

Company Registration No. 00075625 (England and Wales)

**Crerar Hotel Group Limited**  
**Annual report and financial statements**  
**for the year ended 25 March 2023**



**Crerar Hotel Group Limited**

**Company information**

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**Directors** Christopher Wayne-Wills  
N M Ross  
J J Bester

**Secretary** Christopher Wayne-Wills

**Company number** 00075625

**Registered office** 2nd Floor 10 Bridge Street  
Bath  
England  
BA 2 4AS

**Independent auditor** Saffery LLP  
Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

**Bankers** Santander UK plc  
9-10 St Andrew Square  
Edinburgh  
EH2 2AF

**Solicitors** Shepherd & Wedderburn LLP  
1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8UL

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**Crerar Hotel Group Limited**

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## **Crerar Hotel Group Limited**

### **Strategic report**

**For the year ended 25 March 2023**

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The directors present the strategic report for the year ended 25 March 2023.

#### **Fair review of the business**

The financial results for the period ended 25 March 2023 are contained in the profit and loss account on page 14 of the report and accounts.

References in previous year's accounts to the impact of Covid-19 and associated lockdowns were not such a significant factor throughout 2022/23. There was a notable increase in the return of international travel which was somewhat offset by a reduction in domestic travel demand as outbound tourism also increased.

As there were no restrictions on trading the group turnover did increase significantly albeit with capacity restrictions caused by limited staff numbers and the impact of overrunning capital projects as noted further in this report.

Strong summer trading was experienced with particularly notable results following from prior year investment projects such as the Isle of Mull and the Glencoe Inn. Whilst Autumn & Winter trading saw a gradual move towards prior year booking patterns, strategic decisions saw a larger volume of group business at Oban Bay which was particularly beneficial to overall group performance.

Labour shortages and supply price pressures further impacted the business albeit the business remains better placed to recruit and retain its high-quality staff, and absorb supply price pressures than many of its competitors.

When comparing performance to previous year the Company continued to focus on its aim of increasing accommodation sales, as a function of its refurbishment process and significant improvement in standards and hotel gradings. This key measurement has been successfully achieved during the trading period with a 16% increase in bedroom occupancy over the prior year, along with improvements in secondary spends of food and liquor, although food gross profit percent dropped by 1% as a result of increased costs in the supply chain, the liquor gross profit improved by 1%.

Overall Hotel gross profit fell by 1% but remains consistently higher than pre-covid trading years. A significant factor in this gross profit reduction was the cost of manning the hotels as a percentage of turnover which increased by 2%.

To remain competitive in a restricted labour market the company has to offer increased salaries and benefits and whilst the goal of the company is to be an "employer of choice" creating long term careers for our colleagues, the investment in our hotel teams remains a priority.

During the year the business completed the extensive redevelopment of the spas at Loch Fyne Hotel, Inverary & Golf View hotel, Nairn. This gives the company three destination spas including the previous investment at the Isle of Mull Hotel & Spa. This investment forms part of the strategy to address the traditionally lower demand in the winter along with the year round added appeal for spa breaks and wellness travel.

The company also invested in the hotel formerly known as the Deeside Inn, Ballater to create a new AA 5 star rated Inn called Balmoral Arms.

The ongoing issues associated with labour and supply lines meant all investment projects overran into the Summer & Autumn of 2022, and significantly impacted on the ability of these properties to fully trade. We are pleased to advise however that these properties have achieved numerous industry awards and accolades, and have performed extremely well post refurbishment.

In March of 2023 Funds advised by Blantyre Capital Limited ("Blantyre") together with their operating partner Fairtree Hotel Investments ("Fairtree") acquired Crerar Hotel Group to further expand their UK luxury leisure Platform.

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**Crerar Hotel Group Limited****Strategic report (continued)  
For the year ended 25 March 2023**

This acquisition marked Blantyre and Fairtree's fourth landmark hospitality purchase within the UK since 2021 and Crerar's highly regarded portfolio of seven 4 and 5 star hotels will form a key part of the new owners' plans to build a significant luxury UK hotel portfolio.

