

Registered No SC004676 (Scotland)

CENTRE HOTELS (CRANSTON) LIMITED

Report and Financial Statements

31 December 2007

WEDNESDAY



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COMPANIES HOUSE

Centre Hotels (Cranston) Limited

Officers and Professional Advisers

DIRECTORS

M Newman
R Prince

SECRETARY

Paul Hastings Administrative Services Limited

REGISTERED OFFICE

10 Bishops Square
8th Floor
London
E1 6EG

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

Centre Hotels (Cranston) Limited

Directors' Report

Year to 31 December 2007

The directors present their report and financial statements for the year ended 31 December 2007

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company continues to act as an investment holding company

FUTURE DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The profit after taxation for the year ended 31 December 2007 was £235,000 (year ended 31 December 2006 – loss of £247,000)

The directors do not propose a dividend for this year (year ended 31 December 2006 nil)

DIRECTORS

The directors who served the company during the year were as follows

M Newman
R Prince

ELECTIVE RESOLUTIONS

The company has passed Elective Resolutions to dispense with the laying of the financial statements before the company in General Meetings, the appointment of auditors annually and the holding of Annual General Meetings, pursuant to sections 252, 386 and 366A of the Companies Act 1985

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Section 246(4) of the Companies Act 1985

DIRECTORS' RESPONSIBILITIES

The Statement of Directors' Responsibilities shown on page 4 forms an integral part of the Directors' Report

Centre Hotels (Cranston) Limited

Directors' Report (continued)

Year to 31 December 2007

AUDITORS

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

Signed on behalf of the directors

A large, stylized handwritten signature in black ink, appearing to be 'Uthf', with a long horizontal stroke extending to the right and a downward-pointing arrow-like stroke at the bottom.

Director

Approved on 19/6/08

Centre Hotels (Cranston) Limited

Statement of Directors' Responsibilities in Respect of the Financial Statements

Year to 31 December 2007

The directors are responsible for preparing 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 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). The financial statements are required by law to 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies, as described on page 9, 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.

Centre Hotels (Cranston) Limited

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

Year to 31 December 2007

We have audited the financial statements of Centre Hotels (Cranston) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 12. 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

We read the other information contained in the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Directors' Report.

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 judgments 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

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

Year to 31 December 2007

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 2007 and of its profit for the year 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 LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

Date *23/6/08*

Centre Hotels (Cranston) Limited

Profit and Loss Account

Year to 31 December 2007

		<i>Year ended 31 December 2007 £000</i>	<i>Year ended 31 December 2006 £000</i>
	<i>Notes</i>		
Interest payable	3	(6)	(6)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(6)</u>	<u>(6)</u>
Tax credit/(charge) on loss on ordinary activities	4	241	(241)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>235</u>	<u>(247)</u>

The company did not trade in either the current or prior period

The company has no recognised gains and losses other than the results for the year as set out above, accordingly no statement of recognised gains and losses has been prepared

