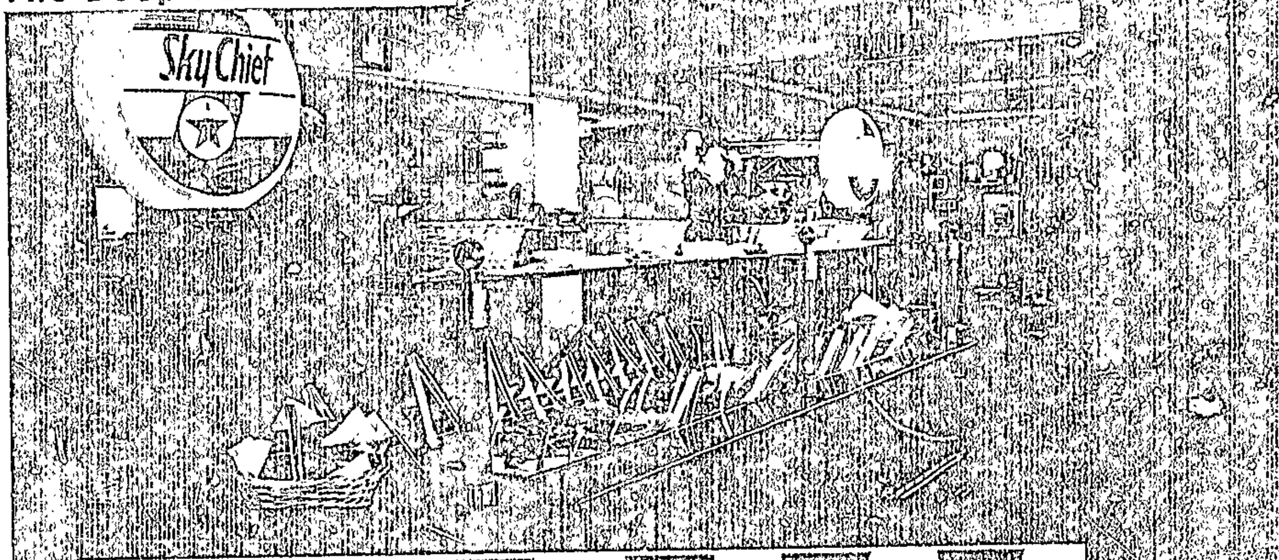
The Restaurants

The Deep Pan Pizza Co

DEEP PAN

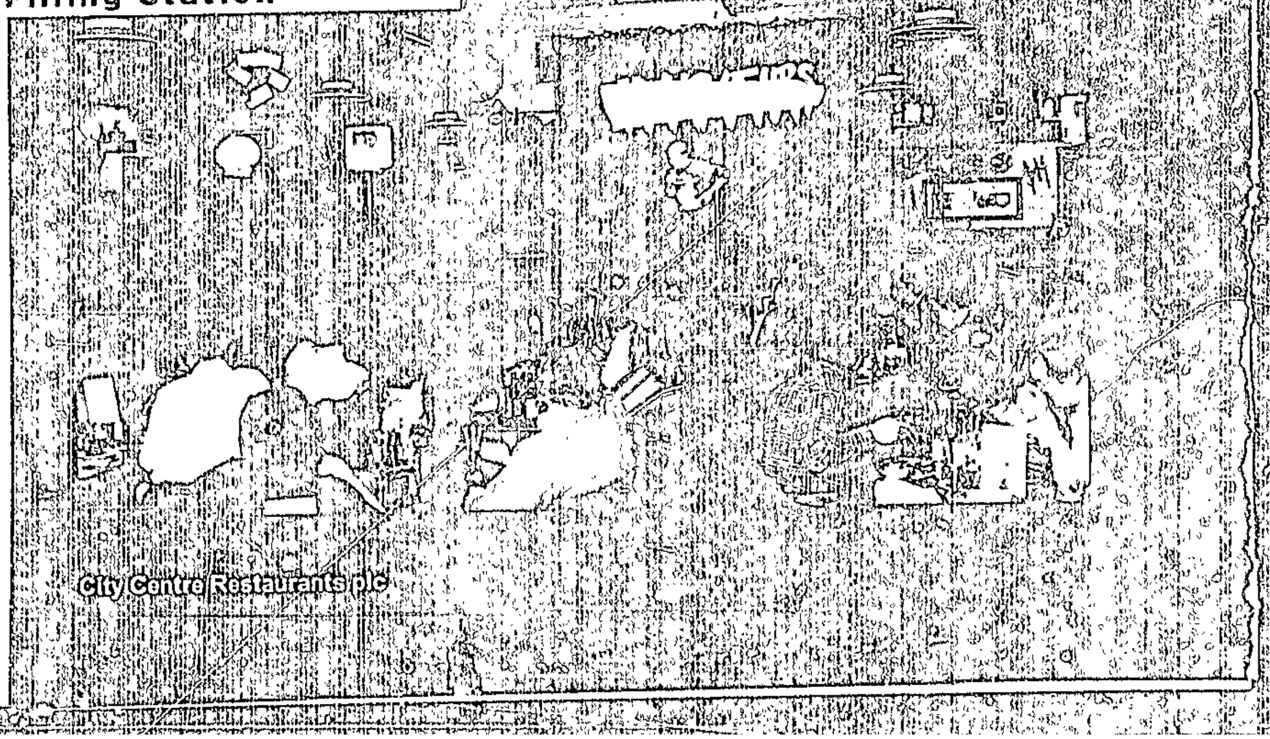


Chiquito

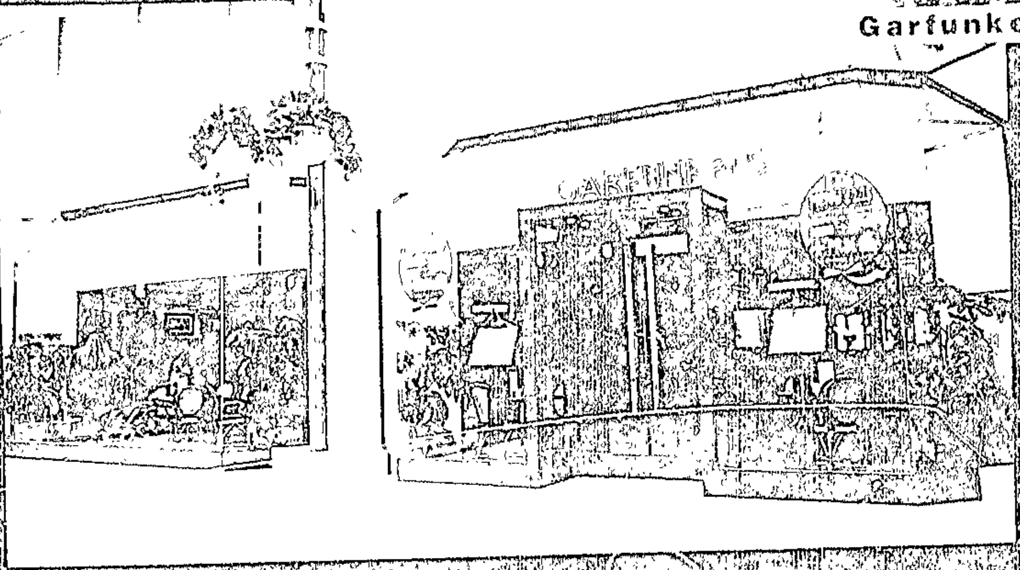
CHIQUITO
MEXICAN RESTAURANT

Filling Station

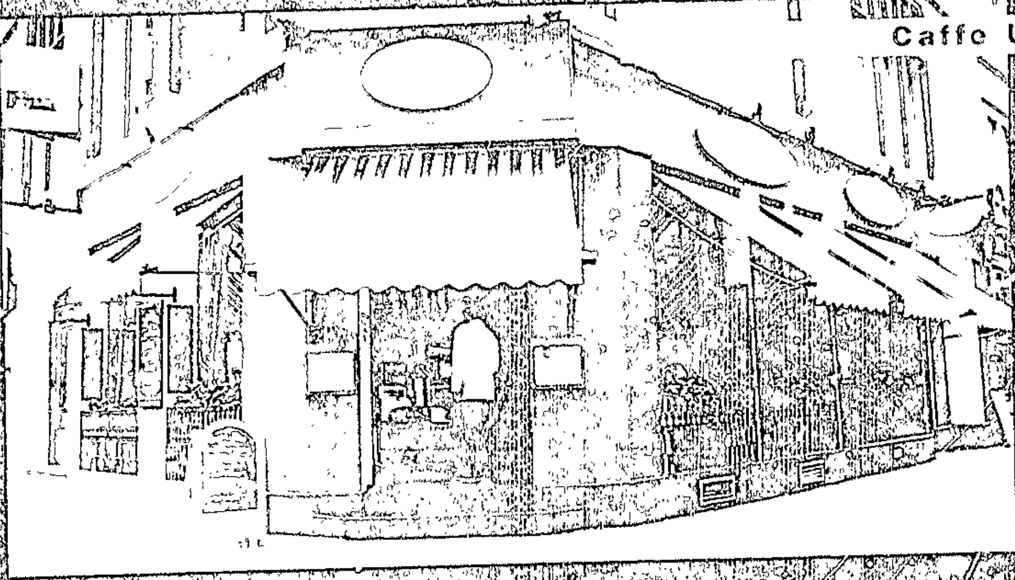
FILLING STATION



Garfunkel's



Caffe Uno



Adams Rib

City Centre Restaurants plc

The directors present their Annual Report and the Group Accounts for the year ended 31st December 1993.

Results

The results for the year are set out in the Group Profit and Loss Account on page 8 and show a Group Profit after taxation of £8,633,000.

An interim dividend of 0.45p per share was paid on 11th October 1993 and the directors propose a final dividend of 1.33p per share to be paid on 9th June 1994, leaving £5,213,000 to be carried to reserves.

Principal Activity

The principal activity of the Group is the operation of restaurants. Further information relating to the business is given in the Chairman's Statement on pages 2 and 3.

Fixed Assets

Details of movements in tangible fixed assets are given in note 11 to the accounts. The principal changes arose from the acquisition and conversion of properties for additional restaurants and the refurbishment of existing restaurants.

Changes in Share Capital

During the year 1,606,000 shares were issued for a total consideration of £692,982 in respect of options exercised under the executive share option scheme.

Directors and their Interests

The directors who held office during the year are shown on page 1. All directors were in office throughout the year save for J .P. G. Naylor who was appointed on 1st October 1993. Both H. E. St. L. King, who is Chairman of Denton Hall, solicitors, and Chairman elect of Rentokil Group plc and A. T. S. Montagu who is Executive Chairman of Abingworth Management Limited, a venture capital management company, are non executive directors.

