



THE HIND HOTEL PHASE II

by
Hotels By Endeavour Ltd
in partnership with
Security Trustees -
Capitalise Invest Ltd



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Introduction

“The anticipated ROI for the hotel would be in the region of 10:1 from year 2 onwards”

Adam Calladine, Brand Development Executive, Best Western Great Britain

Following an extremely successful fund in Spring of 2015 to purchase The Hind Hotel in Wellingborough, we are delighted to bring you the much anticipated second Phase of the project in partnership with **Hotels By Endeavor Ltd (HBE)**.

At the beginning of May, completion and exchange simultaneously occurred thanks to the support of investors, leading to Ian Hamilton of HBE taking immediate control in his role as owner and General Manager with assistance from his brother Ross. The pair have more than 60 years' experience

in the ownership and management of private and franchised hotels, hospitality and event companies in the UK, Canada and Russia, so were ideally suited to the task at hand: restoring The Hind Hotel to its former glory. Ian and Ross are already doing a fantastic job with renovations underway and business flourishing. Occupancy is already up from a 67% average to 90% in the week and 75% over the weekends.

Investors are invited to join forces and become a part of English history from just £10,000 by participating in Phase II of The Hind Hotel project.

Purchased from a couple who wished to retire, this already operational and profitable Hotel has already benefited hugely from having a new owner who can dedicate the time needed to bring it back to its former glory and achieve the fantastic level of profit it is capable of.

This Grade II Listed English Heritage Building has been conditionally granted a **significant non-repayable grant** from the local Council together with Heritage/Lotto Funding, and private funds are available in addition which will be used to improve, renovate, expand, rebrand and re-launch the Hotel.

Once renovated, The Hotel is expected to join the UK's leading franchised brand, **Best Western Hotels** - The World's Biggest Hotel Family with more than 4000 hotels in over 100 countries and territories worldwide. Discussions and agreements are firmly in place, subject to the necessary refurbishments taking place.



Investment Summary



Hotels By Endeavor Ltd seeks to raise £1.33m by means of Loan Notes, and secured by a **Debenture**, which will include a First Legal Charge over the building itself and a floating charge over the other assets of Hotels By Endeavor Ltd.

Monies raised in this second and final fund complete upon the two-fold model by repaying the purchase loan and covering initial renovations. The non-repayable grant will then cover up to 90% of the refurbishment costs.

The grant will be used to complete the renovations and re-branding, including the successful application to join the Best Western Franchise System at a minimum 3-Star level, thereby realising an automatic increase in room rate, occupancy and profit.

The already operational and profitable Hotel is to remain open throughout renovations to preserve goodwill and cash flow over this period of up to 12 months.

This second and final fund replaces the lending from the first phase with a more manageable and sustainable term for the developer by buying out the charge over the equity in the first fund - raising investment to the new increased valuations to be able to do so in full.

The Hotel has a significant advantage over other commercial development projects, not least because it is already operational but also because it needn't raise nor repay up to 90% of the funds required to refurbish the hotel, which diminishes the possibility of being over exposed.



Property Details

The Hind Hotel is a **Grade II Listed English Heritage Building**, situated right at the **centre of the Wellingborough's market square**. Having been a Coaching Inn since it was built over 350 years ago, the site is of massive historical importance. In fact, Sir Oliver Cromwell famously plotted various campaigns from the Hotel to include The Battle of Naseby in 1645, and is also said to have slept in the hotel. Nearly bombed during WWII, the Hind has stood the test of time and is ready for improvements, renovations, a re-brand and a re-launch in 2015.

Currently consisting of 34 en-suite bedrooms and suites (to be increased to 40), 2 restaurants, a café, a bar and 3 historical function rooms which play host to weddings, conferences and events, there is great potential to create further suites (planning permission is already in place) and to **improve the overall management of the hotel**. The hotel currently hosts over 60 events every year with Hotel's marriage license allowing for the average wedding spend to come in at over £3000.

The hotel itself has a number of parking spaces topped up by local spaces in the shopping centre opposite.

Given the historical importance of the building, the local council combined with **The Heritage Lottery Fund** have offered substantial **non-repayable backing**. This grant constitutes up to 90% of the total refurbishment cost and will be used to restore the building to its former glory. It requires some updating as well as some structural work to the roof, masonry and windows.

