

SHAREHOLDER SUB-COMMITTEE

Tuesday 22 November 2022 at 6.30 pm

Place: Council Chamber, Epsom Town Hall

Link for public online access to this meeting:

<https://attendee.gotowebinar.com/register/425792902041671693>

Webinar ID: 749-333-867

Telephone (listen-only): 0330 221 9914, Telephone Access code: 185-814-092

The members listed below are summoned to attend the Shareholder Sub-Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Neil Dallen (Chair)
Councillor Kate Chinn
Councillor Hannah Dalton

Councillor Graham Jones
Councillor Colin Keane

Yours sincerely



Interim Chief Executive

For further information, please contact Democratic Services, tel: 01372 732000 or democraticservice@epsom-ewell.gov.uk

EMERGENCY EVACUATION PROCEDURE

No emergency drill is planned to take place during the meeting. If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions.

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live on the internet

This meeting will be open to the press and public to attend as an observer using free GoToWebinar software, or by telephone.

A link to the online address for this meeting is provided on the first page of this agenda and on the Council's website. A telephone connection number is also provided on the front page of this agenda as a way to observe the meeting, and will relay the full audio from the meeting as an alternative to online connection. A limited number of seats will also be available in the public gallery at the Town Hall. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

Agendas, reports and minutes for this Committee are also available on the free Modern.Gov app for iPad, Android and Windows devices. For further information on how to access information regarding this Committee, please email us at Democraticservices@epsom-ewell.gov.uk.

Exclusion of the Press and the Public

There are no matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government (Access to Information) Act 1985. Should any such matters arise during the course of discussion of the below items or should the Chairman agree to discuss any other such matters on the grounds of urgency, the Committee will wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions from the Public

Questions from the public are not permitted at meetings of the Shareholder Sub-Committee. [Part 4 of the Council's Constitution](#) sets out which Committees are able to receive public questions, and the procedure for doing so.

AGENDA

1. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

2. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 8)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Shareholders Sub-Committee held on the 23 November 2021 and authorise the Chair to sign them.

3. ANNUAL REPORT (Pages 9 - 58)

Annual reporting on Epsom & Ewell Property Investment Company Ltd (EEPIC).

4. EXCLUSION OF PRESS AND PUBLIC (Pages 59 - 60)

The Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraphs 1, 2, and 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

This page is intentionally left blank

Minutes of the Meeting of the SHAREHOLDER SUB COMMITTEE held at the Council Chamber, Epsom Town Hall on 23 November 2021

PRESENT -

Councillor Colin Keane (Chair); Councillors Christine Cleveland, Neil Dallen and Hannah Dalton

Absent: Councillor Kate Chinn

Officers present: Jackie King (Director of Corporate Services), Mark Shephard (Head of Property and Regeneration), Brendan Bradley (Head of Finance) and Stephanie Gray (Senior Democratic Services Officer)

1 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in respect of items on the agenda.

2 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting of the Shareholder Sub Committee held on 22 March 2021 were agreed as a true record and signed by the Chair.

3 ANNUAL REPORT

The Sub Committee received the Annual Report of the Epsom & Ewell Property Investment Company Ltd (EEPIC).

The Sub Committee considered the following matters:

- a) A dividend of £868,000 was paid to the shareholder (prior year dividend £1,339,000).
- b) EEPIC showed retained earnings of £465,000 as at 31 March 2021 (£64,000 as at 31 March 2020), and recorded a full year profit before tax (excluding property revaluations) of £1.45m.
- c) The 2020/21 external audit was completed by Williams & Co within the agreed budget.
- d) It was noted that the tenant in The Cobham Centre, Globe Park, Marlow is Chelton Ltd, a subsidiary of Cobham Aerospace Connectivity, and a

profitable world leader in the design and manufacture of aviation communication systems and navigation antennas.

- e) It was noted that the tenant of the Bracknell property is Bracknell Arlington Square Centre Ltd trading as a serviced office provider, Regus. Whilst the pandemic has had a major short-term operational impact on Regus' business model, long-term Regus expects to gain from the future flexibility that occupiers will demand as the traditional office environment adjusts to increased remote working.
- f) It was also noted that at its Strategy & Resources Committee meeting held on 25 September 2018, the Shareholder suspended any further out-of-Borough commercial property investment acquisitions until further government guidance or case law is published. This was necessary to ensure that the Stakeholder complies with the MHCLG's new statutory Guidance on Local Government investments introduced from April 2018. Clause 46 of the Guidelines states that: *"Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed"*. It was confirmed that the new guidance does not affect EEPIC's existing property acquisitions.
- g) A Councillor queried whether it would be worthwhile challenging the Government Guidance. It was noted that whilst an updated Guidance is to be published shortly, the Government is taking more tangible steps to prevent Councils from borrowing money to acquire commercial properties primarily for yield.
- h) A Councillor queried whether it would be possible to acquire commercial property and convert it for residential use. It was confirmed that this is not currently in the business model of EEPIC. It was also confirmed that there would be additional financial implications (such as VAT, corporate tax) to be considered if EEPIC were to purchase a commercial property and refurbish it for residential purposes.

