

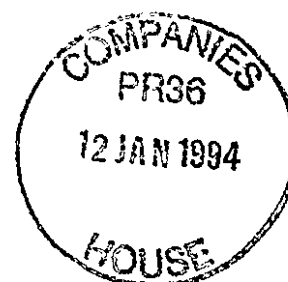
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ROADCHEF MOTORWAYS LIMITED

REPORT AND ACCOUNTS

52 WEEKS ENDED 6TH JUNE 1993

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ROADCHEF MOTORWAYS LIMITED

OFFICERS AND ADVISERS

Directors: T Ingram Hill, FHCIMA
A L Cooper, MBIAT
E C McVay, DMS, MHCIMA, DipM
T Redman, MHCIMA
C M J Szymanska, BSc, ACA

Secretary: C M J Szymanska, BSc, ACA

Registered Office: Imperial Chambers
41-47 Longsmith Street
Gloucester
GL1 2HJ

Auditors: Edmund Gibbs
46 St Giles'
Oxford
OX1 3LT

Bankers: Barclays Bank PLC
1 Pall Mall East
London
SW1Y 5AX

Solicitors: Crawfords Berwald
21 Bentinck Street
London
W1M 5RL

McGrigor Donald
Pacific House
70 Wellington Street
Glasgow
G2 6SB

Valuers: Dron & Wright
Chartered Surveyors
St George's House
12a St George Street
London
W1R 9DE

ROADCHEF MOTORWAYS LIMITED

DIRECTORS' REPORT

The Directors present their report together with the audited accounts of the Company for the 52 weeks ended 6th June 1993.

Principal Activities

The principal activity of the Company is the operation of motorway service areas.

Change of Name

The Company changed its name by a Special Resolution on 8th April 1993 to Roadchef Motorways Limited.

Results and Dividends

A summary of the results of the trading is given on Page 6. The Directors do not recommend the payment of a dividend.

Business Review

Despite the prolonged recession in consumer spending in the United Kingdom, the Company has achieved a profit on ordinary activities before tax and exceptional item for the period of £1,880,175 (1992: £1,650,930).

The fall in interest rates made an important contribution to the overall result.

The most important event of the year has been the opening of the Company's new service area at Clacket Lane on the Southern section of the M25.

The successful completion of this project together with a programme of lodge developments on all our sites will provide a secure base for increasing trading profits in the forthcoming years.

Directors and Directors' Interests

The following Directors served during the period under review:

		<u>Ordinary Shares in Ultimate Holding Company</u>	
		<u>06.06.93.</u>	<u>07.06.92.</u>
A L Cooper		299,180	298,500
E C McVay		106,000	5,000
T Redman		50,480	49,800
C M J Szymanska		2,000	2,000
P J West	(resigned 2nd August 1993)	35,080	34,400
M J Edgington	(resigned 8th June 1992)	-	-
T Ingram Hill		-	-

T Ingram Hill and M J Edgington are also directors of the ultimate holding Company and their group share interests are disclosed in the accounts of that Company.

In accordance with the Articles of Association, T Ingram Hill and T Redman retire from the Board by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

ROADCHEF MOTORWAYS LIMITED

DIRECTORS' REPORT (CONT)

Fixed Assets

All acquisitions and disposals during the period are detailed in note 8 to the accounts.

Employee Involvement

The Company pursues an active policy to encourage all members of staff to participate in the effective running and development of the business.

The six monthly newsletter forms a key part of the Company's communications programme. This publication is, where possible, presented personally by senior management to all staff. This, together with the corporate brochure, bulletins and ESOP publications, ensures the Company's aims and philosophy are effectively communicated to all staff.

The Company places considerable emphasis on training, organising regular internal and external courses, in addition to a structured training programme for all staff. The Company also operates an additional incentive training scheme known as the "5 Star Award" to ensure a continuing programme of skills improvement.

Disabled Persons

The Company continues to recognise its social and statutory duty to employ disabled persons and pursues a policy of providing, where possible, the same employment opportunities to disabled persons as to others.

Charitable and Political Donations

The Company made charitable donations of £8,020 (1992: £7,880). There were no political payments.

