaser’s costs. Estimates of rental or capital value exclude any VAT that may be applicable. Our opinion of value is stated in £.

As agreed with you, we have inspected the properties marked in the attached schedule as such. The substantial majority of the other properties were inspected on behalf of your debt providers by one of the following firms of property consultants – Bidwells, Aitchison Rafferty and Edward Symmonds – between the dates February 2006 and February 2007. We have had sight of the various valuation reports provided to your debt providers and have relied upon these reports with regard to the location of the properties, their description, physical condition, planning, environmental issues and Market Rents. We have obtained from these valuers the appropriate duty of care letters to our benefit. In addition, there are a small number of properties that we have not inspected, but these have been inspected by the property consultants above for debt purposes between May 2005 and February 2006. In these cases, we have undertaken our own research as to Market Rent and have reached a judgement in respect of all other matters. These properties are marked in the attached schedule as “not inspected”.

We have been provided with copy Reports on Title prepared by Olswang, Eversheds and Biggart Baillie in respect of the properties prepared at the time of the various acquisitions and in respect of those properties inspected by Allsop LLP we have been provided with revised update certificates prepared by Eversheds and Biggart Baillie prepared as at December 2006 and January 2007 respectively. In addition, we have relied upon update title and lease information supplied by the company in respect of all of the properties.

The properties have been valued on this basis and the understanding that there are no undisclosed matters that would affect the valuations. It is assumed, unless otherwise advised, that the title deeds and leases do not contain any unusual or onerous restrictions, covenants or other encumbrances which would affect the value of the properties.

Save as otherwise disclosed, it has been assumed for the purposes of valuation that the relevant interests in the properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.

No planning consents have been inspected save those disclosed by the Company, and it is assumed that the properties were erected, are occupied and used in accordance with all requisite consents and that there are no statutory requirements or notices outstanding. Where planning enquiries have been instituted information supplied by planning officers has been given without liability on their part and accordingly responsibility for this information cannot be accepted.

The properties have not been structurally surveyed for the purpose of the valuation, nor have the services been tested. The properties have been valued on the assumption that no known deleterious materials or techniques have been used in the construction of any of the buildings and that the ground is not susceptible to subsidence, shrinkage or any other similar hazard. No responsibility is accepted for any existing defects nor for those which may arise in the future.

The scope of our report does not extend to advice in relation to problems that may arise due to the failure of computerised service systems. In particular, we have not arranged for any investigations to be carried out to determine whether or not all equipment, plant and machinery and services which form part of or are contained within the properties which form the subject matter of the valuation and all equipment, plant and machinery and services of suppliers or other third parties which may impact upon the properties meet current requirements/standards. We are therefore unable to report that the equipment, plant and machinery and services referred to above comply with all relevant standards and requirements. For the purposes of our valuation therefore, we have assumed that the value of the properties will not be adversely affected by any problems with computerised equipment, plant or machinery which does not meet the relevant standards or requirements. Should it be established subsequently that the properties may be affected by problems with computerised equipment plant or other services, this may reduce the value reported below.

The value of each property has been assessed in accordance with the relevant parts of the Red Book. In particular, we have assessed Market Value in accordance with PS3.2. of the Appraisal and Valuation Standards 2003 prepared by the Royal Institution of Chartered Surveyors. Under these provisions, the term "Market Value" means "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

As required, we have valued each property separately with no premium attached to the portfolio as a whole or for any combinations of parts. However, in our opinion, given market conditions, it is possible that the portfolio as a whole or a whole or a combination of parts would attract a premium value. In our opinion, if the portfolio were to be valued as a whole, the premium applicable to the portfolio would be 5 to 10%. However, this premium has been ignored for the purpose of this valuation.

In summary, the main portfolio provides:

- 475 properties
- 1,385 tenants
- Total income of £13,619,691 pa
- Total Market Rent of £14,404,244 pa

In summary, the March portfolio provides:-

- 9 properties
- 24 tenants
- Total income of £183,497 pa
- Total Market Rent of £189,827 pa

Having regard to the foregoing, it is considered that the Market Values (the definition of which is attached hereto) of the interests held by the Company in the properties listed on the attached

schedules as at 28 February 2007 and 28 March 2007 respectively, subject to and with the benefit of the tenancies currently subsisting are as attached.

Main Portfolio

Freehold	£163,965,500 (one hundred and sixty three million nine hundred and sixty five thousand five hundred pounds)
Leasehold	£41,179,500 (forty one million one hundred and seventy nine thousand five hundred pounds)
TOTAL	£205,145,000 (two hundred and five million one hundred and forty five thousand pounds)

March Portfolio

Freehold	£1,662,000 (one million, six hundred and sixty two thousand pounds)
Leasehold	£867,500 (eight hundred and sixty seven thousand, five hundred pounds)
TOTAL	£2,529,500 (two million, five hundred and twenty nine thousand, five hundred pounds)

It is confirmed that the valuation has been carried out by a valuer or valuers who are qualified for the purposes required.

This Short Format Valuation Report is provided for the stated purpose. If our opinion of value as set out in this report is disclosed to persons other than the addressees of this report, the basis of valuation should be stated.

Neither the whole nor any part of this Short Format Valuation Report or any reference hereto may be included in any published document, circular or statement or published in any way without the valuer's written approval of the form and context in which it may appear.

Yours faithfully

EDWARD DUNNINGHAM BSC (HONS) MRICS
Partner
For Allsop LLP

MAIN PORTFOLIO

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Cambridge	40-42 Hills Road	E Anglia	F/H	Misc	28/09/2008			£15,500	£52,000	£52,000	£775,000	6.34%		
		E Anglia	F/H	Café	12/11/2021	13/11/2011		£27,500						
		E Anglia	F/H	AST	06/07/2007				£9,000					
Downham Market	1-5 High Street	E Anglia	F/H	Retail	31/03/2007			£10,400	£56,260	£68,260	£955,000	5.57%		
		E Anglia	F/H	Misc	05/04/2007			£12,000						
		E Anglia	F/H	Discount	09/04/2007			£9,000						
		E Anglia	F/H	Furniture/ Homeware	31/03/2007			£9,360						
		E Anglia	F/H	Takeaway	03/02/2013	04/02/2007		£9,000						
Ely	52-54 Market St	E Anglia	F/H	AST	24/05/2007			£6,000						
		E Anglia	F/H	Vacant				£0						
		E Anglia	F/H	Vacant				£0						
		E Anglia	F/H	Ground rent	24/12/2130	24/12/2030		£250						
		E Anglia	F/H	Ground rent	12/10/2121	11/10/2121		£250						
		E Anglia	F/H	Clothing	29/01/2013	30/01/2010		£6,500	£76,920	£79,312	£1,125,000		6.47%	
		E Anglia	F/H	Furniture/ Homeware	29/09/2012	29/09/2006		£21,000						
		E Anglia	F/H	Bookmaker	29/09/2012	07/10/2006		£16,000						
		E Anglia	F/H	Office	09/11/2010	08/11/2007		£11,420						
		E Anglia	F/H	Office	22/09/2009	22/09/2005		£22,000						
		E Anglia	F/H	Vacant	31/08/2006			£0						
		Great Yarmouth	76 Regent Road	E Anglia	F/H	Restaurant	03/04/2027	04/04/2009		£12,000	£22,540	£22,540	£315,000	6.83%
E Anglia	F/H			AST	14/02/2007			£3,380						
E Anglia	F/H			AST	15/02/2007			£3,000						
E Anglia	F/H			AST	17/04/2007			£4,160						
E Anglia	L/H			Hairdresser	28/09/2014	29/09/2008		£12,825	£23,325	£25,810	£345,000		6.45%	Allsop
Great Yarmouth	The Old Malthouse, Row 75-77	E Anglia	L/H	Recruitment	09/04/2013	01/12/2007		£4,000						
		E Anglia	L/H	Head rent	11/01/3005			£0						
		E Anglia	L/H	Café	20/04/2011	20/04/2009		£6,500						
		E Anglia	L/H	Head rent	11/01/3004			£0						
Lowestoft	6A Stradbroke Rd	E Anglia	F/H	Takeaway	30/05/2016	30/05/2007		£9,600	£9,600	£10,200	£145,000	6.51%	Allsop	
		E Anglia	F/H	Estate Agent	02/01/2016	03/01/2009		£19,000	£19,000	£19,000	£265,000		6.84%	
Norwich	3a&3b Corbett Avenue, NR7 8HR	E Anglia	F/H	Dry Cleaner	30/11/2016	01/12/2007		£6,000	£26,950	£28,600	£380,000	6.77%		
		E Anglia	F/H	Retail	01/11/2020			£14,000						
Peterborough	2 St.Martins St.	E Anglia	F/H	Retail	01/11/2020			£6,950						
		E Anglia	F/H	Estate Agent	16/05/2016	28/06/2009		£16,000	£23,540	£24,140	£330,000		6.81%	
Peterborough	729-731 Lincoln Rd.	E Anglia	F/H	AST	31/03/2007			£3,640						
		E Anglia	F/H	AST	31/03/2007			£3,900						
Peterborough	973, 973a Lincoln Rd	E Anglia	F/H	Restaurant	02/08/2017	03/08/2009		£16,000	£16,000	£15,200	£240,000	6.49%		

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
St. Neots	Units 1a & 3 Bishops Rd. 3/5/7 Andrew Rd	E Anglia	F/H	Furniture/ Homeware	23/06/2015	24/06/2010	26/07/2008	£8,500	£51,250	£56,930	£740,000	6.55%	Allsop	
		E Anglia	F/H	Food	30/05/2015	31/05/2009	31/05/2011	£8,500						
		E Anglia	F/H	Newsagent	31/08/2012	01/09/2007		£12,000						
		E Anglia	F/H	AST	10/11/2007			£7,800						
		E Anglia	F/H	AST	12/11/2007			£6,750						
		E Anglia	F/H	AST	31/03/2007			£7,200						
		E Anglia	F/H	Parking	31/03/2007			£500						
		E Anglia	F/H	Clothing	28/09/2020	29/09/2010		£55,000		£55,400	£770,000		6.75%	Allsop
		E Anglia	F/H	Ground Rent	19/07/2130			£0						
		E Anglia	F/H	Restaurant	02/09/2019	02/09/2009		£10,000		£54,820	£825,000		6.00%	Allsop
Stalham	131 High St	E Anglia	F/H	Newsagent	31/03/2020	31/03/2010		£11,000						
		E Anglia	F/H	Takeaway	28/09/2010			£11,000						
		E Anglia	F/H	Hairdresser	02/10/2010			£11,000						
		E Anglia	F/H	Takeaway	04/09/2027	05/09/2011		£9,000						
		E Anglia	F/H	Ground rent	23/06/2094	24/06/2020		£100						
		E Anglia	F/H	Parking	10/03/2007			£240						
		E Anglia	F/H	Estate Agent	23/06/2011			£13,500		£286,940	£4,330,000		6.27%	Allsop
		E Anglia	F/H	Jewellery/Gifts	24/03/2014	25/03/2009		£14,000						
		E Anglia	F/H	Jewellery/Gifts	31/07/2011	01/08/2006		£9,500						
		E Anglia	F/H	Bookmaker	30/04/2010			£20,000						
Sudbury	Borehamgate Shopping Centre	E Anglia	F/H	Satellite Dish	22/09/2003	29/09/2010		£500						
		E Anglia	F/H	Convenience	24/03/2014			£2,800						
		E Anglia	F/H	Takeaway	23/06/2008			£9,000						
		E Anglia	F/H	Jewellery/Gifts	21/07/2010	22/07/2007	21/07/2008	£15,000						
		E Anglia	F/H	Newsagent	24/03/2008			£8,350						
		E Anglia	F/H	Electrical	07/04/2014	08/04/2009	07/04/2009	£9,500						
		E Anglia	F/H	Café	20/12/2016	21/12/2007	21/12/2011	£11,000						
		E Anglia	F/H	Food	28/09/2014	29/09/2009		£10,000						
		E Anglia	F/H	Hairdresser	30/12/2012	31/12/2007		£8,500						
		E Anglia	F/H	Food	07/03/2008			£8,250						
Sudbury	Borehamgate Shopping Centre	E Anglia	F/H	Recruitment	04/06/2012	05/06/2007		£35,100						
		E Anglia	F/H	Discount	18/11/2011			£25,000						
		E Anglia	F/H	Office	31/07/2019		31/07/2009	£29,250						
		E Anglia	F/H	Office	18/02/2007			£2,500						
		E Anglia	F/H	Office	24/12/2007			£3,500						
		E Anglia	F/H	Office	31/07/2019	01/08/2008	31/07/2009	£4,900						
		E Anglia	F/H	Office	23/06/2018	24/06/2006	26/06/2009	£7,000						
		E Anglia	F/H	Office	31/07/2019	01/08/2008	31/07/2009	£3,590						
		E Anglia	F/H	Vacant				£0						
		E Anglia	F/H	Office	31/07/2019	01/08/2008	31/07/2009	£6,000						
E Anglia	F/H	Telecom Mast	29/09/2020	30/08/2008	29/09/2010	£7,000								

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
						30/01/2009	30/01/2012	£7,500					
		E Anglia	F/H	Telecom Mast	30/01/2021			£3,000					
		E Anglia	F/H	Office	25/03/2008			£5,100					
		E Anglia	F/H	AST	10/12/2007			£50					
		E Anglia	F/H	Ground rent	24/12/2078			£50					
		E Anglia	F/H	Ground rent	24/12/2078			£100					
		E Anglia	F/H	Ground rent	24/03/2153			£50					
		E Anglia	F/H	Ground rent	24/12/2080			£50					
		E Anglia	F/H	Ground rent	24/12/2078			£50					
		E Anglia	F/H	Ground rent	24/12/2078			£1,200					
		E Anglia	F/H	Parking	31/07/2002			£300					
		E Anglia	F/H	Parking	08/05/1998			£300					
		E Anglia	F/H	Parking	28/05/2003			£300					
		E Anglia	F/H	Parking	28/05/2003			£300					
Sub-Total									£11,870	£33,340	£385,000	2.94%	
						10/10/2010		£0					
Barton-upon-Humber	1/3 High St.	E Midlands	F/H	Vacant	10/10/2015								
		E Midlands	F/H	Cards	22/12/2008	22/12/2008		£4,850					
		E Midlands	F/H	Vacant	01/11/2006			£0					
		E Midlands	F/H	AST	28/02/2007			£3,900					
		E Midlands	F/H	AST	31/03/2007			£3,120					
		E Midlands	F/H	Convenience	14/12/2009			£3,720		£17,020	£205,000	8.08%	
		E Midlands	F/H	Beauty	14/10/2008			£6,000					
		E Midlands	F/H	Vacant	25/03/2007			£3,648					
		E Midlands	F/H	AST	31/03/2007			£3,648					
		E Midlands	F/H	Takeaway	24/08/2021	25/08/2011		£10,000		£14,160	£190,000	7.25%	
		E Midlands	F/H	AST	24/02/2007			£4,160					
		E Midlands	F/H	Off Licence	09/06/2025	10/06/2010		£13,000		£16,900	£230,000	7.15%	Allsop
		E Midlands	F/H	AST	14/08/2006			£3,900					
		E Midlands	F/H	Food	31/01/2021	01/08/2011		£7,800		£16,060	£200,000	7.82%	
		E Midlands	F/H	Ad Hoarding	07/12/2031	08/12/2007		£1,500					
		E Midlands	F/H	AST	31/03/2007			£6,760					
		E Midlands	L/H	Travel	26/10/2011			£11,000		£10,995	£178,000	6.01%	
		E Midlands	L/H	Head rent	30/08/2894			-£5					
		E Midlands	F/H	Café	15/02/2022	16/01/2012		£7,800		£14,120	£185,000	7.43%	
		E Midlands	F/H	AST	15/08/2007			£3,640					
		E Midlands	F/H	AST	15/08/2007			£2,680					
		E Midlands	L/H	Food	04/10/2025	04/10/2011		£5,200		£8,305	£102,500	7.96%	
		E Midlands	L/H	AST	31/03/2007			£3,380					
Glossop	1 Jackson's Building, Victoria Street												
Grimsby	145 Park St.												
Grimsby	246 Freeman St												

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Grimshy	259 Convamore Rd. 266 Henage Rd. 278 Station Rd. 56 Wintringham Road	E Midlands	L/H	Ground rent	31/07/2121	31/07/2026		-£225						
		E Midlands	L/H	Ground rent	31/07/2121	31/07/2061		-£50						
		E Midlands	F/H	Newsagent	28/04/2027	28/04/2009		£12,740	£10,920	£170,000	7.29%			
		E Midlands	F/H	Café	31/10/2018	01/11/2010		£6,760	£10,920	£150,000	7.15%			
		E Midlands	F/H	AST	04/03/2007			£4,160						
		E Midlands	F/H	Misc	30/11/2021	01/12/2011		£11,960	£11,985	£165,000	7.07%			
		E Midlands	L/H	Ground rent	20/12/2155	21/12/2055		£25						
		E Midlands	F/H	Misc	23/06/2009			£3,380	£9,880	£117,000	8.30%			
		E Midlands	F/H	AST	31/03/2007			£3,120						
		E Midlands	F/H	AST	31/03/2007			£3,380						
Grimshy	79 Lord St.	E Midlands	F/H	Takeaway	30/10/2021	31/10/2011		£6,500	£10,920	£130,000	8.26%			
		E Midlands	F/H	AST	31/05/2007			£4,420						
		E Midlands	F/H	Beauty	23/06/2011			£19,000	£49,500	£660,000	7.02%		Allsop	
Hanley	18-20 Stafford St	E Midlands	F/H	Café	23/06/2016	24/06/2011		£30,000						
		E Midlands	F/H	Sports	14/10/2010	14/10/2006		£17,500	£57,170	£755,000	6.75%			
Kettering	Unit 2 Market St	E Midlands	F/H	Clothing	28/02/2015	01/03/2007		£18,000						
		E Midlands	F/H	Café	20/02/2012	21/02/2009	20/02/2009	£18,000						
		E Midlands	F/H	Ground rent	01/02/2130			£50						
		E Midlands	F/H	Ground rent	01/02/2130			£50						
		E Midlands	F/H	Ground rent	31/02/2130			£50						
		E Midlands	F/H	Ground rent	31/02/2130			£50						
		E Midlands	F/H	Ground rent	31/02/2130			£50						
		E Midlands	F/H	Ground rent	31/02/2130			£50						
		E Midlands	F/H	Ground rent	31/02/2130			£50						
		E Midlands	F/H	Ground rent	31/02/2130			£50						
		E Midlands	F/H	Restaurant	28/09/2019	17/09/2009		£30,000	£30,600	£485,000	6.02%			Allsop
		E Midlands	F/H	Office	24/02/2118			£0						
		E Midlands	F/H	Ground rent	24/12/2127			£150						
		E Midlands	F/H	Ground rent	24/12/2127			£150						
		E Midlands	F/H	Ground rent	24/12/2127			£150						
Leicester	1-13 East Bond St	E Midlands	F/H	Ground rent	24/12/2127		£150							
		E Midlands	F/H	Beauty	01/04/2009			£4,860	£109,590	£1,477,000	6.78%			
		E Midlands	F/H	Clothing	01/09/2009			£4,500						
		E Midlands	F/H	Restaurant	20/05/2020			£16,000						
		E Midlands	F/H	Hairdresser	01/11/2012	24/06/2008		£7,540						
		E Midlands	F/H	Dry Cleaner	03/07/2008	01/11/2006		£9,250						
		E Midlands	F/H	Jewellery/Gifts	31/03/2007			£7,280						
		E Midlands	F/H	AST	31/03/2007			£4,800						
		E Midlands	F/H	AST	31/03/2007			£4,800						
		E Midlands	F/H	AST	31/03/2007			£5,100						
E Midlands	F/H	AST	31/03/2007			£4,740								

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status			
Northampton Nottingham	82a Abington St 354 Meadow Lane	E Midlands	F/H	AST	31/03/2007			£4,260								
			F/H	AST	31/03/2007			£4,260								
			F/H	AST	31/03/2007				£4,500							
			F/H	AST	31/03/2007				£4,500							
			F/H	AST	31/03/2007				£5,100							
			F/H	AST	31/03/2007				£4,740							
			F/H	AST	31/03/2007				£4,740							
			F/H	AST	31/03/2007				£3,900							
			F/H	Misc	31/03/2007				£480							
			F/H	Misc	31/03/2007				£480							
			F/H	Café	06/04/2020			06/04/2010		£48,000	£48,000	£46,500	£755,000	6.01%	Allsop	
			F/H	Takeaway	15/04/2006					£0	£0	£11,260	£125,000	0.00%	Allsop	
			F/H	Flat						£0						
			L/H	Newsagent	30/10/2021			31/10/2009		£13,500	£13,350	£10,150	£147,000	8.93%	Allsop	
			Nottingham	Bank Yard, Bulwell	E Midlands	L/H	Ground rent	20/03/2056			£0					
						L/H	Head rent	24/03/2056			-£150					
F/H	Beauty	24/06/2008							£6,000	£37,715	£37,715	£530,000	6.72%			
F/H	Beauty	24/06/2008							£1,250							
F/H	Misc	01/05/2011						01/05/2008		£6,100						
F/H	Clothing	29/09/2010						29/09/2007		£4,965						
F/H	Café	25/12/2008						24/12/2008		£7,630						
F/H	Misc	13/04/2007								£4,500						
F/H	Office	28/09/2007								£7,200						
L/H	Takeaway	15/09/2020						16/09/2008		£6,500	£11,299	£12,269	£180,000	6.11%		
Swadlincote	87-91 Market St.	E Midlands	L/H	AST	20/11/2006			£4,800								
			L/H	Head rent	29/09/2113			-£1								
			F/H	Food	23/04/2008			24/04/2007		£2,760	£24,214	£335,000	6.90%			
			F/H	Food	23/04/2008			24/04/2007		£2,760						
			F/H	Vacant	22/02/2008			24/04/2007		£8,500						
			F/H	Misc	22/02/2008					£1,194						
			F/H	AST	05/02/2007					£4,500						
			F/H	AST	07/07/2005					£4,500						
			F/H	Misc	30/12/2016			31/12/2011		£0	£0	£10,500	£150,000	0.00%	Allsop	
			F/H	Hairdresser	01/07/2007					£18,200	£25,100	£325,000	5.35%	Allsop		
Wellingborough	1a Silver St 26-28 High St	E Midlands	F/H	Dry Cleaner	03/08/2007			£0								
			F/H	Hairdresser	24/10/2009				£0							
			F/H	Vacant	09/11/2006				£3,300							
			F/H	AST	10/02/2007				£0							
			F/H	Vacant					£0							
			F/H	Vacant					£0							
Sub-Total													£8,331,500			

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Aintree	29 Warbreck Moor, L9 4RW	North	F/H	Misc	06/11/2008			£4,160	£11,960	£11,960	£132,500	8.87%	
Birtley	Winston Hse, Durham Rd	North	F/H	AST	07/05/2007			£3,900					
		North	F/H	AST	07/05/2007			£3,900					
		North	F/H	Newsagent	30/05/2025	31/05/2010		£13,000	£13,000	£13,000	£187,000	6.77%	Allsop
Bishop Auckland	73-77 Newgate St.	North	F/H	Discount	30/11/2017	01/12/2007		£77,500	£77,500	£93,200	£1,260,000	5.82%	Allsop
Blackpool	35 Talbot Road	North	F/H	Cards	30/04/2014	01/05/2008	18/04/2008	£10,000	£16,760	£15,010	£215,000	7.59%	
		North	F/H	AST	01/05/2007	01/05/2008		£6,760					
Blackpool	87 Waterloo Road	North	F/H	Food	31/07/2015	01/09/2009		£13,000	£17,420	£17,420	£240,000	7.06%	
		North	F/H	AST	20/01/2007			£4,420					
Gilesgate	Service Hse, Marshall Terrace	North	F/H	Convenience	24/09/2026	24/09/2010		£25,000	£25,000	£25,000	£365,000	6.54%	
Hartlepool	65/67 King Oswy Drive	North	F/H	Food	01/10/2016	01/10/2011		£7,000	£13,500	£16,900	£195,000	6.74%	
Leeds	1 Crossflatts Rd./ 281 Beeston Rd	North	F/H	Food	01/10/2016			£6,500					
		North	F/H	Takeaway	25/09/2018	26/09/2008		£7,280	£11,780	£9,200	£150,000	7.72%	Allsop
Liverpool	129-122 Muirhead Avenue East	North	F/H	AST	28/02/2007			£4,500	£21,001	£20,080	£250,000	8.18%	Allsop
		North	F/H	Newsagent	29/03/2017	30/03/2007		£8,761					
		North	F/H	Convenience	30/11/2015	01/12/2007		£5,760					
		North	F/H	AST	11/09/2004			£2,820					
		North	F/H	AST	24/03/2005			£3,660					
Liverpool	175-177 Lowerhouse Lane	North	F/H	Food	26/01/2021	26/01/2006	26/01/2011	£35,000	£42,500	£46,000	£675,000	5.95%	
		North	F/H	Takeaway	04/01/2015	04/01/2010		£7,500					
Liverpool	253-289 East Prescott Rd.	North	F/H	Financial	25/07/2011	26/07/2008	26/07/2008	£6,500	£103,650	£104,300	£1,500,000	6.53%	
		North	F/H	Newsagent	23/11/2010			£5,400					
		North	F/H	Convenience	25/10/2021	26/10/2011	26/10/2011	£5,750					
		North	F/H	Café	21/09/2011	22/09/2008	22/09/2008	£5,000					
		North	F/H	Hairdresser	28/09/2009			£4,800					
		North	F/H	Solarium	28/09/2009			£5,400					
		North	F/H	Bicycles	03/02/2006			£5,500					
		North	F/H	Furnishings	01/01/2017	01/01/2010	01/01/2009	£20,500					
		North	F/H	Misc	02/02/2009			£5,500					
		North	F/H	AST	31/03/2007			£4,500					
		North	F/H	AST	31/03/2007			£4,500					
		North	F/H	AST	31/03/2007			£4,500					
		North	F/H	AST	31/03/2007			£4,500					
		North	F/H	AST	31/03/2007			£4,500					
		North	F/H	AST	31/03/2007			£4,500					
		North	F/H	AST	31/03/2007			£4,200					

<i>Town</i>	<i>Address</i>	<i>IPD Region</i>	<i>Tenure</i>	<i>Tenant Occupation</i>	<i>Expiry Date</i>	<i>Rent Review</i>	<i>Break Date</i>	<i>Rent PA</i>	<i>TOTAL PASSING RENT PA</i>	<i>Market Rent PA</i>	<i>Market Value</i>	<i>Initial yield</i>	<i>Inspected Status</i>
Liverpool	55-57 Booker Avenue	North	F/H	AST	31/03/2007			£4,200	£34,150	£33,590	£475,000	6.86%	Allsop
		North	F/H	AST	31/03/2007			£3,900					
		North	F/H	Off Licence	17/05/2010			£10,350					
Liverpool	627 West Derby Rd.	North	F/H	Hairdresser	26/02/2010			£9,600	£10,000	£10,000	£150,000	6.55%	
		North	F/H	Beauty	07/08/2008			£6,000					
Liverpool	647 West Derby Rd.	North	F/H	Hairdresser	26/02/2010			£2,500	£9,700	£11,500	£140,000	6.81%	
		North	F/H	AST	20/01/2007			£5,700					
Liverpool	648 Prescott Rd	North	F/H	Dry Cleaner	28/09/2013	29/09/2008	03/10/2007	£10,000	£116,000	£119,800	£1,565,000	7.01%	Allsop
		North	F/H	Furniture/ Homeware	02/04/2009			£5,200					
Liverpool	90/90A Green Lane	North	F/H	Clothing	24/02/2008			£22,000	£5,200	£110,000		4.65%	
		North	F/H	AST	26/04/2007			£4,500					
		North	F/H	Bank	06/03/2007			£28,000					
		North	F/H	Newsagent	28/04/2017	29/04/2007	29/04/2009	£22,000					
		North	F/H	Gym	19/10/2011			£24,000					
		North	F/H	Telecom Mast	05/01/2019	06/01/2009		£10,000					
		North	F/H	Telecom Mast	29/03/2014	29/03/2009		£10,000					
		North	F/H	Off Licence	04/05/2014	05/05/2009	04/05/2011	£5,200					
		North	F/H	AST	24/10/2006			£4,940					
		North	L/H	Clothing	28/02/2009			£12,500					
Morley	117 Queen St	North	L/H	Head rent	31/12/2103			-£200	£12,300	£12,300	£177,000	6.76%	
		North	F/H	Café	08/01/2012	09/01/2009	09/01/2009	£8,000					
Shotton Colliery	Potto St. DH6 2LA	North	F/H	Convenience	14/01/2022	15/01/2012		£14,000	£8,000	£8,000	£112,000	7.02%	
		North	F/H	Off Licence	21/05/2019	21/05/2009		£12,650					
		North	F/H	Food	08/10/2013	09/10/2006		£12,500					
Silksworth	11 Blind Lane	North	F/H	Takeaway	26/07/2026	27/07/2011		£15,600	£14,000	£14,000	£210,000	6.49%	
		North	F/H	Off Licence	24/05/2019	24/05/2009		£8,750					
South Shields	116 Ocean Rd	North	F/H	Ground Rent	24/05/3003			£0	£12,650	£12,650	£197,000	6.25%	Allsop
		North	F/H	Financial	08/11/2011	09/11/2008		£30,950					
South Shields	3,4,5 Stanhope Parade	North	F/H	Financial	08/11/2011	09/11/2008		£8,000	£12,500	£12,500	£180,000	6.76%	
		North	F/H	Recruitment	19/10/2008	20/10/2006	19/10/2006	£11,250					
Spennymoor	4 King St.	North	F/H	Restaurant	21/12/2020	22/12/2010	22/12/2010	£14,300	£15,600	£11,400	£210,000	7.23%	
		North	F/H	Café	14/05/2008			£15,000					
Stockton-on-Tees	50 Darlington Rd	North	F/H	Hairdresser	25/09/2008			£6,000	£8,750	£9,840	£135,000	6.37%	Allsop
		North	F/H	Ground rent	07/02/2990			£0					
Sunderland	1-2 Frederick St	North	L/H	Retail	23/02/2007			£5,200	£79,500	£82,100	£1,150,000	6.54%	
		North	F/H	Vacant	12/04/2007			£5,400					
Wallasey	144-148 Wallasey Rd.	North	F/H	Beauty	20/04/2009			£7,200	£25,300	£28,900	£360,000	6.71%	
		North	F/H	SRT	31/03/2007			£1,500					

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Whitehaven	62/63 King St & 34/35 Lowther St.	North	F/H	Office	15/02/2017	16/08/2010	16/02/2009	£10,000	£47,500	£55,000	£750,000	5.99%	
		North	F/H	Clothing	01/10/2017	20/09/2008	30/09/2008	£10,000					
		North	F/H	Café	28/09/2020	28/09/2010	28/09/2015	£27,500					
Widnes	121 Albert Rd. WA8 6LB	North	F/H	Food	01/09/2011			£6,000	£11,400	£11,400	£157,500	7.04%	
		North	F/H	AST	28/02/2007			£5,400					
Yeadon	7-11 High Street/4, 4a Suffolk Court	North	F/H	Restaurant	03/09/2019	03/09/2009	03/09/2009	£15,000	£25,920	£25,920	£375,000	6.60%	
		North	F/H	AST	02/06/2007			£3,120					
		North	F/H	AST	31/01/2006			£7,800					
Sub-Total											£11,623,000		
Accrington	Unit 3 Broadway Hse.	NW	F/H	Dry Cleaner	01/09/2013	02/09/2008		£16,400	£16,400	£15,600	£245,000	6.51%	Allsop
Barrowford	The Fountains, Gisburn Rd	NW	F/H	Ground rent	01/01/3001			£75	£102,595	£102,595	£1,490,000	6.51%	Allsop
		NW	F/H	Ground rent	01/01/3001			£75					
		NW	F/H	Ground rent	01/01/3001			£75					
		NW	F/H	Ground rent	01/01/3001			£75					
		NW	F/H	Ground rent	01/01/3001			£75					
		NW	F/H	Ground rent	01/01/3001			£75					
		NW	F/H	Ground rent	01/01/3001			£75					
		NW	F/H	Convenience	13/12/2026	14/12/2011		£51,495					
		NW	F/H	Jewellery/Gifts	24/02/2018	24/02/2008		£13,500					
		NW	F/H	Clothing	05/06/2013	06/06/2007		£13,000					
		NW	F/H	Restaurant	13/05/2028	14/05/2007		£24,000					
Birkenhead	100 Laird St.	NW	F/H	Misc	12/10/2008			£4,000	£11,690	£5,690	£140,000	8.21%	
		NW	F/H	AST	08/06/2007			£6,000					
		NW	F/H	AST	01/05/2007			£1,690					
Birkenhead	720 Borough Rd	NW	F/H	Beauty	21/06/2008			£5,200	£5,200	£6,000	£75,000	6.81%	
Birkenhead	752 Borough Rd	NW	F/H	Vacant				£0	£4,800	£7,880	£145,000	3.25%	Allsop
		NW	F/H	AST	10/04/2007			£4,800					
Blackburn	58 Darwen St	NW	F/H	Vacant				£0	£0	£9,660	£115,000	0.00%	Allsop
Bolton	117 Market St.	NW	F/H	Florist	31/07/2020	01/08/2015	01/08/2010	£15,600	£15,587	£12,987	£215,000	7.06%	
		NW	L/H	Ground Rent	23/12/2889			-£13					
Bolton	45 Newport St.	NW	F/H	Misc	10/06/2011			£20,250	£20,250	£20,250	£286,000	6.76%	
Bolton	6-8 Kearsley Mount	NW	F/H	Misc	01/07/2016			£2,860	£5,990	£6,250	£86,000	6.85%	
		NW	F/H	AST	01/06/2007			£3,120					
Bolton	71-77 Newport Street, Bolton	NW	F/H	Grd Rent Charity	30/04/2014	30/10/2009	30/10/2009	£65,000	£65,000	£66,300	£880,000	6.98%	Allsop

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Bolton	840 Bury Road	NW	L/H	Charity	08/07/2010			£8,500	£8,525	£8,525	£120,000	6.98%	Allsop	
		NW	L/H	Ground rent	24/11/2120			£25						
		NW	L/H	Head rent	31/07/2894			£0						
		NW	F/H	Hairdresser	08/04/2013			£3,518	£8,458	£8,840	£95,000	8.75%		
Bromborough	14 Allport Lane	NW	F/H	AST	31/03/2007			£4,940						
		NW	F/H	Photos	11/08/2010	12/08/2007		£13,000	£16,380	£17,300	£250,000	6.38%	Allsop	
		NW	F/H	AST	31/03/2007			£3,380						
Bromborough	43 Allport Lane	NW	F/H	Discount	30/06/2007			£11,500	£11,500	£12,000	£160,000	7.00%		
		NW	L/H	Beauty	10/11/2017	10/11/2007		£7,800	£7,300	£9,900	£120,000	5.98%		
Burnley	3 Brown St.	NW	L/H	Head rent	06/06/2156			-£500						
		NW	F/H	Takeaway	03/07/2026	03/07/2011		£13,000	£17,200	£13,410	£225,000	7.44%		
Crewe	108 Earle St.	NW	F/H	AST	30/03/2007	03/02/2007		£4,200						
Eccles	291 Liverpool Rd.	NW	F/H	Newsagent	23/01/2015	24/01/2007		£8,320	£8,320	£8,320	£115,000	7.11%		
Ellesmere Port	12 Overpool Road, Cheshire, CH66 1JN	NW	F/H	Beauty	09/08/2010			£5,000	£5,000	£12,200	£132,500	3.71%		
		NW	F/H	Vacant	31/03/2007			£0						
Ellesmere Port	331-333 Chester Rd. Little Sutton	NW	F/H	Vacant	23/08/2014	24/08/2009	24/08/2009	£14,000	£22,000	£22,000	£310,000	6.77%		
		NW	F/H	Misc										
		NW	F/H	Estate Agent	14/05/2016	15/05/2011		£8,000						
Galborne	83, 89, 91 High St.	NW	F/H	Misc	28/02/2011	01/03/2009		£6,300	£28,200	£44,180	£355,000	7.58%		
		NW	F/H	Misc	31/03/2007			£2,640						
		NW	F/H	Misc	01/05/2012	30/04/2007		£6,500						
		NW	F/H	Ad Hoarding	17/05/2008			£540						
		NW	F/H	AST	31/03/2007			£4,420						
		NW	F/H	AST	31/03/2007			£3,640						
		NW	F/H	AST	31/03/2007			£4,160						
Heywood	72, 74, 76, 78 Sutherland Rd	NW	F/H	Convenience	07/02/2015	07/02/2010		£20,000	£25,200	£26,500	£385,000	6.25%		
		NW	F/H	Takeaway	31/03/2027	31/03/2009		£5,200						
		NW	F/H	Misc	21/05/2021	31/05/2011		£30,000	£30,000	£30,000	£425,000	6.74%		
Heywood	York St.	NW	F/H	Jewellery/Gifts	25/03/2008			£7,500	£7,500	£7,500	£105,000	7.02%		
		NW	L/H	Food	15/01/2011			£19,500	£26,000	£26,000	£350,000	7.09%		
		NW	L/H	Jewellery/Gifts	29/06/2010			£6,500						
Kirkby Lonsdale	8 Market St. U 1,2,3 Lune Quays	NW	L/H	Jewellery/Gifts	01/04/3003			£0						
		NW	F/H	Misc	06/03/2128			£100	£154,801	£154,801	£2,400,000	6.50%	Allsop	
		NW	F/H	Misc										
Leigh	17-45 Mkt St., 2a Lord St, 5 Bradshawgate	NW	F/H	Takeaway	20/10/2018	21/10/2008		£11,000						
		NW	F/H	Clothing	28/09/2014	29/09/2009		£10,950						
		NW	F/H	Pet Shop	11/11/2014	12/11/2009		£10,000						

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Leigh	51a Leigh Road	NW	F/H	Pet Shop	08/05/2009			£10,000						
		NW	F/H	Discount	25/10/2016	25/10/2011	26/10/2008	£45,000						
		NW	F/H	Discount	01/09/2016			£33,000						
		NW	F/H	Clothing	28/09/2011	29/09/2006		£45,000						
		NW	F/H	Substation	23/06/2064			£1						
		NW	F/H	Beauty	31/10/2016	01/11/2009		£8,500	£6,500	£8,500	£130,000	£130,000	6.43%	
		NW	F/H	AST	01/05/2007			£4,440						
		NW	F/H	Hairdresser	01/02/2008			£6,000	£10,800	£10,800	£150,000	£150,000	7.08%	
		NW	F/H	AST	31/02/2007			£4,800						
		NW	F/H	Café	16/01/2012			£5,400	£5,400	£5,400	7.08%			
Mossley	No.3 Stamford St.	NW	F/H	Newsagent	01/06/2015	02/06/2010		£13,000	£13,000	£15,170	£195,000	6.49%		
		NW	L/H	Café	17/05/2009	17/05/2007		£6,000	£5,995	£6,495	£84,000	7.01%		
New Ferry	23 Bebbington Road, CH62 5BE	NW	L/H	Head rent	21/02/2927			£0			£175,000	-0.01%		
		NW	L/H	Takeaway	01/03/2032	02/03/2012	-£5							
New Moston	6-8 Broadway	NW	L/H	Head rent	14/09/2893			£19						
		NW	L/H	Recruitment	13/07/2008			£14,500	£33,400	£33,400	£445,000	7.17%		
Newton-le-Willows	72 Park Road South	NW	L/H	AST	31/03/2007			£3,300						
		NW	L/H	AST	31/03/2007			£3,900						
		NW	L/H	AST	31/03/2007			£3,900						
		NW	L/H	AST	31/03/2007			£3,900						
		NW	L/H	Charity	01/06/2015	01/06/2010		£6,000						
		NW	L/H	Vacant	27/08/2007			£3,900						
		NW	L/H	AST	17/07/2007			£3,900						
		NW	L/H	Head rent				£3,900						
		NW	L/H	AST	15/06/2007									
		NW	L/H	Head rent	13/08/2835									
Oxton	24a&b Wellington Rd Prenton	NW	F/H	Off Licence	24/05/2019	24/05/2009		£18,000	£18,000	£16,400	£250,000	7.01%	Allsop	
		NW	L/H	Estate Agent	07/08/2010	11/09/2010		£17,000	£17,000	£17,800	£255,000	6.36%		
Rochdale	140 Yorkshire St.	NW	L/H	Chemist	10/09/2015			£24,575	£232,591	£252,737	£3,680,000	5.98%		
		NW	L/H	Bookmaker	25/08/2014	26/08/2009		£11,750						
St. Helens	Four Acre Shopping Centre WA9 4BZ	NW	L/H	Food	26/05/2018	27/05/2008		£10,000						
		NW	L/H	Beauty	11/09/2008			£16,600						
		NW	L/H	Newsagent	25/10/2015	26/10/2010		£33,500						
		NW	L/H	Florist	29/10/2008			£7,300						
		NW	L/H	Takeaway	06/04/2024	07/04/2009		£8,000						
		NW	L/H	Beauty	01/08/2006			£7,000						
		NW	L/H	Takeaway	06/03/2022	07/03/2007		£7,000						

