# RoadChef Motorways Limited

Annual report and accounts

for the 52 weeks ended 26 September 1999

Registered number: 1123082

# Directors' report

For the 52 weeks ended 26 September 1999

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the 52 weeks ended 26 September 1999.

**Principal activity and business review**

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

The directors consider the results for the period to be satisfactory.

**Results and dividends**

A summary of the results is given on page 5. The directors do not recommend the payment of a dividend.

**Directors and their interests**

Details of the directors of the company who have served during the period under review, and their interests in the share capital of an intermediate parent company are as follows:

N D W Broughton
M R Clarke
A L Cooper
E C McVay
S J Tucker
T Ingram Hill (resigned 19 December 1999)

A L Cooper, E C McVay and S J Tucker were also directors of the immediate parent company, RoadChef Motorways Holdings Limited, at the period end and their interests in the shares and unsecured loan notes of MSA Acquisitions Co. Limited are disclosed in the accounts of that company.

N D W Broughton was also a director of an intermediate parent company, RoadChef Limited, at the period end and his interests in the shares and unsecured loan notes of MSA Acquisitions Co. Limited are disclosed in the accounts of that company.

M R Clarke and T Ingram Hill were also directors of an intermediate parent company, MSA Acquisitions Co. Limited, at the period end and their interests in the shares and unsecured loan notes of that company are disclosed in the accounts of that company.

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

**Directors' responsibilities**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Year 2000**

The directors considered the particular impact on the business and operations of the company of computer problems associated with the Year 2000 date change. All internal systems were assessed for Year 2000 compliance and discussions were held with suppliers and other relevant parties. No significant problems have been experienced to date. No material expenditure has been incurred in this area.

**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 is employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Road Chef group.

**Auditors**

A resolution proposing that Arthur Andersen be re-appointed as auditors of the company will be put to the annual general meeting.

RoadChef House
Gloucester Green
Barnett Way
Barnwood
Gloucester
GL4 3GG

25 July 2000

By order of the Board

N D W Broughton
Director

ARTHUR ANDERSEN

**To the Shareholder of RoadChef Motorways Limited:**

We have audited the accounts on pages 5 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 26 September 1999 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

**Arthur Andersen**
**Chartered Accountants and Registered Auditors**

Abbots House
Abbey Street
Reading, Berkshire
RG1 3BD

25 July 2000

# Profit and loss account

For the 52 weeks ended 26 September 1999

| | | Notes | Continuing operations<br>52 weeks ended 26 September 1999<br>£'000 | <br>52 weeks ended 27 September 1998<br>£'000 |
|---|---|---|---|---|
| **Turnover** | | | 154,988 | 143,991 |
| Cost of sales | | | (118,604) | (109,898) |
| **Gross profit** | | | 36,384 | 34,093 |
| Administrative expenses | | | (23,811) | (23,576) |
| **Operating profit** | | | 12,573 | 10,517 |
| Cost of fundamental restructuring | | 2 | - | (50) |
| Interest receivable and similar income | | 5 | 10,541 | 246 |
| Interest payable and similar charges | - exceptional | 2 | - | (3,545) |
| | - other | 4 | (9,408) | (4,500) |
| | - total | 4 | (9,408) | (8,045) |
| **Profit on ordinary activities before taxation** | | 3 | 13,706 | 2,668 |
| Tax on profit on ordinary activities | | 6 | (4,368) | (1,024) |
| **Profit for the financial period** | | 16,17 | 9,338 | 1,644 |

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

## Statement of total recognised gains and losses

For the 52 weeks ended 26 September 1999

| | Notes | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|---|
| Profit for the financial period | | 9,338 | 1,644 |
| Unrealised surplus on revaluations of land and buildings | 17 | - | 20,165 |
| **Total recognised gains and losses relating to the period** | | 9,338 | 21,809 |

## Note of historical cost profits and losses

For the 52 weeks ended 26 September 1999

| | Notes | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|---|
| Reported profit on ordinary activities before taxation | | 13,706 | 2,668 |
| Difference between historical cost depreciation charge and actual depreciation charge for the period | 16 | 88 | 309 |
| **Historical cost profit on ordinary activities before taxation** | | 13,794 | 2,977 |
| **Historical cost profit for the financial period retained after taxation** | | 9,426 | 1,953 |