H. E. St. L. King retires by rotation and being eligible offers himself for re-election. He does not have a service contract with the Company.

J. P. G. Naylor, having been appointed by the Board on 1st October 1993, retires in accordance with Article 75 and being eligible offers himself for re-election. His service contract can be terminated by the Company giving not less than one year's notice.

The interests of the directors in the shares of the Company, all being beneficially owned, were as follows:

	At 31st December 1993	At 1st January 1993
B. W. M. Johnston	51,014	51,014
J. P. G. Naylor (appointed 1st October 1993)	23,000	–
P. Kaye	4,000,000	6,000,000
H. E. St. L. King	56,087	56,087
The Hon. A. T. S. Montagu	220,000	220,000

Options granted to directors to purchase shares in the Company are as follows:

	Date of grant	At 31st December 1993	Option price
P. Kaye	28.04.89	400,000	49.0p

These options are normally exercisable between three and ten years from the date of the grant.

During the year the following options were exercised by the directors:

	Date of grant	Number of shares	Option price
B. W. M. Johnston	11.04.90	88,000	38.2p

Between 31st December 1993 and 15th April 1994 there has been no change in the interests of the directors.

Directors and their Interests (continued)

None of the directors who held office during the year had a beneficial material interest in any contract to which the Company or any subsidiary undertaking was a party during the year and which was of significance in relation to the business of the Company. P. Kaye has declared his interest as a director and shareholder in Amberstar Limited, which owns the properties at 30/34 New Oxford Street, London and 162 Victoria Street, London, both of which are leased by Garfunkels Restaurants plc. The freehold of the premises at 19 The Foregate, Worcester is held by P. Kaye in a non beneficial capacity and is leased by Garfunkels Restaurants plc.

Substantial Shareholdings

At 15th April 1994 the Company had been notified of the following interests of 3% or more in the issued ordinary share capital of the Company:

	Number of shares	% of issued capital
Norwich Union Group	11,015,136	5.73
Equitable Life Assurance Society	7,400,000	3.85

Corporate Governance

The Company has complied with the Cadbury Committee Code of Best Practice to the extent currently applicable with the exception of the following:

a) The Company does not have three non executive directors on the Audit Committee. The Board currently consists of three executive directors and two non executive directors.

b) The agreed procedure for directors in the furtherance of their duties to take independent professional advice was formally adopted on 30th March 1994.

The positions of Chairman and Chief Executive have been separate since 1988.

The Board has established a Remuneration Committee which is composed entirely of non executive directors. The objects of the Committee are to recommend the terms of service and remuneration of all members of the Board and senior executives of the Company.

The Board has also established an Audit Committee which is composed entirely of non executive directors. The objects of the Committee are to review the effectiveness of external audit, financial controls and internal checks and to review practices in relation to management response to external audit observations and recommendations.

The Company's auditors, Ernst and Young, have reviewed this statement insofar as it relates to the specific paragraphs of the Cadbury Committee's Code of Best Practice specified for their review. The auditors have reported to the directors that, based on their review, in their opinion the statement appropriately reflects the extent of the Company's compliance with the Code.

Employees

The directors regularly attend meetings with employee representatives and continually review the means whereby information may be provided to employees.

Where reasonable and practicable within existing legislation, all persons, including disabled persons, have been treated in the same way in matters relating to employment, training, career development and promotion.

Donations

No donations for charitable or for political purposes were made during the year.

Special Business at the Annual General Meeting

There are two items of special business to be dealt with at the Annual General Meeting. These are set out in Resolutions 8 and 9 in the Notice of Meeting on page 22 and relate to the following:

Resolution 8 – authority to issue shares
Resolution 9 – disapplication of pre-emption rights

Close Company Status

The Company is not a close company as defined in the Income and Corporation Taxes Act 1988.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the Board
J. D. Wittich Secretary
5th May 1994

J. D. Wittich

Group Profit and Loss Account

for the year ended 31st December 1993

	Note	1993 £'000	1992 £'000
Turnover		**95,175**	89,629
Cost of sales		**(79,442)**	(75,234)
Gross Profit		**15,733**	14,395
Administrative expenses		**(3,835)**	(3,718)
Other operating income		**72**	74
Operating Profit		**11,970**	10,751
Property activities		**-**	(21)
Interest receivable		**675**	609
Interest payable		**(3)**	(35)
Loss on disposal of investment		**-**	(296)
Profit on Ordinary Activities before Taxation		**12,642**	11,008
Tax on profit on ordinary activities		**(4,009)**	(3,490)
Profit on Ordinary Activities after Taxation		**8,633**	7,518
Dividends	9	**(3,420)**	(2,986)
Retained Profit for Year	19	**5,213**	4,532
Earnings per Share	10	**4.52p**	3.99p

Group Statement of Total Recognised Gains and Losses

	1993	1992
Profit for the financial year	**8,633**	7,518
Currency movements arising on translation of foreign currency net investments	**(36)**	146
Total recognised gains and losses for the year	**8,597**	7,664

All amounts relate to continuing activities.

The comparative figures for 1992 have been restated in accordance with Financial Reporting Standard 3.

The reconciliation of movements in shareholders' funds can be found in note 20.