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Stafford	15-17 Salter St.& Unit A North Walls	NW	L/H	Food	03/06/2027	24/06/2007		£115,000	£51,600	£54,880	£825,000	5.91%	Allsop	
		NW	L/H	Substation	05/12/2074			£1						
		NW	L/H	AST	31/03/2007				£4,200					
		NW	L/H	AST	20/06/2006				£4,200					
		NW	L/H	AST	31/03/2007				£3,800					
		NW	L/H	Head rent	24/12/2072		25/12/2016		-£20,335					
		NW	F/H	Estate Agent	29/02/2016		01/03/2007		£16,000					
Stockport	142-146 Elliott St.	NW	F/H	Office	16/04/2012	17/04/2007	17/04/2008	£3,500						
		NW	F/H	Office	29/05/2008			£3,000						
		NW	F/H	Vacant	17/01/2008			£4,100						
		NW	F/H	Charity	20/06/2009	21/06/2006		£13,000						
		NW	F/H	Misc	21/03/2019	22/03/2009	22/03/2009	£12,000						
		NW	F/H	Convenience	14/11/2015	13/11/2010	Rolling	£10,400						
		NW	F/H	AST	12/04/2007			£6,600						
Tyldesley, Manchester	147 London Rd.	NW	L/H	Off Licence	24/05/2019	24/05/2009		£9,500	£9,497	£9,497	£138,000	6.76%	Allsop	
		NW	L/H	Ground rent	25/11/2824			£1						
Wallasey	132-134 Poulton Rd. Wirral CH44 9DL	NW	L/H	Ground rent	25/11/2824			£1						
		NW	L/H	Ground rent	25/11/2824			£1						
		NW	L/H	Head rent	05/12/2824			-£5						
		NW	F/H	Off Licence	19/12/2010			£6,500	£6,500	£6,500	£150,000		4.26%	
		NW	F/H	Flat				£0						
Wallasey	14 Seaview	NW	F/H	Flat				£0						
		NW	L/H	Misc	28/09/2014	29/09/2009		£7,500	£7,475	£7,475	£100,000		7.35%	
		NW	L/H	Head rent	23/04/3001			-£25						
		NW	F/H	Travel	26/10/2011			£21,000	£21,000	£21,000	£365,000		5.49%	
Warrington	34 Lizeard Way 137 / 139 Orford Lane	NW	L/H	Ground rent	15/08/2857			£4	£27,036	£25,736	£350,000	7.37%		
		NW	L/H	Takeaway	11/01/2030	12/01/2008		£11,700						
		NW	L/H	AST	11/01/2030	12/01/2008		£3,640						
		NW	L/H	Takeaway	31/01/2027	01/02/2011		£11,700						
		NW	L/H	Head rent	15/08/2857			-£4						
		NW	L/H	Head rent	22/09/2857			-£4						
		NW	F/H	Beauty	22/06/2014	23/06/2009		£15,000	£15,000	£12,000	£195,000		7.49%	
Warrington	673 Knutsford Rd. 82-86 Bridge St	NW	F/H	Bookmaker	22/12/2020	23/12/2010		£30,000	£56,000	£61,600	£925,000	5.72%	Allsop	
		NW	F/H	Stationery	12/07/2012	12/07/2007		£14,000						
		NW	F/H	Vacant	25/03/2006			£0						
		NW	F/H	Office	25/12/2009			£12,000						
Wigan	53 Ormskirk Rd.	NW	L/H	Financial	27/09/2007			£8,000	£7,995	£7,995	£112,000	7.02%		
		NW	L/H	Head rent	11/11/2947			-£5						
Winsford	2/5 Cheviot Square	NW	F/H	Takeaway	29/10/2019	28/10/2009	29/10/2014	£8,000	£8,000	£8,000	£120,000	6.55%		
Sub-Total													£18,350,500	

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Aberdeen	311 George Street	Scotland	F/H	Takeaway	31/07/2018			£12,000	£12,000	£11,400	£175,000	6.67%	Allsop
Aberdeen	91 Urquhart Rd	Scotland	F/H	Newsagent	26/11/2024	27/11/2009		£9,799	£9,799	£10,000	£140,000	6.88%	Allsop
Airdrie	17/23 Bank St.& 1-3 Anderson St. Scotland	Scotland	L/H	Head rent	09/10/2123	10/10/2008		-£13,890	£129,010	£138,115	£2,025,000	6.02%	
		Scotland		Financial	26/02/2015	02/02/2010		£16,250					
		Scotland		Chemist	30/09/2015	01/08/2010		£30,150					
		Scotland		Optician	26/07/2018	01/08/2008		£20,000					
		Scotland		Bank	21/12/2014	11/11/2009		£49,000					
		Scotland		Travel	19/08/2015	01/08/2010		£10,500					
		Scotland		Vacant	23/11/2007			£17,000					
Airdrie	18 Bank St.	Scotland	F/H	Travel	26/10/2011			£15,000	£15,000	£15,600	£240,000	6.08%	
Alloa	36 Mill St.	Scotland	F/H	Clothing	28/05/2014	28/05/2009		£21,500	£21,500	£24,200	£340,000	6.04%	
Ayr	24 Hope St. & 3 New Market St.	Scotland	F/H	Food	27/05/2007			£37,300	£52,300	£52,900	£780,000	6.34%	
Ayr	5 Alloway St.	Scotland	F/H	Charity	24/05/2007			£15,000					
Ayr	75 High St.	Scotland	F/H	Travel	26/10/2011			£32,500	£32,500	£30,900	£500,000	6.21%	
Ayr	86 High Street	Scotland	F/H	Café	12/10/2014			£45,000	£45,000	£56,100	£740,000	5.75%	
		Scotland	F/H	Vacant				£0	£0	£25,100	£320,000	0.00%	Not inspected
Bellshill	175 Main St.	Scotland	F/H	Travel	26/10/2011			£12,000	£12,000	£12,000	£185,000	6.31%	
Blairstown	2 Allan Street	Scotland	F/H	Misc	31/05/2014	01/06/2007	31/05/2009	£9,250	£9,250	£9,000	£135,000	6.73%	
Bonnyrigg	26 High St	Scotland	F/H	Hairdresser	27/05/2010	27/03/2010		£15,000	£15,000	£11,500	£200,000	7.30%	Allsop
Bonnyrigg	Bonnyrigg	Scotland						£0					
Broxburn	1-3 Henderson Place	Scotland	F/H	Misc	31/12/2011	01/01/2008		£10,000	£10,000	£11,000	£135,000	7.28%	
Broxburn	38 East Main St.	Scotland	F/H	Hairdresser	01/02/2012	02/02/2007	02/02/2007	£5,200	£5,200	£5,200	£76,000	6.72%	
Broxburn	4 Greendykes Rd.	Scotland	F/H	Beauty	24/07/2013	25/07/2008		£9,250	£9,250	£10,300	£135,000	6.73%	
Carlisle	48 & 50 High St. Carlisle	Scotland	F/H	Café	29/03/2012	29/03/2007		£6,650	£13,150	£12,810	£170,000	7.53%	Allsop
Carlisle	74 High St.	Scotland	F/H	Electrical	02/10/2008	02/10/2008		£6,500					
		Scotland	L/H	Estate Agent	05/12/2014	06/12/2007	06/12/2009	£6,000	£6,000	£5,000	£85,000	6.94%	
		Scotland	L/H		01/01/2791			£0					
Cowdenbeath	343 High St.	Scotland	F/H	Travel	26/10/2011			£11,500	£11,500	£11,500	£175,000	6.40%	
Dalkeith	4 High St.	Scotland	F/H	Discount	27/07/2016	28/07/2011		£10,500	£10,500	£10,500	£150,000	6.88%	
Dalkeith	83 High St.	Scotland	F/H	Travel	26/10/2011			£9,500	£9,500	£10,600	£155,000	5.96%	
Dalkeith	9/11 White Hart St	Scotland	F/H	Misc	07/12/2016	08/04/2011		£14,200	£14,200	£14,200	£205,000	6.74%	
Dumbarton	113 High St	Scotland	F/H	Travel	28/08/2017	28/08/2007		£23,000	£23,000	£23,500	£350,000	6.27%	Allsop
Dundee	294 Perth Rd	Scotland	F/H	Takeaway	17/11/2017			£15,000	£15,000	£11,000	£210,000	6.95%	Allsop
Dundee	73 Strathmartine Rd	Scotland	F/H	Takeaway	23/03/2025			£14,300	£14,300	£11,100	£200,000	6.96%	Allsop
Dunoon	208/210 Argyle St.	Scotland	F/H	Travel	26/10/2011			£6,500	£6,500	£6,500	£100,000	6.39%	
Edinburgh	122 Gorgie Rd.	Scotland	F/H	Misc	16/10/2010	17/10/2008		£6,000	£6,000	£6,550	£95,000	6.21%	Allsop
Edinburgh	133 Polwarth Crescent	Scotland	F/H	Estate Agent	31/07/2009			£12,000	£12,000	£12,000	£180,000	6.49%	

<i>Town</i>	<i>Address</i>	<i>IPD Region</i>	<i>Tenure</i>	<i>Tenant Occupation</i>	<i>Expiry Date</i>	<i>Rent Review</i>	<i>Break Date</i>	<i>Rent PA</i>	<i>TOTAL PASSING RENT PA</i>	<i>Market Rent PA</i>	<i>Market Value</i>	<i>Initial yield</i>	<i>Inspected Status</i>
Edinburgh	15 Portland Place	Scotland	F/H	Beauty	30/04/2011	01/05/2008		£5,980	£5,980	£5,980	£85,000	6.91%	
Edinburgh	156 Gorgie Rd	Scotland	F/H	Misc	13/04/2015	01/05/2008		£6,000	£6,000	£6,160	£95,000	6.21%	Allsop
Edinburgh	162 Albert St.	Scotland	F/H	Misc	07/05/2009			£3,952	£3,952	£3,950	£60,000	6.47%	
Edinburgh	178 Easter Rd.	Scotland	F/H	Misc	30/08/2011	31/08/2009	31/08/2009	£5,980	£17,160	£17,160	£250,000	6.68%	
Edinburgh	18 Hope Park Terrace	Scotland	F/H	Takeaway	31/07/2016	31/07/2011	31/07/2011	£11,180					
Edinburgh	18 Hope Park Terrace	Scotland	F/H	Takeaway	10/11/2025	11/11/2010		£13,000	£13,000	£13,000	£190,000	6.66%	
Edinburgh	18 South Clerk St	Scotland	F/H	Takeaway	25/08/2015	26/08/2011		£12,500	£12,500	£12,500	£185,000	6.58%	Allsop
Edinburgh	191 Balgreen Rd.	Scotland	F/H	Misc	06/04/2016	07/04/2009		£8,000	£8,000	£6,000	£110,000	7.15%	
Edinburgh	1A Brougham Place	Scotland	F/H	Misc	31/05/2015	31/05/2010	01/06/2010	£9,000	£19,000	£20,600	£275,000	6.60%	Allsop
Edinburgh	2 Brougham Place	Scotland	F/H	Misc	22/12/2011	22/12/2008		£10,000					
Edinburgh	290 Gorgie Road	Scotland	F/H	Vacant				£0	£0	£5,940	£80,000	0.00%	Allsop
Edinburgh	3 Beaufort Rd.	Scotland	F/H	Misc	30/06/2015	01/07/2010	01/07/2010	£5,000	£5,000	£6,010	£80,000	6.14%	Allsop
Edinburgh	3 Montagu Terrace	Scotland	F/H	Vacant				£0	£0	£6,000	£80,000	0.00%	Allsop
Edinburgh	3&5 Cranston Street	Scotland	F/H	Charity	28/02/2014	01/03/2007		£16,000	£16,000	£17,100	£225,000	6.92%	Allsop
Edinburgh	30 Dalry Road	Scotland	F/H	Hairdresser	02/01/2009	01/11/2007		£8,500	£8,500	£8,500	£125,000	6.68%	
Edinburgh	30 Montrose Terrace	Scotland	F/H	Charity	31/10/2009	31/10/2008		£4,992	£4,992	£5,000	£75,000	6.54%	
Edinburgh	368 Gorgie Road	Scotland	F/H	Food	10/09/2027	11/09/2007		£15,000	£15,000	£17,000	£240,000	6.08%	
Edinburgh	372 Gorgie Road	Scotland	F/H	Beauty	10/09/2011			£5,980	£5,980	£5,980	£95,000	6.19%	
Edinburgh	4 Chapel St	Scotland	F/H	Takeaway	30/05/2020	01/06/2010	01/06/2010	£5,500	£5,500	£5,500	£85,000	6.36%	Allsop
Edinburgh	40 Ashley Terrace	Scotland	F/H	Misc	30/04/2016	01/05/2009	01/05/2011	£10,000	£10,000	£10,000	£150,000	6.55%	
Edinburgh	53 Salisbury Rd.	Scotland	F/H	Charity	23/10/2014	24/10/2008	23/10/2008	£13,000	£13,000	£10,000	£185,000	6.84%	Allsop
Edinburgh	54 Belford Road	Scotland	F/H	Café	21/06/2026	13/06/2011		£9,500	£9,500	£6,275	£133,000	7.02%	
Edinburgh	63 Newton Church Rd.	Scotland	F/H	Misc	08/10/2016	09/10/2009		£7,500	£7,500	£7,250	£110,000	6.70%	
Edinburgh	64 Home St	Scotland	F/H	Food	20/07/2016	21/07/2009	21/08/2011	£14,000	£14,000	£14,000	£205,000	6.65%	
Edinburgh	81/83 Slateford Road	Scotland	F/H	Restaurant	30/09/2027	01/10/2007		£25,000	£25,000	£25,100	£350,000	6.82%	Allsop
Edinburgh	9 Drum St.	Scotland	F/H	Beauty	10/11/2012	11/11/2009		£8,750	£8,750	£8,750	£123,000	6.99%	
Edinburgh	99 Easter Rd	Scotland	F/H	Food	29/02/2016	01/03/2009	01/03/2011	£5,200	£5,200	£5,200	£75,000	6.81%	
Edinburgh	99 Portobello High St.	Scotland	F/H	Misc	08/09/2010	09/09/2007		£4,264	£4,264	£4,280	£70,000	5.99%	
Edinburgh	Joppa Rd	Scotland	F/H	Hairdresser	31/05/2015	01/06/2008	31/05/2010	£10,000	£10,000	£10,000	£150,000	6.55%	Allsop
Elgin	Spynie Stores, 27 Morrison Road	Scotland	L/H	Convenience	17/09/2025	18/09/2009		£13,000	£13,000	£13,000	£180,000	7.03%	
Falkirk	1/3 Vicar St.	Scotland	F/H	Financial Office	05/05/2015	06/05/2006	Rolling	£23,500	£37,250	£35,500	£520,000	6.77%	Allsop
Galashiels	53 High St.	Scotland	F/H	Office	31/08/2010			£13,750					
Galashiels	Galashiels	Scotland	F/H	Hairdresser	27/11/2018	28/02/2009		£14,000	£14,000	£14,000	£195,000	6.99%	
Girvan	28 Dalrymple St.	Scotland	F/H	Off Licence	02/11/2020	03/11/2010		£9,000	£9,000	£9,000	£135,000	6.55%	Not inspected

<i>Town</i>	<i>Address</i>	<i>IPD Region</i>	<i>Tenure</i>	<i>Tenant Occupation</i>	<i>Expiry Date</i>	<i>Rent Review</i>	<i>Break Date</i>	<i>Rent PA</i>	<i>TOTAL PASSING RENT PA</i>	<i>Market Rent PA</i>	<i>Market Value</i>	<i>Initial yield</i>	<i>Inspected Status</i>
Girvan	47 Dalrymple St.	Scotland	F/H	Travel	26/10/2011			£6,000	£6,000	£6,000	£90,000	6.55%	
Glasgow	2 Havelock St.	Scotland	F/H	Estate Agent	05/02/2017	06/02/2012		£27,000	£27,000	£27,000	£450,000	5.73%	
Glasgow	281 Castlemilk Rd	Scotland	F/H	Off Licence	02/11/2020	03/11/2010	11/11/2010	£9,000	£9,000	£9,000	£135,000	6.55%	Allsop
Glasgow	343 Victoria Rd	Scotland	F/H	Charity	11/11/2015	12/11/2010	11/11/2010	£12,000	£12,000	£12,400	£175,000	6.67%	Allsop
Glasgow	364 Victoria Rd	Scotland	F/H	Off Licence	13/11/2020	14/11/2010	14/11/2010	£7,500	£7,500	£7,700	£115,000	6.41%	Allsop
Glasgow	467 Duke St.	Scotland	F/H	Bookmaker	01/01/2010			£13,000	£13,000	£10,700	£155,000	8.16%	
Glasgow	50 Howard St.	Scotland	F/H	Takeaway	05/09/2021	05/09/2011		£17,500	£17,500	£19,800	£250,000	6.81%	Allsop
Glasgow	576/578 Maryhill Rd	Scotland	F/H	Recruitment	03/08/2009			£6,500	£11,500	£14,760	£165,000	6.78%	Allsop
		Scotland	F/H	Office	03/10/2009			£5,000					
Greenock	120 West Blackhall St.	Scotland	F/H	Estate Agent	05/10/2011			£14,500	£14,500	£14,600	£207,500	6.80%	
Greenock	5/7 West Blackhall St.	Scotland	F/H	Misc	28/02/2007			£25,000	£25,000	£29,000	£390,000	6.12%	Allsop
Hamilton	112 Quarry Street, Hamilton	Scotland	F/H	Footwear	17/08/2019	17/08/2009		£19,000	£19,000	£20,400	£270,000	6.72%	Allsop
Hamilton	30 Quarry St.	Scotland	F/H	Charity	27/05/2013	28/05/2008		£23,000	£23,000	£23,000	£340,000	6.46%	
Hamilton	58 Quarry Street, Hamilton	Scotland	F/H	Jewellery/Gifts	10/11/2018	02/02/2009		£28,000	£28,000	£26,900	£370,000	7.22%	Allsop
Hamilton	74/76 Quarry St.	Scotland	F/H	Travel	26/10/2011			£29,000	£29,000	£35,000	£425,000	6.51%	
Hamilton	8 Quarry Place	Scotland	F/H	Chemist	05/09/2016	06/09/2011	05/09/2011	£13,750	£13,750	£13,750	£205,000	6.53%	
Hamilton	96 Quarry St.	Scotland	F/H	Optician	02/02/2017	02/02/2012	02/02/2012	£20,000	£20,000	£21,600	£285,000	6.70%	
Hawick	39a High St.	Scotland	F/H	Food	28/09/2009			£28,500	£28,500	£28,800	£420,000	6.48%	
Inverkeithing	24 High St.	Scotland	F/H	Hairstresser	30/06/2010			£7,500	£7,500	£7,500	£100,000	7.37%	Allsop
	Inverkeithing, Fife												
Kilmarnock	25 Portland St.	Scotland	F/H	Misc	25/06/2016	26/06/2011	26/06/2011	£18,500	£18,500	£20,000	£275,000	6.42%	
Kilmarnock	58 Portland St.	Scotland	F/H	Clothing	03/09/2015	04/09/2010		£93,800	£93,800	£93,800	£1,475,000	6.01%	
Kilmarnock	Units 4, 8, 10 Portland Gate	Scotland	F/H	Beauty	08/10/2015	09/10/2010		£40,000	£85,000	£79,600	£1,260,000	6.38%	Allsop
Kilwinning	84-86 Main St.	Scotland	F/H	Amusements	11/10/2015	11/10/2010		£45,000					
Kirkcaldy	267 High St.	Scotland	F/H	Charity	31/07/2015	31/07/2010		£9,000	£9,000	£9,740	£135,000	6.55%	
Kirkcaldy	273 High St.	Scotland	F/H	Retail	19/01/2017	19/01/2012	19/01/2012	£10,000	£10,000	£10,000	£142,000	6.92%	
Kirkcaldy	279 High St.	Scotland	F/H	Beauty	25/07/2016	07/04/2009	25/07/2011	£6,000	£6,000	£6,270	£85,000	6.94%	
Kirkcaldy	405 High St.	Scotland	F/H	Dry Cleaner	26/11/2026	27/11/2011	27/11/2016	£12,000	£12,000	£12,000	£173,000	6.75%	
Kirkcaldy	69 High Street	Scotland	F/H	Takeaway	30/11/2016	01/12/2009		£20,800	£20,800	£20,800	£285,000	6.97%	
Largs	21 Main St.	Scotland	F/H	Charity	01/02/2016	02/02/2011	02/02/2011	£20,450	£20,450	£20,500	£300,000	6.51%	
Largs	73 Main St.	Scotland	F/H	Off licence	28/11/2009			£15,000	£15,000	£15,000	£216,000	6.76%	
Laurieston	239a Grahamsdyke St.	Scotland	F/H	Travel	26/10/2011			£11,500	£11,500	£11,500	£180,000	6.22%	
		Scotland	F/H	Convenience	04/10/2021			£9,000	£9,000	£7,800	£115,000	7.69%	
Leith	163 Great Junction St	Scotland	F/H	Dentist	08/03/2017	09/03/2012		£0	£0	£13,000	£185,000	0.00%	Allsop
Leith	280 Bonnington Rd. Leith	Scotland	F/H	Takeaway	05/11/2024	05/11/2013	05/11/2009	£16,800	£16,800	£12,700	£200,000	8.18%	Allsop
Leith	30 Great Junction St.	Scotland	F/H	Furniture/Homeware	01/02/2013	02/02/2008		£11,520	£11,520	£11,520	£160,000	7.01%	Allsop

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Montrose	77/79 Murray St.	Scotland	F/H	Misc	04/05/2011			£10,000	£10,000	£10,000	£145,000	6.78%	
Montrose	91 North Esk Rd	Scotland	F/H	Newsagent	28/02/2025	15/02/2007		£11,000	£11,000	£11,000	£153,000	7.00%	Allsop
Musselburgh	27 High Street	Scotland	F/H	Food	30/08/2031	31/08/2009		£25,000	£25,000	£23,000	£350,000	6.82%	
Musselburgh	9 Stoneybank Terrace, EH21 6LY	Scotland	F/H	Food	26/05/2016	27/05/2009		£13,000	£13,000	£11,000	£180,000	7.03%	
Newton Stewart	22 Victoria St.	Scotland	F/H	Off Licence	02/11/2020	03/11/2010		£8,000	£8,000	£8,610	£120,000	6.55%	Not inspected
Newton Stewart	50-52 Victoria St.	Scotland	F/H	Jewellery/Gifts	28/10/2009			£5,500	£5,500	£6,000	£80,000	6.76%	
Newtongrange	126 Main St.	Scotland	F/H	Beauty	31/10/2012	01/11/2007		£5,000	£5,000	£5,000	£70,000	7.02%	
Perth	19 County Place	Scotland	F/H	Convenience	17/08/2015	17/08/2008		£7,800	£7,800	£5,600	£100,000	7.67%	
Perth	2/6 Leonard St.	Scotland	F/H	Off Licence	13/11/2020	14/11/2010	14/11/2010	£7,500	£7,500	£7,500	£109,000	6.76%	Allsop
Perth	13 Princes St	Scotland	F/H	Takeaway	06/03/2026	07/03/2015		£9,880	£9,880	£9,880	£145,000	6.70%	Allsop
Prestonpans	133 High St.	Scotland	F/H	Beauty	28/09/2012	28/09/2007	28/09/2007	£7,500	£7,500	£7,600	£107,500	6.86%	
Prestonpans	147 High St.	Scotland	F/H	Beauty	31/07/2015	31/07/2007		£4,500	£4,500	£4,500	£63,000	7.02%	
Renfrew	No.2 High St.	Scotland	F/H	Travel	26/10/2011			£10,500	£10,500	£11,000	£170,000	6.01%	Not inspected
Rothsay	27 Montague St.	Scotland	F/H	Off Licence	02/11/2020	03/11/2010		£10,000	£10,000	£8,110	£140,000	7.02%	
Rutherglen	46 Main St. 7a Mill St.	Scotland	F/H	Furniture/ Furniture/ Homeware	25/07/2020	25/07/2010		£31,000	£38,201	£36,101	£515,000	7.01%	Allsop
		Scotland	F/H	Furniture/ Homeware	30/11/2009			£5,000					
		Scotland	F/H	Ad Hoarding	13/01/2008			£1,600					
		Scotland	F/H	Ad Hoarding	13/01/2008			£601					
Stranraer	No.14 George St.	Scotland	F/H	Financial	06/12/2011		07/12/2008	£20,000	£21,250	£21,250	£290,000	7.00%	
		Scotland	F/H	Misc	24/09/2011			£1,250					
Stranraer	No.20 Bridge St.	Scotland	F/H	Travel	26/10/2011			£10,300	£10,300	£10,300	£155,000	6.47%	
Whitburn	34 West Main St.	Scotland	F/H	Café	12/01/2012	10/01/2009		£13,500	£13,500	£12,800	£185,000	7.10%	
Wishaw	286-288 Coltness Rd.	Scotland	F/H	Convenience	05/04/2010	06/04/2008		£12,250	£12,250	£14,700	£175,000	6.81%	
Wishaw	31/37 Main St	Scotland	F/H	Clothing	24/03/2011			£46,500	£46,500	£43,600	£675,000	6.51%	Allsop
Wishaw	6 Main Street	Scotland	F/H	Electrical	19/04/2009			£9,500	£9,500	£9,460	£133,000	7.02%	Allsop
Wishaw	68-74 Kirk Rd.	Scotland	L/H	Furniture/ Homeware	30/03/2030	31/03/2010		£33,000	£32,998	£29,998	£425,000	7.41%	
Sub-Total		Scotland	L/H		11/11/2861			-£2					
											£27,336,000		
Bexhill on Sea	113 London Rd.	SE	L/H	Ground rent	28/09/2103	28/09/2037		£75	£6,125	£6,625	£95,000	6.34%	
Bexhill on Sea	114 London Rd.	SE	L/H	Financial	25/01/2014			£6,000					
		SE	L/H	Ground rent	14/08/2012			£50					
Bishops Stortford	Florence Walk	SE	F/H	Food	28/09/2013	29/07/2007		£10,500	£119,800	£157,920	£2,275,000	4.98%	Allsop
		SE	F/H	Jewellery/Gifts	06/06/2011			£7,250					
		SE	F/H	Food	04/09/2013	04/09/2007		£6,300					

Town	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
	SE	F/H	Clothing	04/09/2013	22/06/2007	25/10/2008	£9,750					
	SE	F/H	Clothing	04/09/2013	25/10/2008	25/10/2008	£9,000					
	SE	F/H	Jewellery/Gifts	25/11/2008	26/11/2007		£10,500					
	SE	F/H	Clothing	28/09/2011	29/09/2007		£19,950					
	SE	F/H	Furniture/ Homeware	31/08/2009			£9,000					
	SE	F/H	Jewellery/Gifts	28/09/2013	14/08/2007		£7,600					
	SE	F/H	Restaurant	28/09/2013	29/09/2007		£12,300					
	SE	F/H	Restaurant	28/09/2013	29/09/2007		£8,450					
	SE	F/H	Food	28/09/2013	28/09/2007		£8,000					
	SE	F/H	Misc	28/09/2013	29/09/2007		£600					
	SE	F/H	Ground Rent	28/09/2088	28/09/2022		£100					
	SE	F/H	Ground Rent	24/03/2127	24/03/2035		£100					
	SE	F/H	Ground Rent	28/09/2126	28/09/2034		£100					
	SE	F/H	Ground rent	28/09/2088	28/09/2022		£100					
	SE	F/H	Ground rent	28/09/2088	28/09/2022		£100					
	SE	F/H	Ground rent	24/03/2127	24/03/2035		£100					
	SE	F/H	Access	31/03/2139			£0					
Bognor Regis	SE	F/H	Estate Agent	30/09/2007			£12,000	£50,150	£52,400	£730,000	6.50%	Allsop
	SE	F/H	Estate Agent	24/12/2006			£20,000					
	SE	F/H	Estate Agent	01/07/2011	01/07/2008	30/06/2008	£7,500					
	SE	F/H	Restaurant	13/07/2020	13/07/2010		£10,500					
	SE	F/H	Ground Rent	24/12/2085			£50					
	SE	F/H	Ground Rent	24/12/2085			£50					
	SE	F/H	Ground Rent	24/12/2085			£50					
Braintree	SE	F/H	Office	08/06/2010			£18,500	£33,500	£40,400	£530,000	5.98%	
Braintree	SE	F/H	Hairdresser	01/08/2010			£14,400					
Braintree	SE	F/H	Office	31/01/2013	01/02/2008		£10,250	£464,790	£520,528	£7,625,000	5.76%	Allsop
	SE	F/H	Office	31/01/2013	01/02/2008		£2,850					
	SE	F/H	Office	24/07/2050			£0					
Braintree	SE	F/H	Optician	21/11/2009			£28,000					
	SE	F/H	Club	29/11/2008	30/11/2007		£27,000					
	SE	F/H	Estate Agent	24/12/2016	25/12/2011	25/12/2011	£17,200					
	SE	F/H	Bookmaker	24/12/2012	25/12/2007		£25,750					
	SE	F/H	Estate Agent	13/12/2009			£15,750					
	SE	F/H	Ground rent	29/09/2127	29/09/2035		£100					
	SE	F/H	AST	22/10/2007			£4,800					
	SE	F/H	AST	30/04/2007			£4,920					
	SE	F/H	Misc	28/05/2002			£500					
Braintree	SE	F/H	Parking	04/07/2007			£1,750					
	SE	F/H	Substation	30/11/2077	01/12/2008		£248					
	SE	F/H	Vacant	30/09/2006			£0					
			Horn Yard & Service Yard									

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Braintree	Leather Lane	SE	F/H	Parking	23/06/2007			£500						
		SE	F/H	Bookmaker	13/06/2007			£9,000						
		SE	F/H	Discount	24/12/2008			£18,000						
	Market Street	SE	F/H	Restaurant	28/09/2013	29/09/2008			£9,000					
		SE	F/H	Gym	19/05/2015				£8,500					
		SE	F/H	Food	01/10/2011				£11,000					
		SE	F/H	Vacant					£0					
		SE	F/H	Footwear	23/06/2013	24/06/2009			£7,950					
		SE	F/H	Misc	11/07/2014	12/07/2008			£9,000					
		SE	F/H	Misc	08/07/2007				£8,250					
Braintree	New Street	SE	F/H	Beauty	28/09/2015	24/06/2007		£9,250						
		SE	F/H	Dry Cleaner	31/10/2012				£14,300					
		SE	F/H	Café	08/11/2011	09/11/2006			£8,500					
		SE	F/H	Misc	01/05/2013	02/05/2009			£12,000					
		SE	F/H	Clothing	28/10/2013	29/10/2009			£16,250					
		SE	F/H	Travel	24/12/2012	25/12/2007			£29,500					
		SE	F/H	Charity	24/12/2008				£14,000					
		SE	F/H	Food	24/12/2008				£11,750					
		SE	F/H	Bank	24/12/2008				£12,900					
		SE	F/H	Financial	03/06/2014	04/06/2007			£6,500					
Braintree	Office units	SE	F/H	Clothing	01/11/2011	02/11/2006		£22,500						
		SE	F/H	Clothing	28/09/2013	29/09/2009		£10,500						
		SE	F/H	Beauty	27/07/2015	28/07/2008		£11,000						
		SE	F/H	Discount	24/11/2015	24/11/2009		£20,000						
		SE	F/H	Vacant				£0						
		SE	F/H	Vacant				£0						
		SE	F/H	Vacant				£0						
		SE	F/H	Vacant				£0						
		SE	F/H	Office	24/12/2008				£6,402					
		SE	F/H	Office	21/12/2008				£3,000					
Brighton	142-143 Edward St 45 London Road	SE	F/H	Office	27/03/2011			£9,800						
		SE	F/H	Recruitment	15/01/2014	16/01/2007		£16,600						
		SE	F/H	Restaurant	04/04/2012	04/04/2008		£18,000	£18,000	£265,000	6.48%	Allsop		
		SE	L/H	Newsagent	10/04/2020	11/04/2008		£18,000	£18,000	£265,000	6.48%	Allsop		
		SE	L/H	Head rent	01/08/3004			£0						
Burgess Hill	97 Church Walk	SE	F/H	Clothing	23/06/2013	29/07/2008		£11,000	£11,200	£170,000	6.41%	Allsop		
		SE	F/H	Ground rent	16/03/2128			£200						
Caversham	8 Bridge St. Caversham	SE	F/H	Photos	22/11/2010			£15,500	£15,500	£250,000	6.03%	Allsop		
Chelmsford	Springfield Hse	SE	F/H	Misc	22/05/2010			£35,750	£92,310	£1,300,000	6.71%	Allsop		
		SE	F/H	Office	03/10/2007			£19,553						
Chelmsford	Springfield Hse	SE	F/H	Office	04/09/2007			£17,550						
		SE	F/H	Office	31/08/2010			£15,210						
		SE	F/H	Access	14/09/2006			£4,247						

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status		
Chelmsford	Units 1, 2, 4 Capital Sq	SE	L/H	Misc	28/06/2008		28/06/2007	£37,485	£97,936	£97,400	£1,500,000	6.17%	Allsop		
		SE	L/H	Furniture/ Homeware	23/10/2020	24/10/2010			£42,500						
		SE	L/H	Sports	12/10/2016	13/10/2011			£19,000						
		SE	L/H	Head rent	31/12/2158				-£1,049						
Chelmsford	177-178 Moulsham St.	SE	F/H	Bookmaker	28/09/2010			£16,330	£46,580	£55,100	£775,000	5.68%	Allsop		
		SE	F/H	Furniture/ Homeware	28/09/2010			£15,250							
Chertsey	95-101 Guildford St.	SE	F/H	Office	31/12/2013	01/01/2008	01/01/2009	£15,000							
		SE	F/H	Food	24/12/2012	25/12/2007		£41,260	£41,260	£46,550	£675,000	5.78%			
Cotchester	21/23 Head St	SE	F/H	Recruitment	24/12/2013	25/12/2008		£50,000	£68,500	£66,700	£1,125,000	5.76%	Allsop		
		SE	F/H	Financial	28/09/2013	29/09/2008		£18,500							
Colchester	3 Peddars Close Portal Precinct	SE	F/H	WareHse	28/09/2007			£35,500	£35,500	£37,200	£525,000	6.39%	Allsop		
		SE	F/H	Clothing	13/11/2007			£9,800	£67,550	£71,000	£1,065,000	6.00%	Allsop		
Colchester		SE	F/H	Clothing	24/06/2014	25/06/2009	25/06/2007	£11,500							
		SE	F/H	Furniture/ Homeware	23/06/2010			£14,750							
Crowthorne	197-208 High St.	SE	F/H	Hairdresser	01/11/2013	01/11/2007	01/11/2007	£18,000							
		SE	F/H	Café	30/03/2009			£13,500							
		SE	F/H	Hairdresser	31/12/2203				£0						
		SE	F/H	Hairdresser	31/12/2203				£0						
		SE	F/H	Estate Agent	22/01/2016	23/01/2011			£18,000						
		SE	F/H	Estate Agent	29/11/2015	30/11/2010			£17,250						
		SE	F/H	Misc	14/07/2015	15/07/2010			£16,000						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		SE	F/H	Ground rent	01/01/2203				£250						
		Dorking	215 High St	SE	F/H	Ground rent	02/01/2203			£250					
SE	F/H			Ground rent	01/01/2203			£250							
Dorking		SE	F/H	Misc	31/12/2020	01/01/2010		£40,000	£40,500	£625,000	6.05%	Allsop			

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Drayton	141 Havant Road	SE	L/H	Misc	10/12/2021	08/12/2011		£15,000	£14,999	£14,999	£216,000	6.76%		
		SE	L/H	Head rent	10/12/3005			-£1						
		SE	F/H	Vacant	17/01/2008			£55,000	£126,100	£125,500	£1,530,000	7.76%	Allisop	
Dunstable	Centre Poynte, Poynters Rd	SE	F/H	Sports	23/06/2007			£30,500						
		SE	F/H	Misc	31/01/2016	01/02/2009		£40,000						
		SE	F/H	Ground rent	16/11/2980			£0						
Eastbourne	108 Seaside	SE	F/H	Florist	02/11/2016	03/11/2011		£7,000	£7,070	£7,070	£100,000	6.95%	Not inspected	
		SE	F/H	Ground rent	25/12/2085			£35						
Eastbourne	2/4 Susans Rd	SE	F/H	Ground rent	25/12/2085			£35						
		SE	F/H	Takeaway	01/11/2019	18/11/2009		£6,500	£12,200	£12,200	£185,000	6.42%	Allisop	
		SE	F/H	Misc	05/10/2007			£5,500						
Eastbourne	40 Grove Rd	SE	F/H	Ground rent	24/12/2084	24/12/2018		£50						
		SE	F/H	Ground rent	24/12/2084	24/12/2018		£50						
		SE	F/H	Ground rent	24/12/2084	24/12/2018		£50						
		SE	F/H	Ground rent	24/12/2084	24/12/2018		£50						
		SE	F/H	Charity	28/03/2010	28/03/2008		£12,000	£12,400	£12,400	£210,000	5.75%	Allisop	
		SE	F/H	Ground Rent	24/12/2100	25/12/2034		£100						
Eastbourne	Beaumont Hse, 16/ 20 South St	SE	F/H	Ground Rent	24/12/2100	25/12/2034		£100						
		SE	F/H	Ground Rent	24/12/2100	25/12/2034		£100						
		SE	F/H	Ground Rent	24/12/2100	25/12/2034		£100						
Eastleigh	25 Leigh Rd.	SE	F/H	Clothing	26/08/2016	27/08/2007		£12,500	£33,500	£34,800	£490,000	6.53%	Allisop	
		SE	F/H	Misc	22/11/2016	23/11/2011		£11,000						
		SE	F/H	Estate Agent	27/10/2016	28/10/2007		£10,000						
Eastleigh	44 Twyford Rd.	SE	F/H	Ground rent	24/03/2130			£0						
		SE	F/H	Ground rent	25/12/2129			£0						
		SE	F/H	Ground rent	25/12/2129			£0						
Eastleigh	52 Market St.	SE	F/H	Ground rent	25/12/2129	01/08/2011		£0						
		SE	F/H	Pawnbroker	31/07/2021			£21,000	£32,400	£30,500	£500,000	6.19%		
		SE	F/H	AST	31/03/2007			£5,400						
Eastleigh	44 Twyford Rd.	SE	F/H	AST	31/03/2007			£6,000						
		SE	F/H	Beauty	27/02/2012			£14,000						
		SE	F/H	Vacant				£0						
Eastleigh	52 Market St.	SE	F/H	Misc	23/03/2015	24/03/2008		£25,000	£31,000	£31,000	£450,000	6.58%		
		SE	F/H	AST	30/06/2007			£6,000						
		SE	F/H	Food	06/10/2013	07/10/2007		£7,540	£7,020	£6,980	£100,000	6.90%		
Erith	9 Pier Road	SE	L/H	Head rent	21/09/2156			-£520						
		SE	L/H	Retail	06/12/2009			£5,720	£5,845	£5,845	£82,000	7.01%		
Gravesend	24 Pelham Rd South	SE	F/H	Ground rent	19/05/2120			£125						
		SE	L/H	Café	21/09/2013	22/09/2008		£21,500	£21,500	£21,500	£300,000	6.84%	Allisop	
		SE	L/H	Head rent	31/05/2301			£0						

