

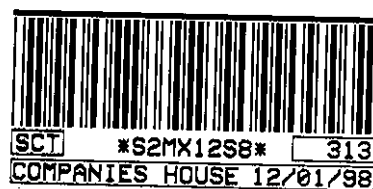
ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

(FORMERLY IN-N-OUT SHOP LIMITED)

(REGISTERED IN SCOTLAND NUMBER 137859)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997



ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

DIRECTORS B.W. LARSEN
 S.F.R. ROSS

SECRETARY A.D. MOFFAT

REGISTERED OFFICE 13A ALVA STREET, EDINBURGH, EH2 4PH

REINCORPORATION ON CHANGE OF NAME

The company was reincorporated on change of name to Roadside Developments Holdings Limited on 5th June 1997.

RESULTS AND DIVIDENDS

The directors submit the audited accounts of the Company for the year ended 31st March 1997. The company did not trade during the year. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company acts as a sub holding company whose subsidiaries conduct certain of the property development activities of the Larsen and Ross Limited Group.

FUTURE PROSPECTS

The directors intend that the company will continue in its current role.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were:

B.W. Larsen
S.F.R. Ross

The interests of Messrs. Larsen and Ross in the share capital of the holding company, Larsen and Ross Limited are shown in the accounts of that company.

CLOSE COMPANY PROVISION

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 1997

DIRECTORS RESPONSIBILITIES

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 and loss of the company for that year. In preparing those accounts the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, 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 company will continue in business.

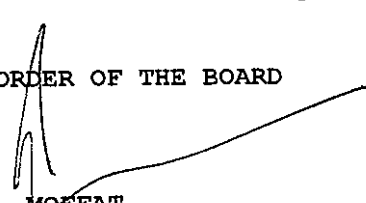
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITORS

Stuart MacDonald & Co. Chartered Accountants, have indicated their willingness to continue in office. Resolutions to reappoint them and to authorise the directors to fix their remuneration will be proposed at the next Annual General Meeting.

The directors have taken advantage of special provisions conferred by Schedule 8 to the Companies Act 1995 applicable to small companies in the preparation of this report.

BY ORDER OF THE BOARD



A.D. MOFFAT
SECRETARY

19th December 1997

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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 by the directors in the preparation of the accounts, 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 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 the company's affairs at 31st March 1997, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Stuart MacDonald

Stuart MacDonald & Co.,
Chartered Accountants,
Registered Auditors,
34 Cherry Park,
Balloch,
Inverness.

9 January 1998

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

BALANCE SHEET

AT 31ST MARCH 1997

| | Note | 1997 £ | 1996 £ |
|---------------------------------|------|-----------|-----------|
| FIXED ASSETS | | | |
| Investments | 3 | 8 | 8 |
| CURRENT ASSETS | | | |
| Amount due from holding company | | 67 | 67 |
| Cash at bank and in hand | | 25 | 25 |
| | | <hr/> | <hr/> |
| NET ASSETS | | 100 | 100 |
| | | <hr/> | <hr/> |
| CAPITAL AND RESERVES | | | |
| Share capital | 4 | 100 | 100 |
| | | <hr/> | <hr/> |

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The financial statements on pages 4 and 5 were approved by the Board of Directors on 19th December 1997, and were signed on its behalf by:

 DIRECTOR



ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1997

1. PROFIT AND LOSS ACCOUNT

The company has not traded during the year ended 31st March 1997. No profit and loss account has been prepared.

2. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention.

(b) Group Accounts

The company has taken exemption from the requirement to prepare consolidated accounts as it is a subsidiary of another UK company.

3. INVESTMENTS

Investments represent the investment in the share capital of the wholly owned subsidiaries listed below.

Roadside Developments North Limited
Roadside Developments South Limited
Roadside Developments West Limited
Roadside Developments East Limited

All of these subsidiaries are registered in Scotland and were all dormant at 31st March 1997 except Roadside Developments West Limited which commenced trading during the year as property developers.

4. SHARE CAPITAL

| | Authorised £ | Allotted, Called up and fully paid £ |
|-----------------------------|-----------------|--------------------------------------------|
| At 31st March 1997 and 1996 | | |
| Ordinary shares of £1 each | 500,000 | 100 |
| | <hr/> | <hr/> |

5. HOLDING COMPANY

The ultimate holding company is Larsen and Ross Limited, a company registered in Scotland.