This generous offer provided a **perfect investment opportunity** to purchase the hotel as a going concern and make use of a significant sum of available non-repayable funds to **improve the asset**, and in turn **increase the profitability** of the Hind providing ample resources to repay investor monies. Now that the purchase is complete, all that remains is to get to work on renovations and improving the functionality of the hotel. The council have a duty to protect building of historical importance and as such are very keen to get works underway with the new owner - Hotels By Endeavor Ltd in partnership with Security Trustees, Capitalise Invest Ltd. These works have already begun using the reserves of Hotels By Endeavor, which in turn serves as a trigger for the release of the grant funds.

The Business: Key Facts

Despite requiring structural and aesthetic rejuvenation, even pre-purchase The Hind Hotel was demonstrating consistent year on year net turnover of £600-650K, with profit of over £150K EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization, or put simply, Revenue minus Expenses).

There was room for much improvement to take the 58% occupancy rate skywards and to surpass the national 67% average, and Ian of Hotels By Endeavor has already done an incredible job since May of **raising this figure to 90%** Monday to Thursday and **75%** over the weekend.

Incidentally, since **BEST WESTERN** have approached Ian to express serious interest in franchising The Hotel once renovated - this will provide an immediate 10% increase in revenue and profit once all 40 rooms and suites are operated through their systems.

A new joint Core Strategy for North Northamptonshire (right) is committed to building 35,000 homes with supporting infrastructure over the coming years, creating 31,000 jobs locally, bringing new commerce to the area and increasing its population size to well above 100,000 residents.



A direct train link taking just 1 hour links the market town of Wellingborough with London St Pancras.

A strong new food and beverage program is already being gradually introduced with further changes scheduled throughout the year. This will bring a trend setting family BBQ dining experience together with a whisky/craft beer strategy to capitalise on the growing disposable income of local residents on London Salaries.

Profit and Loss Forecast 2015 - 2019

	2015	2016	2017	2018	2019
Gross Revenue (net of VAT)	£787,941.00	£889,765.00	£943,340.00	£982,868.00	£1,037,540.00
Cost of Goods	£118,600.00	£122,155.00	£125,650.00	£131,950.00	£134,500.00
Expenses	£530,984.49	£592,046.08	£601,797.90	£630,332.95	£672,651.10
Net Revenue (EBITDA)	£138,356.52	£175,563.93	£215,892.10	£220,585.05	£230,388.90



On June 11th **The Cromwell Bar** was officially launched by the Town Mayor and his wife at The Grand Opening. Attended by many key Wellingborough citizens, such as the local council officers, this was a great evening to kick off the first of many positive changes to be made for the good of the Hind and the good of the town.

We were overwhelmed with the support and well wishes offered by the local community when Ian first took the reins, however we have been completely bowled over with the good reviews and kind words since the locals have been visiting the Hind over the last few months. It is quite clear that the Hotel holds a place dear to the hearts of the Wellingborough Community and has served them all over the years as a wedding venue, restaurant for that special occasion, place of work, event venue and above all the cherished local pub which was always packed to the rafters in its heyday.

The way things are going, those days are no longer a thing of the past, and The Hind Hotel is well on its way to becoming the town's bustling iconic anchor once more.

By direction of Messrs. William Dailly & Sons, Limited, who are retiring from business.

1921.

WELLINGBOROUGH

NORTHAMPTONSHIRE.

The Hind Hotel

with Garages, Large Yard, etc.

EXTENSIVE

BREWERY PREMISES

Covering an area of nearly 2½ acres.

THREE DESIRABLE RESIDENCES with Gardens and Appurtenances.

16th CENTURY DWELLING HOUSE.

TWO COTTAGES, GARDEN, &c.

