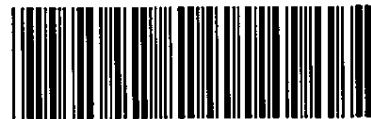


REGISTERED NUMBER 1123082

RoadChef Motorways Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

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COMPANIES HOUSE

RoadChef Motorways Limited

COMPANY INFORMATION

DIRECTORS

S Turl
A Haiat
Finsbury Corporate Services Limited

SECRETARY

Finsbury Secretaries Limited
C S Bramall (resigned 7 September 2007)

REGISTERED OFFICE

RoadChef House
Norton Canes MSA
Betty's Way, Norton Canes
Cannock
Staffordshire
WS11 9UX

AUDITORS

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

BANKERS

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

RoadChef Motorways Limited

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RoadChef Motorways Limited

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

The directors present their annual report on the affairs of the Company, together with the financial statements and independent auditors' report, for the 53 weeks ended 29 September 2007. The comparative period was the 52 weeks ended 24 September 2006.

Principal activity

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

Business review and future developments

The Company operates a motorway service area on 16 sides of the motorway in the United Kingdom under the name of "RoadChef".

RoadChef manages its operations at a group level and the directors therefore believe that disclosure of key performance indicators for the Company are not appropriate to understand the development, performance or position of the business.

A full operating and financial review of the RoadChef business is included within the financial statements of MSA Acquisitions Co. Limited, an intermediate parent company, which are publicly available.

The Company will continue to operate its motorway service areas and hopes to achieve an improvement to its earnings and cash flows.

On 30 March 2007, the shares in MSA Acquisitions Co. Limited and its subsidiaries, which include RoadChef Motorways Limited, were acquired by Delek Motorway Services Limited, whose shares are owned by Delek Belron International Limited (75%) and Delek Petroleum Limited (25%), subsidiaries of the Delek Group Limited (see note 24).

Results and dividends

The results for the period are set out on page 5. The directors do not recommend the payment of a dividend (2006 £nil).

Directors

Details of the directors who held office during the period are given below.

S Turl (appointed 1 November 2007)

A Haiat (appointed 20 July 2007)

Finsbury Corporate Services Limited (appointed 7 September 2007)

C S Bramall (resigned 7 September 2007)

M J Grant (resigned 20 July 2007)

R A Hunt (resigned 1 November 2007)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition and employee retention.

RoadChef Motorways Limited

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

Risk management

The Company's operations expose it to a variety of financial risks that include the effects of interest rate and liquidity risk which are related to the funding of the Company. The intermediate parent company, MSA Acquisitions Co Limited, has in place a programme to limit the adverse effects of these risks on its financial performance. This includes the use of derivative financial instruments to manage interest rate risk and borrowing across a spread of maturity periods to minimise the risk of uncertain funding of operations. The exposures and the measures taken to mitigate them are reviewed by the directors on a regular basis.

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 the various factors affecting the performance of the RoadChef group.

Equal opportunities

The Company is an equal opportunities employer. Its policy is to ensure that recruitment, selection, training, development and promotion procedures result in no applicant or employee receiving less favourable and discriminatory treatment on the grounds of sex, age, race, nationality, creed, ethnic origin, disability, sexual orientation, marital status or by conditions or requirements which cannot be shown to be justifiable.

Charitable and political contributions

During the period the Company made charitable and political donations of £nil (2006: £nil).

Creditors payment

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

Directors' liability insurance and indemnity

MSA Acquisitions Co Limited, the intermediate parent company, has purchased insurance to cover the Company's directors against their costs in defending themselves in any legal proceedings taken against them in their Company capacity and in respect of damages arising out of any successful claims made.

Disclosure of information to the auditors

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

Ernst & Young LLP were appointed auditors during the period. In accordance with section 385 of the Companies Act 1985, a resolution proposing that Ernst & Young LLP be reappointed auditors of the Company will be put to the Annual General Meeting.

