Crescentbrook Limited

Directors' report and
financial statements

Year ended 31 December 2017

Registered number: 9291867

Crescentbrook Limited

Directors' report and financial statements

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Directors and other information

Directors	Dermot Crowley Patrick McCann Seán McKeon Stephen McNally
Registered office	Clayton Hotel Cardiff St. Mary's Street Cardiff Wales CF10 1GD
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Bankers	AIB Goodbard House 15 Infirmary Street Leeds LS1 2JS
Solicitors	A & L Goodbody IFSC North Wall Quay Dublin 1
Registered number	9291867

Crescentbrook Limited

Strategic report

The directors present their strategic report and audited financial statements for the year ended 31 December 2017.

The principal activity of the company is the operation of Clayton Hotel Leeds. The company is a wholly owned subsidiary of Dalata UK Limited, a company incorporated in the United Kingdom. The ultimate parent of the company is Dalata Hotel Group plc, a company listed on the London Stock Exchange and the Irish Stock Exchange.

Business review

The company made a profit after tax in the year ended 31 December 2017 of £1,737,000 *(2016: £955,000)*. The directors intend to explore various opportunities to grow and develop the business in line with its current activities.

Principal risks and uncertainties

The main risk to the company is a fall in demand for hotel room rentals caused by any one of a number of different factors or a combination of them. These include: weakness in domestic economic activity impacting United Kingdom consumer and business spending; weakness in the economies of inbound tourism markets, principally the Republic of Ireland, mainland Europe and North America; adverse movement in GBP/EUR and GBP/USD exchange rates impacting on the competitiveness of the United Kingdom as a tourist and business travel destination; and international geo-political events having a negative impact on international travel.

The directors continually monitor the business and the business environment in order to identify threats to the business and mitigate risk where possible.

In monitoring the company's performance, the directors and management have regard to a range of key performance indicators, including:

- Revenue per Available Room (RevPAR) which combines two key sub-measures: Occupancy percentage and Average Daily Rate per room sold (ADR);
- Direct operating costs: cost of sales, payroll and other direct cost ratios; and
- Indirect operating costs and overhead expenses.

Management set targets for each of these measures and monitor them on a weekly and monthly basis as part of the budgeting and management accounting process.

On behalf of the board

Seán McKeon
Director

Dermot Crowley
Director

15 June 2018

Crescentbrook Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2017.

The principal activity of the company is the operation of the Clayton Hotel Leeds. The company is a wholly owned subsidiary of Dalata UK Limited, a company incorporated and operating in the United Kingdom. The ultimate parent of the company is Dalata Hotel Group plc, a company incorporated and operating in the Republic of Ireland and listed on the London Stock Exchange and the Irish Stock Exchange.

Results and dividends

The results for the year ended 31 December 2017 have been presented on page 8. The directors do not propose the payment of a dividend *(2016: £Nil).*

Directors

The names of the persons who were directors during the year are set out below. They served as directors for the entire year:

Mr. Dermot Crowley;
Mr. Patrick McCann;
Mr. Stephen McNally; and
Mr. Seán McKeon.

Political contributions

The company made no political donations and incurred no political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant post balance sheet events affecting the financial position of the company which require adjustment to or a disclosure thereon in these financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will continue in office.

On behalf of the board

Seán McKeon
Director

Dermot Crowley
Director

15 June 2018

Crescentbrook Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' 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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

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 assets, liabilities and financial position of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

Seán McKeon
Director

Dermot Crowley
Director

15 June 2018

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Crescentbrook Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Crescentbrook Limited ('the company') for the year ended 31 December 2017 set out on pages 8 to 20, which comprise the statement of profit or loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

KPMG

Independent auditor's report to the members of Crescentbrook Limited
(continued)

1 Report on the audit of the financial statements *(continued)*

Other information *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements; and
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 they 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.