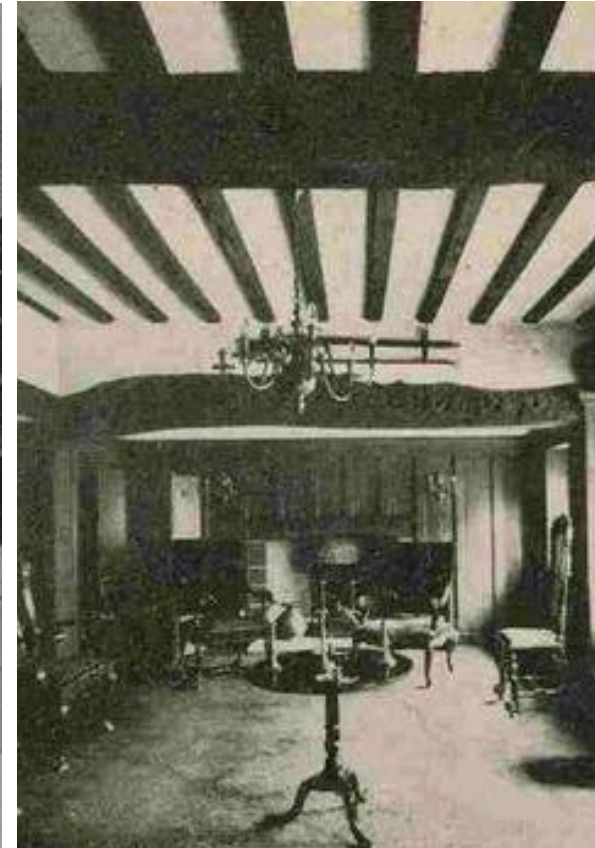
SOLICITORS:
Messrs. Edd Shurman & Co.,
52, Bedford Row, London, W.C.
(Tel. Holborn 3428 & 3429.)
W. F. & W. Wellingborough
Dorchester. (Tel. 111.)

SURVEYORS:
Messrs. Talbot Brown & Faint,
Wellingborough.
(Tel. 217.)

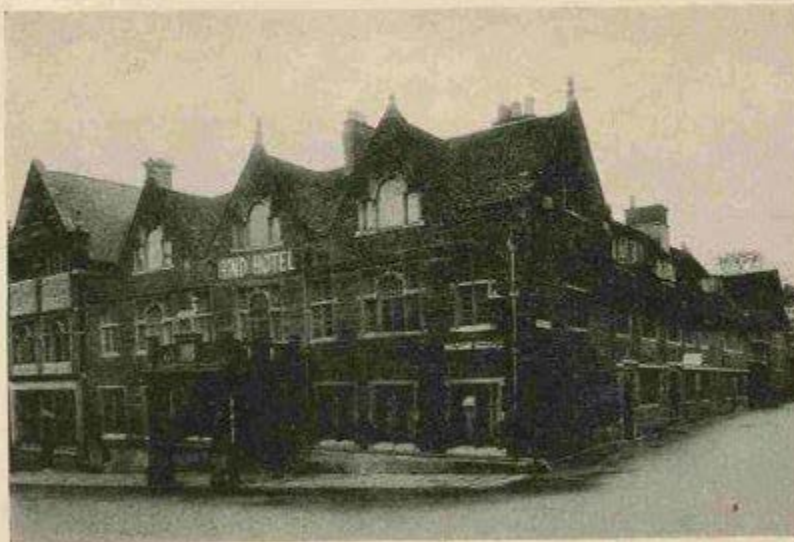
AUCTIONEERS:
Messrs. Poulton & Son, Ltd.,
Wellingborough.
(Tel. 493.)



Hind Hotel 1910. Note Midland Railway horse bus



THE HIND HOTEL - WELLINGBOROUGH



A.A. R.A.C.

XVII Century

Hot and Cold
Water in
all Bedrooms

SPECIAL
COMMERCIAL
TERMS

Billiard Room
and Garage

MODERN COMFORT IN ANCIENT SURROUNDINGS.

TEL. No. : WBRO 209511



The Investment Opportunity in Detail

The Security Trustees have structured the innovative two-fold model from the ground up with their team of solicitors and accountants with the interests of investors at heart. By retaining shares in the operating company of the hotel (Hind Hotel Ltd), power of attorney over Hotels by Endeavor Ltd and through their position as Security Trustees for the asset, Capitalise Invest can be sure that they have maximum control over this project to protect investors and their funds.

Interest accrues from the first day of the month following cleared funds, and investors will receive a Loan Note Certificate carrying a summary of the loan details, in addition to having their name added to the charge document held at the Land Registry.