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

# Balance sheet

26 September 1999

| | Notes | 1999 £'000 | 1998 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 8 | 163,014 | 163,744 |
| Investments | 9 | 1 | 1 |
| | | 163,015 | 163,745 |
| **Current assets** | | | |
| Stocks | 10 | 3,899 | 3,299 |
| Debtors | 11 | 110,351 | 22,467 |
| Cash at bank and in hand | | 6,123 | 8,579 |
| | | 120,373 | 34,345 |
| **Creditors:** Amounts falling due within one year | 12 | (24,640) | (10,503) |
| **Net current assets** | | 95,733 | 23,842 |
| **Total assets less current liabilities** | | 258,748 | 187,587 |
| **Creditors:** Amounts falling due after more than one year | 13 | (121,795) | (58,000) |
| **Provisions for liabilities and charges** | 14 | (2,089) | (2,015) |
| **Deferred income** | | (21,083) | (23,129) |
| **Net assets** | | 113,781 | 104,443 |
| **Capital and reserves** | | | |
| Called-up share capital | 15 | 1,045 | 1,045 |
| Share premium account | 16 | 17 | 17 |
| Revaluation reserve | 16 | 86,645 | 86,733 |
| Profit and loss account | 16 | 26,074 | 16,648 |
| **Equity shareholder's funds** | 17 | 113,781 | 104,443 |

**Approved by the board of directors on 25 July 2000 and signed on its behalf by:**

E C McVay
Director

N D W Broughton
Director

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

# Notes to accounts

26 September 1999

## 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period and the preceding period, is set out below.

*Basis of accounting*

The accounts are prepared under the historical cost convention as modified to include the revaluation of certain freehold and leasehold properties, and in accordance with applicable accounting standards.

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

*Turnover*

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

*Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, less depreciation.

No provision is made for the depreciation of freehold and long leasehold land and buildings. It is the company's practice to maintain these assets to a high standard through a programme of regular refurbishment and repair and it is considered that the residual values, based on prices prevailing at the time of acquisition or subsequent revaluation, are such that depreciation is not material.

Depreciation of short leasehold properties which have leases of less than 50 years, is calculated in accordance with actuarial tables, which write off each lease at an increasing level each year over the remaining term.

That part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account reserve.

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.

**1 Accounting policies (continued)**

*Fixed asset investments*

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

*Pre-opening costs and development expenses*

Costs incurred prior to the opening of new motorway service areas are written off in the period in which they arise. Development expenses on proposed new motorway service areas are carried forward and capitalised if developed, or otherwise written off.

*Stocks*

Stocks are valued at the lower of cost and net realisable value. The cost of retail goods is computed by deducting the gross profit margin from the selling value of stock. The cost of all other stocks is determined by taking purchase price on a first in first out basis.

*Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced.

*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 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.

*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.

## Notes to accounts (continued)

### 2 Exceptional items

*Reported after operating profit for the 52 weeks ended 27 September 1998*

The exceptional interest payable arose in respect of swap cancellation charges and financial charges previously allocated to future periods written off following the early settlement of bank loans.

The cost of fundamental restructuring related to the company's contribution to the restructuring of RoadChef Limited.

The effects of the exceptional items reported after operating profit on the tax charge on ordinary activities in the profit and loss account were:

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Exceptional interest payments | - | 1,099 |
| Costs of a fundamental restructuring | - | - |
| | - | 1,099 |

### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Depreciation | 2,833 | 2,793 |
| Auditors' remuneration for audit services | 50 | 52 |
| Operating lease rentals - plant and equipment | 157 | 25 |
| - land and buildings | 1,106 | 1,002 |

The auditors were also paid £312,000 (1998: £39,000) in respect of non-audit services.

### 4 Interest payable and similar charges

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Bank loans and overdrafts | 89 | 3,381 |
| Bank loans – exceptional | - | 3,545 |
| Finance costs of loans from another group company | 146 | - |
| Other interest | 51 | - |
| Loans from a parent company | 939 | 1,119 |
| Loans from another group company | 8,183 | - |
| | 9,408 | 8,045 |

### 5 Interest receivable and similar income

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Bank deposits | 209 | 246 |
| Loans to intermediate parent company | 10,332 | - |
| | 10,541 | 246 |

### 6 Tax on profit on ordinary activities

The charge on the profit for the period consists of:

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Current period: | | |
| Corporation tax at 30.5% (1998: 31%) | 4,294 | 800 |
| Deferred taxation | 74 | 153 |
| Prior years: | | |
| Corporation tax | - | (1,075) |
| Deferred taxation | - | 1,146 |
| | 4,368 | 1,024 |

## 7 Financial commitments

*Operating leases*

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

| | 26 September 1999 | | 27 September 1998 | |
|---|---|---|---|---|
| | Land and buildings £'000 | Plant and equipment £'000 | Land and buildings £'000 | Plant and equipment £'000 |
| Expiry date: | | | | |
| - Within one year | 177 | 45 | 139 | - |
| - Between two and five years | 144 | 137 | 161 | 87 |
| - After more than five years | 420 | - | 420 | 6 |
| | 741 | 182 | 720 | 93 |

*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 £210,000,000 (1998: nil).