Having considered all the foregoing matters, the Committee resolved unanimously to:

- (1) Note the Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1 to the report);**
- (2) Note the Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendices 2 and 3 to the report);**
- (3) Approve the appointment of the Senior Accountant, Richard Appiah-Ampofo as the Company Secretary for the Epsom & Ewell Property Investment Company Ltd;**
- (4) Approve the Annual Business Plan 2022-2023 (Appendix 4 to the report).**

- (5) Approve the replacement of the Chief Legal Officer with the Director of Corporate Services as the correct individual for Shareholder-related communication (Paragraph 15: Communications).**

The meeting began at 7.00 pm and ended at 7.37 pm

COUNCILLOR COLIN KEANE (CHAIR)

This page is intentionally left blank

ANNUAL REPORT

Head of Service:	Jackie King, Interim Chief Executive
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	<ul style="list-style-type: none">1: Report to Shareholder Sub Committee2: EEPIC Shareholder Annual Review 1 April 2021 - 31 March 20223: EEPIC Report of the Directors & Financial Statements for the year ended 31 March 20224: Confidential: Annual Business Plan 2023-245: Confidential: Report to Shareholder Sub Committee

Summary

Annual reporting on Epsom & Ewell Property Investment Company Ltd (EEPIC).

Recommendation (s)

The Sub Committee is asked to:

- (1) note Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1);**
- (2) note Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendix 2 and 3);**
- (3) approve the appointment of Clare Lawrence, the Shareholder's Director of Environment, Housing and Regeneration, to Development Director for Epsom & Ewell Property Investment Company Ltd;**
- (4) approve the confidential Annual Business Plan 2023-2024 (Appendix 4);**
- (5) approve the confidential Report to Shareholder (Appendix 5).**

1 Reason for Recommendation

- 1.1 To meet the requirements of the Shareholder's Agreement dated 28 December 2018.

2 Background

- 2.1 The Shareholder's Agreement between the Council and Epsom & Ewell Property Investment Company Limited ('the Company') provides for a series of requirements where the Company must seek the Council's consent.
- 2.2 The Company has produced an Annual Report and Review for the Shareholder Sub Committee and these are attached at Appendices 1 and 2.
- 2.3 The Shareholder's Agreement requires Shareholder Consent for the appointment of a Director (Paragraph 24 of Schedule 1 of the Shareholder Agreement).
- 2.4 Shareholder consent is requested to appoint Clare Lawrence, the Council's Director of Environment, Housing and Regeneration, as the Company's Development Director.
- 2.5 The Shareholder's Agreement requires the Company to circulate its revised Business Plan to the Shareholder by the end of November of each year. The Sub Committee is invited to comment or provide Shareholder Consent for the proposed Business Plan (Clause 2.3, 2.4, 2.5, Paragraph 16 of Schedule 1 of the Shareholder's Agreement).
- 2.6 The Annual Business Plan 2023-24 is attached at Appendix 4.
- 2.7 Shareholder consent is requested to the confidential Report to Shareholder Sub Committee at Appendix 5.

3 Risk Assessment

Legal or other duties

- 3.1 Impact Assessment
 - 3.1.1 Not applicable.
- 3.2 Crime & Disorder
 - 3.2.1 Not applicable.
- 3.3 Safeguarding
 - 3.3.1 Not applicable.
- 3.4 Dependencies

3.4.1 None.

3.5 Other

3.5.1 None.

4 Financial Implications

4.1 The proposed budget is included at section 6 of the Business Plan.

4.2 **Section 151 Officer's comments:** EEPIC's business plan and proposed budget would enable it to meet the Council's budgeted expectations.

5 Legal Implications

5.1 The Committee is asked to agree to the appointment of a Director and approve the Company's business activities under the Shareholder's Agreement. Clearly, these can be approved by the Sub-Committee under its Terms of Reference (a) - (g).

5.2 **Legal Officer's comments:** Contained in the body of this report. The comments are not intended as, and should not be treated as, legal advice to the Committee on company law matters. Nor is this officer advising whether the Council should first obtain company law advice.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity & Prosperity, Effective Council.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** Not applicable.