Balance Sheets

as at 31st December 1993

		Group		Company	
		1993	1992	**1993**	1992
	Note	**£'000**	£'000	**£'000**	£'000
Fixed Assets					
Tangible assets	11	**73,037**	70,258	–	–
Investments in subsidiary undertakings	12	–	–	**49,588**	52,235
		73,037	70,258	**49,588**	52,235
Current Assets					
Stocks	13	**900**	800	–	–
Debtors	14	**2,211**	1,934	**640**	620
Cash at bank and in hand	15	**14,028**	11,394	**13,274**	8,641
		17,139	14,128	**13,914**	9,261
Creditors: amounts falling due within one year	16	**(18,997)**	(19,054)	**(3,534)**	(3,095)
Net current (liabilities)/assets		**(1,858)**	(4,926)	**10,380**	6,166
Total Assets less Current Liabilities		**71,179**	65,332	**59,968**	58,401
Provision for liabilities and charges:					
Deferred taxation	17	**(2,689)**	(2,712)	–	–
		68,490	62,620	**59,968**	58,401
Capital and Reserves					
Called up share capital	18	**47,985**	47,583	**47,985**	47,583
Share premium account	19	**9,600**	9,309	**9,600**	9,309
Other reserve	19	**(28,024)**	(28,024)	–	–
Profit and loss account	19	**38,929**	33,752	**2,383**	1,509
		68,490	62,620	**59,968**	58,401

Approved by the Board of Directors on 5th May 1994 and signed on their behalf by:

Bruce W. M. Johnston
James P. G. Naylor
} Directors

as at 31st December 1993

	Note	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Fixed Assets					
Tangible assets	11	**73,037**	70,258	–	–
Investments in subsidiary undertakings	12	–	–	**49,588**	52,235
		73,037	70,258	**49,588**	52,235
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Stocks	13	**900**	800	–	–
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Profit and loss account	19	**38,929**	33,752	**2,383**	1,509
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Approved by the Board of Directors on 5th May 1994 and signed on their behalf by:

Bruce W. M. Johnston
James P. G. Naylor } Directors

Group Statement of Cash Flows

for the year ended 31st December 1993

	Note	1993	1992
		£'000	£'000
Net Cash Inflow from Operating Activities	2	**15,728**	15,206
Returns on Investments and Servicing of Finance			
Interest received		**675**	602
Interest paid		**(3)**	(35)
Dividend received		**-**	7
Dividends paid		**(2,998)**	(2,753)
Net Cash Outflow from Returns on Investments and Servicing of Finance		**(2,326)**	(2,179)
Taxation			
Corporation tax paid		**(3,732)**	(2,476)
Investing Activities			
Payments to acquire tangible fixed assets		**(7,905)**	(5,523)
Receipts from sales of tangible fixed assets		**176**	770
Receipts from sales of investments		**-**	106
Net Cash Outflow from Investing Activities		**(7,729)**	(4,647)
Net Cash Inflow before Financing		**1,941**	5,904
Cash Inflow from Financing			
Issues of ordinary share capital	18	**693**	1,223
Increase in Cash and Cash Equivalents	15	**2,634**	7,127

Accounting Convention
The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Basis of Consolidation
The Group accounts consolidate the accounts of City Centre Restaurants plc and all its subsidiary undertakings made up to 31st December each year

The acquisition of Garfunkels Restaurants plc in 1987 was accounted for as a merger and the excess of the cost over the nominal value of its share capital and share premium account is included as other reserve. The acquisition of Chiquito Limited in 1989 was accounted for as an acquisition on the basis of the fair value of the assets acquired and the excess of acquisition cost of the investment over the fair value of the net tangible assets was written off against reserves.

Turnover
Turnover represents amounts received and receivable for services and goods provided (excluding value added tax).

Depreciation
Tangible fixed assets are stated at cost less accumulated depreciation calculated to write off the cost less residual values on the straight line basis over their estimated useful lives, as follows:

Freehold property	none
Long and short leasehold property (including lease premiums, fittings and refurbishments)	unexpired term of lease or 25 years whichever is less
Fixtures and equipment	5 to 10 years
Motor vehicles	4 years

It is the Group's policy to maintain all its properties to a high standard and, in the opinion of the directors, the residual values of individual properties, based on the prices prevailing at the date of acquisition, are at least equal to the book values of such properties, and accordingly no provision for depreciation is made on freehold property. Should there be any permanent diminution in the value of any property, provision would be made through the profit and loss account.

Stocks
Stocks are valued at the lower of cost and estimated net realisable value.

Foreign Currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the balance sheet. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of the transactions

The profit and loss accounts of overseas activities are translated at the average rate of exchange for the periods covered by the accounts. Exchange differences that relate to the net equity investment in the overseas activities are taken directly to reserves. All other translation differences are taken to the profit and loss account.

Deferred Tax
Deferred tax is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Leasing and Hire Purchase Commitments
Rentals under operating leases are included in the profit and loss account on a straight line basis over the terms of the leases.

Goodwill
Goodwill arising on consolidation of subsidiary undertakings, being the excess of cost over the fair value of net identifiable assets acquired, is written off in the year of acquisition against reserves.

Pensions
The Company operates a defined contribution pension scheme for selected executives. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Pre-opening Expenses
Property and related costs incurred up to the date of opening a new restaurant are written off to revenue in the year in which they arise. Promotional and training costs are written off to revenue as and when incurred except when such expenditure is considered to give rise to a long term benefit to the trade of the particular restaurant. At both 31st December 1993 and 1992 no such expenditure had been capitalised.