Auditors

A resolution to re-appoint Edmund Gibbs as auditors to the Company and to authorise the Directors to fix their remuneration will be put to the Annual General Meeting.

ROADCHEF MOTORWAYS LIMITED

DIRECTORS' REPORT (CONT)

Directors' Responsibilities for Preparing the Accounts

The Directors are obliged under company law to prepare accounts for each financial year and to present them annually to the Company's members in Annual General Meeting.

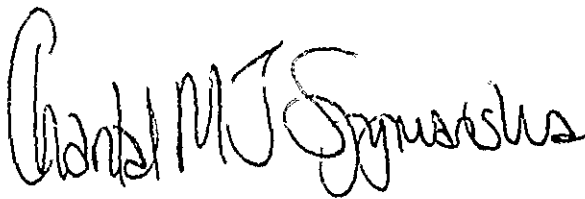
The accounts of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards.

The Directors are also responsible for the adoption of suitable accounting policies, their consistent use in the accounts, supported where necessary by reasonable and prudent judgements.

The Directors confirm that the above requirements have been complied with in the accounts.

In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

By order of the board.



Chantal M J Szymanska
Secretary

17th September 1993

ROADCHEF MOTORWAYS LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF ROADCHEF MOTORWAYS LIMITED

We have audited the accounts on pages 6 to 18.

Respective responsibilities of Directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of 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 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 affairs of the Company at 6th June 1993 and of the profit of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Edmund Gibbs

EDMUND GIBBS
Certified Accountants
Registered Auditors

46 St. Giles'
Oxford
OX1 3LT

17th September 1993

ROADCHEF MOTORWAYS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 6TH JUNE 1993

			53 weeks ended 7th June 1992
	Notes	£	£
Turnover	2	75,586,450	74,852,771
Cost of Sales		(58,319,576)	(57,680,877)
Gross Profit		17,266,874	17,171,894
Administrative Expenses		(14,626,143)	(14,189,210)
Operating Profit		2,640,731	2,982,684
Capital Grants	3	37,725	37,725
Exceptional Item	4	(685,882)	-
Profit on Ordinary Activities before Interest		1,992,574	3,020,409
Interest Receivable and Similar Income		169,325	53,635
Interest Payable	5	(967,606)	(1,423,114)
Profit on Ordinary Activities before Taxation	6	1,194,293	1,650,930
Taxation	7	(603,430)	(591,473)
Profit on Ordinary Activities after Taxation		590,863	1,059,457

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the Financial Year attribution to shareholders	590,863	1,059,457
Unreleased surplus on revaluation of freehold and leasehold properties	-	12,963,394
Total recognised gains for the period	590,863	14,022,851

Continuing Operations

None of the Company's activities were acquired or discontinued during the above two financial years.

ROADCHEF MOTORWAYS LIMITED

BALANCE SHEET AT 6TH JUNE 1993

			7th June 1992	
	Notes	£	£	£
Fixed assets				
Tangible assets	8	68,416,585		53,138,691
Investments	9	700		721,600
		<u>68,417,285</u>		<u>53,860,291</u>
Current assets				
Stock	10	2,285,256	1,867,242	
Debtors	11	2,582,910	2,199,842	
Cash in hand		1,068,900	597,566	
		<u>5,937,066</u>	<u>4,664,650</u>	
Creditors				
Amounts falling due within one year	12	(15,198,734)	(12,786,534)	
Net Current Liabilities		<u>(9,261,668)</u>	<u>(8,121,884)</u>	
Total Assets less Current Liabilities		<u>59,155,617</u>	<u>45,738,407</u>	
Creditors – Amounts falling due after more than one year	13	21,404,568	9,139,496	
Provisions for Liabilities and Charges	14	953,000	354,000	
Deferred Income	15	85,412	123,137	
Capital and Reserves				
Called up Share Capital	16	1,045,000	1,045,000	
Share Premium Account	17	16,667	16,667	
Revaluation Reserve	17	32,116,394	32,116,394	
Profit and Loss Account	17	<u>3,534,576</u>	<u>2,943,713</u>	
Shareholders' Funds	18	<u>36,712,637</u>	<u>36,121,774</u>	
		<u>59,155,617</u>	<u>45,738,407</u>	