**Principal risks and uncertainties**

The principal risks and uncertainties affecting the business include the following:

- Geo political issues and macro-economic factors may impact on supply chains and labour availability remains a risk through the creation of price inflation pressures, as well as changes in customer behavioural patterns, in particular with reference to booking commitments and lead times. The directors will continue to make every effort where possible to ensure these risks are mitigated.

- The Company operates in competitive markets, where new and enhanced product offerings could adversely affect the company. The Company continues to target improving its product offering through its focus on quality and standards, investment in the training of its people, and its continued capital refurbishment programme. The continued strategic focus towards a higher end product with more diverse markets should enable the Company to capitalise on an expanding customer base whilst maximising both operational and procurement efficiencies within the business.

-Part of the Company's strategy to invest and improve quality, was to increase the guest rate payable and enable further financial support and better conditions for employment, in order to mitigate the impact of labour shortages on staffing levels.

-As previously advised the impact of the UK leaving the EU and the Covid-19 pandemic undoubtedly both accelerated and further enhanced the risk of staff availability, and such the Company embarked on a number of additional staff and employment initiatives in an attempt to mitigate these risks.

-Financial risks remain associated with both uncertain consumer spending levels, rapidly increasing supplier inflationary prices, unstable and rapidly rising utility costs along with the availability and costs associated with recruiting and retaining well trained staff.

**Key performance indicators**

Certain key performance indicators have been devalued as a result of the change in nature of the business activities over the course of prior years. However, those that continue to offer a meaningful comparison include the following:

	2,023	2,022	2,021	2,020	2,019	2,018	Measure
Hotel Gross Profit	86%	87%	83%	83%	83%	83%	Hotel gross profit/ Hotel Turnover x 100
Liquor Gross Profit	72%	71%	69%	72%	72%	71%	Liquor gross profit/ Liquor Turnover x 100
Food Gross Profit	50%	51%	42%	37%	36%	36%	Food gross profit/ Food Turnover x 100

Whilst it is difficult to draw comparisons from previous years due to the limited trading and restrictions in place during those trading periods, the Company are satisfied with the gross profit percentages of the portfolio.

## **Crerar Hotel Group Limited**

### **Strategic report (continued)**

**For the year ended 25 March 2023**

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Key non-financial indicators of the business include:

- **The Environment:** the company are continuing to implement initiatives to reduce the carbon footprint within the Hotels and reduce energy consumption following the introduction of a biomass boiler at the Isle of Mull Hotel. The company now offers electric vehicle recharging points at a number of sites within the portfolio.
- During the year the company completed its ESOS notification of compliance and will review all measures and recommendations to ascertain and implement viable energy reduction plans.
- **Quality:** guest satisfaction information and independent assessments are used as key measures of the operation of the hotels, and we are pleased that these measures continue to highlight continuous improvement.

#### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors of the company, having regard to the current trading environment, the future financial projections, and the availability of banking facilities, consider the company to be a going concern and have prepared the financial statements on that basis.

At the date of approval of these accounts the company had a positive cash balance to cover further capex plans and the unknown impact of the wider current economic conditions.

#### **Section 172(1) statement**

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how the directors of Crerar Hotel Group Limited:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to Crerar Hotel Group Limited, and the level of information disclosed is consistent with the size and the complexity of the business.

When making decisions, each director ensures that they act in the way they consider, in good faith, would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"

The directors understand the business and the environment in which it operates. The strategy set by the directors is intended to strengthen our position within the hotel market while keeping employee safety and social responsibility fundamental to our business approach. The directors recognise that some decisions they take today may not align with all stakeholder interests.