6.4 **Sustainability Policy & Community Safety Implications:** Not applicable.

6.5 **Partnerships:** None.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- EEPIC Shareholder Agreement, Shareholder Sub Committee, 27 November 2018

Other papers:

- Establishment of a Local Authority Property Investment Trading Company, Strategy & Resources Committee, 19 September 2017
- Establishment of a Local Authority Property Investment Trading Company, Council, 19 September 2017



Report to Shareholder Sub Committee

22 November 2022

EEPIC Shareholder Sub Committee 22 November 2022

1. The Annual Review

The Company's Annual Review is attached for the latest accounting period 1 April 2021 to 31 March 2022.

EEPIC continued to remain resilient during this post pandemic challenging period and recorded a full year profit before tax of £1.40m. Its two property assets, Marlow (The Cobham Centre) and Bracknell (2 Arlington Square) have increased in value by £3m since purchase. The Company was able to pay a £603,000 dividend to the Shareholder.

2. EEPIC Annual Business Plan 2023-24

In accordance with Clause 2.3 and under Schedule 1 Shareholder Consent Matters (item 16) of the Shareholder's Agreement dated 28 December 2018, Shareholder consent is required to; *"adopt or amend its annual Business Plan"*.

Accordingly, Shareholder consent is requested to the proposed Annual Business Plan 2023-24.

3. Shareholder consent required – appointment of Director

Under Schedule 1 Shareholder Consent Matters (item 24) of the Shareholder's Agreement dated 28 December 2018, Shareholder consent is required to; *"appoint or dismiss any director or company secretary"*.

Accordingly, Shareholder consent is requested to appoint Clare Lawrence to the position of Development Director. This is to replace Kathryn Beldon, following her resignation from the Company (and from the Shareholder) on 19 July 2022.

Clare is the Shareholder's Director of Environment, Housing and Regeneration. Clare is a qualified Town Planner and would bring valuable planning expertise to any future development opportunities considered by EEPIC.

4. Shareholder consent required

To approve the separate Part II Confidential Report to Shareholder Sub Committee



Shareholder Annual Review

*Covering the accounting period
1 April 2021 - 31 March 2022*

Table of Contents

1.	Background.....	3
2.	Property portfolio.....	3
3.	Property and financial management.....	6
4.	Balance sheet asset valuations.....	8
5.	Company accounts	9
6.	Shareholder approval.....	9
7.	Tenant corporate activity (Bracknell) – IWG plc	9
8.	Tenant corporate activity (Marlow) – Cobham plc	11

Appendices

A	EEPIC Financial Statements Year Ended 31 March 2022	13
---	---	----

Shareholder Annual Review

1. Background

Epsom & Ewell Borough Council (the “Shareholder”) established EEPIC (the “Company”) on 19 September 2017 following an Extraordinary Council meeting of the same date.

Epsom & Ewell Borough Council is the sole shareholder of EEPIC and the Company is therefore a 100% wholly owned trading company of the Council.

The objectives and anticipated annual activities of EEPIC are defined in the Company’s Business Case and Annual Business Plan respectively.

At its Strategy & Resources Committee meeting held on 25 September 2018, the Shareholder suspended any further out-of-Borough commercial property investment acquisitions until further government guidance or case law is published. This is necessary to ensure the Shareholder can comply with Statutory Guidance on Local Government Investments introduced from April 2018.

The guidance aims to restrict the ability of Local Authorities to purchase out of Borough investment properties, through the following clause 46:-

“Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed”.

The guidance means that future out-of-Borough acquisitions that are funded by borrowing and where the intention is purely to profit from the investment, would not meet the requirements of the guidance in terms of borrowing.

However, there could be circumstances where out-of-Borough investments may be acceptable if, for example, the property was close to the Shareholder’s boundary and the main purpose for the investment was not for profit, but for regeneration.

The guidance does not affect EEPIC’s existing property acquisitions.

2. Property portfolio

The Company holds two high quality, well located commercial property investments:-

- [The Cobham Centre, Globe Park, Fourth Avenue, Marlow SL7 1TF](#)



A high quality HQ office building let for 20 years from 29 September 2016 to Chelton Ltd – a world leader in the design and manufacture of aviation communication systems and navigation antennas. The current rent is £1,866,823.55 pa and subject to annual fixed uplifts of 2.5% pa (the rent will increase to £1,913,494.14 from 29 September 2022). The rent is guaranteed by Cobham PLC.

The building is situated on the well-established Globe Park which is the premier office location in Marlow, situated in the heart of the Thames Valley on the border of Berkshire and Buckinghamshire.