Approved by the Board on 17th September 1993

T Ingram Hill

Directors

C M J Szymanska

ROADCHEF MOTORWAYS LIMITED

CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 6TH JUNE 1993

	Notes	53 weeks ended 7th June 1992 £	£
Net Cash Inflow from Operating Activities	20	1,697,053	5,546,767
Returns on Investments and Servicing of Finance			
Interest and Similar Income Received		168,135	54,241
Interest Paid		(1,114,779)	(1,348,883)
Net Cash Outflow from Returns on Investment and Servicing of Finance		(946,644)	(1,294,642)
Taxation			
Corporation Tax Paid		(612,671)	(386,342)
Investing Activities			
Loan to Fellow Subsidiary		-	(720,900)
Payments to Acquire Fixed Assets		(14,775,423)	(2,197,567)
Receipts from Sales of Fixed Assets		84,475	59,825
Decrease of Group Balances		673,035	88,324
Write Off of Intercompany Loan		(685,882)	-
Net Cash Outflow from Investing Activities		(14,703,795)	(2,770,318)
Net Cash (Outflow)/Inflow before Financing		(14,566,057)	1,095,465
Financing			
New Hire Purchase Finance		172,192	118,565
New Loans		14,500,000	-
Bills of Exchange Payable		1,500,000	500,000
Repayment of Hire Purchase		(158,351)	(150,162)
Repayment of Loans		(2,446,951)	(1,748,802)
Net Cash Inflow/(Outflow) from Financing	21	13,566,890	(1,280,399)
Decrease in Cash and Cash Equivalents	22	(999,167)	(184,934)

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

The following specific accounting policies have been selected and consistently applied in order to present fairly the results and financial position of the Company.

(a) Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards including Financial Report Standard 3, 'Reporting Financial Performance', and under alternative accounting rules set out in the fourth Schedule to the Companies Act 1985, being prepared under the historical cost convention adjusted by the revaluation of certain leasehold and freehold properties.

(b) Fixed Assets

Excluding freehold land and buildings on which no depreciation is charged, depreciation is provided to write off the cost or revaluation of the fixed assets over their expected useful lives at the following rates:

Leasehold property	-	unexpired period of the lease
Fixtures and fittings	-	4% - 20% per annum
Motor vehicles	-	25% per annum

All depreciation is calculated on a straight line basis except for leasehold property which is calculated in accordance with actuarial tables which write off the lease at an increasing level each year over its remaining term.

(c) Interest

Interest on loans drawn specifically for the development of new motorway service areas, incurred up to the date of the completion of the lease, is capitalised as part of the cost of construction.

(d) Stock

Stock is consistently valued at the lower of cost and net realisable value. The cost of goods for resale other than fuel is computed by deducting the gross profit margin from the selling value of stock.

(e) Deferred taxation

Provision is made in respect of timing differences arising from accelerated capital allowances to the extent that such liabilities are expected to become payable in the foreseeable future. No provision is made for taxation liabilities on capital gains which might arise from the sale of properties at values at which they are stated in the balance sheet.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

1. (f) Pension Scheme

The company pension scheme is a defined benefit scheme which is administered by Scottish Widows Fund and Life Assurance Limited. The charge in the financial accounts is the total contributions due in accordance with the actuarial valuations. Independent actuarial valuations on a going concern basis are carried out every three years. The information required by the Statement of Standard Accounting Practice Number 24 is given in note 27 to the accounts.

2. Turnover

Turnover consists of the amounts receivable from customers after the deduction of value added tax.

3. Capital Grants

Capital grants are amounts received towards the development costs of the Company's motorway service areas. The total received is being credited to the profit and loss account over the period of the agreements and the balance is carried forward as deferred income. (See Note 15)

4. Exceptional Item

This represents the write off of a loan to a fellow subsidiary company, Roadchef Restaurants Limited, at 6th June 1993.

