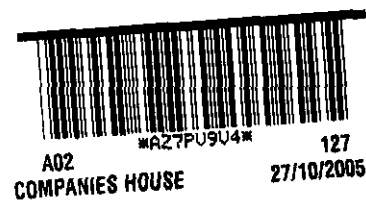


786521

**CITY HOTELS GROUP LIMITED**

Report and Accounts

31 December 2004



## City Hotels Group Limited

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Registered No. 786521

### **DIRECTORS**

Andrew Page  
Stephen Critoph  
Robert Morgan

### **COMPANY SECRETARY**

Robert Morgan

### **REGISTERED OFFICE**

56-62 Wilton Road  
London SW1V 1DE

## City Hotels Group Limited

### DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 2004.

#### RESULTS AND DIVIDENDS

During the year the company had no income or expenditure. The directors do not recommend the payment of a dividend.

#### DIRECTORS AND THEIR INTERESTS

The directors during the year were:

Andrew Page  
Stephen Critoph (appointed 27 September 2004)  
Robert Morgan

None of the directors held any interests in the ordinary shares of the company during the year.

The interests in shares and in options over shares in The Restaurant Group plc (the ultimate parent company, formerly named City Centre Restaurants plc) for directors who were not directors of The Restaurant Group plc, but were directors of the company at 31 December 2004 are as follows:

	31 December 2004	31 December 2003
<i>Robert J. Morgan</i>		
Shares held in The Restaurant Group plc	-	-
Options @ 60.2p	50,244	50,244
Options @ 67.7p	100,000	100,000
Options @ 97.7p	100,000	-
Mirror Options @ 67.7p*	50,244	50,244

In addition, Robert J. Morgan was granted 50,000 options on 4 April 2005 at an exercise price of 134.4p.

\* Under the terms of the 2003 City Centre Restaurants plc Executive Mirror Option Scheme, an option holder may exercise either the mirror option or the original option over which the mirror option has been granted, but not both.

The interests of the other directors, who were all directors of The Restaurant Group plc, in the shares of the ultimate parent undertaking, The Restaurant Group plc, are shown in the accounts of that company. Options granted to these directors to purchase ordinary shares in The Restaurant Group plc are also shown in the accounts of that company.

None of the directors held any interests in the shares of the immediate parent undertaking Strikes Restaurants Limited.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year 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 accounts, 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

A handwritten signature in black ink, appearing to read 'Robert Morgan', with a long horizontal line extending to the right.

Robert Morgan  
Company Secretary

# City Hotels Group Limited

## BALANCE SHEET At 31 December 2004

	<i>Note</i>	2004 £	2003 £
<b>CURRENT ASSETS</b>			
Amount owed by parent undertaking		2,633,750	2,633,750
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	2,633,750	2,633,750
<b>SHAREHOLDERS' FUNDS</b>		2,633,750	2,633,750

For the year ended 31 December 2004 the company was dormant.

The company was entitled to exemption from an audit for the year ended 31 December 2004 under section 249AA (1) of the Companies Act 1985.

The members of the company have not required the company to obtain an audit for the year ended 31 December 2004 in accordance with sub section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221, the Companies Act 1985, and preparing accounts which give true and fair view of the state of affairs of the company as at the end of the financial year end and of its profit or loss for the financial year in accordance with the requirements of section 226, the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on 26 October 2005



Robert Morgan  
Director

## City Hotels Group Limited

### NOTES TO THE ACCOUNTS At 31 December 2004

#### 1. ACCOUNTING POLICY

##### *Accounting convention*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 2. SHARE CAPITAL

	2004 £	2003 £
Authorised:		
1,750,000 ordinary shares at 20p	350,000	350,000
13,250,000 deferred shares of 20p	2,650,000	2,650,000
	<hr/>	<hr/>
	3,000,000	3,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
43,750 ordinary shares at 20p	8,750	8,750
13,125,000 deferred shares of 20p	2,625,000	2,625,000
	<hr/>	<hr/>
	2,633,750	2,633,750
	<hr/>	<hr/>

The holders of the deferred shares are not entitled to participate in a distribution of the company's profits. They have the right to receive notice of and attend general meetings of the company but have no right to speak or vote at such meetings by virtue of their holdings of deferred shares.

On return of assets to the members, the deferred shareholders are entitled to the amount paid up on their shares after the holders of the ordinary shares are paid £10,000 per share.

#### 3. CONTINGENT LIABILITIES

The company has guaranteed that a former fellow subsidiary undertaking of Comfort Hotels International PLC will perform its obligations under a lease.

#### 4. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Strikes Restaurants Limited (Registered No. 1608292).

The Restaurant Group plc, which is registered in Great Britain (Registered No. SC30343), is the ultimate parent undertaking and is the parent undertaking of the smallest and the largest group for which group accounts are prepared.

Copies of the group accounts of The Restaurant Group plc can be obtained from the Company Secretary at 20 Irving Street, London WC2H 7AU.