

RoadChef Motorways Limited
Annual report and financial statements
for the 52 weeks ended 25 September 2005



RoadChef Motorways Limited

Annual report and financial statements for the 52 weeks ended 25 September 2005

Contents

| | |
|---|----|
| Directors and advisers | 1 |
| Directors' report | 2 |
| Independent auditors' report..... | 4 |
| Profit and loss account..... | 5 |
| Statement of total recognised gains and losses..... | 6 |
| Note of historical cost profits and losses..... | 7 |
| Balance sheet..... | 8 |
| Accounting policies | 9 |
| Notes to the financial statements | 12 |

RoadChef Motorways Limited

Directors and advisers

Directors

C S Bramall

M J Grant

R A Hunt

Secretary

C S Bramall

Registered Office

RoadChef House

Norton Canes MSA

Betty's Lane, Norton Canes

Cannock

Staffordshire

WS11 9UX

Auditors

PricewaterhouseCoopers LLP

31 Great George Street

Bristol

BS1 5QD

Bankers

Barclays Bank Plc

50 Pall Mall

London

SW1A 1QA

RoadChef Motorways Limited

Directors' report for the 52 weeks ended 25 September 2005

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the 52 weeks ended 25 September 2005.

Principal activity

The principal activity of the company is the provision of services to the travelling public.

Review of business and future business developments

The results for the year were in line with expectations. During the year, back office functions for a number of our motorway service areas were outsourced to IBM, accompanied by a switch to new technology. This process will be completed for all sites in 2006. It is expected that these changes will lead to enhanced earnings and cash flow.

Results and dividends

A summary of the results is given on page 5. The directors do not recommend payment of a dividend for the year (2004: nil).

Directors and their interests

Details of the directors of the company who served during the period are as follows:

C S Bramall

M J Grant

R A Hunt (appointed 9 December 2004)

C S Bramall, M J Grant and R A Hunt had no interests in the shares or debentures of the company or any other company within the MSA Acquisitions Co. Limited group.

None of the directors hold beneficial interests in the ultimate parent company, MSA Holdings Limited.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the RoadChef group.

Charitable and political contributions

During the year the company made charitable donations of £1,000 (2004: £5,000), principally to local charities serving the communities in which the company operates. There were no contributions made to political parties.

Creditors payment

Creditors are paid in accordance with the terms and conditions relating to individual suppliers.

RoadChef Motorways Limited

Directors' report for the 52 weeks ended 25 September 2005 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, 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 financial statements; and
- prepare the financial statements 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 enable them to ensure that the financial statements 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 and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps necessary to make themselves aware of any relevant audit information and to convey that information to the company's auditors.

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors, and a resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



C S Bramall
Company Secretary
13th October 2006

RoadChef Motorways Limited

Independent auditors' report to the members of Roadchef Motorways Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical profits and losses and the related notes which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

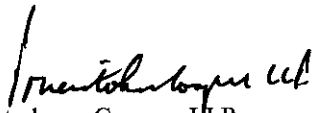
Basis of audit opinion

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 financial statements. It also includes an assessment of the significant estimates and judgments made 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 financial statements give a true and fair view of the state of affairs of the company as at 25 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol
13th October 2006

RoadChef Motorways Limited

Profit and loss account for the 52 weeks ended 25 September 2005

| | Note | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|--|-------|---|---|
| Turnover | | 143,732 | 149,256 |
| Cost of sales | | (97,516) | (107,535) |
| Gross profit | | 46,216 | 41,721 |
| Administrative expenses – ordinary | | (37,331) | (32,342) |
| – exceptional | 2 | (328) | (240) |
| Total administrative expenses | | (37,659) | (32,582) |
| Operating profit | | 8,557 | 9,139 |
| Loss on disposal of tangible fixed assets | 2 | (570) | - |
| Interest receivable and similar income | 3 | 12,746 | 12,840 |
| Interest payable and similar charges | 4 | (9,777) | (9,985) |
| Profit on ordinary activities before taxation | 5 | 10,956 | 11,994 |
| Tax on profit on ordinary activities | 6 | (3,363) | (5,442) |
| Profit for the financial period | 17,18 | 7,593 | 6,552 |

All operations of the company continued throughout the period.