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**Crerar Hotel Group Limited**

**Strategic report (continued)  
For the year ended 25 March 2023**

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S172(1) (B) "The interests of the company's employees"

The directors recognise that the companies' employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implications of decisions on employees, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers and others. Due to the inherent size of Crerar Hotel Group Limited it has good relationships with suppliers with whom we aim to pay on a timely basis. We aim to provide our customers with the highest quality service: our hotels are recognised for their quality and approach to traditional Scottish hospitality.

S172(1) (D) "The impact of the company's operations on the community and the environment"

In addition to our quality and service, Crerar Hotels support the communities in which we operate through our own charitable trust. The Crerar Trust gifts more than half of the company's distributable profits to causes that are linked closely to the hotels' communities. It is with this philosophy that our Hotel and Inn teams have the opportunity to engage with and significantly help the surrounding local communities.

The directors of Crerar Hotel Group Limited try to reduce their impact on the environment, however this is offset by the need to keep customers comfortable during their stay. The directors try to use local suppliers where possible to reduce the impact of emissions from transport.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

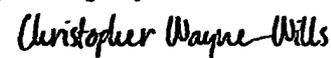
Crerar Hotel Group Limited aims to meet the needs of its customers in ways which are economically, environmentally and socially responsible. The Board periodically reviews and approves clear initiatives, to ensure that its high standards are maintained both within the business and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"

After weighing up all relevant factors, the directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

On behalf of the board

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**Christopher Wayne-Wills**

Director 20 December 2023

Date: .....

## **Crerar Hotel Group Limited**

### **Directors' report For the year ended 25 March 2023**

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The directors present their annual report and financial statements for the year ended 25 March 2023.

#### **Principal activities**

The principal activities of the company in the period under review have continued to be those relating to the hotel industry.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Patrick Crerar CBE	(Resigned 14 March 2023)
Graham Crerar	(Resigned 14 March 2023)
Nigel Dearnley	(Resigned 14 March 2023)
Christopher Wayne-Wills	
N M Ross	(Appointed 14 March 2023)
J J Bester	(Appointed 14 March 2023)

#### **Results and dividends**

A dividend in specie of £663,237 was made on 13 March 2023. No cash dividends were paid in the period to 25 March 2023.

#### **Disabled persons**

It is company policy to recruit disabled persons for appropriate positions. Once employed, whatever assistance is necessary in terms of training and career advancement is given.

#### **Employee involvement**

It is the company's policy to keep employees informed on matters affecting them as employees and to make them aware of the factors influencing the company's performance. This is done through announcements and staff briefings.

#### **Future developments**

The Company has continued trading satisfactorily and continues to review opportunities for both organic and acquisitive expansion.

#### **Auditor**

Saffery LLP have expressed their willingness to remain in office as auditor of the company.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**Crerar Hotel Group Limited****Directors' report (continued)  
For the year ended 25 March 2023****Environment**

<b>Energy Consumption</b>	<b>2022-2023 (kWh)</b>	<b>2021-2022 (kWh)</b>
Gas (Scope 1)	2,395,211	2,286,966
Electricity (Scope 2)	2,966,251	3,299,743
Other Fuels (Scope 1)	2,392,567	2,488,944
Transport Fuel (Scope 3 - Grey Fleet)	112,754	117,201
<b>Total</b>	<b>7,866,783</b>	<b>8,192,854</b>
<b>Emissions</b>	<b>(tCO<sub>2</sub>e)</b>	<b>(tCO<sub>2</sub>e)</b>
Gas (Scope 1)	441	419
Electricity (Scope 2)	574	701
Other Fuels (Scope 1)	579	600
Transport Fuel (Scope 3 - Grey Fleet)	27	28
<b>Total</b>	<b>1,621</b>	<b>1,748</b>
Intensity Ratio: kWh / rooms occupied	59.66	66.12
Intensity Ratio: tCO <sub>2</sub> e / rooms occupied	0.01	0.01

**Quantification and reporting methodology**

Methodology follows best practice and is based on HM Government Environmental Reporting Guidelines March 2019. All emissions factors are taken from UK Government GHG Conversion Factors for Company Reporting, version 1.0, 2020 factors.

