

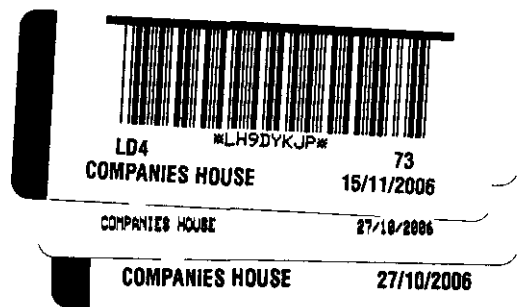
**CENTRE HOTELS (CRANSTON) LIMITED**

Report and Financial Statements

31 December 2005

05/11/2006  
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11/11/2006



# **Centre Hotels (Cranston) Limited**

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## **Officers and Professional Advisers**

### **DIRECTORS**

M Newman  
R Prince

### **SECRETARY**

Paul Hastings Administrative Services Limited

### **REGISTERED OFFICE**

88 Wood Street  
London  
EC2V 7AJ

### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
& Registered Auditors  
London

# **Centre Hotels (Cranston) Limited**

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## **Directors' Report**

### **Period from 25 May 2005 to 31 December 2005**

The directors present their report and financial statements for the period ended 31 December 2005

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company has not traded during the current or the prior period

#### **CHANGE OF ACCOUNTING REFERENCE DATE**

On 16 February 2006 the company changed its accounting reference date to 31 December

#### **FUTURE DEVELOPMENTS**

The directors plan to maintain the company's status for the foreseeable future

#### **DIRECTORS**

The directors, who served throughout the period, except as noted, were as follows

A Fish (Resigned 23 August 2005)  
M Newman  
R Prince

There are no directors' interests requiring disclosure under the Companies Act 1985

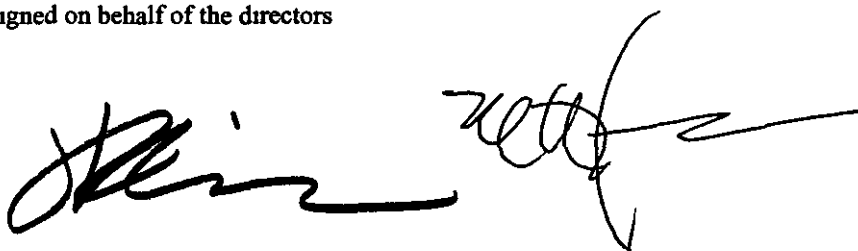
#### **AUDITORS**

Ernst & Young LLP have resigned as auditors to the company and Deloitte & Touche LLP were appointed by the directors to fill the casual vacancy, in accordance with section 388(1) of the Companies Act 1985.

#### **DIRECTORS' RESPONSIBILITIES**

The Statement of Directors' Responsibilities shown on page 3 forms an integral part of the Directors' Report

Signed on behalf of the directors



Director

Approved on 22/6/06

# **Centre Hotels (Cranston) Limited**

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## **Statement of Directors' Responsibilities in Respect of the Financial Statements**

**Period from 25 May 2005 to 31 December 2005**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to

- select suitable accounting policies, as described on page 7, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business
- state whether applicable accounting standards have been followed

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the directors are aware there is no relevant audit information of which the company's auditors are unaware, and,
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

# **Centre Hotels (Cranston) Limited**

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## **Independent Auditors' Report to the Members of Centre Hotels (Cranston) Limited**

**Period from 25 May 2005 to 31 December 2005**

We have audited the financial statements of Centre Hotels (Cranston) Limited for the period ended 31 December 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **Centre Hotels (Cranston) Limited**

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## **Independent Auditors' Report to the Members of Centre Hotels (Cranston) Limited**

**Period from 25 May 2005 to 31 December 2005**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*Deloitte + Touche W*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

