



BRAINTREE
ESSEX





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Chelmsford 13 miles
Bishop's Stortford 19 miles
Colchester 19 miles
(all distances are approximate)

**A profitable health and fitness club,
located within one of the county's
fastest growing towns**

BACKGROUND

Xpect Health and Fitness opened in May 2003. The original building was developed in 1989 by Crittall, a substantial Braintree based manufacturing company, as a purpose built sports and social club for its employees. Purchased by Xpect Leisure in 2001, the building was comprehensively refurbished and substantially enlarged, to provide modern health and fitness club accommodation, fitted to a high standard.

Since opening, the club has traded strongly, benefiting from limited competition in its catchment and substantial population growth which is set to continue as a result of further housing development in and around Braintree. The club maintained membership levels and profitability throughout the recession with further growth now arising as the economy improves.





SUMMARY OF ACCOMMODATION

- Building extending to 1,858 square metres (20,004 sq ft, gross internal area)
- Reception, Offices, Cafe and Crèche
- Gym, Weights Room, Studios and Changing Rooms
- 20 Metre Pool, Spa Bath, Sauna and Steam Room
- 103 car parking spaces
- Land for further development (subject to planning permission being obtained)
- Site extending to approximately 1.39 hectares (3.43 acres)



LOCATION

Xpect Health and Fitness is located on the west side of the town, within the thriving Springwood business and industry area.

The town has grown rapidly over the last 15 years, being a focus for housing development within the county. In particular the development of Great Notley Garden Village, consisting of 2,000 homes and a 500,000 square feet employment park to the south west of the town, close to Xpect, and Kings Park and Marks Farm Village on the east side of the town formed a significant part of Braintree District's planned development of 10,300 dwellings between April 1996 and March 2011.

Braintree District Council has now adopted a Masterplan as part of their Adopted Core Strategy, for a major mixed-use urban extension over circa 44 hectares (108.73 acres) to the North West of the town. The allocated land lies immediately to the north of the Xpect site, and will include a new North West distributor road for Braintree, which will link to Springwood Drive, immediately to the west of Xpect Health and Fitness. This will substantially increase passing traffic from the new development, leading to the A120 Braintree southern bypass. The Masterplan includes 600 houses, a school, and 15 hectares (37.07) acres of land allocated for business purposes, part of which has been set aside for Braintree Football Club.

Road communications to Braintree are excellent via the A120 dual carriageway which lies 1.25 miles to the south of the property and comprises the main east-west route through Essex. It provides access to Junction 8 of the M11, close to Stansted Airport, 16 miles to the west. The A120 also links to the A12 dual carriageway to the east, providing access to Colchester, approximately 17 miles distant.

Access to the city of Chelmsford, located 14 miles to the south, is also good via the A131 road, much of which is dual carriageway.

These strong road communications should continue to support further growth in both residential and commercial activity at Braintree, in the future.

The 2011 Census records a population of 147,100 for Braintree, an increase of 11.3% since 2001, and nearly twice the average growth for Essex of 6.3% during the same period.

THE LEISURE CLUB BUILDING

The building extends to 1,858 square metres (20,004 sq ft, gross internal area) and provides the following principal accommodation:-

Ground Floor

- Reception area with barrier entry system
- Café providing 32 covers
- Physiotherapy treatment room
- Beauty treatment room
- Holistic studio/Crèche with adjoining toilets and store room
- Spinning studio with 19 Keiser spinning bicycles, sound system, air conditioned
- Male changing area with toilets and showers
- Female changing area with toilets and showers
- 20m x 8m swimming pool
- Sauna
- Steam room
- Spa bath
- Kitchen with adjoining cellar/store room
- 2 offices/store rooms
- Plant rooms

First Floor

- Landing area accessed via stairs or passenger lift
- Resistance and free weights gym with air conditioning
- Fitness assessment room (via free weights gym)
- Main aerobics studio with sprung timber floor, mirrored walls, sound system and air conditioning
- Main gym accommodating a combination of 81 Life Fitness resistance and cardiovascular stations, a Milon Training Circuit with 12 stations, FitLinxx gym management system and air conditioning.
- Office