The Hind Hotel investment **is fully secured**, totally **hands-free** and there are **absolutely no fees or costs** involved. The project is Fully Asset Backed with funds only raised to the value of the asset.



The Opportunity

Investors are invited to participate in this lucrative opportunity from just **£10,000**.

Loan Notes of £5,000 are available, with the **minimum subscription of 2**. The Loan Notes will provide the capital needed by Hotels By Endeavor Ltd to repay the purchase loan and to begin initial renovations. The non-repayable grant will then cover the remaining 90% of refurbishment costs.

The Term

The investment runs over **1-5 years** with the opportunity to exit from the first anniversary by giving 3 months' notice. Quarterly payments will be made throughout the term and an additional premium payment will be made upon exit should the exit be initiated by Hotels By Endeavor Ltd.

The Security

The most important factor when considering projects to offer to our investors is security. We are pleased to offer an incredibly high level of security with investment into the Hind, which can be summarised in the following points:

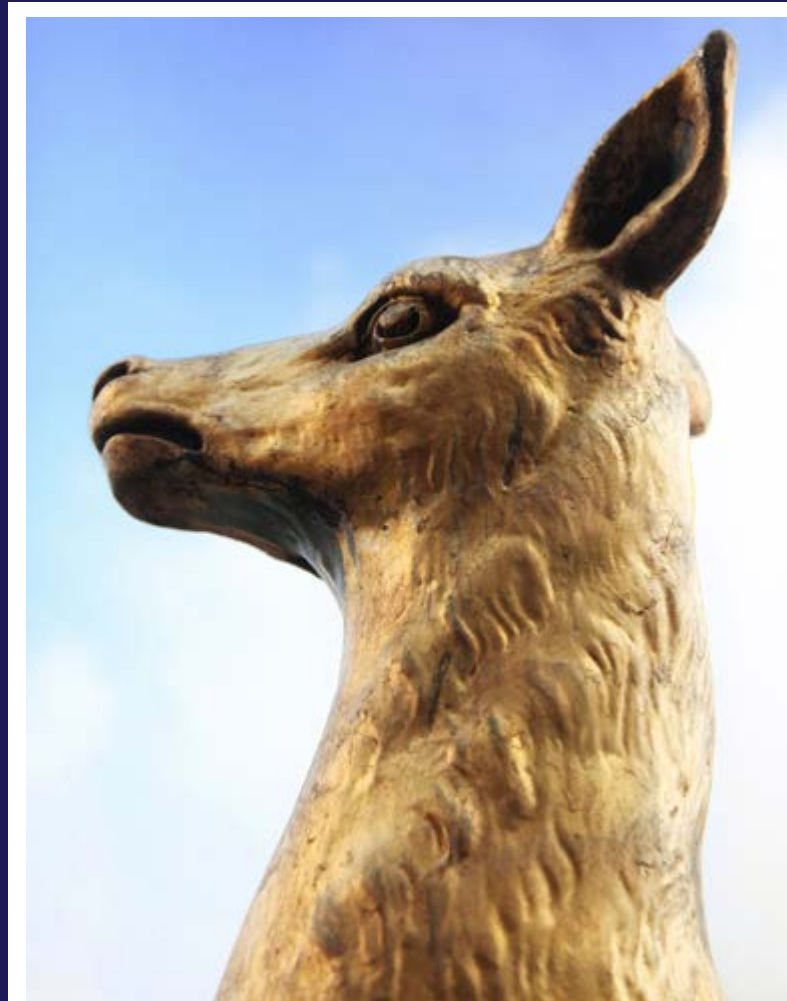
Escrow - all funds are received securely into the Security Trustee escrow account and are distributed systematically to Phase 1 investors. No monies are passed to Hotels By Endeavor until this condition has been met which ensures that the original debt is steadily reduced.

Loan Notes - as a legally binding loan agreement with pre-determined collateral, Loan Notes are the most secure way to lend since they provide the **ultimate in security**.

First Charge - Loan Notes provide investors with a first charge over the Hotel building equal to the invested sum. A first charge has absolute priority above all other creditors, so in the event of a default situation where the hotel would be sold according to the legal agreement, investors would be due their share of the proceeds above all others. As investors from Phase I are removed from the Trust Debenture, Phase II lenders are added. The Debenture is granted to a security trustee, who will act as trustee and agent for all of the Noteholders. The initial security trustee will be Capitalise Invest Ltd, though the Noteholders have the ability to appoint another person or company as a replacement security trustee, if they so wish in the future.