5. Interest Payable

	<u>1993</u>	<u>1992</u>
	£	£
Overdraft	122,856	243,238
Bank Loans repayable within 5 years	-	-
Bank Loans repayable after 5 years	1,533,867	1,179,876
	<u>1,656,723</u>	<u>1,423,114</u>
Less Capitalised Interest	(689,117)	-
	<u>967,606</u>	<u>1,423,114</u>

Overdraft interest includes commission and discount paid on a revolving acceptance credit facility from J Henry Schroder Wagg and Co. Limited

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

6. Profit on Ordinary Activities

This Profit is stated after charging/(crediting) the following:

	<u>1993</u>	<u>1992</u>
	£	£
Depreciation	1,380,760	1,271,770
Loss/(Profit) on sale of fixed assets	194,438	(2,676)
Auditors' remuneration	28,000	24,500
Directors remuneration	447,679	447,125
Payment to former director	30,000	6,667
Management fees	435,000	375,000
Contributions to employee share ownership plan	145,000	190,000
Equipment Hire	64,645	40,971
	<hr/>	<hr/>

The auditors also received £17,585 (1992: £15,012) in respect of non-audit services.

7. Taxation

The charge on the profit for the period consists of:

	<u>1993</u>	<u>1992</u>
	£	£
Corporation tax charge at 33% (1992: 33%)	-	606,500
Deferred taxation	599,000	-
Prior year adjustments	4,430	(15,027)
	<hr/>	<hr/>
	603,430	591,473
	<hr/>	<hr/>

No provision has been made for taxation on the result for the financial period due to the availability of capital allowances.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

8. Fixed Assets

	Freehold land and Buildings £	Short Leasehold land and Buildings £	Fixtures and Fittings £	Motor Vehicles £	Total £
<u>Cost or Valuation</u>					
At 7th June 1992	2,964,951	46,529,777	9,503,988	433,027	59,431,743
Disposals	(67,300)	-	(720,735)	(120,033)	(908,068)
Group transfers out	-	-	-	(14,212)	(14,212)
Additions	73,931	9,471,682	7,220,849	171,104	16,937,566
At 6th June 1993	2,971,582	56,001,459	16,004,102	469,886	75,447,029
<u>Depreciation</u>					
At 7th June 1992	-	389,749	5,687,690	215,613	6,293,052
Disposals	-	-	(542,510)	(95,666)	(638,176)
Group transfers out	-	-	-	(5,192)	(5,192)
Charge for period	-	287,822	987,837	105,101	1,380,760
At 6th June 1993	-	677,571	6,133,017	219,856	7,030,444
<u>Net Book Values</u>					
At 6th June 1993	2,971,582	55,323,888	9,871,085	250,030	68,416,585
At 7th June 1992	2,964,951	46,140,028	3,816,298	217,414	53,138,691

Freehold and leasehold property included at valuations comprises:

	£	£
Cost	1,218,762	27,636,884
Revaluations:		
1975-86	1,127,000	8,712,000
1989	133,000	7,598,000
1992	492,820	12,054,575
	2,971,582	56,001,459

Short leasehold land and buildings includes capitalised interest of £689,117.

Fixed assets include assets held under hire purchase contracts with a net book value of £281,489 (1992: £264,158). The depreciation charge for the period on these assets was £72,248 (1992: £71,266)

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

9. Investments

	1993	1992
	£	£
Investment in subsidiaries	700	700
Loan to fellow subsidiary	—	720,900
	<u>700</u>	<u>721,600</u>

The Company's subsidiaries which are all wholly owned and non-trading are listed below. All companies are incorporated in England, and the shareholdings are in ordinary shares.

Roadchef (Hamilton) Limited
 Roadchef (Harthill) Limited
 Roadchef (Killington) Limited
 Roadchef (Pont Abraham) Limited
 Roadchef (Rownhams) Limited
 Roadchef (Sandbach) Limited
 Roadchef (Taunton) Limited

In the opinion of the directors, the value of the Company's interest in its subsidiaries is not less than the original cost as stated in the balance sheet.