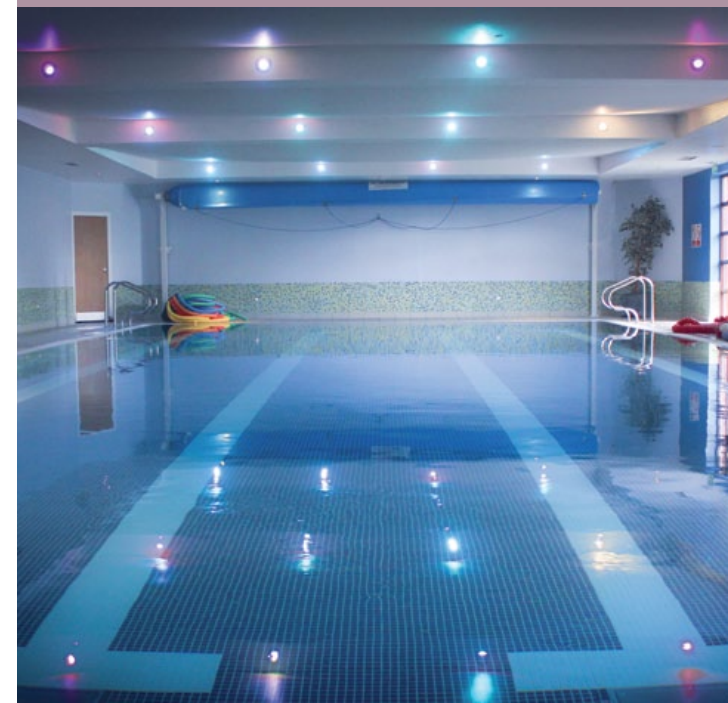
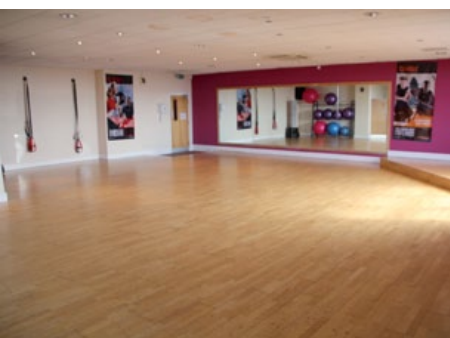


SITE AREA AND CAR PARKING

The site extends to 1.39 hectares (3.43 acres). The building is located centrally within this area. To the south is a tarmac surfaced car park providing 103 spaces. To the north of the building is an area of unutilised open land and a small pond, which offers scope for development of further leisure facilities.

DEVELOPMENT POTENTIAL

In June 2004, planning permission was granted to construct a 2-storey extension to the west side of the building to enable development of a beauty treatment suite, and extension of the first floor gym and studio. Construction of an outdoor swimming pool on the north side of the building was also approved. The planning permission also allowed construction of changing rooms adjoining the eastern side of the building, and development of 8 seven-a-side football pitches and 3 tennis courts, on land to the east of the building. The land to the east of the building has since been sold.





Master Plan for North West Braintree urban extension with Xpect site superimposed upon it.

THE BUSINESS

Tariffs

Various categories of membership are operated, and tariffs are reviewed annually. The principal membership categories and fees effective from 1 April 2015 including VAT are summarised below:-

Category Of Membership	Monthly Subscription	Joining Fee £
Premier (minimum 12 months)	55	65
Premier Over 65	30	50
Premier Swimming Only	33	50
Standard (monthly)	65	65
Standard Student	35	65
Standard Youth (16-18)	32.95	50
Standard Junior (5-15)	16	35

Membership Numbers

Xpect Braintree first opened in May 2003, and grew to a peak membership of 3,050 in October 2004. Membership declined during the recession but has recovered from an average of 2,229 during 2011, and as at March 2015, there were 2,376 members within all categories with an average membership yield of £41.46 (including VAT). The directors of Xpect Braintree project net membership growth to 2,600 by 2019, largely as a result of the adjacent new housing development.