## 8 Tangible fixed assets

| | Land and buildings | | | | |
|---|---|---|---|---|---|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Other £'000 | Total £'000 |
| **Cost or valuation** | | | | | |
| At 27 September 1998 | 74,051 | 24,135 | 52,403 | 28,856 | 179,445 |
| Additions | 40 | 1,474 | 6 | 725 | 2,245 |
| Disposals | - | - | - | (149) | (149) |
| Reallocation | - | (1,293) | - | 1,293 | - |
| Transfer to other group company | - | (69) | - | - | (69) |
| **At 26 September 1999** | 74,091 | 24,247 | 52,409 | 30,725 | 181,472 |
| **Depreciation** | | | | | |
| At 27 September 1998 | - | - | 89 | 15,612 | 15,701 |
| Charge for the period | - | - | 325 | 2,508 | 2,833 |
| Disposals | - | - | - | (76) | (76) |
| **At 26 September 1999** | - | - | 414 | 18,044 | 18,458 |
| **Net book value** | | | | | |
| At 26 September 1999 | 74,091 | 24,247 | 51,995 | 12,681 | 163,014 |
| At 27 September 1998 | 74,051 | 24,135 | 52,314 | 13,244 | 163,744 |

**8 Tangible fixed assets (continued)**

Freehold, long leasehold and most short leasehold properties were professionally valued by Gooch Webster, Chartered Surveyors, on an open market for existing use basis during the 52 weeks ended 27 September 1998 as follows:

| | 27 September 1999 | | | 26 September 1998 | | |
|---|---|---|---|---|---|---|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Cost | 40 | 1,405 | 57 | - | - | 51 |
| Valuation – 1998 | 74,051 | 22,842 | 52,352 | 74,051 | 22,842 | 52,352 |
| | 74,091 | 24,247 | 52,409 | 74,051 | 22,842 | 52,403 |

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

| | 26 September 1999 | | | 27 September 1998 | | |
|---|---|---|---|---|---|---|
| | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 | Freehold £'000 | Long leasehold £'000 | Short leasehold £'000 |
| Cost | 18,897 | 11,960 | 45,339 | 18,857 | 11,848 | 45,333 |
| Depreciation | - | - | (1,817) | - | - | (1,591) |
| Net book value | 18,897 | 11,960 | 43,522 | 18,857 | 11,848 | 43,742 |

The cost of long leasehold land and buildings includes capitalised interest of £41,000 (1998: £41,000).

The cost of short leasehold land and buildings includes capitalised interest of £772,000 (1998: £772,000).

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

**9 Fixed asset investments**

| | Shares in subsidiary compani £'000 |
|---|---|
| At 27 September 1998 | 1 |
| At 26 September 1999 | 1 |

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

**9 Fixed asset investments (continued)**

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

**10 Stocks**

| | 26 September 1999 £'000 | 27 September 1998 £'000 |
|---|---|---|
| Raw materials and consumables | 294 | 273 |
| Goods for resale | 3,605 | 3,026 |
| | 3,899 | 3,299 |

**11 Debtors**

| | 26 September 1999 £'000 | 27 September 1998 £'000 |
|---|---|---|
| Amounts falling due within one year: | | |
| Trade debtors | 3,605 | 2,925 |
| Amount owed by group companies | 1,425 | 17,938 |
| Other taxes and social security | 1,418 | - |
| Other debtors | 437 | 232 |
| Prepayments | 516 | 434 |
| Corporation tax recoverable | - | 938 |
| | 7,401 | 22,467 |
| Amounts falling due after more than one year: | | |
| Amounts owed by group companies | 102,950 | - |
| | 110,351 | 22,467 |

# Notes to accounts (continued)

**12 Creditors:** Amounts falling due within one year

| | 26 September 1999 £'000 | 27 September 1998 £'000 |
|---|---|---|
| Trade creditors | 7,310 | 3,994 |
| Amount owed to group companies | 13,821 | 101 |
| Corporation tax | 398 | 935 |
| Other taxes and social security | - | 1,326 |
| Other creditors | 872 | 1,102 |
| Accruals | 2,239 | 3,045 |
| | 24,640 | 10,503 |

**13 Creditors:** Amounts falling due after more than one year

| | 26 September 1999 £'000 | 27 September 1998 £'000 |
|---|---|---|
| Amounts owed to a group company | 121,795 | 58,000 |

The amounts owed to a group company are secured over the assets of the company, bear interest at varying interest rates and are repayable at varying amounts between 2001 and 2026.