The accompanying notes are an integral part of this profit and loss account.

RoadChef Motorways Limited

Statement of total recognised gains and losses for the 52 weeks ended 25 September 2005

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|--|---|---|
| Profit for the financial period | 7,593 | 6,552 |
| Total recognised gains for the period | 7,593 | 6,552 |

The accompanying notes are an integral part of this statement of recognised gains and los

RoadChef Motorways Limited

Note of historical cost profits and losses for the 52 weeks ended 25 September 2005

| | Note | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|--|------|---|---|
| Reported profit on ordinary activities before taxation | | 10,956 | 11,994 |
| Difference between the historical cost depreciation charge and actual depreciation charge for the period | 17 | 1,656 | 1,336 |
| Historical cost profit on ordinary activities before taxation | | 12,612 | 13,330 |
| Historical cost profit for the financial period retained after taxation | | 9,249 | 7,888 |

The accompanying notes are an integral part of this note of historical cost profits and losses.

RoadChef Motorways Limited

Balance sheet as at 25 September 2005

| | Note | 25 September 2005 £'000 | 26 September 2004 £'000 |
|---|------|-------------------------------|-------------------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 172,101 | 176,081 |
| Investments | 9 | 1 | 1 |
| | | 172,102 | 176,082 |
| Current assets | | | |
| Stock | 10 | 3,086 | 3,327 |
| Debtors - due within one year | 11 | 10,541 | 18,959 |
| - due after one year | 11 | 179,173 | 166,510 |
| Cash at bank and in hand | | 15,165 | 11,241 |
| | | 207,965 | 200,037 |
| Creditors - amounts falling due within one year | 12 | (58,147) | (52,314) |
| Net current assets | | 149,818 | 147,723 |
| Total assets less current liabilities | | 321,920 | 323,805 |
| Creditors - amounts falling due after more than one year | 13 | (130,176) | (138,528) |
| Deferred income | 15 | (10,816) | (11,942) |
| Net assets | | 180,928 | 173,335 |
| Capital and reserves | | | |
| Called up share capital | 16 | 1,045 | 1,045 |
| Share premium account | 17 | 17 | 17 |
| Revaluation reserve | 17 | 104,263 | 105,919 |
| Profit and loss account | 17 | 75,603 | 66,354 |
| Equity shareholders' funds | 18 | 180,928 | 173,335 |

The financial statements on pages 5 to 21 were approved by the board of directors on 13th October 2006 and were signed on its behalf by:


C S Bramall
Director

The accompanying notes are an integral part of this balance sheet.

RoadChef Motorways Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with applicable accounting standards, and have been consistently applied. The principal accounting policies are set out below:

Included within the company's net current assets at 25 September 2005 of £149,818,000 (2004: £147,723,000) are amounts of £179,173,000 (2004: £166,510,000) due after more than one year from other group companies. There is *no foreseeable date for the repayment of these amounts and consequently the company, after excluding these amounts has net current liabilities of £29,355,000 (2004: £18,787,000).* The directors have concluded, having regard to the most recent projections available that the company will have in place sufficient funding to enable it to continue trading and meet its liabilities to third parties as they fall due for the foreseeable future. In reaching this conclusion the foreseeable future has been assessed as a period of not less than one year from the date of approval of these financial statements.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of RoadChef Motorways Holdings Limited which prepares consolidated financial statements that are publicly available.

Turnover

Turnover consists of the amounts receivable from customers in the UK, from the company's continuing activity and after the deduction of Value Added Tax.

Under the terms of certain fuel supply arrangements, the group acts as an agent for the sale of fuel and fuel products on behalf of the petroleum companies. The amounts included within turnover represents the commission earned on these transactions.

Tangible fixed assets

Tangible fixed assets are stated at cost (including capitalised interest) or valuation, net of depreciation and any provision for impairment.