Asset Value - For every £1 raised, there is £1 of value in the property in its current state - this value will increase as works are undertaken and new valuations will be undertaken accordingly.

Council Grant - The availability of this non-repayable grant negates the need for any further lending for development, thus much reducing the level of exposure and liability on the asset.



The Returns

Investors can benefit **from two separate income streams** from involvement in Phase II of the Hind Hotel project.

Regular Income: A return of 8% is offered, which is paid quarterly at 2% every three months.

Lump Sum: Upon exit initiated by HBE Ltd at end of Year 5 or earlier, investors will receive their capital back plus an additional premium of 10%.

Exit Year	Year1	Year 2	Year 3	Year 4	Year 5
Investment	£50,000	£50,000	£50,000	£50,000	£50,000
Annual Return	8%	8%	8%	8%	8%
No of Quarterly Returns	4	8	12	16	20
Total Quarterly Returns	£4,000	£8,000	£12,000	£16,000	£20,000
Exit %	100%	100%	100%	100%	110%
Total Return	108%	116%	124%	132%	150%
Monies received at the end of term (Exit Premium plus Quarterlies)	£54,000	£58,000	£62,000	£66,000	£75,000

Returns are calculated from the **first day of the month** following cleared funds.

For cash flow purposes, the first quarterly payment is deferred until Quarter 2 where a double payment is made.

The Exit

Investors can exit the investment on any quarter date from the first day of the month following cleared funds by giving 30 days notice. Early exit will incur a small fee for the cost of reallocating the returned Loan Note. The exit premium is available to those able to remain invested until HBE Ltd redeems Loan Notes, which may be at any point in the term of the investment.

The Security Trustee's accountancy firm have direct access to the Hind Hotel bank account, and shall be making the payments to investors each quarter and on exit. Since Loan Notes pay interest, HMRC dictates that basic rate tax should be deducted at source. Should an investor be due to pay more or less tax, they should complete their tax return accordingly. Overseas investors can apply for an amended rate of tax to be applied to their returns by providing a Certificate of Residency for a country with a Double Taxation Treaty with the UK.

Investment Process

- All investors must complete and sign a **Sophisticated Investor**, **High Net Worth**, or **Restricted Investor** form before having the application details made available to them. This ensures that all interested parties are suitable to receive the offer, in accordance with current regulations.
- Once you have received the full application details, the process couldn't be easier.
- Simply make sure you are happy with all of the terms as detailed, and return the **Application Form** back to us with a copy of your **passport** and recent **proof of address**.
- Shortly after an **Anti-Money-Laundering** check on your ID, you will be requested to transfer funds to the **ESCROW account**.
- Interest begins **accruing** on the **first day of the month** following cleared funds, with the first (double) payment following six months later. Payments will be made every quarter from there.
- Investors will receive a **Loan Note Certificate** showing details of their investment, and their name shall be added to the register of Loan Noteholders, which in turn is represented through the Trust Debenture.



The Developer - Hotels by Endeavour Ltd



Ian Hamilton - General Manager/Director

Ian Hamilton has a distinguished career in the hospitality, events and communications fields garnered over 30 years and 3 continents.

He has worked internationally and delivered programs at 7 Olympic Games since Calgary

1988. During the most recent Winter Games in Sochi Russia, he developed and managed an integrated \$65m Cruise Ship program for 5 European cruise ships used as floating hotels during the Games. These ships provided accommodation, food and beverage, and hospitality for some 14,000 guests for 45 nights on time and on budget.

During the Vancouver Olympic Games, Ian served as the Director of a leading Canadian Events company that provided accommodation, catering and hospitality for 10,000 guests including the Presidential Commission of the Russian Federation (Kremlin), the Deputy Prime Minister of Russia (Mr Kozak), International Olympic Committee, Sochi 2014 Organizing Committee and private companies including Acer, Air Canada, MegaFon, DB Schenker and Volkswagen Group Russia. He delivered \$22m in gross revenue with a net

profit of \$6m to the company. He managed and directed a team of 80 staff to an award winning result.

