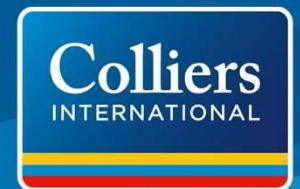




THE CHARLECOTE PHEASANT HOTEL, CHARLECOTE STRATFORD-UPON-AVON CV35 9EW

FREEHOLD INVESTMENT FOR SALE: LEASED TO SHEARINGS HOTELS LTD



SUMMARY

- 69 en suite bedrooms
- 7 conference suites including The Hampton Suite with capacity for 150 persons
- 5 miles from historic Stratford-upon-Avon
- Let to Shearings Hotel Ltd (operating under the Coast & Country brand) for a term of 25 years from 1 July 2010
- Approximately 22 years unexpired lease term
- Passing rent of £360,974 per annum

Offers in the Region of £3.9 million (reflecting a net initial yield of 8.73%)



INTRODUCTION

The Charlecote Pheasant Hotel is leased to Shearings Hotels Ltd; an established and substantial UK based group operating some 52 hotels in the UK .

Generating an excellent level of return set to increase with annual RPI uplifts (capped at 5%) from 1 July 2013, a 22 years unexpired term and the lease guaranteed by Shearings Group Ltd the Charlecote Pheasant Hotel is a superb investment opportunity.

THE PROPERTY

Originally built in the 18th Century by the then Lady of the Manor, Mary Elizabeth Lucy, the property has been added to in more recent years and the hotel today comprises several buildings incorporating:

- 69 en suite bedrooms (11 double, 5 twin, 3 single bedrooms, 40 family bedrooms, 10 suites).
- Restaurant (100 covers) and Bar (50)
- 7 conference suites including the Hampton Suite (150), Pheasant Room (30) and 5 smaller meeting rooms
- Staff house

We have been informed that the hotel was substantially refurbished in 2007, including the complete renovation of the original bedrooms in the Farmhouse, two additional wings and the soft refurbishment of bedrooms within the Barford building. We are advised the bar and restaurant were refurbished in 2011 at a cost of approximately £150,000. We understand that the tenant has a 'rolling redecoration' program in place.

EXTERNAL

The site extends to approximately 3.67 hectares (9.07 acres) and includes:

- Outdoor swimming pool
- Children's play area
- Tennis court
- 120 space car park
- 4 acre field for outdoor & corporate events

LOCATION

- The hotel is located in the delightful village of Charlecote and is adjacent to the National Trust attraction Charlecote Park and gardens which attracts a high flow of visitors throughout the year.
- The hotel is only 5 miles from the thriving and historic town of Stratford-upon-Avon, birthplace of William Shakespeare. A renowned destination for tourists from across the world Stratford-upon-Avon has many attractions which generate significant visitor numbers including Shakespeare's house and the Royal Shakespeare Theatre. Other popular attractions in the region include the Cotswolds, Warwick Castle and Leamington Spa.
- Whilst occupying a scenic village setting the hotel is easily accessible from Junction 15 of the M40 motorway which is only 5 miles distant.





TENANCY

The property is let to Shearings Hotels Ltd, guaranteed by Shearings Group Ltd for a term of 25 years from 1st July 2010 expiring 30th June 2035. Therefore, the investment provides approximately 22 years unexpired lease term.

The current passing rent is **£360,974 per annum**.

The lease provides for annual increases of rent from 1st July 2013, based upon the increase in the Retail Price Index from 1st May in that year and 1st May the previous year, subject to a 5% cap. Rent reviews are upwards only. The rent was increased to the aforementioned £360,974 following completion of the rent review due 1st July 2013.

TENURE

Freehold



COVENANT

Let to Shearings Hotels Ltd the industry leader in coaching holidays. Shearings offers coach, air, rail, cruise and hotels breaks to more than 170 destinations in the UK, Europe and worldwide. It operates 52 branded hotels in the UK and is the 20th biggest hotel brand by hotel bedrooms as of April 2013.

Shearings Hotels Ltd is a subsidiary of Shearings Group Ltd, which employs over 3,000 staff and comprises Shearings Holidays, National Holidays, Caledonian Travel, a chain of 50 hotels under the Bay and Coast & Country brands and eight Wallace Arnold Travel shops. Interested parties may wish to visit www.shearings.com/home and www.coastandcountryhotels.com for a further insight into the extent of the tenant's group operations.