No provision is made for depreciation of freehold land. Freehold and long leasehold buildings are depreciated on a straight line basis over 50 years. Long leasehold land is depreciated over the term of the lease on a straight line basis.

Depreciation of short leasehold properties which have leases of less than 50 years, is calculated on a straight line basis over the remaining term of the lease.

The cost of other tangible fixed assets comprises fixtures, fittings, computer equipment and motor vehicles and is written off over their expected useful lives on a straight line basis as follows:

| | |
|-----------------------|--------------|
| Fixtures and fittings | 5 – 25 years |
| Computer equipment | 3 – 5 years |
| Motor vehicles | 4 years |

Assets in the course of construction are not depreciated and are transferred to their appropriate categories once completed.

RoadChef Motorways Limited

Accounting policies (continued)

Revaluation of properties

Individual freehold and leasehold properties are professionally valued every five years and internally valued in the third year following the professional valuation, with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit, which represents a clear consumption of economic benefits, is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Fixed asset investments

Fixed asset investments are stated at cost or valuation, less provision for impairment.

Interest and financing costs

Interest on loans drawn specifically for new developments, incurred up to the date of practical completion, is capitalised as part of the cost of construction. Financing costs associated with new borrowings are recognised in the profit and loss account over the term of the borrowings at a constant rate on the carrying amount. Finance costs represent the difference between the total amount of the payments that will have to be made in respect of the borrowing instrument and the fair value of the consideration received on the issue of the instrument after deduction of costs that have been incurred and which are directly associated with the issue of that instrument and which would not have arisen had the instrument not been issued.

Stocks

Stocks are stated at the lower of cost and net realisable value. There is no inclusion of overheads in stocks.

Taxation

The charge for ordinary taxation is based on the profits for the period and takes into account full provision for deferred tax, using the approach set out in FRS 19 'Deferred Tax', which requires a liability or asset to be recognised where a transaction has occurred at the balance sheet date that gives rise to an obligation to pay more or less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax assets and liabilities have not been discounted.

RoadChef Motorways Limited

Accounting policies (continued)

Pension costs

The regular cost of providing retirement pensions is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from the periodic actuarial valuations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The difference between the charge to the profit and loss account and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

The amount charged to the profit and loss account in respect of personal money purchase pension schemes is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Deferred income

Deferred income represents advances received from suppliers in respect of exclusive supply arrangements and is released to the profit and loss account over the period of each agreement.

Leases

Rentals paid under operating leases are charged against income on a straight line basis over each lease term.

Debt

Debt is initially stated at the amount of the net proceeds after the deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005

1 Segmental Reporting

The company's activities consist solely of the provision of services to the travelling public in the United Kingdom.

2 Exceptional items

The exceptional items in the period ended 25 September 2005 relate to an exceptional bad debt of £328,000 and a loss on disposal of the Harthill site of £570,000.

The exceptional administrative expenses in the period ended 26 September 2004 relates to £505,000 of exceptional reorganisation charges following the change in executive management net of an exceptional VAT recovery of £265,000.

3 Interest receivable and similar income

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|--------------------------------------|---|---|
| Bank deposits | 83 | 177 |
| Loans to intermediate parent company | 12,663 | 12,663 |
| | 12,746 | 12,840 |

4 Interest payable and similar charges

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|---|---|---|
| Bank loans and overdrafts | 254 | 148 |
| Loans from another group company | 9,265 | 9,580 |
| Finance costs of loans from another group company | 163 | 169 |
| Other interest payable | 95 | 88 |
| | 9,777 | 9,985 |

RoadChef Motorways Limited

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

| | | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|----------------------------------|-----------------------|---|---|
| Depreciation | - owned assets | 3,654 | 3,666 |
| | - leased assets | 2,325 | 2,461 |
| Loss on disposal of fixed assets | | 570 | - |
| Auditors' remuneration | - audit services | 35 | 35 |
| Operating lease rentals | - plant and equipment | 265 | 251 |
| | - land and buildings | 1,157 | 1,428 |

No non-audit fees were payable in the year (2004: nil).