**DIRECTORS' REPORT (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board


A. Haat
Director

23 October 2008

RoadChef Motorways Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF RoadChef Motorways Limited

We have audited the financial statements of RoadChef Motorways Limited for the period ended 29 September 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profits and Losses, Balance Sheet and the related notes 1 to 24. These financial statements have been prepared under 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 29 September 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham
23 October 2008

RoadChef Motorways Limited

**PROFIT AND LOSS ACCOUNT
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

| | Note | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|--|------|--|--|
| Turnover | 2 | 150,680 | 140,502 |
| Cost of sales | | (101,282) | (95,386) |
| Gross profit | | 49,398 | 45,116 |
| Administrative expenses | | (46,615) | (35,386) |
| Exceptional items | 5 | - | 1,768 |
| Operating profit | 8 | 2,783 | 11,498 |
| Interest receivable and similar income | 6 | 12,590 | 12,739 |
| Interest payable and similar charges | 7 | (9,743) | (9,811) |
| Profit on ordinary activities before taxation | | 5,630 | 14,426 |
| Taxation | 9 | (2,654) | (7,827) |
| Profit for the financial period | 19 | 2,976 | 6,599 |

The profit and loss account has been prepared on the basis that all operations are continuing operations

RoadChef Motorways Limited

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

| | Note | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|---|------|---|---|
| Profit for the financial period | 19 | 2,976 | 6,599 |
| Unrealised surplus on revaluation of leasehold land and buildings | | - | 73,998 |
| Total recognised gains for the period | | 2,976 | 80,597 |

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

| | Note | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|--|------|---|---|
| Reported profit on ordinary activities before taxation | | 5,630 | 14,426 |
| Difference between the historical cost depreciation charge and the actual depreciation charge for the period | 19 | 2,989 | 4,596 |
| Historical cost profit on ordinary activities before taxation | | 8,619 | 19,022 |
| Historical cost profit on ordinary activities after taxation | | 5,965 | 11,195 |

RoadChef Motorways Limited

**BALANCE SHEET
AS AT 29 SEPTEMBER 2007**

| | Note | 29 September 2007 £'000 | 24 September 2006 £'000 |
|---|------|-------------------------------|-------------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 241,110 | 243,000 |
| Investments | 11 | 1 | 1 |
| | | <u>241,111</u> | <u>243,001</u> |
| Current assets | | | |
| Stocks | 12 | 3,779 | 3,691 |
| Debtors due after more than one year | 13 | 201,799 | 191,836 |
| Debtors due within one year | 13 | 12,367 | 15,298 |
| Cash at bank and in hand | | 2,406 | 9,720 |
| | | <u>220,351</u> | <u>220,545</u> |
| Creditors amounts falling due within one year | 14 | <u>(62,777)</u> | <u>(68,693)</u> |
| Net current assets | | <u>157,574</u> | <u>151,852</u> |
| Total assets less current liabilities | | 398,685 | 394,853 |
| Creditors amounts falling due after more than one year | 15 | (125,402) | (123,572) |
| Deferred income | 17 | (8,782) | (9,756) |
| Net assets | | <u>264,501</u> | <u>261,525</u> |
| Capital and reserves | | | |
| Called up share capital | 18 | 1,045 | 1,045 |
| Share premium account | 19 | 17 | 17 |
| Revaluation reserve | 19 | 170,676 | 173,665 |
| Profit and loss account | 19 | 92,763 | 86,798 |
| Shareholders funds - equity interests | 20 | <u>264,501</u> | <u>261,525</u> |

The financial statements were approved by the Board and authorised for issue on 23 October 2008


A Halat
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

1 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 the Companies Act 1985 and applicable accounting standards (UK GAAP), which have been consistently applied. The principal accounting policies are set out below.

Included within the Company's net current assets at 29 September 2007 of £157,574,000 (2006 £151,852,000) are amounts of £201,799,000 (2006 £191,836,000) due after more than one year from other group companies. Consequently the Company, after excluding these amounts, has net current liabilities of £44,225,000 (2006 £39,984,000).

