

Motorway Services Limited

(Registered number: 637019)

Annual report and financial statements For the 52 weeks ended 28 January 2014



Motorway Services Limited

Annual report and financial statements for the 52 weeks ended 28 January 2014

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Motorway Services Limited

Strategic report

The directors present their Strategic report on the Company for the 52 weeks ended 28 January 2014.

Business review

The business traded robustly in the year, with total sales increasing 1.4% year on year, and sales excluding fuel up by 5.3% year on year.

Operating profit before depreciation and amortisation (EBITDA) for the 52 weeks is £4.5m (2013: £4.2m) and operating profit before depreciation, amortisation and rents (EBITDAR) is £4.6m (2013: £4.3m).

Traffic on the motorways, where motorway service areas are located, increased by 2.6% which shows the economic confidence is beginning to return to the U.K. These increased traffic volumes, together with the continuing development in the brand offering at the sites, has helped improve performance in the business.

A key strategic change this year has been made to the support function at the sites. The stock, cash and payroll processes have been simplified and automated thereby enabling the operational teams to effectively manage these areas without the need for further support from the finance and administrative teams. The changes have been implemented and are operating effectively.

Capital investment amounted to £2.4m this year which is higher than normal levels. This included expenditure on new Waitrose stores and Starbucks units. In addition, expenditure on the strategic process change and energy efficiency programmes helped improve business efficiency.

Inflationary pressures have continued to impact input costs and overheads with noticeable increases in business rates, utility costs and landfill waste. The business continues to invest in mitigation initiatives which include energy efficient lighting programmes and waste segregation management.

Principal risks and uncertainties

With regard to the Company, the principal risks and uncertainties are incorporated with the principal risks of the Group and are not managed separately. Therefore, the principal risks and uncertainties of Appia Group Limited, which include those of the Company, are discussed on page 2 of the Group's Annual report which does not form part of this report.

Financial key performance indicators

The directors of Appia Group Limited manage the Group's operations on a site by site basis and not a company level. For this reason the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Motorway Services Limited. The development, performance and position of the all sites of Appia Group Limited, which includes the Company, are discussed on page 3 of the Group's Annual report, which does not form part of this report.

Motorway Services Limited

Strategic report (continued)

By order of the Board



Nicholas Wright
Director

24 May 2014

Motorway Services Limited

Directors' report

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 28 January 2014.

Future developments

In the new financial year it is envisaged that the economy will continue to show steady growth, as will the traffic on the motorway network.

Capital expenditure will continue to be invested into the business including further Starbucks units together with some trials of other major brands.

Dividends

The directors do not recommend the payment of a dividend for the period (2013: £nil).

Key financial and business risks

The exposures and the measures taken to mitigate financial and business risks are reviewed by the directors on a regular basis.

Credit risk

The majority of sales are cash or credit card therefore Welcome Break is not exposed to any significant credit risk. For non cash sales the Group performs appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Group maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

Interest rate swaps are used to manage interest rate risk.

Foreign exchange risk

As the Group only trades in the United Kingdom it is not exposed to any material foreign exchange risk.

Directors

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Roderick McKie
Nicholas Wright
Michael Canham
Andrew Cox

Property values

In the opinion of the directors there were no significant differences in aggregate between the market value and book value of the Company's freehold and leasehold interests at 29 January 2013.

Motorway Services Limited

Directors' report (continued)

Qualifying third party indemnity provision

A qualifying third party indemnity provision was in place for the Company's directors and officers during the financial period and at the date of approval of the financial statements.

Employment policies

The employment policies of Motorway Services Limited embody the principles of equal opportunity. This includes suitable procedures to support the Company's policy that disabled persons, whether registered or not, shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. Employees who become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions.

The Company recognises the value of employee involvement in effective communications and the need for their contribution to decision making on matters affecting their jobs. To achieve employee involvement at the most relevant level there is a framework for consultation and information, having regard to the mix and locations of the employee population. Management and employees have joint responsibility for maintaining a regular dialogue on matters of local significance that affect them. It is the Company's policy to communicate information on corporate issues via the management of the business and through employee reports and an online company information system.

Environment

The Company is committed to conducting its business in a manner which shows responsibility towards the environment, and in ensuring high standards of health and safety for its employees, visitors and the general public. The Company is further committed to taking into account the effect of its working practices upon the environment and in minimising potential negative effects. The Company complies with all statutory and mandatory requirements.