6 Tax on profit on ordinary activities

The charge on the profit for the period consists of:

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|---|---|---|
| Current tax: | | |
| UK corporation tax on profits of the period | 3,423 | 5,464 |
| Adjustment in respect of previous periods | (60) | (22) |
| Total group relief | 3,363 | 5,442 |
| Tax on profit on ordinary activities | 3,363 | 5,442 |

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

6 Tax on profit on ordinary activities (continued)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|---|---|---|
| Profit on ordinary activities before tax | 10,956 | 11,994 |
| Profit on ordinary activities at standard rate of 30% (2004: 30%) | 3,287 | 3,598 |
| Depreciation in excess of capital allowances | (38) | 1,841 |
| Non deductible expenditure | 174 | 25 |
| Adjustments in respect of previous periods | (60) | (22) |
| Group relief payable for the period | 3,363 | 5,442 |

The company has claimed group relief relating to the current and prior year from other group companies for £3,363,000 consideration. There is no certainty that this practice will be followed in the future.

7 Financial commitments

Operating leases

The company had annual commitments under non-cancellable operating leases as follows:

| | 25 September 2005 | | 26 September 2004 | |
|----------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| | Land and buildings £'000 | Plant and equipment £'000 | Land and buildings £'000 | Plant and equipment £'000 |
| Expiry date | | | | |
| Within one year | 308 | 255 | 495 | 46 |
| Between one and two years | 172 | 195 | - | 154 |
| Between two and five years | - | 131 | - | - |
| After more than five years | 270 | - | 535 | - |
| | 750 | 581 | 1,030 | 200 |

Security

There are fixed and floating charges over the assets of the company to secure loan notes issued by a fellow subsidiary company amounting to £ 196,116,000 (2004: £200,150,000).

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

8 Tangible fixed assets

| | Land and buildings | | | | |
|-----------------------------|--------------------|----------------------------|-----------------------------|----------------|----------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Other £'000 | Total £'000 |
| Cost or valuation | | | | | |
| At 26 September 2004 | 69,410 | 20,897 | 78,093 | 42,198 | 210,598 |
| Additions | 1,200 | - | 33 | 1,591 | 2,824 |
| Disposals | - | - | (818) | (929) | (1,747) |
| At 25 September 2005 | 70,610 | 20,897 | 77,308 | 42,860 | 211,675 |
| Depreciation | | | | | |
| At 26 September 2004 | 563 | 291 | 2,170 | 31,493 | 34,517 |
| Charge for the period | 572 | 291 | 2,034 | 3,082 | 5,979 |
| Eliminated on disposals | - | - | (31) | (891) | (922) |
| At 25 September 2005 | 1,135 | 582 | 4,173 | 33,684 | 39,574 |
| Net book amount | | | | | |
| At 25 September 2005 | 69,475 | 20,315 | 73,135 | 9,176 | 172,101 |
| At 26 September 2004 | 68,847 | 20,606 | 75,923 | 10,705 | 176,081 |

Freehold land amounting to £42,536,000 (2004: £42,536,000) has not been depreciated.

The cost of long leasehold land and buildings includes capitalised interest of £41,000 (2004: £41,000). The cost of short leasehold land and buildings includes capitalised interest of £772,000 (2004: £772,000).

Certain properties are included within the amounts above on the basis that the company has beneficial interest in them under various trust deeds entered into with subsidiary companies, which hold the legal titles.

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

8 Tangible fixed assets (continued)

The freehold, long leasehold and short leasehold properties were professionally valued by external valuers Drivers Jonas, Chartered Surveyors, as at 28 September 2003, on an open market for existing use basis, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation manual, and are analysed as follows:

| | 25 September 2005 | | | 26 September 2004 | | |
|------------------|-------------------|----------------------------|-----------------------------|-------------------|----------------------------|-----------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Valuation – 2003 | 69,394 | 20,896 | 77,275 | 69,394 | 20,896 | 78,093 |
| Cost | 1,217 | - | 33 | 17 | - | - |
| | 70,611 | 20,896 | 77,308 | 69,411 | 20,896 | 78,093 |