It is a highly desirable and affluent commercial and residential location by virtue of its close proximity to Henley and the River Thames together with excellent communications to London and the wider South East area. This combination has attracted a wide range of major multi-national corporate occupiers to Marlow including TNT, Dun & Bradstreet, Veolia, Allergan, Data Select, Emerson Network Power and HPS Group.

The Cobham Centre provides high quality HQ office accommodation with an ancillary R&D facility providing a total area of 80,974 sq ft (7,523 sq m).

- Venture House, 2 Artlington Square, Downshire Way, Bracknell RG12 1WA



A high quality HQ office building let for 10 years to Bracknell Arlington Square Centre Ltd trading as the serviced office provider, Regus. The current rent is £1,770,300 pa and is guaranteed by Regus PLC for a period of 1 year following tenant default during the lease term.

A Deed of Variation between EEPIC and Regus was completed on 23 December 2020 (as reported to the Shareholder Sub-Committee on 24 November 2020) and varied the existing lease. As explained in section 3 (page 7), the remaining length of the lease increased from 5 years to 10 years, in exchange for an initial 15 month rent free period (spread over 30 months at half rent).

Developed between 1992 and 2008, Arlington Square is Bracknell's premier office location comprising four self-contained office buildings set within landscaped grounds.

2 Arlington Square provides high specification Grade A office accommodation over ground and three upper floors, totalling 88,537 sq ft.

IWG (International Work Group) PLC, formerly Regus, is a multinational corporation that provides a global serviced office workplace. IWG PLC includes the British serviced office brands MWB Business Exchange Plc, HQ and Regus.

Regus operate each of their serviced office locations as standalone businesses and their business model becomes profitable when a building in its portfolio reaches 50% occupancy level.

A good performing Regus building would be expected to maintain 60% - 70% occupancy level and where this occurs in their portfolio, they typically remain at the location long term. Regus has confirmed that since 2008, 2 Arlington Square has consistently maintained occupancy in the 60% - 80% range, making it their Thames Valley flagship office complex.

Both properties are located within the prosperous Thames Valley and offer the following income profiles:-

	Purchase	Price	Rent	Income Yield
Marlow	13/10/17	£31,000,000	£1,866,823.55 (2.5% pa uplift)	5.64%
Bracknell	20/11/17	£25,500,000	£1,770,300 (Jan 26 Rent Review)	6.5%
Total		<hr/> £56,500,000		

3. Property and financial management

Day to day property management is currently provided by the Shareholder's Property Services Team and includes property inspections, service charge administration, general tenant liaison and asset management strategy.

The Company retains the option to appoint an external managing agent should Directors consider this to be in the best interests of the Company. Whilst no such appointment is being considered, the Directors will continue to monitor the existing arrangement at its quarterly board meetings.

2021/22 highlights:-

- Full-year profit before tax, excluding property revaluations, of £1.40m (prior year £1.453m)
- £0.60m dividend paid to the shareholder (prior year £0.87m)
- £0.9m retained earnings at 31 March 2022 (£0.465m at 31 March 2021)
- The rent payable for Marlow (The Cobham Centre) increased from £1,821,291.27 to £1,866,823.55 with effect from 29 September 2021. This represents the annual 2.5% fixed rental increase as per the terms of the lease. The next rental increase to £1,913,494.14 is due from 29 September 2022.
- No capital expenditure or repairs incurred in the financial year
- Property valuations have increased by £0.9m over the year.
- EEPIC's cash balance at 31 March 2022 was £1.25m (£0.97m prior year)

- The 2021/22 external audit was completed by William & Co within the agreed budget.

The Bracknell tenant is Bracknell Arlington Square Centre Ltd trading as the serviced office provider, Regus.

The pandemic has had a major short-term operational impact on the Regus serviced offices business model. Long-term, Regus remains well capitalised and is ideally placed to gain from the future flexibility occupiers will demand as the traditional office environment adjusts to increased remote working and different ways of connecting people.