The directors are of the opinion that, having regard to the funding available from Delek Belron International Limited and Delek Petroleum Limited, subsidiaries of the ultimate parent company, Delek Group Limited, the Company has sufficient funds to continue in operational existence for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the 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. Turnover on retail sales is recognised when goods are sold to the customer.

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 represent the commission earned on these transactions. Commission is recognised upon the sale of the relevant fuel and fuel products on behalf of the petroleum companies to the customer.

Vendor allowances

The Company receives various types of vendor allowances. These take the form of up-front payments such as lump sum payments or prepaid amounts, rebates, in the form of cash or credits, and other forms of payments. These amounts are shown as a reduction in the cost of sales.

Interest and finance 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.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (including capitalised interest) or valuation, net of depreciation and any provision for impairment, and are written off over their expected useful lives on a straight line basis as follows:

| | |
|---------------------------------------|----------------------------|
| Freehold and long leasehold buildings | 50 years |
| Long leasehold land | Over the term of the lease |
| Short leasehold land and buildings | Over the term of the lease |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

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 |

Revaluation of properties

Individual freehold properties are professionally valued every five years and internally valued on 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 deficit is charged (or credited) to the profit and loss account

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 re-valued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

Impairment of tangible fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the impairment is calculated as the difference between the carrying value and the recoverable value of income-generating units. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. If incurred, impairment is recognised immediately within the profit and loss account

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment

Development costs and pre-opening expenses

External development costs are carried forward and capitalised if and when sites are developed, otherwise they are written off to the profit and loss account

Pre-opening expenses incurred prior to the opening of new motorway service areas are written off in the period in which they arise

Stocks

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

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement asset is sold

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

1 Accounting policies (continued)

Taxation (continued)

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Exceptional items

Exceptional items comprise events or transactions that fall within the activities of the Company and which by virtue of their size or incidence have been disclosed in order to improve a reader's understanding of the financial statements

Pension costs

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

Debt

Debt is initially stated at the amount of the net proceeds after 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

Leases

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

Financial instruments

The Company has adopted the presentational requirements of Financial Reporting Standard 25 "Financial Instruments: Disclosures and Presentation" but is exempt from providing the disclosures required by that accounting standard as it is a wholly owned subsidiary. The Company is also exempt from the requirements of Financial Reporting Standard 26 "Financial Instruments: Measurement" as it is not listed

Cash flow statement

The Company qualifies under Financial Reporting Standard 1 "Cash Flow Statements", for exemption from preparing a cash flow statement as it is a wholly owned subsidiary of a UK company which publishes a cash flow statement

Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" from the requirement to disclose transactions between group companies that are more than 90% owned on the grounds that consolidated financial statements are prepared by the intermediate parent company, MSA Acquisitions Co Limited

RoadChef Motorways Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

2 Turnover

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

3 Employee costs

| | 53 weeks ended 29 September 2007 Number | 52 weeks ended 24 September 2006 Number |
|-------------------------------|---|---|
| Operational | 1,070 | 1,076 |
| Management and administration | 75 | 114 |
| | 1,145 | 1,190 |
| Their payroll costs comprised | | |
| | £'000 | £'000 |
| Wages and salaries | 13,590 | 14,648 |
| Social security costs | 949 | 885 |
| Other pension costs | 340 | 575 |
| | 14,879 | 16,108 |

4 Directors' emoluments

No directors received any emoluments or accrued any benefits in the period (2006 £nil). The directors are paid by RoadChef Limited. No management recharge is made by RoadChef Limited in respect of their services to the Company.

No directors were accruing benefits under defined benefit schemes in respect of qualifying services (2006 £nil).

5 Exceptional items

The exceptional income in the period ended 24 September 2006 of £1,768,000 arose on the settlement of a claim on the Channel Tunnel Rail Link in respect of the Maidstone MSA.