If land and buildings had not been revalued they would have been included at the following amounts:

| | 25 September 2005 | | | 26 September 2004 | | |
|-----------------|-------------------|----------------------------|-----------------------------|-------------------|----------------------------|-----------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Cost | 22,186 | 12,328 | 45,473 | 20,986 | 12,328 | 46,093 |
| Depreciation | (1,832) | (1,137) | (7,998) | (1,488) | (933) | (6,847) |
| Net book amount | 20,354 | 11,191 | 37,475 | 19,498 | 11,395 | 39,246 |

9 Fixed asset investments

| | Shares in subsidiary company £'000 |
|---|--|
| Cost & net book value | |
| At 25 September 2005 and at 26 September 2004 | 1 |

Principal group investments

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

| | |
|---------------------------------|------------------------------|
| RoadChef (Chester) Limited | RoadChef (Rownhams) Limited |
| RoadChef (Clacket Lane) Limited | RoadChef (Sandbach) Limited |
| RoadChef (Durham) Limited | RoadChef (Sedgemoor) Limited |
| RoadChef (Killington) Limited | RoadChef (Taunton) Limited |
| RoadChef (Maidstone) Limited | |
| RoadChef (Pont Abraham) Limited | |

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

10 Stocks

| | 25 September 2005 £'000 | 26 September 2004 £'000 |
|-------------------------------|-------------------------------|-------------------------------|
| Raw materials and consumables | 501 | 478 |
| Goods for resale | 2,585 | 2,849 |
| | 3,086 | 3,327 |

The replacement value of stock is not materially different than cost.

11 Debtors

| | 25 September 2005 £'000 | 26 September 2004 £'000 |
|---|-------------------------------|-------------------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 9,816 | 3,780 |
| Amounts owed by group companies | - | 12,210 |
| Other taxes and social security | - | 2,294 |
| Other debtors | 702 | 672 |
| Prepayments | 23 | 3 |
| | 10,541 | 18,959 |
| Amounts falling due after more than one year: | | |
| Amounts owed by group companies | 179,173 | 166,510 |
| | 189,714 | 185,469 |

12 Creditors – amounts falling due within one year

| | 25 September 2005 £'000 | 26 September 2004 £'000 |
|--|-------------------------------|-------------------------------|
| Trade creditors | 15,998 | 8,462 |
| Amounts owed to immediate parent company | 9,890 | - |
| Amounts owed to group companies | 27,922 | 39,882 |
| Other creditors | 17 | 588 |
| Other taxes and Social Security | 1,358 | - |
| Corporation tax | 6 | 102 |
| Accruals | 2,956 | 3,280 |
| | 58,147 | 52,314 |

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

13 Creditors – amounts falling due after more than one year

| | 25 September 2005 £'000 | 26 September 2004 £'000 |
|--|-------------------------------|-------------------------------|
| Amounts owed to group companies | 107,176 | 115,528 |
| Amounts owed to immediate parent company | 23,000 | 23,000 |
| | 130,176 | 138,528 |

The amounts owed to a group company are secured over the assets of the company, bear interest at varying interest rates between 7.418% and 16.5% and are repayable in varying amounts between October 2005 and October 2026.

14 Provisions for liabilities and charges

| | 25 September 2005 | | 26 September 2004 | |
|--------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | Amount provided £'000 | Potential £'000 | Amount provided £'000 | Potential £'000 |
| Deferred taxation: | | | | |
| Accelerated capital allowances | - | - | - | - |
| Property revaluations | - | 10,600 | - | 12,021 |
| | - | 10,600 | - | 12,021 |

A deferred tax asset with a value of £2,200,000 (2004: £3,812,000) in respect of accelerated capital allowances could not be recognised as there is currently insufficient evidence that this asset will be recoverable.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £10,600,000 (2004: £12,021,000). At present it is not envisaged that any such tax will become payable in the foreseeable future.