**14 Provisions for liabilities and charges**

| | 26 September 1999 | | 27 September 1998 | |
|---|---|---|---|---|
| | Amount provided £'000 | Potential £'000 | Amount provided £'000 | Potential £'000 |
| Deferred taxation: | | | | |
| Accelerated capital allowances | 2,089 | 2,089 | 2,015 | 2,015 |
| Property revaluations | - | 15,340 | - | 16,031 |
| | 2,089 | 17,429 | 2,015 | 18,046 |

| | Deferred taxation £'000 |
|---|---|
| At 27 September 1998 | 2,015 |
| Charged to profit and loss account | 74 |
| At 26 September 1999 | 2,089 |

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

### 15 Called-up share capital

| | 26 September 1999 £'000 | 27 September 1998 £'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 |

### 16 Reserves

| | Share premium account £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|---|
| At 27 September 1998 | 17 | 86,733 | 16,648 | 103,398 |
| Profit for the period | - | - | 9,338 | 9,338 |
| Transfer | - | (88) | 88 | - |
| At 26 September 1999 | 17 | 86,645 | 26,074 | 112,736 |

### 17 Reconciliation of movements in shareholder's funds

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Profit for the financial period | 9,338 | 1,644 |
| Revaluation surplus | - | 20,165 |
| Total recognised gains for the period | 9,338 | 21,809 |
| Opening shareholder's funds | 104,443 | 82,634 |
| Closing shareholder's funds | 113,781 | 104,443 |

**18 Directors' emoluments**

The total amounts for directors' remuneration and other benefits were as follows:

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Emoluments | 200 | 317 |
| Company contributions to money purchase pension schemes | 19 | 21 |
| | 219 | 338 |

The number of directors who were members of pension schemes were as follows:

| | 52 weeks ended 26 September 1999 Number | 52 weeks ended 27 September 1998 Number |
|---|---|---|
| Money purchase schemes | 4 | 5 |
| Defined benefit schemes | 4 | 5 |

*Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director:

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Emoluments | 55 | 90 |
| Company contributions to money purchase pension schemes | 5 | 8 |
| | 60 | 98 |

The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 26 September 1999 was £30,000 (1998: £25,000).

### 19 Staff numbers and costs

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

| | 52 weeks ended 26 September 1999 Number | 52 weeks ended 27 September 1998 Number |
|---|---|---|
| Operational | 1,066 | 1,065 |
| Management and administration | 126 | 120 |
| | 1,192 | 1,185 |

Their aggregate payroll costs comprised:

| | 52 weeks ended 26 September 1999 £'000 | 52 weeks ended 27 September 1998 £'000 |
|---|---|---|
| Wages and salaries | 11,682 | 10,582 |
| Social security costs | 818 | 752 |
| Pension costs | 312 | 251 |
| | 12,812 | 11,585 |

### 19 Pension schemes

The company participates in a group pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 October 1997. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries. It is assumed that investment returns will be 8.5% per annum and that salary increases will average 6% per annum.

The pension charge for the period in respect of the group pension scheme was £244,000 (1998: £234,000). The market value of the scheme's assets as at 1 October 1997 was £2,776,000. The actuarial value of these assets as at 1 October 1997 represented 117% of the accrued benefits.

The contributions of the company and employees is currently 6.9% and 5.0% respectively.

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 £68,000 (1998: £17,000).

## Notes to accounts (continued)

**21 Parent companies**

The company is a wholly owned subsidiary of RoadChef Motorways Holdings Limited.

The directors consider the ultimate parent company to be MSA Holdings Limited, a company registered in England and Wales. The largest group in which the results of the company are consolidated is that headed by MSA Holdings Limited, and the smallest is that headed by RoadChef Motorways Holdings Limited. Copies of these accounts will be obtainable from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The directors have taken advantage of the exemption set out in Financial Reporting Standard No 8 and have not disclosed transactions with entities within the same group as the company.