Scope 1 and Scope 2 consumption data (gas, electricity and other fuels specifically coal and heating oil) taken from validated and verified Utility Suppliers invoices.

Scope 3 (transport) data taken from Crerar internal tracking systems incorporating grey fleet data; Crerar have no Scope 1 (company fleet) emissions, only grey fleet (i.e. fuel used in employees private cars for business trips) which is classed as Scope 3 emissions, as defined in HM Government Environmental Reporting Guidelines March 2019.

**Employee engagement**

For many years Crerar Hotel Group Limited has recognised the importance of engaging with its workforce. Engagement is especially important in maintaining strong business delivery in volatile times of change. We therefore strive to maintain a dialogue between management and our workforce. Management regularly engages with the workforce through a range of formal and informal channels, including emails from members of the Board, team meetings and face-to-face gatherings.

The Board considers effective engagement a key element of its understanding of the company's ability to create value as it recognises that our people are our greatest asset. Workforce views can help inform the board on matters such as operational effectiveness, culture, risk identification and delivery of the service.

The Board considers the current workforce engagement approach effective.

**Crerar Hotel Group Limited**

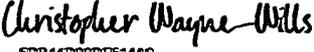
**Directors' report (continued)  
For the year ended 25 March 2023**

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**Business relationships**

Delivering our strategy requires strong mutually beneficial relationships with suppliers and customers. Due to the inherent size of Crerar Hotel Group Limited it has good relationships with suppliers with whom we aim to pay on a timely basis.

On behalf of the board

DocuSigned by:  
  
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Christopher Wayne-Wills

**Director** 20 December 2023

Date: .....

## **Crerar Hotel Group Limited**

### **Directors' responsibilities statement For the year ended 25 March 2023**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Crerar Hotel Group Limited**

### **Independent auditor's report To the members of Crerar Hotel Group Limited**

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#### **Opinion**

We have audited the financial statements of Crerar Hotel Group Limited (the 'company') for the year ended 25 March 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Crerar Hotel Group Limited**

### **Independent auditor's report (continued) To the members of Crerar Hotel Group Limited**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Crerar Hotel Group Limited**

### **Independent auditor's report (continued) To the members of Crerar Hotel Group Limited**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

#### **Audit response to risks identified**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Crerar Hotel Group Limited**

**Independent auditor's report (continued)  
To the members of Crerar Hotel Group Limited**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Eunice McAdam*

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**Eunice McAdam (Senior Statutory Auditor)  
For and on behalf of Saffery LLP**

20 December 2023

Date:.....

**Chartered Accountants  
Statutory Auditors**

Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

**Crerar Hotel Group Limited****Profit and loss account  
For the year ended 25 March 2023**

	Notes	Year ended 25 March 2023 £	Year ended 26 March 2022 £
<b>Turnover</b>		18,984,060	14,462,641
Cost of sales		(2,567,806)	(1,889,400)
<b>Gross profit</b>		16,416,254	12,573,241
Administrative expenses		(18,521,236)	(13,552,140)
Other operating income	7	-	494,253
<b>Operating loss</b>	9	(2,104,982)	(484,646)
Interest receivable and similar income	6	-	1,305
Interest payable and similar expenses	8	(59,008)	(11,836)
<b>Loss before taxation</b>		(2,163,990)	(495,177)
Tax on loss	10	537,276	(336,504)
<b>Loss for the financial year</b>		<u>(1,626,714)</u>	<u>(831,681)</u>

The Profit and Loss has been prepared on the basis that all operations are continuing operations.