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Grays	11 Crammavill St. Stifford Clays	SE	L/H	Retail	23/06/2009			£9,500	£9,400	£11,400	£135,000	6.84%		
		SE	L/H	Head rent Dry Cleaner	30/06/2192 24/12/2010			-£100 £7,250	£7,150	£9,900	£105,000	6.69%		
		SE	L/H	Head rent Misc Office	30/06/2187 31/07/2024 31/05/2010	01/08/2014		-£100 £25,000 £7,800	£41,340	£39,340	£610,000	6.41%		
Haslemere	10-12 Petworth Rd Stifford Clays	SE	F/H	Ground rent	15/12/2122			£100						
		SE	F/H	Ground rent	15/12/2122			£100						
		SE	F/H	AST	31/03/2007			£8,340						
Hastings	Castle Court	SE	L/H	Photos	05/06/2012	06/06/2007		£11,500	£117,665	£119,665	£1,560,000	7.13%		
		SE	L/H	Jewellery/Gifts	17/04/2007			£8,500						
		SE	L/H	Furniture/ L/H Homeware	15/09/2013	15/09/2013		£55,000						
Haywards Heath	42/44 South Rd	SE	L/H	Jewellery/Gifts	25/03/2016	23/03/2006		£12,800						
		SE	L/H	Restaurant	24/12/2020	25/12/2010		£27,000						
		SE	L/H	Café	23/06/2009			£4,000						
		SE	L/H	Misc	25/12/2020	24/12/2010		£550						
		SE	L/H	Ground rent	22/12/2159			£115						
		SE	F/H	Hardware	23/03/2008			£11,500	£54,040	£55,140	£915,000	5.58%	Allsop	
		SE	F/H	Furniture/ Homeware	24/09/2014	24/09/2009		£27,000						
		SE	F/H	AST	21/04/2007			£6,300						
		SE	F/H	AST	31/03/2007			£4,200						
		SE	F/H	AST	21/03/2007			£5,040						
		SE	F/H	Vacant				£0			£17,400	£265,000	0.00%	Allsop
		Herne Bay	77 High St	SE	F/H	Vacant				£0	£0	£17,400	£265,000	0.00%
SE	F/H			Café	23/03/2018	24/03/2009		£14,400	£14,550	£200,000	7.08%			
SE	F/H			AST	24/09/2090	23/09/2024		£50						
Herne Bay	79 High St	SE	F/H	AST	23/09/2089	23/09/2024		£50						
		SE	F/H	AST	23/09/2089	23/09/2024		£50						
		SE	F/H	AST	23/09/2089	23/09/2024		£50						
Hove	248 Portland Rd.	SE	L/H	Photos	01/05/2983			£0	£0	£11,975	£150,000	0.00%		
		SE	L/H	Head rent	10/09/2013	09/09/2009		-£25						
		SE	F/H	Hairdresser	16/11/2130			£12,750	£12,850	£12,850	£190,000	6.58%	Allsop	
Hove	65 Boundary Rd	SE	F/H	Ground rent	04/07/2025	04/07/2010		£100						
		SE	L/H	Takeaway				£20,000	£20,000	£15,800	£280,000	6.82%	Allsop	
		SE	L/H	Head rent	29/09/3001			£0						
Leigh on Sea	1159-1161 London Rd.	SE	F/H	Restaurant	15/05/2026	16/05/2009		£30,000	£30,000	£35,400	£490,000	5.84%		
		SE	F/H	Vacant				£0						
Lewes	29 Station St.	SE	L/H	Cards	30/07/2016	17/07/2008		£15,000	£15,000	£15,000	£210,000	6.95%		
		SE	L/H	Head rent	16/01/2084	17/07/2008		£0						
		SE	L/H	Head rent				£0						

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Littlehampton	Unit 2, Viking Terrace	SE	L/H	Restaurant	13/07/2031	01/04/2011		£22,000	£21,850	£21,850	£310,000	6.73%	
		SE	L/H	Head rent	31/12/2129			-£150					
London	113 Church Rd	SE	L/H	Estate Agent	20/07/2014	01/07/2009		£15,000	£15,000	£15,600	£215,000	6.79%	
		SE	L/H	Head rent	16/08/3004			£0					
London	12 Artillery Row	SE	L/H	Café	07/11/2026	08/11/2011		£31,500	£31,500	£31,600	£520,000	5.73%	
London	128 Hammersmith Rd	SE	L/H	Beauty	28/09/2020	29/09/2010		£11,000	£10,850	£12,650	£165,000	6.40%	
		SE	L/H	Head rent	14/06/2075			-£150					
London	13 Artillery Row	SE	L/H	Head rent	27/05/2986			£0					
London	185 Shirland Rd	SE	L/H	Food	23/06/2030	24/06/2009		£12,000	£12,000	£12,000	£185,000	6.31%	
		SE	L/H	Head rent	24/12/3003			£0					
London	188 Tulse Hill	SE	F/H	Misc	11/07/2009			£6,000	£6,125	£6,125	£215,000	2.77%	Allsop
		SE	F/H	AST	31/03/2007			£7,020					
		SE	F/H	Ground rent	12/02/2128			£50					
London	2 Market Court,	SE	F/H	Ground Rent	28/09/2084			£75					
	263 Hoxton St.	SE	L/H	Hairstresser	15/02/2016	16/02/2011		£12,000	£11,750	£11,950	£190,000	6.02%	
London	298 Battersea Park Rd	SE	F/H	Misc	30/06/2016	01/07/2008		£13,000	£13,000	£17,000	£220,000	5.75%	
London	3 Market Court,	SE	L/H	Head rent	30/12/2128	30/12/2028		-£250					
London	263 Hoxton St.	SE	F/H	Food	02/03/2026	03/03/2010		£24,000	£37,400	£33,400	£550,000	6.43%	
	522-524 Roman Rd	SE	F/H	Beauty	12/08/2017	13/08/2007		£13,000					
		SE	F/H	Ground rent	24/03/2127			£100					
		SE	F/H	Ground rent	24/03/2127			£100					
		SE	F/H	Ground rent	24/03/2127			£100					
		SE	F/H	Ground rent	24/03/2127			£100					
London	575 Roman Road	SE	L/H	Pawnbroker	24/03/2016	25/03/2006		£12,000	£12,000	£14,000	£200,000	5.84%	Allsop
		SE	L/H	Head rent	25/03/3005			£0					
London	67 Greenford Avenue	SE	F/H	Café	28/01/2013			£8,700	£8,830	£9,130	£125,000	6.94%	
		SE	F/H	Ground rent	24/03/2110	24/03/2010		£30					
		SE	F/H	Ground rent	23/06/2102	23/06/2036		£100					
Lower Sydenham	Bell Green	SE	F/H	Food	30/06/2010	01/07/2007		£4,500	£21,960	£26,480	£870,000	2.39%	
		SE	F/H	Misc	31/01/2001			£5,500					
		SE	F/H	Takeaway	15/09/2017			£5,200					
		SE	F/H	Hairstresser	24/07/2015	25/07/2010		£6,760					
Lower Sydenham	Holmeshaw Close	SE	F/H	AST	29/12/2006			£1,365					
		SE	F/H	AST	29/12/2006			£1,365					
		SE	F/H	AST	29/12/2006			£1,365					
		SE	F/H	AST	29/12/2006			£1,365					
South Norwood	73 High Street	SE	F/H	Electrical	11/08/2020	12/08/2010		£12,000	£12,200	£12,200	£175,000	6.78%	
		SE	F/H	Ground Rent	21/01/2131			£100					

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Wandsworth	501a, 501b Old York Rd	SE	F/H	Ground Rent	20/12/2130	21/12/2030		£100						
		SE	F/H	Photos	28/09/2016	29/09/2006	21/09/2011	£36,000	£36,100	£39,100	£615,000	5.55%	Allsop	
Loughton	252 High St. Loughton	SE	F/H	Ground Rent	31/01/3000			£100						
		SE	F/H	Jewellery/Gifts	31/12/2007			£20,000	£92,811	£115,502	£1,685,000	5.21%	Allsop	
Maldstone	44 Lower Stone St 80 Bank St. Maldstone	SE	F/H	Takeaway	24/03/2013	25/03/2008		£24,350						
		SE	F/H	Estate Agent	02/09/2012	03/09/2007		£46,159						
		SE	F/H	Ground Rent	31/07/2086			£75						
		SE	F/H	Ground Rent	31/07/2086			£75						
		SE	F/H	Ground Rent	31/07/2086			£75						
		SE	F/H	Ground Rent	28/09/2063			£1						
		SE	F/H	Ground Rent	31/07/2086			£75						
		SE	F/H	Ground Rent	28/09/2063			£1						
		SE	F/H	Ad Hoarding	28/02/1994				£2,000					
		SE	F/H	Clothing	05/09/2014	07/09/2009	07/09/2009		£12,000	£12,000	£12,900	£170,000	6.87%	Allsop
		SE	F/H	Financial	31/03/2017	01/04/2007			£23,000	£23,000	£17,800	£325,000	6.76%	Allsop
		Maldon	1,1a,1b,3,7/7a High St, 2 Gate St.	SE	F/H	Footwear	28/09/2011	29/09/2008		£9,000	£69,561	£70,890	£1,000,000	6.58%
SE	F/H			Jewellery/Gifts	19/09/2008			£10,000						
SE	F/H			Misc	08/04/2013	08/04/2007		£10,000						
SE	F/H			Ground rent	28/09/2176			£25						
SE	F/H			Jewellery/Gifts	17/05/2014	18/05/2008	18/05/2008		£12,500					
SE	F/H			Estate Agent	24/12/2008			£13,000						
SE	L/H			Ground rent	28/09/2176			£5						
SE	F/H			Office	31/08/2006			£5,977						
SE	F/H			Misc	12/05/2008			£2,455						
SE	F/H			AST	14/11/2008			£6,600						
SE	F/H			Restaurant	30/04/2008	01/05/2007		£14,600		£23,000	£278,000		6.22%	
Milton Keynes	50 Lennon Drive, MK8 OHS			SE	F/H	Financial	01/06/2007	01/06/2006		£3,500	£18,100	£23,000		
		SE	F/H	Vacant				£0						
Milton Keynes	54c/57c Tanfield Lane	SE	F/H	Hairdresser	29/09/2026	29/09/2011		£15,000	£21,600	£14,600	£290,000	7.11%		
		SE	L/H	Convenience	16/01/2027	17/01/2012		£6,300	£41,000	£41,000	£600,000	6.46%		
Milton Keynes	Units 19, 22, 25c Tanfield Lane	SE	L/H	Head rent	31/03/2131	06/10/2011	06/01/2012	£14,180	£27,782	£27,780	£390,000	6.80%		
		SE	L/H	Hairdresser	05/10/2016			-£400						
Newbury	114 Bartholemew St.	SE	L/H	Head rent	21/03/2131	31/03/2031		-£200						
		SE	L/H	Estate Agent	29/10/2016	30/10/2011		£14,002						
		SE	L/H	Head rent	31/03/2131	31/03/2031		-£200						
		SE	L/H	Photos	25/12/2007			£7,500						

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Newbury	4-8 Bartholomew St.	SE	L/H	Beauty	06/01/2009			£8,000						
		SE	L/H	Head rent	01/08/3004			£0						
		SE	L/H	Clothing	21/09/2015	22/09/2010			£27,500	£46,500	£49,300	£675,000	6.51%	
Newbury	Units 1-4 & 6-11 Inchs Yard	SE	L/H	Misc	16/04/2013	17/06/2008		£17,000						
		SE	L/H	Misc	21/10/2010			£2,000						
		SE	L/H	Head rent	14/11/3001			£0						
		SE	L/H	Hardware	12/06/2016	13/06/2009			£9,000	£97,950	£115,230	£1,550,000	5.98%	Allsop
		SE	L/H	Office	06/03/2008				£7,500					
		SE	L/H	Dry Cleaner	05/10/2011				£6,950					
Newhaven	18-28 High St	SE	L/H	Office	17/04/2009			£9,500						
		SE	L/H	Beauty	18/07/2011			£11,500						
		SE	L/H	Beauty	09/02/2011			£9,000						
		SE	L/H	Office	18/02/2009			£8,250						
		SE	L/H	Financial	13/05/2011			£7,500						
		SE	L/H	Office	03/04/2009			£7,500						
		SE	L/H	Café	01/05/2008			£5,750						
		SE	F/H	Vacant				£0						
		SE	F/H	Hairdresser	30/04/2009				£5,300					
		SE	F/H	Takeaway	10/05/2010				£5,300					
		SE	F/H	Takeaway	14/06/2015				£5,250					
		SE	F/H	Office	10/05/2010				£4,250					
Orpington	316 High St.	SE	F/H	Office	30/03/2129			£250						
		SE	F/H	Retail	01/12/2008			£21,000	£21,100	£21,100	£300,000	6.71%		
		SE	F/H	Ground Rent	13/01/2099			£100						
Orpington	211 Petts Wood Road	SE	L/H	Misc	09/06/2012	10/06/2007		£10,500	£10,400	£10,600	£140,000	7.30%		
		SE	L/H	Head rent	25/12/2126			-£100						
Poole	10 Dorchester Rd 4 Tatnum Crescent	SE	F/H	Takeaway	28/04/2024	27/04/2009		£26,520	£26,520	£26,520	£400,000	6.33%		
		SE	F/H	Restaurant	19/05/2023			£12,480	£19,620	£19,620	£300,000	6.24%		
		SE	F/H	Electrical	17/05/2015	18/05/2009		£8,000	£8,300	£8,300	£117,000	6.97%		
		SE	F/H	Ground Rent				£100						
Poole	5 Tatnum Crescent	SE	L/H	Ground Rent	01/01/2130			£100						
		SE	L/H	Ground Rent	01/01/2130			£100						
		SE	L/H	Ground Rent	01/01/2130			£100						
Poole	400 Ashley Road	SE	F/H	AST	31/03/2007			£7,140						
		SE	F/H	Takeaway	28/02/2023	28/03/2009		£6,500	£6,500	£100,000	£100,000	6.39%	Not inspected	
Portsmouth	126 Kingston Rd	SE	F/H	Takeaway	15/07/2016	16/07/2008		£6,750	£6,800	£6,850	£100,000	6.68%		
		SE	F/H	Ground Rent	28/06/2087			£50						

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Ramsgate	41 Effingham St. & 2 George St	SE	F/H	Hairdresser	09/07/2009			£8,000	£8,300	£6,300	£112,000	7.28%		
		SE	F/H	Ground Rent	31/12/2130			£100						
		SE	F/H	Ground Rent	31/12/2131			£100						
Reading	207 London Rd	SE	F/H	Ground Rent	31/12/2130			£100						
		SE	F/H	Food	30/01/2011			£9,500	£13,500	£14,250	£525,000	2.43%		
		SE	F/H	Hairdresser	24/05/2012	25/03/2009	30/01/2009	£4,000						
		SE	F/H	AST	30/09/2006			£7,200						
		SE	F/H	Vacant				£0						
		SE	F/H	AST	08/12/2006			£6,900						
Rochester	348-352 High Street, Kent, ME1 1DJ	SE	L/H	Estate Agent	31/03/2013	31/03/2009	31/03/2009	£15,900	£23,700	£24,960	£325,000	6.96%		
		SE	L/H	Estate Agent	31/03/2010	31/03/2009	31/03/2009	£7,800						
		SE	L/H	Head rent	23/06/3004			£0						
Romford	5&6 Old Mill Parade	SE	L/H	Estate Agent	15/11/2014	16/11/2007	16/11/2009	£19,000	£26,100	£25,240	£415,000	6.00%	Allsop	
		SE	L/H	Beauty Head rent	16/05/2017	17/05/2008		£9,100						
Saffron Walden	8, 8A & 8B Cross St	SE	L/H	Head rent	20/11/2255			-£2,000						
		SE	F/H	Cards	21/02/2011	22/02/2009		£26,000	£55,820	£51,230	£790,000	6.68%		
		SE	F/H	Retail	31/08/2012			£11,000						
		SE	F/H	Office	23/06/2009			£14,500						
		SE	F/H	Vacant				£0						
		SE	F/H	Office	01/04/2005			£1,920						
Salisbury	2 Castle St & 33/34 Blue Boar St.	SE	F/H	Office	25/05/2006			£2,400						
		SE	F/H	Office	08/12/2019	09/12/2009	09/12/2009	£14,000	£57,287	£65,005	£780,000	6.95%	Allsop	
		SE	L/H	Newsagent										
		SE	L/H	Footwear	23/10/2012	24/10/2007	24/10/2007	£19,577						
		SE	L/H	Retail	23/06/2015	24/06/2009		£16,000						
		SE	L/H	Vacant	24/06/2006			£0						
Seaford	22 Clinton Place,	SE	L/H	Office	23/12/2007	25/02/2007	25/02/2007	£5,000						
		SE	L/H	Office	25/02/2010			£3,435						
		SE	L/H	Head rent	19/11/2055			-£725						
		SE	F/H	Hairdresser	16/09/2015	16/09/2010		£12,000	£12,250	£12,250	£180,000	6.62%	Allsop	
		SE	F/H	Ground Rent	23/09/2103	23/09/2037		£250						
		SE	L/H	Clothing	29/04/2014	30/04/2009		£48,000	£41,214	£44,414	£750,000	5.20%		
Southampton	181 High St.	SE	L/H	Head rent	28/09/2108			-£6,786						
		SE	F/H	Vacant				£0						
		SE	F/H	Ground Rent	20/04/3005			£0						
Southampton	22 Bedford Place	SE	F/H	Ground Rent	25/02/2011			£13,000	£12,900	£12,900	£193,000	6.51%		
		SE	L/H	Estate Agent	03/08/3004			-£100						
		SE	L/H	Head rent	16/01/2016	24/04/2010	17/01/2011	£8,500	£8,500	£8,500	£125,000	6.68%		
Southsea	82-88 Elm Grove	SE	L/H	Beauty	27/07/3005			£0						
		SE	L/H	Head rent	25/12/2012	25/12/2007		£18,000	£18,000	£16,500	£255,000	6.74%		
		SE	L/H	Estate Agent	24/03/2986			£0						
Stevenage	22 Market St	SE	L/H	Head rent										

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Strood	113-117 High St	SE	F/H	Optician	11/04/2008			£15,000	£15,000	£15,100	£235,000	6.21%	Allsop	
		SE	F/H	Estate Agent	27/07/2972			£0	£0					
		SE	F/H	Office	21/01/2973				£0					
		SE	F/H	Electrical	13/02/2012	14/02/2010			£8,000	£8,050	£8,050	£113,000	7.00%	
Sutton	256 Sutton Common Road	F/H	F/H	Ground rent	09/03/2153	09/03/2054		£50						
		SE	F/H	Florist	09/09/2006			£2,210	£116,005	£119,810	£1,755,000	6.25%	Allsop	
		SE	F/H	Footwear	30/08/2014	31/08/2009			£18,500					
		SE	F/H	Beauty	24/10/2016	28/04/2007	25/04/2009		£14,245					
		SE	F/H	Hardware	31/05/2015	31/05/2010			£13,140					
		SE	F/H	Clothing	25/03/2015	25/03/2010			£8,750					
Tunbridge Wells	42-54 Camden Rd	SE	F/H	Furniture/ Homeware	24/07/2017	25/07/2007		£11,750						
		SE	F/H	Furniture/ Homeware	09/05/2020	10/05/2008		£31,800						
		SE	F/H	Office	10/10/2010	11/10/2008	01/04/2008		£15,610					
		SE	L/H	Bookmaker	02/11/2009	29/09/2008			£12,000	£35,700	£500,000	6.82%		
		SE	L/H	Misc	21/09/2013	30/06/2007			£12,500					
		SE	L/H	Beauty	30/06/2015				£11,500					
		SE	L/H	Head rent	14/08/3005				-£100					
		SE	L/H	Head rent	14/08/3005				-£100					
		SE	L/H	Head rent	14/08/3005				-£100					
		SE	F/H	Hairdresser	16/09/2012	17/09/2007			£7,500	£168,780	£233,240	£3,380,000	4.72%	
Uckfield	21/31,35/47 High St.	SE	F/H	Furniture/ Homeware	07/09/2013	08/09/2008		£12,000						
		SE	F/H	Furniture/ Homeware	24/03/2021	24/03/2008	25/03/2013		£17,500					
		SE	F/H	Food	25/11/2015	25/11/2008			£14,000					
		SE	F/H	Ground rent	25/06/2096	25/11/2008			£100					
		SE	F/H	Furniture/ Homeware	24/10/2009	25/11/2008			£17,000					
		SE	F/H	Optician	17/02/2015	18/02/2010	17/02/2010		£19,500					
		SE	F/H	Jewellery/Gifts	28/09/2016	29/09/2006	17/02/2010		£14,000					
		SE	F/H	Jewellery/Gifts	01/07/2010	01/07/2010	30/06/2010		£19,500					
		SE	F/H	Vacant	08/09/2006				£0					
		SE	F/H	Travel	24/03/2014	24/03/2009	24/03/2009		£20,500					
		SE	F/H	Vacant	24/01/2006				£0					
		SE	F/H	Vacant	31/01/2004				£0					
		SE	F/H	AST	14/05/2004				£7,200					
		SE	F/H	Vacant	23/11/2007				£0					
SE	F/H	AST	06/02/2007				£9,780							
SE	F/H	AST	15/09/2007				£5,100							
SE	F/H	AST	15/09/2007				£5,100							

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Whiteley	Unit 5, Yew Tree Drive, Fareham, PO15 7LA	SE	L/H	Beauty	26/01/2021	07/04/2011	07/04/2011	£19,500	£19,500	£19,500	£265,000	7.02%	
Witham	68 Newland St. 2-8 Guithavon St	SE	L/H	Head rent	01/11/2130			£0	£30,100	£20,835	£475,000	6.05%	Allsop
		SE	F/H	AST	31/03/2007			£5,000					
		SE	F/H	Ground Rent	03/01/2150			£50					
		SE	F/H	Ground Rent	03/01/2150			£50					
		SE	F/H	Café	23/01/2020	31/12/2010		£25,000					
		SE	F/H	Misc	01/04/2985			£0					
Worthing	1 Limbrick Corner	SE	F/H	Stationery	23/03/2009			£13,500	£13,500	£13,500	£205,000	6.41%	Allsop
Worthing	207 Tarring Rd	SE	F/H	Clothing	25/12/2018	25/12/2008	25/12/2008	£13,000	£13,100	£14,800	£210,000	6.07%	Allsop
		SE	F/H	Ground Rent	19/05/2099			£100					
Worthing	2-6 Buckingham Rd	SE	L/H	Pet Shop	20/08/2016	21/08/2006		£51,804	£51,804	£53,200	£825,000	5.94%	Allsop
		SE	L/H	Head rent	12/08/2126			£0					
Worthing	39-49 Teville Rd	SE	L/H	Hardware	25/12/2014	25/12/2009	25/12/2009	£11,750	£17,500	£18,210	£265,000	6.30%	Allsop
		SE	L/H	Pawnbroker	25/12/2014	25/12/2009		£5,750					
		SE	L/H	Head rent	25/03/3000			£0					
Worthing	5/5A Limbrick Corner	SE	F/H	Bookmaker	28/09/2012	29/09/2006		£12,060	£17,460	£17,500	£300,000	5.56%	Allsop
		SE	F/H	AST	31/03/2007			£5,400					
Sub-Total											£56,836,000		
Bath	33-34 Bathwick St.	SW	F/H	Retail	07/05/2019	06/05/2009		£17,500	£17,500	£17,500	£260,000	6.43%	
		SW	L/H	Ground rent	29/09/2981			£50					
		SW	L/H	Ground rent	30/10/2988			£50					
Bedminster	No.23a-25a East St	SW	F/H	Furniture/ Homeware	28/09/2013	29/09/2008		£17,000	£28,250	£28,250	£410,000	6.58%	
		SW	F/H	Furniture/ Homeware	28/09/2013	29/09/2008		£11,250					
Boscombe	1142-1148 Christchurch Rd	SW	L/H	Electrical	18/11/2014			£46,743	£46,743	£45,000	£680,000	6.50%	Allsop
		SW	L/H	Head rent				£0					
Braunton	3-5 Heanton St.	SW	F/H	Charity	31/08/2008			£12,250	£12,416	£10,666	£180,000	6.71%	
		SW	L/H	Ground rent	31/12/2989	01/01/2008		£83					
		SW	L/H	Ground rent	01/01/2989			£83					
		SW	F/H	Misc	31/10/2007			£4,750					
Bridgewater	1,2,5 Court Rd.	SW	F/H	Florist	31/08/2006			£5,000	£21,000	£21,000	£310,000	6.47%	
		SW	F/H	Misc	31/12/2007			£3,500					
		SW	F/H	Clothing	30/09/2007			£3,850					
		SW	F/H	AST	30/09/2007			£3,900					
Brislington	The Concourse, Brislington Hill	SW	L/H	Takeaway	27/02/2014	28/02/2009		£8,250	£149,840	£161,930	£2,225,000	6.37%	

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Brislington	U 1-39 (Odd) Brislington Hill	SW	L/H	Café	30/06/2015	30/06/2010	01/07/2010	£4,160					
		SW	L/H	Misc	01/09/2008			£5,000					
		SW	L/H	Misc	12/05/2009			£2,500					
		SW	L/H	Hairdresser	01/03/2015		02/03/2010	£4,160					
		SW	L/H	Head rent	28/09/2095			-£4,000					
Brislington	U 1-39 Brislington Hill	SW	L/H	Sports	23/06/2013	24/06/2007	24/06/2007	£16,000					
Brislington		SW	L/H	Takeaway	20/10/2014	21/10/2009		£5,250					
		SW	L/H	Retail	25/05/2014	26/05/2009	26/05/2009	£6,000					
		SW	L/H	Off Licence	29/10/2012	30/10/2008	31/10/2008	£7,250					
		SW	L/H	Bank	28/09/2012			£12,500					
		SW	L/H	Misc	28/09/2012	02/04/2009		£6,000					
		SW	L/H	Florist	29/06/2015	29/06/2010	30/06/2010	£6,000					
		SW	L/H	Takeaway	27/01/2013	28/01/2007	28/01/2007	£6,500					
		SW	L/H	Sports	22/09/2008			£6,000					
		SW	L/H	Bookmaker	17/12/2013	18/12/2008		£7,250					
		SW	L/H	Vacant				£0					
		SW	L/H	Hairdresser	31/01/2015	31/01/2010	01/12/2012	£6,750					
		SW	L/H	Food	13/01/2015	31/01/2010	14/01/2011	£5,750					
		SW	L/H	Video Hire	08/11/2014	09/11/2009		£6,500					
		SW	L/H	Financial	08/10/2009			£6,500					
	Brislington	U 1-5 Brislington Hill	SW	L/H	Retail	28/09/2013	29/09/2011	29/09/2011	£30,000				
Bristol	172 Wells Rd.	SW	F/H	Hairdresser	04/11/2014	05/11/2009		£6,500	£52,780	£58,270	£675,000	7.39%	
Bristol		SW	F/H	Misc	31/03/2007			£6,400					
		SW	F/H	Financial	23/06/2010			£28,000					
		SW	F/H	Charity	31/03/2007			£8,500					
		SW	F/H	Restaurant	24/03/2026	25/03/2011		£18,000	£18,030	£18,030	£255,000	6.75%	
Bristol	217 Cheltenham Road	SW	F/H	Grd Rent	01/12/3003			£30					
Bristol	228 Cheltenham Rd	SW	F/H	Takeaway	21/06/2013	22/06/2008		£13,000	£27,940	£27,940	£395,000	6.75%	Allsop
Bristol	230 Cheltenham Rd	SW	F/H	AST	28/01/2007			£7,140					
Bristol	Ashley Hse, 98 / 100 Grosvenor Rd	SW	F/H	AST	30/06/2006			£7,800					
Bristol	65 High St.	SW	F/H	Misc	03/01/2010	04/01/2006		£56,298	£56,298	£40,000	£700,000	7.61%	
Burnham-on-Sea		SW	F/H	Electrical	29/02/2008	01/03/2007		£10,260	£14,820	£14,420	£239,000	6.03%	
Callington		SW	L/H	AST	31/03/2007			£4,560					
		SW	F/H	Takeaway	04/04/2022	04/04/2008		£15,000	£15,000	£15,600	£225,000	6.49%	Allsop
		SW	F/H	Misc	31/12/2016	13/12/2009		£3,108	£13,650	£13,092	£195,000	6.81%	
Camborne	1-6 Gurneys Mews	SW	F/H	Retail	09/11/2016	10/11/2009		£3,160					

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Camborne	17 Trelowarren St 1-8 Chapel Mews	SW	F/H	Beauty	14/12/2007	14/12/2006		£2,880							
		SW	F/H	Hairdresser	18/11/2016	09/11/2011		£4,500							
		SW	F/H	Flats	24/03/2997			£2							
		SW	F/H	Retail	25/12/2019	01/02/2010		£20,000		£20,200	£20,200	£295,000	6.54%		
		SW	F/H	Hairdresser	06/05/2016	07/05/2009		£4,464		£30,600	£31,128	£410,000	7.25%		
		SW	F/H	Hairdresser	02/07/2016	07/07/2009		£3,396							
		SW	F/H	Jewellery/Gifts	03/07/2006	01/07/2009		£3,635							
		SW	F/H	Café	02/04/2016	03/04/2011		£9,724							
		SW	F/H	Retail	01/06/2016	01/06/2009		£2,748							
		SW	F/H	Clothing	03/10/2016	02/10/2009		£3,393							
Camborne	18 Trelowarren St	SW	F/H	Food	31/10/2009		02/10/2011	£3,768							
		SW	F/H	Ground rent	12/08/2255			£100							
		SW	F/H	Ground rent	12/08/2255			£100							
Derriford	69-79 Uplands Drive	SW	F/H	Hairdresser	24/12/2012	25/12/2007		£5,500	£48,800	£53,710	£750,000	6.15%			
		SW	F/H	Convenience	24/12/2012	25/12/2006		£12,300							
Devonport	178 Albert Rd.	SW	F/H	Misc	28/09/2007			£5,500							
		SW	F/H	Estate Agent	28/09/2014	24/09/2007		£6,500							
		SW	F/H	Misc	09/06/2014	29/09/2006		£6,500							
		SW	F/H	Beauty	24/12/2012	25/12/2007		£5,500							
		SW	F/H	Takeaway	04/01/2015	05/01/2008		£7,000							
		SW	F/H	Hairdresser	27/09/2021	28/09/2011		£6,750		£10,350	£13,050	£175,000	5.76%		
		SW	F/H	AST	01/05/2007			£3,600							
		SW	F/H	Vacant				£0							
		SW	F/H	Restaurant	23/06/2008			£19,072		£72,008	£785,000		8.02%		
		SW	F/H	Restaurant	28/09/2018	29/09/2008		£16,500							
Glastonbury	15 High Street	SW	F/H	AST	31/05/2007			£13,200							
		SW	F/H	AST	22/06/2007			£17,808							
		SW	F/H	Café	31/03/2007			£7,800							
		SW	F/H	Jewellery/Gifts	31/03/2007			£3,120							
		SW	F/H	Jewellery/Gifts	31/03/2007			£3,120							
		SW	F/H	Misc	09/04/2007			£3,120							
		SW	F/H	AST	04/02/2007			£4,420							
		SW	F/H	AST	20/02/2007			£4,160							
		SW	F/H	Jewellery/Gifts	31/03/2007			£9,360							
		SW	F/H	AST	31/03/2007			£4,160							
Glastonbury	27 High Street	SW	F/H	Convenience	24/03/2016	25/03/2011		£13,000		£17,100	£250,000	6.46%			
		SW	F/H	Beauty	24/06/2011	24/06/2007		£3,500							
		SW	F/H	Ground rent	24/12/2112			£50							
		SW	F/H	Ground rent	24/12/2112			£50							
		SW	F/H	Takeaway	24/03/2025	06/07/2010		£12,480		£11,500	£180,000	6.75%			
Gloucester	169 Barton St.	SW	L/H	Head rent	24/02/2059			-£1,800							
		SW	F/H	Takeaway	30/07/2019	31/07/2007		£5,000		£41,736	£485,000	7.41%			
		SW	F/H	Public House	15/12/2020	16/12/2008		£17,500							

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Kingsbridge	3,5,5a Mill St	SW	F/H	AST	31/03/2007			£5,676						
		SW	F/H	AST	01/08/2007			£4,080						
		SW	F/H	Vacant					£0					
		SW	F/H	AST	31/03/2007				£5,400					
		SW	F/H	Clothing	07/12/2018	08/12/2008			£12,000	£44,000	£41,200	£580,000	7.17%	
Kingsteignton	2&3 Imperial Buildings, Exeter Rd	SW	F/H	Pet Shop	24/03/2019	25/03/2007		£20,000						
		SW	F/H	Restaurant	16/01/2026	17/01/2008		£9,750	£14,430	£20,190	£325,000	4.24%	Allsop	
Newton Abbot	1-3 Union St	SW	F/H	Misc	29/08/2017			£4,680						
		SW	F/H	AST	31/03/2007			£0						
		SW	F/H	Vacant					£7,000					
		SW	F/H	Clothing	19/04/2008				£13,500	£45,614	£45,614	£655,000	6.59%	
		SW	F/H	Recruitment	14/07/2008				£10,000					
Newton Abbot	5 Union St. TQ12 2JX	SW	F/H	Clothing	20/06/2021	20/10/2009	21/06/2012	£5,750						
		SW	F/H	Food	24/12/2010	25/12/2008		£4,944						
		SW	F/H	AST	16/02/2004			£4,420						
		SW	F/H	AST	03/11/2003			£5,500	£10,800	£10,800	£155,000	6.78%		
		SW	F/H	Jewellery/Gifts	30/06/2018	01/07/2009			£8,000	£8,000	£130,000	6.05%	Allsop	
Newton Abbot	55 Queen St.	SW	F/H	Estate Agent	17/03/2009			£5,000						
		SW	F/H	Jewellery/Gifts	25/11/2017	26/11/2008								
Okehampton	2 North St. Devon EX20 1AR	SW	F/H	Ground rent	20/06/2131	21/06/2031		£100						
		SW	F/H	Ground rent	11/01/2131	12/01/2031		£100						
		SW	F/H	Ground rent	18/04/2131	19/04/2031		£100						
		SW	F/H	Misc	30/06/2018	08/07/2006		£6,450	£15,750	£15,750	£240,000	6.39%		
		SW	F/H	Furniture/Homeware	04/08/2011				£5,000	£5,000	£73,000	6.73%		
Okehampton	3 Church Court	SW	F/H	AST	30/03/2007			£4,500						
		SW	F/H	florist	23/06/2019	24/06/2009		£14,500	£32,740	£32,740	£490,000	6.38%		
Okehampton	30 Fore St. EX20 1HB	SW	F/H	Misc	09/03/2007			£1,500						
		SW	F/H	AST	06/05/2007			£4,320						
		SW	F/H	AST	30/03/2007			£4,200						
		SW	F/H	AST	30/03/2007			£3,900						
		SW	F/H	AST	01/04/2007			£4,320						
		SW	F/H	Vacant				£0						
		SW	F/H	AST	15/05/2007			£4,800						
		SW	F/H	Estate Agent	17/11/2014	17/11/2009		£10,500	£20,100	£20,100	£300,000	6.40%		
		SW	F/H	AST	09/07/2007			£5,100						
		SW	F/H	AST	05/11/2005			£4,500						

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Paignton	28 Winner St.	SW	F/H	Electrical	30/06/2010	06/07/2008		£10,020	£16,650	£19,230	£230,000	7.05%	Allsop
		SW	F/H	SRT	25/03/2007			£2,990					
		SW	F/H	AST	31/03/2007			£3,640					
Penryn	81 The Terrace	SW	F/H	Misc	29/11/2012		30/11/2008	£6,750	£6,770	£6,770	£295,000	2.19%	Allsop
		SW	F/H	AST	06/04/2007			£5,220					
		SW	F/H	AST	31/03/2007			£5,220					
		SW	F/H	Ground Rent	10/07/2201			£20					
		SW	F/H	Misc	01/03/2021	01/03/2011		£14,250	£40,250	£41,000	£610,000	6.24%	Allsop
Plymouth	Embankment Rd	SW	F/H	Bookmaker	25/01/2021	25/01/2011		£15,000					
		SW	F/H	Misc	23/12/2020	23/12/2010		£11,000					
		SW	F/H	Takeaway	23/12/2019	24/12/2007		£20,000	£25,200	£25,200	£363,000	6.63%	Allsop
		SW	F/H	AST	21/02/2006			£5,200					
		SW	F/H	Restaurant	12/02/2023	15/02/2007		£15,000	£36,200	£37,700	£505,000	6.78%	
St. Austell	4 & 4a Victoria Place	SW	F/H	Charity	24/09/2012	25/09/2006		£9,500					
		SW	F/H	AST	08/01/2007			£5,700					
		SW	F/H	AST	28/10/2007			£6,000					
		SW	F/H	Restaurant	29/04/2025	30/04/2008		£13,000	£13,125	£13,125	£190,000	6.72%	
		SW	F/H	Grd Rent	23/06/2131	24/06/2021		£125	£10,200	£14,780	£215,000	6.93%	Allsop
Sturminster Newton	Saddlers Restaurant, Market Cross	SW	F/H	Office	31/03/2013								
		SW	F/H	AST	31/03/2007			£5,100					
Swindon	69 & 69A Cricklade Rd	SW	L/H	Ground rent	19/10/2123			£0	£180,099	£178,549	£2,620,000	6.50%	Allsop
		SW	L/H	Ground rent	19/10/2123			£0					
Swindon	Clive Parade, Cricklade Rd	SW	L/H	Ground rent	19/10/2123			£0					
		SW	L/H	Ground rent	19/10/2123			£0					
		SW	L/H	Ground rent	19/10/2123			£0					
		SW	L/H	Ground rent	19/10/2123			£0					
		SW	L/H	Ground rent	19/10/2123			£0					
		SW	L/H	Ground rent	19/10/2123			£0					
		SW	L/H	Misc	12/03/2016	13/03/2006		£15,000					
		SW	L/H	Misc	10/05/2015	11/05/2010		£23,000					
		SW	L/H	Restaurant	28/05/2017	29/05/2007		£15,000					
		SW	L/H	Dry Cleaner	18/04/2015	19/04/2010		£13,400					
		SW	L/H	Hairdresser	07/04/2015	08/04/2010		£11,600					
		SW	L/H	Takeaway	09/01/2020	10/01/2009		£18,000					
		SW	L/H	Restaurant	25/03/2021	26/03/2006		£12,500					
		SW	L/H	Convenience	16/03/2008	29/08/2008		£19,000					
		SW	F/H	Restaurant	28/09/2016	29/09/2006		£22,000					
SW	L/H	Bookmaker	24/07/2026			£13,000							
SW	F/H	Chemist	18/01/2010	19/01/2005		£9,450							

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Taunton	102 Station Rd.	SW	F/H	Convenience	19/10/2123			£0						
		SW	L/H	Misc	11/02/2009		12/02/2007	£6,000						
		SW	L/H	Misc	17/07/2007			£900						
		SW	L/H	Misc	17/07/2007			£1,250						
		SW	L/H	Head rent	29/10/2123			-£1						
		SW	F/H	Hairdresser	31/08/2011			£3,528		£18,610	£235,000		7.51%	
		SW	F/H	Takeaway	24/11/2010	25/11/2007		£3,750						
		SW	F/H	AST	31/03/2007			£3,900						
		SW	F/H	AST	31/03/2007			£3,540						
		SW	F/H	AST	31/03/2007			£3,420						
Taunton	21 Bridge St.	SW	F/H	Misc	23/11/2016	24/11/2009	24/11/2011	£7,000	£12,700	£190,000		6.51%		
		SW	F/H	AST	08/05/2007			£5,700						
Tavistock	Unit 1&2, London Hse, 7/7a West St.	SW	L/H	Clothing	10/06/2019	10/06/2009		£25,000	£32,500	£475,000		6.53%	Allsop	
		SW	L/H	Misc	22/12/2014	23/12/2008		£7,500						
Tewkesbury Thornbury	66 High St. 2 Castle St.	SW	L/H	Head rent	31/12/3002			£0						
		SW	L/H	Head rent	31/12/3002			£0						
		SW	F/H	Misc	18/01/2042	19/01/2012	18/01/2009	£75,000	£75,000	£875,000		8.11%		
		SW	F/H	Retail	16/06/2007			£7,500		£60,100				
		SW	F/H	Office	04/10/2009			£9,250		£33,150	£490,000		6.36%	
		SW	F/H	AST	31/03/2007			£4,800						
		SW	F/H	AST	11/10/2007			£5,880						
		SW	F/H	AST	31/03/2007			£5,220						
		SW	F/H	Misc	28/09/2006			£20,000		£118,700	£1,600,000		5.69%	Allsop
		SW	F/H	Travel	28/09/2007			£18,500						
Torquay	101-107 Union St.	SW	F/H	Travel	10/04/2004			£16,500						
		SW	F/H	Electrical	24/12/2013	25/12/2008		£17,500						
Torquay	167 St.Marychurch Rd	SW	F/H	Office	21/04/2008	23/07/2008		£23,700		£17,040	£235,000	4.14%	Allsop	
		SW	F/H	Takeaway	22/07/2023			£10,000						
Torrington	5 Cornmarket St.	SW	F/H	Vacant	08/12/2006			£0						
		SW	F/H	Beauty	28/09/2019	29/09/2007	29/09/2007	£5,500	£17,500	£260,000		6.43%		
Torrington	Heywood Hse, Devon EX38 8HN	SW	F/H	Café	07/07/2020	24/06/2008	08/07/2010	£6,000						
		SW	F/H	AST	30/09/2007			£6,000						
		SW	F/H	Jewellery/Gifts	24/03/2016	25/03/2009	25/03/2007	£4,500	£42,200	£620,000		6.44%		
		SW	F/H	Jewellery/Gifts	31/05/2017	01/06/2007	01/06/2012	£3,500						
		SW	F/H	Misc	01/03/2017	01/03/2007	01/03/2007	£6,000						
		SW	F/H	Misc	31/07/2018	01/08/2006		£4,500						
		SW	F/H	AST	24/08/2006			£4,800						
		SW	F/H	AST	29/03/2007			£4,800						
		SW	F/H	AST	15/06/2007			£4,800						
		SW	F/H	AST	30/04/2007			£4,800						
SW	F/H	AST	31/03/2007			£4,500								
SW	F/H	Vacant	26/02/2006			£0								