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 period. Under that law the directors have prepared 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Motorway Services Limited

Directors' report (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate 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.

Statement of disclosure of information to auditors

So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware.

Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Nicholas Wright
Director

21st May 2014

Registered office:
2 Vantage Court
Tickford Street,
Newport Pagnell
Buckinghamshire
MK16 9EZ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTORWAY SERVICES LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 28 January 2014 and of its profit for the period 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Motorway Services Limited, comprise:

- the balance sheet as at 28 January 2014;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTORWAY SERVICES LIMITED (CONTINUED)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

23 May 2014

Motorway Services Limited

Profit and loss account for the 52 weeks ended 28 January 2014

| | Note | 52 weeks ended 28 January 2014 £'000 | 52 weeks ended 29 January 2013 £'000 |
|--|---------|--|--|
| TURNOVER | 1(b), 2 | 109,733 | 108,225 |
| Operating costs | 3 | (107,851) | (106,118) |
| OPERATING PROFIT | 4 | 1,882 | 2,107 |
| Depreciation | 1(d), 9 | (2,661) | (2,071) |
| Operating profit before depreciation | | 4,543 | 4,178 |
| Interest receivable and similar income | 7 | 1,017 | 1,068 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,899 | 3,175 |
| Tax on profit on ordinary activities | 8 | (1,277) | (1,535) |
| PROFIT FOR THE FINANCIAL PERIOD | 15 | 1,622 | 1,640 |

The Company has no recognised gains and losses other than those set out above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial periods stated above, and their historical cost equivalents.

All the above items relate to continuing activities.

Motorway Services Limited

Balance Sheet as at 28 January 2014

| | Note | 28 January 2014 £'000 | 29 January 2013 £'000 |
|---|------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 20,700 | 20,832 |
| CURRENT ASSETS | | | |
| Stocks | 10 | 1,405 | 1,408 |
| Debtors | 11 | 70,851 | 68,753 |
| Cash at bank and in hand | | 210 | 183 |
| | | 72,466 | 70,344 |
| CREDITORS: Amounts falling due within one year | 12 | (1,825) | (1,450) |
| NET CURRENT ASSETS | | 70,641 | 68,894 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 91,341 | 89,726 |
| Provisions for liabilities | 13 | (192) | (199) |
| NET ASSETS | | 91,149 | 89,527 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 60 | 60 |
| Share premium account | 15 | 280 | 280 |
| Revaluation reserve | 15 | 9,076 | 9,076 |
| Profit and loss account | 15 | 81,733 | 80,111 |
| TOTAL SHAREHOLDERS' FUNDS | | 91,149 | 89,527 |

The financial statements on pages 8 to 19 were approved by the board of directors on 20 May 2014 and were signed on its behalf by:



Nicholas Wright
Director

Registered number: 637019

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014

1 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

(a) Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards.

(b) Turnover

Turnover which excludes value added tax and discounts represents the amounts receivable for goods sold and services provided and includes rents receivable under operating leases.

Turnover is recognised for goods and services when, and to the extent that, the Company obtains the right to consideration in exchange for its performance.

Under specific agreements where the Company acts as an agent and receives a commission for the sale of certain products the amounts included within turnover represent the commission receivable on these transactions.

Where turnover is invoiced in advance it is deferred on the balance sheet and is recognised as turnover in the period to which it relates.

(c) Valuation of properties and impairment

As permitted by Financial Reporting Standard 15, the Company changed its accounting policy in respect of property valuations. For periods prior to the year ending 30 September 2000, properties were revalued at intervals and those valuations incorporated into the financial statements. In accordance with the transitional rules of Financial Reporting Standard 15, the most recent valuation carried out pre September 2000 was frozen and reflected as deemed cost.

It is the Company's accounting policy to review its tangible fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The assets' residual values and useful lives are reviewed and adjusted if necessary. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

1 Principal accounting policies (continued)

(d) Tangible fixed assets and depreciation (continued)

Depreciation is provided to write off cost or valuation. No depreciation is provided on freehold land or leasehold land with an unexpired term of over twenty years. All other assets are depreciated on a straight line basis as follows:-

| | |
|--|--|
| Freehold buildings | 35 years |
| Leasehold buildings | over expected life to a maximum of unexpired term (maximum 50 years) |
| Leasehold land (unexpired term < 20 years) | over unexpired term |
| Plant and machinery | 5 – 10 years |
| Fixtures, fittings and equipment | 3-10 years |

(e) Stocks

Stocks are stated at the lower of cost, including motor fuel duty where appropriate, and net realisable value.

