



The Flaxby
COUNTRY RESORT · YORKSHIRE



SKELWITH
LEISURE LTD



**The Junior Suites
at the
Flaxby Hotel
are on
exclusive offer ...**

Around the World



**You invest ...
and we do the rest**

**Guaranteed Income
for 10 years
at 8% per annum**



Guaranteed Returns for Investors

The Junior Suites at the Flaxby hotel are on offer with a guaranteed minimum rental income of 8% for 10 years (Gross £19 996pa). However Investors will earn the greater of guaranteed earnings or 50% of net room revenue. Investors need only a 30% deposit plus fees as 70% developer loans are available. The guarantee is provided by the developer Skelwith Leisure.



The hotel will appeal to both UK & International golfing & luxury travelers as well as high end business users

Occupancy rates of local hotels	
Holiday Inn Harrogate 4*	75%
De Vere Oulton Hall 5*	63%
Rudding Park 4*	66%

Feasibility Study

An independent feasibility study confirms occupancy rates of 60% to 70% to comparable hotels in the “Golden Triangle” Skelwith believe that the Flaxby can easily match this. Analysis indicates that an occupation rate of some 40% will service overheads & guarantees



The Flaxby

This hotel room property investment is a fully-managed, hands-off, high-yield, lower-risk asset class.

Investment profile

Hotel room investments are widely regarded as a superb turnkey investment product that are fully-managed for the investor by the hotel operator and offer excellent returns

Facilities designed to drive returns

This key resort in North Yorkshire, in addition to the luxury accommodation, boasts a wealth of facilities for owners and visitors to enjoy

Spa, Gym, Indoor Pool

Totalling 25,000 sq ft, the luxury spa facility will be arranged over two floors and will include an indoor swimming pool, numerous private treatment rooms including VIP double treatment rooms, and a state of the art Gym operated by the renowned spa company Elemis.

Established Golf Course

The established golf course, is a 27 hole course all weather driving range with 700 members; it is to be further upgraded to Ryder Cup standard and will be operated by Troon Golf. From 2011, The Lee Westwood Golfing Academy will offer its services to club members & visitors



Race Day in The Golden Triangle

With 4 race courses nearby. This advantageous location means The Flaxby Hotel will benefit from the thousands of race goers who pre-book their accommodation months in advance on the major race days.

Dining & Shopping

The resort will also offer boutiques & 3 restaurants, offering classic bistro style cuisine & a Medieval theme. This will be complimented by a fine dining restaurant of “Michelin” standard.

Entertainment

A traditional English ale pub will be found within the basement of the hotel; just one of the bars that will be found on the resort. Guests will be able to sample the delights of a variety of bars throughout the resort



Project Description

The Flaxby will be Yorkshires premier resort showcasing the best in the country. Pulling together top brands and business from the area. A world class retreat with the established Flaxby golf course, a magnificent spa, a range of restaurants and bars. An International destination in its own right. Located in the heart of the country in 283 acres of rolling Yorkshire countryside. The resort is within touching distance of the A1 motorway. The Flaxby will be the focal point for tourism and events for the whole country. The architecture is a grand country house style that combines classic architecture with modern finish

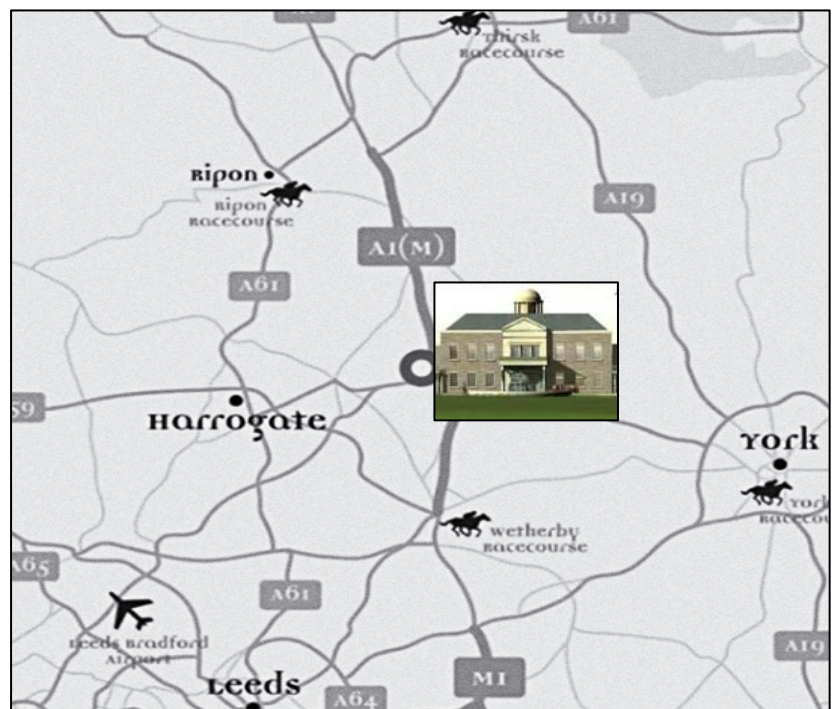


The Location

The Flaxby Golf and Country Club falls in the middle of the *affluent golden triangle* York, Leeds and Harrogate.