A Deed of Variation between EEPIC and Regus was subsequently completed on 23 December 2020 as reported to the Shareholder Sub-Committee on 24 November 2020 and made the following variations to the existing lease:-

- Remaining length of the lease increased from 5 years to 10 years, in exchange for an initial 15 month rent free period (spread over 30 months at half rent). The headline rent payable under the existing lease does not change; remaining at £1,770,300 per annum.
- The existing lease allowed for the rent to be reviewed on 15 January 2021. This date was moved to January 2026 in line with the 5 year lease extension.
- Following a corporate restructuring of its business (and as part of the proposed lease variation), Regus Holdings plc replaced Regus plc as EEPIC's new lease guarantor. The new company provides EEPIC with the same level of financial guarantee that the Company previously received. The new lease guarantor had already been accepted in other lease re-negotiations by major landlords including Columbia Threadneedle, Crown Estate, Langham Estate and Orchard Street.
- The current rent becomes £885,150 pa equating to a half rent quarterly payment of approximately £221,000 for 30 months from September 2020. The lease is now subject to an upwards only rent review on 15 January 2026.
- The additional 5 year lease term doubles the unexpired term of the existing lease with no change to the level of rent. The rent generated by the additional 5 year term equates to £8,851,500 (annual rent of £1,770,300 x 5 years) and ignores any additional rent that might be generated by the rent review process. The 15 month rent free period proposed to be granted equates to £2,212,875 (£1,770,300 pa x 15 months). The net benefit to EEPIC is an additional income stream totalling

£6,638,625. This provides the Shareholder with long-term assurance that the Company can meet its Shareholder objectives.

- Accounting standards (FRS102) require that the 15 month rent free period must be spread evenly over the whole 10 year lease term in the statutory accounts. Consequently, reported income and retained earnings for 2021/22 are higher than the actual rent collected in the year.

The Marlow tenant is Chelton Ltd and in 2022 achieved 75 years of trading, having been first established in 1947. Chelton defined the avionics industry with a number of world firsts; from novel static discharger designs, radio silent tuneable antennas through to the first airborne mission critical public safety radio.

4. Balance Sheet Asset Valuations

To comply with its financial reporting obligations, the Company is required to have its investment property portfolio valued on an annual basis. The basis of valuation for investment properties is fair value and is the same as market value.

At the request of the Shareholder (to provide consistency with their instruction to value the Shareholder's directly owned property), external valuations were undertaken by Wilks Head & Eve, a respected London firm of Chartered Surveyors.

Wilks Head & Eve were not involved in either of EEPIC's property acquisitions and can therefore provide an independent, external assessment of the two property assets.

	Valuation @ 31/12/21 (last year's valuation) £	Purchase Price / Date £	Variance (since purchase) £
Marlow	33,996,100 (33,571,500)	31,000,000 13/10/17	+2,996,100
Bracknell	25,525,400 (25,044,700)	25,500,000 20/11/17	+25,400
Total	59,521,500 (58,616,200)	56,500,000	+3,021,500

Whilst the Company's business case is specifically to hold property long term (to smooth out gyrations in the UK property market), it is welcome that Bracknell has recorded a 2% capital increase on last year's valuation and Marlow has recorded a 1.3% increase.

Directors should also note that EEPIC's portfolio (i.e. both properties together) has recorded capital growth in excess of £3m since purchase.

5. Company Accounts

The Company's accounts are externally prepared by Williams & Co, an Epsom based firm of Statutory Auditors.

The accounts are attached at Appendix A for the year ended 31 March 2022.

Financial highlights include:-

- Property portfolio of £59.5m
- Gross profit of £3.32m
- Profit before tax (excluding property revaluations) of £1.396m
- Dividend paid of £603,000

Williams & Co continue to provide the Company with a first class accounting service at a competitive price. It is therefore envisaged that Williams & Co will be retained by the Company to prepare future year-end accounts.

6. Shareholder Approval

At its Shareholder Sub-Committee meeting held on 23 November 2021, the Shareholder received and noted EEPIC's Report to Shareholder and Annual Review.

In accordance with the Shareholder Agreement, the Shareholder approved the following:

- Annual Business Plan 2022-2023
- Appointment of Richard Appiah-Ampofo (the Shareholder's Senior Accountant) as Company Secretary
- Replacement of the Chief Legal Officer with the Director of Corporate Services as the correct individual for Shareholder related communication

7. Tenant Corporate Activity (Bracknell) – IWG plc

On 7 June 2021, IWG released a Covid-19 trading update stating;

"Whilst we have continued to see strong recovery in some of our markets since our first quarter trading update, including positive occupancy momentum in the US, the overall improvement in occupancy across the whole Group has been lower than previously anticipated as a result of the prolonged impact of COVID-19, including continuing lockdown restrictions and the emergence of new variants of the virus in some markets. Accordingly, this will delay the anticipated recovery in our business and, given the operational gearing of the

Group, is expected to have a significant impact on the Group's results for 2021, with underlying Group EBITDA for 2021 now expected to be well below the level in 2020."

The trading update sent IWG plc shares down by 15% and closed on 7 June 2021 at 310.00p.