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Trowbridge	2 Church St. Wilts.	SW	F/H	Food	31/10/2016	01/11/2009		£7,000	£7,100	£7,100	£99,000	7.05%		
		SW	F/H	Ground rent	27/09/2131	31/12/2131		£50						
		SW	F/H	Ground rent	28/09/2131	31/12/2131		£50						
		SW	F/H	Hairdresser	19/09/2015	20/09/2008	20/09/2011	£6,700	£25,730	£23,810	£415,500	5.91%	Allsop	
Warminster	5, 9, 11a, 11b High St.	SW	F/H	Jewellery/Gifts	30/01/2009	31/01/2007		£9,250						
		SW	F/H	AST	08/02/2007			£5,280						
		SW	F/H	AST	09/01/2007			£4,500						
		SW	F/H	Florist	16/10/2007			£5,700	£45,680	£47,770	£640,000	6.75%	Allsop	
		SW	F/H	Misc	24/12/2007			£6,000						
		SW	F/H	Misc	24/03/2011	25/03/2008		£6,500						
Weston-Super-Mare	96 Moorland Rd.	SW	F/H	Restaurant	30/01/2019	31/01/2007	25/12/2012	£7,980						
		SW	F/H	Office	28/09/2007			£5,000						
		SW	F/H	Office	10/10/2012	11/10/2006	28/09/2008	£9,000						
		SW	F/H	Office	24/03/2008			£5,500						
		SW	F/H	Beauty	31/03/2007			£4,160	£16,760	£16,760	£265,000	6.04%		
		SW	F/H	Hairdresser	08/01/2010			£7,500						
		SW	F/H	AST	31/03/2007			£5,100						
		SW	F/H	Restaurant	04/02/2011	05/02/2008		£10,800	£25,520	£26,220	£330,000	7.38%		
		SW	F/H	Office	12/02/2007			£2,760						
		SW	F/H	Office	01/04/2007			£3,120						
Wootton Bassett	146 High St.	SW	F/H	AST	01/05/2007			£4,420						
		SW	F/H	AST	01/05/2007			£4,420						
		SW	F/H	AST	01/05/2007			£4,420						
		SW	F/H	Misc	15/08/2010			£19,750	£19,750	£20,850	£300,000	6.28%		
Yeovil	45/45a Reckleford Rd.	SW	F/H	Misc										
Sub-Total														
Bitford-upon-Avon	37 High St.	W Mids	F/H	Newsagent	24/03/2018	26/03/2009		£9,750	£9,751	£9,751	£135,000	7.10%		
Birmingham	263, 265 & 273 Beeches Rd. Grt Barr	W Mids	F/H	Ground rent	29/07/3003			£1						
		W Mids	L/H	Vacant	26/06/2006			£0	£17,600	£24,550	£280,000	6.00%		
		W Mids	L/H	Ground rent	04/05/2131			£100						
		W Mids	L/H	Head rent	04/05/2131			-£100						
		W Mids	L/H	Beauty	10/03/2013	10/03/2007		£5,200						
		W Mids	L/H	Ground rent	04/05/2131			£100						
		W Mids	L/H	Head rent	04/05/2131			-£100						
		W Mids	L/H	Takeaway	24/09/2025	25/09/2009		£12,500						
		W Mids	L/H	Head rent	04/05/2131			-£100						
Birmingham	Sheepcote St. Units 3,6,10	W Mids	L/H	Hairdresser	20/03/2020	21/03/2010		£25,000	£54,200	£53,300	£850,000	6.04%	Allsop	

<i>Town</i>	<i>Address</i>	<i>IPD Region</i>	<i>Tenure</i>	<i>Tenant Occupation</i>	<i>Expiry Date</i>	<i>Rent Review</i>	<i>Break Date</i>	<i>Rent PA</i>	<i>TOTAL PASSING RENT PA</i>	<i>Market Rent PA</i>	<i>Market Value</i>	<i>Initial yield</i>	<i>Inspected Status</i>	
Blackheath	16-19 High St. & 59 Bassano Rd	W Mids	L/H	Furniture/ Homeware	01/04/2019	02/04/2009	02/04/2012	£11,500						
		W Mids	L/H	Estate Agent	31/01/2020	01/02/2010		£17,750						
		W Mids	F/H	Hardware	31/12/2016	31/12/2011			£0	£44,210	£61,310	£822,000	5.09%	Allsop
		W Mids	F/H	Financial	31/03/2010	01/04/2007			£6,250					
		W Mids	F/H	Discount	31/07/2014	01/08/2007			£24,000					
		W Mids	F/H	Hairdresser	31/07/2012	01/08/2006		01/08/2009	£3,640					
		W Mids	F/H	AST	17/05/2007				£3,900					
		W Mids	F/H	Vacant					£0					
		W Mids	F/H	AST	31/03/2007				£2,340					
Bridgnorth	44/45 High Street & 99 Cartway	W Mids	F/H	AST	12/05/2007			£4,080						
		W Mids	F/H	Retail	24/12/2016	25/12/2007			£15,000	£50,044	£55,400	£700,000	6.76%	
		W Mids	F/H	Restaurant	24/12/2013	25/12/2007			£10,200					
		W Mids	F/H	Misc	24/12/2007				£11,444					
		W Mids	F/H	Beauty	09/09/2015	24/12/2007			£8,000					
		W Mids	F/H	AST	11/12/1999			10/06/2006	£5,400					
		W Mids	F/H	Hairdresser	30/06/2008				£8,400					
		W Mids	F/H	AST	31/03/2007				£2,600					
		W Mids	F/H	Takeaway	24/09/2024	25/09/2009			£12,000					
Ellesmere	23 Cross St.	W Mids	F/H	AST	01/06/2007			£3,900						
		W Mids	F/H	AST	01/06/2007				£3,900					
		W Mids	F/H	AST	01/06/2007				£3,900					
		W Mids	F/H	Charity	25/03/2013	25/03/2008			£21,900					
		W Mids	L/H	Charity	24/03/2008				£11,600					
		W Mids	L/H	Vacant	31/03/2006				£0					
		W Mids	L/H	Vacant					£0					
		W Mids	L/H	Head rent	25/03/2090	25/03/2015			-£18,500					
		W Mids	F/H	Takeaway	23/03/2023	24/09/2007			£11,700					
Kidderminster	Prospect Hse 25/27 Worcester St.	W Mids	F/H	Food	23/06/2016	24/06/2011	23/06/2012	£10,000						
		W Mids	F/H	Clothing	28/01/2009	28/01/2007			£14,250					
		W Mids	F/H	Car Park Licence	23/03/2007				£750					
		W Mids	F/H	Car Park Licence	01/11/2010				£500					
		W Mids	F/H	Right of Escape	01/10/2006				£500					
		W Mids	F/H	Office	28/09/2007				£4,000					
		W Mids	F/H	Office	24/03/2009				£5,500					
		W Mids	F/H	Café	24/05/2014	24/05/2003			£20,000					
		W Mids	F/H	Office	02/12/2008	03/12/2006			£9,000					
Kingswinford Lichfield	2 Market St.4-6 Bird St. WS13 6LH	W Mids	F/H	Office	30/06/2008				£98,900	£108,300	£1,400,000	6.68%		
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
Kidderminster	Unit 31a Comberton Hill 27 Market St. 10 Market St.4-6 Bird St. WS13 6LH	W Mids	F/H	Food	23/06/2016	24/06/2011	23/06/2012	£10,000						
		W Mids	F/H	Clothing	28/01/2009	28/01/2007			£14,250					
		W Mids	F/H	Car Park Licence	23/03/2007				£750					
		W Mids	F/H	Car Park Licence	01/11/2010				£500					
		W Mids	F/H	Right of Escape	01/10/2006				£500					
		W Mids	F/H	Office	28/09/2007				£4,000					
		W Mids	F/H	Office	24/03/2009				£5,500					
		W Mids	F/H	Café	24/05/2014	24/05/2003			£20,000					
		W Mids	F/H	Office	02/12/2008	03/12/2006			£9,000					
Kidderminster	Unit 31a Comberton Hill 27 Market St. 10 Market St.4-6 Bird St. WS13 6LH	W Mids	F/H	Office	30/06/2008				£98,900	£108,300	£1,400,000	6.68%		
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										
		W Mids	F/H	Office										

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Newcastle-under-Lyme	22-24 High St.	W Mids	F/H	Misc	01/05/2009	19/01/2007	19/01/2007	£17,000						
		W Mids	F/H	Vacant	18/01/2009	28/06/2009	25/07/2009	£0						
		W Mids	F/H	Café	27/06/2011				£22,000					
		W Mids	F/H	Travel	24/07/2013				£18,000	£39,600	£33,100	£430,000	8.79%	
Oakengates		W Mids	F/H	Beauty	31/03/2010			£6,000						
		W Mids	F/H	AST	31/06/2007			£2,080						
		W Mids	F/H	AST	31/06/2007				£1,820					
		W Mids	F/H	AST	31/06/2007				£1,820					
		W Mids	F/H	AST	31/06/2007				£2,080					
		W Mids	F/H	AST	31/06/2007				£2,080					
		W Mids	F/H	AST	31/06/2007				£1,820					
		W Mids	F/H	AST	24/06/2007				£1,820					
		W Mids	F/H	AST	31/06/2007				£2,080					
		W Mids	F/H	Office	31/08/2008				£8,100	£17,980	£17,980	£250,000	7.00%	
Redditch	25 Mount Pleasant	W Mids	F/H	Estate Agent	12/12/2006			£2,080						
		W Mids	F/H	Estate Agent	12/12/2006			£7,800						
Ross on Wye	27 Brookend St	W Mids	F/H	Food	31/01/2011			£7,000						
		W Mids	F/H	Vacant	14/07/2008	14/07/2006		£6,180	£37,940	£56,860	£700,000	5.13%	Allsop	
Ross-On-Wye		W Mids	F/H	Takeaway	20/07/2006			£0						
		W Mids	F/H	Vacant	09/12/2007			£0						
		W Mids	F/H	Vacant	20/07/2006				£0					
		W Mids	F/H	Furniture/	27/07/2006				£0					
		W Mids	F/H	Homeware	31/01/2013				£15,000					
		W Mids	F/H	Creche	31/03/2007	01/02/2006			£3,120					
		W Mids	F/H	AST	20/07/2006				£0					
		W Mids	F/H	Vacant	27/07/2006				£0					
		W Mids	F/H	Vacant	25/12/2007				£3,640					
		W Mids	F/H	AST	15/02/2009				£9,000	£42,750	£45,180	£620,000	6.52%	
Stoke-on-Trent	5-7 George Place	W Mids	F/H	Vacant	30/09/2013	01/10/2008		£18,000						
		W Mids	F/H	Misc	29/11/2011	29/11/2010		£15,750						
Stoke-on-Trent	2 Biddulph Rd, Tunstall	W Mids	F/H	Charity	22/08/2014	22/08/2008		£8,000						
		W Mids	F/H	Food	20/07/2012	21/07/2009		£6,000	£10,380	£14,760	£165,000	6.12%		
Stoke-on-Trent	4-6 Liverpool Rd.	W Mids	F/H	Beauty	11/02/2007			£4,380						
		W Mids	F/H	Vacant	20/10/2008			£10,000						
Stoke-on-Trent	73 & 75 High St. Tunstall	W Mids	F/H	Travel	21/07/2006			£0						
		W Mids	L/H	Furniture/	05/02/2021			£55,000						
Sutton Coldfield	G/F, 17 Mere Green Rd	W Mids	L/H	Homeware	12/09/2160			£0						
		W Mids	L/H	Head rent				£0						

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Swansea	458-458A Gower Rd	W Mids	F/H	Off Licence	10/01/2021	11/01/2011	11/01/2011	£15,000	£17,340	£13,140	£250,000	6.75%	Allsop
	10 Copperbeach Rd	W Mids	L/H	Convenience	07/02/2024	06/02/2012		£9,000	£9,000	£8,250	£125,000	7.08%	
Tipton	Units 1-2, 46-50 Grt.Bridge St.	W Mids	L/H	Head rent Amusements	06/02/2256			£0	£47,000	£40,950	£655,000	6.79%	
		W Mids	F/H	Video Hire	25/12/2013	25/12/2008		£22,000					
Warwick	1 Jury St. & 2 Church St.	W Mids	F/H	Office	30/04/2015	01/05/2011	01/05/2008	£10,240	£48,340	£48,340	£675,000	6.77%	
		W Mids	F/H	Florist	27/11/2011		28/11/2008	£11,000					
Wellington		W Mids	F/H	Office	21/05/2007			£12,600					
		W Mids	F/H	Estate Agent	31/01/2012	01/02/2007	01/02/2007	£11,500					
West Bromwich		W Mids	F/H	Office	31/03/2007			£3,000					
	2 Market St.	W Mids	F/H	Café	15/06/2016	15/06/2011		£14,000	£18,517	£23,000	£300,000	5.89%	
West Bromwich		W Mids	F/H	Vacant	08/12/2006			£0					
	187/189 High Street	W Mids	F/H	AST	18/06/2007			£4,517					
Wolverhampton		W Mids	F/H	Electrical	17/05/2008			£56,750			£860,000	6.24%	
	25-28 Market St.	W Mids	F/H	Clothing	06/06/2011	07/06/2008		£18,500	£51,075	£58,500	£775,000	6.23%	
Wolverhampton		W Mids	F/H	Misc	28/09/2010	29/09/2005		£15,250					
		W Mids	F/H	Takeaway	01/04/2013	02/04/2008		£17,325					
Wolverhampton		W Mids	F/H	Office	10/06/2007			£10,000	£53,700	£61,670	£800,000	6.35%	
		W Mids	F/H	Misc	29/07/2009			£8,700					
Wolverhampton		W Mids	F/H	Office	31/03/2007			£6,500					
		W Mids	F/H	Misc	27/10/2011			£10,000					
Wolverhampton		W Mids	F/H	Takeaway	31/03/2007			£9,500					
		W Mids	F/H	AST	02/07/2007			£4,500					
Wolverhampton		W Mids	F/H	AST	12/02/2008			£4,500					
	Marsh Lane Parade	W Mids	F/H	Food	25/02/2027			£9,000	£124,380	£122,390	£1,680,000	7.00%	
Wolverhampton		W Mids	F/H	AST	25/08/2007			£4,980					
		W Mids	F/H	Optician	20/01/2008			£8,500					
Wolverhampton		W Mids	F/H	Vacant	25/08/2007			£4,980					
		W Mids	F/H	Hairdresser	27/11/2016		28/11/2011	£9,000					
Wolverhampton		W Mids	F/H	AST	25/08/2007			£4,980					
		W Mids	F/H	Restaurant	11/09/2019	12/09/2011	12/09/2011	£9,500					
Wolverhampton		W Mids	F/H	Vacant	25/08/2007			£4,980					
		W Mids	F/H	Food	23/06/2014	24/06/2009		£9,100					
Wolverhampton		W Mids	F/H	Vacant	25/08/2007			£4,980					
		W Mids	F/H	Café	14/11/2013	15/11/2007		£8,500					
Wolverhampton		W Mids	F/H	Vacant	25/08/2007			£4,980					
		W Mids	F/H	Cards	15/02/2011			£12,000					
Wolverhampton		W Mids	F/H	AST	31/03/2007			£4,800					

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Worcester	63/65 Sidbury St.	W Mids	F/H	Off Licence	03/05/2014	04/05/2009		£9,100						
		W Mids	F/H	Parking	25/02/2012			£15,000						
		W Mids	F/H	Hairdresser	18/11/2014	12/08/2008		£7,200	£12,050	£12,050	£175,000	6.70%		
		W Mids	F/H	Ground rent	05/02/2087			£25						
		W Mids	F/H	Restaurant	03/10/2014	04/10/2007		£4,800						
		W Mids	F/H	Ground rent	28/09/2080			£25						
							Sub-Total	£15,694,500						
Aberdare	4 & 5 Victoria Square	Wales	F/H	Office	24/07/2011	25/07/2009		£32,500	£68,700	£68,700	£960,000	6.77%	Allsop	
Aberdare	45 Commercial St.	Wales	F/H	Beauty	30/09/2010	30/09/2007		£12,000	£20,950	£20,950	£260,000	7.69%		
		Wales	F/H	AST	31/03/2007			£4,200						
Aberdare	5 & 5 Victoria Square	Wales	F/H	AST	31/03/2007			£4,750						
		Wales	F/H	Office	03/04/2010	04/04/2008	04/04/2008	£15,200						
Aberystwyth	44 Terrace Rd.	Wales	F/H	Office	29/04/2015	29/04/2010		£21,000						
		Wales	L/H	Misc	31/07/2023			£32,000	£30,838	£22,437	£405,000	7.27%		
		Wales	L/H	Ground rent	26/06/2125	27/06/2010		-£1,163						
Bangor	291 High St.	Wales	F/H	Newsagent	03/12/2012	04/12/2007		£11,250	£11,250	£11,250	£160,000	6.84%		
		Wales	F/H	Misc	01/04/2007			£10,000	£51,284	£52,950	£555,000	8.74%	Allsop	
Bargoed	41-42 Hanbury Road	Wales	F/H	Misc	07/10/2007			£13,000						
		Wales	F/H	Vacant	22/04/2005			£0						
		Wales	F/H	Bookmaker	16/01/2012	17/01/2007		£4,300						
		Wales	F/H	AST	31/03/2007			£3,224						
		Wales	F/H	AST	31/03/2007			£2,600						
		Wales	F/H	AST	23/12/2005			£3,380						
		Wales	F/H	AST	31/03/2007			£3,640						
		Wales	F/H	AST	04/03/2006			£3,640						
		Wales	F/H	AST	24/08/2007			£3,900						
		Wales	F/H	AST	29/03/2007			£3,600						
		Wales	F/H	Vacant				£0						
		Wales	F/H	Café	28/05/2006				£5,500	£58,501	£53,281	£750,000	7.38%	Allsop
		Wales	F/H	Recruitment	05/08/2011				£13,000					
		Wales	F/H	Café	27/05/2011	28/05/2006	06/08/2007		£5,000					
Blackwood	199 High St.	Wales	F/H	Misc	06/10/2012	07/10/2007		£11,000						
		Wales	F/H	Office	29/07/2013	30/07/2007		£11,000						
		Wales	F/H	Office	15/12/2009			£13,000						
		Wales	F/H	Misc	07/09/2985			£1						
		Wales	F/H	Hairdresser	31/12/2009	18/06/2009		£3,640	£17,640	£17,640	£245,000	7.01%		
		Wales	F/H	Misc	18/06/2014			£14,000						
Blackwood	5b Pentwyn Road	Wales	F/H	Charity	20/09/2011			£22,500	£22,500	£20,100	£240,000	9.12%	Allsop	
		Wales	F/H	Takeaway	24/06/2019	24/06/2007		£14,300	£45,500	£49,220	£775,000	5.55%	Allsop	

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status	
Bridgend	Units 2,4,6 Verlands Court	Wales	F/H	Takeaway	23/06/2016	24/06/2007		£13,000						
		Wales	F/H	Takeaway	21/03/2020	22/03/2008		£13,000						
		Wales	F/H	AST	31/01/2006				£5,200					
		Wales	F/H	AST	31/01/2006				£0					
		Wales	L/H	Convenience	02/11/2028	03/11/2008		03/05/2014	£13,000	£16,498	£19,598	£250,000	6.42%	Allsop
Bridgend	Woodstock Inn	Wales	L/H	Office	09/11/2011		10/11/2008	£3,500						
		Wales	L/H	Head rent	03/12/2990				-£1					
		Wales	L/H	Head rent	03/12/2990				-£1					
		Wales	F/H	Public House	04/11/2011	05/11/2008			£7,800	£37,980	£36,000	£320,000	11.33%	
		Wales	F/H	Restaurant	28/11/2011	29/11/2009			£30,180	£44,999	£44,999	£640,000	6.65%	
Caerphilly	83 Cardiff Rd.	Wales	L/H	LH	28/11/2018									
		Wales	L/H	Head rent	29/09/2078				-£1					
		Wales	F/H	Misc	11/01/2022	12/02/2012			£10,500	£13,680	£245,000	5.43%	Allsop	
		Wales	F/H	SRT	03/05/2007				£3,180					
		Wales	F/H	Hairdresser	23/04/2012	24/04/2008			£16,500	£58,200	£68,840	£825,000	6.67%	Allsop
Cardiff	102 Crwys Rd	Wales	F/H	Office	05/04/2006			£4,000						
		Wales	F/H	Office	31/05/2003			£1,500						
		Wales	F/H	Office	20/04/2011				£6,000					
		Wales	F/H	Misc	15/06/2016				£11,000					
		Wales	F/H	Electrical	15/12/2010	16/12/2007			£5,500					
Cardiff	1-6 St. Martins Row	Wales	F/H	Pawnbroker	29/09/2008			£7,500						
		Wales	F/H	Pawnbroker	28/09/2008				£6,200					
		Wales	F/H	Takeaway	29/09/2023	02/09/2008			£10,000	£24,500	£24,700	£390,000	6.00%	Allsop
		Wales	F/H	Charity	01/10/2008				£8,000					
		Wales	F/H	Beauty	07/02/2008				£6,500					
Maesteg	5 Talbot St. Maesteg	Wales	F/H	Travel	01/06/2015	01/06/2010	01/06/2010	£12,000	£18,900	£19,510	£265,000	6.81%	Allsop	
		Wales	F/H	Misc	01/11/2006				£4,500					
		Wales	F/H	Office	30/09/2010				£1,200					
Milford Haven	No.89 Great North Rd.	Wales	F/H	Office	31/05/2010			£1,200						
		Wales	F/H	Off Licence	15/11/2021	16/11/2011	16/11/2011		£7,000	£12,950	£180,000	7.35%		
		Wales	F/H	AST	07/06/2007				£6,600					
Pembroke Dock Pentwyn	12-14 Dimond St. 9 & 9a Glyncoed Rd	Wales	F/H	Discount	31/01/2008			£37,500	£37,500	£39,700	£500,000	7.16%	Allsop	
		Wales	F/H	Convenience	26/02/2014	27/02/2009			£15,000	£23,610	£375,000	6.01%	Allsop	
		Wales	F/H	Hairdresser	06/10/2007				£8,460					
Penzance	22 Market St	Wales	F/H	Ground Rent	01/05/2101			£50						
		Wales	F/H	Ground Rent	01/05/2101			£50						
		Wales	F/H	Ground Rent	01/05/2101			£50						
		Wales	F/H	Ground Rent	01/05/2101			£50						
		Wales	F/H	Clothing	11/04/2017	11/04/2008			£34,000	£34,000	£35,000	£500,000	6.49%	

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Rhyl	8/10 Bodfer St.	Wales	F/H	Office	01/07/2009		01/07/2008	£3,640	£17,280	£17,280	£235,000	7.16%			
		Wales	F/H	Restaurant	25/04/2014	26/04/2008	25/04/2008	£9,500							
		Wales	F/H	AST	31/03/2007			£4,140							
		Wales	F/H	Charity	13/01/2011			£18,000	£65,000	£67,500	£968,000	6.35%			
Rhyl	83-89 High St.& 2-8 Russell Rd	Wales	F/H	Clothing	14/07/2012	15/07/2007		£13,000							
		Wales	F/H	Café	31/04/2017	01/05/2007		£20,500							
		Wales	F/H	Travel	10/06/2008			£4,500							
		Wales	F/H	Takeaway	30/05/2008			£4,500							
		Wales	F/H	Clothing	07/11/2010			£4,500							
		Wales	F/H	Vacant											
		Wales	F/H	Vacant											
		Wales	L/H	Restaurant	09/05/2007			£30,000	£29,750	£34,090	£440,000	6.45%			
		Wales	L/H	Ground rent	27/02/2132										
		Wales	F/H	SRT	01/01/1980				£2,340						
Swansea	458-458A Gower Rd Viking Court	Wales	L/H	Industrial	11/03/2007			£2,312		£61,930	£675,000	5.99%	Allsop		
		Wales	L/H	Industrial	05/09/2011	06/09/2008	06/09/2008	£4,192							
		Wales	L/H	Industrial	21/08/2007			£9,200							
		Wales	L/H	Industrial	02/10/2008			£9,410							
		Wales	L/H	Industrial	17/08/2009			£25,000							
		Wales	L/H	Vacant	06/01/2006			£0							
		Wales	L/H	Head rent	21/09/2079			-£7,360							
		Wales	F/H	Charity	29/10/2010			£9,500		£20,590	£257,000	7.18%			
		Wales	F/H	AST	13/04/2007			£3,460							
		Wales	F/H	AST	31/03/2007			£2,860							
		Wales	F/H	ST				£1,440							
		Treorchy	1-2 High St.CF42 6AE	Wales	F/H	AST	13/04/2007			£2,080					
Wales	F/H			Bookmaker	28/09/2021	29/09/2011		£18,500	£18,500	£18,500	£275,000	6.42%			
Wales	F/H			Charity	29/10/2010			£8,000	£8,000	£8,460	£115,000	6.84%			
Wales	F/H			Charity	28/04/2016	28/04/2009	28/04/2009	£8,500	£8,500	£8,500	£120,000	6.96%			
Troon	31 Ayr Street	Wales	F/H	Office	30/11/2014	01/12/2009		£22,425	£85,654	£88,905	£1,160,000	6.98%			
		Wales	F/H	Beauty											
Wrexham	Arcade, 24 Temple Row	Wales	F/H	Bookmaker	21/02/2026	22/02/2011		£21,908							
		Wales	F/H	Beauty	24/12/2006			£9,500							
		Wales	F/H	Beauty	24/12/2009	25/12/2006		£3,300							
		Wales	F/H	Restaurant	31/01/2016	01/02/2011		£3,500							
		Wales	F/H	Restaurant	31/01/2016	01/02/2011		£12,000							
		Wales	F/H	Office	31/08/2007	01/02/2011		£6,021							
Wales	F/H	Beauty	31/01/2007			£7,000									

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Ystrad Mynach	Pierhead Buildings	Wales	F/H	Charity	23/02/2014	24/02/2009	24/02/2009	£17,000	£71,571	£72,156	£985,000	6.87%	Allsop		
		Wales	F/H	Misc	12/11/2013	13/11/2008	13/11/2008	£9,695							
		Wales	F/H	Misc	12/11/2013			13/11/2008	£0						
		Wales	F/H	Office	24/08/2014	25/08/2009	25/08/2008	£4,500							
		Wales	F/H	Office	03/01/2014	04/01/2008	04/01/2008	£9,500							
		Wales	F/H	Charity	17/11/2010	18/11/2007	18/11/2007	£6,000							
		Wales	F/H	Office	03/01/2014	04/01/2008	04/01/2008	£5,000							
		Wales	F/H	Office	05/08/2010	06/08/2007	06/08/2007	£6,000							
		Wales	F/H	Misc	09/03/2009			10/03/2007	£3,000						
		Wales	F/H	Florist	03/11/2009	04/11/2006			£4,000						
		Wales	F/H	AST	31/03/2007				£3,240						
		Wales	F/H	AST	31/03/2007				£3,636						
		Wales	L/H	Head rent	29/03/2002	29/03/2994			£0						
		Sub-Total									<u>£14,070,000</u>				
Barnsley	33 New St. & 74 Market St.	Y&H	L/H	Charity	01/06/2014	01/06/2009		£26,000	£46,000	£46,000	£615,000	7.07%	Allsop		
Castleford	5a-7b Ferrybridge Rd.	Y&H	L/H	Recruitment	11/03/2010		11/03/2008	£20,000							
		Y&H	L/H	Head rent	28/05/2123			£0							
		Y&H	F/H	Furniture/ Homeware	04/02/2009				£10,000	£35,400	£38,800	£495,000	6.83%		
		Y&H	F/H	Misc	26/02/2018	27/02/2009	27/02/2009	£2,145							
		Y&H	F/H	Misc	26/02/2018	27/02/2008	27/02/2008	£15,255							
Colne	59 Market St.	Y&H	F/H	Vacant	24/01/2009			£8,000							
		Y&H	F/H	Dry Cleaner	24/12/2010			£8,500	£8,500	£9,540	£129,000	6.48%			
		Y&H	L/H	Off Licence	02/12/2014	03/12/2007	03/12/2009	£9,500	£11,000	£9,500	£145,000	7.46%	Allsop		
		Y&H	L/H	Misc	02/12/2014	03/12/2007	03/12/2009	£3,000							
Dinnington	40 Laughton Rd	Y&H	L/H	Head rent	26/10/2128			-£1,500							
		Y&H	L/H	Takeaway	31/01/2016	31/01/2009	31/01/2012	£7,000	£6,480	£6,480	£90,000	7.08%			
		Y&H	L/H	Head rent	28/03/2128	31/01/2009	31/01/2009	-£520							
Dinnington	53 Laughton Rd.	Y&H	F/H	Convenience	08/03/2010			£38,000	£38,000	£38,000	£550,000	6.53%	Allsop		
		Y&H	F/H	Travel	15/05/2014	29/09/2008			£22,000	£25,800	£380,000	5.53%	Allsop		
Goole	54 Pasture Rd	Y&H	F/H	Shell				£0							
		Y&H	F/H	Clothing	31/08/2018	01/09/2008			£10,500	£15,300	£225,000	6.23%	Allsop		
		Y&H	F/H	AST	23/05/2007			£3,900							
Huddersfield	86 Sheepridge Rd.	Y&H	F/H	AST	15/03/2006			£0							
		Y&H	L/H	Vacant	31/08/2006			£0	£3,900	£16,800	£240,000	1.58%			
		Y&H	L/H	AST	31/03/2007			£3,900							
Kingston-upon-Hull	2, Land of Green Ginger	Y&H	L/H	Head rent	24/02/2938			£0							
		Y&H	F/H	Hairdresser	31/01/2008			£21,000	£27,500	£27,500	£375,000	7.00%			
		Y&H	F/H	Hairdresser	31/02/2008			£6,500							

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Kingston-upon-Hull	256 Holderness Rd.	Y&H	F/H	Greengrocer	28/02/2011	01/03/2008		£19,000	£19,000	£19,000	£250,000	7.40%	
Kingston-upon-Hull	288 Southcoates Lane	Y&H	F/H	Takeaway	16/08/2019	17/08/2007		£6,000	£9,900	£9,900	£130,000	7.48%	
Kingston-upon-Hull	308 Holderness Rd	Y&H	F/H	AST	14/03/2007			£3,900					
Kingston-upon-Hull		Y&H	F/H	Misc	20/01/2007			£16,500	£16,500	£18,600	£230,000	6.98%	
Kingston-upon-Hull	467 Endike Lane, HU6 8AG	Y&H	F/H	Takeaway	12/07/2026	13/07/2011		£13,000	£13,000	£13,000	£175,000	7.23%	
Kingston-upon-Hull	619 Holderness Rd.	Y&H	F/H	Bookmaker	30/08/2009			£8,500	£12,400	£12,400	£170,000	7.10%	Allsop
Pontefract	1 Askam Avenue	Y&H	F/H	AST	02/01/2010			£3,900					
Pontefract	1 Market Place	Y&H	F/H	Convenience	11/02/2026	11/02/2010		£8,320	£8,320	£8,320	£117,000	6.99%	
Pontefract	12-14 Ropergate	Y&H	F/H	Misc	05/11/2014	06/11/2009		£33,000	£33,000	£35,400	£465,000	6.77%	
Pontefract	17 Ropergate	Y&H	F/H	Discount	29/05/2012	30/05/2007		£32,000	£32,000	£32,000	£435,000	7.02%	
Pontefract	18 Ropergate	Y&H	F/H	Clothing	08/03/2015	25/12/2007		£80,000	£80,012	£100,012	£1,250,000	6.05%	Allsop
Pontefract	29 Cornmarket St.	Y&H	F/H	Substation	01/01/1990			£12					
Pudsey	25 Lowtown	Y&H	F/H	Takeaway	31/07/2021			£16,500	£16,500	£16,500	£235,000	6.83%	Allsop
Rawtenstall	14-20 Bury Rd	Y&H	L/H	Hardware	31/03/2011		31/03/2007	£8,500	£8,500	£8,500	£115,000	7.26%	
		Y&H	L/H	Head rent	30/06/2990			£0					
		Y&H	F/H	Electrical	09/01/2015	10/01/2009		£6,500	£6,500	£6,500	£870,000	6.66%	
		Y&H	F/H	Vacant	22/02/2008			£7,500					
		Y&H	F/H	Misc	31/10/2008	25/03/2007		£11,000	£11,000				
		Y&H	F/H	Misc	24/03/2013	25/03/2007		£16,000	£16,000				
		Y&H	F/H	Vacant				£0					
		Y&H	F/H	AST	31/03/2007			£3,120					
		Y&H	F/H	AST	31/03/2007			£3,360					
		Y&H	F/H	AST	31/03/2007			£3,360					
		Y&H	F/H	AST	03/04/2007			£3,540					
		Y&H	F/H	AST	24/10/2005			£3,360					
		Y&H	F/H	AST	15/03/2006			£3,540					
		Y&H	F/H	Vacant				£0					
Rotherham	10 Drummond St.	Y&H	F/H	Charity	20/07/2015	20/07/2010	20/07/2010	£11,025	£11,025				
Rotherham	35 Green Arbour Rd.	Y&H	F/H	Ground Rent	24/03/2190			£0					
		Y&H	F/H	Off Licence	15/06/2026	16/06/2011		£14,300	£20,550	£18,550	£280,000	7.01%	
		Y&H	F/H	Takeaway	15/06/2026	16/06/2011		£6,250					
		Y&H	F/H	Clothing	24/03/2015	25/03/2008		£7,500	£93,725	£118,550	£1,500,000	5.91%	
		Y&H	F/H	Food	08/11/2020	09/11/2008		£16,000					
		Y&H	F/H	Vacant	13/10/2006			£0					
		Y&H	F/H	Food	24/03/2005			£7,250					
		Y&H	F/H	Newsagent	31/03/2015	01/04/2011		£9,250					
		Y&H	F/H	Estate Agent	13/11/2010	14/11/2008		£6,000					
		Y&H	F/H	Financial	13/02/2016	14/02/2011	14/02/2007	£18,700					
		Y&H	F/H	Beauty	08/08/2015	09/08/2010		£9,500					

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Rotherham	6 Drummond St.	Y&H	F/H	Vacant	13/10/2006			£0					
	8 Drummond St.	Y&H	F/H	Takeaway	17/07/2015	18/07/2010		£8,500					
	Units 1-4 Oxclose Avenue	Y&H	F/H	Beauty	15/07/2007			£4,000	£29,000	£33,500	£465,000	5.95%	
Sheffield		Y&H	F/H	Vacant				£0					
		Y&H	F/H	Takeaway	05/08/2012	06/08/2006		£4,000					
		Y&H	F/H	Bookmaker	15/07/2025	15/07/2010	15/07/2015	£21,000					
	14-18 Fitzalan Sq.	Y&H	F/H	Hairdresser	21/08/2012	22/08/2009	10/03/2009	£13,000	£28,500	£28,500	£403,000	6.75%	
		Y&H	F/H	Hairdresser	20/05/2013	21/05/2007		£15,500					
Shipley		Y&H	F/H	Ground Rent	20/06/2125			£0					
	12/23 Stanhope Hse	Y&H	L/H	Stationery	25/03/2016			£12,250	£148,635	£146,445	£1,750,000	8.03%	Allsop
		Y&H	L/H	Bank	24/06/2017	24/06/2007		£24,500					
		Y&H	L/H	Café	13/05/2012	14/05/2007		£8,000					
		Y&H	L/H	Beauty	24/05/2010			£9,000					
		Y&H	L/H	Furniture/ Homeware	16/12/2009			£20,000					
		Y&H	L/H	Office	23/06/2010			£50,040					
		Y&H	L/H	Discount	03/08/2016	04/08/2011	24/06/2007	£13,000					
		Y&H	L/H	Vacant	09/01/2012			£16,000					
		Y&H	L/H	Substation	23/12/2025			£5					
South Elmsall		Y&H	L/H	Head rent	27/12/2110			-£4,160					
	53 Barnsley Rd	Y&H	F/H	Discount	31/07/2012	15/08/2008	31/08/2008	£8,750	£15,590	£24,340	£195,000	7.78%	Allsop
		Y&H	F/H	AST	30/11/2006			£3,600					
		Y&H	F/H	AST	21/11/2007			£3,240					
	Market Place/ Silver St.	Y&H	F/H	Discount	14/09/2016	14/09/2007		£44,000	£44,000	£40,000	£615,000	6.77%	Allsop
Wakefield	18 Northgate	Y&H	L/H	Beauty	31/12/2009	13/12/2006		£17,500	£15,750	£15,750	£220,000	6.97%	Allsop
		Y&H	L/H	Head rent	24/03/2111			-£1,750					
Wakefield		Y&H	L/H	Beauty	11/06/2007			£16,000	£37,350	£44,730	£540,000	6.54%	
	22-26 Northgate	Y&H	L/H	Travel	27/11/2014	28/11/2009	28/11/2009	£14,000					
Wakefield		Y&H	L/H	Travel	01/12/2009			£11,500					
		Y&H	L/H	Head rent	24/03/2111			-£4,150					
		Y&H	L/H	Stationery	28/09/2010	28/09/2006	29/09/2007	£5,640	£35,190	£39,000	£510,000	6.52%	
	22-27 The Springs	Y&H	L/H	Recruitment	31/07/2007			£8,450					
		Y&H	L/H	Optician	21/03/2127	22/03/2027		£100					
		Y&H	L/H	Misc	24/03/2009	25/03/2007		£8,500					
		Y&H	L/H	Convenience	25/10/2021	26/10/2009		£12,500					
Wakefield		Y&H	L/H	Whole	09/11/2256			£0					
		Y&H	L/H	Optician	01/05/2011	02/05/2006		£10,500	£77,667	£80,478	£1,035,000	7.10%	Allsop
	78/83 Northgate,1	Y&H	L/H	Hairdresser	15/03/2015	16/03/2010	16/09/2010	£11,000					
	Rishworth St	Y&H	L/H	Clothing	09/11/2007			£7,500					
		Y&H	L/H	Beauty	31/05/2009			£9,800					
		Y&H	L/H	Misc	20/07/2014	21/07/2009		£10,000					

<i>Town</i>	<i>Address</i>	<i>IPD Region</i>	<i>Tenure</i>	<i>Tenant Occupation</i>	<i>Expiry Date</i>	<i>Rent Review</i>	<i>Break Date</i>	<i>Rent PA</i>	<i>TOTAL PASSING RENT PA</i>	<i>Market Rent PA</i>	<i>Market Value</i>	<i>Initial yield</i>	<i>Inspected Status</i>
		Y&H	L/H	Footwear	16/07/2007			£8,800					
		Y&H	L/H	Restaurant	16/07/2014	17/07/2009		£22,350					
		Y&H	L/H	Takeaway	19/07/2013	20/07/2007		£8,500					
		Y&H	L/H	Head rent	16/03/2068	17/03/2017		-£6,633					
		Y&H	L/H	Head rent	16/03/2068			£0					
		Y&H	L/H	Head rent	16/03/2068	17/03/2017		-£4,150					
Willerby	26 Main Street, Nr.Hull	Y&H	F/H	Hairdresser	21/08/2012		29/09/2009	£9,000	£12,540	£12,540	£180,000	6.78%	
Wombwell	27 & 29 High St, Barnsley,	Y&H	F/H	AST	31/03/2007		06/04/2009	£3,540	£11,500	£11,500	£160,000	7.00%	
Wombwell	43 High Street	Y&H	F/H	Takeaway	06/04/2021			£6,000					
		Y&H	F/H	Jewellery/Gifts	12/10/2012	13/10/2009	29/09/2009	£5,500					
		Y&H	F/H	Hairdresser	04/03/2010			£9,000		£9,000	£125,000	7.08%	
Sub-Total											<u>£15,664,000</u>		
Total									<u>£13,619,691</u>	<u>£14,404,244</u>	<u>£205,145,000</u>		

MARCH PORTFOLIO

Town	Address	IPD Region	Tenure	Tenant Occupation	Expiry/ VP Date	Rent Review	Break Date	Rent PA	TOTAL PASSING RENT PA	Market Rent PA	Market Value	Initial yield	Inspected Status
Bognor Regis	8 Madeira Parade	SW	F/H	Retail	03/01/2026	04/01/2011		£10,000	£10,075	£7,575	£130,000	7.62%	
Bognor Regis	Unit 1 55 London Road	SW	L/H	Retail	24/12/2114			£75					
Bridport	27-29 West Street & 2-4 Victoria Grove	SW	F/H	Takeaway	30/11/2015	01/12/2010		£8,000	£8,000	£7,310	£112,500	6.99%	
				Misc	23/06/2989		19/05/2009	£0	£55,900	£62,300	£770,000	6.87%	
					18/05/2011			£11,500					
Edinburgh	87 St Leonards Street	Scotland	F/H	Takeaway	20/02/2022	21/02/2012		£12,000	£12,000	£12,000	£175,000	6.67%	
Havant	32 North Street	SW	F/H	Charity	24/03/2010	25/03/2007		£12,500					
Hulme	1-5 Bishops Corner	SW	F/H	Misc	29/04/2013	29/04/2009		£6,000					
		NW	L/H	Office	24/03/2011	29/09/2007		£14,500					
		NW	L/H	Café	23/06/2009			£6,000					
		NW	L/H	AST	21/03/2007			£5,400					
		NW	L/H	Takeaway	31/08/2156			£12,000					
Langley Moor	31 & 31a High Street South	North	F/H	Café	02/10/2015	03/10/2010		£8,000					
Lowestoft	158 London Road South, 2a & 2 Waterloo Road	North	F/H	AST	20/05/2007			£4,800					
		E Anglia	F/H	Retail	27/03/2008			£9,500					
			F/H	Retail	27/03/2008			£9,500					
			F/H	Retail	27/03/2008			£9,500					
			F/H	Retail	27/03/2008			£9,500					
			F/H	Retail	31/08/2156			£0					
			F/H	Charity	31/03/2012	01/04/2008	01/04/2010	£6,000					
			F/H	AST	31/07/2007			£7,800					
			F/H	Retail	21/10/2009			£5,500					
			F/H	Retail				£0					
				AST	05/02/2007			£3,840					
				AST	14/05/2006			£4,200					
Nelson	139 Leeds Road	NW	L/H	Takeaway	09/09/2008			£5,200					
		NW	L/H	AST	31/12/2879			£4,706					
		NW	L/H					-£24					
									£183,497	£189,827	£2,529,500		

PART 6
PRO FORMA FINANCIAL INFORMATION



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12 April 2007

The Directors
The Local Shopping REIT plc
11 Hanover Street
London
W1S 1YQ

Dear Sirs

The Local Shopping REIT plc (the ‘Company’)

We report on the *pro forma* financial information (the ‘Pro forma financial information’) set out in Part 6 of the prospectus of the Company dated 12 April 2007 (the ‘Prospectus’), which has been prepared on the basis described in Part 6, for illustrative purposes only, to provide information about how the proposed issue of new ordinary shares and associated transactions might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company in preparing the financial statements for the year ending 30th September 2007. This report is required by paragraph 20.2 of Annex I of the Regulation EC 809/2004 (the ‘Prospectus Directive Regulation’) and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) of the Financial Services Authority to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

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

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) of the Financial Services Authority we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

Chartered accountants

Unaudited pro forma financial information prepared in accordance with IFRS

The unaudited pro forma financial information of the Group set out below has been prepared to illustrate the effect of the Issue, the acquisitions of property and the refinancing. The unaudited pro forma financial information has been prepared on the basis of the net assets of the Company as at 30 September 2006 as set out in Part 7 of this document, and adjusted in accordance with the notes below. The statement has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation. It therefore does not represent the Group's actual financial position or results and may not give a true picture of the net assets which would have been reported if the Issue, property acquisitions and refinancing had occurred on 30 September 2006.