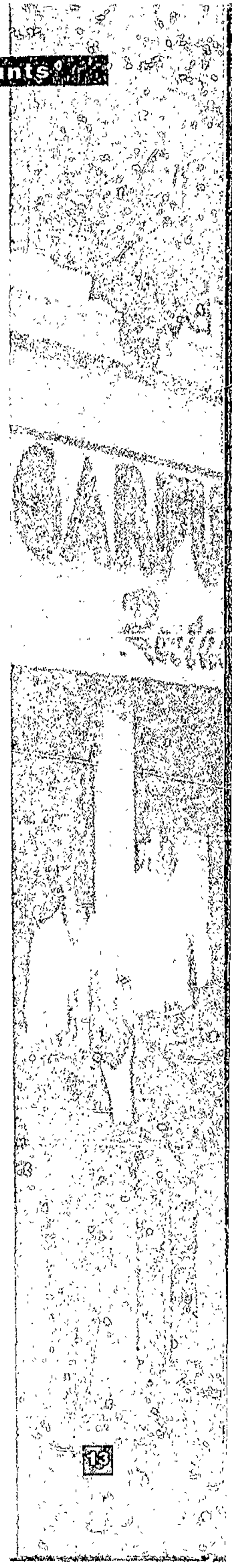
1 Segmental Analysis

The turnover, profit before taxation and net assets have not been analysed by geographical area as the amounts attributable to the one restaurant trading in Holland are not considered to be material.

2 Operating Profit	**1993**	1992
	£'000	£'000
(a) Operating profit is stated after charging (crediting):		
Depreciation	**5,225**	4,687
Auditors' remuneration – Audit services	**52**	52
– Non audit services	**25**	28
Operating lease rentals of land and buildings	**12,033**	11,332
Rental income	**(1,036)**	(1,132)
(b) Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	**11,970**	10,751
Property activities	**-**	(21)
Depreciation	**5,225**	4,687
(Increase)/decrease in stocks	**(100)**	13
(Increase) in debtors	**(277)**	(483)
(Decrease)/increase in creditors	**(1,090)**	259
Net cash inflow from operating activities	**15,728**	15,206
3 Interest Receivable		
Bank interest	**654**	570
Other	**21**	39
	675	609
4 Interest Payable		
Bank interest	**2**	3
Other	**1**	32
	3	35
5 Employee Costs and Numbers		
(a) Staff costs:		
Wages and salaries	**25,089**	23,652
Social security costs	**1,991**	1,909
Other pension costs	**7**	–
	27,087	25,561

The Company operates a defined contribution pension scheme for selected executives. The assets of the scheme are held separately from those of the Company in an independently administered fund.

(b) Directors' remuneration:		
Non executive directors:		
Fees	**24**	20
Executive directors:		
Salaries	**180**	140
Bonus payments	**-**	-
Other benefits	**25**	16
Pension contributions	**7**	–
	236	176
Emoluments of the Chairman:		
Salary	**75**	70
Other benefits	**8**	7
	83	77
Emoluments of the highest paid director:		
Salary	**75**	70
Other benefits	**13**	9
	88	79



5 Employee Costs and Numbers (continued)

	1993	1992
(c) Staff numbers:	**Number**	Number
United Kingdom	**3,568**	3,532
Holland	**21**	26
	3,589	3,558

(d) Directors' emoluments (excluding pension contributions) fell within the following ranges:

	1993	1992
£ 5,001 – £10,000	–	2
£10,001 – £15,000	**2**	–
£30,001 – £35,000	**1**	–
£75,001 – £80,000	–	2
£80,001 – £85,000	**1**	–
£85,001 – £90,000	**1**	–

6 Loss on Disposal of Investment

This amount was previously designated as an extraordinary item but has been restated in accordance with FRS3.

7 Tax on Profit on Ordinary Activities

	£'000	£'000
The taxation charge comprises:		
Taxation on the profit for the year:		
UK corporation tax at 33.00% (1992 – 33.00%)	**4,012**	3,436
Deferred tax	**(3)**	54
	4,009	3,490

If full provision had been made for deferred tax, the tax charge for the year would have been increased by £612,000 (1992: £719,000).

8 Profit attributable to Members of the Holding Company

Dealt with in the accounts of the Holding Company	**4,294**	3,291
Retained by the subsidiary undertakings	**4,339**	4,227
	8,633	7,518

A separate profit and loss account for the holding company has not been presented as permitted by Section 230 (3) Companies Act 1985.

9 Dividends

Interim paid of 0.45p per share (1992 – 0.45p)	**864**	852
Final proposed of 1.33p per share (1992 – 1.12p)	**2,556**	2,134
	3,420	2,986

10 Earnings per Share

Earnings per share has been calculated on a weighted average of 191,119,250 ordinary shares (1992: 188,504,368) in issue during the year and on earnings of £8,633,000 (1992: £7,518,000).

11 Tangible Fixed Assets

	Group		
	Total £'000	Land and buildings £'000	Fixtures, equipment & vehicles £'000
Cost			
At 1st January 1993	91,986	71,333	20,653
Currency exchange adjustments	(44)	(37)	(7)
Additions	8,216	5,287	2,929
Disposals	(1,275)	(432)	(843)
At 31st December 1993	**98,883**	**76,151**	**22,732**
Depreciation			
At 1st January 1993	21,728	13,321	8,407
Currency exchange adjustments	(8)	(6)	(2)
Provided during the year	5,225	2,990	2,235
Applicable to disposals	(1,099)	(424)	(675)
At 31st December 1993	**25,846**	**15,881**	**9,965**
Net book values			
At 31st December 1993	**73,037**	**60,270**	**12,767**
At 31st December 1992	70,258	58,012	12,246

Net book value of land and buildings:	**1993**	1992
	£'000	£'000
Freehold	**17,050**	16,674
Long leasehold	**664**	358
Short leasehold	**42,556**	40,980
	60,270	58,012

At both 31st December 1993 and 31st December 1992 the Company had no tangible fixed assets.