Centre Hotels (Cranston) Limited

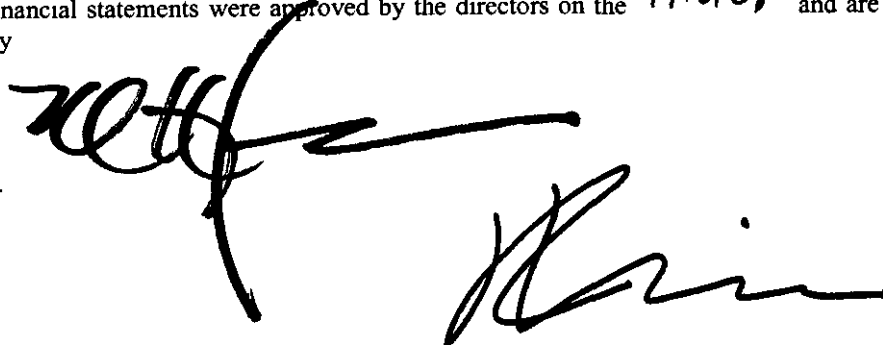
Balance Sheet

As at 31 December 2007

	Notes	2007 £000	2006 £000
CURRENT ASSETS			
Debtors – amounts falling due within one year	6	14,022	14,022
Creditors – amounts falling due within one year	7	(108)	(343)
NET CURRENT ASSETS		<u>13,914</u>	<u>13,679</u>
Creditors – amounts falling due after one year	8	(85)	(85)
NET ASSETS		<u>13,829</u>	<u>13,594</u>
CAPITAL AND RESERVES			
Share capital	9	5,708	5,708
Profit and loss account	10	8,121	7,886
SHAREHOLDERS' FUNDS	10	<u>13,829</u>	<u>13,594</u>

These financial statements were approved by the directors on the 19/6/08 and are signed on their behalf by

Director



Centre Hotels (Cranston) Limited

Notes to the Financial Statements

Year to 31 December 2007

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 accounting standards, which have been applied consistently throughout the current and prior period.

Consolidation

The company was, at the end of the year, 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

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 ultimate parent publishes consolidated financial statements.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are recognised in the financial statements of both the surrendering and recipient companies, being paid at a rate of 30% of the losses surrendered.

Deferred taxation

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Those timing differences recognised include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the assets, the gain on sale of assets rolled into replacement assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. COSTS AND OVERHEADS, LESS OTHER INCOME

Directors' emoluments for the current and prior period were nil. There were no staff employed by the company in either the current or prior period.

Auditors' remuneration of £1,600 (2006: £1,500) has been borne by a fellow group undertaking in both the current and prior period.

Centre Hotels (Cranston) Limited

Notes to the Financial Statements

Year to 31 December 2007

3. INTEREST PAYABLE

	<i>Year ended 31 December 2007 £000</i>	<i>Year ended 31 December 2006 £000</i>
Preference dividend	6	6

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 2007 £000</i>	<i>Year ended 31 December 2006 £000</i>
<i>(a) Analysis of tax credit for the year</i>		
UK corporation tax at 30 % (to 31 December 2006 – 30%)		241
Current year	(241)	
Adjustment in respect of prior period		
Total current tax	(241)	241
Tax (credit)/charge on loss on ordinary activities	(241)	241

(b) Factors affecting current tax charge for the year

	<i>Year ended 31 December 2007 £000</i>	<i>Year ended 31 December 2006 £000</i>
Loss before tax	(6)	(6)
Result on ordinary activities multiplied by standard rate of corporation tax of 30% (to 31 December 2006 – 30%)	(2)	(2)
Effects of Permanent difference	2	243
Adjustment in respect of prior period	(241)	
Total current tax	(241)	241

Centre Hotels (Cranston) Limited

Notes to the Financial Statements

Year to 31 December 2007

5. INVESTMENTS

Cost at 31 December 2006 and 31 December 2007 £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

6. DEBTORS Amounts falling due within one year

	2007 £000	2006 £000
Amounts owed by fellow subsidiary undertakings	14,022	14,022

7. CREDITORS Amounts falling due within one year

	2007 £000	2006 £000
Other Creditors	108	102
Corporation Tax		241
	108	343

Corporation tax includes amounts related to group relief which will be settled with other companies within the group

8. CREDITORS: Amounts falling due after more than one year

	2007 £000	2006 £000
Preference Shares	85	85
Cumulative Preference Stock		
Authorised, Allotted, Called Up and Fully Paid		
85,440 7% cumulative preference shares of £1 00 each	85	85

Centre Hotels (Cranston) Limited

Notes to the Financial Statements

Year to 31 December 2007

9. SHARE CAPITAL

	2007 £000	2006 £000
Ordinary Shares		
Authorised		
60,000,000 ordinary shares of 10p each	6,000	6,000
	<u> </u>	<u> </u>
Allotted, Called Up and Fully Paid		
57,075,904 ordinary shares of 10p each	5,708	5,708
	<u> </u>	<u> </u>

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2006	5,708	7,886	13,594
Profit for the year		235	235
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2007	5,708	8,121	13,829

11. 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

12. 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 10 Bishops Square, 8th Floor, London, E1 6EG.