



Case M1721G

Proposed acquisition by R. W. Randall Limited (the Purchaser)
of FH Holdings Limited (the Target) from Nut Tree Limited and
Temk Investments Limited (the Sellers).

Decision

Date: 28 October 2025

Guernsey Competition & Regulatory Authority
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Summary

1. The proposed transaction involves the acquisition by R. W. Randall Limited (the **Purchaser**) of the entire issued share capital of FH Holdings Limited (the **Target**) from Nut Tree Limited and Temk Investments Limited (the **Sellers**).
2. The transaction has been notified to the Guernsey Competition and Regulatory Authority (**GCRA**) pursuant to Section 16(1) of the Competition (Guernsey) Ordinance, 2012 (the **2012 Ordinance**).
3. The GCRA has determined that the proposed acquisition will not lead to a substantial lessening of competition in any relevant market and hereby approves the notified transaction.

The Notified Transaction

4. On 10 October 2025, the GCRA received a joint application from the Purchaser and the Sellers (together the **Notifying Parties**) for approval of the acquisition by the Purchaser of the entire issued share capital of the Target (the **Notified Transaction**).
5. The GCRA registered the application on its website with a deadline for comments of 5 p.m. on 24 October 2025. No submissions were received.

The Parties

6. The Purchaser is a Guernsey registered company with company number CMP111. The ultimate parent company of the Purchaser is CI Hospitality Limited, a non-cellular company limited by shares incorporated in Guernsey with company number CMP74700 (the **Acquirer Parent**). The Acquirer Parent only owns the Purchaser at this time.
7. The Purchaser is active in a number of market segments in Guernsey, including the operation of managed and tied houses, bar-restaurants and hotels and the importation and wholesale of beers, wines and spirits and soft drinks.
8. The Sellers are Guernsey registered companies with registration numbers CMP34712 (Nut Tree Limited) and CMP36873 (Temk Investments Limited). The Sellers together own the entire issued share capital of the Target.
9. Following completion of the Notified Transaction, Nut Tree Limited will continue to operate in the hotel, restaurant and bar segments of the market. Temk is a private investment vehicle, which does not offer goods or services in Guernsey.
10. The Target is a Guernsey registered company with company number CMP73144.
11. The Target operates one hotel with an associated bar and restaurant in Guernsey. It is also active in the provision of outside catering services.

Requirement for GCRA Approval

12. Pursuant to s.61(1)(b)(i) of the 2012 Ordinance, a merger or acquisition occurs for the purposes of that Ordinance when: *“an undertaking [...] directly or indirectly acquires or establishes control of another undertaking”*.
13. As stated above, pursuant to the Notified Transaction the Purchaser will acquire the entire issued share capital of the Target. The acquisition by one undertaking of the entire issued share capital of another undertaking amounts to an acquisition of control for the purposes of the 2012 Ordinance. The notified transaction is therefore a merger, as defined by the 2012 Ordinance.
14. Under Regulation 2(a) and (b) of the Competition (Prescribed Mergers and Acquisitions) (Guernsey) Regulations 2012 (the **Regulations**), an undertaking is involved in a merger or acquisition if it is acquiring, or being acquired by, another undertaking.
15. On completion of the Notified Transaction, the Purchaser will acquire 100% of the shares in the Target. Both the Purchaser and the Target are therefore involved in a merger for the purposes of the Regulations.
16. Under s.13(1) of the 2012 Ordinance, certain mergers must be notified to, and approved by the GCRA before they can be put into effect. Regulation 1 of the Regulations provides that mergers must be notified to the GCRA for clearance if:
 - a. The combined Channel Islands turnover of the undertakings involved in the merger exceeds £5 million, and
 - b. Two or more of the undertakings involved in the merger have Guernsey turnover exceeding £2 million.
17. According to information provided by the Notifying Parties, the combined and individual applicable turnover of the Parties in the Channel Islands and Guernsey exceeds these thresholds. On this basis, the GCRA's approval is required before the acquisition is executed.

Market Definition

18. Under s.13 of the 2012 Ordinance, the GCRA must determine if the merger would substantially lessen competition within any market in Guernsey for goods or services.
19. As an initial step, the GCRA will identify the markets which are likely to be affected by the merger since market definition provides a framework within which the competitive effects of a merger can be assessed.
20. When defining a market, the GCRA may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. However, these previous decisions are not precedents and are not binding, either on the merging parties or on the GCRA. Competition

conditions may change over time, changing the market definition. Market definition will always depend on the prevailing facts.¹

Views of the Parties

21. According to information provided by the Notifying Parties, the Purchaser is active in the following market segments:

- (a) Operation of managed houses;
- (b) Operation of hotels;²
- (c) Operation of bar restaurants;³
- (d) Importation and wholesale of beers, wines and spirits (**BWS**) and a limited supply of soft drinks;
- (e) Operation of off licences;
- (f) Operation of licensed premises which are leased to tenants, who in turn operate them as individual businesses;
- (g) Manufacture of gin, vodka and draught beer; and
- (h) Operation of the Guernsey Airport Duty Free concession.

22. The Target is active in the following market segments:

- (a) Operation of hotels;⁴
- (b) The provision of outside catering services.

23. The Notifying Parties submit that the relevant markets for the purposes of assessing the Notified Transaction, being the only markets in respect of which there is an overlap between the activities of the Purchaser and the Target, are:

- (a) The three star and four star short-term accommodation market; and
- (b) The food and beverage services market for establishments offering table service.