12 Investments in Subsidiary Undertakings

	Company		
	Total £'000	*Shares* £'000	*Loans* £'000
Cost			
At 1st January 1993	52,938	39,205	13,733
Advances	32	–	32
Repayments	(2,615)	–	(2,615)
At 31st December 1993	**50,355**	**39,205**	**11,150**
Amounts written off			
At 1st January 1993	703	253	450
Provided during the year	64	–	64
At 31st December 1993	**767**	**253**	**514**
Net book values			
At 31st December 1993	**49,588**	**38,952**	**10,636**
At 31st December 1992	52,235	38,952	13,283

The Company's principal operating subsidiary undertakings were Garfunkels Restaurants plc (wholly owned), Chiquito Limited (wholly owned) and J. R. Restaurants Limited (75% owned) which were all registered in England and operated restaurants principally in the United Kingdom.

13 Stocks

Stocks comprise raw materials and consumables and have been valued at the lower of cost and estimated net realisable value. The replacement value at 31st December 1993 is considered by the directors not to be materially different from the balance sheet value.

14 Debtors

	Group		Company	
	1993	1992	**1993**	1992
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade debtors	**151**	107	-	-
Other debtors	**253**	240	-	-
Prepayments	**1,807**	1,587	**1**	1
Amounts falling due after one year:				
Advance corporation tax recoverable	**-**	-	**639**	619
	2,211	1,934	**640**	620

15 Cash and Cash Equivalents

The analysis of balances as shown in the Group balance sheet and changes during the current and previous year are as follows:

	1993	1992
	£'000	£'000
Cash at bank and in hand:		
At 1st January	**11,394**	4,267
Increase in cash and cash equivalents during the year	**2,634**	7,127
At 31st December	**14,028**	11,394

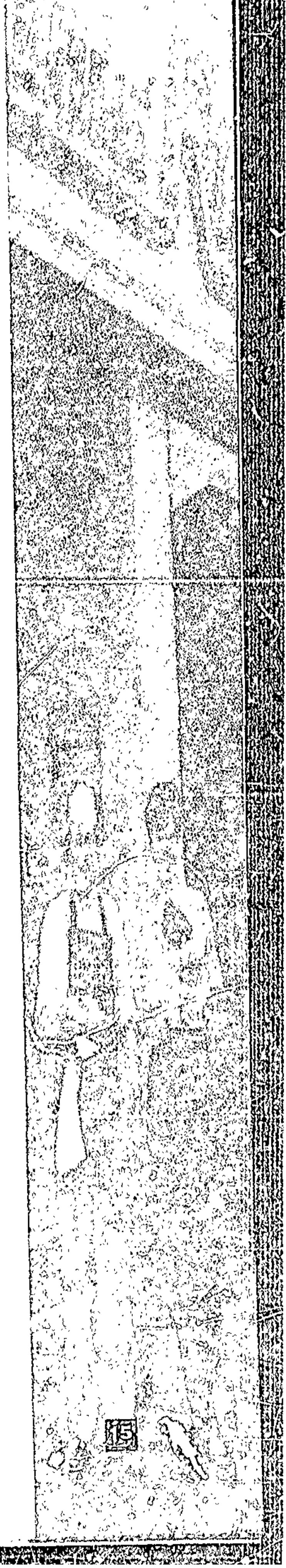
16 Creditors

	Group		Company	
	1993	1992	**1993**	1992
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade creditors	**3,277**	4,258	-	-
Corporation tax	**3,845**	3,545	**940**	932
Other tax and social security	**2,656**	2,993	**13**	4
Other creditors	**2,855**	2,387	**1**	-
Accruals	**3,808**	3,737	**24**	25
Proposed dividend	**2,556**	2,134	**2,556**	2,134
	18,997	19,054	**3,534**	3,095

17 Deferred Taxation

	Group	
	1993	1992
	£'000	£'000
Capital allowances in advance of depreciation	**3,328**	3,331
Advance corporation tax	**(639)**	(619)
	2,689	2,712

In the Group there is a potential liability in respect of timing differences on capital allowances in advance of depreciation not provided for amounting to £4,443,000 (1992: £3,83[illegible]00).



18 Called up Share Capital

	Number	£'000
Ordinary shares of 25p each:		
Authorised –		
At 1st January 1993 and **31st December 1993**	**240,000,000**	**60,000**
Allotted, called up and fully paid –		
At 1st January 1993	190,333,732	47,583
Allotments in respect of share options exercised	1,606,000	402
At 31st December 1993	**191,939,732**	**47,985**

Options granted under the executive share option scheme and not exercised at 31st December 1993 were as follows:

Period during which options are exercisable	Number of shares	Price per share
1990-1997	340,000	39.6p
1991-1998	440,000	52.0p
1992-1999	910,000	49.0p
1993-2000	227,000	38.2p
1995-2002	250,000	60.8p
1995-2002	300,000	62.2p
1996-2003	360,000	88.2p

Analysis of changes in share capital during the year:

	1993 £'000	1992 £'000
At 1st January	**47,583**	46,932
Cash inflow from financing	**693**	1,223
Allocated to share premium account (note 19)	**(291)**	(572)
At 31st December	**47,985**	47,583

19 Reserves

	Group			Company	
	Share premium account £'000	Other reserve £'000	Profit and loss account £'000	Share premium account £'000	Profit and loss account £'000
At 1st January 1993	9,309	(28,024)	33,752	9,309	1,509
Premium on allotment of shares	291	–	–	291	–
Currency exchange adjustment	–	–	(36)	–	–
Retained profit for the year	–	–	5,213	–	874
At 31st December 1993	**9,600**	**(28,024)**	**38,929**	**9,600**	**2,383**

The other reserve represents the excess of the cost of acquisition of Garfunkels Restaurants plc over the nominal value of its share capital and share premium account.
Since 1st January 1989 the cumulative amount of goodwill written off against realised reserves is £279,000. Records for periods prior to this date are not readily available.

20 Reconciliation of movements in Shareholders' Funds

	Group		Company	
	1993	1992	**1993**	1992
	£'000	£'000	**£'000**	£'000
Total recognised gains and losses for the year	**8,597**	7,664	**4,294**	3,291
Dividends	**(3,420)**	(2,986)	**(3,420)**	(2,986)
Other movements:				
New shares issued	**693**	1,223	**693**	1,223
Total movements during the year	**5,870**	5,901	**1,567**	1,528
Shareholders' funds at 1st January	**62,620**	56,719	**58,401**	56,873
Shareholders' funds at 31st December	**68,490**	62,620	**59,968**	58,401

21 Capital Commitments

	Group	
	1993	1992
	£'000	£'000
Authorised and contracted for	**265**	–
Authorised but not contracted for	**4,515**	1,588
	4,780	1,588

22 Lease Commitments

The minimum rentals payable under operating leases in respect of the next year are as follows:

	Group	
	1993	1992
	£'000	£'000
Land and buildings – expiring within one year	**45**	40
within two to five years	**375**	294
after five years	**12,006**	10,693
	12,426	11,027

23 Contingent Liabilities

The Company has given guarantees in respect of certain property obligations of its subsidiary undertakings.

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 the Group and of the profit or loss of the Group 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;

prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' Report to the Members of City Centre Restaurants plc

We have audited the accounts on pages 8 to 17, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 11.

Respective Responsibilities of Directors and Auditors

As described above, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31st December 1993 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young Chartered Accountants

Registered Auditor
London
5th May 1994

CITY CENTRE
RESTAURANTS plc

ALLOW THE BEARER £2.00 OFF THE COST OF A MEAL PER PERSON

£2.00 DISCOUNT

This voucher can be redeemed in any of the following restaurants:
The Deep Pan Pizza Co, Chiquito Mexican Restaurant,
The Filling Station, Garfunkels Restaurants, Caffé Uno, Adams Rib.
Cannot be used in conjunction with any other offer, discount voucher or buffet promotion.
Offer ends 31st December 1994.
One voucher only per person on a minimum spend of £5 per head.
Cannot be redeemed for cash.

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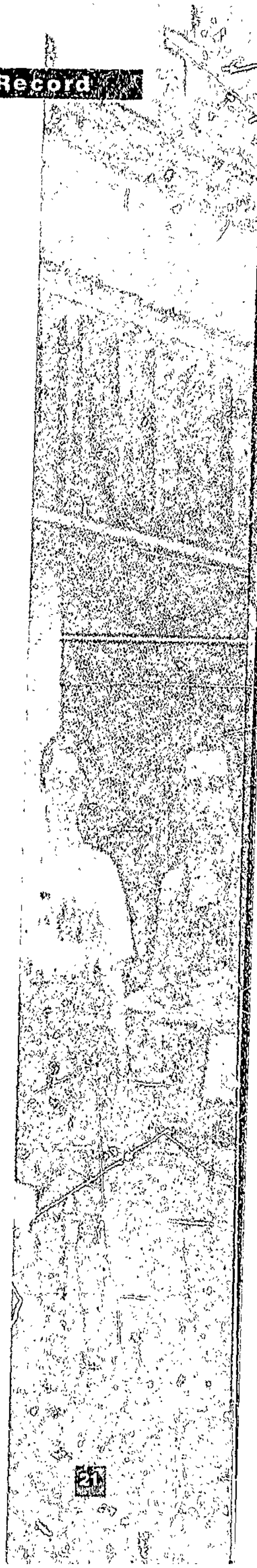
	1993 £'000	1992 £'000	1991 £'000	1990 £'000	1989 £'000
Turnover	**95,175**	89,629	79,821	75,715	63,033
Operating profit	**11,970**	10,751	9,229	10,046	8,860
Interest	**672**	574	62	544	1,164
Property activities	-	(21)	(190)	54	99
Exceptional items	-	(296)	(60)	(108)	-
Profit on ordinary activities before taxation	**12,642**	11,008	9,041	10,536	10,123
Taxation	**(4,009)**	(3,490)	(1,994)	(3,088)	(3,176)
Profit on ordinary activities after taxation	**8,633**	7,518	7,047	7,448	6,947
Dividends	**(3,420)**	(2,986)	(2,748)	(2,599)	(2,364)
Retained profit for the year	**5,213**	4,532	4,299	4,849	4,583
Earnings per share	**4.52p**	3.99p	3.76p	3.98p	3.72p
Dividends per share	**1.78p**	1.57p	1.46p	1.39p	1.265p
Dividend cover	**2.52**	2.52	2.56	2.87	2.94
Employment of Finance:					
Fixed assets	**73,037**	70,258	69,263	67,772	56,712
Net current liabilities	**(1,858)**	(4,926)	(9,901)	(12,292)	(6,[illegible])
Total assets less current liabilities	**71,179**	65,332	59,362	55,480	49,972
Financed by:					
Shareholders' funds	**68,490**	62,620	56,719	52,106	47,217
Deferred tax	**2,689**	2,712	2,643	3,374	2,755
	71,179	65,332	59,362	55,480	49,972

Note:
The figures for 1990, 1991 and 1992 have been restated in accordance with Financial Reporting Standard 3.



