

**CENTRE HOTELS (CRANSTON) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2008**

WEDNESDAY



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COMPANIES HOUSE

# **Centre Hotels (Cranston) Limited**

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## **Officers and Professional Advisers**

### **DIRECTORS**

S Van Oosterom  
R Prince

### **SECRETARY**

Paul Hastings Administrative Services Limited

### **REGISTERED OFFICE**

10 Bishops Square  
8th Floor  
London  
E1 6EG

### **AUDITORS**

Deloitte LLP  
Chartered Accountants  
London

# **Centre Hotels (Cranston) Limited**

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## **Directors' Report**

### **Year to 31 December 2008**

The directors present their report and financial statements for the year ended 31 December 2008.

#### **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 loss after taxation for the year ended 31 December 2008 was £6,000 (year ended 31 December 2007 – £235,000 profit).

The directors do not propose a dividend for this year (year ended 31 December 2007 - nil).

#### **DIRECTORS**

The directors who served the company during the year and subsequent to the year end, except as noted, were as follows:

M Newman	(Resigned 19 June 2008)
J McCarthy	(Appointed 19 June 2008; resigned 26 February 2009)
R Prince	
S Van Oosterom	(Appointed 27 February 2009)

#### **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**

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## **Directors' Report (continued)**

**Year to 31 December 2008**

### **AUDITORS**

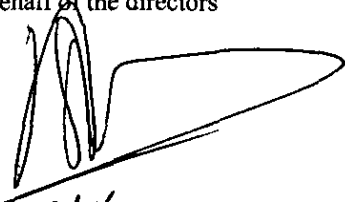
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

Signed on behalf of the directors



Director

Approved on...18/5/09.....

## **Centre Hotels (Cranston) Limited**

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

**Year to 31 December 2008**

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; and
- 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.

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

## **Year to 31 December 2008**

We have audited the financial statements of Centre Hotels (Cranston) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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.

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

**Year to 31 December 2008**

**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 2008 and of its loss 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 LLP*

**Deloitte LLP**

Chartered Accountants and Registered Auditors  
London, United Kingdom

Date 18/5/9

# Centre Hotels (Cranston) Limited

## Profit and Loss Account

Year to 31 December 2008

		<i>Year ended 31 December 2008 £000</i>	<i>Year ended 31 December 2007 £000</i>
	<i>Notes</i>		
Interest payable and similar charges	3	(6)	(6)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(6)</u>	<u>(6)</u>
Tax on loss on ordinary activities	4	-	241
<b>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>(6)</u></u>	<u><u>235</u></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

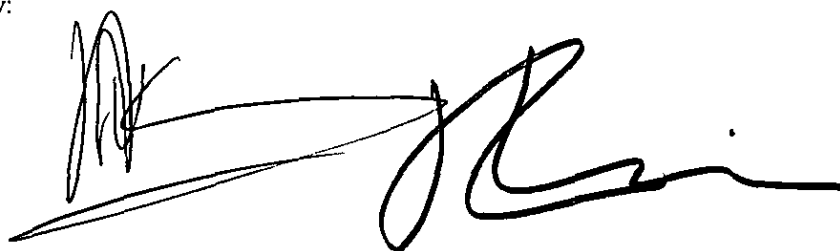
## Balance Sheet

As at 31 December 2008

	Notes	2008 £000	2007 £000
<b>FIXED ASSETS</b>			
Investments	5	-	-
<b>CURRENT ASSETS</b>			
Debtors – amounts falling due within one year	6	14,022	14,022
Creditors – amounts falling due within one year	7	(114)	(108)
<b>NET CURRENT ASSETS</b>		13,908	13,914
Creditors – amounts falling due after one year	8	(85)	(85)
<b>NET ASSETS</b>		13,823	13,829
<b>CAPITAL AND RESERVES</b>			
Share capital	9	5,708	5,708
Profit and loss account	10	8,115	8,121
<b>SHAREHOLDERS' FUNDS</b>	10	13,823	13,829

These financial statements were approved by the directors on the ...18/5/09... and are signed on their behalf by:

Director



# **Centre Hotels (Cranston) Limited**

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## **Notes to the Financial Statements**

**Year to 31 December 2008**

### **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.

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

The company is a part of the LRG Holdings Limited group and the group's business activities, together with the factors likely to affect its future development, performance and position are set out in the financial statements of LRG Holdings Limited.

The group meets its day to day working capital requirements from normal trading activities through its 61 hotels. The group is financed through medium-term external loans to finance the purchase of the hotel portfolio in May 2005 with initial maturity dates varying between 5 and 12 years. The directors believe that the group is adequately placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the director's report and accounts.

#### ***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 28.5% of the losses surrendered.

# Centre Hotels (Cranston) Limited

## Notes to the Financial Statements

Year to 31 December 2008

### 1. ACCOUNTING POLICIES (CONTINUED)

#### *Deferred taxation*

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these 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 assets and liabilities are not discounted.

### 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 (2007: £1,600) has been borne by a fellow group undertaking in both the current and prior period.

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Year ended 31 December 2008 £000</i>	<i>Year ended 31 December 2007 £000</i>
Preference dividend	6	6

### 4. TAX ON LOSS ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 2008 £000</i>	<i>Year ended 31 December 2007 £000</i>
<i>(a) Analysis of charge for the year</i>		
UK corporation tax at 28.5% (to 31 December 2007 – 30%)		
Adjustment in respect of prior period	-	(241)
Total current tax	-	(241)
Tax on loss on ordinary activities	-	(241)

# Centre Hotels (Cranston) Limited

## Notes to the Financial Statements

### Year to 31 December 2008

#### 4. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

##### (b) Factors affecting current tax charge for the year

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Loss before tax	(6)	(6)
	<u>£000</u>	<u>£000</u>
Result on ordinary activities multiplied by standard rate of corporation tax of 28.5% (to 31 December 2007 – 30%)	(2)	(2)
Effects of:		
Permanent difference	2	2
Adjustment in respect of prior period	-	(241)
Total current tax	<u>-</u>	<u>(241)</u>

#### 5. INVESTMENTS

Cost at 31 December 2007 and 31 December 2008 £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

	2008 £000	2007 £000
Amounts owed by fellow subsidiary undertakings	<u>14,022</u>	<u>14,022</u>

There are no specific repayment terms and no interest is charged on the balance.

# Centre Hotels (Cranston) Limited

## Notes to the Financial Statements

Year to 31 December 2008

### 7. CREDITORS: Amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to group undertakings	114	108

There are no specific repayment terms and no interest is charged on the balance.

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

	2008 £000	2007 £000
Preference Shares	85	85
<b>Cumulative Preference Stock</b> Authorised, Allotted, Called Up and Fully Paid 85,440 7% cumulative preference shares of £1.00 each	85	85

### 9. SHARE CAPITAL

	2008 £000	2007 £000
<b>Ordinary Shares</b> Authorised 60,000,000 ordinary shares of 10p each	6,000	6,000
Allotted, Called Up and Fully Paid 57,075,904 ordinary shares of 10p each	5,708	5,708

### 10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2007	5,708	8,121	13,829
Loss for the year	-	(6)	(6)
At 31 December 2008	5,708	8,115	13,823

### 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.

## **Centre Hotels (Cranston) Limited**

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### **Notes to the Financial Statements**

**Year to 31 December 2008**

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent undertaking and controlling party is LRG Holdings Limited. The immediate parent undertaking 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, 8<sup>th</sup> Floor, London, E1 6EG.