¹ This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Section 54 of the 2012 Ordinance states that when determining questions in relation to the merger and acquisition of undertakings, the GCRA may take into account the principles laid down by and any relevant decision of the Court of Justice or the General Court of the European Union in respect of corresponding questions arising under EU law.

² The Imperial Hotel & Restaurant.

³ The Slaughterhouse, The Prince of Wales, The Rockmount and La Reunion.

⁴ The Farmhouse Hotel & Restaurant.

Three star and four star short-term accommodation

24. The Notifying Parties refer to the previous decision making practice of the GCRA,⁵ in which a relevant market for the upper/top end of the three star and the four star accommodation segment was defined. The Notifying Parties argue for a wider definition of the product market to include the provision of all three and four star short-term accommodation. They rely in this regard on market research conducted by them in September 2025, assessing three and four star hotels in Guernsey by reference to average and median room rates (both mid-week and weekend, and in summer and winter). According to the Notifying Parties, this research shows that price levels between three and four star establishments are sufficiently close to indicate a degree of substitutability, and that these should therefore be considered part of a single product market for three and four star short-term accommodation.
25. The Notifying Parties consider that the relevant geographic market is the whole of Guernsey.

Food and beverage services for establishments offering table service

26. The Notifying Parties refer to the GCRA's findings in previous cases,⁶ which considered a relevant product market for provision of food and beverages by establishments offering table service but which ultimately left the definition of the relevant product market open. The Notifying Parties argue that due to the GCRA's previous finding that there was a large number of alternative options in this potential market, it is not necessary to give further consideration to the relevant market definition in this case.

GCRA Consideration

Product Market

27. The relevant product market is defined primarily by reference to the likely response of consumers and competitors.⁷ It will comprise products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the product's characteristics, prices and intended use. An undertaking cannot have a significant impact on the prevailing conditions of a market if customers can easily switch to other service providers.

Three and four star short term accommodation

28. For the reasons set out below, in the present case the precise product market definition can be left open since the Notified Transaction would not give rise to a substantial lessening of competition in this segment on any plausible basis.

⁵ Case M1576G FV Holdings / Vista Hotels Group Limited

⁶ Case M1576G FV Holdings / Vista Hotels Group Limited

⁷ GCRA Guideline 7 – Market Definition

Food and beverage services for establishments offering table service

29. For the reasons set out below, in the present case the precise product market definition can be left open since the Notified Transaction would not give rise to a substantial lessening of competition in this segment on any plausible basis.

Geographic Market

30. In line with its previous decision making practice, the GCRA considers that the relevant geographic market in each case is Guernsey-wide.⁸

Effect on Competition

Horizontal effects

31. In assessing the horizontal effects of the merger, the GCRA considers the extent to which the transaction would alter concentration levels in the relevant market and whether it would increase the ability or incentive of the merged entity to raise prices or reduce quality, service, or innovation.
32. European Guidelines provide that where the combined market share of the merging undertakings does not exceed 25%, the concentration may be presumed not to impede effective competition⁹.
33. With respect of the provision of three and four star accommodation in Guernsey (or some narrower subset of that segment), the combined share of the merged entity would not exceed 10% by volume on any plausible basis.¹⁰ This is comfortably within the range of market share at which a concentration may be presumed not to impede effective competition. The Notified Transaction will therefore not lead to a substantial lessening of competition for the provision of three and four star accommodation (or any relevant narrower subset of that segment).
34. There is a large number of establishments offering food and beverage table services in Guernsey. The Notified Transaction will not give rise to a substantial lessening of competition in this segment on any plausible basis.

⁸ Case M1576G FV Holdings / Vista Hotels Group Limited

⁹ Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 31, 5.2.2004, p.5 (paragraph 18).

¹⁰ According to information provided by the Notifying Parties, the total number of bedrooms in four star hotels only is 480. On the conservative assumption that the Imperial is the only relevant hotel in the “upper end” of the three star segment, the total number of bedrooms available in that segment (upper three star and four star) is 497, of which the merged entity would have 31, or 6.2%. Any further broadening of the market to include other three star hotels would reduce the market share of the merged entity below that figure.

Vertical effects

35. The GCRA has considered whether the Notified Transaction would be likely to give rise to anti-competitive vertical foreclosure due to the Purchaser's activities in the manufacture and wholesale distribution of BWS and the Target Group's activities downstream activities of the provision of hotel accommodation (and associated restaurant and bar provision).
36. According to information supplied by the Notifying Parties, the Purchaser currently wholesales £30k worth of BWS in Guernsey. Following completion of the Notified Transaction, the merged entity will self-supply The Farmhouse Hotel & Restaurant with 30 % of its requirement of BWS, which is estimated to be worth approximately £30k, or about 30 % of the merged entity's total wholesale sales of BWS. Given the fact that the projected percentage of the merged entity's total wholesale sales of BWS to the Farmhouse Hotel & Restaurant is very low, it is unlikely that the merged entity would have any incentive to restrict wholesale supplies of BWS to its retail competitors post-transaction. As such, the Notified Transaction is unlikely to give rise to anti-competitive vertical foreclosure in respect of the wholesale of BWS.

Decision

37. Based on the preceding analysis, the GCRA concludes that the acquisition will not substantially lessen competition within any market in Guernsey for goods or services.
38. The GCRA is also satisfied that the merger would not be to the prejudice of:
- (a) consumers or any class or description thereof;
 - (b) the economic development and well-being of the Bailiwick; or
 - (c) the public interest.
53. The merger is therefore approved under s.13 of the 2012 Ordinance.

28 October 2025