On 2 November 2021, IWG released its Third Quarter Trading Statement for the period ended 30 September 2021 under the banner;

*"Trading continues to strengthen during Q3
Positive cash-flow from operations
Review of digital and platform strategy underway
Accelerating run-rate into 2022"*

The IWG Board has undertaken a preliminary review to assess the strategic and commercial rationale for separating the digital and technology assets of the Group into a separately identified and constituted business. Similarly, the potential to more broadly leverage the intellectual property of the Group, together with the ownership structure of the property portfolio, is the subject of further review to fully assess the options available to reorganise the assets of the Group.

On 8 March 2022, IWG announced its annual results for the year ended 31 December 2021 under the banner;

"The last year has proven beyond all doubt that people around the world wish to work flexibly. With the widespread and accelerating adoption of hybrid working, the structural growth opportunity is clearly defining the runway that lies ahead of us. IWG is a business in the right place at the right time."

Attention is drawn to the following key highlights:-

- Revenue maintained £2.228bn (£2.432bn 2020)
- Gross profit / (loss) £81m [(174m) 2020]
- Strengthening trading recovery from April 2021
- Significant increased demand with shift to hybrid working
- During 2020 and 2021, 287 new centres were opened, delivering on our strategy of operating near-to-home centres in commuter areas along with prestige locations in metropolitan zones
- Cash flow improved each month sequentially following Q1

- Adjusted EBITDA of £79.6m for 2021, almost all delivered in H2
- Growth continues into 2022
- High level of revenue visibility driven by a progressive mix-shift towards multi-site and enterprise clients

The Group considers hybrid working is here to stay;

“The office market has been irrevocably changed by the pandemic, with hybrid working becoming the norm. This has driven a significant increase in interest in partnering with IWG, resulting in a strong pipeline of potential partners to help us move towards our ambition of achieving a network mix between company owned and partnered / franchised of close to 50/50 by the end of 2022. To convert this demand, we have invested faster than initially expected, including growing the number of business development personnel in the field.

8. Tenant Corporate Activity (Marlow) – Cobham plc

As previously reported, the takeover of Cobham plc by Advent International was completed on 17 January 2020 with shares closing for the final time at 164.60p.

Founded in 1984, Advent International is one of the largest and most experienced global private equity firms; *“it seeks to invest in well-positioned companies and partner with management teams to create value through sustained revenue and earnings growth.”*

It should be appreciated that EEPIC’s tenant at Marlow is Chelton Ltd, a subsidiary of Cobham and itself a profitable world leader in the design and manufacture of aviation communication systems and navigation antennas. Cobham plc would only become involved as guarantor if EEPIC’s tenant became insolvent.

It was announced on 24 November 2020 that Cobham Aerospace Connectivity was under offer to US based TransDigm Group Incorporated. The deal is understood to be worth \$965m and is subject to regulatory approvals.

TransDigm announced on 5 January 2021 that it had completed substantially all of its acquisition of Chelton Ltd, t/a Cobham Aerospace Connectivity. Its press release stated;

“Cobham Aero Connectivity is headquartered in Marlow, UK. CAC is a leading provider of highly engineered antennas and radios for the aerospace end market. The products are primarily proprietary with significant aftermarket content and have a strong presence across major defense platforms as well as select commercial applications. The Company generated approximately \$225 million in revenue for the fiscal year ended December 31, 2020. Nearly

60% of CAC's revenue is derived from international sales and over 70% of CAC's revenue comes from the aftermarket. The Company has a strong presence across a diverse range of both helicopters and fixed wing aircraft. The Company operates from two primary facilities in Marlow, UK and Prescott, Arizona. CAC employs approximately 760 people."

TransDigm Group, through its wholly-owned subsidiaries, is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all aircraft in service today.

Chelton announced on 21 March 2021 that it had been selected by Boeing to develop and deliver the next generation Ultra High Frequency SATCOM Mobile User Objective System (MUOS) conformal antennas. The equipment upgrade will be for approximately 319 aircraft with testing due to begin in Autumn 2021.

On 15 September 2021, Chelton announced;

"It was proud to be joining Leonardo's Team AW149 UK, bringing together smart thinking, technological excellence and future vision to the avionics and systems suite of this Leonardo aircraft.

The AW149 is a safe, agile and robust platform, which can be reconfigured for a wide range of demanding missions in the most severe operational environments. Chelton's antennas and avionics are designed, built and tested in the UK to the highest standards, ensuring they are ready to perform to the demands of any mission."*

** The Leonardo AW149 is a multi-role helicopter.*

On 29 November 2021, Chelton opened a new facility at Redhill Aerodrome to support its life saving research and development (R&D), including IED detection and radio for public safety applications.