	<i>Adjustments (£'000)</i>						<i>Unaudited pro forma net assets £'000 (Note 7)</i>
	<i>At 30 September 2006 £'000 (Note 1)</i>	<i>Net property Acquisitions (Note 2)</i>	<i>Revaluation (Note 3)</i>	<i>March acquisitions (Note 4)</i>	<i>Proceeds of the issue (Note 5)</i>	<i>Refinancing (Note 6)</i>	
ASSETS							
Non-current assets							
Investment properties	141,539	62,104	2,158	2,530	—	—	208,331
Deferred tax asset	991	—	—	—	—	—	991
Derivative financial instruments	772	—	—	—	—	—	772
Current assets	143,302	62,104	2,158	2,530	—	—	210,094
Derivative financial instruments	369	—	—	—	—	—	369
Trade and other receivables	3,563	—	—	—	—	—	3,563
Cash	2,891	(62,104)	—	(2,530)	155,707	(30,353)	63,611
	<u>6,823</u>	<u>(62,104)</u>	<u>—</u>	<u>(2,530)</u>	<u>155,707</u>	<u>(30,353)</u>	<u>67,543</u>
TOTAL ASSETS	<u>150,125</u>	<u>—</u>	<u>2,158</u>	<u>—</u>	<u>155,707</u>	<u>(30,353)</u>	<u>277,637</u>
EQUITY AND LIABILITIES							
Equity							
Issued capital	800	—	—	—	18,390	—	19,190
Share premium account	—	—	—	—	137,317	—	137,317
Retained earnings	2,569	—	1,511	—	—	—	4,080
	<u>3,369</u>	<u>—</u>	<u>1,511</u>	<u>—</u>	<u>155,707</u>	<u>—</u>	<u>160,587</u>
Non-current liabilities							
Interest bearing loans and borrowings	136,583	—	—	—	—	(30,353)	106,230
Deferred tax	1,776	—	647	—	—	—	2,423
Derivative financial instruments	70	—	—	—	—	—	70
Finance lease liabilities	618	—	—	—	—	—	618
	<u>139,047</u>	<u>—</u>	<u>647</u>	<u>—</u>	<u>—</u>	<u>(30,353)</u>	<u>109,341</u>
Current liabilities							
Bank overdraft	91	—	—	—	—	—	91
Interest bearing loans and borrowings	3,231	—	—	—	—	—	3,231
Trade and other payables	4,387	—	—	—	—	—	4,387
	<u>7,709</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,709</u>
TOTAL EQUITY AND LIABILITIES	<u>150,125</u>	<u>—</u>	<u>2,158</u>	<u>—</u>	<u>155,707</u>	<u>(30,353)</u>	<u>277,637</u>

Explanatory notes

- The balance sheet of the Group as at 30 September 2006 has been extracted without material adjustment from the financial information contained in Part 7 of this document.
- The Property Acquisitions represent the property cost of those acquired and completed between 1 October 2006 to 28 February 2007 net of property disposals during the same period. Gross acquisitions of £63.1 million were made during this period and disposals with a carrying value of £1.0 million were also made, giving net property acquisitions of £62.1 million.

3. The revaluation is as at 28 February 2007 and is in respect of those properties held as at 30 September 2006 and purchased and completed from 1 October 2006 until 28 February 2007. This adjustment also includes the effect of the revaluation on the deferred tax position which has been calculated as 30% of the revaluation.
4. The March acquisitions represent property acquired and completed from 1 March 2007 until 28 March 2007, as detailed in Part 5 under "March Portfolio".
5. The following adjustments have been made in arriving at the *pro forma* statement of net assets of the Group resulting in maximum net cash proceeds of the issue of £155.7 million.
 - (a) The gross proceeds of the issue of £160 million reflecting the issue of 91,954,023 shares of 20 pence par value at a premium of 154 pence per share, thereby increasing the share capital by £18.4 million and creating a share premium of £137.3 million.
 - (b) Estimated expenses of and directly attributable to the Issue of £4.3 million have been applied to reduce the share premium account.
6. The refinancing adjustment represents the obligatory repayment of amounts due to Castlemore Holdings Ltd upon Admission. The £30.4 million repayment represents the balance due as at 30 September 2006 and has been sourced from the disclosures in the audited financial information set out in Part 7.
7. The unaudited *pro forma* statement of net assets does not reflect any changes in the trading and net asset position of the Company since 30 September 2006 being the date to which the latest financial information was prepared. The total investment properties includes £0.617 million in respect of head rents which were recognised in the accounts to 30 September 2006 and not recognised in the valuation, and includes £0.039 million in respect of rent deposits not recognised in the valuation. Deducting the £0.617 million and the £0.039 million from the investment properties balance of £208.3 million equals £207.7 million which is the sum of the valuations in Part 5.
8. Based on the financial information contained in Part 7 of this document in the above pro-forma, the equity of the Group at 30 September 2006 was £3.37 million. Adding the revaluation of £2.16 million, deducting net losses (excluding revaluation) for the period from 1 October 2006 to Admission of £2.37 million, adding the movement in the fair value of the hedging arrangements as at 31 March 2007 of £3 million, and adding deferred tax amounts as at 30 September 2006 of £0.785 million results in equity of £6.94 million which represents 174 pence per share (based on the number of shares in issue prior to Admission of 4,000,000), which is the issue price.
9. Adjusting the revised equity under note 8 of £6.94 million for the net proceeds under the issue of £155.7 million and adjusting for an estimate of the REIT conversion charge of £4.46 million results in equity of £158.2 million which is 164.86p per share (based on the revised number of shares in issue following Admission of 95,954,023).
10. Had the property acquisitions occurred on 1 October 2005, the effect on earnings for the year ended 30 September 2006 would have been accretive.

PART 7

FINANCIAL INFORMATION IN RESPECT OF THE COMPANY



KPMG LLP
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12 April 2007

The Directors
The Local Shopping REIT plc
4th Floor
11 Hanover Street
London
W1S 1YQ

Dear Sirs

The Local Shopping REIT plc (“the Company”) and its subsidiary undertakings (“the Group”) - special purpose restated consolidated financial information for the periods ended 30 September 2005 and 2006

We report on the special purpose restated consolidated financial information for the periods ended 30 September 2005 and 2006 (“the restated financial information”) set out on pages 78 to 97 of the prospectus of the Company dated 12 April 2007 (“the Prospectus”), on the basis of the accounting policies described under the heading Accounting policies on pages 82 to 85 (“Basis of Preparation”).

This report is required by paragraph 20.1 of Annex I of Regulation EC 809/2004 (“the Prospectus Directive Regulation”) and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the restated financial information on the basis set out in the Basis of Preparation to the restated financial information and in accordance with IFRS as adopted by the EU.

It is our responsibility to form an opinion on the restated financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) of the Financial Services Authority to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the restated financial information. It also included an assessment of the accounting principles used and significant estimates and judgments made by those responsible for the preparation of the restated financial information and whether the accounting policies are appropriate to the Group’s circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the restated financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Group as at 30 September 2005 and 2006 and of its results, cash flows and recognised income and expense for the periods then ended in accordance with the Basis of Preparation and in accordance with IFRS as adopted by the EU as described in the Basis of Preparation.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) of the Financial Services Authority, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP
Chartered Accountants

Consolidated Income Statements

	<i>10 month period ended 30 September</i>	<i>Year ended 30 September</i>
<i>Note</i>	<i>2005 £000</i>	<i>2006 £000</i>
Net rental and related income	1,2 333	5,108
Loss on disposal of investment properties	—	(47)
Net valuation (losses)/gains on investment properties	(771)	5,054
Administrative expenses	3 (656)	(1,084)
Net other income	4 84	477
Operating (loss)/profit before net financing costs	<u>(1,010)</u>	<u>9,508</u>
Financing income	42	1,130
Financing expenses	(395)	(5,921)
Net financing costs	5 <u>(353)</u>	<u>(4,791)</u>
Result of joint venture	8 —	—
(Loss)/profit before tax	(1,363)	4,717
Income tax credit/(charge)	6 394	(1,179)
(Loss)/profit for the period attributable to equity holders of the company	15 <u>(969)</u>	<u>3,538</u>
Historic basic and diluted earnings per share	16 <u>(121.1p)</u>	<u>442.3p</u>
Supplementary earnings per share	<u>(1.0p)</u>	<u>3.7p</u>

Consolidated balance sheets

	<i>Note</i>	<i>At 30 September 2005 £000</i>	<i>At 30 September 2006 £000</i>
Non current assets			
Investment properties	7	20,126	141,539
Investment in joint venture	8	—	—
Deferred tax asset	9	263	991
Derivative financial instruments	17	31	772
Total non-current assets		<u>20,420</u>	<u>143,302</u>
Current assets			
Derivative financial instruments	17	—	369
Trade and other receivables	10	997	3,563
Cash		199	2,891
Total current assets		<u>1,196</u>	<u>6,823</u>
Total assets		<u><u>21,616</u></u>	<u><u>150,125</u></u>
Non current liabilities			
Interest bearing loans and borrowings	12	(19,122)	(136,583)
Deferred tax liabilities	9	(39)	(1,776)
Derivative financial instruments	17	—	(70)
Finance lease liabilities	14	(299)	(618)
Total non-current liabilities		<u>(19,460)</u>	<u>(139,047)</u>
Current liabilities			
Bank overdraft		(10)	(91)
Interest bearing loans and borrowings	12	(1,504)	(3,231)
Trade and other payables	13	(811)	(4,387)
Total current liabilities		<u>(2,325)</u>	<u>(7,709)</u>
Total liabilities		<u>(21,785)</u>	<u>(146,756)</u>
Net (liabilities)/assets		<u>(169)</u>	<u>3,369</u>
Equity			
Issued capital		800	800
Retained earnings		(969)	2,569
Total attributable to equity holders of the company	15	<u>(169)</u>	<u>3,369</u>

Consolidated statement of cash flows

	<i>10 month period ended 30 September 2005 £000</i>	<i>Year ended 30 September 2006 £000</i>
Operating activities		
(Loss)/profit for the period	(969)	3,538
Adjustments for:		
Gains on fair value adjustment of investment properties	771	(5,054)
Interest expense	353	4,791
Loss on disposal of investment property	—	47
Income tax (credit)/expense	(394)	1,179
	<u>(239)</u>	<u>4,501</u>
Increase in trade and other receivables	(997)	(2,566)
Increase in trade and other payables	892	2,251
	<u>(344)</u>	<u>4,186</u>
Interest paid	(315)	(4,815)
Interest received	11	90
	<u>(648)</u>	<u>(539)</u>
Cash flows from operating activities	(648)	(539)
Investing activities		
Proceeds from sale of investment properties	—	1,805
Acquisition of investment properties	(20,598)	(117,892)
	<u>(20,598)</u>	<u>(116,087)</u>
Cash flows from investing activities	(20,598)	(116,087)
Financing activities		
Proceeds from the issue of share capital	800	—
Repayment of borrowings	—	(1,317)
New borrowings	20,626	120,505
Payment of finance lease liabilities	9	49
	<u>21,435</u>	<u>119,237</u>
Cash flows from financing activities	21,435	119,237
Net increase in cash	189	2,611
Cash at beginning of period	—	189
	<u>189</u>	<u>2,800</u>
Cash at end of period	11	2,800

Consolidated statement of recognised income and expense
for the periods ended 30 September

	<i>2005</i>	<i>2006</i>
	£000	£000
Net income recognised directly in equity	—	—
(Loss)/profit for the period	(969)	3,538
	<hr/>	<hr/>
Total recognised income and expense for the period attributable to equity holders of the company	(969)	3,538
	<hr/> <hr/>	<hr/> <hr/>

The Local Shopping REIT plc (formerly Castlemore Capital Limited)

Notes

Accounting policies

Basis of preparation

The financial information set out herein in respect of The Local Shopping REIT plc (formerly Castlemore Capital Limited) its subsidiary undertakings and the group's interest in joint ventures for the periods ended 30 September 2005 and 2006 has been prepared by the directors of the Company. The Company was incorporated in December 2004 and therefore the first reporting period to 30 September 2005 reflects only 10 month period.

The Local Shopping REIT plc (formerly Castlemore Capital Limited) is a company incorporated and domiciled in the UK.

These financial statements are prepared in GBP, rounded to the nearest thousand. They have been prepared under the historical cost convention except for the following assets which are stated at fair value: investment properties and derivatives.

Following admission to the Official List, the Company will be required to prepare statutory financial statements which comply with International Financial Reporting Standards adopted by the European Union ("Adopted IFRSs") in respect of its next financial year and subsequently. As a company seeking admission, the Company is required to present certain historical financial information in its prospectus on a basis consistent with the accounting policies to be adopted in the financial statements for its next financial year.

Accordingly the prospectus includes combined financial information for the periods ended 30 September 2005 and 2006 (the "2005 and 2006 restated financial information") prepared on the basis expected to be applicable, insofar as this is currently known, to comparative information prepared for inclusion in the 2007 financial statements.

The combined financial information has been prepared in accordance with the requirements of the PD regulation, the listing rules, and in accordance with adopted IFRS's.

For the periods ended 30 September 2005 and 2006 The Local Shopping REIT plc (formerly Castlemore Capital Limited) prepared financial statements on a company only basis and as a result its subsidiary undertakings and joint venture were not included in its audited financial statements. The financial information set out herein for the periods ended 30 September 2005 and 2006 combines the individual audited financial statements of The Local Shopping REIT plc (formerly Castlemore Capital Limited) along with the individual audited financial statements of its subsidiary undertakings and joint venture held in those periods. The statutory financial statements of the company and its subsidiary undertakings for the periods ended 30 September 2005 and 2006 were prepared under UK GAAP.

The financial information presented herein for the financial periods ended 30 September 2005 and 2006 is derived from the statutory accounts for the financial periods ended 30 September 2005 and 2006. The statutory accounts for that period have been reported on by the company's auditors. The reports of the auditors were unqualified. The financial statements, including the auditors' report, can be obtained free of charge on request to the company at 4th Floor, 11 Hanover Street, London, W1S 1YQ.

When the 2007 consolidated financial statements are prepared, they will be the first consolidated financial statements prepared by the Company in accordance with adopted IFRS's and as such will take account of the requirements and options in IFRS1 (First-time Adoption of International Financial Reporting Standards) as they relate to the 2007 financial statements and the comparatives included therein, based on the date of transition to Adopted IFRSs applicable in those financial statements.

Note 22 describes how, in preparing the 2005 and 2006 restated financial information, the Directors of the Company have applied Adopted IFRSs as if the company were a first time adopter in that financial information and the assumptions they have made about the standards and interpretations expected to be effective and the policies they expect to adopt in the 2007 financial statements.

The application of Adopted IFRS (including IFRS 1) in the 2007 consolidated financial statements may result in the 2006 comparatives included in the 2007 consolidated financial statements being different to the 2006 restated financial information included herein. This may arise as a result of a different date of transition, changes to Adopted IFRS prior to their application in the 2007 financial

Notes (continued)

statements, or the directors of the Company making different choices from those which they have assumed in preparing the 2005 and 2006 restated financial information.

The Group has chosen not to early adopt the requirements of IFRS 7 'Financial Instruments: Disclosures'. This standard and interpretation had been adopted by the EU at the year end but is not effective. IFRS 7 impacts on disclosure only and therefore has no effect on the financial position of the Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods included within the financial information for the purposes of the assumed transition to Adopted IFRS in preparing this restated financial information.

Basis of consolidation

Subsidiaries are consolidated from the date of their acquisition, or the date on which the group obtains control, being the power to govern the financial and operating policies of an entity. They continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter company transactions and balances are eliminated.

Joint ventures are those entities over whose activities the Group has joint control, established by a contractual agreement. The consolidated financial statements include the Group's share of the total recognised gains and losses of jointly controlled entities on an equity accounted basis.

Investment property

Investment properties are those properties owned by the Group that are held to earn rental income or for capital appreciation or both and are not occupied by the Company or subsidiaries of the Group.

The fair value of investment properties are based on market values being an estimated amount for which a property could be exchanged on the date of valuation under an arms length transaction between a willing buyer and seller.

Investment properties are treated as acquired at the point the Group assumes the significant risks and returns of ownership and are treated as disposed of when these are transferred outside of the Group, usually on completion.

Subsequent expenditure is charged to the asset's carrying value only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of each item can be reliably measured. All other repairs and maintenance costs are charged to the income statement during the period in which they are incurred.

Disposal of investment properties are recognised on completion; profits and losses arising are recognised through the income statement, the profit is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus any additional expenditure incurred in the period.

It is planned that in future years, professional external valuers will value a random sample of 25% of the existing portfolio and all new purchases at the half year and year end. The remainder of the portfolio will be valued at its fair value at the half year and year end by the directors who have appropriate recognised professional qualifications and recent experience of the location and category of the property being valued.

Interest on loans associated with acquiring investment properties is expensed as incurred.

Rental income from investment properties is accounted for as described later.

Head leases

Where a property is held under a head lease and is classified as an investment property; it is initially recognised as an asset based on the sum of the premium paid on acquisition and the net present value of the minimum ground rent payments. The corresponding rent liability to the leaseholder is included in the balance sheet as a finance obligation in current and non-current borrowing.

On payment of a ground rent the head lease is allocated between liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance lease is charged to the income statement and the balance reduces the liability.

Notes (continued)

Trade and other receivables

Trade and other receivables are recognised and carried at the lower of cost and receivable amount. Impairment is made where it is established that there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The impairment is recorded in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held on call. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are included within cash and cash equivalents for the purpose of the cash flow statement.

Ordinary share capital

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

Trade and other payables

Trade and other payables are stated at their cost.

Rental income

Rental income from investment properties leased out under operating leases is recognised in the income statement on a straight line basis over the term of the lease. When the Group provides lease incentives to its tenants the cost of incentives are recognised over the lease term, on a straight line basis, as a reduction to income.

Other income

Other income includes property management fees which are recognised in the income statement on the basis of work done.

Expenses

Property operating expenses are expenses as incurred.

Net financing costs

Net financing costs include interest payable on borrowings calculated using the effective interest rate method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement 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 year, using tax rates enacted or substantially enacted at the Balance Sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method. Provision is made for temporary differences between the carrying amounts of assets and liabilities in the financial statements for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is calculated after taking into account any indexation allowances and capital losses on an undiscounted basis. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are only offset if there is a legally enforceable right of set off.

Notes (continued)

Derivative financial instruments and hedging

The group uses derivative financial instruments such as interest rate swaps to hedge risks associated with interest rate fluctuations. The Group does not hold or issue derivatives for trading purposes.

Such instruments are initially measured at fair value on the date on which a contract is entered into and are subsequently re-measured at fair value.

The group has determined that the derivative financial instruments in use do not qualify for hedge accounting and consequently any gains or losses arising from changes in fair value of derivatives are taken to the income statement. In the future and on an ongoing basis as new derivative financial instruments are entered into, the directors will review the derivative contracts to consider whether they qualify for hedge accounting.

Financial assets

The group's policy is to impair financial assets only when the contractual right to the cash flows from the financial asset are reduced.

Use of estimates and judgements

To be able to prepare accounts according to generally accepted accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial accounts. These estimates are based on historical experience and various other assumptions that management and the board of directors believe are reasonable under the circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The areas requiring the use of estimates and critical judgements that may significantly impact the group's earnings and financial position are:

- Valuation of investment properties;
- Calculation of deferred tax liabilities; and
- Calculation and assessment of recoverability of deferred tax assets.

Transition to adopted IFRS

The Group has prepared its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1, 'First-time Adoption of International Financial Reporting Standards'. An explanation of how the transition to Adopted IFRSs has affected the reported financial performance and financial position is provided in note 22.

Notes (continued)

1 Segmental reporting

The Group operates a single business segment providing accommodation to rent across the United Kingdom. The group's net assets, revenue and profit before tax are attributable to this one activity.

2 Net rental and related income

	<i>2005</i> £'000	<i>2006</i> £'000
Gross rental income	339	5,528
Property operating expenses	(6)	(420)
	<u>333</u>	<u>5,108</u>

Included within property operating expenses at 2006 is £21,866 relating to impairments on trade receivables (2005: £Nil).

3 Administrative expenses

a) Included within administrative expenses are the following:

	<i>2005</i> £'000	<i>2006</i> £'000
Auditors remuneration:		
Audit services – Group (parent fee disclosed below)	15	33
Non-audit services – taxation	3	10
	<u>18</u>	<u>43</u>

The audit fee for the parent company was £2,650 for the year ended 30 September 2006 and £2,500 for the period ended 30 September 2005.

b) Included in administrative expenses are staff costs and directors' remuneration.

The average number of persons employed by the company including directors was as follows:

	<i>Number of employees</i>	
	<i>2005</i>	<i>2006</i>
Administration	<u>2</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	<i>£'000</i>	<i>£'000</i>
Wages and salaries	293	504
Social security costs	37	62
	<u>330</u>	<u>566</u>

Directors emoluments are disclosed separately in note 20. For further detail refer to page 95 of this prospectus.

Notes (continued)

4 Net other income

	2005	2006
	£'000	£'000
Other income	277	521
Other expenses	(193)	(44)
	<u>84</u>	<u>477</u>

Other income relates primarily to property management income in the parent company. Other expenses relates primarily to property management fees paid and abortive costs.

5 Net financing costs

	2005	2006
	£000	£000
Interest receivable	11	90
Fair value gains on derivative financial instruments (note 17)	31	1,040
Financial income	42	1,130
Bank loan interest	(255)	(3,850)
Other loan interest	(131)	(2,022)
Head rents treated as finance leases	(9)	(49)
Financial expenses	<u>(395)</u>	<u>(5,921)</u>
Net financing costs	<u>(353)</u>	<u>(4,791)</u>

6 Income tax charge

	2005	2006
	£000	£000
Current tax charge		
Current period	(170)	—
Adjustment to prior period	—	170
	<u>(170)</u>	<u>170</u>
Deferred tax charge		
Origination and reversal of temporary differences	(224)	1,009
Total income tax (credit)/charge in the income statement	<u>(394)</u>	<u>1,179</u>

Reconciliation of effective tax rate

	2005	2006
	£000	£000
(Loss)/profit before tax	<u>(1,363)</u>	<u>4,717</u>
Profit before tax multiplied by rate of corporation tax in the UK of 30%	(409)	1,415
<i>Effects of:</i>		
Non-deductible expenses	15	29
Underprovided in prior periods	—	170
Other timing differences	2	9
Indexation relief on investment properties	(2)	(444)
	<u>(394)</u>	<u>1,179</u>

Notes (continued)

7 Investment property

	<i>Leasehold investment properties £000</i>	<i>Freehold investment properties £000</i>	<i>Total £000</i>
On incorporation	—	—	—
Additions	5,478	15,419	20,897
Fair value adjustment	(194)	(577)	(771)
At 30 September 2005	<u>5,284</u>	<u>14,842</u>	<u>20,126</u>
Additions	20,117	98,094	118,211
Disposals	—	(1,852)	(1,852)
Fair value adjustments	1,606	3,448	5,054
At 30 September 2006	<u><u>27,007</u></u>	<u><u>114,532</u></u>	<u><u>141,539</u></u>

The carrying amount of investment properties is the fair value of the properties as determined by the directors who have an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined having regard to recent market transactions and other independent valuations carried out by an external third party valuer.

8 Investment in joint venture

The Group has the following investment in a joint venture:

	<i>Country</i>	<i>Ownership 2006</i>
Joint venture		
Castle Marinas Limited	United Kingdom	<u>75%</u>

The Group has a 75% interest in a joint venture, Castle Marinas Limited (and its 100% owned UK subsidiaries, being Owlpower Limited and Buckden Marina Limited), whose principal activities are operation of marinas.

The investment has been treated as a joint venture, despite the majority shareholding, due to the existence of a contractual agreement (being the shareholder agreement) which distinguishes interests that involve joint control between all venturers.

The summarised financial information in respect of the Group's share of the joint venture is shown, for information purposes only, below.

In accordance with IAS 28, the Group's share of losses has been restricted to nil because there is no legal or constructive obligation of the Group to make payments to settle the joint venture liabilities. The Group's share of the cumulative unrecognised losses of the joint venture are shown below.

	<i>2006 £000</i>
Non-current assets	3,665
Current assets	274
Non-current liabilities	(1,214)
Current liabilities	(2,847)
Net liabilities	<u>(122)</u>
Income	279
Expenses	(401)
Unrecognised losses for the year	<u><u>(122)</u></u>

No investments in joint ventures were held by the Group at 30 September 2005.

After the balance sheet date and approval date of the subsidiary and company individual accounts but before the proposed signing of the listing prospectus, the directors plan to sell the Groups

Notes (continued)

investment in Castle Marinas to part of the wider Castlemore Group. The investment will be sold at the original cost of investment value to the Group. Had this decision been taken before the balance sheet date the investment would be classed as an asset held for sale. However this would not have affected the carrying value of the asset itself.

9 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

	<i>Assets</i>		<i>Liabilities</i>		<i>Net</i>	
	<i>2005</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Investment property	263	595	(30)	(1,434)	233	(539)
Other items	—	21	(9)	(342)	(9)	(321)
Tax value of loss carry-forwards recognised	—	375	—	—	—	375
Net tax assets/ (liabilities)	<u>263</u>	<u>991</u>	<u>(39)</u>	<u>(1,776)</u>	<u>224</u>	<u>(785)</u>

There are no unrecognised deferred tax assets at either September 2005 or September 2006.

It has been announced that the corporation tax rate applicable to the company is expected to change from 30% to 28% from 1 April 2008. The deferred tax asset/liability has been calculated at 30% in accordance with IAS 12. Any timing differences which reverse before 1 April 2008 will be (charged)/relieved at 30%, any timing differences which exist at 1 April 2008 will reverse at 28% and, because of the uncertainty of when the deferred tax asset/liability will reverse, it is not possible to calculate the full financial impact of this change.

10 Trade and other receivables

	<i>2005</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>
Other trade receivables	336	1,064
Other receivables	660	1,446
Amounts due from jointly controlled entities	—	973
Prepayments	1	80
	<u>997</u>	<u>3,563</u>

There are no receivables due after more than one year.

11 Cash

	<i>2005</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>
Bank balances	199	2,891
Bank overdrafts	(10)	(91)
Cash in the statement of cash flows	<u>189</u>	<u>2,800</u>

Notes (continued)

12 Interest-bearing loans and borrowings

	2005 £000	2006 £000
Non-current liabilities		
Secured bank loans	14,391	106,230
Other loans	4,731	30,353
	<u>19,122</u>	<u>136,583</u>
Current liabilities		
Current portion of secured bank loans	<u>1,504</u>	<u>3,231</u>

For more information about the Group's exposure to interest rate and currency risk, see note 17.

13 Trade and other payables

	2005 £000	2006 £000
Trade payables	290	438
Other taxation and social security	26	96
Other payables	37	758
Accruals and deferred income	458	3,095
	<u>811</u>	<u>4,387</u>

14 Leasing

Obligations under finance leases

Finance lease liabilities on head rents are payable as follows:

	2005 <i>Principal</i> £000	2005 <i>Interest</i> £000	<i>Minimum</i> <i>lease</i> <i>payment</i> £000
More than five years	1,765	(1,466)	299
Balance at 30 September 2005	<u>1,765</u>	<u>(1,466)</u>	<u>299</u>

Finance lease liabilities are payable as follows:

	2006 <i>Principal</i> £000	2006 <i>Interest</i> £000	<i>Minimum</i> <i>lease</i> <i>payment</i> £000
More than five years	5,550	(4,932)	618
Balance at 30 September 2006	<u>5,550</u>	<u>(4,932)</u>	<u>618</u>

Notes (continued)

15 Capital and reserves

Reconciliation of movement in capital and reserves

	<i>Share capital £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
Balance on incorporation	—	—	—
Issue of shares	800	—	800
Total recognised income and expense	—	(969)	(969)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2005	800	(969)	(169)
	<hr/>	<hr/>	<hr/>
Balance at 1 October 2005	800	(969)	(169)
Total recognised income and expense	—	3,538	3,538
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2006	800	2,569	3,369
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Share capital

	<i>Ordinary shares</i>	
	<i>2005 £000</i>	<i>2006 £000</i>
<i>Authorised, allotted, called up and fully paid:</i>		
“A” ordinary £1 shares	600	600
“B” ordinary £1 shares	100	100
“C” ordinary £1 shares	100	100
	<hr/>	<hr/>
	800	800
	<hr/> <hr/>	<hr/> <hr/>

On incorporation, 1 ordinary share of £1 was issued at nominal value.

On 21 January 2005, the authorised share capital was increased to 800,000 ordinary £1 shares and re-designated as 600,000 “A” ordinary shares, 100,000 “B” ordinary shares and 100,000 “C” ordinary shares, each at £1 each.

‘A’, ‘B’ and ‘C’ £1 ordinary shares rank *pari passu* in all respects.

A capital reorganisation is to take place on 2 May 2007 to increase the number of authorised and issued shares to 95,954,023 ordinary shares. This increase in the number of shares is dependent on the proposed issue of shares completing.

Notes (continued)

16 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 September 2005 and 2006 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the periods ended 30 September 2005 and 2006, calculated as follows:

Profit attributable to ordinary shares

	<i>2005</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>
(Loss)/profit for the period	(969)	3,538

Weighted average number of ordinary shares

	<i>2005</i>	<i>2006</i>
	Number	Number
Issued ordinary shares at beginning and end of period	800,000	800,000
Issued ordinary shares post capital reorganisation	95,954,023	95,954,023

Supplementary earnings per share

The supplementary earnings per share is based on the revised share capital following the capital reorganisation.

Diluted earnings per share

There is no difference between basic and diluted earnings per share.

17 Financial instruments and risk management

The group is subject to the following financial risks: credit risk, liquidity risk and interest rate risks.

Credit risk - the group's principal financial assets are cash, bank balances, trade and other receivables. The group's credit risk is mainly attributable to its trade receivable balances. The amounts carried in the balance sheet are net of provisions for impairments. Provisions are made where there is evidence that the group will not be able to collect the amounts due. The group has no significant concentration of credit risk due to the large number of small balances owed by a wide range of parties.

Liquidity risk - the group maintains a combination of long term and short term committed facilities that are designed to ensure that it has sufficient available funds for ongoing operations and to meet planned future investments.

Interest rate risk - the group does not speculate in treasury products. It uses these products to minimise the exposure to interest rate fluctuations. The group borrows from UK banks at floating rates of interest based on LIBOR and uses hedging mechanisms to achieve an interest rate profile where the majority of borrowings are fixed or capped. The group's policy is to hedge between 60% and 100% of its interest rate exposure. At 30 September 2006, 97% (2005: 81%) of the group's net debt was fixed or protected.

Notes (continued)

17 Financial instruments and risk management (continued)

Financial instruments

Derivative financial instruments are shown in the consolidated balance sheet as follows:

	<i>Balance on incorporation</i>	<i>Mark to market</i>	<i>Balance at 30 September 2005</i>	<i>Mark to market</i>	<i>Balance at 30 September 2006</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Non current assets	—	31	31	741	772
Current assets	—	—	—	369	369
Non current liabilities	—	—	—	(70)	(70)
Net value	—	—	31	—	1,071
Amount credited to income statement	—	31	—	1,040	—

The profile of the group's interest rate swaps in place at 30 September 2006 which have been classified as ineffective hedges during the year were as follows:

<i>Maturity date</i>	<i>Amount</i>	<i>Rate</i>	<i>Fair value 2006</i>	<i>Fair value 2005</i>	<i>Movements in income statement</i>
	<i>£</i>	<i>%</i>	<i>£</i>	<i>£</i>	<i>£</i>
25 April 2010	5,000	4.5050	127	28	99
25 April 2010	2,000	4.5450	47	2	45
25 April 2010	2,000	4.6400	39	(8)	47
25 April 2010	2,000	4.4900	52	8	44
25 April 2010	2,000	4.5500	47	1	46
25 April 2010	2,000	4.5850	44	—	44
25 April 2010	2,000	4.7050	33	—	33
25 April 2010	4,000	4.8150	45	—	45
25 April 2010	4,000	4.8500	39	—	39
25 April 2010	2,000	4.6750	35	—	35
25 April 2010	2,000	4.6850	32	—	32
25 April 2010	2,000	4.7100	34	—	34
25 April 2010	2,000	4.6820	35	—	35
25 April 2010	4,000	4.5575	92	—	92
25 April 2010	8,000	4.6475	152	—	152
25 April 2010	3,000	4.7610	41	—	41
25 April 2010	8,000	4.8600	74	—	74
25 April 2010	4,000	5.0600	—	—	—
25 April 2010	2,000	5.2300	(15)	—	(15)
25 April 2010	5,000	5.0775	(4)	—	(4)
25 April 2010	4,000	5.2100	(27)	—	(27)
25 April 2010	3,000	5.1350	(10)	—	(10)
25 April 2010	3,000	5.1100	(7)	—	(7)
30 April 2013	3,000	5.2000	(29)	—	(29)
30 April 2013	12,000	5.0600	(24)	—	(24)
18 April 2016	14,431	4.7225	219	—	219
	106,431		1,071	31	1,040

All of the financial derivatives included in the above tables were valued by JC Rathbone Associates Limited, financial risk consultants, using discounted cash flow model using published market information.

Notes (continued)

17 Financial instruments and risk management (continued)

Fair value

The fair value of the Group's financial assets and liabilities is not considered to be materially different from the book value.

Effective interest rates and re-pricing analysis

In respect of income earning financial assets and interest bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are re-priced.

2006

	Effective interest rate	Total	0 to 1 year	1 to <2 years	2 to <3 years	3 to <4 years	4 to <5 years	5 years and over
	%	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	Floating	2,891	2,891	—	—	—	—	—
Bank overdrafts	Floating	(91)	(91)	—	—	—	—	—
Secured bank loans	Floating	(109,461)	(3,231)	(1,529)	(1,503)	(1,477)	(1,452)	(100,269)
Other loans	11.7%	(30,353)	—	—	—	—	—	(30,353)
Total		(137,014)	(431)	(1,529)	(1,503)	(1,477)	(1,452)	(130,622)

2005

	Effective interest rate	Total	0 to 1 year	1 to <2 years	2 to <3 years	3 to <4 years	4 to <5 years	5 years and over
	%	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	Floating	199	199	—	—	—	—	—
Bank overdrafts	Floating	(10)	(10)	—	—	—	—	—
Secured bank loans	Floating	(15,895)	(1,504)	(217)	(213)	(209)	(206)	(13,546)
Other loans	12.9%	(4,731)	—	—	—	—	—	(4,731)
Total		(20,437)	(1,315)	(217)	(213)	(209)	(206)	(18,277)

18 Capital commitments

At 30 September 2005 and 30 September 2006 the Group had contracted capital expenditure of £3,734,000 and £7,252,000 respectively.

19 Operating lease arrangements

Future minimum lease payments receivable by the Group under non-cancellable operating leases were as follows:

	2005 £000	2006 £000
Operating leases which expire:		
Within one year	39	1,886
One to two years	157	1,385
Two to five years	379	3,638
Over five years	889	6,885
	1,464	13,794

Notes (continued)

20 Related parties

Identity of related parties

The Group has related party relationships with its subsidiaries (see note 20), associated undertakings, and jointly controlled entity (see note 8) and with its key management personnel.

Transaction with key management personnel

Total remuneration is included in “administrative expenses” (see note 3):

	2005 £000	2006 £000
Directors	293	450
Highest paid director	173	271

Only the directors are considered to be key management personnel.

During the year the Local Shopping REIT plc (formerly Castlemore Capital Limited) received income from various associated undertakings for property management services provided as follows:

	2005 £000	2006 £000
Castlemore Securities Limited	6	2
Castlemore Rangers (2) Limited	17	
Castlemore Rangers (3) Limited	31	2
Castlemore Ventures Limited	55	38
	109	42

These companies are all 100% subsidiaries of Castlemore Holdings Limited, the 75% shareholder.

At the year end the following balances were owed by/(to) the following associated companies and jointly controlled entity by the Local Shopping REIT plc (formerly Castlemore Capital Limited):

	2005		2006	
	<i>Due in less than one year £000</i>	<i>Due in more than one year £000</i>	<i>Due in less than one year £000</i>	<i>Due in more than one year £000</i>
Castle Marinas Limited	—	—	973	—
Castlemore Holdings Limited	—	(4,731)	—	(30,353)
Castlemore Securities Limited	(37)	—	(437)	—

There are no set repayment dates for these balances.

Interest is charged by Castlemore Holdings Limited at a rate of 8% and 12.5%. The charge for the year is as follows:

	2005 £000	2006 £000
Castlemore Holdings Limited	131	2,022

Interest is charged by The Local Shopping REIT plc (formerly Castlemore Capital Limited) to Castle Marinas Limited at a rate of 17.5%. The charge for the year is as follows:

	2005 £000	2006 £000
Castle Marinas Limited	—	52

Notes (continued)

21 Group entities

Control of the Group

There is no ultimate controlling party.

Subsidiaries

	<i>Country of incorporation</i>	<i>Ownership interest</i>	
		<i>2005</i>	<i>2006</i>
NOS Limited	United Kingdom	100%	100%
NOS 2 Limited	United Kingdom	100%	100%
NOS 3 Limited	United Kingdom	100%	100%
NOS 4 Limited	United Kingdom	100%	100%
NOS 5 Limited	United Kingdom	100%	100%

22 Transition from UK GAAP to IFRS

In preparing the opening IFRS balance sheet and the comparative information, the Group has adjusted amounts previously reported in the financial statements prepared in accordance with UK GAAP. An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position is set out below:

Equity reconciliation

	<i>Explanatory note</i>	<i>30 September 2005</i>	<i>30 September 2006</i>
		<i>£000</i>	<i>£000</i>
UK GAAP equity shareholders' funds		347	2,961
Revaluation of derivatives	b	31	1,071
Restriction of joint venture liabilities	d	—	122
Impairment of trading stock	e	(771)	—
Obligations under finance leases	f	(299)	(618)
Leasehold property interests	f	299	618
Taxation on IFRS adjustments	c	224	(785)
IFRS equity shareholders' funds		(169)	3,369

Profit reconciliation

	<i>Explanatory note</i>	<i>10 month period ended 30 September 2005</i>	<i>Year ended 30 September 2006</i>
		<i>£000</i>	<i>£000</i>
UK GAAP loss attributable to equity shareholders		(453)	(2,784)
Revaluation of investment properties	a	(771)	5,054
Revaluation of derivatives	b	31	1,040
Restriction of joint venture losses	d	—	122
Impairment of trading stock	e	—	1,115
Taxation on above adjustments	b, c	224	(1,009)
IFRS (loss)/profit attributable to equity shareholders		(969)	3,538

Notes (continued)

IFRS 1 – First time adoption decisions

IFRS 1 “First time adoption of International Financial Reporting Standards” provides certain choices on transition to IFRS. The significant decisions made by the Group under IFRS 1 are set out below:

a Investment properties

Investment properties continue to be held at valuation but the revaluation movement (and associated deferred tax, see below) are now reflected in the income statement. Under UK GAAP revaluations (but with no deferred tax) were reflected through equity.

b Interest rate derivatives

Under UK GAAP the Group’s interest rate derivatives were not carried on the balance sheet. Under IAS 39 the derivatives are stated at fair value and disclosed as current/non current assets/liabilities as appropriate. Remeasurements of the derivatives are reflected in the income statement. Deferred tax is provided on the remeasurements.

c Deferred tax

Under UK GAAP no deferred tax was recognised in respect of the unrealised surplus on the revaluation of investment property unless there was a binding contract to sell the property at the balance sheet date.

