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ROADCHEF LIMITEDREPORT AND ACCOUNTS - 6th JUNE 1982DIRECTORS

C.D. Lindley FHCIMA - Chairman
P. Gee FCCA - Managing
P. Coates

SECRETARY

M.A. Stunell FCCA

REGISTERED OFFICE

Provincial House,
45 Northgate,
Gloucester.
GL1 2AJ

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ROADCHEF LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report together with the Audited Accounts of the Company for the thirty-five weeks ended 6th June 1982.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the operation of Motorway Service Areas.

RESULTS

A summary of the results of the trading for the period is given on Page 4. The Directors do not recommend the payment of a dividend, and propose that distributable reserves of £567,677 be carried forward.

CHANGE OF ACCOUNTING DATE

The Company has changed its accounting date to the first Sunday in June as this is administratively more convenient. The Company's trading is highly seasonal and the results for the 35 weeks to 6th June 1982 exclude the high trading period.

DIRECTORS

The following Directors held office throughout the period under review.

C.D. Lindley - Chairman
P. Gee - Managing
P. Coates

The above Directors are also Directors of the ultimate holding company, L.C.I. Group Limited and their group share interests are disclosed in the Accounts of that company.

In accordance with the Articles of Association, Mr. P. Coates retires from the Board by rotation and, being eligible, offers himself for re-election.

FIXED ASSETS

Acquisitions and disposals during the period are detailed in Note 5 to the Accounts.

EMPLOYEES AND THEIR REMUNERATION

The average number of persons including part time workers employed by the Company in each week was 404 (1981 - 438), and their aggregate remuneration for the 35 weeks was £998,525. (1981 - £1,536,317 (53 weeks)).

DISABLED PERSONS

The Company recognises 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.

AUDITORS

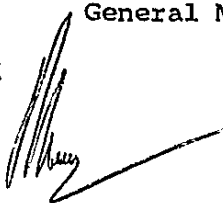
The Auditors, Edmund R. Gibbs & Co. are willing to continue in office and a resolution concerning their re-appointment in accordance with Section 14 of the Companies Act 1976 will be proposed at the Annual General Meeting.

By Order of the Board

M.A. STUNELL

Secretary

11th November 1982



REPORT OF THE AUDITORS TO THE MEMBERS OF
* ROADCHEF LIMITED

We have audited the Accounts on Pages 3 to 9 in accordance with approved Auditing Standards.

In our opinion the Accounts, which have been prepared on the basis of the accounting policies set out on Page 5, give a true and fair view of the state of the Company's affairs at 6th June 1982 and of the loss and source and application of funds for the period ended on that date, and comply with the Companies Acts 1948 to 1981.



EDMUND R. GIBBS & CO.
Certified Accountants

46 St. Giles',
Oxford.
OX1 3LT
11th November 1982

ROADCHEF LIMITEDBALANCE SHEET AT 6th JUNE 19824.10.81SHARE CAPITALAuthorised

2,500,000 Ordinary Shares of £1 each	£2,500,000	£2,500,000
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Issued

1,045,000 Ordinary Shares of £1 each	1,045,000	1,045,000
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<u>RESERVES</u>	(Note 2)	2,068,344	1,386,290
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<u>CAPITAL GRANTS</u>	(Note 3)	428,562	518,575
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<u>LOAN CAPITAL</u>	(Note 4)	3,092,333	645,333
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<u>CAPITAL EMPLOYED</u>		£6,634,239	£3,595,198
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Represented by:-

<u>FIXED ASSETS</u>	(Note 5)	7,019,265	4,140,252
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<u>INVESTMENT IN SUBSIDIARY COMPANIES AT COST</u>	(Note 6)	1,700	1,700
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<u>GROUP BALANCES</u>	(Note 7)	1,223,281	1,288,005
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CURRENT ASSETS

Stock	523,012	642,529
Debtors and Prepayments	354,008	372,004
Cash in Hand	<u>9,510</u>	<u>8,350</u>
	886,530	1,022,883

CURRENT LIABILITIES

Hire Purchase Accounts	61,622	66,608
Creditors	(Note 8) 2,340,712	2,573,612
Bank Overdraft	(Note 9) <u>94,203</u>	<u>217,422</u>
	(2,496,537)	(2,857,642)
	<u>£6,634,239</u>	<u>£3,595,198</u>