10. Stock

	1993	1992
	£	£
Raw materials and consumables	242,001	237,005
Goods for resale	2,043,255	1,630,237
	<u>2,285,256</u>	<u>1,867,242</u>

11. Debtors

	1993	1992
	£	£
Due within one year		
Owed by fellow subsidiary	10,632	693,053
Trade debtors	966,967	875,035
Other debtors	182,140	217,495
Taxation	34,386	—
Prepayments	678,845	414,259
	<u>1,872,970</u>	<u>2,199,842</u>
Due after one year		
Loan to ultimate holding company	709,940	—
	<u>2,582,910</u>	<u>2,199,842</u>

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

12. Creditors

Amounts falling due within one year:	1993	1992
	£	£
Amount due to ultimate holding company	435,052	360,191
Amount owed to subsidiaries	700	700
Amount owed to fellow subsidiary	—	95,207
Trade creditors (secured)	2,617,791	1,949,786
Trade creditors (unsecured)	2,269,184	2,637,432
Other creditors	3,140,272	1,234,819
Taxes and social security	159,549	597,508
Accruals	983,803	984,328
Bank overdraft	1,430,236	1,459,735
Bills of exchange payable (secured)	2,000,000	500,000
Proportion of long term loans	2,020,150	2,258,925
Hire purchase accounts	141,997	101,403
Corporation tax	—	606,500
	<u>15,198,734</u>	<u>12,786,534</u>

The bank overdraft is secured by intercompany cross guarantees given by Roadchef Holdings Limited and its other subsidiary companies and by a fixed charge on certain assets of the Company.

13. Creditors

Amount falling due after more than one year:	1993	1992
	£	£
Barclays Bank PLC		
1990/2000 – Average interest rate 10.6%	7,042,500	8,833,000
1992/2003 – Average interest rate 10.64%	4,000,000	—
Société Générale		
1992/2002 – Average interest rate 10.67%	5,000,000	—
Other Loans		
1984/94	57,458	236,221
1986/96	357,000	479,400
1990/2000	1,487,083	1,702,083
1991/96	60,033	82,033
1993/2013	5,381,712	—
	<u>23,385,786</u>	<u>11,332,737</u>
Less payable within one year	2,020,150	2,258,925
	<u>21,365,636</u>	<u>9,073,812</u>
Hire purchase accounts (payable within 5 yrs)	38,932	65,684
	<u>21,404,568</u>	<u>9,139,496</u>

The Barclays Bank loan is secured by inter-company cross guarantees given by Roadchef Holdings Limited and its other subsidiary companies.

In addition all loans except the 1991/96 and 1993/2013 loans are secured by fixed charges on certain assets of the Company.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

14. Provisions for Liabilities and Charges - Deferred Taxation

	1993 Amount Provided £	1993 Amount Unprovided £	1992 Amount Provided £	1992 Amount Unprovided £
Accelerated capital allowances	953,000	-	354,000	86,000
Revaluation of leasehold and freehold property	-	9,950,000	-	9,950,000
	<u>953,000</u>	<u>9,950,000</u>	<u>354,000</u>	<u>10,036,000</u>

Deferred taxation is calculated at 33% (1992: 33%)

In the opinion of the directors, any capital gains tax arising on disposal of freehold and leasehold properties would be deferred by rollover relief.

15. Deferred Income

	1993 £	1992 £
Balance brought forward	123,137	160,862
Credited to profit and loss account in the period	(37,725)	(37,725)
Balance carried forward	<u>85,412</u>	<u>123,137</u>

16. Share Capital

	1993 £	1992 £
Authorised: 2,500,000 ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
Issued: 1,045,000 ordinary shares of £1 each	<u>1,045,000</u>	<u>1,045,000</u>

17. Reserves

	Share Premium Account £	Revaluation Reserve £	Profit & Loss Account £	Total £
At 7th June 1992	16,667	32,116,394	2,943,713	35,076,774
Profit for the period	-	-	590,863	590,863
At 6th June 1993	<u>16,667</u>	<u>32,116,394</u>	<u>3,534,576</u>	<u>35,667,637</u>

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

18. Reconciliation of Movements in Shareholders Funds

	1993 £	1992 £
Profit for the financial year	590,863	1,059,457
Revaluation Surplus	-	12,963,394
Total Recognised Gains for the period	<u>590,863</u>	<u>14,022,851</u>
Opening Shareholders funds at 8th June 1992	36,121,774	22,098,923
Closing Shareholders funds at 6th June 1993	<u>36,712,637</u>	<u>36,121,774</u>