(f) Pensions

The Welcome Break Group operates pension schemes for the benefit of all staff. Members' pension benefits are based on either defined contributions or defined benefits or a combination of both. The funds of those schemes, which are administered by Trustees, are held separate from the Group. Independent actuaries complete valuations every three years using the projected unit cost method. In accordance with their recommendations, monthly contributions are paid to the schemes so as to secure the benefits set out in the rules. Employer contributions are charged to the profit and loss account in the period in which they become payable. The effects of variations from regular costs are spread over the expected average remaining service lives of members of the scheme. Further details of the Welcome Break Pension Plan are contained within the Group financial statements of Welcome Break Holdings Limited. The amount charged to the profit and loss account represents employer's contributions only.

The Company has taken advantage of the provisions of Financial Reporting Standard 17 to treat contributions to the pension scheme as if it were a defined contribution scheme. This is because the underlying assets and liabilities of the scheme cover a number of Welcome Break undertakings and cannot readily be split between each Group undertaking on a consistent and reliable basis.

(g) Leases

The costs of operating leases are charged to the profit and loss account on an accruals basis.

Rental income is recognised on an accruals basis over the period of a lease.

(h) Cash flow statement

The Company is more than 90% owned by Welcome Break Holdings Limited and is included in the consolidated financial statements of Welcome Break Holdings Limited, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

1 Principal accounting policies (continued)

(i) Deferred 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 that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax is measured on an undiscounted basis.

2 Segmental analysis

Turnover and operating profit are derived from one class of business, the operation of motorway service areas and motels, and arise entirely in the United Kingdom.

3 Operating costs

| | 52 weeks ended 28 January 2014 £'000 | 52 weeks ended 29 January 2013 £'000 |
|-------------------------------|---|---|
| Raw materials and consumables | 87,228 | 86,834 |
| Other external charges | 10,391 | 9,698 |
| Depreciation (note 9) | 2,661 | 2,071 |
| Staff costs: | | |
| Wages and salaries | 7,156 | 7,116 |
| Social security costs | 376 | 391 |
| Other pension costs (Note 18) | 39 | 8 |
| | 107,851 | 106,118 |

4 Operating profit

| | 52 weeks ended 28 January 2014 £'000 | 52 weeks ended 29 January 2013 £'000 |
|--|---|---|
| Operating profit is stated after charging/(crediting): | | |
| Rent receivable under operating leases | (1,837) | (1,839) |
| Operating lease charges | | |
| - land and buildings | 4,143 | 3,892 |
| - plant and machinery | 374 | 330 |
| Depreciation of tangible fixed assets | | |
| - owned assets | 1,615 | 1,217 |
| - leased assets | 1,046 | 854 |

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Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

4 Operating profit (continued)

Auditors' remuneration for the audit of all group companies and their financial statements is borne by Welcome Break Group Limited. The total amount receivable for the financial period is £163,000 (2013: £166,000).

There were no amounts paid by the Company in respect of non-audit services (2013: £nil).

5 Directors' emoluments

In the period to 28 January 2014 two of the directors (2013: two) were remunerated by Welcome Break Group Limited and the amount receivable is disclosed in its financial statements. The remaining directors received no remuneration for services provided to Appia Group Limited or any of its subsidiaries.

6 Employee information

The average weekly number of persons employed by the Company during the period was:

| By activity; | 52 weeks ended 28 January 2014 Number | 52 weeks ended 29 January 2013 Number |
|---------------------------------|---|---|
| - operational | 512 | 512 |
| - managerial and administrative | 69 | 82 |
| | 581 | 594 |

7 Interest receivable and similar income

| | 52 weeks ended 28 January 2014 £'000 | 52 weeks ended 29 January 2013 £'000 |
|--|--|--|
| Interest from fellow group undertaking | 1,017 | 1,068 |