KPMG

Independent auditor's report to the members of Crescentbrook Limited
(continued)

2 Respective responsibilities and restrictions on use *(continued)*

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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Richard Hobson

Richard Hobson (Senior Statutory Auditor)
for and on behalf of
KPMG
Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

15 June 2018

Crescentbrook Limited

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Turnover	2	**8,317**	7,653
Cost of sales		**(3,020)**	(2,787)
Gross profit		**5,297**	4,866
Administrative expenses	5	**(2,959)**	(2,854)
Operating profit	3	**2,338**	2,012
Interest payable and similar expenses	6	**(670)**	(680)
Profit before tax		**1,668**	1,332
Tax credit/(charge) on profit for the year	7	**69**	(377)
Profit for the year		**1,737**	955

There was no other comprehensive income during the year or the prior year.

Crescentbrook Limited

Balance sheet
as at 31 December 2017

	Note	2017 £'000	Restated (Note 12) 2016 £'000
Fixed assets			
Tangible fixed assets	*8*	**29,026**	29,130
Current assets			
Stocks	*9*	**24**	22
Debtors	*10*	**5,951**	2,833
Cash at bank and in hand	*11*	**314**	473
		6,289	3,328
Creditors: amounts falling due within one year	*12*	**(21,177)**	(20,057)
Net current liabilities		**(14,888)**	(16,729)
Total assets less current liabilities		**14,138**	12,401
Net assets		**14,138**	12,401
Capital and reserves			
Share capital	*14*	**8,096**	8,096
Retained earnings		**2,817**	1,080
Capital contribution	*15*	**3,225**	3,225
Shareholders' funds		**14,138**	12,401

On behalf of the board

Seán McKeon
Director

Dermot Crowley
Director

15 June 2018

Crescentbrook Limited

Statement of changes in equity
for the year ended 31 December 2017

	Share capital £'000	Capital contribution £'000	Retained earnings £'000	Total £'000
At 1 January 2016	8,096	3,225	125	11,446
Total comprehensive income for the year				
Profit for the year	-	-	955	955
At 31 December 2016	**8,096**	**3,225**	**1,080**	**12,401**
Total comprehensive income for the year				
Profit for the year	-	-	1,737	1,737
At 31 December 2017	**8,096**	**3,225**	**2,817**	**14,138**

Crescentbrook Limited

Notes
forming part of the financial statements

1 Significant accounting policies

Crescentbrook Limited is a private company incorporated, domiciled and registered in the United Kingdom. The financial statements of the company for the year ended 31 December 2017 comprise the company's statement of profit or loss and other comprehensive income, balance sheet, statement of changes in equity and related notes.

(a) Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, Dalata Hotel Group plc, a company incorporated and operating in the Republic of Ireland, includes the company in its consolidated financial statements. The consolidated financial statements of Dalata Hotel Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions involving wholly owned subsidiaries of the parent group;
- Comparative period reconciliations for share capital and tangible fixed assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Dalata Hotel Group plc include the equivalent disclosures, the company has also taken the exemption under FRS 101 available in respect of certain disclosures required by IFRS13 *Fair Value Measurement* and the disclosures required by IFRS7 *Financial Instrument Disclosures.*

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis. The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements have been prepared on the going concern basis. The directors have reviewed the financial position and outlook of the company and are satisfied that there are no material uncertainties that may cast doubt on the ability of the company to continue as a going concern.

1 Significant accounting policies *(continued)*

(b) Basis of preparation (continued)

Revision of Estimated Useful Lives of Property, Plant and Equipment

The company reviews the useful lives of its property, plant and equipment at least annually to determine whether the existing estimated useful lives remain appropriate. Arising from the company's assessment during the year ended 31 December 2017, the company has revised its estimate of the useful lives of its fixtures, fittings and equipment. Previously the average estimated useful life was 5 to 10 years whereas, as a result of the change in estimate, the average estimated useful life is 3 to 15 years depending on the categorisation of asset. Were the previous useful lives applied for the year ended 31 December 2017, this would have resulted in a total depreciation charge in respect of the company's property, plant and equipment of £0.849 million, which is £0.161 million higher than the recognised depreciation charge of £0.688 million in profit or loss for the year. It is impracticable to disclose the prospective impact of this change beyond the end of 2017 on the basis that this would require the company to further estimate the timing, quantum and asset classification of future capital expenditure.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Turnover

Turnover is derived from hotel operations and includes the rental of rooms, food and beverage sales, and car park spaces sales. Turnover is recognised when rooms are occupied, food and beverages are sold and when car park spaces are occupied. Turnover represents sales (excluding VAT and similar taxes) of goods and services, net of discounts provided, in the normal course of business and recognised when services have been rendered.