Date 23/6/06

# Centre Hotels (Cranston) Limited

## Profit and Loss Account

Period from 25 May 2005 to 31 December 2005

		<i>* Restated</i>
	<i>Period ended</i>	<i>Period ended</i>
	<i>31 December</i>	<i>24 May</i>
	<i>2005</i>	<i>2005</i>
	<i>Notes</i>	<i>£000</i>
Interest payable	(4)	(2)
<b>RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(4)</b>	<b>(2)</b>
Tax on result on ordinary activities	3	
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>(4)</b>	<b>(2)</b>
Dividends paid		
<b>RETAINED LOSS FOR THE FINANCIAL PERIOD</b>	<b>(4)</b>	<b>(2)</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>* Restated</i>
<i>Period ended</i>	<i>Period ended</i>
<i>31 December</i>	<i>24 May</i>
<i>2005</i>	<i>2005</i>
<i>£000</i>	<i>£000</i>
Total recognised gains and loss relating to the period	(4) (2)
Prior Year Adjustment – see Note 7	(92)
Total gains and loss recognised since last annual report	(96)

\* Restated figures relate to a change in accounting policy due to the adoption of FRS 25 – see note 7

# Centre Hotels (Cranston) Limited

## Balance Sheet

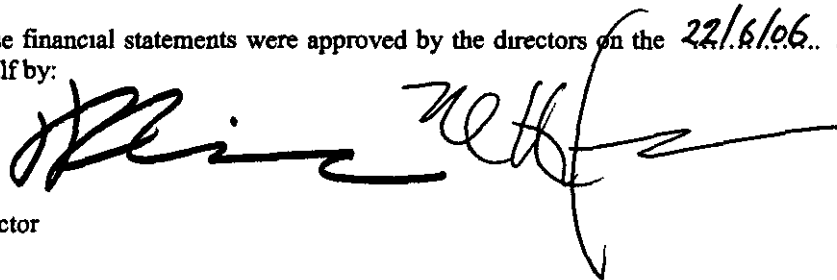
As at 31 December 2005

		31 December 2005 £000	* Restated 24 May 2005 £000
	Notes		
<b>CURRENT ASSETS</b>			
Debtors – amounts falling due within one year	4	14,022	14,022
Creditors – amounts falling due after one year	5	(181)	(177)
		<u>13,841</u>	<u>13,845</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	6	5,708	5,708
Profit and loss reserve	7	8,133	8,137
		<u>13,841</u>	<u>13,845</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	7	<u>13,841</u>	<u>13,845</u>

\* Restated figures relate to a change in accounting policy resulting from the adoption of FRS 25 – see notes 5 and 7.

These financial statements were approved by the directors on the 22/6/06.. and are signed on their behalf by:

Director





# Centre Hotels (Cranston) Limited

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## Notes to the Financial Statements

Period from 25 May 2005 to 31 December 2005

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention. They have been drawn up to comply with applicable UK law and accounting standards

The financial statements have been prepared using policies consistent with prior periods with the exception of the change in policy resulting from the adoption of FRS 25.

#### *Consolidation*

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts. These accounts give information about the company as an individual undertaking and not about its group.

#### *Financial instruments*

In preparing the financial statements for the current period, the company has adopted the presentation paragraph of FRS 25, 'Financial instruments'. Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

#### *Statement of cash flows*

The directors have taken advantage of the exemption in FRS 1 "Cash Flow Statements" (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

### 2. COSTS AND OVERHEADS, LESS OTHER INCOME

Directors' emoluments for the period were £Nil. In the prior period Directors' emoluments were paid for by other group undertakings

There were no staff employed by the company in either the current or prior period

Auditors' remuneration has been borne by a fellow group undertaking in the current period (period to 24 May 2005 £Nil).

