

## Appendix 1 – Turnstone Estates Limited

CBRE has researched and analysed the appropriateness of Turnstone Estates Limited (TEL) and its subsidiary Turnstone Southend Limited (TSL) as counterparties for Southend-on-Sea Borough Council in relation to the Seaways project.

### Personnel

TEL has an experienced management team, with a long association with the company. The senior directors are professionally qualified and from CBRE’s dealings with them, they appear sufficiently knowledgeable, experienced and competent to undertake a scheme such as the development of Seaways. There are no court orders, CCJs or history of companies entering administration under their directorship.

### Corporate Structure

TEL holds a large number of subsidiary development companies, including TSL. The majority of subsidiaries relate to a specific development or project, and this structure is similar in nature to other development companies that CBRE has worked with. The continuity between shareholders, company directors and ultimate beneficial owners across all these companies gives comfort as to the structure.

### Financial Overview

TEL is a company of low risk (Experian Rating) that does not present any financial concerns, with an Experian Credit score of 94/100 (as at June 2021). Other subsidiary companies, including TSL are higher risk, with TSL receiving a score of only 5/100 (as at June 2021). However, CBRE believe this is due to the nature of the holding structures and SPVs, with TSL having not undertaken significant financial activity since being formed as it solely relates to the unstarted Seaways scheme. To mitigate risk caution may need to be exercised if contracting directly with any subsidiary, including but not limited to securing guarantees from TEL if appropriate.

### Delivery Model

TEL is a small entity with four employees, as such it relies on a range of consultants and contractors to deliver development projects. For Seaways it has assembled a team of professionals to advise and assist them. Whilst CBRE has not undertaken detailed due diligence on each of these counterparties we believe they represent an appropriate mix of advisers reflecting the needs of a project such as Seaways.

### Track Record

TEL has a well-established track record in development spanning over 30 years and has delivered a number of mixed-use leisure schemes. The field of development in leisure is relatively niche and there are very few other companies with a strong track record in the sector and region. The company can demonstrate a track record in every sub-sector that is relevant for Seaways and has provided evidence of securing lettings to relevant occupiers on a range of schemes. TEL has recently agreed to develop a new leisure scheme in Colchester, to be delivered through a similar structure to the current proposals for Seaways.

***CBRE is of the opinion that TEL appears to present a suitable counterparty for the Council to engage with on the Seaways project. However, CBRE provide our advice from a property / development perspective. Should matters progress, we would recommend the Council engage with a suitable financial professional in respect of detailed financial due diligence on Turnstone, if required.***