Trading Performance

The business is operated by Xpect Braintree Limited. Trading performance of the business over the last four years is summarised below:-

	Year ending 31/12/11 £	Year ending 31/12/12 £	Year ending 31/12/13 £	Year ending 31/12/14 £
Income (net of VAT)	1,055,458	1,080,939	1,127,490	1,191,909
Cost of sales	(42,522)	(26,557)	(28,492)	(37,402)
Operating costs	(665,215)	(671,250)	(709,176)	(727,428)
Profit before tax, finance and depreciation	347,721	383,132	389,822	427,079

The foregoing profit excludes internal management charges between Xpect Braintree and Xpect Leisure Limited, the parent company through which the current owners hold the asset. No day-to-day operating costs are incurred by Xpect Leisure Limited, but one of the director shareholders supervises the management team employed by Xpect Braintree Limited. It is the directors' intention to sever the employment of the director shareholder on completion of a sale.

Continued growth in the population of Braintree and in particular the proposed development adjoining the northern boundary, which will improve road access to the club, are expected to enable membership growth to be achieved in the future.

There is limited competition from branded clubs in the Braintree catchment area, the nearest nationally recognised health club brands being located in Chelmsford, apart from The Club Company sites at Earls Colne (12.8 miles) and Witham (10.8 miles).

The Essex Local Economic Assessment, published by Essex County Council states that Braintree has a number of expanding sectors, including construction, land transport and personal services. The report describes the local economy as strong and productive enjoying significant growth in recent years with no severe deprivation. The Braintree district remains prosperous and according to estimates from the ONS, all areas are predicted to experience substantial population growth up to 2031.

SERVICES

The property is connected to mains water, electricity, gas and drainage.

The building is heated by gas. The main gym, resistance/weights gym, spinning studio and aerobics studio are air conditioned.

LICENCES AND CERTIFICATES

The café has a premises licence permitting the sale of alcohol.

FIXTURES, FITTINGS AND EQUIPMENT

The majority of fixtures, fittings and equipment used to operate the business are owned outright, and are included in the sale. The exceptions are 17 spinning bikes which are held under a lease which expires in January 2016 and a drinks machine lease which ends in December 2015. The cost of these agreements is excluded from the operating costs summarised above. The monthly costs of the spinning bikes and the drinks dispenser are £482 and £511 a month respectively.

TOWN AND COUNTRY PLANNING

The Masterplan detailing the scope of development which will take place on adjoining land to the north of Xpect Braintree was adopted in December 2012. It identifies development of the commercial areas commencing as soon as demand requires. The

residential development is scheduled to commence as soon as a detailed planning permission is approved, and the first homes are planned for occupation in 2018. The first phase of residential development will occupy land adjoining the Xpect Health and Fitness club.

A copy of the Masterplan is in the data room for the sale of Xpect Braintree, and further information on the proposals and general planning information can be obtained from:-

Braintree District Council, Development Management, Causeway House, Bocking End, Braintree, CM7 9HB
Telephone 01376 557779. Email: planning@braintree.gov.uk

BUSINESS RATES

The current rateable value of the property is £153,000, giving rise to rates payable of £75,429 for the year ending 31 March 2016.

STOCK

In addition to the purchase price, all consumable stock is to be purchased at valuation, upon completion.

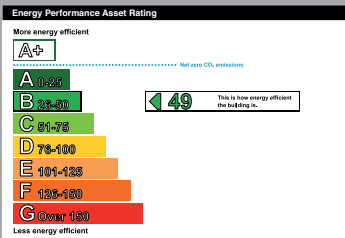
TUPE

With the exception of the director shareholder, purchasers will be required to comply with the relevant legislation in respect of current employees.

VAT

Should the sale of the property or any right attached to it be deemed a chargeable supply for the purpose of VAT, such tax shall be payable by a purchaser in addition to the sale price.

ENERGY PERFORMANCE CERTIFICATES



A full copy of the Energy Performance Certificates is available on request or alternatively can be viewed in the online data room.

TENURE AND BASIS OF SALE

The freehold interest in the property is held by Xpect Braintree Ltd. Vacant possession of the property will be available upon

completion of the sale, subject to:-

- Ongoing rights of health and fitness club members
- Licences granted to providers of chiropractic, physiotherapy, nutritional and beauty treatment services, each of which occupies designated rooms within the building.

Xpect Health and Fitness is owned by Xpect Braintree Limited, which is a subsidiary company of Xpect Leisure Limited. The primary asset of Xpect Leisure Limited is Xpect Braintree Limited.