RoadChef Motorways Limited

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

6 Interest receivable and similar income

| | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|--------------------------|---|---|
| Bank deposits | - | 76 |
| Loans to group companies | 12,590 | 12,663 |
| | 12,590 | 12,739 |

7 Interest payable and similar charges

| | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|--|---|---|
| Bank loans and overdrafts | 481 | 506 |
| Loans from group companies | 8,533 | 8,841 |
| Finance costs of loans other group companies | 145 | 103 |
| Other interest payable | 585 | 361 |
| | 9,744 | 9,811 |

8 Operating profit

| | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|---|---|---|
| Operating profit is stated after charging | | |
| Depreciation of tangible fixed assets | | |
| - owned assets | 1,542 | 3,501 |
| - leased assets | 3,736 | 2,622 |
| Operating lease rentals | | |
| - land and buildings | 1,041 | 1,270 |
| - plant and machinery | 232 | 265 |
| Auditors' remuneration | - | 35 |
| Remuneration of auditors for non audit work | - | - |

The current year audit and non-audit fees were borne by RoadChef Limited, an intermediate parent company

Full disclosure of audit and non-audit fees can be found in the consolidated financial statements of MSA Acquisitions Co Limited, the parent company of the largest UK group of the RoadChef group of companies

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

9 Taxation

| | 53 weeks ended 29 September 2007 £'000 | 52 weeks ended 24 September 2006 £'000 |
|--|---|---|
| Corporation tax | | |
| Group relief payable | 2,611 | 6,008 |
| Adjustments in relation to prior periods | 43 | 1,819 |
| Current tax charge | 2,654 | 7,827 |

The total current tax charge is different to the standard rate of corporation tax in the United Kingdom (30%)
The material differences are reconciled below

| | | |
|---|--------------|---------------|
| Profit on ordinary activities before taxation | 5,630 | 14,426 |
| Profit on ordinary activities before taxation multiplied by the UK tax rate of 30% | 1,689 | 4,328 |
| Depreciation in excess of capital allowances | 103 | 2,036 |
| Non deductible expenditure and other timing differences | 1,436 | (356) |
| Adjustments in relation to prior periods | 43 | 1,819 |
| Imputed interest | (617) | - |
| Current tax charge | 2,654 | 7,827 |

The Company has claimed group relief relating to the current and prior period from other group companies for a consideration of £2,757,000 (2006 £7,827,000)

10 Tangible fixed assets

| | Land and buildings | | | | |
|-----------------------------|---------------------------|-------------------------------------|--------------------------------------|------------------------|------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Other £'000 | Total £'000 |
| Cost or valuation | | | | | |
| At 24 September 2006 | 95,731 | 37,946 | 99,876 | 45,891 | 279,444 |
| Additions | - | - | - | 3,388 | 3,388 |
| At 29 September 2007 | 95,731 | 37,946 | 99,876 | 49,279 | 282,832 |
| Depreciation | | | | | |
| At 24 September 2006 | - | - | - | 36,444 | 36,444 |
| Charge for period | 952 | 732 | 3,004 | 590 | 5,278 |
| At 29 September 2007 | 952 | 732 | 3,004 | 37,034 | 41,722 |
| Net book value | | | | | |
| At 29 September 2007 | 94,779 | 37,214 | 96,872 | 12,245 | 241,110 |
| At 24 September 2006 | 95,731 | 37,946 | 99,876 | 9,447 | 243,000 |

The cost of long leasehold land and buildings includes capitalised interest of £41,000 (2006 £41,000) The cost of short leasehold land and buildings includes capitalised interest of £772,000 (2006 £772,000)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

10 Tangible fixed assets (continued)

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

The freehold land and buildings were professionally valued by external valuers Drivers Jonas, Chartered Surveyors, as at 24 September 2006, 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

| | 29 September 2007 | | |
|------------------|---------------------------|-------------------------------------|--------------------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Valuation - 2003 | 69,394 | 20,896 | 77,275 |
| Additions - 2005 | 1,217 | - | 33 |
| Valuation - 2006 | 25,120 | 17,050 | 22,568 |
| | 95,731 | 37,946 | 99,876 |

| | 24 September 2006 | | |
|------------------|---------------------------|-------------------------------------|--------------------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Valuation - 2003 | 69,394 | 20,896 | 77,275 |
| Additions - 2005 | 1,217 | - | 33 |
| Valuation - 2006 | 25,120 | 17,050 | 22,568 |
| | 95,731 | 37,946 | 99,876 |