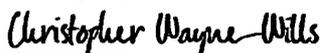
**Crerar Hotel Group Limited****Balance sheet  
As at 25 March 2023**

	Notes	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Tangible assets	12		27,802,373		28,215,253
<b>Current assets</b>					
Stocks	13	175,812		138,101	
Debtors	14	610,017		710,688	
Cash at bank and in hand		1,535,022		919,009	
			2,320,851	1,767,798	
<b>Creditors: amounts falling due within one year</b>	15	(5,157,182)		(2,257,838)	
<b>Net current liabilities</b>			(2,836,331)		(490,040)
<b>Total assets less current liabilities</b>			24,966,042		27,725,213
<b>Creditors: amounts falling due after more than one year</b>	17		-		(2,000,000)
<b>Provisions for liabilities</b>	20		(1,142,107)		(1,678,055)
<b>Net assets</b>			23,823,935		24,047,158
<b>Capital and reserves</b>					
Called up share capital	19		9,996,350		9,996,350
Equity reserve			2,070,844		-
Capital redemption reserve	21		2,503,650		2,503,650
Profit and loss reserves			9,253,091		11,547,158
<b>Total equity</b>			23,823,935		24,047,158

20 December 2023

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

DocuSigned by:



503240000514A9  
Christopher Wayne-Wills  
Director

Company Registration No. 00075625

**Crerar Hotel Group Limited****Statement of changes in equity  
For the year ended 25 March 2023**

	Notes	Share capital £	Equity reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 28 March 2021</b>		9,996,350	-	2,503,650	12,378,839	24,878,839
<b>Year ended 26 March 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(831,681)	(831,681)
<b>Balance at 26 March 2022</b>		9,996,350	-	2,503,650	11,547,158	24,047,158
<b>Year ended 25 March 2023:</b>						
Loss and total comprehensive income for the year		-	-	-	(1,626,714)	(1,626,714)
Dividend in specie	11	-	-	-	(667,353)	(667,353)
Capital Contribution		-	2,070,844	-	-	2,070,844
<b>Balance at 25 March 2023</b>		9,996,350	2,070,844	2,503,650	9,253,091	23,823,935

**Crerar Hotel Group Limited****Statement of cash flows  
For the year ended 25 March 2023**

	Notes	£	2023 £	£	2022 £
<b>Cash flows from operating activities</b>					
Cash generated from operations	27		2,718,215		1,930,699
Interest paid			11,836		(11,836)
Income taxes refunded			371,898		188,361
<b>Net cash inflow from operating activities</b>			<u>3,101,949</u>		<u>2,107,224</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,485,936)		(4,724,981)	
Interest received		-		1,305	
<b>Net cash used in investing activities</b>			<u>(2,485,936)</u>		<u>(4,723,676)</u>
<b>Financing activities</b>					
Increase in borrowings		-		2,000,000	
<b>Net cash (used in)/generated from financing activities</b>			<u>-</u>		<u>2,000,000</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<u>616,013</u>		<u>(616,452)</u>
Cash and cash equivalents at beginning of year			919,009		1,535,461
<b>Cash and cash equivalents at end of year</b>			<u><u>1,535,022</u></u>		<u><u>919,009</u></u>

## **Crerar Hotel Group Limited**

### **Notes to the financial statements For the year ended 25 March 2023**

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#### **1 Accounting policies**

##### **Company information**

Crerar Hotel Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor 10 Bridge Street, Bath, England, BA 2 4AS.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors of the company, having regard to the current trading environment and the future financial projections consider the company to be a going concern and have prepared the financial statements on that basis.

##### **1.3 Turnover**

Turnover represents revenues arising from owned hotel operations, including the rental of rooms and food and beverage sales net of VAT and trade discounts. Turnover is recognised when rooms are occupied and food and beverages are sold.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Website planning costs are charged to the profit and loss account as expenditure is incurred. Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. Expenditure to maintain or operate the website once it has been developed is charged to the profit and loss account as incurred.