Shearings Group Ltd is owned by 3i Group Plc. 3i is one of the world's leading international investors focused on Private Equity, Infrastructure and Debt Management with £12.7 billion under management.

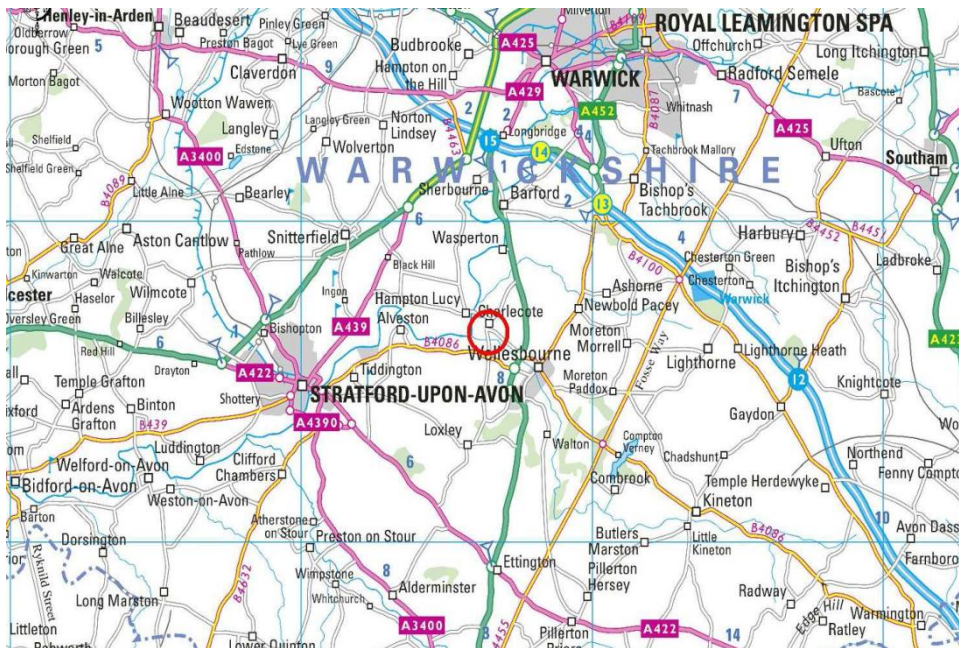
Tenant - Shearings Hotels Ltd (Co. No. 024759) has reported the following figures:

Year Ending	Turnover	Pre-tax Profit/(loss)	Shareholders funds
31/12/2012	£71,346,000	(£1,964,000)	£15,709,000
31/12/2011	£70,793,000	(£2,670,000)	£17,200,000
31/12/2010	£70,156,000	(£257,000)	£19,156,000



Guarantor - Shearings Group Ltd (Co. No. 5272464) has reported the following figures:

Year Ending	Turnover	Pre-tax Profit/(loss)	Shareholders funds
31/12/2012	£195,570,000	(£2,742,000)	£27,630,000
31/12/2011	£193,657,000	(£3,581,000)	£30,140,000
31/12/2010	£187,090,000	1,590,000	£33,063,000



PROPOSAL

We are instructed to seek offers in the region of **£3,900,000 (three million nine hundred thousand pounds)** for the freehold interest in the investment property, subject to contract and exclusive of VAT, reflecting an attractive net initial yield of 8.73% after deducting standard acquisition costs of 5.8%.

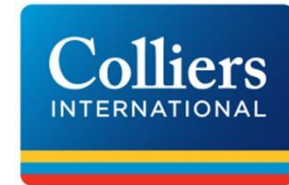
It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

An Information Memorandum will be made available to interested parties upon request to Colliers International.

FURTHER INFORMATION

For further information or to arrange an inspection of the property, please contact:

Paul Barrasford
 +44 (0) 020 734 46963
 paul.barrasford@colliers.com



Colliers International
 50 George Street,
 London, W1U 7GA

SUBJECT TO CONTRACT

Disclaimer

Colliers International gives notice that these particulars are set out as a general outline only for the guidance of intending Purchasers or Lessees and do not constitute any part of an offer or contract. Details are given without any responsibility and any intending Purchasers, Lessees or Third Party should not rely on them as statements or representations of fact, but must satisfy themselves by inspection or otherwise as to the correctness of each of them. No person in the employment of Colliers International has any authority to make any representation or warranty whatsoever in relation to this property. April 2012

Colliers International is the licensed trading name of Colliers International Property Advisers UK LLP which is a limited liability partnership registered in England and Wales with registered number OC385143. Our registered office is at 50 George Street, London W1U 7GA.