IAS 12 ‘Income tax’ states that deferred tax must be provided on all temporary differences between the tax base cost and the carrying value of assets. As a result a deferred tax liability has been recognised relating to the revaluation of investment properties.

d Investment in joint venture

Under UK GAAP the Group recognised its share of the joint venture loss. IAS 29 ‘Investments in Associates’ requires the Group to restrict its share of the joint venture losses as there is no legal or constructive obligation to make payments to settle the joint venture liabilities.

e Impairment of trading stock

Under UK GAAP the Group carried certain properties acquired for undetermined future use at cost within stocks. During the year ended 30 September 2006, all such properties were transferred to investment properties under UK GAAP, and an impairment charge recognised at the date of the transfer. Under IAS 40, such assets are included within the definition of investment property throughout both periods, with any change in value identified on revaluation recognised through the income statement at that point.

f Investment properties accounted for as finance leases

Interests in leasehold properties are accounted for as finance leases under IAS 40 “Investment property” and the obligation to the lessor is included within liabilities, calculated as the present value of the minimum lease payments at the inception of the lease. An element of the rent payable is treated as interest and a part repayment of the obligation to the lessor.

PART 8

PRINCIPAL BASES AND ASSUMPTIONS

The principal bases and assumptions used in this document in arriving at the gross dividend yield of 4.75 per cent. on the Issue Price, are that for the period from Admission until 30 September 2008:

- (a) the property portfolio is as detailed in Parts 4 and 5;
- (b) Admission occurs on or around 2 May 2007;
- (c) 91,954,023 Ordinary Shares of the Company are issued pursuant to the Issue at an Issue Price of 174 pence per Share;
- (d) The Group has available to it bank facilities as described under Borrowings in Part 1. The blended cost of bank debt is 5.76 per cent. annualised over the period. There is no amortisation of bank debt;
- (e) the total expenses and commission relating to the Issue borne by the Company (excluding the costs of arranging the new bank facilities) are 2.7 per cent. of the proceeds of the Issue inclusive of VAT;
- (f) in respect of the financial period ending 30 September 2008, the costs of the Group (including salaries, valuer's fees, Directors' fees, Bank fees, void costs, managing agent fees, rent review fees, letting fees, property costs not recoverable through the service charge, costs of operating the property subsidiaries, legal fees and irrecoverable VAT, but excluding property acquisition costs) are approximately 1.1 per cent. per annum of the value of the property assets of the Group at 30 September 2008;
- (g) where voids currently exist or leases expire, or where there is an option for a tenant to break (which is always assumed to be exercised) a void period of 2 months is assumed;
- (h) the Company pays gross dividends totalling 11.684 pence per share in respect of the financial periods ending 30 September 2008 as described in Part 1 of this document and the issued share capital of the Company does not change during this period;
- (i) the conversion to REIT status occurs on 31 May 2007, incurring a conversion charge of £4.5m. Otherwise, the Group does not incur any material liability to taxation on income or gains and does not suffer any liability to UK withholding taxes;
- (j) the gross initial yield on the Group's property portfolio is 6.6 per cent.;
- (k) the Group purchases a further £143 million of property assets (exclusive of property acquisition costs) by 30 September 2008, at an initial yield of 7 per cent. Acquisition costs, including transfer taxes and agent's fees, are assumed at 5.75 per cent.;
- (l) an allowance of 1.5 per cent. of gross rent is made for lost income through tenant defaults; and
- (m) the resolution to increase the amounts available as borrowings under the articles is approved by shareholders.

Please note that the above are assumptions only and no assurance is given by the Company or by any of its advisers that the above assumptions will be realised. The principal bases and assumptions have been prepared on the basis of information available as at the date of this document.

PART 9 TAXATION

PART 9A – Tax treatment of the Company and the REIT regime

Introduction

Prior to joining the REIT regime the Company's profits will be subject to corporation tax in the usual way. The special rules which apply to the taxation of a company which enters the REIT regime are summarised in this Part 9A.

The following paragraphs in this Part 9A are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice regarding the REIT regime, each of which is subject to change, possibly with retrospective effect. They are not advice.

Overview

The REIT regime introduced in the Finance Act 2006 is intended to encourage greater investment in the UK property market and follows similar legislation in other European countries such as the Netherlands, as well as the long-established regimes in the United States and Australia.

In this Part, "**Group**" means a body corporate and all of its "75 per cent. subsidiaries" and any of their 75 per cent. subsidiaries and so on, provided that the principal company in the Group is beneficially entitled to more than 50 per cent. of the subsidiary's profits which are available for distribution to equity holders of the subsidiary, and more than 50 per cent. of any assets of the subsidiary available for distribution to its equity holders on a winding-up, and excluding insurance companies as defined in section 431(2) ICTA and their subsidiaries. A body corporate is a "**75 per cent subsidiary**" of another if the other is the beneficial owner (directly or indirectly) of at least 75 per cent. of its ordinary share capital.

Currently, investing in property through a typical UK corporate investment vehicle that is not a REIT has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder effectively suffer tax twice on the same income – first, indirectly, when members of the Group pay UK direct tax on their profits, and secondly, directly (but with the benefit of a tax credit) when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they were to invest directly in the property assets. As part of a REIT, UK resident Group members do not pay UK direct taxes on their income and capital gains from their qualifying property rental businesses in the UK and elsewhere (the "**Tax-Exempt Business**"), provided that certain conditions are satisfied. Instead, distributions in respect of the Tax-Exempt Business will be treated for UK tax purposes as UK property income in the hands of shareholders (Part 9B of this document contains further detail on the UK tax treatment of shareholders in a REIT). However, corporation tax will still be payable in the normal way in respect of income and gains from the Group's business (generally including any property trading business) not included in the Tax-Exempt Business (the "**Residual Business**").

In this Part, "**property rental business**" means a Schedule A business within the meaning of section 832(1) ICTA or an overseas property business within the meaning of section 70A(4) ICTA, but, in each case, excluding certain specified types of business. A "**qualifying property rental business**" means a property rental business fulfilling the conditions in section 107 of the Finance Act 2006.

While within the REIT regime, the Tax-Exempt Business will be treated as a separate business for corporation tax purposes to the Residual Business and a loss incurred by the Tax-Exempt Business cannot be set off against profits of the Residual Business (and vice versa).

The principal company of a REIT will be required to distribute to shareholders (by way of dividend and subject to the availability of sufficient distributable reserves) at least 90 per cent. of the income profits arising in each accounting period of the UK-resident members of the Group in respect of their Tax-Exempt Business. The distribution must be made on or before the filing date for the REIT's tax return for the accounting period in question. Income profits for these purposes are to be calculated, broadly, in accordance with normal tax rules. Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although this charge can be avoided if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level.

In this Prospectus, references to a company's accounting period are to its accounting period for tax purposes. This period can in some circumstances differ from a company's accounting period for other purposes.

A dividend paid by the Company in respect of profits or gains of the Tax-Exempt Business of the UK resident members of the Group, arising at a time when the Group is a REIT, is referred to in this Prospectus as a "**Property Income Distribution**" or "**PID**". Any other dividend paid by the Company will be referred to as a "**Non-PID Dividend**".

The treatment of a dividend paid by the principal company in the Group in the first year after it becomes a REIT should depend on whether it is paid out of profits that arose before or after the Group became a REIT. The Company will provide shareholders with a certificate setting out how much of their dividend is a PID and how much is a Non-PID Dividend.

Subject to certain exceptions, Property Income Distributions will be subject to withholding tax at the basic rate of income tax (currently 22 per cent.). Further details of the UK tax treatment of certain categories of shareholder whilst the Group is in the REIT regime are contained in Part 9B of this document.

Qualification as a REIT

A Group becomes a REIT by the principal company in the Group (being LSR in respect of the Group) serving notice on HMRC before the beginning of the first accounting period for which it wishes the Group members to become a REIT. A new accounting period will be deemed to commence when the Group becomes a REIT. In order to qualify as a REIT, the principal company and the REIT Group must satisfy certain conditions set out in the Finance Act 2006. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company must satisfy the conditions set out in paragraphs (A), (B), (C) and (D) below and the Group members must satisfy the conditions set out in paragraph (E).

(A) Company conditions

The principal company must be solely resident in the UK for tax purposes, it must be close-ended and its ordinary shares must be listed on a recognised stock exchange, such as the London Stock Exchange. The principal company must also not (save in one exceptional circumstance) be a "close company" (as defined in sections 414 and 415 of ICTA as adapted by section 106(6) of the Finance Act 2006 (the "**close company condition**")). In summary, the close company condition amounts to a requirement that not less than 35 per cent. of the principal company's ordinary shares are listed on a recognised stock exchange and beneficially held by the public and for this purpose the "public" excludes directors and certain of their associates, and shareholders who, alone or together with certain associates, control more than 5 per cent. of the principal company's share capital.

(B) Share capital restrictions

The principal company must have only one class of ordinary share in issue and the only other shares it may issue are non-voting fixed rate preference shares.

(C) Restrictions on types of borrowing

The principal company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of the principal company's business or on the value of any of its assets. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

(D) Financial statements

The principal company must prepare financial statements ("**Financial Statements**") in accordance with statutory requirements and submit these to HMRC. The Financial Statements must set out the information about the Tax-Exempt Business and the Residual Business separately. The REIT regime specifies the information to be included and the basis of preparation of these Financial Statements.

(E) Conditions for the Tax-Exempt Business

The Tax-Exempt Business must satisfy the conditions summarised below in respect of each accounting period during which the Group is to be treated as a REIT:

- I. the Tax-Exempt Business must throughout the accounting period involve at least three properties;
- II. throughout the accounting period no one property may represent more than 40 per cent. of the total value of all the properties involved in the Tax-Exempt Business. Assets must be valued in accordance with International Accounting Standards (“IAS”) and at fair value when IAS offers a choice between a cost basis and a fair value basis;
- III. at least 90 per cent. of the amounts shown in the Financial Statements of the Group members as income profits (broadly, calculated using normal tax rules) of the UK resident members of the Group arising in respect of their Tax-Exempt Business in the accounting period must (to the extent permitted by law) be distributed to shareholders of the principal company of the REIT in the form of a dividend (a PID) on or before the filing date for the principal company’s tax return for the accounting period (the “**90 per cent. distribution test**”). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the 10 per cent. rule (as described in paragraph (C) below (the “10 per cent. rule”) in this Part 9A below) will be treated as having been paid;
- IV. the income profits arising from the Group’s qualifying property rental business must represent at least 75 per cent. of the Group’s total profits for the accounting period (the “**75 per cent. profits test**”). Profits for this purpose means profits calculated in accordance with IAS, before deduction of tax and excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain exceptional items. There are rules which allow for the income profits to fall below the 75 per cent. threshold for a temporary period, provided the value of the Group’s income profits arising from the qualifying property rental business continues to represent at least 50 per cent. of the Group’s total profits for that accounting period;
- V. subject to VI below, at the beginning of the accounting period the value of the Group’s assets in the qualifying property rental business must represent at least 75 per cent. of the total value of assets held by the Group (the “**75 per cent. assets test**”). Assets must be valued in accordance with IAS and at fair value where IAS offers a choice of valuation between cost basis and fair value, and in applying this test no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically). There are rules which allow for the value of assets to fall below the 75 per cent. threshold for a temporary period, provided the value of the Group’s assets in the qualifying property rental business continues to represent at least 50 per cent. of the total value of assets held by the Group; and
- VI. The December 2006 Pre-Budget Report included an announcement that a company which is a newly established company will not need to satisfy the “75 per cent. assets test” described above on the first day of the REIT regime and will be able to enter the regime provided that the value of the Group’s assets in the qualifying property rental business represents 75 per cent. of the total value of assets held by the Group by the end of the first accounting period. In these circumstances an additional amount of tax will be charged for that accounting period that equates to 2 per cent. of the excess of the market value of investment property at the end of the first accounting period over its market value at the start. If the “75 per cent. assets test” is not met within this time the Group will be treated as though it had never been in the regime. It is expected that the Group will satisfy the 75 per cent. assets test when it enters the REIT regime without needing to rely on this relaxation announced in the December 2006 Pre-Budget Report.

Effect of becoming a REIT

(A) Entry charge

An entry charge of 2 per cent. of the market value of the properties that transfer into the Tax-Exempt Business becomes payable when the Group joins the REIT regime. The entry charge is payable by the members of the Group and the principal company in proportion to the market value of the properties each of them owns that transfer into their own tax-exempt business on entry.

This can be paid at the same time as corporation tax is payable in respect of the first accounting period following entry into the REIT regime. The entry charge is payable in line with the normal dates for payment of corporation tax applicable in the period in which REIT conversion takes place, with the option of paying the entry charge in instalments over a four year period (where the amount payable in instalments would exceed, in aggregate, the amount to be paid if the instalment option is not used). The Group does not currently intend to take advantage of the option to pay in instalments

as the Directors consider the rate of interest implicit in the higher aggregate instalment payments to be too high.

There is no equivalent entry charge if a member of the Group buys a property following entry into the REIT regime. However, if a member of the Group were to acquire a company that is not a REIT, a similar entry charge will apply in respect of the property owned by the acquired company. See also paragraph (L) (Acquisitions and Takeovers) in this Part 9A below.

If (which is not expected) the Group fails the 75 per cent. assets test on the first day in the REIT regime then an additional amount of tax will be charged as described in paragraph VI above.

(B) Tax savings

As a REIT, the Group will not pay UK direct tax on profits and gains from the Tax-Exempt Business. Corporation tax will still apply in the normal way in respect of the Residual Business. This can include certain trading activities, incidental letting in relation to property trades, letting of administrative property which is temporarily surplus to requirements and intra-group letting of property which is owner-occupied. Corporation tax will also still apply to the following classes of income, dividends from interests in other REITs, income in connection with the operation of a caravan site, rent in respect of an electric-line wayleave, rent arising from allowing gas pipelines to be sited on property, rent arising from allowing oil pipelines to be sited on property, rent arising from allowing a mast or similar structure to be sited on property for use in a mobile telephone network or other system of electronic communication (e.g. mobile phone masts and satellite dishes), rent arising from allowing a wind turbine to be sited on property and income arising out of an interest in a limited liability partnership (LLP) where section 118ZA(4) of ICTA applies (the appointment of a liquidator or the making up of a winding up order). Corporation tax could also be payable where a member of the Group (as opposed to property involved in the UK qualifying property rental business) is to be sold. The Group will also continue to pay taxes such as VAT, stamp duty land tax, stamp duty and national insurance in the normal way.

(C) The 10 per cent. rule

The principal company of a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person (within the meaning set out in the next sentence of this paragraph (C)) beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company (a "**Substantial Shareholder**"). Shareholders should note that this tax charge only applies where a dividend is paid to persons that are companies for the purposes of section 832(1) of ICTA or are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements. It does not apply where a dividend is paid to a nominee merely because of the nominee's legal ownership of the shares.

This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the principal company's articles of association to address this requirement. The Company's articles of association are consistent with the provisions described in the HMRC guidance.

(D) Dividends

Subject as mentioned with regard to dividends paid in the first year of being a REIT in the section headed "Overview" in this Part 9A, above, when the principal company of a REIT pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business. Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID, first, in respect of the income profits for the current year or previous years out of which a PID can be paid and, after these have been distributed in full in respect of certain capital gains which are exempt from tax by virtue of the REIT regime. Any remaining balance will be attributed to other distributions.

If the Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs for a transitional period.

(E) Financial statements

As mentioned above, a REIT will be required to submit special Financial Statements to HMRC.

(F) Interest cover ratio

A tax charge will arise if, in respect of any accounting period, the ratio of the income profits (before capital allowances) of the UK resident members of the Group, in respect of its Tax-Exempt Business plus the financing costs incurred in respect of the Tax-Exempt Business of the Group, to the financing costs incurred in respect of the Tax-Exempt Business of the Group, excluding certain intra-Group financing costs, is less than 1.25. This ratio is calculated by reference to the Financial Statements, apportioning costs relating partly to the Tax-Exempt Business and partly to the Residual Business reasonably. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 is chargeable to corporation tax.

(G) Property development and property trading by a REIT

A property development by a member of the Group can be within the Tax-Exempt Business of the Group provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the development property at the later of (a) the date on which the relevant company becomes a member of a REIT, and (b) the date of the acquisition of the development property, and the REIT sells the development property within three years of completion, the property will be treated as never having been within the Tax-Exempt Business. If a member of the Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Tax-Exempt Business.

(H) Certain tax avoidance arrangements

If HMRC believes that a member of the Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Tax-Exempt Business.

(I) Movement of assets in and out of Tax-Exempt Business

In general, where an asset owned by a UK-resident member of the Group and used for the Tax Exempt Business begins to be used for the Residual Business, there will be a tax-free step-up in the base cost of the property. Where an asset owned by a UK-resident member of the Group and used for the Residual Business begins to be used for the Tax-Exempt Business, this will generally constitute a taxable market value disposal of the asset, except for certain capital allowances purposes. Special rules apply to disposals by way of a trade and to development property.

(J) Funds awaiting reinvestment

Where an asset used exclusively in the Tax-Exempt Business is sold, the legislation provides for the sale proceeds to be treated as assets of the Tax-Exempt Business for the purposes of the 75 per cent. assets test for two years following the disposal, provided that they are held as cash or cash equivalents. However, any interest earned on that cash is treated as part of the Residual Business and is therefore taxable.

(K) Joint ventures

If one or more members of the Group are beneficially entitled, in the aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding-up, that joint venture company (the “**JV company**”) is carrying on a qualifying property rental business which satisfies the 75 per cent. profits test and the 75 per cent. assets test and certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Tax-Exempt Business. In such circumstances, the income of the JV company will count towards the 90% distribution test, and the 75 per cent. profits test and its assets will count towards the 75 per cent. assets test and the entry charge, in each case to the extent of the Group’s interest in the JV company.

The Regulations relating to joint ventures and REITs do not currently expressly apply to any subsidiaries of a JV company. However HMRC announced in the December 2006 Pre-Budget Report that the provisions that apply to joint ventures carried on through a limited company will also apply to those carried on by more complex structures.

(L) Acquisitions and takeovers

If a member of the Group acquires another REIT, no entry charge will be payable. However, if a company which is not a REIT joins the Group, the entry charge will be payable by reference to the assets in the qualifying property rental business of the company.

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Tax-Exempt Business and chargeable gains on disposal of properties in the Tax-Exempt Business. There is no entry charge as a result of the acquired REIT joining the acquirer's Group and the properties of the acquired REIT are not treated as having been sold and reacquired at market value.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT. If so, it will be treated as leaving the REIT regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from the regime's tax exemptions. The properties in the Tax-Exempt Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax-free as they are deemed to have been made at a time when the acquired REIT was still in the REIT regime and future chargeable gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

Exit from the REIT regime

After joining the REIT regime, the Company can give notice to HMRC on behalf of the Group that it wants to leave the REIT regime at any time. The Board retains the right to decide that the Group should exit the REIT regime at any time in the future without shareholder consent if it considers this to be in the best interests of the Group.

If the Group voluntarily leaves the REIT regime within ten years of joining and disposes of any property or other asset that was involved in its qualifying property rental business in the UK within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposal on entry into the REIT regime is disregarded in calculating the gain or loss on the disposal. However, there is no repayment of the entry charge in these circumstances.

It is important to note that once the Group has satisfied all of the REIT conditions it will not be able to guarantee continued compliance with all the conditions and that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- I. it regards a breach of the conditions relating to the Tax-Exempt Business, or an attempt by the Group to avoid tax, as sufficiently serious;
- II. the Group has committed a certain number of minor or inadvertent breaches of the conditions in a specified period; or
- III. HMRC has given the Company two or more notices in relation to the avoidance of tax within a ten year period of the first notice having been given.

In addition, if the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached or the Company ceases to be UK resident, becomes dual resident or an open-ended company, ceases to be listed or (in certain circumstances) ceases to fulfil the close company condition (as described above), the Company will automatically lose REIT status. Where the Group is required by HMRC to leave the REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed (before and after it leaves the REIT regime) and to determine the date on which the Group is treated as exiting the REIT regime.

It is possible that the Group could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT) or other circumstances outside the Company's control.

PART 9B – Tax treatment of shareholders

Introduction

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change. They are not advice. This Part 9B is divided into two sections. Section A describes the position prior to entry of the Group into the REIT regime and Section B describes the position following entry into the REIT regime. Except where otherwise indicated, Sections A and B apply only to shareholders who are resident or (if individuals) ordinarily resident for tax purposes solely in the UK; and only to shareholders who hold their Ordinary Shares as investments and who are the absolute beneficial owners thereof.

The paragraphs detailed below do not apply to certain categories of shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Ordinary Shares by reason of their or another's employment, or persons who hold their Ordinary Shares as part of hedging or conversion transactions. Except where otherwise indicated, they do not apply to persons holding Ordinary Shares in the Company by virtue of an interest in any partnerships, insurance companies, life insurance companies, mutual companies, collective investment schemes, charities, trustees, local authorities or pension scheme administrators.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the UK, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

Section A – The position prior to the Group's entry into the REIT regime

(A) Taxation of dividends

The Company will not be required to withhold tax at source when paying a dividend.

An individual shareholder who is resident in the UK (for tax purposes) and who receives a dividend from the Company will be entitled to a tax credit which may be set off against the shareholder's total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "**gross dividend**"), which is also equal to one-ninth of the cash dividend received. An individual shareholder who is liable to income tax only at a rate or rates not exceeding the basic rate will be subject to tax on the dividend at a rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. In the case of a UK resident individual shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the shareholder's tax liability on the gross dividend and such shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received) to the extent that the gross dividend, when treated as the top slice of the shareholder's income, falls above the threshold for higher rate income tax. Where the tax credit exceeds the shareholder's tax liability, the shareholder cannot claim repayment of the tax credit from HMRC.

UK resident corporate shareholders will generally not be subject to corporation tax on dividends paid by the Company. Such shareholders will not be able to claim repayment of tax credits attaching to those dividends.

Non-UK resident shareholders will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends paid by the Company. An entitlement to the repayment of all or part of the tax credit may be available if there is an appropriate provision granting the entitlement under any applicable double tax treaty between the UK and the jurisdiction in which that shareholder is resident. In most cases, however, the amount of tax credit that can be paid to non-UK shareholders in respect of any dividend payment will be nil or minimal as a result of the terms of the relevant treaty. A shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident in the UK (for tax purposes) should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

(B) Taxation of disposals

(a) UK resident shareholders

A disposal of Ordinary Shares by a shareholder who is (at any time in the relevant UK tax year) resident or, in the case of an individual, ordinarily resident in the UK for tax purposes may give rise to a chargeable gain (or allowable loss) for the purposes of taxation on chargeable gains, depending upon the shareholder's circumstances and subject to any available exemption or relief.

(b) Shareholders temporarily non-resident in the UK

A shareholder who is an individual and who disposes of Ordinary Shares while only temporarily not resident or ordinarily resident in the UK for tax purposes, may, under anti-avoidance legislation, still be liable to UK tax on his or her return to the UK, depending on the shareholder's circumstances and subject to any available exemption or relief, on any chargeable gain realised on the disposal. A period of residence of less than five whole tax years prior to the year in which the individual returns will be treated as a temporary period for these purposes.

(c) Non-UK resident shareholders

Shareholders who are not resident or ordinarily resident for tax purposes in the UK and who (where individuals) are not affected by the rules relating to temporary non-residence referred to in (ii) above will not be liable for UK tax on chargeable gains realised on the disposal of their Ordinary Shares unless such Ordinary Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK, through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment) in connection with which the Ordinary Shares are held. Such shareholders may be subject to foreign taxation on any gain under local law.

(C) UK stamp duty and stamp duty reserve tax

Holders of Ordinary Shares will be registered on the register of the Company held by the Registrars in the UK. Persons who are a "system member" of CREST (as defined in the Uncertificated Securities Regulations 2001 as amended) may elect to hold their Ordinary Shares through CREST for trading on the London Stock Exchange.

The statements in this paragraph relating to UK stamp duty and stamp duty reserve tax ("SDRT") summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst other, market intermediaries and to circumstances involving depository receipts or clearance services.

No stamp duty or SDRT will be payable on the issue of Ordinary Shares pursuant to the Offer.

Stamp duty at the rate of 0.5 per cent. of the actual consideration paid (rounded up if necessary to the next multiple of £5) is payable on an instrument transferring Ordinary Shares. Stamp duty is normally payable by the purchaser. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the consideration paid), although the liability will be cancelled and any SDRT already paid will be repaid, generally with interest, provided that the instrument transferring Ordinary Shares is executed and duly stamped within six years of the date of the agreement or the date on which it became unconditional (as the case may be). SDRT is normally the liability of the purchaser.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the system unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent. of the consideration paid) will arise. Paperless transfers of Ordinary Shares within CREST will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the consideration paid. CRESTCo is obliged to collect SDRT on relevant transactions within CREST.

The sale of the Existing Ordinary Shares by the Selling Shareholder under the Offer will give rise to a liability to stamp duty and/or SDRT as described above. The Selling Shareholder will meet the liability to stamp duty of purchasers of Existing Ordinary Shares that will arise on such sale under the Offer at no more than the rate of 0.5 per cent. of the Offer Price. The Selling Shareholder will also meet any liability to SDRT of the purchasers arising in respect of the initial transfer of the Existing Ordinary Shares under the Offer by the Selling Shareholder within the CREST system at no more than the rate of 0.5 per cent. of the Offer Price.

Section B – The position following the Group’s entry into the REIT regime

The following paragraphs relate only to certain limited aspects of the UK taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Ordinary Shares in the Company, in each case after the Company becomes a REIT. They apply only to shareholders who are the absolute beneficial owners of both their PIDs and their Ordinary Shares in the Company. The following paragraphs do not comment on how the tax position of any person who is Substantial Shareholder or who holds shares in relation to which a person is a Substantial Shareholder will be affected by the provisions of the Articles summarised at paragraph 3(i) of Part 10; such persons should seek their own professional advice.

(A) UK taxation of Non-PID Dividends

Non-PID Dividends paid by the Company will be taxed in the same way as dividends paid by the Company prior to entry into the REIT regime, whether in the hands of individual or corporate shareholders and regardless of whether the shareholder is resident for tax purposes in the UK.

(B) UK taxation of PIDs

(i) UK taxation of shareholders who are individuals

Subject to certain exceptions, a PID will generally be treated in the hands of shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company which is within the REIT regime, treated as a separate UK property business from any other UK property business (a “**different UK property business**”) carried on by the relevant shareholder. This means that surplus expenses from a shareholder’s different UK property business cannot be off-set against a PID as part of a single calculation of the profits of the shareholder’s UK property business.

Please see also paragraph B(iv) (Withholding tax), below.

(ii) UK taxation of corporate shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of shareholders who are within the charge to corporation tax as profit of a Schedule A business (as defined in Section 15 of the Income and Corporation Taxes Act 1988). This means that, subject to the availability of any exemptions or reliefs, such shareholders should be liable to corporation tax on income on the entire amount of their PID. A PID is, together with any property income distribution from any other company which is within the REIT regime, treated as a separate Schedule A business from any other Schedule A business (a “**different Schedule A business**”) carried on by the relevant shareholder. This means that any surplus expenses from a shareholder’s different Schedule A business cannot be off-set against a PID as part of a single calculation of the shareholder’s Schedule A profits.

Please see also paragraph B(iv) (Withholding tax) below.

(iii) UK taxation of shareholders who are not resident for tax purposes in the UK

Where a shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding.

Please see also paragraph B(iv) (Withholding tax) below.

(iv) Withholding tax

(a) General

Subject to certain exceptions summarised at paragraph B(iv)(d), below, the Company is required to withhold income tax at source at the basic rate (currently 22 per cent.) from its PIDs. The Company must on request provide shareholders with a certificate setting out the amount of tax withheld.

(b) Shareholders solely resident and ordinarily resident in the UK

Where income tax has been withheld at source, shareholders who are individuals may, depending on their individual circumstances, either be liable for further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporates may, depending on their

individual circumstances, be liable to pay corporation tax on their PID but they should note that, where income tax is withheld at source, the tax withheld can be set against the shareholder's liability to corporation tax in the accounting period in which the PID is received.

(c) Shareholders who are not resident for tax purposes in the UK

It is not possible for a shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a reduced rate. The right of a shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence of terms of any double tax convention between the UK and the country in which the shareholder is resident.

(d) Exceptions to requirement to withhold income tax

Shareholders should note that in certain circumstances the Company may not withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity, a body mentioned in Section 507(1) ICTA which is allowed the same exemption from tax as charities, the scheme administrator of a registered pension scheme, the sub-scheme administrator of a pension sub-scheme or a person entitled to receive the income of a fund entitled to exemption under Section 614(3) ICTA.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the shareholder concerned is entitled to that treatment. For that purpose the Company will require such shareholders to submit a valid claim form (copies of which may in due course be obtained on request from the Company's registrars, Lloyds TSB Registrars).

(C) UK taxation of chargeable gains, stamp duty and stamp duty reserve tax in respect of shares in the Company

Subject to the paragraph headed "Introduction" above, the following comments apply to both individual and corporate shareholders, regardless of whether or not such shareholders are resident for tax purposes in the UK.

(i) UK taxation of chargeable gains

Chargeable gains arising on the disposal of Ordinary Shares in the Company following entry into the REIT regime should be taxed in the same way as chargeable gains arising on the disposal of shares in the Company prior to entry into the REIT regime. The entry of the Group into the REIT regime will not constitute a disposal of Ordinary Shares in the Company by shareholders for UK chargeable gains purposes.

(ii) UK stamp duty and UK stamp duty reserve tax ("SDRT")

A conveyance or transfer on sale or other disposal of Ordinary Shares in the Company following entry into the REIT regime will be subject to UK stamp duty or SDRT in the same way as it would have been prior to entry into the REIT regime.

PART 10

GENERAL INFORMATION

1. Incorporation and general

- (a) The Local Shopping REIT Plc was incorporated in England and Wales on 6 December 2004 under the name Ever 2525 Limited with registered number 5304743 as a private company with limited liability under the Companies Act. Its registered office and its principal place of business is at 4th Floor, 11 Hanover Street, London W15 1YQ. It is domiciled in the United Kingdom.
- (b) Pursuant to a resolution dated 8 March 2007, the Company was re-registered as a public limited company and changed its name to The Local Shopping REIT Plc on 16 March 2007.
- (c) The Company is the ultimate holding company of the Group and has the following significant subsidiary undertakings, being those considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, financial position and/or profits and losses of the Group.

<i>Name</i>	<i>Principal Activity</i>	<i>Issued share capital (fully paid)</i>
Nos Limited	Dormant	£1
Nos 2 Limited	Property Investment	£1
Nos 3 Limited	Property Investment	£2
Nos 4 Limited	Property Investment	£2
Nos 5 Limited	Property investment	£2
Nos 6 Limited	Property Investment	£1
Nos 7 Limited	Property Investment	£1
Nos 8 Limited	Property Investment	£1

The Company owns directly or indirectly 100 per cent. of the issued shares of the above companies and can exercise 100 per cent. of the voting rights.

- (d) The registered office of each of the companies referred to in paragraph (c) is at 4th Floor, 11 Hanover Street, London W15 1YQ and each of them is incorporated in England and Wales.
- (e) The Company has an interest of 75 per cent. in Castle Marinas Limited. The business of Castle Marinas Limited is not a qualifying property rental business for the purposes of the REIT regime and on 12 April 2007 the Company transferred, conditional on Admission, its shareholding in Castle Marinas Limited to the trustees of the Castlemore Securities FURBS Scheme, a funded unapproved retirement benefit scheme of which the only member is John Grahame Whateley.

2. Share capital

- (a) The following table shows the authorised and issued share capital of the Company (i) as at 30 September 2006; and (ii) immediately following the Issue (assuming that all Ordinary Shares available under the Issue are issued pursuant to the Placing and the Offer):

	<i>Authorised</i>	<i>Number</i>	<i>Issued and fully paid</i>	<i>Number</i>
(i) Current	£800,000	800,000	£800,000	800,000
(ii) Proposed	£150,000,000	750,000,000	£19,190,804.60	95,954,023

Any Ordinary Shares available under the Issue which are not issued pursuant to the Placing and the Offer will remain authorised but unissued.

- (b) The following alterations in the share capital of the Company have taken place in the three years preceding the date of this document:
- (i) on 21 January 2005, the share capital of the Company was increased from 1 ordinary share of £1 to 800,000 ordinary shares of £1 and redesignated as 600,000 "A" ordinary shares, 100,000 "B" ordinary shares and 100,000 "C" ordinary shares;

- (ii) on 21 January 2005, the existing £1 ordinary share was redesignated to comprise 1 “A” £1 ordinary share and transferred from JG Whateley to Castlemore Holdings Limited and 599,999 “A” £1 ordinary shares were issued at par to Castlemore Holdings Limited, 100,000 “B” £1 ordinary shares were issued at par to NJ Gregory and 100,000 “C” ordinary £1 shares were issued to MC Riley;
- (iii) Pursuant to ordinary and special resolutions of the Company passed as written resolutions on 11 April 2007, the following resolutions were passed conditional upon Admission but with effect immediately prior to Admission:

THAT:

1. the 600,000 existing issued “A” shares of £1 each in the capital of the Company be sub-divided into, and reclassified as 3,000,000 Ordinary Shares;
2. the 100,000 existing issued “B” shares of £1 each in the capital of the Company be sub-divided into, and reclassified as 500,000 Ordinary Shares;
3. the 100,000 existing issued “C” shares of £1 each in the capital of the Company be sub-divided into, and reclassified as 500,000 Ordinary Shares;
4. the authorised share capital of the Company be increased from £800,000 to £150,000,000 by the creation of 746,000,000 new Ordinary Shares;
5. the Articles be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company;
6. the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985 (the “Act”)) up to an aggregate nominal amount of:
 - 6.1 £18,390,804.60 pursuant to the Issue; and
 - 6.2 and an amount equal one third of the ordinary share capital of the Company immediately following the allotment of Ordinary Shares in the capital of the Company pursuant to the Issue (the “**Enlarged Share Capital**”),
provided that such authority shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months from the date of passing the resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred by the resolution had not expired.
7. the Directors be and are hereby generally empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the authority conferred on them by resolution 6 above or otherwise as if sub-section (1) of Section 89 of the Act did not apply to any such allotment and to sell relevant shares (within the meaning of Section 94 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 162A of the Act (“**treasury shares**”)), for cash as if Section 89(1) of the Act did not apply to any such sale provided that such power shall be limited to the allotment of equity securities and the sale of treasury shares pursuant to:
 - 7.1 an offer of equity securities open for acceptance for a period fixed by the Board where the equity securities respectively attributable to the interests of holders of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the board may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
 - 7.2 (otherwise than pursuant to resolution 7.1 above) up to an aggregate nominal value not exceeding 5 per cent. of the Enlarged Share Capital,

and expires at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution or 15 months from the date of passing the resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the board may allot equity securities or sell treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

8. the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares in the capital of the Company provided that:
 - 8.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is 14,383,508 or, if less, 14.99 per cent. of the Enlarged Share Capital;
 - 8.2 the minimum amount which may be paid for an Ordinary Share is £0.20;
 - 8.3 the maximum price (excluding expenses of such purchase) which may be paid for an Ordinary Share is an amount equal to the higher of (i) 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Ordinary Share is purchased and (ii) the higher of the last independent trade and the highest current independent bid relating to an Ordinary Share on the trading venue where the purchase is carried out;
 - 8.4 this authority shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months from the date of the passing of the resolution, whichever is the earlier; and
 - 8.5 the Company may make a contract to purchase Ordinary Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Ordinary Shares in pursuance of any such contract.
- (c) As at the date of this document, and save for awards proposed to be made under the LTIP as set out in paragraph 5 below, no share or loan capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option.
- (d) The authorised but unissued share capital of the Company following the Issue (assuming that all Ordinary Shares available under the Issue are issued pursuant to the Placing and Offer) will be £130,809,195.40, representing approximately 87.2 per cent. of the Company's authorised share capital, of which the Directors will be authorised to allot £6,396,934.87 pursuant to resolution 6 referred to in paragraph 2(b)(iii) above.
- (e) Save for the allotments referred to in paragraph 2(b)(ii) above, since incorporation no capital of the Company has been allotted for cash or for a consideration other than cash.
- (f) Save for pursuant to the Issue and the grant of options or awards under the Share Incentive Schemes, no share capital of the Company is proposed to be issued.
- (g) The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.
- (h) The Ordinary Shares are in registered form and capable of being held in uncertificated form. None of the Ordinary Shares are being marketed or made available in whole or in part to the public in conjunction with the applications for Admission other than pursuant to the Issue. The Ordinary Shares to be issued pursuant to the Issue are being issued at a price of 174p per share, representing a premium of 154p over the nominal value of 20p each. The expected issue date is 2 May 2007.
- (i) The currency of the issue is pounds sterling.
- (j) There have been no public takeover bids by third parties for the Company.

3. Memorandum and Articles of Association

The principal objects of the Company, which are set out in clause 4 of its Memorandum of Association, include the power for the Company to acquire lands, buildings and properties of any tenure or description.

The Articles contain, *inter alia*, provisions to the following effect:

(a) Voting rights

Subject to paragraph (f) below, and to any special terms as to voting upon which any shares may for the time being, be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly appointed representative shall have one vote and on a poll every member present in person or by representative or proxy shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

(b) Variation of rights

If at any time the capital of the Company is divided into different classes of shares all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting (except an adjourned meeting), the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

(c) Alteration of capital

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the Companies Act, by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the Companies Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

(d) Transfer of shares

A member may transfer all or any of his shares (1) in the case of certificated shares by instrument in writing in any usual or common form or in such other form as may be approved by the Directors and (2) in the case of uncertificated shares, through CREST in requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or behalf of the transferee. The Directors may in their absolute discretion refuse to register a transfer of any share which is not fully paid, provided that dealings in the shares are not prevented from taking place on an open and proper basis. Subject to paragraph (f) below, the Articles contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with. The registration of transfers in respect of certificated shares may be suspended by the Directors for any period not exceeding 30 days in a year.

(e) Dividends

(i) The Company may by ordinary resolution in general meeting declare dividends provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified.

- (ii) Subject to the rights of persons, if any, holding shares with special dividend rights, and subject to paragraph (f) below, all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.
- (iii) All dividends unclaimed for a period of 12 years after the payment date for such dividend shall if the Directors so resolve be forfeited and shall revert to the Company.
- (iv) The Board may, if authorised by an Ordinary Resolution of the Company, offer the holders of shares the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend. The Directors may at their discretion make the right to participate in any such elections subject to restrictions necessary or expedient to deal with legal, regulatory or other difficulties in respect of overseas shareholders.

(f) Suspension of rights

If a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under section 212 of the Companies Act and is in default in supplying to the Company within 14 days (or such longer period as may be specified in such notice) the information thereby required, then (if the Directors so resolve) such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents more than 0.25 per cent. of the issued shares of that class, the payment of dividends may be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arms length sale.

(g) Return of capital

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of ordinary shares are entitled to share in any surplus assets *pro rata* to the amount paid up on their ordinary shares. A liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Companies Acts, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair. A liquidator may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members.

(h) Pre-emption rights

There are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares.

In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

(i) Real Estate Investment Trust

The provisions of the article in relation to the Real Estate Investment Trust ("REIT") (the "REIT Article") will only apply with effect from (and including) the date on which the Company enters the REIT regime.

I. Cardinal Principle

In order to ensure that both the Company and the members of its Group are not liable to pay tax under Regulation 10 of Real Estate Investment Trusts (Breach of Conditions) Regulations 2006 the REIT Article imposes restrictions and obligations on members and other persons who may have an interest in the Company.

II. Notification of Substantial Shareholder and other Status

Every member and any other relevant person who is or becomes a Substantial Shareholder (as defined in Part 9A (see paragraph (c) of section headed "Effect of becoming a REIT") or who holds shares in the Company by virtue of which a person is a Substantial Shareholder (a "Relevant Registered Shareholder") must notify the Company.

The Directors may, by serving written notice, require a person to provide the Company with such information as they require to assess whether that person is a Substantial Shareholder or a Relevant Registered Shareholder or in order to comply with any reporting obligation within a set period.

III. Distributions in respect of Substantial Shareholdings

The Directors may withhold payment of a distribution on or in respect of any shares in the Company on the condition that:

- (i) they believe that such shares are shares by virtue of which (in whole or in part) the member is a Substantial Shareholder (a “Substantial Shareholding”); and
- (ii) they are not satisfied that such Substantial Shareholder would not be beneficially entitled to the distribution if it was paid.