**Crerar Hotel Group Limited****Notes to the financial statements (continued)****For the year ended 25 March 2023****1 Accounting policies (continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	4% reducing balance
Soft furnishings, carpets, furniture & fittings	15% reducing balance
Crockery and cutlery	50% reducing balance
Equipment	15% reducing balance
Televisions	15% reducing balance
Upgrades/refurbishments	15% reducing balance
Minor improvements	50% reducing balance
Computer equipment	25% reducing balance
Motor vehicles	20% reducing balance

No depreciation is charged where buildings are maintained to such a standard that their residual value is not less than their cost or valuation.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset less costs directly attributable with the sale, and is recognised in the profit and loss account.

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.6 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

## Crerar Hotel Group Limited

### Notes to the financial statements (continued) For the year ended 25 March 2023

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#### 1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

## Crerar Hotel Group Limited

### Notes to the financial statements (continued)

For the year ended 25 March 2023

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#### 1 Accounting policies (continued)

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

## Crerar Hotel Group Limited

### Notes to the financial statements (continued) For the year ended 25 March 2023

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#### 1 Accounting policies (continued)

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax in the future, with the following exceptions:

- Provision is made for gains on disposal of fixed assets that have been rolled over into the replacement assets only where, at the balance sheet date, this is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses.
- Provision is made for gains on revalued fixed assets only where there is a commitment at the balance sheet date to dispose of the revalued assets and the attributable gain can neither be rolled over or eliminated by capital losses.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is discounted using the post tax yields to maturity that could be obtained at the balance sheet date on government bonds with maturity dates similar to those of the deferred taxation assets and liabilities.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. These contributions are invested separately from the company's assets.

**Crerar Hotel Group Limited****Notes to the financial statements (continued)****For the year ended 25 March 2023****1 Accounting policies (continued)****1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets.

**1.14 Directors' Incentive Scheme**

The company has agreed an incentive scheme for executive directors that establishes a clear link between remuneration and the company's overall strategic objectives. Provision is made for contractual obligations arising under this scheme at the point at which the Directors consider that there is probable outflow of economic benefits which can be measured reliably at the Balance Sheet date. The directors consider there to be no long-term incentives in place for the purposes of FRS 102.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Integral to the valuation model used by the Directors is a profit multiplier, which varies from property to property. The use of this multiplier involves judgement, and this key assumption is derived by the Directors based on their extensive experience of the hotel sector and the current yield achievable by each property based on its market proposition. The multipliers are assessed on an annual basis. The Directors have considered the future financial projections and the key assumptions underlying those projections including their estimation of future economic developments within the sector in arriving at these multipliers.

**3 Auditor's remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	18,700	16,100
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	7,600	6,900
All other non-audit services	-	3,400
	<u>          </u>	<u>          </u>
	<u>7,600</u>	<u>10,300</u>

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****4 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Hotel staff	291	247
Hotel managers and assistants	8	6
Office and management	13	14
	<u>312</u>	<u>267</u>
Total	<u><u>312</u></u>	<u><u>267</u></u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,582,607	6,538,205
Social security costs	566,401	395,093
Pension costs	135,321	160,510
	<u>9,284,329</u>	<u>7,093,808</u>
	<u><u>9,284,329</u></u>	<u><u>7,093,808</u></u>

**5 Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	1,327,828	818,201
Company pension contributions to defined contribution schemes	3,963	65,567
	<u>1,331,791</u>	<u>883,768</u>
	<u><u>1,331,791</u></u>	<u><u>883,768</u></u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2022: 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	502,898	321,580
Company pension contributions to defined contribution schemes	-	49,621
	<u>502,898</u>	<u>371,201</u>
	<u><u>502,898</u></u>	<u><u>371,201</u></u>