(d) Taxation

Tax expense for the year comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1 Significant accounting policies *(continued)*

(e) Foreign currency

Transactions in currencies other than the functional currency of the entity are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the functional currency at the relevant rates of exchange ruling at the balance sheet date with the resulting exchange differences being recorded in profit or loss.

(f) Tangible fixed assets

Land and buildings are initially stated at cost, including directly attributable transaction costs, (or fair value when acquired through business combinations). Land and buildings are subsequently stated at deemed cost/cost less accumulated depreciation and accumulated impairment losses.

Fixtures, fittings and equipment are stated at cost, less accumulated depreciation and any provision for impairment.

Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment unless it is acquired as part of a business combination under FRS 101, where the deemed cost is its acquisition date fair value.

Depreciation is charged through profit or loss on the cost or valuation less residual value on a straight-line basis over the estimated useful lives of the assets which are:

Buildings	50 years
Fixtures, fittings and equipment	3-15 years
Land is not depreciated.	

Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying values exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the greater of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(g) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

(h) Trade and other debtors

Trade and other debtors are stated at amortised cost less any allowance for doubtful amounts which also equates to their fair value owing to the short term nature of the assets. An allowance is made when collection of the full amount is no longer considered probable.

Crescentbrook Limited

Notes *(continued)*

1 Significant accounting policies *(continued)*

(i) Trade and other creditors

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

(j) Cash at bank and in hand

Cash at bank and in hand comprise cash and bank balances with no notice or short-term deposits which are subject to insignificant risk of changes in value.

(k) Interest

Financing costs comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

(l) Provisions and contingent liabilities

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

(m) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(n) Employee benefits

Obligations for contributions to defined contribution pension schemes are recognised as an expense in profit or loss as services from employees are received. Under such schemes, the company has no obligation to make further contributions to these schemes beyond the contracted amount. Prepaid contributions are recognised as an asset to the extent that the employee service has not yet been received.

(o) Capital contribution

Capital contributions recognised are irrevocable, unconditional and do not carry servicing burdens.

Crescentbrook Limited

Notes *(continued)*

2 Turnover

All of the company's turnover arises from hotel activities in the United Kingdom. All of the company's assets and liabilities are located in the United Kingdom.

3 Statutory and other information

	2017	2016
	£'000	£'000
The operating profit is stated after charging:		
Auditor's remuneration, including expenses	**12**	12
Depreciation of tangible fixed assets	**688**	750

During the year ended 31 December 2017 and the prior year ended 31 December 2016, no fees or emoluments were payable to the directors.

4 Staff numbers and costs

The average number of persons (full-time equivalents) employed by the company (including directors), analysed by category, was as follows:

	2017	2016
Administration	**11**	9
Other	**49**	66
	60	75

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£'000	£'000
Wages and salaries	**1,318**	1,598
Social welfare costs	**102**	92
Pension costs	**11**	9
	1,431	1,699

Crescentbrook Limited

Notes *(continued)*

		2017	2016
5	**Administrative expenses**	**£'000**	£'000
	Other hotel expenses	**2,271**	2,104
	Depreciation of tangible fixed assets	**688**	750
		2,959	2,854

		2017	2016
6	**Interest payable and similar expenses**	**£'000**	£'000
	Interest payable on borrowings	**670**	680

Interest is payable on the company's borrowings from a group undertaking (note 12).