A distribution so withheld may subsequently be paid on the following basis:

- (i) if the Directors are satisfied that the conditions for withholding payment summarised in the above paragraph are not satisfied then the whole amount of the distribution withheld shall be paid; and
- (ii) if the Directors are satisfied that sufficient interests in all or some of the shares concerned have been transferred to a third party so that such transferred shares no longer form part of the Substantial Shareholder then the distribution attributable to such shares shall be paid (provided the Directors are satisfied that following such transfer such shares concerned do not form part of a Substantial Shareholding); and
- (iii) if the Directors are satisfied that as a result of a transfer of interests in shares referred to in paragraph (ii) above the remaining shares no longer form part of a Substantial Shareholding the distribution attributable to such shares shall be paid.

In addition the Directors may also withhold payment of a distribution if any person fails to satisfactorily comply with a notice given by the Directors as referred to in paragraph II within the period specified in the notice. Such a distribution so withheld may be paid upon the relevant person satisfactorily complying with the notice unless the distribution will be within the provisions summarised in III above.

A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a distribution by means of a certification procedure.

IV. Excess Charge

If a distribution is paid on a Substantial Shareholding then the Substantial Shareholder shall pay the amount of any charge thereby incurred by any member of the Group under the REIT regime. The Substantial Shareholder shall, in addition, also be liable for all costs and expenses incurred by the Company in connection with the recovery of such amount from the Substantial Shareholder. The Company may also, and without prejudice to the respective rights, use the proceeds received as a result of a disposal under paragraph VI below to cover such costs.

V. Distribution Trust

Any distribution paid on or in respect of a Substantial Shareholding (except where the Substantial Shareholder is not entitled to the distribution) and any income arising from it shall be held by the person to whom the distribution is made or by another recipient to whom the distribution is transferred by the payee to be held in trust for the persons nominated by the Relevant Substantial Shareholder in accordance with the Article and in such proportions as directed by the Relevant Substantial Shareholder, or if no such nomination is made within 12 years, for such persons as may be nominated by the Directors.

VI. Obligation to Dispose

If the Directors believe that:

- (i) in respect of any distribution declared or announced, the condition set out in paragraph III is satisfied in respect of any shares in the Company in relation of that distribution;
- (ii) a notice given by the Directors pursuant to paragraph II in relation to any shares in the Company has not been complied with to the satisfaction of the Directors within the period specified in such notice; or

- (iii) any information, certificate or declaration provided by a person in relation to any shares in the Company was materially inaccurate or misleading

then they may require any person they believe to be holding all or part of a Substantial Shareholding to dispose of such number of shares and to take such other steps as will cause the condition set out in paragraph III to be satisfied by notice in writing (a "Disposal Notice")

Any sale made as a result of a Disposal Notice shall be at the price which the Directors consider to be the best price reasonably obtainable. The net proceeds of the sale (less any amount to be retained pursuant to paragraph IV of this Article and at the expense of sale) shall be paid to the former holder or holders of the relevant share. Further provisions allow for the Directors to arrange for shares to be sold if the Disposal Notice is not complied with or in circumstances where an excess charge (as mentioned in IV above) become payable.

VII. General

The Directors are not required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) and any such determination or decision is to be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to the REIT Article shall be binding on all Persons and shall not be open to challenge on any ground whatsoever.

The Directors may from time to time require any person who is or claims to be a person to whom a distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such information, certificates or declarations as they may require to establish whether such person is so entitled.

(i) *Shareholder Meetings*

An annual general meeting is to be held once every year at such time and place as may be determined by the Directors. Annual general meetings should be held within a period of not more than 15 months after the holding of the last preceding annual general meeting. Extraordinary general meetings may be called whenever the directors think fit or when one has been requisitioned in accordance with the Companies Act. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

Annual general meetings and any other meetings to consider a special resolution or requiring special notice are called on 21 days notice in writing, exclusive of the day of which it is served or deemed to be served and of the day on which the meeting is to be held. Other extraordinary general meetings are to be called on 14 days notice in writing exclusive of the day on which it is served or deemed to be served and the day on which it is to be held. The annual general meeting may be called on shorter notice providing all members entitled to attend and vote thereat agree and an extraordinary general meeting can be called on shorter notice if a majority in number of the members having a right to attend and vote at the extraordinary general meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right, consent. Notice is to be given to all members on the register at the close of business on a day determined by the Company, such day being not more than 21 days before the day that the notice of meeting is sent.

The Company may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered into the register in order to have the right to attend or vote at the meeting. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll vote instead of him/her, and that a proxy need not be a member.

(j) *Directors*

Save as provided in the Articles, a director shall not vote as a director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he has any interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company), and if he shall do so his

vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution relating to any of the following matters namely:

- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or its parent company (if any) or any other subsidiary undertaking of any such parent company; or
- (ii) any obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or
- (iii) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings or its parent company (if any) or any other subsidiary undertaking of any such parent company for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate; or
- (iv) any other company in which he or any person connected with him is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings or its parent company (if any) or any other subsidiary undertaking of any such parent company) of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or
- (v) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (vi) the purchase and/or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

Fees may be paid out of the funds of the Company to directors who are not managing or executive directors at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed the sum of £150,000 per annum (exclusive of value added tax if applicable) or such other figure as the Company may by ordinary resolution from time to time determine.

Any director who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director, may be paid such additional remuneration as the Directors or any committee authorised by the Directors may determine.

The Directors (including alternate Directors) shall be entitled to be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine, and no director or intending director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any other such office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, arrangement, transaction or proposal or any contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any director or any person connected with him is in any way interested (whether directly or indirectly) be liable to be avoided, nor shall any director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised from any such contract, arrangement, transaction or proposal by

reason of such director holding that office or of the fiduciary relationship thereby established, but his interest shall be disclosed by him in accordance with the Act.

The remuneration and other terms and conditions of appointment of a director appointed as managing director or to any other executive office or employment under the Company shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors, and may (without limitation) be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any other company in which the Company is interested) or other participation in any such profits or otherwise or by any or all or partly by one and partly by another or others of those modes.

Any statutory provision which, subject to the provisions of the Articles, would have the effect of rendering any person ineligible for appointment as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any director over a specified age shall not apply to the Company.

4. Mandatory takeover bids, squeeze-out and sell-out rules

Other than as provided by Chapter 3 of Part 28 of the Companies Act 2006 and the City Code on Takeovers and Mergers, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to Ordinary Shares.

5. Share Incentive Schemes and Bonus Plan

The Company proposes to operate three share incentive schemes, The Local Shopping REIT Plc Company Share Option Plan (2007) (the “CSOP”), the Local Shopping REIT plc Long Term Incentive Plan (2007) (the “LTIP”) and The Local Shopping REIT Plc Employee Benefit Trust (the “EBT”). The Company has also adopted, conditional upon but with effect immediately prior to Admission, the Local Shopping REIT plc Executive Bonus Plan.

The CSOP

a) Eligibility

All employees (including full time executive directors) of the Company and any of its subsidiaries may be granted options over Ordinary Shares under the CSOP, provided that they are not prohibited, under the relevant legislation relating to HMRC approved company share option plans, from being granted an option by virtue of having (or having had) a material interest in the Company. It is intended by the Remuneration Committee that Directors shall not be granted options under the CSOP.

b) Grant

The Remuneration Committee has absolute discretion to select the persons to whom options are to be granted and (subject to the limits set out below) to determine the number of Ordinary Shares subject to each option.

On or prior to Admission, options may be granted at the discretion of the Remuneration Committee provided that the CSOP has been formally approved by HMRC.

Following Admission, options may be granted during the period of 42 days commencing on: (a) the day on which the CSOP is formally approved by HMRC; (b) the dealing day immediately following the date of the preliminary announcement of the Company’s annual results or the announcement of its half-yearly results in any year (provided that whilst the Ordinary Shares are admitted to the Official List of the London Stock Exchange no option shall be granted during the first two dealing days following the date of any such announcement); or (c) any other time fixed by the Remuneration Committee where in its discretion circumstances are considered to be exceptional so as to justify the grant of options.

If the grant of an option on any of the above days would be prohibited by virtue of the Model Code or any statute or regulation or order made pursuant to such statute, then such option may be granted during the period of 40 days commencing immediately after the second dealing day following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an option.

c) Scheme Limits

Following Admission, no option may be granted under the CSOP if, as a result, the aggregate nominal value of Ordinary Shares issued or issuable pursuant to options granted under the CSOP or any other employees' share scheme, profit sharing scheme or employee share ownership plan adopted by the Company during the previous 10 years would exceed 10 per cent. of the nominal value of the share capital of the Company in issue on that date.

For the avoidance of doubt, any Ordinary Shares issued or then capable of being issued pursuant to options granted on or prior to Admission (whether under the CSOP or any other employees' share scheme adopted by the Company) shall not count towards the limits set out above and any Ordinary Shares already in issue when placed under option or subject to an option which has lapsed shall be disregarded for the purpose of the above limits.

d) Individual Limit

Each individual's participation is limited so that the aggregate market value of Ordinary Shares subject to all options (calculated as at the date of grant of each option) held by that individual and granted under the CSOP and any other HMRC approved company share option plan operated by the Company or any associated company shall not exceed £30,000 or such other amount as may be permitted by HMRC.

e) Exercise Price

The exercise price of an Ordinary Share under an option is determined by the Remuneration Committee at the time of grant but may not be less than the greater of (i) the market value of an Ordinary Share as at the date of grant and (ii) in the case of an option to subscribe for Ordinary Shares, the nominal value of an Ordinary Share.

The exercise price (as well as the number of Ordinary Shares under option and their nominal value) may be adjusted by the Remuneration Committee in the event of any capitalisation issue or rights issue (other than an issue of Ordinary Shares pursuant to the exercise of an option given to the shareholders of the Company to receive Ordinary Shares in lieu of a dividend) or rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital. Any such adjustment will require the prior approval of HMRC.

f) Performance Conditions

It is the intention of the Remuneration Committee that the grant of options under the CSOP shall not in normal circumstances be subject to the satisfaction of a performance target.

However, the rules of the CSOP contain the flexibility for the exercise of options to be conditional upon the achievement of an objective performance target set at the time of grant at the discretion of the Remuneration Committee.

In the event that a performance target is applied to any option, such target shall be measured over a performance period which is not less than three years long. Such target may be waived or amended on the occurrence of any specific event or events fixed by the Remuneration Committee and which are set out in the performance target issued on the grant of the option concerned. Furthermore, if events occur which cause the Remuneration Committee to reasonably consider that a different or amended target would be a fairer measure of performance, the Remuneration Committee may waive or amend the original performance target provided that any such amended target is not materially more difficult to achieve than the original performance target.

It should also be noted that a performance target (if any) applying to an option may be measured over an abbreviated performance period less than 3 years in circumstances where an employee ceases to be a group employee before the end of the relevant performance period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant performance period. In these circumstances such performance target may be modified in such manner as the Remuneration Committee think fit so as to be applied over such abbreviated performance period.

g) Exercise of options

An option may normally only be exercised (subject to satisfaction of the performance target, if any) after the date that it vests ("Vesting Date") but before the tenth anniversary of its date of grant, provided that the option holder is still an employee of the Company or any of its subsidiaries. The Vesting Date will be specified at the date of grant of the option concerned and, in relation to the

initial grant of options under the CSOP, it is intended that the Vesting Date shall be the third anniversary of the date of grant of the options concerned.

Options may, however, be exercised early notwithstanding that the Vesting Date has not yet passed in certain circumstances. In particular, options may be exercised for a period of six months after the option holder ceases to be employed within the group in certain special circumstances, such as injury, ill health or disability (all evidenced to the satisfaction of the Remuneration Committee), redundancy, or retirement of the option holder on or after reaching the age of 55 or upon the sale or transfer out of the group of the company or undertaking employing him. In the event of cessation of employment of the option holder by reason of his death, his personal representatives will be entitled to exercise the option within twelve months following the date of his death. Where an option holder ceases to be employed within the group for any other reason, options may also become exercisable for a limited period at the discretion of the Remuneration Committee.

Exercise of options is also possible earlier than the Vesting Date in the event of a takeover, a scheme of arrangement under section 425 of the Companies Act being sanctioned by the court in connection with the reconstruction or amalgamation of the Company or which otherwise gives rise to a change of control of the Company or the voluntary winding up of the Company. In the case of a takeover of the Company or the transfer out of the group of the undertaking employing the option holder concerned, the Remuneration Committee may allow the option to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned.

In all of these circumstances allowing for early exercise of an option prior to the Vesting Date, the option may not be exercised unless (subject to any modification or waiver of the performance target under the rules) the performance condition, if any, to which it is subject has been satisfied. Where an option is exercised before the occurrence of the Vesting Date, the number of Ordinary Shares over which any option is capable of exercise shall, subject to the discretion of the Remuneration Committee, be pro-rated down proportionally. Unless the Remuneration Committee exercises its discretion (as described below) to the contrary, the pro-rating shall take effect so that the maximum number of Ordinary Shares over which an option is capable of exercise shall be equal to the proportion of the number of Ordinary Shares comprised in the option which equals the proportion of the number of days which have elapsed from the date of grant of the option to the date upon which the relevant event triggering early exercise occurs, bears to the total number of days that would have elapsed from the date of grant to the Vesting Date, had the event triggering early exercise not occurred.

In relation to the pro-rating mechanism outlined above, the Remuneration Committee has a discretion, having full regard to all the circumstances surrounding the early exercise of an option, to ignore the prescribed pro-rating of the Ordinary Shares over which such option may be exercised and make no such reduction.

In the event of a takeover or a scheme of arrangement under section 425 of the Companies Act sanctioned by the court giving rise to a change of control of the Company, an option holder may be allowed to exchange his option for new options over Ordinary Shares in the acquiring company, provided that the acquiring company agrees to such exchange and the rights under the new option are equivalent to those under the old option.

No option shall be capable of exercise following the tenth anniversary of its date of grant and on such tenth anniversary the option shall lapse.

Options may not be exercised during any prohibited period specified by the Model Code.

h) Other option terms & Issues of Ordinary Shares

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Ordinary Shares subject to those options.

Ordinary Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Ordinary Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of such allotment. For so long as the Company's Ordinary Shares are traded on the Official List of the London Stock Exchange, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of any options are admitted to trading as soon as practicable after allotment.

Benefits obtained under the CSOP Scheme are not pensionable.

i) Administration & amendment

The CSOP is administered by the Remuneration Committee. The Remuneration Committee may amend the provisions of the CSOP. However, no amendment to a key feature of the CSOP shall have effect until HMRC has approved such amendment. Furthermore, the rules of the CSOP which relate to:

- (i) the persons to whom options may be granted;
- (ii) the limits on the number of Ordinary Shares which may be issued under the CSOP;
- (iii) the maximum entitlement of any option holder;
- (iv) the basis for determining an option holders entitlement to Ordinary Shares or options; and
- (v) the basis for determining the adjustment of any option granted under the CSOP following any increase or variation in the share capital of the Company

cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the CSOP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders of any group company.

j) Termination

The CSOP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further options can be granted under the CSOP after such termination. Termination shall not affect the outstanding rights of existing option holders.

The LTIP

The LTIP will be operated in conjunction with the Employee Benefit Trust.

a) Eligibility

All employees (including executive Directors) of the Company or any subsidiary of the Company are eligible to be granted an award under the LTIP. It is the intention of the Remuneration Committee that the initial grant of awards under the LTIP will only be made to certain executive Directors of the Company (being Mike Riley, Nick Gregory and Victoria Whitehouse) and to Chris Moulden, the Group's senior asset manager. The Remuneration Committee may change their grant policy in relation to future awards under the LTIP.

b) Grant

The Remuneration Committee may determine, in its discretion, which eligible employees may be made an award on any occasion and the number of Ordinary Shares subject to such award.

Each award shall take the form of a nil cost option with an exercise price set at zero which shall be granted by the trustee of the EBT, (the "EBT Trustee") upon recommendation to do so by the Remuneration Committee.

Awards may be granted on or prior to Admission at the discretion of the EBT Trustee upon recommendation from the Remuneration Committee.

Following Admission, awards may be granted during the period of 42 days commencing on: (a) Admission; (b) the dealing day immediately following the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year (provided that whilst the Ordinary Shares are admitted to the Official List of the London Stock Exchange no award shall be granted during the first two dealing days following the date of any such announcement); or (c) any other time recommended to the EBT Trustee by the Remuneration Committee where in its discretion circumstances are considered to be exceptional so as to justify the grant of awards.

If the grant of an award on any of the above days would be prohibited by virtue of the Model Code or any statute or regulation or order made pursuant to such statute, then such award may be granted during the period of 40 days commencing immediately after the second dealing day following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an award.

c) Scheme limits

The aggregate number of Ordinary Shares which the Company may on any day issue for the purpose of the LTIP shall be limited so that in any ten year period, the number of Ordinary Shares issued for the purpose of satisfying awards granted under the LTIP or issued or then capable of being issued pursuant to options granted or rights obtained in such ten year period under any other employees' share scheme, profit sharing scheme or employee share ownership plan adopted by the Company shall not exceed 10 per cent. of the share capital of the Company in issue on that date.

For the avoidance of doubt, any Ordinary Shares issued or then capable of being issued pursuant to awards or options granted on or prior to Admission (whether under the LTIP or any other employees' share scheme adopted by the Company) shall not count towards the limits set out above and any Ordinary Shares purchased by the EBT Trustee in the market to satisfy awards under the LTIP shall be disregarded for the purpose of the above limits.

d) Individual limit

In normal circumstances, no eligible employee is entitled to receive an award under the LTIP in any financial year of the Company if the market value of the Ordinary Shares subject to that award, when aggregated with the market value of the Ordinary Shares subject to all or any other awards made under the LTIP to that person in the same financial year, would exceed 250 per cent. of his annual salary. For the purpose of calculating this limit, the market value of an Ordinary Share on the date of Admission shall be taken as the opening price for the Ordinary Shares on the date of Admission and on any other day following the date of Admission, whilst the Ordinary Shares remain listed on the Official List of the London Stock Exchange plc, the market value of the Ordinary Shares shall be taken to be the middle market price of an Ordinary Share as derived from the Official List for the day immediately prior to the date of grant of the award concerned.

In exceptional circumstances, the Remuneration Committee has the discretion to make an award to any eligible employee which exceeds the 250 per cent. of annual salary limit described above. However, in no circumstances shall an eligible employee be entitled to receive an award under this LTIP in any financial year if the market value of the Ordinary Shares subject to that award when aggregated with the market value of the Ordinary Shares subject to all or any other awards made under the LTIP to that person in the same year would exceed 400% of his annual salary.

In relation to the initial grant of awards under the LTIP, it is intended that they will be made over such number of Ordinary Shares as have a market value, in the case of awards to be made to Mike Riley and Nick Gregory, of 200 per cent. of each award holder's annual salary, in the case of the award to be made to Chris Moulden 50 per cent. of his annual salary and, in the case of the award to be made to Victoria Whitehouse, 25 per cent. of her annual salary. It is anticipated that subsequent grants of awards made in other financial years to Mike Riley and Nick Gregory will be made at the same level as these awards and in relation to the subsequent grant of awards made in other financial years to Chris Moulden and Victoria Whitehouse it is anticipated that the level of their awards will be determined by the Remuneration Committee.

e) Performance Conditions

The exercise of awards granted under the LTIP will in normal circumstances be conditional upon the achievement of objective performance targets set at the time of grant. Such performance targets shall be measured over a performance period (determined by the Remuneration Committee at the time of grant but which shall not be less than three years) (the "Performance Period"). The award will become capable of exercise following a date ("Vesting Date") specified at the time of grant which occurs after the expiry of the relevant Performance Period.

In relation to the initial grant of awards under the LTIP, it is intended that the Performance Period shall be three years long running from the date of grant, that the Vesting Date shall be the third anniversary of the date of grant of the awards concerned and that the performance targets shall be as described below.

Each award will be subject to the absolute TSR target (as summarised below) ("Absolute TSR Target") and the comparator TSR target (as summarised below) ("Comparator TSR Target") but also the Dividend Underpin target summarised below ("Dividend Underpin").

Half of the shares subject to any award will be subject to the Absolute TSR Target and the remaining shares subject to any award will be subject to the Comparator TSR Target.

Absolute TSR Target

In normal circumstances subject to the Dividend Underpin being satisfied the award will not be capable of exercise over the Ordinary Shares subject to the Absolute TSR Target unless the average annual percentage growth in total shareholder return (“TSR”) over the Performance Period is equal to or greater than 8%.

Subject to the Dividend Underpin being satisfied if the average annual percentage growth in TSR over the Performance Period is equal to 8% (“the Lower Target”) the award may be exercised as to 20% of the Ordinary Shares subject to the Absolute TSR Target (rounded down to the nearest whole number of Ordinary Shares).

Subject to the Dividend Underpin being satisfied if the average annual percentage growth in TSR over the Performance Period is equal to 16% (“the Upper Target”) the award may be exercised as to 100% of the Ordinary Shares subject to the Absolute TSR Target (rounded down to the nearest whole number of Ordinary Shares).

Where the average annual percentage growth in TSR over the Performance Period falls between the Lower Target and the Upper Target, subject to the Dividend Underpin being satisfied the number of Ordinary Shares subject to the Absolute TSR Target in respect of which the award may be exercised shall be determined on a straight line basis between 20% and 100% of the Ordinary Shares subject to the Absolute TSR Target.

Comparator TSR Target

The Company’s total shareholder return shall be measured against that of the following companies: Assura Group, Brixton Plc, Capital & Regional Plc, Derwent London Plc, Great Portland Estates Plc, Helical Bar Plc, Invista Foundation Property Trust Limited, Liberty International Plc, Minerva Plc, Shaftesbury Plc, St. Modwen Properties Plc, TR Property Investment Trust Plc, The Unite Group Plc, Warner Estate Holdings Plc, The British Land Public Limited Company, Big Yellow Group Plc, CLS Holdings Plc, Daejan Holdings Plc, F&C Commercial Property Trust Limited, Grainger Plc, Hammerson Plc, Land Securities Group Plc, Mapeley Limited, Quintain Estates & Development Plc, Slough Estates Public Limited Company, UK Commercial Property Trust Limited, Workspace Group Plc (“Comparator Group”).

Subject to the Dividend Underpin being satisfied, if the Company is ranked less than the 50th percentile by reference to its total shareholder return over the Performance Period relative to that of companies in the Comparator Group over the same period, then the award shall lapse in respect of all the Ordinary Shares subject to the Comparator TSR Target.

Subject to the Dividend Underpin being satisfied, if the Company is ranked at the 50th percentile by reference to its total shareholder return over the Performance Period relative to that of companies in the Comparator Group over the same period, then the award shall be capable of exercise over 25 per cent. of the Ordinary Shares subject to the Comparator TSR Target.

For each complete percentile by which the Company is ranked above the 50th percentile, subject to the Dividend Underpin being satisfied, the award shall be capable of exercise over a further 3 per cent. of the Ordinary Shares subject to the Comparator TSR Target (rounded down to the nearest whole number of Ordinary Shares), with the effect that the award will be capable of exercise over all the Ordinary Shares subject to the Comparator TSR Target if the Company is ranked equal to or above the 75th percentile provided that the Dividend Underpin is satisfied.

Dividend Underpin

In relation to each filing date for the Company’s tax returns that fall within the Performance Period, the Company must have distributed, to the extent necessary to comply with the REIT regulations in force from time to time, to its shareholders in the form of a dividend, on or before the filing date in question, at least 90% of the amounts shown in the financial statements of the members of the Group:

- as income profits of the UK resident members of the Group arising in respect of their qualifying property rental business in the accounting period to which such tax return relates; and
- as income profits of the non-UK resident members of the Group insofar as they arise in respect of such members’ UK qualifying property rental business in the accounting period to which such tax return relates.

If events occur which cause the Remuneration Committee to reasonably consider that different or amended targets would be a fairer measure of performance, the Remuneration Committee may recommend that the EBT Trustee waives or amends the original performance targets provided that any such amended targets are not materially more difficult to achieve than the original performance targets. The Remuneration Committee shall, as part of such discretion to amend the performance targets, have the ability to amend the composition of the comparator group.

f) Exercise of awards

Normally an award may only be exercised following the occurrence of the Vesting Date to the extent that the performance targets have been satisfied and the participant is still an employee of the Company or any subsidiary of the Company.

No award is capable of exercise more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

Awards may not be exercised during any prohibited period specified by the Model Code.

In certain circumstances awards may be exercised earlier than the Vesting Date, if the award holder ceases to be an employee of the group. In particular, awards may be exercised for a period of six months after the award holder ceases to be employed within the group by reason of injury, ill health or disability (evidenced to the satisfaction of the Remuneration Committee), redundancy or retirement of the award holder on or after reaching his contractual retirement age or upon the sale or transfer out of the group of the company or undertaking employing him. In the event of cessation of employment of the award holder by reason of his death, his personal representatives will be entitled to exercise the award within twelve months following the date of his death. Where an award holder ceases to be employed within the group for any other reason, awards may also become exercisable at the discretion of the Remuneration Committee.

Exercise of awards is also possible earlier than the Vesting Date in the event of a takeover, a scheme of arrangement under section 425 of the Companies Act being sanctioned by the court in connection with the reconstruction or amalgamation of the Company or which otherwise gives rise to a change of control of the Company or the voluntary winding up of the Company. In the case of a takeover of the Company or the transfer out of the group of the undertaking employing the award holder concerned, the Remuneration Committee may allow the award to be exercised immediately before but with effect from the takeover or the transfer of the undertaking concerned.

In all of these circumstances allowing for the early exercise of an award, the award may not be exercised unless, (subject to any modification or waiver of the performance targets under the rules), the performance conditions, if any, to which it is subject have been satisfied. Where an award is exercised before the Vesting Date, the number of Ordinary Shares over which any award is capable of exercise shall, subject to the discretion of the Remuneration Committee, be pro-rated down proportionally. Unless the Remuneration Committee exercises its discretion (as described below) to the contrary, the pro-rating shall take effect so that the maximum number of Ordinary Shares over which an award is capable of exercise shall be equal to the proportion of the number of Ordinary Shares comprised in the award which equals the proportion of the number of days which have elapsed from the date of grant of the award to the date upon which the relevant event triggering early exercise occurs, bears to the total number of days that would have elapsed from the date of grant to the Vesting Date, had the event triggering early exercise not occurred.

In relation to the pro-rating mechanism outlined above, the Remuneration Committee has a discretion, having full regard to all the circumstances surrounding the early exercise of an award, to ignore the prescribed pro-rating of the Ordinary Shares over which such award may be exercised and either reduce the number of Ordinary Shares over which the award may be exercised on some other basis or make no such reduction.

Awards in relation to which the Vesting Date has occurred at the time of a takeover or cessation of employment shall be capable of exercise over the number of Ordinary Shares that have vested in accordance with the performance targets.

g) Other Award terms & Issues of Ordinary Shares

Awards are not capable of transfer or assignment.

Until awards are exercised, participants have no voting or other rights in relation to the Ordinary Shares subject to those awards.

Ordinary Shares transferred pursuant to the exercise of an award will rank *pari passu* in all respects with the Ordinary Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of such exercise.

Benefits obtained under the LTIP are not pensionable.

h) Adjustment of Awards

In the event of any increase or variation in the share capital of the Company, the EBT Trustee (after consultation with the Remuneration Committee) may make such adjustment as it considers fair and reasonable to the outstanding awards.

i) Amendments to the LTIP Rules

The rules of the LTIP which relate to:

- the persons to whom awards may be made;
- the limits on the number of Ordinary Shares which may be issued under the LTIP;
- the maximum entitlement of any one participant;
- the basis for determining a participant's entitlement to awards and the terms thereof; and
- the basis for determining the adjustment of any award granted under the LTIP following any increase or variation in the share capital of the Company

cannot be amended to the advantage of any participant or potential participant without the prior approval of the shareholders in a general meeting (except for minor amendments to benefit the administration of the LTIP, to take into account any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company).

j) Termination

The LTIP may be terminated at any time by the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further awards can be granted under the LTIP after such tenth anniversary. Termination shall not effect the outstanding rights of participants.

The EBT

The EBT is constituted by a trust deed entered into between the Company and LSR Trustee Limited ("EBT Trustee"). The Company has the power to appoint and remove the EBT Trustee. The EBT Trustee is a newly created subsidiary of the Company which has been set up specifically for this purpose.

The EBT is a discretionary settlement set up for the benefit of employees and former employees (and their immediate dependants) of the Company and its subsidiaries. The settlement is created by the vesting of trust property in the EBT Trustee.

The EBT Trustee may either purchase existing Ordinary Shares in the Company in the market or subscribe for new Ordinary Shares in the Company. Whilst it is proposed that such Ordinary Shares will predominantly be used for the purposes of the LTIP, they may be used in conjunction with any other employees' share scheme established by the Company.

The maximum number of Ordinary Shares in the Company which may be held by the EBT Trustee at any time may not exceed 5 per cent. of the Company's issued ordinary share capital at that time.

The Local Shopping REIT plc Executive Bonus Plan ("Bonus Plan")

The Bonus Plan has been adopted by the Company conditional on Admission but with effect immediately prior to Admission. It is the intention of the Remuneration Committee that the initial participants of the Bonus Plan will be the executive Directors of the Company.

Timing of Payments

Payments under the Bonus Plan will normally be paid annually in cash after audit sign off of the previous year's accounts although as explained below it is proposed that the first payment will not be made until after 30 September 2008. Payments will usually only be made if the participant is an employee of the Company at the date of payment.

Performance Periods

The initial performance period for the Bonus Plan will be a period of 17 months (approximately) from Admission until 30 September 2008. Subsequent performance periods will be consistent with financial years.

Amount of Payment

It is the intention of the Remuneration Committee that the maximum potential bonuses which will initially be paid will be 100% of base salary for Mike Riley and Nick Gregory and 50% of base salary for Victoria Whitehouse. For the purpose of the Bonus Plan base salary will be salary earned by a participant in respect of the relevant performance period.

Performance Targets

Payments made under the Bonus Plan will be subject to the achievement of stretching performance targets.

1. *Initial Targets*

In respect of the initial bonus payments (payable after 30 September 2008) for the performance period from Admission until 30 September 2008 the whole of the payment will be subject to the total property return ("TPR") target summarised below:

TPR Target

The bonus payment will not be payable until the Company's TPR equals the IPD Standard Shops TPR plus 0.5% ("Lower Target") and where it does then 20% of the potential bonus payment will be payable. Where the Company's TPR equals IPD Standard Shops TPR plus 1.5% ("Upper Target") then 100% of the potential bonus payment will be payable. Where the Company's TPR falls between the Lower Target and Upper Target, the percentage of the potential bonus payment payable will be determined on a straight line basis between 20% and 100% of the potential bonus payment.

2. *Subsequent Targets*

In respect of subsequent performance periods, it is currently intended that the performance period will be a 12 month period ending on 30 September 2009 and that 50% of the potential bonus payment will be subject to the TPR target summarised below and the remaining 50% of the potential bonus payment will be subject to the dividend per share ("DPS") target summarised below:

TPR Target

The bonus payment subject to the TPR Target will not be payable until the Company's TPR is equal to the Lower Target and where it does then 10% of the potential bonus payment will be payable. Where the Company's TPR is equal to the Upper Target then 50% of the potential bonus payment will be payable. Where the Company's TPR falls between the Lower Target and the Upper Target, the percentage of the potential bonus payment payable will be determined on a straight line basis between 10% and 50% of the potential bonus payment.

DPS Target

The bonus payment subject to the DPS Target will not be payable unless the annual percentage growth in the Company's DPS equals the annual percentage growth in the Consumer Prices Index ("CPI") ("Lower DPS Target") where it does then 20% of the potential bonus payment will be payable. Where the annual percentage growth in the Company's DPS equals the annual percentage growth in CPI plus 2% ("Upper DPS Target") then 50% of the potential bonus payment will be payable. If the annual percentage growth in the Company's DPS falls between the Lower DPS Target and the Upper DPS Target then the percentage of the potential bonus payment will be determined on a straight line basis between 20% and 50% of the potential bonus payment.

6. Directors' and other interests

- (a) The interests of each Director and those of any person connected with them within the meaning of section 346 of the Companies Act ("Connected Person"), all of which are beneficial (except as noted below), in the share capital of the Company which (i) have been notified to the Company pursuant to section 324 or 328 of the Companies Act, or (ii) are required to be entered into the register maintained under section 325 of the Companies Act, or (iii) are interests of a Connected Person which would, if the Connected Person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known or could with reasonable diligence be ascertained by the Director are as follows:

	<i>Current Ordinary Shares</i>	<i>%</i>	<i>Following the Issue Ordinary Shares</i>	<i>%</i>
John Grahame Whateley [†]	600,000*	75	7,655,171	7.98
Nicholas John Gregory	100,000*	12.5	500,000	0.52
Michael Edward Riley	100,000*	12.5	500,000	0.52
Victoria Ann Whitehouse	—	—	—	—
Andrew Rolland Cunningham	—	—	14,368	0.01
Nicholas John Vetch	—	—	2,873,563	2.99

[†] The shares in which John Grahame Whateley is currently interested are held by Castlemore Holdings Limited, a company of which Mr Whateley is a director and the shares of which are owned by trusts the beneficiaries of which are Mr Whateley's children and grandchildren. Mr Whateley will also subscribe for 747,126 Ordinary Shares under the Placing and the Castlemore Securities FURBS Scheme, of which John Grahame Whateley is a trustee and sole beneficiary, will also subscribe for 3,908,045 Ordinary Shares under the Placing.

* The number of shares listed are those currently held, which will be sub-divided and reclassified as Ordinary Shares immediately prior to Admission, as described in paragraph 2(b)(iii) above.

- (b) In addition to their directorships of the Company and other members of the Group, the Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

John Grahame Whateley

Current Directorships/partnerships:

Arden Partners Plc
 Castlemore Holdings Limited
 Cedar Investments (Holdings) Limited
 Cedar (Holborn One) Limited
 Cedar (Intermediate One) Limited
 Cedar (Intermediate Two) Limited
 Commatech Holdings Limited
 Liquidity Limited
 Mycas Limited
 RDM Group Limited

Previous directorships/partnerships over the last five years:

CSOLS Limited
 Nettle Investments Phosphorus Limited

Michael Edward Riley

Current Directorships/partnerships:

Castle Marinas Limited
 Castlemore Value Management Limited
 Castlemore Ventures Limited

Previous directorships/partnerships over the last five years:

Castlemore Securities Limited
 City Executive Centres Limited
 Croydon Land (Holdings) Limited
 English & Overseas Properties PLC
 Meridian Delta Dome Limited
 Meridian Delta Limited
 Quart (General Partner) Limited
 Quaystone Trading Limited
 Quintain Estates and Development PLC
 Quintain Fund Management Limited

Nicholas John Gregory

Current Directorships/partnerships:

Castle Marinas Limited
Castlemore Value Management Limited
Castlemore Ventures Limited

Previous directorships/partnerships over the last five years:

Castlemore Securities Limited

Victoria Ann Whitehouse

Current Directorships/partnerships:

—

Previous directorships/partnerships over the last five years:

—

Andrew Cunningham

Current Directorships/partnerships:

Grainger plc
Grainger GenInvest LLP
Grainger GenInvest No. 2 (2006) LLP

Previous directorships/partnerships over the last five years:

—

Nicholas Vetch

Current Directorships/partnerships:

Big YellowGroup PLC
Lowndes Partners LLP
Football Fever LLP
Colombia Partners LLP
Kate Forman Designs Ltd
Bluespace Holdings SARL

Previous directorships/partnerships over the last five years:

—

- (c) No Director or Senior Manager for at least the previous five years:
- (i) has any convictions in relation to fraudulent offences; or
 - (ii) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
 - (iii) has been a director of any company which, while he was a director had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
 - (iv) has been a partner of any partnership which, while he was a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
 - (v) has had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
 - (vi) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- (d) So far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- (e) So far as the Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company.
- (f) Save as disclosed in paragraph 6(a) above, the Company is not aware of any person who is directly or indirectly interested in 3 per cent. or more of the issued share capital or voting rights of the Company.
- (g) None of the Company's major holders of shares has voting rights which are different from other holders of Ordinary Shares.
- (h) There are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director.

- (i) No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during any earlier financial year and remains in any respect outstanding or unperformed.
- (j) In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.
- (k) The aggregate amount of remuneration (including any contingent or deferred compensation) payable and benefits in kind granted to Directors was £449,851 for the financial year ended 30 September 2006.

The remuneration of each Director for the year ended 30 September 2006 was as follows:

<i>Directors</i>	<i>Salary/fees</i> £	<i>Bonus</i> £	<i>Pension contribution</i> £	<i>Taxable benefits</i> £	<i>Total</i> £
John Grahame Whateley	—	—	—	—	—
Michael Edward Riley	260,000	—	—	10,784	270,784
Nicholas John Gregory	175,000	—	—	4,067	179,067
Victoria Ann Whitehouse	—	—	—	—	—
Andrew Rolland Cunningham	—	—	—	—	—
Nicholas John Vetch	—	—	—	—	—

7. Directors service contracts

- (a) Michael Edward Riley has entered into a service agreement with the Company dated 30 March 2007 and commencing on Admission which is subject to twelve months' notice by either party at any time. The agreement provides for an annual salary of £260,000 and other benefits including permanent health insurance, private medical insurance, a car allowance of £25,000 per year and contributions to a personal pension scheme equal to ten per cent. of salary.
- (b) Nicholas John Gregory has entered into a service agreement with the Company dated 30 March 2007 and commencing on Admission which is subject to twelve months' notice by either party at any time. The agreement provides for an annual salary of £260,000 and other benefits including permanent health insurance, private medical insurance, a car allowance of £25,000 per year and contributions to a personal pension scheme equal to ten per cent. of salary.
- (c) Victoria Ann Whitehouse has entered into a service agreement with the Company dated 30 March 2007 and commencing on Admission which is subject to twelve months' notice by either party at any time. The agreement provides for an annual salary of £115,000 and other benefits including permanent health insurance and private medical insurance. Victoria Whitehouse is entitled to participate in the Group's stakeholder pension scheme (to which the Group does not contribute).
- (d) The services of John Grahame Whateley as non-executive Director and Chairman are provided under the terms of a letter of appointment between the Company and Mr. Whateley dated 30 March 2007 for an initial period of one year, continuing thereafter subject to termination upon at least 3 months' notice, at an initial fee of £50,000 per annum.
- (e) The services of Andrew Cunningham and Nicholas Vetch as non-executive Directors are provided under the terms of letters of appointment with the Company dated 30 March 2007 for an initial period of one year, continuing thereafter subject to termination upon at least 3 months' notice, at an initial fee of £25,000 per annum plus, in each case an additional £5,000 in respect of their servicing on committees of the Board as described below.

Save as set out in this paragraph 7 above, following Admission there will be no service agreements in existence between any of the Directors and the Company or any of its subsidiaries which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

8. The Board and corporate governance

Corporate Governance

The Board is committed to the highest standards of corporate governance and has fully addressed the provisions of the Combined Code on Corporate Governance (“the Code”) issued by the Financial Reporting Council in July 2003 and as amended.

Directors have been made aware of the Code recommendation that, where they have concerns that cannot be resolved about the running of the Company or a proposed action, they should ensure that their concerns are recorded in the Board minutes. Non-executive directors have also been made aware of the recommendation that, on resignation, they should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

The Code attaches importance to Boards having processes for individual and collective performance evaluation. The Board has accordingly reviewed and updated existing processes for evaluating its operation and performance, including committees.

For the individual performance evaluation, executive Directors are assessed by the Remuneration Committee against annual performance targets. The Chairman talks to each non-executive at least annually about a review of their performance, and the senior independent Director leads an evaluation process of the performance of the Chairman in discussion with the other non-executives and taking account of the views of the executives.

Where a non-executive director stands for re-election, the Chairman will confirm to Shareholders whether he is satisfied from formal performance evaluation that the person’s performance continues to be effective and to demonstrate commitment to the role.

Committee details

Remuneration Committee

The Remuneration Committee comprises 3 independent non-executive directors of the Company. The members of the Committee are:

Nicholas Vetch (Chairman)

John Grahame Whateley

Andrew Cunningham

The Committee meets at least once per year and agrees further meetings at its discretion. The Chairman of the Committee has the power to call a meeting.

The Chairman of the Committee is appointed by the Board on the recommendation of the nomination committee. The quorum for the Committee is two and in the absence of the Chairman, the other members present shall choose one of them to chair the meeting. The Company Secretary is the secretary of the Committee.

The duties of the Committee are to:

- determine and agree with the Board the broad policy for the remuneration, including pensions and benefits, of the executive directors and senior management, ensuring that the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- to consider the design of all performance related pay or share incentive plans for approval by the Board and Shareholders, including approving performance targets and determining the extent of annual awards to individual executive directors and senior executives;
- to provide itself with such relevant information as may be necessary to inform its consideration of remuneration issues, including, as necessary, the appointment of specialist consultants and the commissioning of research reports and the provision of advice through the Company Secretary;
- to liaise with the Nomination Committee to ensure that the remuneration of newly appointed executives is within the Company’s overall policy;
- to determine the total individual remuneration package of each executive director and, where appropriate, other senior executives, including pension entitlements and other benefits, giving due regard to the provisions and recommendations of the Combined Code and the Listing Rules;

- to ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, ensuring that compensation commitments do not have the effect of rewarding poor performance and that the duty to mitigate loss is fully recognised, while dealing fairly with cases where departure is not due to poor performance;
- to be aware of and advise on any major changes in employee benefit structures throughout the Group;
- to ensure that all relevant statutory and/or regulatory provisions (including the Directors Remuneration Report Regulations 2002) regarding disclosure of remuneration (including pensions) are fulfilled;

The Committee is authorised by the Board to:

- investigate any activity or state of affairs within its terms of reference;
- seek any information it requires from any employees or officers of the Company in order to perform its duties;
- obtain, at the Company's expense, outside legal or other professional advice where necessary in the course of its activities; and
- select, set the terms of reference and appoint remuneration consultants at the Company's expense.