Notice is hereby given that the 39th Annual General Meeting of City Centre Restaurants plc will be held at The George Inter-Continental Hotel, 19-21 George Street, Edinburgh, EH2 2PB on Thursday 9th June 1994, at 11am for the following purposes:

Ordinary business:

1 To receive the Reports of the Directors and of the Auditors and to adopt the Accounts for the year ended 31st December 1993.

2 To declare a final dividend.

3 To fix the Directors' fees.

4 To re-elect H. E. St. L. King a Director.

5 To re-elect J. P. G. Naylor a Director.

6 To re-appoint the Auditors.

7 To authorise the Directors to fix the remuneration of the Auditors.

To consider as special business and, if thought fit, to pass the following resolution as an ordinary resolution:

8 THAT the Directors be generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise the powers of the Company to allot relevant securities up to a maximum nominal amount of £11,960,067 in aggregate provided that this authority shall (unless previously revoked or renewed) expire on the date of the next Annual General Meeting of the Company and shall supersede any and all previous authorities given to the Directors of the Company in accordance with Section 80 of the Companies Act 1985.

To consider as special business and, if thought fit, to pass the following resolution as a special resolution:

9 THAT subject to the passing of resolution 8 the Directors be empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities for cash as if Section 89(1) of the said Act did not apply to any such allotment, provided that this power shall be limited:

i) to the allotment of equity securities in connection with an offer by way of rights to all holders of shares on the register on a record date fixed by the Directors in proportion (as nearly as may be) to such holders' then holding of such shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of or the requirements of any recognised regulatory body or The International Stock Exchange; and

ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £2,401,936,

and shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution (or at such later time as the Company by special resolution may from time to time prescribe):

For the purpose of this resolution:

i) the said authority or power shall allow and enable the Company to give effect to offers or agreements made before the expiry of such authority or power which would or might require relevant securities or (as the case may be) equity securities to be allotted after such expiry; and

ii) words and expressions defined in or for the purpose of Part IV of the Companies Act 1985 shall bear the same meaning herein.

By order of the Board

J. D. Wittich

J. D. Wittich Secretary

122 Victoria Street
London SW1E 5LG
5th May 1994

Notes

1 A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not also be a member.

Forms of proxy must be lodged with the Registrars of the Company at least 48 hours before the time fixed for the meeting. A pre-paid form of proxy is to be found on page 23.

2 The following are available for inspection by members at the Registered Office of the Company during normal business hours and will be available prior to and during the meeting as required:

i) A Register of Directors' interests and those of their families in the Shares of the Company together with a statement of transactions.

ii) Copies of Directors' service contracts with the Company.

3 The final dividend, if approved, will be paid on 9th June 1994.

Proxy for use at Annual General Meeting by Ordinary Shareholders

I/We____
PLEASE USE BLOCK LETTERS
of____

being (a) registered holder(s) of______________* ordinary shares of 25p each of City Centre Restaurants plc hereby appoint the Chairman of the Meeting or (see note 5)

____

of____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 9th June 1994 and at any adjournment thereof and I/we direct the proxy to vote (on a poll) for me/us as indicated below.

Signed this______________________day of______________________1994

Signature____

Please indicate below how you wish your vote to be cast. On receipt of this proxy duly signed, but without specific directions, the proxy will vote or abstain at his discretion.

		For	Against
Resolution 1	To adopt the Accounts for the year ended 31st December 1993		
Resolution 2	To declare a final dividend of 1.33p per share for the year ended 31st December 1993.		
Resolution 3	To fix the Directors' fees at £24,000 for the year ended 31st December 1993.		
Resolution 4	To re-elect H. E. St. L. King a Director.		
Resolution 5	To re-elect J. P. G. Naylor a Director.		
Resolution 6	To re-appoint the Auditors.		
Resolution 7	To authorise the Directors to fix the remuneration of the Auditors.		
Resolution 8	To authorise the allotment of shares up to a maximum nominal amount of £11,960,067.		
Resolution 9	To give the Directors powers pursuant to Section 95 of the Companies Act 1985.		

Notes

1 To be valid, this proxy must be lodged at the address overleaf not less than 48 hours before the time appointed for holding this meeting (or any adjournment thereof).

2 Any alteration in the form of proxy should be initialled.

3 In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members. The names of the joint holders should be stated.

4 If the member is a corporation, this proxy should be executed either under its common seal, or under the hand of its attorney or any person duly authorised in that behalf.

5 A member who wishes to appoint a proxy of his choice should delete the words "the Chairman of the Meeting" and complete in the spaces provided above the name and address of the person so appointed and initial the amendment.

6 Completion of this proxy will not preclude you from attending and voting in person at the meeting.

*Please insert number of ordinary shares registered in your name(s).