

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

(REGISTERED IN SCOTLAND NUMBER 137859)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2004



ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2004

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 2004. 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 were dormant or conducted property development activities.

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.

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2004

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.

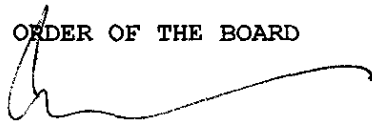
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the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

AUDITORS

Johnston Carmichael, 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.

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
15 January 2005

**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 2004, which comprise the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and 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 auditor's 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

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 fair 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 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 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 financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and have been properly prepared in accordance with the provisions of the Companies Act 1985.

18 January 2005
Nevis House
Beechwood Park
Inverness.
IV2 3BW

Johnston Carmichael
Johnston Carmichael,
Chartered Accountants and
Registered Auditors,

AT 31ST MARCH 2004

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

L. Frank R. Tom

DIRECTOR

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2004

1. PROFIT AND LOSS ACCOUNT

The company has not traded during the year ended 31st March 2004. No profit and loss account has been prepared.

2. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(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 2004 except Roadside Developments West Limited, Larsen and Ross West Limited and Larsen and Ross Highland Limited which trade as property developers.

ROADSIDE DEVELOPMENTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2004

4. CREDITORS amounts falling due within one year	2004 £	2003 £
Amounts due to subsidiary companies	98	98

5. SHARE CAPITAL

	Authorised £	Allotted, Called up and fully paid £
At 31st March 2004 and 2003		
Ordinary shares of £1 each	500,000	100

6. HOLDING COMPANY

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