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023**

<b>6</b>	<b>Interest receivable and similar income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Other interest income	-	1,305
		<u>-</u>	<u>1,305</u>
<b>7</b>	<b>Other operating income</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Government grants receivable and released	-	333,895
	Coronavirus job retention scheme grant	-	160,358
		<u>-</u>	<u>494,253</u>
		<u>-</u>	<u>494,253</u>
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	59,008	11,836
		<u>59,008</u>	<u>11,836</u>
<b>9</b>	<b>Operating loss</b>	<b>2023</b>	<b>2022</b>
	Operating loss for the year is stated after charging/(crediting):	<b>£</b>	<b>£</b>
	Government grants	-	(494,253)
	Depreciation of owned tangible fixed assets	2,286,453	1,984,425
		<u>2,286,453</u>	<u>1,984,425</u>

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****10 Taxation**

	2023 £	2022 £
<b>Current tax</b>		
Adjustments in respect of prior periods	(1,328)	30
<b>Deferred tax</b>		
Origination and reversal of timing differences	(535,948)	336,474
Total tax (credit)/charge	(537,276)	336,504

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Loss before taxation	(2,163,990)	(495,177)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(411,158)	(94,084)
Tax effect of expenses that are not deductible in determining taxable profit	19,000	4,570
Adjustments in respect of prior years	326	-
Effect of change in deferred tax rate	(128,705)	402,733
Under/(over) provided in prior years	(1,329)	(218)
Fixed asset differences	(15,410)	23,503
Taxation (credit)/charge for the year	(537,276)	336,504

**11 Dividends**

	2023 £	2022 £
Dividend in specie	667,353	-
	667,353	-

On 13 March 2023 assets with a book value of £663,237 were transferred to the parent undertaking as a dividend in specie.

## Crerar Hotel Group Limited

## Notes to the financial statements (continued)

For the year ended 25 March 2023

## 12 Tangible fixed assets

	Land and buildings freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 27 March 2022	17,318,837	25,744,022	109,778	43,172,637
Additions	-	2,485,936	-	2,485,936
Disposals	(394,360)	(1,370,098)	(72,224)	(1,836,682)
At 25 March 2023	16,924,477	26,859,860	37,554	43,821,891
<b>Depreciation and impairment</b>				
At 27 March 2022	2,187,453	12,712,639	57,291	14,957,383
Depreciation charged in the year	57,533	2,219,627	9,293	2,286,453
Eliminated in respect of disposals	(24,653)	(1,145,056)	(54,609)	(1,224,318)
At 25 March 2023	2,220,333	13,787,210	11,975	16,019,518
<b>Carrying amount</b>				
At 25 March 2023	14,704,144	13,072,650	25,579	27,802,373
At 26 March 2022	15,131,383	13,031,383	52,487	28,215,253

On transition to FRS102 previous revaluations were treated as the deemed cost of the relevant assets.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2023	2022
	£	£
Cost	41,414,042	40,764,788
Accumulated depreciation	(12,476,374)	(11,414,239)
Carrying value	28,937,668	29,350,549

The company's freehold properties are pledged as security over a debt of the company's parent undertaking.

## 13 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	175,812	138,101

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****14 Debtors**

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	74,937	39,730
Corporation tax recoverable	-	370,570
Other debtors	373,224	178,142
Prepayments and accrued income	161,856	122,246
	<u>610,017</u>	<u>710,688</u>

**15 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	1,388,548	566,810
Taxation and social security	909,004	207,376
Other creditors	1,023,787	266,493
Accruals and deferred income	1,835,843	1,217,159
	<u>5,157,182</u>	<u>2,257,838</u>

**16 Loans and overdrafts**

	2023	2022
	£	£
Other loans	-	2,000,000
	<u>-</u>	<u>2,000,000</u>
Payable after one year	-	2,000,000
	<u>-</u>	<u>2,000,000</u>

On 14 March 2023, the then parent company formally waived the loan due to it including related interest of £70,844. This waiver is accounted for as a capital contribution in the statement of changes in equity.

**17 Creditors: amounts falling due after more than one year**

		2023	2022
	Notes	£	£
Bank loans and overdrafts	16	-	2,000,000
		<u>-</u>	<u>2,000,000</u>

Santander UK PLC holds a fixed charge secured over a £150,000 deposit account.