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

| | 29 September 2007 | | |
|-----------------------|---------------------------|-------------------------------------|--------------------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Cost | 22,186 | 12,328 | 45,473 |
| Depreciation | (2,520) | (1,545) | (10,300) |
| Net book value | 19,666 | 10,783 | 35,173 |

| | 24 September 2006 | | |
|-----------------------|---------------------------|-------------------------------------|--------------------------------------|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Cost | 22,186 | 12,328 | 45,473 |
| Depreciation | (2,176) | (1,341) | (9,149) |
| Net book value | 20,010 | 10,987 | 36,324 |

At the period end, the Company had unprovided capital commitments of £nil (2006 £nil)

RoadChef Motorways Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

11 Fixed asset investments

| | Subsidiary undertaking £'000 |
|--|------------------------------------|
| Cost and net book value | |
| At 29 September 2007 and 24 September 2006 | <u>1</u> |

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 (Pont Abraham) Limited |
| RoadChef (Clacket Lane) Limited | RoadChef (Rownhams) Limited |
| RoadChef (Durham) Limited | RoadChef (Sandbach) Limited |
| RoadChef (Killington) Limited | RoadChef (Sedgemoor) Limited |
| RoadChef Costa Coffee Limited | RoadChef Coffee Republic Limited |

12 Stocks

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|------------------|-------------------------------|-------------------------------|
| Goods for resale | <u>3,779</u> | <u>3,691</u> |

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

13 Debtors

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|--|-------------------------------|-------------------------------|
| Amounts falling due within one year | | |
| Trade debtors | 10,616 | 12,329 |
| Other debtors | 482 | 2,969 |
| Prepayments | 1,269 | - |
| | <u>12,367</u> | <u>15,298</u> |
| Amounts falling due after more than one year | | |
| Amounts owed by group companies | 201,799 | 191,836 |
| | <u>214,166</u> | <u>207,134</u> |

14 Creditors: amounts falling due within one year

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Trade creditors | 16,172 | 14,055 |
| Amounts owed to group companies | 41,634 | 47,537 |
| Corporation tax | - | 6 |
| Other taxes and social security | 1,048 | 3,231 |
| Other creditors | 839 | 356 |
| Accruals | 3,084 | 3,508 |
| | <u>62,777</u> | <u>68,693</u> |

RoadChef Motorways Limited

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007**

15 Creditors, amounts falling due after more than one year

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|---------------------------------|--|--|
| Amounts owed to group companies | 125,402 | 123,572 |

The amounts owed to group companies are secured over the assets of the Company and bear interest at varying interest rates between 7.418% and 8.015% and are repayable in varying amounts between October 2007 and October 2026

16 Provisions for liabilities and charges

| | 29 September 2007 | | 24 September 2006 | |
|--------------------------------|--------------------------------------|----------------------------|--------------------------------------|----------------------------|
| | Amount provided £'000 | Potential £'000 | Amount provided £'000 | Potential £'000 |
| Accelerated capital allowances | - | - | - | - |
| Property revaluations | - | 56,004 | - | 30,546 |
| | - | 56,004 | - | 30,546 |

Deferred tax assets with a value of £4,553,000 (2006 £4,605,000), primarily in respect of accelerated capital allowances, have not been recognised as there is currently insufficient evidence that these assets 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 £56,004,000 (2006 £30,546,000). At present it is not envisaged that any such tax will become payable in the foreseeable future.

The reduction in the tax rate during the period from 30% to 28% has been applied to the unrecognised deferred tax assets and liabilities disclosed above and has reduced the potential liability by £3,675,000.