		2017	2016
7	**Tax (credit)/charge**	**£'000**	£'000
	Current tax		
	UK corporation tax (credit)/charge	**(3)**	355
	Deferred tax		
	Deferred tax (credit)/charge (note 13)	**(66)**	22
	Total tax (credit)/charge	**(69)**	377

The tax assessed for each year differs from the standard rate of tax in the UK for that period. The differences are explained below:

	2017	2016
	£'000	£'000
Profit before tax	**1,668**	1,332
Tax on profit at standard UK tax rate of 19.25% *(2016: 20%)*	**321**	266
Effects of:		
Expenses not deductible for tax purposes	**1**	46
Other permanent differences	**(47)**	-
Impact of change in tax rates	**-**	23
(Over)/under provision in respect of prior year	**(2)**	42
Group relief	**(342)**	-
Total tax (credit)/charge	**(69)**	377

Crescentbrook Limited

Notes *(continued)*

8 Tangible fixed assets

	Land & buildings 2017 £'000	Fixtures, fittings & equipment 2017 £'000	Total 2017 £'000
Cost			
At 1 January	28,173	2,134	30,307
Additions	-	584	584
At 31 December 2017	**28,173**	**2,718**	**30,891**
Accumulated depreciation			
At 1 January	671	506	1,177
Charge for the year	352	336	688
At 31 December 2017	**1,023**	**842**	**1,865**
Net book value			
At 31 December 2017	**27,150**	**1,876**	**29,026**
At 31 December 2016	27,502	1,628	29,130

During the year, the Group revised the estimated useful lives of its fixtures, fittings and equipment (note 1).

9 Stocks

	2017 £'000	2016 £'000
Consumable stores	**6**	4
Goods for resale	**18**	18
	24	22

Crescentbrook Limited

Notes *(continued)*

10 Debtors

	2017	2016
	£'000	£'000
Trade debtors	**196**	209
Prepayments	**131**	113
Accrued income	**8**	9
Amounts due from group undertakings	**5,424**	2,376
Deferred tax asset (note 13)	**192**	126
	5,951	2,833

The amounts due from group undertakings are non-interest bearing and are repayable on demand.

11 Cash at bank and in hand

	2017	2016
	£'000	£'000
Cash at bank and in hand	**314**	473

12 Creditors: amounts falling due within one year

		Restated
	2017	2016
	£'000	£'000
Trade creditors	**216**	209
Accruals	**212**	149
Deferred income	**41**	55
VAT payable	**338**	322
PAYE/PRSI payable	**28**	23
Corporation tax payable	**-**	145
Short term borrowings from group undertakings	**18,891**	18,891
Other amounts due to group undertakings	**1,451**	263
	21,177	20,057

At 31 December 2017, the company had an interest bearing loan of £18.9 million *(2016: £18.9 million)* from a fellow group company. The loan is repayable on demand and an interest rate of 3.5% per annum is charged on the outstanding loan balance.

These interest-bearing borrowings of £18.9 million at 31 December 2016 which were repayable on demand to a fellow group undertaking were previously classified as long-term borrowings in the financial statements of the company for the year ended 31 December 2016. These borrowings have been reclassified to current liabilities as at 31 December 2016 in these financial statements. The impact is limited to a reclassification between non-current liabilities and current liabilities.

The other amounts due to group undertakings are non-interest bearing and are repayable on demand.

Crescentbrook Limited

Notes *(continued)*

13 Deferred tax asset

	2017	2016
	£'000	£'000
Movements in the year		
At beginning of year	**126**	148
Credit/(charge) for year – to profit or loss (note 7)	**66**	(22)
At 31 December	**192**	126

The deferred tax asset has arisen in relation to timing differences between the tax written down value of assets and their net book value and has been recognised in full. The directors are confident that the deferred tax balance will be recovered in full.

There are no unprovided deferred tax liabilities or unrecognised deferred tax assets at 31 December 2017.

14 Share capital

	2017	2016
	£'000	£'000
Allotted, called up and fully paid		
8,096,042 ordinary shares of £1 each	**8,096**	8,096

15 Capital contribution

	2017	2016
	£'000	£'000
At beginning of year	**3,225**	3,225
At 31 December	**3,225**	3,225

The capital contribution reserve represents amounts gifted from the company's immediate parent undertaking during the period ended 31 December 2015. Subject to the company having distributable reserves, the capital contribution can be repaid at the company's discretion.

16 Related party transactions

The company had no related party transactions during the year which require disclosure in accordance with FRS 101.