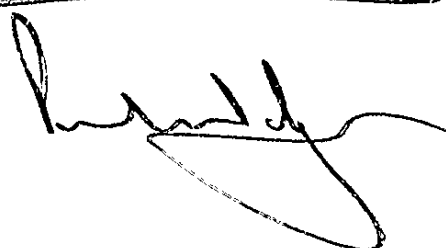
Approved by the Board on 11th November 1982

C.D. LINDLEY



 Directors

P. GEE



ROADCHEF LIMITED

PROFIT AND LOSS ACCOUNT FOR THE

THIRTY-FIVE WEEKS ENDED 6th JUNE 1982

53 weeks
ended 4.10.81

<u>TURNOVER</u>	£9,149,190	£14,662,297
<u>TRADING PROFIT/(LOSS) BEFORE TAXATION</u>	(351,946)	267,550
<u>After charging/(crediting)</u>		
Loss on Sale of Assets	7,448	9,434
Depreciation	157,750	190,898
Management Fees Receivable	-	(71,441)
Interest (Note 10)	293,465	160,275
Capital Grants (Note 3)	(90,013)	(133,733)
Management Fees Payable	126,120	54,730
Auditors' Remuneration	6,000	7,100
Compensation (Note 11)	(97,778)	-
<u>LESS TAXATION</u> (Note 12)	-	-
<u>NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAXATION</u>	£ (351,946)	£ 267,550
<u>Statement of Reserves</u>		
Net Profit/(Loss) for the period	(351,946)	267,550
Surplus on Revaluation of Assets	1,034,000	-
Balance brought forward	1,386,290	1,118,740
<u>BALANCE CARRIED FORWARD</u> (Note 2)	£2,068,344	£ 1,386,290

ROADCHEF LIMITEDNOTES TO THE ACCOUNTS - 6th JUNE 19821. ACCOUNTING POLICIES(a) Basis of Accounting

The Accounts are prepared under the historical cost convention adjusted by the revaluation of leasehold property, and in compliance with Section 149A and Schedule 8A of the Companies Act 1948.

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

(b) Fixed Assets

Excluding freehold land on which no depreciation is charged, depreciation is provided on a straight line basis at rates calculated to write-off the cost of assets over their expected useful lives using the following rates.

Leasehold Property	-	period of the lease
Fixtures and Fittings	-	5% - 20% p.a.
Motor Vehicles	-	25% p.a.

(c) Stock

Stock is consistently valued at the lower of cost and net realisable value.

(d) Turnover

Turnover consists of the amount receivable from customers after deduction of Value Added Tax.

(e) Repairs and Renewals

Expenditure is written off in the period in which it is incurred.

(f) Deferred Taxation

No provision has been made for taxation deferred by capital allowances, other timing differences and the potential taxation liability which would arise if revalued properties were realised at their Balance Sheet values, since in the opinion of the Directors the taxation in question will not become payable in the foreseeable future.

2. RESERVES

	<u>Share Premium</u>	<u>Revaluation</u>	<u>Revenue</u>	<u>Total</u>
At 5th October 1981	16,667	150,000	1,219,623	1,386,290
Transfer	-	300,000	(300,000)	-
Loss for the period	-	-	(351,946)	(351,946)
Surplus on revaluation of assets	-	1,034,000	-	1,034,000
At 6th June 1982	<u>£16,667</u>	<u>£1,484,000</u>	<u>£ 567,677</u>	<u>£2,068,344</u>

The transfer on reserves represents part of a revaluation surplus arising in 1975 which, in accordance with the Companies Act 1981, is no longer available for distribution.

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 a ten year period. The Company has options to break certain agreements which would necessitate the repayment of a proportion of the original grants received.

ROADCHIEF LIMITEDNOTES TO THE ACCOUNTS - 6th JUNE 1982 (CONTINUED)4. LOAN CAPITAL

Loan Capital is secured on the assets of the Company. The loans are repayable as detailed below.