17 Deferred income

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|-------------------------------------|--|--|
| At 24 September 2006 | 9,756 | 10,816 |
| Credited to profit and loss account | (974) | (692) |
| Repayment | - | (368) |
| At 29 September 2007 | 8,782 | 9,756 |

RoadChef Motorways Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

18 Share capital

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|---|-------------------------------|-------------------------------|
| Authorised | | |
| 2,500,000 ordinary shares of £1 each | <u>2,500</u> | <u>2,500</u> |
| Allotted, called up and fully paid | | |
| 1,045,000 ordinary shares of £1 each | <u>1,045</u> | <u>1,045</u> |

19 Reserves

| | Share premium account £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---------------------------------|--------------------------------------|---------------------------------|-------------------------------------|-----------------------|
| At 24 September 2006 | 17 | 173,665 | 86,798 | 260,480 |
| Profit for the financial period | - | - | 2,976 | 2,976 |
| Reserve transfer | - | (2,989) | 2,989 | - |
| At 29 September 2007 | <u>17</u> | <u>170,676</u> | <u>92,763</u> | <u>263,456</u> |

20 Reconciliation of movement in shareholders' funds

| | 29 September 2007 £'000 | 24 September 2006 £'000 |
|---------------------------------|-------------------------------|-------------------------------|
| At 24 September 2006 | 261,525 | 180,928 |
| Profit for the financial period | 2,976 | 6,599 |
| Revaluation surplus | - | 73,998 |
| At 29 September 2007 | <u>264,501</u> | <u>261,525</u> |

21 Pension scheme

The Company participates in the RoadChef Motorway Holdings Limited group pension scheme which is defined benefit in nature. The scheme assets are held separately from the Group's assets.

The Company is unable to separately identify its share of the underlying assets and liabilities of the scheme on either a consistent or reasonable basis. As a consequence of this, the Company accounts for its pension obligations as if the scheme was defined contribution in nature. The overall pension funding deficit and its implications are shown in the financial statements of RoadChef Motorway Holdings Limited. The Company pays the contributions to the scheme on behalf of other group companies, contributions made during the period were £1,407,000 (2006 £950,000).

The Company also pays the contributions to the Blue Boar Motorways Limited defined benefit pension scheme. Contributions paid on behalf of Blue Boar Motorways Limited during the period to that scheme were £283,000 (2006 £246,000).

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 £47,000 (2006 £111,000). An amount of £nil (2006 £42,000) is owed to the pension schemes at the period end.

RoadChef Motorways Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 29 SEPTEMBER 2007

22 Financial commitments

The Company had annual commitments in respect of land and buildings under non-cancellable operating leases as follows

| | 29 September 2007 | | 24 September 2006 | |
|----------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| | Land and buildings £'000 | Plant and machinery £'000 | Land and buildings £'000 | Plant and machinery £'000 |
| Within one year | 178 | 60 | 245 | 16 |
| Between one and two years | - | 26 | - | 138 |
| Between two and five years | 193 | 45 | 90 | 78 |
| After more than five years | 143 | - | 208 | - |
| | 514 | 131 | 543 | 232 |

The long and short leasehold land and buildings are charged a peppercorn rent and the leases expire after more than five years

23 Contingent liabilities

The Company has guaranteed the bank loans and overdrafts of certain fellow subsidiary companies. The aggregate amount outstanding as at 29 September 2007 was £15,511,000 (2006 £13,267,000)

There are fixed and floating charges over the assets of the Company to secure loan notes issued by a fellow subsidiary company amounting to £186,660,000 (2006 £191,635,000)

24 Control

The immediate parent company is RoadChef Motorway 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 Motorway Holdings Limited. Copies of these financial statements can be obtained from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ

On 30 March 2007, the shares in MSA Acquisitions Co Limited and its subsidiaries, which include RoadChef Motorway Holdings Limited, were acquired by Delek Motorway Services Limited, whose shares are owned by Delek Belron International Limited (75%) and Delek Petroleum Limited (25%), subsidiaries of the Delek Group Limited. The directors consider Delek Group Limited to be the ultimate parent undertaking.

The registered office of Delek Group Limited is 8464 Bet Adar Building 7, Giborei Israel Street, Natanya South, 42504, Israel