Audit Committee

The Group employs rigorous procedures to ensure the continued independence of the external auditor. The Audit Committee reviews each year the arrangements for safeguarding auditor objectivity and independence.

The members of the Audit Committee are:

Andrew Cunningham (Chairman)

Nicholas Vetch

The Audit Committee reviews the scope, results and cost-effectiveness of internal controls and external audit. The Audit Committee is responsible for satisfying itself on the independence of internal auditors and on the independence and objectivity of external auditors. The Committee reviews the effectiveness of the Company's internal controls and risk management systems and, from the coming year, will report to the Board on the annual review of the internal control and risk management.

Nomination Committee

The Nomination Committee comprises the following members:

Andrew Cunningham (Chairman)

John Grahame Whateley

Nicholas Vetch

A majority of Nomination Committee members must be independent non-executive directors.

The function of the Nomination Committee is to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board. In carrying out its duties, the Nomination Committee is primarily responsible for:

- identifying and nominating candidates to fill board vacancies;
- evaluating the structure, size and composition of the board with regard to the balance of skills, knowledge and experience and making recommendations accordingly;
- reviewing the time requirements of non-executive directors;
- giving full consideration to succession planning; and
- reviewing the leadership of the Group.

9. Material contracts of the Group and Related Party Transactions

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and its subsidiaries during the two years preceding the date of this document and are or may be material or contain any provision under which any member of the

Group has an obligation or entitlement which is material to the Group as at the date of this document:

- 9.1 The Placing and Offer Agreement dated 12 April 2007 between the Company, the Directors and JPMorgan Cazenove Limited pursuant to which JPMorgan Cazenove has agreed to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Placing and Offer at the Issue Price. The agreement is conditional, *inter alia*, upon Admission taking place on or before 2 May 2007 or such later date as JPMorgan Cazenove and the Company may agree but in any event not later than 30 June 2007. The Company will pay to JPMorgan Cazenove a fee of £500,000 and a commission of 1.85 per cent. on the aggregate value of the Ordinary Shares issued pursuant to the Issue (other than any Ordinary Shares subscribed by John Grahame Whateley, Lara Whateley or the trustees of the Castlemore Securities FURBS scheme) at the Issue Price, together with all costs and expenses and VAT thereon where appropriate. The agreement provides for the Company to pay all expenses of and incidental to the Issue and the application for Admission, including the fees and costs of other professional advisers, all costs relating to the Issue, including printing, advertising and distribution charges, the fees of the Registrars and the fees payable to the London Stock Exchange.

The Directors have each agreed not to dispose of any interest in their Ordinary Shares without the prior written consent of JPMorgan Cazenove for the period expiring on the first anniversary of Admission save in the event of an intervening court order, a takeover offer relating to the Company's share capital, or the death of the Director.

JPMorgan Cazenove may terminate the Placing and Offer Agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Placing and Offer Agreement or of any of the warranties contained in it or where any event or omission relating to the Group is or will be in the opinion of JPMorgan Cazenove materially prejudicial to the successful outcome of the Issue, or where any change in national or international, financial, monetary, economic, political or market conditions is, or will be in the opinion of JPMorgan Cazenove, materially prejudicial to the successful outcome of the Issue.

- 9.2 The Company is party to a mezzanine facility agreement dated 13 April 2005 (as varied by a deed of variation dated 19 January 2007) between the Company as Borrower and Castlemore Holdings Limited as Lender (the "**Mezzanine Facility Agreement**"). The Mezzanine Facility Agreement is in a typical form for a loan facility of this nature and includes customary mechanical provisions, representations, undertakings, events of default and other provisions.

Pursuant to the terms of the Mezzanine Facility Agreement, the Company is able to draw loans to fund the purchase of any properties acquired from time to time by either the Borrower itself or any of its subsidiaries, or to cover the costs incurred in relation to the refurbishment, development, asset management or financing of such properties.

The first drawing under the Mezzanine Facility Agreement must have taken place by 1 May 2005, unless otherwise agreed between the Company and the Castlemore Holdings Limited. The availability of each loan is subject to the Company having satisfied certain usual conditions precedent.

All loans under the Mezzanine Facility Agreement are repayable in full (together with any accrued interest) seven years from the date that the first drawing was made or such other date agreed in writing between the Company and Castlemore Holdings Limited. There is, however, provision for voluntary repayment of the loans in full or in part on a monthly basis and in amounts not less than £100,000.

Interest accrues daily at a fixed rate on the outstanding principal amount of each loan until it is repaid in full. This interest is capitalised on a quarterly basis (the "**Interest Payment Date**") and added to the loan in respect of which it has accrued, unless the Company chooses to repay part or all of the interest due on any one or more Interest Payment Dates.

The obligations of the Company under the Mezzanine Facility Agreement are secured by a floating charge over the Company's assets and undertaking.

The amount outstanding under the Mezzanine Facility Agreement as at 31 March 2007 was £45.4 million. The Company intends to use part of the proceeds of the Issue to repay all amounts outstanding under the Mezzanine Facility Agreement shortly following Admission.

- 9.3 The Company's wholly owned subsidiaries, NOS 2 Limited and NOS 3 Limited are party to a facility agreement dated 17 January 2007 between NOS 2 Limited and NOS 3 Limited as Borrowers and Barclays Bank PLC as Lender (the "**NOS 2 and NOS 3 Facility Agreement**"). The NOS 2 and 3 Facility Agreement includes customary mechanical provisions, representations, covenants, events of default and other provisions for a facility of the type made available under the NOS 2 and NOS 3 Facility Agreement. The purpose of the loan facility is to refinance the Borrowers' respective existing facilities with the Lender, specifically the facility made available to NOS 2 Limited dated 10 May 2005 and the facility made available to NOS 3 Limited dated 10 March 2006 (both as amended and restated from time to time) and for any other purpose agreed by the Lender. Pursuant to terms of the NOS 2 and NOS 3 Facility Agreement the sole amount the Borrowers may borrow on the loan is the lower of £95,606,455 or an amount which represents 83% of the value ascribed to the Schedule 5A Properties in the Facility Agreement, by Allsops pursuant to the valuation dated 12 July 2006 plus 83% of the lower of the open market value and the net purchase price of the Schedule 5B Properties in the Facility Agreement, or an amount which will ensure that interest cover is at least 122% on the date the loan is drawdown. The Borrowers shall repay the loan by quarterly instalments on the 16th day of January, April, July and October in each year, or if that day is not a business day, on the immediately following business day. The Borrowers' first repayment date will be due on 16th January 2008. The interest rate charged on the loan is a margin plus the fixed rate. The Lender will also charge the Borrowers mandatory costs that are imposed on them by the Bank of England or the Financial Services Authority or any other regulatory body. Interest will be calculated by reference to interest periods of 3 months and is calculated on the balance outstanding at the end of each day. Final repayment of the loan and any outstanding interest shall be due in full on 16 October 2016. The availability of loans under the NOS 2 and NOS 3 Facility Agreement is subject to the Borrowers having satisfied certain conditions precedent (including documentary conditions precedent) customary for a facility of this type prior to the loan being made by the Lender. The Borrowers are obliged to ensure that all net rental income arising from the properties is paid into a rent deposit account with the Lender. The Borrowers must also maintain an interest bearing account, and a general account with the Lender. The obligations of the Borrowers under the NOS 2 and NOS 3 Facility Agreement are secured by fixed and floating charge over each Borrower's assets including first legal mortgages (or standard security in relation to Scottish properties) over each property and assignments over the rental income generated by each property. The shares in each Borrower are also charged to the Lender by the Company. The Company has subordinated certain of its rights in relation to the Borrowers in favour of Barclays Capital Mortgage Servicing Limited.
- 9.4 The Company's wholly-owned subsidiary, NOS 4 Limited, is party to a £25m (amended to £75m through supplemental agreements dated 9 August 2006, 18 December 2006 and 30 March 2007) facility agreement dated 6 April 2006 between NOS 4 Limited as Borrower, HSBC Bank plc as Arranger, Original Lender, Hedging Bank and Account Bank and HSBC Trustee (C.I.) Limited as Security Agent (the "**NOS 4 Facility Agreement**"). The NOS 4 Facility Agreement is in a typical form for an investment property loan facility of this nature and includes customary mechanical provisions, representations, covenants, events of default and other provisions. Pursuant to the terms of the NOS 4 Facility Agreement, the Borrower is able draw loans to purchase properties approved by the Original Lender provided that such properties meet certain acquisition criteria. These include: the property being predominantly in the retail, office, warehouse or industrial sectors, being located in England, Wales or Scotland, being subject to binding lease documents and generating enough income in order to enable the Borrower to continue to service its payment obligations in respect of the loan. The initial availability period of the facility runs until 31 May 2007. Interest is payable quarterly. An amount equal to 0.4% of the loan is repayable on each quarterly interest payment date (although where the Borrower meets certain financial covenants, the Borrower is not required to make such an instalment repayment) and the loan is fully repayable on the date falling 9 years from the date of the NOS 4 Facility Agreement. The Borrower is obliged to ensure that all net rental income arising from the properties is paid into a rent deposit account to be applied in payment of sums due to HSBC Bank plc (and, subject to no default being continuing, the surplus may be paid into the Borrower's general account). All accounts are held with HSBC Bank plc. The availability of loans under the NOS 4 Facility Agreement is subject to the Borrower having satisfied certain usual conditions precedent (including documentary conditions precedent) prior to the loan being made by HSBC Bank plc. The obligations of the Borrower under the NOS 4 Facility Agreement

are secured by a fixed and floating charge over all the assets of the Borrower (including a first ranking legal mortgage over all the acquired properties) and a share mortgage granted by the parent company of the Borrower (The Local Shopping REIT Plc) over its shareholding in the Borrower. The Borrower, the Company and HSBC Bank plc are also party to a subordination agreement pursuant to which all claims of the Company against the Borrower are subordinated to the claims of HSBC Bank plc under the NOS 4 Facility Agreement.

- 9.5 The Company's wholly-owned subsidiary, Nos 5 Limited, is a party to a £25,000,000 facility agreement dated 29 September 2006 between Nos 5 Limited as Borrower, The Royal Bank of Scotland as Arranger, Lender, Hedging Bank, Security Agent and Account Bank (the "**Nos 5 Facility Agreement**") The Nos 5 Facility Agreement is in a typical form for an investment property loan facility of this nature and includes customary mechanical provisions, representations, covenants, events of default and other provisions. Pursuant to the terms of the Nos 5 Facility Agreement, the Borrower shall apply all amounts borrowed by it under the Facility towards financing the consideration payable for the acquisition of the Properties. Properties include each approved property and each substitute property acquired during the drawdown period. Amounts borrowed will also be used to pay fees and expenses in connection with the Nos 5 Facility Agreement and acquisition costs. The Nos 5 Facility Agreement will terminate 364 days after 29 September 2006. Each interest period will start on either 31 Jan, 30 April, 31 July or 31 October and finish on the next interest period date. The first interest period date shall be 31 July 2006. No interest period shall extend beyond the termination date which is 394 days after the date of the Nos 5 Facility Agreement. The Borrower is obliged to ensure that all net rental income arising from the properties is paid into a rent deposit account. The availability of loans under the Nos 5 Facility Agreement is subject to the Borrower having satisfied certain usual conditions precedent (including documentary conditions precedent) prior to the loan being made by The Royal Bank of Scotland plc. The obligations of the Borrower under the Nos 5 Facility Agreement are secured by a fixed and floating charge over all assets of the Borrower (including a first ranking legal mortgage over all the acquired properties) and a share mortgage granted by the Company over its shares in the Borrower. The Borrower, the Company and The Royal Bank of Scotland plc are also party to a subordination agreement pursuant to which all claims of the Company against the Borrower are subordinated to the claims of The Royal Bank of Scotland under the Nos 5 Facility Agreement.
- 9.6 The Company's wholly-owned subsidiaries, NOS 6 Limited, NOS 7 Limited and NOS 8 Limited are each party to a £25m facility agreement dated 12 April 2007 on substantially the same terms as the NOS 4 Facility Agreement.
- 9.7 The Company is party to a £10,000,000 364-day revolving facility with Royal Bank of Scotland plc dated 5 April 2007. The facility is made available for the general corporate and working capital purposes of the group, subject to satisfaction of certain conditions precedent (including a debenture from the Company), which so far have not been satisfied. The revolving facility must be repaid in full after 364 days (3 April 2008), but is subject to a term-out option whereby the revolving loan may be converted to a term loan for an additional period of one year. Accrued interest (at a rate of 1 per cent. per annum over LIBOR and mandatory costs) is payable at the expiry of the revolving facility or, if the term-out option is exercised, at the end of the additional one year period. Loans may be drawn under the revolving facility until the date falling one month before the expiry of the revolving facility. After this date (even if the loan is termed-out), no more drawings can be made. The Company is subject to certain financial undertakings, including an interest cover test in line with the requirements for interest cover set out in the REIT legislation, tangible net worth tests and a debt to consolidated tangible net worth requirement. All other covenants and defaults are standard for a facility of this type save that (i) there is a covenant that no subsidiary of the Company may without lender consent have total assets of more than £50million (save for NOS 2 Limited, NOS 3 Limited and NOS 4 Limited); and (ii) restrictions on group companies raising further borrowings and granting security include carve-outs to allow for limited recourse financing arrangements with third party funders. The obligations of the Company will be secured by a first ranking debenture in favour of the lender.
- 9.8 The Company has also entered into a transitional services agreement dated 12 April 2007 with Castlemore Securities Limited. Under that agreement, Castlemore Securities Limited has agreed to provide certain services to the Company, including various accounting and cash management services, together with disaster recovery facilities in respect of the Company's information

systems. The Company is liable to pay a weekly rate for each service provided under the agreement, which fees are inclusive of all costs and expenses. It is envisaged that the Company will reduce its need for the services provided on a gradual basis and will terminate its requirement for each individual service as it becomes able to provide such services for itself. Any service provided under the agreement may be terminated by the Company giving Castlemore Securities Limited not less than two weeks' notice in writing. The agreement will terminate automatically when the Company requires no further services. The agreement will terminate automatically on 30 June 2007 unless the parties agree to extend the life of the agreement. Under the agreement, the liability of Castlemore Securities Limited in respect of loss or damage suffered by the Company is limited to the higher of the amount of fees actually paid to Castlemore Securities Limited under the agreement and three months' worth of the fee, calculated by reference to the fee in force at the time of the event giving rise to the liability. In the event of loss or damage suffered by the Company as a result of the negligence of Castlemore Securities Limited in providing services under the agreement, its liability is limited to 150 per cent. of the fee actually paid by the Company under the agreement or, if higher, three months of the fee, calculated by reference to the fee in force at the time of the event giving rise to the liability.

10. Working capital

In the opinion of the Company, taking into account the bank facilities available to the Group and the minimum net proceeds of the issue, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this document.

11. Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of the Group (distinguishing between guaranteed, and unguaranteed, secured and unsecured indebtedness) as at 30 September 2006 (being the last date in respect of which the Company has published audited financial statements) and also, in relation to indebtedness, at 28 February 2007 (the latest practicable date prior to the publication of this document):

	<i>30 September 2006 £'000</i>	<i>28 February 2007 £'000</i>
Total current debt		
Secured	3,231	14,166
Unguaranteed/unsecured	1	21
	<hr/>	<hr/>
	3,232	14,187
Total non-current debt (excluding current portion of long term debt)		
Secured	136,583	191,145
Unsecured	1	170
	<hr/>	<hr/>
	136,584	191,315
	<hr/>	<hr/>
Total indebtedness	139,816	205,502
	<hr/>	<hr/>
Shareholder equity (excluding retained earnings)		
Share capital	800	
	<hr/>	
Total capitalisation	800	
	<hr/>	

There has been no material change in the Group's capitalisation since 30 September 2006.

Secured indebtedness relates to loans where security is taken over the investment properties held by the Group.

The following table shows the Group's net indebtedness as at 28 February 2007:

	<i>28 February 2007 £'000</i>
Cash	2,714
Liquidity	2,714
Financial receivable due from Castlemore Marinas	3,244
Current financial receivables	3,244
Current bank debt	(21)
Current portion of non current debt	(14,166)
Current financial debt	(14,187)
Net current financial indebtedness	(8,229)
Non current bank loans	(145,858)
Financial payable due to Castlemore Holdings	(45,287)
Derivative financial instruments	(170)
Other non current financial indebtedness	(191,315)
Net financial indebtedness	(199,544)

Save as disclosed above, and excluding intra-group liabilities, at the close of business on 28 February, 2007 the Group had no loan capital (including term loans) outstanding or created but unissued, and no mortgages, charges or any other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits or finance lease obligations, hire purchase commitments, guarantees or other contingent liabilities.

12. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against the Group during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the financial position or profitability of the Group

13. General

- (a) Save for the acquisition of investment properties in the ordinary course of business, as disclosed in the pro forma financial information set out in Part 6 of this document, and the increase in net financial indebtedness as disclosed in paragraph 11 above, there has been no significant change in the financial or trading position of the Group since 30 September 2006, the date to which the Group's most recent audited accounts have been drawn up as set out in Part 7.
- (b) KPMG LLP of 2 Cornwall Street, Birmingham, B3 2DL has given and has not withdrawn its written consent to the inclusion in this document of its reports in the form and context in which they appear and has authorised the contents of those reports for the purposes of item 5.5.3R(2)(f) of the Prospectus Rules.
- (c) JPMorgan Cazenove Limited of 20 Moorgate, London EC2R 6DA, which is regulated by the Financial Securities Authority, has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.
- (d) Allsop LLP of 27 Soho Square, London, W1D 3AY, has given and has not withdrawn its written consent to the issue of this document with the inclusion in this document of its report and references thereto and to its name in the form and context in which it appears, and has authorised the contents of its report, in the form and context in which it is included, and references to it for the purposes of the Prospectus Rules of the UK Listing Authority. Allsop LLP was incorporated under the Companies Act in England and Wales on 6 October 2005 as a limited liability partnership under registered number OC315531 and is regulated by the Royal Institute of Chartered Surveyors. Allsop LLP's telephone number is +44 (0)20 7437 6977. Allsop

LLP declares that, having taken all reasonable care to ensure that such is the case, the information contained in Part 5 of this document for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

- (e) Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- (f) The expenses of and incidental to the Issue are estimated to amount to approximately £4.29 million (excluding VAT), and will be payable by the Company. The estimated net cash proceeds of the Issue accruing to the Company are £155.7 million and will be used for the purposes described in Part 1 of this document.
- (g) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business.
- (h) There are no arrangements under which future dividends are waived or agreed to be waived.
- (i) The statutory accounts of the Company have been audited in accordance with national law for the periods ended 30 September 2005 and 30 September 2006 by KPMG LLP, Chartered Accountants and Registered Auditor, of 2 Cornwall Street, Birmingham B3 2DL. The financial information set out above does not constitute the Company's statutory accounts for the periods ended 30 September 2006 or 30 September 2005 but is derived from those accounts. Statutory accounts for 2005 and 2006 have been delivered to the registrar of companies. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.
- (j) The Ordinary Shares will only be listed on the Official List of the UK Listing Authority.
- (k) The ISIN number for the Ordinary Shares is GB00B1VS7G47.
- (l) The Company's registrar and paying agent for the payment of dividends is Lloyds TSB Registrars of The Causeway, Worthing, West Sussex, BN99 6DA. The Company's registrar will maintain the records of securities held in certificated form and book-entry form.
- (m) The Directors are not aware of any potential conflicts of interest in relation to their duties to the Company arising from their private interests and/or other duties.
- (n) There has been no material change in the aggregate valuation of the properties comprising the Group's CESR130(iv) property portfolio since 28 February and 28 March 2007 being the dates at which the valuations are given to the date of the Prospectus.
- (o) The Company is not regulated by the Financial Services Authority.
- (p) Should the existing shareholders set out in paragraph 2 of this Part 10 not subscribe under the issue they will own approximately 4.17 per cent. of the share capital following the issue.

14. Investment Restrictions

The Company and, where relevant, its subsidiaries will observe the investment restrictions imposed from time to time by the Listing Rules of the UK Listing Authority. Initially, the Company and, where relevant, its subsidiaries will observe the following restrictions in compliance with the Listing Rules:

- distributable income will be principally derived from investment. Neither the Company nor any member of the Group will undertake a trading activity which is significant in the context of the Group as a whole;
- not more than 20 per cent. of the Gross Assets (consolidated where appropriate) will be lent to or invested in the securities of any one company or group (including loans to or shares in the Company's own subsidiaries) at the time when the investment or loan is made; for this purpose any existing holding in the company concerned will be aggregated with the proposed new investment;

- dividends will not be paid unless they are covered by income received from underlying investments and, for this purpose, a share of profit of an associated company is unavailable unless and until distributed to the Company;
- the distribution as dividend of surpluses arising from the realisation of investments will be prohibited;
- the Company will be a passive investor and will not seek to control, or be actively involved in the management of, any companies or businesses in which it invests;
- the Company will not be a dealer in investments;
- no single property (including all adjacent or contiguous properties) can, at the time of initial listing, constitute more than 15 per cent. of the total assets of the Company, consolidated where applicable;
- income receivable from any single tenant, or tenants within the same group, in any one financial year must not exceed 20 per cent. of the total rental income of the Company in that financial year;
- at least 90 per cent. by value of properties held by the Company must be in the form of freehold or long leasehold properties or the equivalent;
- the proportion of the Company's property portfolio which is unoccupied or not producing income or which is in the course of substantial development, redevelopment or refurbishment shall not exceed 25 per cent. of the value of the portfolio; and
- the Company shall not retain more than 15 per cent. of its net profits, before gains and losses on the disposal of properties and other investments.

In addition, the Directors intend that the Group will comply with such rules and restrictions of HMRC from time to time as are necessary for the maintenance of the Group's REIT status.

In the event of any breach of investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Executive Directors by an announcement issued through a Regulatory Information Service or a notice sent to Shareholders at their registered address.

15. Availability of Prospectus

Copies of this document can be obtained during normal business hours until the Issue closes from:

JPMorgan Cazenove Limited
 20 Moorgate
 London
 EC2R 6DA

16. Documents available for inspection

Copies of the following documents may be inspected at the offices of Eversheds, Senator House, 85 Queen Victoria Street, London EC4V 4JL during usual business hours on any weekday (excluding Saturdays and public holidays) from the date of this document until the Offer for Subscription closes:

- (a) the Memorandum of Association of the Company and the Articles;
- (b) the audited accounts of the Company and its subsidiaries for the periods ended 30 September 2005 and 30 September 2006;
- (c) the material contracts referred to in paragraph 9 of Part 10 of this document;
- (d) the Directors' service contracts and letters of appointment referred to in paragraph 7 of Part 10 of this document;
- (e) the valuation report set out in Part 5 of this document;
- (f) the rules of The Local Shopping REIT Plc Company Share Option Plan (2007), the rules of The Local Shopping REIT Plc Long Term Incentive Plan (2007) and the trust deed relating to The Local Shopping REIT Plc Employee Benefit Trust; and
- (g) this document.

In addition, copies of this document are available, for inspection only, at the Document Viewing Facility, UK Listing Authority, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Dated: 12 April 2007

PART 11

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Admission”	admission of all the Ordinary Shares (issued and to be issued) to the Official List of the UKLA and to trading on the London Stock Exchange
“Admission Standards”	the Admission and Disclosure Standards issued by the London Stock Exchange
“Articles”	the new articles of association of the Company which, conditional upon Admission, have been adopted as the articles of association of the Company
“Assumptions”	the principal bases and assumptions set out in part 8 of this document
“Auditors”	KPMG LLP
“Board” or “Directors”	the board of directors of the Company, including any duly appointed committee thereof
“Bonus Plan”	The Local Shopping REIT plc Executive Bonus Plan
“Business Day”	a day on which banks are open for business in London
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“Combined Code”	the Principles of Good Governance and Code of Best Practice maintained by the Financial Reporting Council
“Companies Act”	the Companies Act 1985, as amended
“Company” or “TLSR”	The Local Shopping REIT Plc
“CREST”	the computerised settlement system operated by CRESTCo Limited which facilitates the transfer of shares
“CREST regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“CSOP”	The Local Shopping REIT Plc Company Share Option Plan (2007)
“Disclosure Rules”	the disclosure rules issued by the FSA
“EBT”	The Local Shopping REIT Plc Employee Benefit Trust
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Gross Assets”	the aggregate value of all of the assets of the Group, valued in accordance with the Group’s normal accounting policies and with real estate assets of the Group being valued at their market values by an independent valuer in accordance with the practice statement contained in the Appraisal and Valuation Manual prepared by The Royal Institution of Chartered Surveyors
“Group”	the Company and its subsidiary undertakings
“HMRC”	HM Revenue and Customs
“ICTA”	the Income and Corporation Taxes Act 1988
“ISA”	individual savings account
“Issue”	the issue of Ordinary Shares pursuant to the Placing and Offer
“Issue Price”	174 pence per Ordinary Share
“Listing Rules”	the listing rules issued by the FSA
“London Stock Exchange”	London Stock Exchange plc
“LSR”	The Local Shopping REIT Plc
“LTIP”	The Local Shopping REIT Plc Long Term Incentive Plan (2007)

“Model Code”	the Model Code on directors’ dealings in securities as set out in the appendix to rule 9 of the Listing Rules issued by the UK Listing Authority (as amended from time to time)
“NAV” or “Net Asset Value”	the value of the assets of the Group less its liabilities, determined in accordance with the accounting principles adopted by the Group from time to time
“Offer” or “Offer for Subscription”	the offer for subscription of Ordinary Shares at the Issue Price, as described in this document
“Official List”	the official list of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 20p each in the capital of the Company, ISIN no. GB00BIVS7G47
“PEP”	personal equity plan
“Placing”	the proposed placing of Ordinary Shares at the Issue Price, as described in this document
“Placing and Offer Agreement”	the agreement dated 12 April 2007 between the Company, the Directors and JPMorgan Cazenove, details of which are set out in paragraph 9 of Part 10 of this document
“Property Subsidiaries”	special purpose vehicles established or acquired or to be established or acquired by the Company or its subsidiaries, as the case may be, to hold the properties in which the Group intends to invest from time to time
“Prospectus”	this document
“Prospectus Rules”	the prospectus rules made by the UKLA under section 85(1) of FSMA
“REIT” or “Real Estate Investment Trust”	a real estate investment trust under Part 4 of the Finance Act 2006
“Shareholders”	holders of Ordinary Shares
“Share Incentive Schemes”	the CSOP, the LTIP and the EBT
“SIPP”	a registered pension scheme which is a Self Invested Personal Pension Scheme
“Sponsor” or “JPMorgan Cazenove”	JPMorgan Cazenove Limited
“SSAS”	a registered pension scheme which is a Small Self Administered Scheme
“UKLA” or “UK Listing Authority”	the Financial Services Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“Valuation”	the valuation of the Properties carried out by the Property Portfolio Valuation Agents as set out in Part 5 of this document

PART 12

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

Introduction

If you apply for Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company and Lloyds TSB Registrars (the “Receiving Agent”) (for itself and as agent for the Company) as follows:

Offer to acquire Shares

1. Applications must be made on the Application Form attached at the end of this document (the “Prospectus”) or otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
 - 1.1 offer to subscribe for such number of Ordinary Shares and at the price per Ordinary Share, specified in Box 1 on your Application Form (calculated after deduction of any Initial Commission payable to your IFA) on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the Memorandum and Articles of Association of the Company;
 - 1.2 agree that, in consideration of the Company agreeing that it will not offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in the Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
 - 1.3 undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
 - 1.4 agree, that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST Account, the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);
 - 1.5 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 1.4 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 1.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
 - 1.5.1 pending clearance of your remittance,

- 1.5.2 pending investigation of any suspected breach of the warranties contained in paragraphs 8.1, 8.2, 8.6 or 8.8 below or any other suspected breach of these Terms and Conditions of Application, or
- 1.5.3 pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of The Money Laundering Regulations 2003 as amended and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 1.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 1.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name on which the payment accompanying the application was first drawn without interest and at your risk;
- 1.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 1.9 undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 1.10 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 1.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 3B on your Application Form, but subject to paragraph 1.4 above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a United Kingdom Clearing Bank to the bank account name from which such monies were first received without interest and at your risk;
- 1.12 confirm that you have read and complied with paragraph 14;
- 1.13 agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of 'Lloyds TSB Bank plc – Local Shopping REIT Offer' opened with the Receiving Agent;
- 1.14 agree that your Application Form is addressed to the Company and the Receiving Agent;
- 1.15 agree that if a fractional entitlement to an Ordinary Share arises on your application, the number of Ordinary Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and
- 1.16 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

Acceptance of your offer

2. The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis).
3. The basis of allocation will be determined by the Company in consultation with the Receiving Agent. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects

completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post by not later than 3.00 p.m. on 24 April 2007 provided that the cover bears a legible postmark with a date not later than 24 April 2007.

4. The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Conditions

5. The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
 - 5.1 admission of the Ordinary Shares, issued and to be issued pursuant to the Issue, to listing on the Official List and to trading on the London Stock Exchange in accordance with the rules of the UK Listing Authority by 8.00 a.m. on 2 May 2007 (or such later time or date, not being later than 30 June 2007, as the Company and the Sponsor may agree); and
 - 5.2 the Placing and Offer Agreement referred to in paragraph 9 of Part 10 of the Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
6. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual representations) at any time after acceptance. This does not affect any other right you may have.

Return of application monies

7. Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

Warranties

8. By completing an Application Form, you:
 - 8.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
 - 8.2 warrant, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective

officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the United Kingdom in connection with the Offer for Subscription in respect of your application;

- 8.3 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- 8.4 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 8.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or the Receiving Agent;
- 8.6 warrant that you are not under the age of 18 on the date of your application;
- 8.7 agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- 8.8 confirm that you have reviewed the restrictions contained in paragraph 14 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein.

Money Laundering

9. You agree that, in order to ensure compliance with The Money Laundering Regulations 2003 as amended, the Receiving Agent, the Company or the Company's Administrator may respectively at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification on:
 - 9.1 the owner(s) and/or controller(s) (the "payor") of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker's draft or cheque; or
 - 9.2 where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.
10. Without prejudice to the generality of paragraph 9 above, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £10,000). If, in such circumstances, you use a building society cheque or banker's draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payer an original or copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than 3 months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee's risk) together with a signed declaration as to the relationship between the payor and you the holder.
11. For the purpose of the United Kingdom's money laundering regulations a holder making an application for Ordinary Shares will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

12. The holder(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).
13. If the amount being subscribed exceeds €15,000 (approximately £10,000) you should endeavour to have the declaration contained in section 6 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (approximately £10,000) then you must provide with the Application Form the identity documentation detailed in section 7 of the Application Form for each underlying beneficial owner.

Non-United Kingdom investors

14. If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
15. None of the Ordinary Shares have been or will be registered under the laws of Canada, Japan, Australia or under the United States Securities Act of 1933, as amended or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan or Australia. Accordingly, unless an exemption under such Act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, Australia or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company and the Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Canada, Japan, Australia or a corporation, partnership or other entity organised under the laws of the US or Canada (or any political subdivision of either) or Japan or Australia and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Canada, Japan or Australia and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Canada, Japan or Australia or to any US Person or resident in Canada, Japan or Australia. No application will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan or Australia.

The Data Protection Act 1998

16. Pursuant to The Data Protection Act 1998 (the “DP Law”) the Company and/or the Registrar, may hold personal data (as defined in the DP Law) relating to past and present shareholders.
17. Such personal data held is used by the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
18. The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.
19. By becoming registered as a holder of Ordinary Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

Miscellaneous

20. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.
21. The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them and the exercise or partial exercise of one will not prevent the exercise of others.
22. The Company reserves the right to extend the closing time of the Offer for Subscription from 3.00 p.m. on 24 April 2007 by giving notice to the London Stock Exchange. In this event, the Company will notify investors of such change through a publication of a notice through a regulatory information service provider to the London Stock Exchange, and having regard to the requirements of the London Stock Exchange.
23. The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.
24. You agree that the Sponsor and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else and that neither the Sponsor nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.
25. You authorise the Receiving Agent or any person authorised by them or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name(s) and authorise any representatives of the Receiving Agent to execute and/or complete any document required in this regard.
26. You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English law and you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
27. Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in the Prospectus.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received no later than 3.00 p.m. on 24 April 2007

HELP DESK: If you have a query concerning completion of this Application Form please call Lloyds TSB Registrars on 08706092158 or from outside the UK +44 1903276342.

1. Application

Fill in (in figures) in Box 1 the amount of money being subscribed for Ordinary Shares. The amount being subscribed must be for a minimum of £2,000 and thereafter in multiples of £1,000. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required or to benefit most favourably from any commission arrangements.

2. Initial Commission Payable

Fill in (in figures) in Box 2 the amount of Initial Commission the IFA identified in section 9 of the Application Form is entitled to receive from the Company out of the amount being subscribed in Box 1. The amount of Initial Commission payable may not exceed 3 per cent. of the amount being subscribed and if the amount of commission shown does exceed 3 per cent. thereof it will be reduced to 3 per cent. If your IFA has waived their right to an Initial Commission or you are not subscribing through an IFA or do not want their Initial Commission to be deducted from the amount you are subscribing write NONE in Box 2. If this Box 2 is left blank, you will be deemed not to be subscribing through an IFA or to have elected that you do not want your Initial Commission to be deducted.

3A. Holder Details

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 4.

3B. CREST

If you wish your Ordinary Shares to be deposited in a CREST Account in the name of the holders given in section 3A, enter in section 3B the details of that CREST Account. Where it is requested that Ordinary Shares be deposited into a CREST Account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that Ordinary Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

4. Signature

All holders named in section 3A must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of two duly authorised officials or one duly authorised official and a company seal. Any person signing on behalf of a corporation should state their capacity under their signature.

5. Cheque/Banker's Draft, Payment

Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in section 1 of your Application Form. Your cheque or bankers draft must be made payable to "Lloyds TSB Bank plc – Local Shopping REIT Offer" and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose

account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Where an application is accompanied by a cheque or banker's draft drawn by someone other than the holder(s), any monies returned will be sent by the Receiving Agent to the account on which the cheque or payment was drawn. Your payment must relate solely to this application. No receipt will be issued.

6. Reliable Introducer Declaration

Applications with a value greater than €15,000 (approximately £10,000) will be subject to the United Kingdom's verification of identity requirements. This will involve you providing the verification of identity documents listed in section 7 of the Application Form UNLESS you can have the declaration provided at section 6 of the Application Form given and signed by a firm acceptable to the Registrar and Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 6 of the Application Form completed and signed by a suitable firm.

7. Identity Information

Applicants need only consider section 7 of the Application Form if the declaration in section 6 cannot be completed. Notwithstanding that the declaration in section 6 has been completed and signed the Registrar reserves the right to request of you the identity documents listed in section 7 and/ or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

8. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Registrar or Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are provided here but an IFA is identified in section 9 the Registrar or Receiving Agent will contact the IFA. If no details are entered here and no IFA is named in section 9 and the Registrar or Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

9. Commission Payment Details

This section should be completed by your IFA (if any).

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post or by hand (during normal business hours), to Lloyds TSB Registrars, Corporate Actions, 3rd Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX as to be received no later than 3.00 p.m. on 24 April 2007, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

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APPLICATION FORM

Please send this completed form by post or by hand (during normal business hours) to Lloyds TSB Registrars, Corporate Actions, 3rd Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX so as to be received no later than 3.00 p.m. on 24 April 2007.

FOR OFFICIAL USE ONLY
Log No.

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Important before completing this form, you should read the accompanying notes.

The Directors may, with prior approval of JPMorgan Cazenove Limited, extend the Placing and Offer periods, to a time and date no later than 3.00 p.m. on 3 May 2007. If the Placing and Offer periods are shortened or extended, the Company will notify investors of such change through a regulatory information service provider to the London Stock Exchange, which will include a revised timetable for Admission.

Box 1 (minimum of £2,000 and then in multiples of £1,000)

£

To: TLSR PLC

1. APPLICATION

I/We the person(s) detailed in section 3A below offer to subscribe the amount shown in Box 1 for Ordinary Shares subject to the Terms and Conditions set out in Part 12 of the Prospectus dated 12 April 2007 and subject to the Memorandum and Articles of Association of the Company.

Box 2 (maximum 3 per cent. or NONE)

£

2. COMMISSION ARRANGEMENT

I/We consent to there being deducted from the amount of our subscription in Box 1 the amount of Initial Commission shown in Box 2 and authorise the Company to procure that such be paid to the IFA identified in section 9 of this form upon allotment of Ordinary Shares to me/us. I/We acknowledge that the number of Ordinary Shares to be allotted to me/us shall be the result of dividing the amount in Box 1 less the amount of commission payable (if any) at the rate set out in Box 2 by £1 rounded down to the nearest whole Ordinary Share.

3A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED (BLOCK CAPITALS)

1:

ATTACH CHEQUE HERE

Cheques should be made payable to "Lloyds TSB Bank plc - Local Shopping REIT Offer"

2:



3:	Mr, Mrs, Miss or Title	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Post Code:

4:	Mr, Mrs, Miss or Title	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Post Code:

3B. CREST DETAILS

(Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 3A).

CREST Participant ID:									
CREST Member Account ID:									

4. SIGNATURE(S) ALL HOLDERS MUST SIGN

First holder signature:	Second holder signature:
Third holder signature:	Fourth holder signature:
Dated:	

5. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form on page 148 your cheque or banker's draft (where indicated) for the exact amount shown in section 1 made payable to "Lloyds TSB Bank plc – Local Shopping REIT Offer" and cross "A/C Payee". Cheques and banker's payments must be drawn in sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner.

6. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 7 of this form.

The declaration below may only be signed by a person or institution (such as a government approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of 'know your customer' and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United States of America.

DECLARATION: To the Company and the Registrar

With reference to the holder(s) details in section 3A, all persons signing at section 4 and the payor identified in section 7 if not also a holder (collectively “the subjects”) WE HEREBY DECLARE:

1. we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 3A and if a CREST Account is cited at Section 3B that the owner thereof is named in section 3A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its official.

Signed:	Name:	Position:
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having authority to bind the firm.

Name of regulatory authority:	Firm’s licence number:
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Website address or telephone number of regulatory authority:
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STAMP of firm giving full name and business address:
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7. IDENTITY INFORMATION

Only complete this section if the declaration in section 6 cannot be signed and the value of your application is greater than €15,000 (approximately £10,000).

Holders				Payor
1	2	3	4	

In accordance with internationally recognised standards for the prevent of money laundering the undermentioned documents and information must be provided:

A. For each holder being an individual enclose:

- (1) An original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport, Government or Armed Forces identity card, driving licence; and
- (2) An original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in section 3A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill, or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary.

Tick here for documents provided

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B. For each holder being a company (a “holder company”) enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and

--	--	--	--	--
- (2) the name and address of the holder company’s principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and

--	--	--	--	--
- (3) a statement as to the nature of the holder company’s business, signed by a director; and

--	--	--	--	--
- (4) a list of the names and residential addresses of each director of the holder company; and

--	--	--	--	--
- (5) for each director provide documents and information similar to that mentioned in A above; and

--	--	--	--	--
- (6) a copy of the authorised signatory list for the holder company; and

--	--	--	--	--
- (7) a list of the name and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “beneficiary company”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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C. For each person named in B(7) as a beneficial owner of a holder company enclose for each other person documents and information similar to that mentioned in A(1) to (4)

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D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and

--	--	--	--	--
- (2) a statement as to the nature of that beneficiary company’s business signed by a director; and

--	--	--	--	--
- (3) the name and address of that beneficiary company’s principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and

--	--	--	--	--
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

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E. If the payor is not a holder and is not a bank providing its own cheque or banker’s payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or

--	--	--	--	--
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and

--	--	--	--	--
- (3) an explanation of the relationship between the payor and the holder(s).

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The Registrar or the Receiving Agent reserves the right to ask for additional documents and information.

8. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Registrar or the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are provided here but an IFA is identified in section 9, the Registrar or the Receiving Agent will contact the IFA. If no details are entered here and no IFA is named in section 9 and the Registrar or the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	E-mail address:
Contact address:	
	Post Code:
Telephone No:	Fax No:

9. COMMISSION PAYMENT DETAILS

Payment of commission at the rate set out in Box 2 above (if any) shall be made to the IFA whose details, and stamp, are set out below.

Telephone No.:	
Fax No.:	
IFA contact name.:	
E-mail address:	
IFA/Bank name and address:	
A. Please pay any Initial Commission by cheque made payable to..... and send by post at our risk to the above address.	
Signed:	Date:

Authorised Signatory for the IFA firm.

4th Floor, 11 Hanover Street, London W1S 1YQ
Tel: +44 (0)20 7187 4444, Fax: +44 (0)20 7187 4441
www.localshoppingreit.co.uk

Registered number 05304743