(a) Loans Received via Subsidiary Companies

	<u>6.6.82</u>	<u>4.10.81</u>
Advanced 1975 at 12% p.a. and repayable over 15 years	76,500	87,000
Advanced 1976 at 10% p.a. and repayable over 20 years	102,083	107,083
Advanced 1976 at 13% p.a. and repayable over 20 years	<u>73,750</u>	<u>76,250</u>
	<u>252,333</u>	<u>270,333</u>

(b) Barclays Bank PLC

Repayable in 16 equal half-yearly instalments commencing 30th June 1984 at 2.125% above the London Inter-Bank rate

1,940,000 375,000

(c) Department of Transport

Repayable within 5 years

900,000
£3,092,333 -
£645,333

5. FIXED ASSETS

<u>Cost or Valuation</u>	<u>Freehold Land</u>	<u>Leasehold Land and Buildings</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
At 5th October 1981	15,000	3,460,511	1,222,587	136,694	4,834,792
Disposals	-	(834,000)	(208,000)	(30,277)	(1,072,277)
Additions	129,500	2,577,420	251,112	45,320	3,003,352
Transfers	-	-	55,333	-	55,333
Revaluation	-	749,000	-	-	749,000
	<u>144,500</u>	<u>5,952,931</u>	<u>1,321,032</u>	<u>151,737</u>	<u>7,570,200</u>
<u>Depreciation</u>					
At 5th October 1981	-	299,824	350,614	44,102	694,540
Disposals	-	-	-	(16,355)	(16,355)
Charge for the period	-	54,060	79,139	24,551	157,750
Revaluation	-	(285,000)	-	-	(285,000)
	-	<u>68,884</u>	<u>429,753</u>	<u>52,298</u>	<u>550,935</u>
<u>Net Book Values</u>					
At 6th June 1982	<u>144,500</u>	<u>5,884,047</u>	<u>891,279</u>	<u>99,439</u>	<u>7,019,265</u>
At 4th October 1981	<u>15,000</u>	<u>3,160,687</u>	<u>871,972</u>	<u>92,592</u>	<u>4,140,252</u>

Leasehold property included at valuation comprises:-

Cost	4,753,931
Revaluation 1975	450,000
Revaluation 1982	<u>749,000</u>
	<u>5,952,931</u>

On 21st December 1981 the Company purchased new fifty year leases from the Department of Transport in respect of three of its Motorway Service Areas. Negotiations are continuing in respect of its other Motorway Service Areas.

ROADCHEF LIMITEDNOTES TO THE ACCOUNTS - 6th JUNE 1982 (CONTINUED)5. FIXED ASSETS (Continued)

Certain of the Company's leasehold land and buildings have been revalued at 6th June 1982 by the Directors, having taken independent professional advice, on an open market existing use basis at £5,425,000.

The freehold and leasehold deeds for the Motorway Service Areas are held on trust in the name of its wholly owned non-trading subsidiary companies.

6. INVESTMENT IN SUBSIDIARY COMPANIES AT COST

The Company's subsidiaries, which are all wholly owned, and incorporated in England, are listed below. All companies were non-trading at the Balance Sheet date with the exception of Roadway Diners Limited which operates motorway service areas. All the shareholdings are in ordinary shares.

Roadway Diners Limited
 Roadway Diners (Northern) Limited
 Roadchef (Hamilton) Limited
 Roadchef (Sandbach) Limited
 Roadchef (Rownhams) Limited **
 Roadchef (Killington) Limited
 Roadchef (Taunton) Limited **
 Roadchef (Pont Abraham) Limited (formerly L.C.I. Management Limited)

In the opinion of the Directors, the value of the Company's interest in its subsidiaries is not less than the amount at which it is stated in the Balance Sheet.

Group Accounts have not been prepared as the Company is a wholly owned subsidiary of another company incorporated in England.

** The shares in Roadchef (Rownhams) Limited and Roadchef (Taunton) Limited are held in the name of Barclays Nominees (Branches) Limited as security for the Company's overdraft facility.

7. GROUP BALANCES

	<u>1982</u>	<u>1981</u>
Amount due from ultimate holding company	337,349	619,301
Amount due from immediate holding company	915,924	665,422
Amounts due from subsidiaries	-	3,982
Amounts due to subsidiaries	(29,992)	(700)
	<u>£1,223,281</u>	<u>£1,288,005</u>

8. CREDITORS

Certain trade creditors are secured against the assets of the Company.