Access to The Flaxby from London and all over the UK is via the A1(Motorway) being only minutes away.

For visitors further afield Leeds International airport is just 15 miles away opening the resort to an international client base.





The “Golden Triangle” draws the most tourists in Northern England

- Stunning scenery and national parks: Rivers, Streams, Waterfalls and Tarns
 - To the East: North Yorkshire Moors & Dales & Grouse hunting
- The eastern edge of the county: The coast with spectacular cliffs and sweeping sands
 - Four race courses: Attract the well dressed and wealthy from all over
 - Spa town of Harrow gate: Quaint tea shops & shopping
- Historic city of York: Offers experiences from Shopping to Historic places of interest
 - The financial capital of the north: Leeds



York

The historic site of York is among the most visited of destinations and offers experiences from shopping to stunning medieval architecture. It is home to Britain's National Railway Museum, the largest of its kind in the world and throbbing night life.

Harrogate

The spa town of Harrogate is well known for its quaint tearooms, wonderful architecture and international conferences all creating a perfect backdrop for The Flaxby Resort.





Owners and Visitors will enjoy superb luxury and facilities

- Hotel rating 5 Star
- Bedrooms 303 within a Grand Manor Style
- A range of luxury rooms from deluxe doubles to stunning 1250 sqft Presidential Suites

- With 450 parking spaces
- And 4 Helipads for the demanding

- 25 000 sq. ft. Spa and Health club
- Gym & Squash courts
- Indoor swimming pool
- Nature trails through the 283 acre estate

- 18-hole & 9 hole golf course
- All weather driving range
- Lee Westwood Golfing Academy

- Three distinctive restaurants
- Dining medieval-style
- The latest in conference & event facilities

- High-end fashion & jewelry boutiques
- Grand cigar room and library

- Professional valet and doormen
- Estate-style butler service
- Professional child care services
- 24-hour room service and security



**Personal Use of the Hotel
12 days pa for 10 years
thereafter 52 days pa
with stunning
Yorkshire at ones fingertips**

Luxury Specifications

Your country suite at The Flaxby Country Club will feature all the bells and whistles, such as Bang and Olufsen plasma TVs and audio system and a state-of-the-art Bio Tec security system. Many of the suites come with Italian marble floor and walls in the master bath as well as the walk-in shower and Jet Air Tub.



Junior Suite	The Numbers	Process	Cash flow
Purchase Price (Excl VAT)#	£249 950#	<u>Day 1</u> To Reserve incl. VAT	£2 350
Deposit 30%**	£74 985	<u>Within 28 days</u> Deposit 22.5% (Less Reservation) plus VAT** plus Fees Total Exchange Funds	£54 238
Fees & Stamp duty	£11 873		£9 492
Developers Non Status Loan 70%	£174 965		£3 250
Rental greater of: Guranteed 8% pa (for 10 years) or *50% of net revenue for life (All costs for the developer for 10 years)	£19 996		£66 980
		<u>Summer 2011</u> Completion Deposit 7.5% + VAT less Interest on deposit @ 6% *** Stamp duty Total Completion Funds	£22 027 -£5 061 £8 811 £25 777
Developers loan repayment @ 3% pa	£5 248	Guranteed Income after loan repayment on net capital Invested (Excl. VAT) £14 748 ÷ £81 985 Net Income ÷ Net Capital Invested	ROI in £ 17.99%pa
Guranteed net surplus rent @ 8% pa	£14 748		
12 days pa during the guarantee period, thereafter 52 days pa (owners/friends etc)	Free Personal use		

*Feasibility studies show that the 3 Hotels in the area run between 60-70% occupancy. At 40% occupancy rate; The Flaxby covers running costs & rental guarantees. The Junior Suites can sleep two and are 450 square feet.

**Owners deposits are protected as follows. Initially deposits are placed with the purchasers solicitors, in their trust account. On exchange of contracts, the deposits are handed over to the developer. Zurich at this points insures the deposit to 20% of the purchase price until completion. Prior completion, the developer will place in escrow rent equal to 4 years guranteed earnings. The above protection steps provides investors with a virtually risk free investment.

This is only available on the Junior Suites exclusive offer.

*** Deposits earn 6% interest during the construction period estimated to be £5061; paid on completion.

Auditors Garbutt & Elliot have been appointed to reclaim VAT(17.5%) on behalf of Investors, at no cost. E & O.E.