From 1974, Ian developed his passion for hotels and hospitality in his hometown of Kingston Ontario where his family owned and operated several hotels and motels. From an early age he learned the benefit of hard work, customer service and a passion for hospitality excellence. He studied Hotel & Tourism Management at Seneca College in Toronto with 2 years of internship at the 5-Star Fairmont Banff Springs Hotel. He speaks English, French and limited Russian.

From 1984-1993, Ian served the former Prime Minister of Canada, the Rt. Honourable Brian Mulroney and his government in a variety of Executive and Communications management roles. During this time, he had senior operational roles in the management and hospitality of bilateral Heads of State Meetings, the World's Expo 86, the Calgary Winter Olympics and numerous party conferences and events. He is proud to be acknowledged by the Prime Minister in his autobiography as being crucial to his leadership.

Ian is live-in General Manager of the Hotel and has assembled a world-class team to re-develop, brand and manage the hotel under his direction. He is a hands-on manager, dedicated to leading by example and setting the tone and experience for the finest in guest experiences and to maximize revenue and profit and ROI to investors.

Ross Hamilton - Consultant

Ross Hamilton enjoys a distinguished hotel career spanning some 40 years in Canada and Scotland. He will serve the operating company as consultant for the first years of operation.

Arriving in Scotland in 2004, Ross served as Manager of Skeene House Whitehall at Aberdeen for 2 years prior to his taking over the Haven Hotel as owner. At Skeene House, he was involved in all aspects of the day to day management of the 45 all-suite hotel including the rooms division, food and beverage and hiring, training and supervision of a staff of over 30 people. During his tenure, revenue increased by 32%, with only a corresponding increase in expenditure of 4.5%.

From 2007-2013, he owned and operated the Haven Hotel in the Scottish Highlands generating £400k annually in revenue over 14 letting rooms and a 40 cover restaurant and bar with consistent y/y growth in profit and revenue. Situated in a picturesque village, the Haven Hotel was a seasonal business closing for 2 months each year. He is a Scottish License Holder and Member of the Scotch Malt Whisky Society. During peak holiday/event periods, his brother Ian would join the team running the bar and overnight management.

Prior to emigrating to the UK, between 1990-2004, Ross served as Assistant General Manager of a family owned branded and franchised hotel business in the 1000 Islands Canada with 200 rooms, 6 restaurants and bars and leisure facilities.



He has extensive experience with Holiday Inn, Quality, Comfort and Econo Lodge brands of hotels and motels.

Like Ian, he too honed his interest and passion for the hotel business while a member of the management team of their family owned hotel business in Canada.

Risk Warning

The information in this Executive Summary is indicative only and is not an offer of or invitation to engage in any investment activity. It does not and is not intended to constitute any form of financial promotion within the meaning of the Financial Services and Markets Act 2000.

The value of any investment in any property can go down as well as up and investors may lose all or part of the money they invest. Whilst investment opportunities will generally be secured against real property, prospective investors must understand that the risks associated with investments generally, including real estate investment, such as economic factors, which can affect (positively and negatively) market values of the same. Whilst every effort has been made to minimise the risks associated with investment into Hotels By Endeavor Ltd with relation to The Hotel, and a default mechanism is in place within the legal documentation to instruct sale of the asset should the hotel fail, the following must be noted:

The return of your capital and your interest could be negatively affected if:

- Property prices decrease
- The property cannot be sold at full value
- Unforeseen maintenance or repairs are needed further to those extensively detailed in the valuation appendices

As a result your return may be lower than predicted and you could lose the whole or part of your investment.

Additional Risk Warnings

The purpose of this Executive Summary is to assist you in deciding whether you wish to proceed with an investment in Hotels By Endeavor Ltd (the Proposed Investment). This Executive Summary does not constitute an offer or invitation in respect of the Proposed Investment or any other sale or purchase of securities. The information in this Executive Summary, which does not purport to be comprehensive, has been has not been independently verified. While the Executive Summary has been prepared in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by Capitalise Invest Ltd, Hotels By Endeavor Ltd or by any of their respective officers, employees or agents in relation to the adequacy, accuracy, completeness or reasonableness of this Executive Summary or any other information (whether written or oral), notice or document supplied or otherwise made available to you in connection with the Proposed Investment.



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