8 Tax on profit on ordinary activities

The tax on the profit on ordinary activities is made up as follows:

| | 52 weeks ended 28 January 2014 £'000 | 52 weeks ended 29 January 2013 £'000 |
|---|--|--|
| Current tax : | | |
| Group relief payable | 1,251 | 1,217 |
| Adjustment in respect of prior periods | 26 | (24) |
| Total current tax | 1,277 | 1,193 |
| Deferred tax: | | |
| De-recognition of deferred tax asset | - | 342 |
| Tax on profit on ordinary activities | 1,277 | 1,535 |

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

8 Tax on profit on ordinary activities (continued)

The tax assessed for the current period varies from the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

| | 52 weeks ended 28 January 2014 £'000 | 52 weeks ended 29 January 2013 £'000 |
|--|--|--|
| Profit on ordinary activities before tax | 2,899 | 3,175 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23 % (2013: 24%) | 667 | 762 |
| Excess depreciation over capital allowances | 368 | 278 |
| Tax adjustment for transfer pricing | (24) | (21) |
| Expenses not deductible for tax | 240 | 198 |
| Adjustment in respect of prior periods | 26 | (24) |
| Current tax charge for period | 1,277 | 1,193 |

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system have been announced. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 was included in the Finance Act 2013.

The Company has not recognised a deferred tax asset as it is not deemed sufficiently certain that the Company will generate sufficient taxable profits for the asset to be utilised. The total amount unrecognised at 28 January 2014 is £902,000 (2013: £587,000).

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

9 Tangible assets

| | Land and buildings | | Plant and machinery | Fixtures, fittings and equipment | Total |
|---------------------------------|--------------------|--------------------|---------------------|----------------------------------|---------------|
| | Freehold £'000 | Leasehold £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 30 January 2013 | 12,286 | 18,103 | 4,019 | 18,115 | 52,523 |
| Additions | 20 | 795 | 696 | 926 | 2,437 |
| Reclassifications and transfers | - | (29) | 22 | 208 | 201 |
| At 29 January 2014 | 12,306 | 18,869 | 4,737 | 19,249 | 55,161 |
| Accumulated depreciation | | | | | |
| At 30 January 2013 | 3,737 | 10,824 | 1,177 | 15,953 | 31,691 |
| Charge for the period | 410 | 1,046 | 523 | 682 | 2,661 |
| Reclassifications and transfers | 1,313 | (1,309) | 5 | 100 | 109 |
| At 29 January 2014 | 5,460 | 10,561 | 1,705 | 16,735 | 34,461 |
| Net book value | | | | | |
| At 28 January 2014 | 6,846 | 8,308 | 3,032 | 2,514 | 20,700 |
| At 29 January 2013 | 8,549 | 7,279 | 2,842 | 2,162 | 20,832 |

Following a fixed asset review by the company, depreciation of £1,314,000 was reclassified between freehold and leasehold in the accounts to align historic depreciation charges with the associated asset cost.

10 Stocks

| | 28 January 2014 £'000 | 29 January 2013 £'000 |
|-------------------------------------|-----------------------------|-----------------------------|
| Finished goods and goods for resale | 1,405 | 1,408 |

11 Debtors

| | 28 January 2014 £'000 | 29 January 2013 £'000 |
|--|-----------------------------|-----------------------------|
| Amounts owed by other group undertakings | 69,807 | 67,945 |
| Other debtors | 5 | 2 |
| Prepayments and accrued income | 1,039 | 806 |
| | 70,851 | 68,753 |

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

11 Debtors (continued)

The amounts owed by other group undertakings are unsecured, interest free and are repayable on demand.

Motorway Services Limited is a subsidiary undertaking within the Welcome Break group of companies (Welcome Break Holdings Limited and subsidiary undertakings). A centralised accounting function is operated by Welcome Break Group Limited which recharges its subsidiaries as appropriate. Accordingly charges processed in this way are included within the amounts owed by other group undertakings.

12 Creditors: Amounts falling due within one year

| | 28 January 2014 £'000 | 29 January 2013 £'000 |
|------------------------------|-----------------------------|-----------------------------|
| Other creditors | 364 | 272 |
| Accruals and deferred income | 1,461 | 1,178 |
| | 1,825 | 1,450 |

The Company has guaranteed the obligations of itself, Welcome Break Holdings (1) Limited, Welcome Break Group Limited and Welcome Break Limited under bank loans obtained by Welcome Break Group Limited which are secured by fixed and floating charges over its assets.