15 Deferred Income

| | £'000 |
|-------------------------------------|---------------|
| At 26 September 2004 | 11,942 |
| Credited to profit and loss account | (1,126) |
| At 25 September 2005 | 10,816 |

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

16 Called up share capital

| | 25 September 2005 £'000 | 26 September 2004 £'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| Authorised | | |
| 2,500,000 ordinary shares of £1 each | 2,500 | 2,500 |
| Allotted and fully paid | | |
| 1,045,000 ordinary shares of £1 each | 1,045 | 1,045 |

17 Reserves

| | Share premium account £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|------------------------------------|--------------------------------------|---------------------------------|--|----------------|
| At 26 September 2004 | 17 | 105,919 | 66,354 | 172,290 |
| Profit for the financial period | - | - | 7,593 | 7,593 |
| Realisation of revaluation surplus | - | (1,656) | 1,656 | - |
| At 25 September 2005 | 17 | 104,263 | 75,603 | 179,883 |

18 Reconciliation of movements in shareholders' funds

| | 25 September 2005 £'000 | 26 September 2004 £'000 |
|---|-------------------------------|-------------------------------|
| Profit for the financial period | 7,593 | 6,552 |
| Total recognised gains for the financial period | 7,593 | 6,552 |
| Opening shareholders' funds | 173,335 | 166,783 |
| Closing shareholders' funds | 180,928 | 173,335 |

19 Employee costs

The average monthly number of employees (including executive directors) was:

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|-------------------------------|---|---|
| Operational | 1,156 | 1,163 |
| Management and administration | 118 | 117 |
| | 1,274 | 1,280 |

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

18 Employee costs (continued)

Their aggregate payroll costs comprised:

| | 52 weeks ended 25 September 2005 £'000 | 52 weeks ended 26 September 2004 £'000 |
|-----------------------|---|--|
| Wages and salaries | 14,643 | 14,237 |
| Social security costs | 1,072 | 1,057 |
| Pensions costs | 644 | 546 |
| | 16,359 | 15,840 |

20 Directors' emoluments

No emoluments were paid to the directors during the period (2004: £nil). Messrs C S Bramall, M J Grant and R A Hunt are directors of RoadChef Limited, a fellow group company and their remuneration, in respect of their services to the group as a whole, is disclosed in the financial statements of that company. No management recharge is made by RoadChef Limited in respect of their services to the company.

21 Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of MSA Acquisitions Co Limited and is included in the consolidated financial statements of MSA Acquisitions Co Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the MSA Acquisitions Co Limited group.

22 Pension scheme

With respect to the defined benefit scheme, contributions are based upon pension costs across the RoadChef Limited group of companies as a whole. The company is unable to separately identify its share of the underlying assets and liabilities on either a consistent or reasonable basis. The overall pension funding deficit and its implications are shown in the financial statements of RoadChef Limited.

The company also operates a number of defined contribution pension schemes in respect of senior executives. The assets of these schemes are held separately from those of the company in independently administered funds. The pension charge for the period for these schemes amounted to £ 61,000 (2004: £48,000). An amount of £5,000 (2004: £5,000) is owed to the pension scheme at the period end.

RoadChef Motorways Limited

Notes to the financial statements for the 52 weeks ended 25 September 2005 (continued)

23 Immediate and ultimate parent undertaking

The immediate parent company is RoadChef Motorways Holdings Limited, a company registered in England and Wales. The largest UK group in which the results of the company are consolidated is that headed by MSA Acquisitions Co Limited, and the smallest is that headed by RoadChef Motorways Holdings Limited. Copies of these financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

MSA Holdings Limited, whose shares are wholly owned by Wilmington Trust SP Services (London) Limited (formerly SPV Management Limited), holds 51% of the shares in the intermediate parent company, MSA Acquisitions Co Limited. Nikko Cordial Corporation, a company incorporated in Japan holds warrants via a UK subsidiary company, Nikko Securities Global Holdings Limited, to subscribe for shares in MSA Acquisitions Co. Limited, which if exercised in full, would result in them acquiring 51% equity ownership. However, in view of the rights granted to a minority shareholder, the directors do not consider that any one shareholder has ultimate control.