REGISTERED NUMBER 995478

Roadchef Properties Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 4 JANUARY 2011

Roadchef Properties Limited

COMPANY INFORMATION

DIRECTORS	S Turl I McKay R Tindale
SECRETARY	M Hedditch
REGISTERED OFFICE	RoadChef House Norton Canes MSA Betty's Lane 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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 4 JANUARY 2011

The directors present their annual report on the affairs of the Company together with the financial statements and independent auditors' report for the year ended 4 January 2011 The comparative period was the year ended 2 January 2010

Business review and principal activity

The principal activity of the Company is that of property holding company We do not anticipate the principal activities of the business to change in the foreseeable future

The Company holds the short term lease of Scoffers Cafe Nene Valley Service Area, Eastbound A45/Nene Valley Way Northampton NN3 5LU

The results for the Company show a pre-tax profit of £3,000 (2 January 2010 pre-tax loss £133 000) The Board looks at the comparable results, excluding the operating agreement as detailed below and in note 2 as a meaningful comparison of performance and accept the level of earnings for the year The improvement in profitability is due to the reduced level of management charges from Roadchef Motorways Holdings Limited, another group company

Operating agreement

During the previous year, the Company traded under the terms of the operating agreement entered into by MSA Acquisitions Co Limited with County Estates Management Services Limited (CEM) During September 2009 the directors of MSA Acquisitions Co Limited, the ultimate parent company in the United Kingdom of Roadchef Properties Limited, took the decision to fully provide for the debtor balance that had arisen in respect of the agreement with CEM

The decision to provide against the CEM debtor resulted in a change to the reporting format from October 2009 Full details are disclosed in note 2 The agreement with CEM was terminated in April 2010

Charitable and political contributions

During the year the Company made charitable and political donations of £nil (2 January 2010 £nil)

Capital expenditure

The capital expenditure in the year was £nil (2 January 2010 £nil)

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

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

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 Company

Results and dividends

The results for the year are set out on page 6 The directors do not recommend the payment of a dividend (2 January 2010 £nil)

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above

The Company's forecasts and projections, taking account of reasonable possible changes in trading performance show that the Company expects to operate within the level of its current facilities

The directors are of the opinion that, having regard to the funding available from MSA Acquisitions Co 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

Directors
Details of the directors who held office during the year are given below

S Turl
I McKay
S Lee (appointed 15 January 2010, resigned 31 July 2011)
R Tindale (appointed 15 January 2010)
R Margerrison (resigned 14 January 2010)

Directors' liability insurance and indemnity
MSA Acquisitions Co Limited the ultimate parent company in the United Kingdom, has granted an indemnity to one or more of its directors against its liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision remains the same as at the date of approving the Directors' Report

Directors' statement as to disclosure of information to the auditors
The directors who were members of the board at the time of approving the directors' report are listed above Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that

• to the best of each directors knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware and

• each director had taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors were aware of that information

Creditors payment
All trade creditors are held within Roadchef Motorways Limited a fellow group company therefore creditor days are not disclosed within this Company

Auditors
In accordance with section 485 of the Companies Act 2006, a resolution proposing that Ernst & Young LLP be reappointed auditors of the Company will be put to the Annual General Meeting

On behalf of the Board

S Turl
Director

Date 21 October 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 4 JANUARY 2011

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 a going concern basis unless it is inappropriate to presume that the Company will remain in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and 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 2006 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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ROADCHEF PROPERTIES LIMITED

We have audited the financial statements of Roadchef Properties Limited for the year ended 4 January 2011 which comprise the Profit and Loss Account the Balance Sheet and the related notes 1 to 14 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor
As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements In addition we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 4 January 2011 and of the Company's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – possible outcome of contract termination negotiations

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the possible outcome of negotiations to settle the monetary amounts owed to MSA Acquisitions Co Limited (MSA'), the parent company of Roadchef Properties Limited, by County Estates Management Services Limited ('CEM) The agreement with CEM was terminated in April 2010 and the control exercised by CEM under this agreement ceased at this point in time MSA is in negotiations with CEM to recover the monies owed to the Group as a result of the termination If no meaningful financial recovery is recovered from CEM it would need to be considered whether the contract transferred the risks and rewards of the operations to CEM and therefore whether the accounts presentation should be changed as outlined in note 2 The ultimate outcome of the matter cannot presently be determined, and no changes to the accounts that may result have been made in the financial statements

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns or
- certain disclosures of directors remuneration specified by law are not made or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Simon O Neill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP Statutory Auditor
Birmingham

21/10/2011

Roadchef Properties Limited

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 4 JANUARY 2011

	Note	Year ended 4 January 2011 £'000	Year ended 2 January 2010 £000
Turnover	2	**25**	6
Administrative expenses		**(22)**	(139)
Operating profit/ (loss) and profit/ (loss) on ordinary activities before taxation	3	**3**	(133)
Taxation	4	**(3)**	31
Loss for the financial year	10	**-**	(102)

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

The Company had no other recognised gains or losses other than the result for the financial year and therefore no separate statement of total recognised gains and losses has been presented