19. Note of Historical Cost of Profits and Losses

	1993 £	1992 £
Reported profit on ordinary activities before taxation	1,194,293	1,650,930
Difference between historical cost depreciation and actual depreciation charge for the period calculated on the revalued amount	165,708	156,670
Historical Cost Profit on Ordinary Activities before Taxation	<u>1,360,001</u>	<u>1,807,600</u>
Historical Cost Profit on Ordinary Activities after Taxation	<u>756,571</u>	<u>1,216,127</u>

20. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	1993 £	1992 £
Operating Profit	2,640,731	2,982,684
Depreciation	1,380,760	1,271,770
Loss/(Profit) on disposal of Fixed Assets	194,438	(2,676)
(Increase)/Decrease in stock	(418,014)	(31,465)
(Increase)/Decrease in debtors	(334,076)	120,138
(Decrease)/Increase in creditors	(1,766,786)	1,206,316
Net cash inflow from operating activities	<u>1,697,053</u>	<u>5,546,767</u>

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

21. Analysis of Changes in Financing During the Year	1993 £	1992 £
Balance at 7th June 1992	11,499,824	12,780,223
Cash inflows/(outflows) from financing	13,566,890	(1,280,399)
Balance at 6th June 1993	<u>25,066,714</u>	<u>11,499,824</u>

22. Analysis of the Balances of and Changes in Cash and Cash Equivalents as shown in the Balance Sheet.

	6th June 1993 £	7th June 1992 £	2nd June 1991 £	Change in 1993 £	Change in 1992 £
Cash at bank and in hand	1,068,900	597,566	40,882	471,334	556,684
Overdrafts	(3,430,236)	(1,959,735)	(1,218,117)	(1,470,501)	(741,618)
	<u>(2,361,336)</u>	<u>(1,362,169)</u>	<u>(1,177,235)</u>	<u>(999,167)</u>	<u>(184,934)</u>

23. Staff Numbers and Costs

The average number of persons employed by the Company (including directors) during the year was 928 (1992:970). The aggregate payroll costs of these persons were as follows:

	1993 £	1992 £
Wages and salaries	7,300,909	7,402,512
Social security costs	620,031	626,842
Other pension costs	256,544	221,256
	<u>8,177,484</u>	<u>8,250,610</u>

24. Directors Remuneration

Excluding pension contributions, the remuneration of the chairman, who was also the highest paid director, during the period was £129,667 (1992: £103,017).

The remuneration of the other directors was within the following ranges:

	1993 Number	1992 Number
£15,001 - £20,000	-	1
£40,001 - £45,000	1	3
£45,001 - £50,000	1	-
£50,001 - £55,000	2	-
£55,001 - £60,000	1	-
£65,001 - £70,000	-	1
£85,001 - £90,000	-	1

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE ACCOUNTS

25. Ultimate Holding Company

The Company is a wholly owned subsidiary of Roadchef Holdings Limited, a company incorporated in England. As provided by Section 229 (2) of the Companies Act 1985, group accounts have not been prepared.

26. Capital Commitments

Future capital expenditure authorised by the board at 6th June 1993 amounted to £18,726,201 (1992: £33,398,800) against which contracts amounting to £18,051,429 (1992: £29,799,522) had been placed.

Long term loan facilities totalling £14.3 million have been arranged by the Company in order to finance these commitments. Since 6th June 1993 all of these facilities have been drawn.

27. Pension Scheme

The Company participates in the group pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1st June 1992. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries. It was assumed that the investment returns would be 9% per annum and that salary increases would average 7% per annum.

The pension charge for the period was £256,544 (1992: £221,256).

The market value of the scheme's assets at 1st June 1992 was £1,533,600 and the actuarial value of these assets at 1st June 1992 represented 139% of the actuarial value of the accrued benefits.

The total contributions of the Company, with effect from 1st June 1993, will be reduced, as recommended by the actuarial report to 9.3% of declared earnings. The employee contributions are 3.5% of declared earnings.

28. Contingent Liability

At 6th June 1993 a contingent liability of £1,500,000 (1992: £1,500,000) existed in respect of loans advanced by Unity Trust Bank plc to the trustees of the Employment Benefits Trust.