### 3. INVESTMENTS

Cost at 31 December 2005 £100

Details of the principal subsidiary held is given below

Company	Main Activity	Proportion of held ordinary shares
LRG IG Limited	Non trading	100%

In the opinion of the directors, the aggregate value in shares in and amounts owing from the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the company's balance sheet

# Centre Hotels (Cranston) Limited

## Notes to the Financial Statements

Period from 25 May 2005 to 31 December 2005

4. **DEBTORS:** Amounts falling due within one year

	<i>31 December</i> <i>2005</i> <i>£000</i>	<i>24 May</i> <i>2005</i> <i>£000</i>
Amounts owed by fellow subsidiary undertakings	<u>14,022</u>	<u>14,022</u>

5. **CREDITORS:** Amounts falling due after more than one year

	<i>31 December</i> <i>2005</i> <i>£000</i>	<i>* Restated</i> <i>24 May</i> <i>2005</i> <i>£000</i>
Preference Shares	85	85
Other Creditors	<u>96</u>	<u>92</u>
	<u>181</u>	<u>177</u>

\* Restated comparatives have been adjusted for Preference Shares transferred from equity and accrued dividends on the Preference Shares

**Cumulative Preference Stock**

Authorised

85,440 7% cumulative preference shares of £1 00 each	<u>85</u>	<u>85</u>
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Allotted, Called Up and Fully Paid

85,440 7% cumulative preference shares of £1 00 each	<u>85</u>	<u>85</u>
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Under FRS 25, Preference Stock has been re-classified from equity to current liabilities to better reflect the nature of the liability.

6. **SHARE CAPITAL**

	<i>31 December</i> <i>2005</i> <i>£000</i>	<i>24 May</i> <i>2005</i> <i>£000</i>
<b>Ordinary Shares</b>		
Authorised		
60,000,000 ordinary shares of 10p each	<u>6,000</u>	<u>6,000</u>
Allotted, Called Up and Fully Paid		
57,075,904 ordinary shares of 10p each	<u>5,708</u>	<u>5,708</u>

# Centre Hotels (Cranston) Limited

## Notes to the Financial Statements

Period from 25 May 2005 to 31 December 2005

### 7. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share Capital £000</i>	<i>Restated Profit and loss £000</i>	<i>Total equity £000</i>
At 24 May 2005 as previously stated	5,793	8,229	14,022
Transfer Preference Shares to liabilities	(85)		(85)
Prior year adjustments (see Note 10) .			
Accrued Preference Dividends to 31 Dec 2004		(90)	(90)
Accrued Preference Dividends to 24 May 2005		(2)	(2)
At 24 May 2005 as restated	5,708	8,137	13,845
Retained loss for the period		(4)	(4)
At 31 December 2005	5,708	8,133	13,841

### 8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 8 "Related Party Transactions", and has not disclosed transactions with group companies and related parties on the basis that the group accounts in which the company is included, are publicly available

### 9. PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is LRG Holdings Limited. The immediate parent is LRG Hotels Group (UK) Limited.

The smallest and largest group of companies for which consolidated financial statements are prepared is LRG Holdings Limited. Copies of the consolidated financial statements of LRG Holdings Limited may be obtained from the registered office located at 88 Wood Street, London, EC2V 7AJ

# Centre Hotels (Cranston) Limited

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## Notes to the Financial Statements

Period from 25 May 2005 to 31 December 2005

### 10. PRIOR YEAR ADJUSTMENT

The policy for accounting for preference shares was changed during the period in accordance with the adoption of FRS 25 so that Preference Shares have been moved from equity to liabilities. The comparative figures in the primary statements and notes have been restated to reflect the new policy. The directors consider that the new policy provides a fairer presentation of the result and of the financial position of the company.

In addition, a prior year adjustment has been included for accrued preference dividends which had not previously been accounted for.

The effects of the policy change are as follows

#### Profit and loss account

	<i>Period from 25 May 2005 to 31 December 2005 £000</i>	<i>Period from 1 Jan 2005 to 24 May 2005 £000</i>
Interest payable	(4)	(2)
Decrease in profit for the period	(4)	(2)

#### Balance sheet

	<i>31 December 2005 £000</i>	<i>24 May 2005 £000</i>
Creditors due after one year	(96)	(92)
Decrease in net assets	(96)	(92)