

Dear Shareholder,

Peel Hotels Limited Trading Platform

I last wrote to all Shareholders prior to delisting and the cancellation of trading on the AIM Market and at that time undertook to investigate various platforms whereby Shareholders could buy or sell their Ordinary Shares in Peel Hotels Limited (“Shares”) should they so wish.

The Board has elected to appoint Asset Match, a firm authorised and regulated by the Financial Conduct Authority, who will operate an electronic off-market dealing service for the Shares. This facility will allow Shareholders of the Company (“Shareholders”) to trade their Shares by matching buyers and sellers through quarterly auctions. Shareholders will continue to be able to hold their Shares in uncertified form (i.e. Crest) and should check with their existing Stockbroker that they are able to trade unquoted Shares. The Asset Match trading facility operates under its own code of practice which governs the behaviour of participants and the running of the auctions. Asset Match operates an open auction system where volumes of bids and offers at different prices are displayed on its website. At the end of each auction period Asset Match pass the information through a non-discretionary algorithm that determines a “fair” Share Price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the end of the quarterly period. Shareholders wanting to trade Shares through Asset Match must do so through a Stockbroker.

Full details can be found at www.assetmatch.com. Please direct any enquiries to dealing@assetmatch.com or telephone 0207 248 2788

Shareholders should be aware that we are now unable to reach out to individual Shareholders who hold their Shares within Nominees. Therefore Company information is reliant on the Nominee passing the information to the individual shareholder. Should you wish us to write directly to you in the future please send us your full address.

Half-Year Results

We apologise for the late mailing of our Interim results but it was thought more efficient to send all important current Shareholder information in one mailing.

In the 28 weeks to 11 August 2019 hotel revenues increased 3.0% to £8,336,570 (2018: £8,096,128). Hotel gross profit before depreciation and Group administration decreased 0.4% to £989,897 (2018: £994,067). Over the same period EBITDA (earnings before interest, tax and depreciation) decreased 14.0% to £558,506 (2018: £649,534) and operating profit decreased 22.8% to £170,993 (2018: £221,498).

Revpar (accommodation revenue per available room) increased 2.3% with occupancy up 1.8% and average room rate up 0.5%.

Administration expenses increased 25.2% to £431,391 and depreciation decreased 9.5% to £387,513.

Financial charges increased by 3.0% to £218,857

Loss before tax was £47,864 compared to a profit of £8,972 last year.

Corporation tax has been provided at an effective rate of 19%. Basic earnings per share were -0.3p compared with 0.1p in the comparative period on a weighted average of 14,012,123 (14,012,123) shares in issue.

Finance

On 11 August 2019 net debt stood at £8,566,001 representing loans totalling £9,058,539 less £492,538 cash at bank. Gearing on Shareholders' funds was 36.9% with interest covered 0.8 times. Net debt decreased by £404,190 compared with the previous year end.

Capital expenditure

We spent £265,633 in the period (2018: £151,885). We planned and have to spend a total of £500,000 in this financial year on our strategy of continually improving the standards offered in our portfolio of hotels and maintaining the fabric of our buildings. This sum is in addition to a significant sum expensed to the Income Statement on repairs and renewals.

Fire at the Caledonian Hotel in Newcastle

Shareholders should be aware that we had a fire at the Caledonian Hotel in Newcastle on the 4 October 2019 which caused significant damage to the Property. Our Staff did a magnificent job in evacuating all the Guests in the building safely and relocating them speedily. We are fully insured not only for the damage but the business interruption.

Shareholders

We are always delighted to welcome Shareholders to our Hotels where they can see for themselves the progress we have made, whilst enjoying a beneficial discount of 50% of our rack rate tariff, using a special reservations number 0207 266 1100 or e-mail info@peelhotel.com Shareholders can keep in touch with progress in the company and various promotional activities by visiting our website www.peelhotels.co.uk

Financial Year Ending 26 January 2020

The snap election slowed our Sales growth somewhat in October, November and the beginning of December resulting in a similar outcome to the previous year. Revpar increased 1.1% with occupancy up 0.64% and Average Room Rate up 0.47%. Shareholders will receive the annual report in due course together with a venue and date for the Annual General Meeting.

Robert Peel

Chairman

10 February 2020

CONTENTS

	Page No.
Group Statement of Comprehensive Income	4
Group Statement of Changes in Equity	5
Group Balance Sheet	6
Group Cash Flow Statement	7
Hotel Directory	8

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the 28 weeks ended 11 August 2019

	Note	Unaudited 28 weeks ended 11/08/2019 £	Unaudited 28 weeks ended 12/08/2018 £	Audited Year ended 27/01/2019 £
Revenue		8,336,570	8,096,128	15,589,485
Cost of sales		(7,346,673)	(7,102,061)	(13,546,611)
Gross profit		989,897	994,067	2,042,874
Administration expenses	(431,391)	(344,533)	(659,999)	
Exceptional expense	-	-	-	
Depreciation	(387,513)	(428,036)	(802,898)	
Total admin. expenses		(818,904)	(772,569)	(1,462,897)
Operating profit		170,993	221,498	579,977
Finance expense		(218,857)	(212,526)	(400,774)
Profit before tax		(47,864)	8,972	179,203
Income tax	3	-	(1,705)	33,628
Profit and total comprehensive income for the period attributable to owners		(47,864)	7,267	212,831
Earnings per share				
Basic & diluted (pence)	4	-0.3	0.1	1.5