Clause 1 "We will pay where, due to the developer's bankruptcy, liquidation or fraud, the developer fails to complete the construction of the new home in accordance with the requirements and the buyer loses a deposit paid to the developer under the terms of the purchase contract for the new home we will at our sole option either: (a) pay the reasonable cost of completing the home to the original specification; or (b) pay to the buyer the amount of any such deposit."



The brands behind the Flaxby

Wyndham Worldwide is...



Who will manage the hotel?

The developer of the Flaxby hotel has signed an exclusive heads of terms agreement with one of the worlds largest hotel operators. They own two well known global brands. Wyndham Worldwide and Wyndham resorts. The Wyndham Group are a resort operator rather than a hotel operator so they fit the vision for The Flaxby perfectly. The Wyndham group is one of the world's largest hospitality companies with nearly 7000 hotels in 66 Countries. Truly Global. The group owns the RCI.



The Chartered Accountants

As a firm, Garbutt & Elliott can trace its roots back over a 100 years and since that time we have grown steadily through focusing on the fundamentals of providing sound practical advice with value for money.



In recent years the firm has expanded considerably to become a broad-based provider of advice to businesses and individuals. Garbutt & Elliott have now become one of the largest independent firms in the North of England.

Garbutt & Elliott have been appointed to assist with registering owners for VAT and the reclaim of VAT. At no cost. When you complete the purchase you will pay Skelwith only the net cost of the room. The VAT element will be deferred until you have received the refund from HMRC.



The brands behind the Flaxby



The Developer

Founded in 2004, The Skelwith Group has a history of developing landmark residential and mixed-use projects throughout the North of England.

The York-based company currently has over £115m of development under construction, including over 1,000 residential units. The company focus is to build, sell and let developments on behalf of investors.



The Construction Company

In 1897 Edward Wates and his 3 brothers set up the first Wates Company. During the 1920s and 1930s the Company expanded by pioneering speculative house building and then extended their activities into general contracting.

During the 2nd World War, Wates built aerodromes, army camps, factories and most notably, developed a speciality in constructing pre-cast and in situ reinforced concrete barges and floating docks. Wates supplied major parts of the Mulberry Harbors that were towed across the channel after D-Day. After the War, this knowledge of pre-cast concrete was used to develop high-rise and low-rise industrialised housing systems; they built over 60,000 houses and flats using these techniques. For 2008:

- Group profit before tax up 25% to £47.1m
- Group turnover exceeded £1 billion for the first time, up by 6% to £1,009m
- Year end cash balance at £169.5 million, up 27% from 2007

A recent BBC news item

(<http://news.bbc.co.uk/1/hi/england/8255225.stm>) highlighted that up to 500 new job opportunities will be created in area during the two construction program



The brands behind the Flaxby

The Golf Course Manager

By far the greatest single attraction within the Flaxby hotel is its 27 hole championship golf course. The course is managed by Troon Golf - the worlds largest and best golf course management company.(31 states of the USA and 26 countries)

The Flaxby currently attracts golfers from across the country and with Troon's expertise and bids for the Solheim Cup in 2015 and the Ryder Cup in 2022 the course will become an international golfing destination. Golfers and non-golfers alike will be delighted with the Elemis Spa at the Flaxby hotel that will become the largest and most luxurious spa in the north of England.

Lee Westwood Academy

In 2011 Lee Westwood will become the resident Professional and run the Lee Westwood golfing Academy



Elemis

The Spa & Gym Manager

Elemis is the leading luxury British spa and skincare brand favoured by as many as 5.7 million spa-goers per year. The successful combination of natural active ingredients with cutting-edge technology has enabled Elemis to bring to market some of the most influential anti-ageing products and professional spa-therapies the beauty industry has ever seen.

Elemis professional spa-therapies and products are available through an elite network of over 1200 spas and salons around the world, including the Elemis day-spa flagships in London, Miami and Hong Kong. From exclusive salons, lavish cruise line spas and leading retail stores, to some of the world's most luxurious 5-star spa resorts, an Elemis treatment anywhere in the world is guaranteed to offer outstanding results.



To summarise the key investment elements* of “The Flaxby Country Hotel and Resort”

- Purchase Price: £249 950.00 excl VAT
- Total Deposit: 30%. Initial deposit: 22.5% to exchange
 - Initial Deposit earns 6% during construction period
- Deposit guarantee: 89% of the initial deposit (20/22.5)
 - Title: Leasehold 999 years
 - Developers non status loan: 70%
- Interest rate on loan: 2.5% above UK base. Term 25 years
 - Share of gross rental: 50/50 split
 - Rental guarantee provided by: Skelwith Leisure Limited
 - Minimum rental return: 8% of purchase price guaranteed for 10 years
- Year 1-4 rentals in escrow : £79 984 (4 x £19 996) used to guarantee investor deposits
 - Resort manager: Wyndham Hotels
 - No costs or levies during the guarantee period
- Personal use during the guarantee period: 12 days pa. Thereafter, 52 days pa

*Provided by Skelwith Leisure Limited. E & O.E.

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