Energy Performance Certificate

Non-Domestic Building

HM Government

The Charlecote Pheasant Hotel
Barford Block
Charlecote
WARWICK
CV35 9EW

Certificate Reference Number:
0890-0860-3530-7900-8003

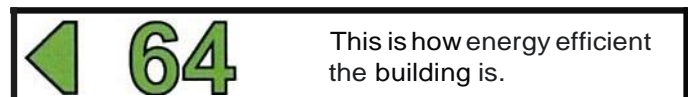
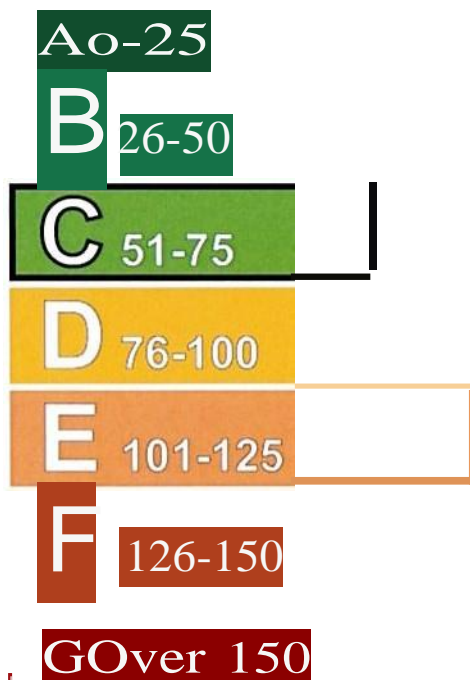
This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd.

Energy Performance Asset Rating

More energy efficient



..... Net zero CO₂ emissions



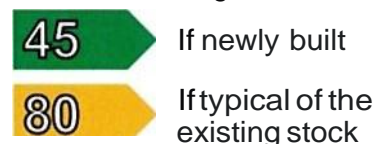
Less energy efficient

Technical information

Main heating fuel: Natural Gas
Building environment: Heating and Natural Ventilation
Total useful floor area (m²): 1066
Building complexity (NOS level): 3
Building emission rate (kgCO₂/m²): 72.39

Benchmarks

Buildings similar to this one could have ratings as follows:



Energy Performance Certificate

Non-Domestic Building

&j)HM Government

The Charlecote Pheasant Hotel
 Beanhams Cottage
 Charlecote
 WARWICK
 CV35 9EW

Certificate Reference Number:
 0396-0264-4630-7000-2003

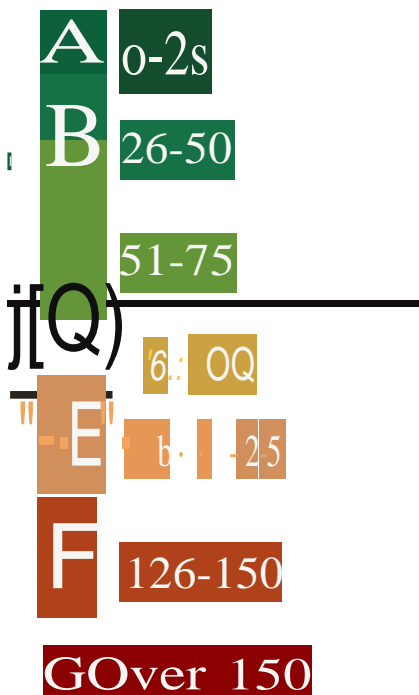
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Energy Performance Asset Rating

More energy efficient



Net zero CO₂ emissions



87

This is how energy efficient the building is.