17 Ultimate parent undertaking

The company's immediate parent undertaking is Dalata UK Limited, a company incorporated in the United Kingdom.

The ultimate parent company is Dalata Hotel Group plc, a company incorporated and operating in the Republic of Ireland. Dalata Hotel Group plc prepares consolidated financial statements which include Crescentbrook Limited. Copies of the consolidated financial statements of Dalata Hotel Group plc are available from the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1 and from www.dalatahotelgroup.com.

18 Post balance sheet events

There have been no post balance sheet events which require an adjustment to or a disclosure thereon in these financial statements.

19 Approval of financial statements

The board of directors approved these financial statements on 15 June 2018.

Hallowridge Limited

Directors and other information

Directors	Dermot Crowley Patrick McCann Seán McKeon Stephen McNally
Registered office	Clayton Hotel Cardiff St. Mary's Street Cardiff Wales CF10 1GD
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Bankers	AIB Goodbard House 15 Infirmary Street Leeds LS1 2JS
Solicitors	A & L Goodbody IFSC North Wall Quay Dublin 1
Registered number	9291878

Hallowridge Limited

Strategic report

The directors present their strategic report and audited financial statements for the year ended 31 December 2017.

The principal activity of the company is the operation of Clayton Hotel Manchester Airport, Outwood Lane, Manchester.

The company is a wholly owned subsidiary of Dalata UK Limited, a company incorporated in the United Kingdom. The ultimate parent of the company is Dalata Hotel Group plc, a company listed on the London Stock Exchange and Irish Stock Exchange.

Business review

The company made a profit after tax in the year ended 31 December 2017 of £2,530,000 *(2016: £2,165,000)*. The directors intend to explore various opportunities to grow and develop the business in line with its current activities.

Principal risks and uncertainties

The main risk to the company is a fall in demand for hotel room rentals caused by any one of a number of different factors or a combination of them. These include: weakness in domestic economic activity impacting UK consumer and business spending; weakness in the economies of inbound tourism markets, principally the Republic of Ireland, mainland Europe and North America; adverse movement in GBP/EUR and GBP/USD exchange rates impacting on the competitiveness of the United Kingdom as a tourist and business travel destination; and international geo-political events having a negative impact on international travel.

The directors continually monitor the business and the business environment in order to identify threats to the business and mitigate risk where possible.

In monitoring the company's performance, the directors and management have regard to a range of key performance indicators, including:

- Revenue per Available Room ("RevPAR") which combines two key sub-measures: Occupancy percentage and Average Daily Rate per room sold ("ADR");
- Direct operating costs: cost of sales, payroll and other direct cost ratios; and
- Indirect operating costs and overhead expenses.

Management set targets for each of these measures and monitor them on a weekly and monthly basis as part of the budgeting and management accounting process.

On behalf of the board

Patrick McCann *Director*	Seán McKeon *Director*	12 June 2018

Hallowridge Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2017.

The principal activity of the company is the operation of Clayton Hotel Manchester Airport.

Results and dividends

The results for the year ended 31 December 2017 have been presented on page 8. The directors do not propose the payment of a dividend *(2016: £Nil)*.

Directors

The names of the persons who were directors during the year are set out below. They served as directors for the entire year:

Mr. Dermot Crowley;
Mr. Patrick McCann;
Mr. Stephen McNally; and
Mr. Seán McKeon.

Political contributions

The company made no political donations and incurred no political expenditure during the year *(2016: £Nil)*.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant post balance sheet events affecting the financial position of the company which require adjustment to or a disclosure thereon in the financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

On behalf of the board

Patrick McCann
Director

Seán McKeon
Director

12 June 2018

Hallowridge Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' 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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework.*

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 assets, liabilities and financial position of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

Patrick McCann
Director

Seán McKeon
Director

12 June 2018

KPMG

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Hallowridge Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hallowridge Limited ('the company') for the year ended 31 December 2017 set out on pages 8 to 22, which comprise the statement of profit or loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework.*

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

KPMG

Independent auditor's report to the members of Hallowridge Limited *(continued)*

1 Report on the audit of the financial statements *(continued)*

Other information *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements; and
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 they 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.