The Mayor of Reigate & Banstead officially opened the facility at the inaugural ceremony along with representatives from humanitarian mine clearance charity The HALO Trust.

The new facility does not affect EEPIC's property which remains the main HQ site for operations.

Appendix A

EEPIC Financial Statements

For the Year Ended 31 March 2022

This page is intentionally left blank

**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2022
for
Epsom & Ewell Property Investment
Company Limited**

Contents of the Financial Statements
for the Year Ended 31 March 2022

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	7
Balance Sheet	8
Notes to the Financial Statements	9

Company Information
for the Year Ended 31 March 2022

DIRECTORS:

Ms K Beldon
M D C Shephard
R Brown
B J Bradley

SECRETARY:

R K O Appiah- Ampofo

REGISTERED OFFICE:

Town Hall
The Parade
Epsom
Surrey
KT18 5BY

REGISTERED NUMBER:

10922872 (England and Wales)

AUDITORS:

Williams & Co Epsom LLP
Statutory Auditors
8-10 South Street
Epsom
Surrey
KT18 7PF

**Report of the Directors
for the Year Ended 31 March 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property rental.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

Ms K Beldon
M D C Shephard
R Brown
B J Bradley

POLITICAL DONATIONS AND EXPENDITURE

None.

BUSINESS STRUCTURE

The company is wholly owned by Epsom & Ewell Borough Council.

COMPANY HIGHLIGHTS

- Property portfolio of £59.5m.
- Gross profit of £3.32m.
- Profit before tax (excluding property revaluations) of £1.396m.
- Dividend paid of £603,000

BUSINESS MODEL

Our strategy is to maintain a diversified, balanced and low risk property portfolio to provide income over the long term to our ultimate shareholder, Epsom & Ewell Borough Council.

Finance is secured through a balance of debt and equity obtained from Epsom and Ewell Borough Council.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors
for the Year Ended 31 March 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Williams & Co Epsom LLP, will be proposed for re-appointment at a subsequent Board Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M D C Shephard - Director

25 May 2022

Opinion

We have audited the financial statements of Epsom & Ewell Property Investment Company Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have reviewed the legal ownership of the investment properties and reconciled rents due in accordance with lease documentation. We have tested controls over payment authorisations and sample payments from the bank.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Mark Williams FCA (Senior Statutory Auditor)
for and on behalf of Williams & Co Epsom LLP
Statutory Auditors
8-10 South Street
Epsom
Surrey
KT18 7PF

25 May 2022

Income Statement
for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER		3,448,589	3,548,242
Cost of sales		<u>116,416</u>	<u>102,895</u>
GROSS PROFIT		3,332,173	3,445,347
Administrative expenses		<u>127,288</u>	<u>182,648</u>
OPERATING PROFIT		3,204,885	3,262,699
Gain/loss on revaluation of investment property		<u>905,300</u>	<u>(1,845,700)</u>
		4,110,185	1,416,999
Interest payable and similar expenses	4	<u>1,808,783</u>	<u>1,809,257</u>
PROFIT/(LOSS) BEFORE TAXATION		2,301,402	(392,258)
Tax on profit/(loss)	5	<u>266,684</u>	<u>183,985</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,034,718</u>	<u>(576,243)</u>

The notes form part of these financial statements

Balance Sheet
31 March 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Investment property	6		59,521,500		58,616,200
CURRENT ASSETS					
Debtors	7	1,117,047		843,646	
Cash at bank		<u>1,246,265</u>		<u>967,210</u>	
		2,363,312		1,810,856	
CREDITORS					
Amounts falling due within one year	8	<u>1,016,918</u>		<u>1,006,162</u>	
NET CURRENT ASSETS			<u>1,346,394</u>		<u>804,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			60,867,894		59,420,894
CREDITORS					
Amounts falling due after more than one year	9		(36,175,650)		(36,175,650)
PROVISIONS FOR LIABILITIES	11		<u>(99,575)</u>		<u>(84,365)</u>
NET ASSETS			<u>24,592,669</u>		<u>23,160,879</u>
CAPITAL AND RESERVES					
Called up share capital	12		24,117,100		24,117,100
Fair value reserve	13		(416,983)		(1,421,732)
Retained earnings	13		<u>892,552</u>		<u>465,511</u>
SHAREHOLDERS' FUNDS			<u>24,592,669</u>		<u>23,160,879</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 25 May 2022 and were signed on its behalf by:

B J Bradley - Director

M D C Shephard - Director

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. **STATUTORY INFORMATION**

Epsom & Ewell Property Investment Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates

Investment properties are professionally valued using methodology outlined by the Royal Institute of Chartered Surveyors. Market values and market rents are taken into account when establishing the valuation. There is a degree of judgement involved in that each property is unique and value can only be reliably tested in the market itself.