Roadchef Properties Limited

BALANCE SHEET
AS AT 4 JANUARY 2011

	Note	4 January 2011 £'000	2 January 2010 £'000
Fixed assets			
Tangible fixed assets	5	**71**	73
Current assets			
Debtors amounts falling due within one year	6	**544**	580
Cash at bank and in hand		**-**	1
		544	581
Creditors amounts falling due within one year	7	**(913)**	(958)
Net current liabilities		**(369)**	(377)
Total assets less current liabilities		**(298)**	(304)
Deferred income	8	**(6)**	-
Net liabilities		**(304)**	(304)
Capital and reserves			
Called up share capital	9	**200**	200
Profit and loss account	10	**(504)**	(504)
Shareholder's deficit	11	**(304)**	(304)

The financial statements were approved by the Board and authorised for issue on 21 October 2011

S Turl
Director

1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards (UK GAAP), which have been consistently applied The principal accounting policies are set out below

Going concern
The Company has net liabilities of £304 000 (2 January 2010 £304 000) The directors are of the opinion that having regard to the funding available from MSA Acquisitions Co 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

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

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 services are sold to the customer

As described in note 2 from 1 January 2008 to 3 October 2009 the Company acted as an agent for County Estates Management Services Limited (CEM) The turnover for the comparative period from 4 October 2009 to 2 January 2010 is recognised as detailed above Turnover for the remaining 39 week period from 3 January 2009 to 3 October 2009 is accounted for as described in note 2

1 Accounting policies (continued)

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost net of depreciation and any provision for impairment, and are written off over their expected useful lives on a straight line basis as follows

Short leasehold land and buildings	Over the term of the lease

Revaluation of properties
Individual freehold long leasehold and short leasehold properties are professionally valued at least every five years and internally valued on the third year following the professional valuation The surplus or deficit on book value is 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 transfer of 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 Copmpany reviews the carrying amounts of its tangible fixed 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

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

- 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

Deferred income
Deferred income represents rent received in advance and is released to the profit and loss account over the period to which it relates

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 wholly owned Group companies on the grounds that consolidated financial statements are prepared by the ultimate parent Company at 4 January 2011 Delek Real Estate Limited

2 Operating Agreement

The operating agreement between County Estates Management Services Limited (CEM) and MSA Acquisitions Co Limited, the Company s ultimate parent undertaking in the United Kingdom was in place for the period to 3 October 2009 Under this agreement CEM guaranteed the MSA Acquisitions Co Limited Group a fixed revenue stream for the duration of the 5 year contract period and as a result the Group and Company acted as an agent for CEM The main effect of the agreement on the financial statements was the presentation of the property portfolio as investment properties as opposed to tangible fixed assets and the profit and loss account being shown on a net basis with Roadchef Properties Limited turnover representing its share of the fixed revenue stream under the contract Items below operating profit are incurred by the Company and were unaffected by the operating agreement

In October 2009 it became evident that CEM would potentially not meet its liabilities due under the agreement and as a result the MSA Acquisitions Co Limited Group provided against the balances due from CEM in the period ending 2 January 2010 As this changed the commerciality of the arrangement this resulted in a change to financial statement presentation from 4 October 2009 The investment properties that were recognised during the comparative period the Company acted as agent for CEM were transferred back to tangible fixed assets and depreciated from the date of transfer and from 4 October 2009 the profit and loss account was presented with full disclosure of the Group s trading position

The agreement with CEM was terminated in April 2010 and the control exercised by CEM under this agreement ceased at this point in time MSA Acquisitions Co Limited continue to be in negotiations with CEM to recover the monies owed to the Group as a result of the termination The ultimate outcome of these negotiations cannot presently be determined If no meaningful financial recovery is received from CEM it would need to be considered whether the contract transferred the risks and rewards of the operations to CEM and therefore whether the accounts presentation should be changed for the comparative period as outlined above

If the operating agreement with CEM had not been in place during the comparative financial period the results would have been presented as follows

	Year ended 4 January 2011 £'000	Year ended 2 January 2010 £'000
Turnover	**25**	25
Administrative expenses	**(22)**	(160)
Profit/ (loss) on ordinary activities before taxation	**3**	(135)
Reconciliation of above profit/ (loss) on ordinary activities before taxation to primary statement		
Profit/ (loss) on ordinary activities before taxation per above	**3**	(135)
Depreciation charge *	**-**	2
Profit/ (loss) on ordinary activities before taxation per profit and loss page 5	**3**	(133)

* This reflects the depreciation charge that would have applied if the property portfolio had been included as tangible fixed assets as opposed to investment properties under the CEM operating agreement This is no longer applicable for the year ended 4 January 2011 as depreciation has been charged in the operating profit

2 Operating Agreement (continued)

If the operating agreement with CEM had not been in place during the comparative financial year the balance sheet will be the same with the following exception fixed assets will be £4 000 lower in the current and prior year The deficit in the equity shareholder's funds would be presented as follows

	4 January 2011 £'000	2 January 2010 £'000
Capital and reserves		
Called up share capital	**200**	200
Profit and loss account	**(508)**	(508)
Shareholder's deficit - equity interests	**(308)**	(308)