Less energy efficient

Technical information

Main heating fuel:	Natural Gas
Building environment:	Heating and Natural Ventilation
Total useful floor area (m ²):	313
Building complexity (NOS level):	3
Building emission rate (kgCO ₂ /m ²):	90.64

Benchmarks

Buildings similar to this one could have ratings as follows:

- 43 If newly built
- 75 If typical of the existing stock

Energy Performance Certificate

HM Government

Non-Domestic Building

The Charlecote Pheasant Hotel
Executive Block
Charlecote
WARWICK
CV35 9EW

Certificate Reference Number:
9573-3036-0108-0000-7501

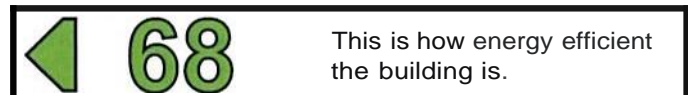
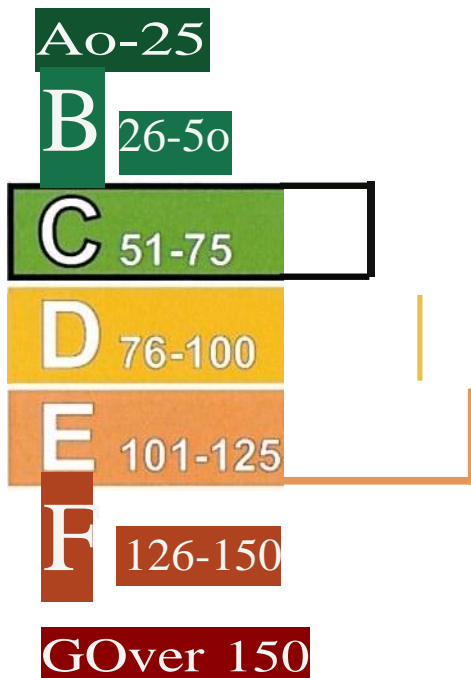
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Energy Performance Asset Rating

More energy efficient



..... Net zero CO₂ emissions



Less energy efficient

Technical information

Main heating fuel:	Natural Gas
Building environment:	Heating and Natural Ventilation
Total useful floor area (m ²):	634
Building complexity (NOS level):	3
Building emission rate (kgCO ₂ /):	78.05

Benchmarks

Buildings similar to this one could have ratings as follows:



Energy Performance Certificate

Non-Domestic Building

HM Government

The Charlecote Pheasant Hotel
Farm House
Charlecote
WARWICK
CV35 9EW

Certificate Reference Number:
0770-0030-3599-4206-0006

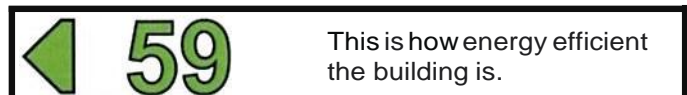
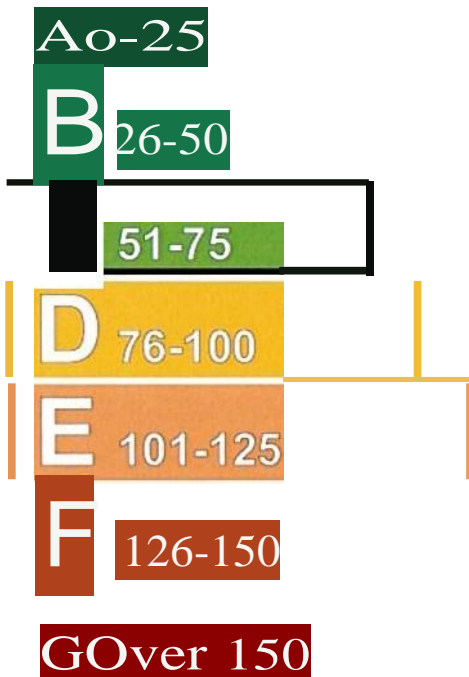
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Energy Performance Asset Rating

More energy efficient



..... Net zero CO₂ emissions



Less energy efficient

Technical information

Main heating fuel: Natural Gas
Building environment: Heating and Natural Ventilation
Total useful floor area (m²): 929
Building complexity (NOS level): 3
Building emission rate (kgCO₂/m²): 64.96

Benchmarks

Buildings similar to this one could have ratings as follows:

44 If newly built
74 If typical of the existing stock

Energy Performance Certificate

Non-Domestic Building

HM Government

The Charlecote Pheasant Hotel
Hampton Block
Charlecote
WARWICK
CV35 9EW

Certificate Reference Number:
0060-2921-0330-8730-3020

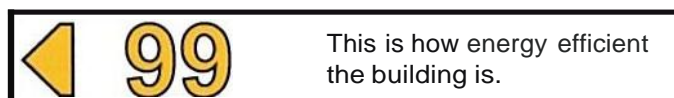
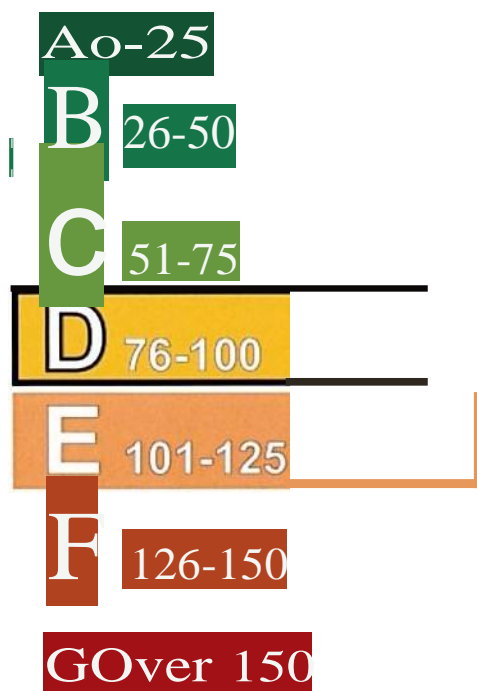
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Energy Performance Asset Rating

More energy efficient



..... Net zero CO₂ emissions



Less energy efficient

Technical information

Main heating fuel:	Natural Gas
Building environment:	Heating and Natural Ventilation
Total useful floor area (m ²):	393
Building complexity (NOS level):	3
Building emission rate (kgCO ₂ /m ²):	57.36

Benchmarks

Buildings similar to this one could have ratings as follows:



The Charlecote Pheasant Hotel
 Reception Block
 Charlecote
 WARWICK
 CV35 9EW

Certificate Reference Number:
 0770-0730-4 749-6906-7006

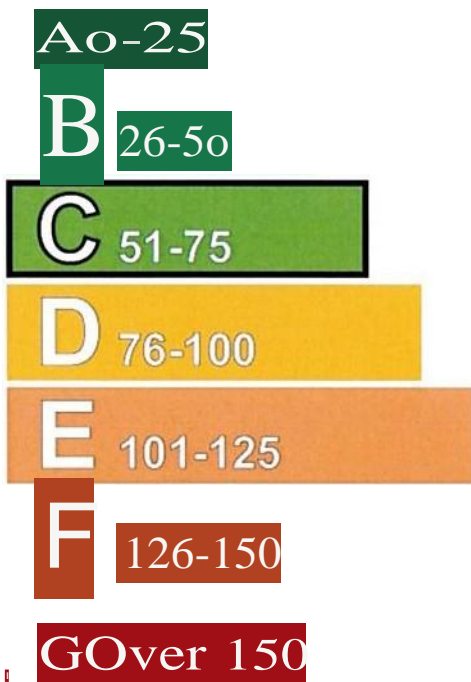
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Energy Performance Asset Rating

More energy efficient



..... Net zero CO₂ emissions



61

This is how energy efficient the building is.

Less energy efficient

Technical information

Main heating fuel:	Natural Gas
Building environment:	Heating and Natural Ventilation
Total useful floor area (m ²):	677
Building complexity (NOS level):	3
Building emission rate (kgCO ₂ /m ²):	81.53

Benchmarks

Buildings similar to this one could have ratings as follows:

- 37 If newly built
- 61 If typical of the existing stock

Recommendation Report

(i)HMGovet nment

Report Reference Number: 0710-0340-1029-5606-0002

The Charlecote Pheasant Hotel
Pheasant Block
Charlecote
WARWICK
CV35 9EW

Building Type(s): Hotel

ADMINISTRATIVE INFORMATION	
Issue Date:	23 Jun 2010
Valid Until:	22 Jun 2020 (*)
Total Useful Floor Area (m ²):	294
Calculation Tool Used:	iSBEM v3.5.a using calculation engine SBEM v3.5.a.O
Property Reference:	152003610000
Energy Performance Certificate for the property is contained in Report Reference Number: 9115-3066-0002-0300-7001	

ENERGY ASSESSOR DETAILS	
Assessor Name:	William Louis Johnston
Employer/Trading Name:	hurleypalmerflatt
Employer/Trading Address:	Pentagon Centre, 36 Washington Street, Glasgow, G3 8AZ
Assessor Number:	LCEA029636
Accreditation scheme:	CIBSE Certification Ltd
Related Party Disclosure:	Employed by the owner