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****18 Retirement benefit schemes**

	2023	2022
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	135,321	160,510

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**19 Share capital**

	2023	2022	2023	2022
	Number	Number	£	£
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of 25p each	39,985,400	17,585,199	9,996,350	4,396,300
Trustee shares of 25p each	-	22,400,201	-	5,600,050
	<u>39,985,400</u>	<u>39,985,400</u>	<u>9,996,350</u>	<u>9,996,350</u>

On 14 March 2023 22,400,201 trustee shares of 25p each were converted into ordinary shares of the same amount and nominal value.

**20 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023	Liabilities 2022
	£	£
<b>Balances:</b>		
Accelerated capital allowances	2,173,486	2,581,892
Tax losses	(1,004,847)	(877,305)
Other timing differences	(26,532)	(26,532)
	<u>1,142,107</u>	<u>1,678,055</u>

**21 Capital redemption reserve**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****22 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	76,064	142,589
Between two and five years	7,103	398,549
	<u>83,167</u>	<u>541,138</u>

**23 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of property, plant and equipment	-	1,098,109
	<u>-</u>	<u>1,098,109</u>

**24 Ultimate controlling party**

The immediate parent undertaking is Blantree Midco Limited. The ultimate controlling party is Blantyre Capital Limited.

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****25 Related party transactions****Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	1,220,883	924,466

Crerar Hotel Group was sold to Blantree Midco Limited on 14 March 2023. The ultimate controlling party of Crerar Hotel Group is Blantyre Capital Limited.

The related party transactions up to the date of sale are:

Patrick Crerar CBE, as a member of key management, is a patron of HIT Scotland. Christopher Wayne-Willis is also a trustee. During the year invoices totalling £4,320 (2022: £1,700) were paid to the related party.

Patrick Crerar CBE also operates Better Boat Life, which sells boat trips to the Crerar Hotel Group Limited. This service is used by customers and for marketing purposes. During the year invoices totalling £Nil (2022: £9,840) were paid to the related party.

Patrick Crerar CBE is also a non-executive member of the Highlands and Islands Enterprise board. During the year Crerar Hotel Group Limited received a total of £29,836 (2022: £220,634 in the form of grants from the related party).

The company procures venison produce from a commercial supplier, who are supplied in-turn by a farming business owned by Patrick Crerar CBE. These transactions are conducted under normal market conditions. The payments made to Mr Crerar, indirectly, are not considered to be material to the financial statements of the company.

The related party transactions post sale are:

Jan Johannes Bester is the Director of Fairtree Hospitality Private Equity Limited. Management fees totalling £24,194 were charged to Crerar Hotel Group Limited during the year (2022: £Nil).

The company is due £179,340 (2022: £Nil) from Blantree Midco Limited.

**26 Analysis of changes in net funds/(debt)**

	27 March 2022 £	Cash flows £	Non-cash movements £	25 March 2023 £
Cash at bank and in hand	919,009	616,013	-	1,535,022
Borrowings excluding overdrafts	(2,000,000)	-	2,000,000	-
	<u>(1,080,991)</u>	<u>616,013</u>	<u>2,000,000</u>	<u>1,535,022</u>

**Crerar Hotel Group Limited****Notes to the financial statements (continued)  
For the year ended 25 March 2023****27 Cash generated from operations**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(1,626,714)	(831,681)
<b>Adjustments for:</b>		
Taxation (credited)/charged	(537,276)	336,504
Finance costs	59,008	11,836
Investment income	-	(1,305)
Depreciation and impairment of tangible fixed assets	2,286,453	1,984,425
<b>Movements in working capital:</b>		
(Increase) in stocks	(37,711)	(36,513)
(Increase)/decrease in debtors	(269,899)	264,711
Increase in creditors	2,844,354	272,179
Decrease in deferred income	-	(69,457)
<b>Cash generated from operations</b>	<b>2,718,215</b>	<b>1,930,699</b>