GROUP STATEMENT OF CHANGES IN EQUITY

for the 28 weeks ended 11 August 2019

28 weeks ended 12 August 2018

Unaudited	Share Capital £	Share Premium Account £	Profit and loss account £	Total £
Balance brought forward at 29 January 2018	1,401,213	9,743,495	11,931,115	23,075,823
Profit and total comprehensive income for the period	-	-	7,267	7,267
Transactions with owners				
Dividend	-	-	-	-
Balance at 12 August 2018	1,401,213	9,743,495	13,938,382	23,083,090

12 months ended 27 January 2019

Audited	Share Capital £	Share Premium Account £	Profit and loss account £	Total £
Balance brought forward at 29 January 2018	1,401,213	9,743,495	11,931,115	23,075,823
Profit and total comprehensive income for the period	-	-	212,831	212,831
Transactions with owners				
Dividend	-	-	-	-
Balance at 27 January 2019	1,401,213	9,743,495	12,143,946	23,288,654

28 weeks ended 11 August 2019

Unaudited	Share Capital £	Share Premium Account £	Profit and loss account £	Total £
Balance brought forward at 28 January 2019	1,401,213	9,743,495	12,143,946	23,288,654
Profit and total comprehensive income for the period	-	-	(47,864)	(47,864)
Transactions with owners				
Dividend	-	-	-	-
Balance at 11 August 2019	1,401,213	9,743,495	12,096,082	23,240,790

GROUP BALANCE SHEET

at 11 August 2019

	11/08/2019 Unaudited £	12/08/2018 Unaudited £	27/01/2019 Audited £
Assets			
Non-current assets			
Property, plant and equipment	33,643,029	33,830,224	33,764,910
Total non-current assets	33,643,029	33,830,224	33,764,910
Current assets			
Inventories	106,414	105,845	118,380
Trade and other receivables	340,619	400,086	332,450
Prepayments	920,445	836,567	656,320
Cash at bank and in hand	492,538	654,924	314,653
Total current assets	1,860,016	1,997,422	1,421,803
Total assets	35,503,045	35,827,646	35,186,713
Equity and liabilities			
Equity attributable to owners			
Share capital	1,401,213	1,401,213	1,401,213
Share premium	9,743,495	9,743,495	9,743,495
Retained earnings	12,096,082	11,938,382	12,143,946
Total equity	23,240,790	23,083,090	23,288,654
Liabilities			
Non-current			
Borrowings (due after one year)	-	-	-
Deferred tax liabilities	711,089	824,009	711,089
Non-current liabilities	711,089	824,009	711,089
Current			
Trade and other payables	2,464,160	2,333,394	1,873,799
Borrowings (due within one year)	9,058,539	9,514,534	9,284,844
Current tax liabilities	28,467	72,619	28,327
Current liabilities	11,551,166	11,920,547	11,186,970
Total liabilities and equity	35,503,045	35,827,646	35,186,713

GROUP CASH FLOW STATEMENT

for the 28 weeks ended 11 August 2019

	Unaudited 28 weeks ended 11/08/2019 £	Unaudited 28 weeks ended 12/08/2018 £	Audited Year ended 27/01/2019 £
Cash flows from operating activities			
Profit for the period	(47,864)	7,267	212,831
Adjustment for:			
Finance expense	218,857	212,526	400,774
Income tax expense	0	1,705	(33,628)
Depreciation	387,513	428,036	802,898
Cash flows before changes in working capital and provisions	558,506	649,534	1,382,875
UK corporation tax paid	140	-	(121,878)
(Increase)/decrease in trade and other receivables	(272,294)	(391,595)	(143,712)
(Decrease)/ increase in trade and other payables	577,825	(317,591)	(764,023)
Decrease/(increase) in inventories	11,966	3,426	(9,109)
Net cash from operating activities	876,143	(56,226)	344,153
Cash flows from investing activities			
Acquisition of property, plant and equipment	(265,633)	(151,885)	(461,433)
Net cash outflow from investing activities	(265,633)	(151,885)	(461,433)
Cash flows from financing activities			
Interest paid	(182,625)	(174,242)	(355,344)
New Loan	-	-	-
Loan repayments	(250,000)	(250,000)	(500,000)
Net cash outflow from financing activities	(432,625)	(424,242)	(855,344)
Net Increase/(decrease) in cash and cash equivalents	177,885	(632,353)	(972,624)
Cash and cash equivalents at the beginning of the period	314,653	1,287,277	1,287,277
Cash and cash equivalents at the end of the period	492,538	654,924	314,653
For the purposes of the cash flow statement, cash and cash equivalents comprise:			
Cash and bank balances	492,538	654,924	314,653

HOTEL DIRECTORY

PEEL HOTELS LTD

19 WARWICK AVENUE LONDON W9 2PS

TELEPHONE: 020 7266 1100 FAX: 020 7289 5746

Location	Hotel	Rating	Rooms	Telephone	Facsimile
Bournemouth	The Norfolk	★★★★	95	01202 551521	01202 299729
Bradford	Midland Hotel	★★★	90	01274 735735	01274 720003
Carlisle	Crown & Mitre Hotel	★★★	91	01228 525491	01228 514553
Dunfermline	King Malcolm Hotel	★★★	48	01383 722611	01383 730865
Leeds	Cosmopolitan Hotel	★★★	89	0113 2436454	0113 2429327
Newcastle upon Tyne	Caledonian Hotel	★★★	89	0191 2817881	0191 2816241
Nottingham	Strathdon Hotel	★★★	68	0115 9418501	0115 9483725
Peterborough	Bull Hotel	★★★★	118	01733 561364	01733 557304
Wallingford	George Hotel	★★★	39	01491 836665	01491 825359
Total of 9 Hotels			727		

For reservations at any Peel Hotel call **020 7266 1100**
or log onto our web site on **www.peelhotels.co.uk**
e-mail – info@peelhotel.com