

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

(REGISTERED IN SCOTLAND NUMBER 137859)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

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ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2001

DIRECTORS	B.W. LARSEN S.F.R. ROSS
SECRETARY	A.D. MOFFAT
REGISTERED OFFICE	13A ALVA STREET, EDINBURGH, EH2 4PH

RESULTS AND DIVIDENDS

The directors submit the audited accounts of the Company for the year ended 31st March 2001. 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, which is the beneficial owner of 75 ordinary shares of £1 each in the capital of the company (75%), are shown in the accounts of that company. The directors are the ultimate controlling parties of the 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 2001

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

On 1 June 2001 WD Johnston & Carmichael, Chartered Accountants, changed their name to Johnston Carmichael, Chartered Accountants. During the year the directors reappointed Johnston Carmichael, Chartered Accountants as auditors to the company. Resolutions to confirm their reappointment and to authorise the directors to fix their remuneration will be proposed at the next Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


A.D. MOFFAT
SECRETARY

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ROADSIDE DEVELOPMENTS HOLDINGS LIMITED**

We have audited the financial statements of Roadside Developments Holdings Limited for the year ended 31 March 2001 which comprise the Profit and Loss Account and the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and faire view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company are not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

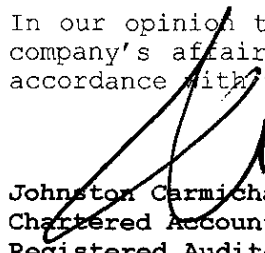
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 2001, and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Johnston Carmichael
Chartered Accountants,
Registered Auditors,
Nevis House
Beechwood Park
Inverness.
IV2 3BW

21 January 2002

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

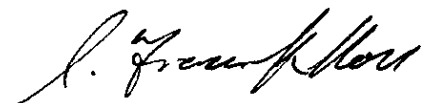
BALANCE SHEET

AT 31ST MARCH 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Investments	3	19	16
CURRENT ASSETS			
Amount due from holding company		904,060	821,111
Cash at bank and in hand		25	25
		<hr/>	<hr/>
		904,085	821,136
		<hr/>	<hr/>
CREDITORS			
Amounts falling due within one year			
Bank Overdraft	4	904,004	821,052
		<hr/>	<hr/>
NET CURRENT LIABILITIES		81	84
		<hr/>	<hr/>
NET ASSETS		100	100
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	5	100	100
		<hr/>	<hr/>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 and 5 were approved by the Board of Directors on 21 January 2002, and were signed on its behalf by:



DIRECTOR

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2001

1. PROFIT AND LOSS ACCOUNT

The company has not traded during the year ended 31st March 2001. 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
Roadside Developments Edinburgh Limited
Roadside Developments Glasgow Limited
Roadside Developments Central Limited
Larsen and Ross West Limited
Larsen and Ross Highland Limited

All of these subsidiaries are registered in Scotland and were all dormant at 31st March 2001 except Roadside Developments West Limited, Larsen and Ross West Limited and Larsen and Ross Highland Limited which trade as property developers.

4. CREDITORS amounts falling due within one year

The bank overdraft is secured by a floating charge over the assets of the company and guarantees from the ultimate holding company and certain fellow subsidiary companies.

5. SHARE CAPITAL

	Authorised £	Allotted, Called up and fully paid £
At 31st March 2001 and 2000		
Ordinary shares of £1 each	500,000	100
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6. HOLDING COMPANY

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