It is the vendor’s preference that sale of the Xpect Health and Fitness club will comprise transfer of the entire share capital of Xpect Leisure Limited and its wholly owned subsidiary Xpect Braintree Limited.

FURTHER INFORMATION AND VIEWINGS

An online data room providing detailed information in relation to the property and business is available to seriously interested parties, subject to signature of a confidentiality agreement.

Viewings are to be undertaken strictly by appointment through the selling agent, in order to avoid disruption to the business.

For further information or to arrange a viewing, please contact Savills, Wytham Court, 11 West Way, Oxford, OX2 0QL:-

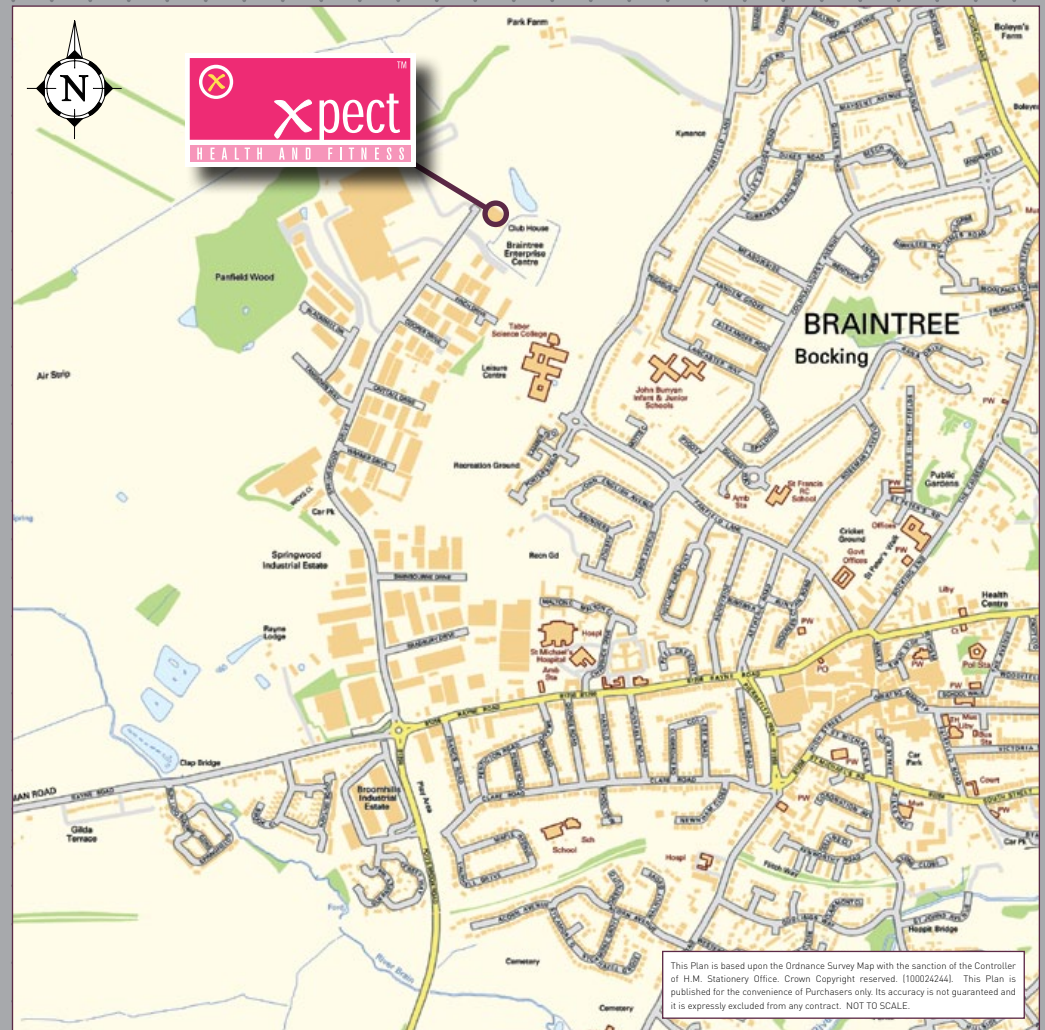
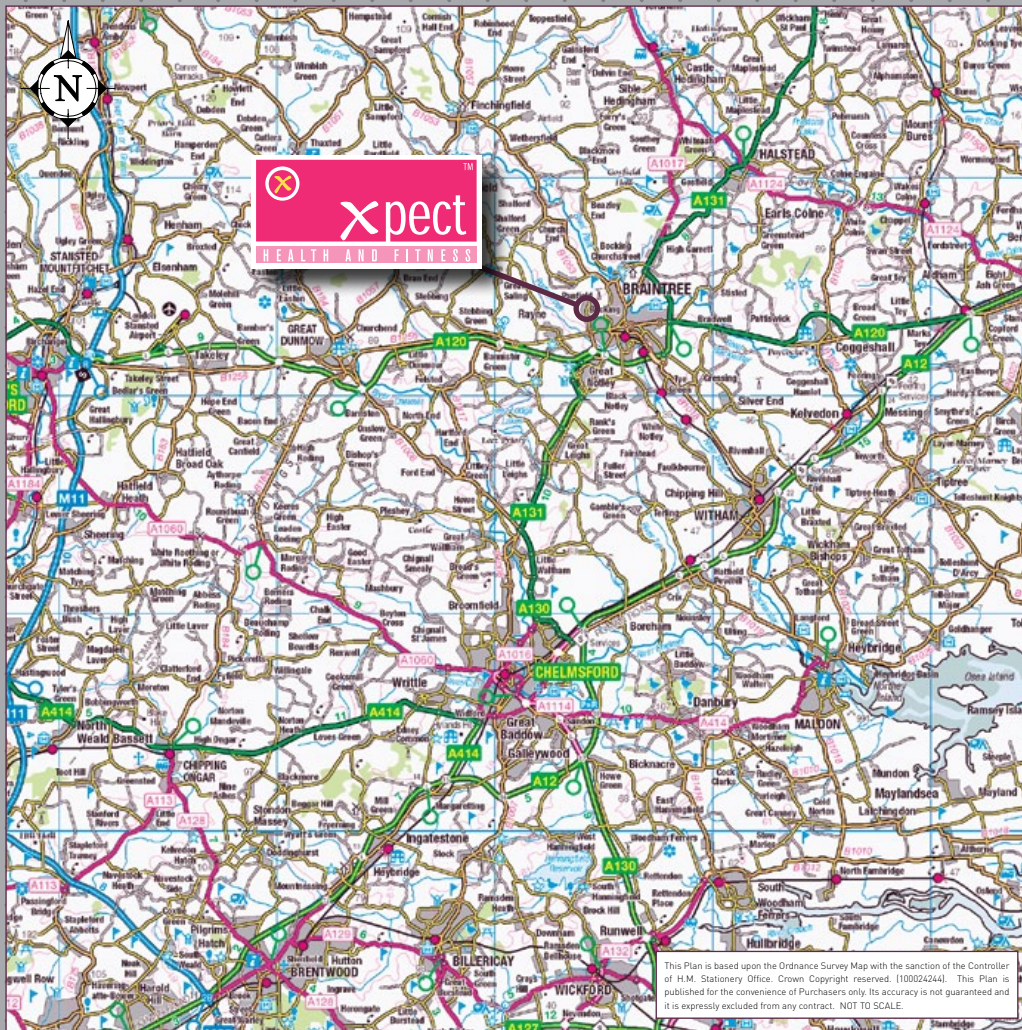
Contact: Ian Simpson +44 (0)1865 269022 +44 (0)7967 555478 isimpson@savills.com	Contact: Angie Simmons +44 (0)1865 269015 asimmons@savills.com
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DIRECTIONS

From the A120 dual carriageway, take the exit signposted Chelmsford (A131) and Braintree west/industrial area. At the interchange roundabout, take the exit north towards Springwood Industrial Estate onto the B1256. Go straight over the first roundabout onto Springwood Drive. Xpect Braintree is at the north end of Springwood Drive, on the right hand side.

The postcode for the property is CM7 2YN.



savills.co.uk/leisure

IMPORTANT NOTICE

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Photographs taken March 2015 and August 2014. Sale particulars prepared April 2015