

11 November 2013

Acquisition of a majority stake in Inn Collection Topco Limited (“Inn Collection” or the “Business”)

We are pleased to announce that Kings Park Capital has acquired a majority stake in Inn Collection for a total transaction value of £10 million.

Inn Collection comprises three existing Inns located in the North East of England and managed by Keith Liddell. As part of the transaction a fourth site, is being acquired. Three of the existing units have freehold tenure with one long term lease.

The Business operates pubs with rooms in the North East of England, catering to the local population as well as leisure and business travellers. Approximately 20% of the Business’s revenue is derived from room sales, 56% from food and the balance from drink. The Group provides AA 3* gold rated accommodation with 4* quality and has a total of 112 bedrooms, making it one of the largest providers of rooms in the region.

In the 12 months ending March 2013, the North-East was the second highest growth region for tourism in England with 4.4 million inbound trips made and 12.5 million bednights provided. Visitor attractions in close proximity to the Inns include Alnwick Castle, Bamburgh Castle, Lindisfarne, Hadrian’s Wall and the North Yorkshire Moors.

KPC intends to back the incumbent management team to grow the business in the North-East of England and surrounding area by acquiring additional sites. Inn Collection looks to acquire under-managed or under-invested assets, and has a proven track record of improving performance under its management. As a part of the transaction Paul Clark, the former CEO of Virgin Hotels, will be joining the Board to support management in the next phase of growth.

The business was first established by Keith Liddell in 2006 with the acquisition of Lindisfarne Inn, which opened in 2007, with the additional units added in 2009 and 2012. The like-for-like estate has shown strong growth under Inn Collection management with like-for-like growth of 7% in 2012 and 6% in the nine months to September 2013.

The transaction has been financed with senior debt facilities provided by Santander.

Keith Liddell, CEO of Inn Collection commented: “We’re delighted to be partnering with KPC to create a collection of Inns in the North-East, which service their local communities and provide room accommodation to capitalise on the growth in tourism to the region. With KPC’s backing and support from our new banking partner, Santander, we’ll be looking to acquire further units that fit the Inn Collection model.”

About Kings Park Capital

Kings Park Capital was created in 2007 as a lower mid-market private equity house dedicated to investing in the European leisure sector. The firm, which is backed by senior industry participants across the leisure sector, uses its capital, sector knowledge and broad network of contacts to help management teams fulfil and accelerate their strategic ambitions.