3 Profit/ (loss) on ordinary activities before taxation

	Year ended 4 January 2011 £'000	Year ended 2 January 2010 £'000
Profit/ (loss) on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
- leased assets	**2**	3
Operating lease rentals		
- land and buildings	**25**	25

The Company's audit fee of £5,000 (2 January 2010 £5,000) was borne by MSA Acquisitions Company Limited, the ultimate parent company in the United Kingdom

Employee costs
The company had no employees (2 January 2010 nil) except for directors

Directors emoluments

The directors of the company are also directors of the holding company and fellow subsidiaries The directors received total remuneration for the year of £1,192,000 (2 January 2010 £900,000), all of which was paid by Roadchef Motorways Limited, a fellow subsidiary The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies

4 Taxation

	Year ended 4 January 2011 £'000	Year ended 2 January 2010 £'000
Corporation tax		
Group relief payable	2	(36)
Adjustments in respect of prior years	1	5
Current tax charge/ (credit)	3	(31)

The total current tax charge is different to the standard rate of corporation tax in the United Kingdom of 28% (2 January 2010 28%) The material differences are reconciled below

Profit/ (loss) on ordinary activities before taxation	3	(133)
Profit/ (loss) on ordinary activities before taxation multiplied by the UK tax rate of 28% (2 January 2010 28%)	1	(37)
Expenses not deductible for tax purposes	1	1
Adjustments in relation to prior years	1	5
Current tax charge/ (credit)	3	(31)

The Company has claimed/ (surrendered) group relief relating to the current and prior year from/ (to) other group companies for £3 000 (2 January 2010 £(31 000)) consideration

Factors that may affect future tax charges

At the balance sheet date the tax rate of 27% had been substantially enacted and this has been reflected in the closing deferred tax calculations A further reduction to 26% from 1 April 2011 was substantively enacted on 29 March 2011, and further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements The directors do not expect the reduction in rate to have a material effect on the Company's future tax charges

	4 January 2011		2 January 2010	
Deferred taxation	Amount provided £'000	Potential £'000	Amount provided £'000	Potential £'000
Tax losses	-	-	-	47

	£'000
At 2 January 2010 potential deferred tax asset	47
Movement in unprovided deferred tax	(47)
At 4 January 2011 potential deferred tax asset	-

5 Tangible fixed assets

	Short leasehold land and buildings £'000
Cost or valuation	
At 3 January 2010 and 4 January 2011	76
Depreciation	
At 3 January 2010	3
Charge for year	2
At 4 January 2011	5
Net book value	
At 4 January 2011	71
At 2 January 2010	73

At 4 January 2011, the Company had unprovided capital commitments of £nil (2 January 2010 £nil)

6 Debtors amounts falling due within one year

	4 January 2011 £'000	2 January 2010 £'000
Amounts owed by group companies	544	580

7 Creditors amounts falling due within one year

	4 January 2011 £'000	2 January 2010 £'000
Amounts owed to group companies	913	958

8 Deferred income

	4 January 2011 £'000	2 January 2010 £'000
At 3 January 2010	-	-
Additions	6	-
At 4 January 2011	6	-

9 Share capital

	4 January 2011 £'000	2 January 2010 £'000
Authorised		
1,000 000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
200,000 ordinary share of £1 each	200	200

10 Reserves

	Profit and loss account £'000
At 3 January 2010	(504)
Result for the financial year	-
At 4 January 2011	(504)

11 Reconciliation of movement in shareholder's deficit

	4 January 2011 £'000	2 January 2010 £ 000
At 3 January 2010	(304)	(202)
Result for the financial year	-	(102)
At 4 January 2011	(304)	(304)

12 Financial commitments

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

	4 January 2011 £'000	2 January 2010 £'000
Expiry date		
After more than five years	25	25

13 Contingent liabilities

The Company has guaranteed the bank loans and overdrafts of certain fellow subsidiary companies The aggregate amount outstanding as at 4 January 2011 was £5,950,000 (2 January 2010 £4,300,000)

There are fixed and floating charges over the assets of the Company to secure loan notes issued by a fellow subsidiary company amounting to £164,326 000 (2 January 2010 £169 852 000)

The board of Roadchef Properties Limited ("RCP") were made aware that on 3 December 2009 the Israeli Securities Authority (ISA) commenced an open investigation into matters relating to reports made public in Israel by Delek Real Estate Limited (DRE), RCP s controlling shareholder

RCP has been notified that the ISA investigation includes among other matters the management agreement with County Estates Management Limited ("CEM")

14 Control

The immediate parent company is Roadchef 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 Limited Copies of these financial statements can be obtained from Companies House Crown Way, Maindy, Cardiff, CF14 3UZ

As at 4 January 2011 Delek Real Estate Limited was considered to be the ultimate parent undertaking On 19 January 2011 the largest parent company in the United Kingdom (MSA Acquisitions Co Limited) became a wholly owned subsidiary of Delek Petroleum Limited a subsidiary of the Delek Group Limited Yitzhak Tshuva has a controlling shareholding in Delek Petroleum Limited

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