9. BANK OVERDRAFT

The Bank Overdraft is secured by inter-company unlimited cross guarantees given by L.C.I. Group Limited and certain of the other subsidiary companies together with a fixed and floating charge on the assets of the Company.

10. INTEREST

	<u>1982</u>	<u>1981</u>
Interest payable on:-		
Bank Loans and Overdraft	176,402	132,597
Loans repayable within 5 years	104,147	-
Other	13,555	29,763
	<u>294,104</u>	<u>162,360</u>
Interest Receivable	(639)	(2,085)
	<u>£293,465</u>	<u>£160,275</u>

ROADCHEF LIMITEDNOTES TO THE ACCOUNTS - 6th JUNE 1982 (CONTINUED)11. COMPENSATION

This represents the net amount received for loss of trade at one of the Company's motorway service areas.

12. TAXATION

- (a) No provision has been made for taxation on the results of the period due to the availability of capital allowances and stock relief.
- (b) The potential liability for deferred taxation not provided for in these Accounts calculated at current rates of taxation is as follows:-

	<u>1982</u>	<u>1981</u>
Excess Capital Allowances	384,000	360,000
Revaluation of Leasehold land and buildings	360,000	135,000
Other timing differences	73,000	-
Unrelieved tax losses	<u>(151,000)</u>	<u>(17,000)</u>
	<u>666,000</u>	<u>478,000</u>

The total unrelieved tax losses amount to approximately £290,000 (1981: £32,000) which include stock relief of £58,000 claimable under the Finance Act 1981. This relief can only be used within six years of the date on which it originated.

There is no intention of selling any of the properties and, in the opinion of the Directors, any capital gains tax arising on disposal would be deferred by rollover relief.

13. DIRECTORS' REMUNERATION

The Directors are also Directors of the ultimate holding company, L.C.I. Group Limited and details of their emoluments are reported in the Accounts of that company.

14. CAPITAL COMMITMENTS

Future capital expenditure authorised by the Board at 6th June 1982 amounted to £875,000 (1981: NIL) against which contracts amounting to £260,000 (1981: NIL) had been placed.

15. HOLDING COMPANY

The Company is a wholly owned subsidiary of Roadchef Group Limited, a company incorporated in England

The ultimate holding company is L.C.I. Group Limited, which is also incorporated in England.

ROADCHEF LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE THIRTY-FIVE WEEKS ENDED 6th JUNE 1982

53 weeks
ended 4.10.81

SOURCE OF FUNDS

Profit/(Loss) before Tax	(351,946)	267,550
Adjustment for items not involving the movement of funds:-		
Depreciation	157,750	190,898
Loss on Sale of Assets	7,448	9,434
Capital Grants	(90,013)	(133,733)
<u>Total Generated/(Outflow) from Operations</u>	<u>(276,761)</u>	<u>334,149</u>

Funds from Other Sources

Disposals of Fixed Assets	1,048,474	37,847
Hire Purchase Finance	23,501	76,577
Loans	3,740,000	-
Decrease in Group Balances	<u>64,724</u>	<u>-</u>
	4,876,699	114,424
	<u>4,599,938</u>	<u>448,573</u>

LESS APPLICATIONS

Transfer of Fixed Assets	55,333	-
Purchase of Fixed Assets	3,003,352	110,861
Repayment of Hire Purchase Finance	28,487	72,520
Repayment of Loans	1,293,000	149,250
Increase in Group Balances	<u>-</u>	<u>329,803</u>
	4,380,172	662,434
<u>NET DECREASE IN WORKING CAPITAL</u>	<u>£ (219,766)</u>	<u>£(213,861)</u>

Represented by:-

Increase/(Decrease) in Stocks	(119,517)	278,256
Increase/(Decrease) in Debtors	(17,996)	(709)
Increase/(Decrease) in Cash and Bank Balances	124,379	(15,676)
(Increase)/Decrease in Creditors	<u>232,900</u>	<u>(475,732)</u>
	<u>£ (219,766)</u>	<u>£(213,861)</u>