The economic and societal disruption caused by Covid-19 has increased the level of valuation uncertainty. However, the valuations have been professionally undertaken to RICS standards and therefore represent the best estimate at the current time.

Turnover

Turnover represents rental income, service charge income and insurance income, exclusive of value added tax. Income is recognised in respect of the rental period.

Investment property

Investment property is measured initially at its cost at recognition, including transaction costs. The fair value shall be measured at each subsequent reporting date with changes in fair value recognised in profit or loss.

No depreciation is charged on investment property.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. **ACCOUNTING POLICIES - continued**

Recognition of income and expenditure

Income from rents, service charges and insurance is recognised over the period for which the service is provided.

Expenses are recognised as expenditure when the services are consumed.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 4 (2021 - 4) .

During the period, no staff were directly employed by Epsom & Ewell Property Investment Company Ltd

4. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022 £	2021 £
Loan interest	1,808,783	1,808,783
Interest payable	-	474
	<u>1,808,783</u>	<u>1,809,257</u>

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	251,475	260,946
Deferred tax	15,209	(76,961)
Tax on profit/(loss)	<u>266,684</u>	<u>183,985</u>

6. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 April 2021	58,616,200
Revaluations	905,300
At 31 March 2022	<u>59,521,500</u>
NET BOOK VALUE	
At 31 March 2022	<u>59,521,500</u>
At 31 March 2021	<u>58,616,200</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

6. **INVESTMENT PROPERTY - continued**

The company's investment properties were revalued on the 31st March 2022 by chartered surveyors, regulated by RICS.

The valuations were carried out in accordance with the RICS Valuation Professional Standards Global and UK 2017, with the CIPFA guidance incorporated.

Fair value at 31 March 2022 is represented by:

	£
Valuation in 2019	(2,138,483)
Valuation in 2020	2,661,900
Valuation in 2021	(1,845,700)
Valuation in 2022	905,300
Cost	59,938,483
	<u>59,521,500</u>

7. **DEBTORS**

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	206,103	491,863
Prepayments	<u>18,180</u>	<u>17,074</u>
	<u>224,283</u>	<u>508,937</u>
Amounts falling due after more than one year:		
Accrued income	<u>892,764</u>	<u>334,709</u>
Aggregate amounts	<u>1,117,047</u>	<u>843,646</u>

Prepayments due in more than 12m represent rents payable by a tenant following a renegotiation of rents following Covid. A rent free period was agreed which is being clawed back over the remainder of the lease. The accounting treatment is in accordance with FRS102.

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Tax	251,476	260,946
VAT	108,151	99,923
Accruals and deferred income	<u>657,291</u>	<u>645,293</u>
	<u>1,016,918</u>	<u>1,006,162</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Amounts owed to group undertakings	<u>36,175,650</u>	<u>36,175,650</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

Intra-group loans totalling £36,175,650 have been provided by Epsom & Ewell Borough Council. The loans are interest only and the interest rate on each loan is 5%. All loans are due to be repaid in full fifty years from the original loan draw down.

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Other loans	36,175,650	36,175,650

The loans from Epsom & Ewell Council are secured by way of a 1st charge over the properties and a debenture.

11. **PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	99,575	176,535
Other timing differences	-	(92,170)
	<u>99,575</u>	<u>84,365</u>

	Deferred tax £
Balance at 1 April 2021	84,365
Provided during year	15,210
On investment revaluation	
Balance at 31 March 2022	<u>99,575</u>

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2022 £	2021 £
24,117,100	Ordinary		<u>24,117,100</u>	<u>24,117,100</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. **RESERVES**

	Retained earnings £	Fair value reserve £	Totals £
At 1 April 2021	465,511	(1,421,732)	(956,221)
Profit for the year	2,034,718		2,034,718
Dividends	(602,928)		(602,928)
Transfer gain/loss on revaluation	(905,300)	905,300	-
Deferred tax	(99,449)	99,449	-
At 31 March 2022	<u>892,552</u>	<u>(416,983)</u>	<u>475,569</u>

14. **RELATED PARTY DISCLOSURES**

Costs totalling £122,885 (2021: £118,173) were recharged to Epsom & Ewell Property Investment Company Limited by Epsom & Ewell Borough Council in relation to staff, support services and legal fees. EEPIC also paid £1,808,783 (2021: £1,808,783) in loan interest to Epsom & Ewell Borough Council.

15. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Epsom & Ewell Borough Council by virtue of its 100% shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

EXCLUSION OF PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

This page is intentionally left blank