13 Provision for liabilities

| | £'000 |
|---------------------------|------------|
| At 30 January 2013 | 199 |
| Credit for the period | (7) |
| At 28 January 2014 | 192 |

Provision for liabilities relates to self-insurance costs. These have been incurred but not reported or paid as at the balance sheet date and are expected to be utilised within the next 3 years.

14 Called up share capital

| | 28 January 2014 £'000 | 29 January 2013 £'000 |
|---|-----------------------------|-----------------------------|
| Allotted and fully paid 60,000 (2013: 60,000) ordinary shares of £1 each | 60 | 60 |

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

15 Reconciliation of movements in shareholders' funds

| | Called up share capital £'000 | Share premium account £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---------------------------|--|--------------------------------------|---------------------------------|--|----------------|
| At 30 January 2013 | 60 | 280 | 9,076 | 80,111 | 89,527 |
| Profit for the period | - | - | - | 1,622 | 1,622 |
| At 28 January 2014 | 60 | 280 | 9,076 | 81,733 | 91,149 |

16 Financial commitments

At 28 January 2014 the Company was committed to make payments during the following year under non-cancellable operating leases as follows:

| | Land and Buildings | | Other | |
|--|--------------------|---------------|---------------|---------------|
| | 2014 £'000 | 2013 £'000 | 2014 £'000 | 2013 £'000 |
| Expiring within one year | - | - | - | - |
| Expiring between 2 and 5 years inclusive | 4,139 | 3,889 | - | - |
| Expiring in over 5 years | 3 | 3 | - | - |
| | 4,142 | 3,892 | - | - |

17 Capital commitments

| | 28 January 2014 £'000 | 29 January 2013 £'000 |
|--|-----------------------------|-----------------------------|
| Future capital expenditure contracted but not provided for | 29 | - |

18 Pension commitments

The Company participates in the Welcome Break Pension Plan. This scheme is of the defined benefit type with a defined contribution underpin and the assets are held separately from the Company's assets. The total pension cost relating to the defined contribution scheme was £39,000 (2013: £8,000). At the period end there were unpaid pension contributions of £25,000 (2013: £1,000). Further details of the Welcome Break Pension Plan are contained within the consolidated financial statements of Welcome Break Holdings Limited.

19 Related party disclosures

During the period to 28 January 2014 the Company transacted with Welcome Break Limited, the immediate parent company, who holds 92% of the shares in the Company. The Company was charged rent of £4,139,000 (2013: £3,889,000) and received interest of £1,017,000 (2013: £1,068,000). Welcome Break Limited has a loan with Motorway Services Limited, the balance at 28 January 2014 due from Welcome Break Limited is £16,407,000 (2013: £19,611,000).

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

19 Related party disclosures (continued)

During the period to 28 January 2014 the Company transacted with Welcome Break Group Limited, a company which is a wholly owned subsidiary of Appia Group Limited. 92% of the voting shares in this company are controlled within this group. The Company was charged a management fee of £99,000 (2013: £111,000). Welcome Break Group Limited operates the bank account on behalf of MSL. The net amount of payments and receipts in the period was £6,343,000 (2013: £6,680,000), due from Welcome Break Group Limited. The balance at 28 January 2014 due from Welcome Break Group Limited is £78,727,000 (2013: £72,384,000).

During the period to 29 January 2013 the Company transacted with Appia Investments Limited, a company which is a wholly owned subsidiary of Appia Group Limited. 92% of the voting shares in this company are controlled within this group. The Company surrendered group tax relief to Appia Investments Limited of £208,000 (2013: £1,208,000 claimed group relief from Appia Investments Limited). The balance at 28 January 2014 due to Appia Investments Limited is £2,147,000 (2013: £2,355,000).

During the period to 29 January 2013 the Company had no transactions with Welcome Break Holdings Limited, a company which is a wholly owned subsidiary of Appia Group Limited. 92% of the voting shares in this company are controlled within this group. The balance at 28 January 2014 due to Welcome Break Holdings Limited is £19,755,000 (2013: 19,755,000).

During the period to 29 January 2013 the Company claimed group relief from Welcome Break Group Holdings Limited, a company which is a wholly owned subsidiary of Appia Group Limited, of £1,251,000 (2013: £nil). 92% of the voting shares in this company are controlled within this group. The balance at 28 January 2014 due to Welcome Break Group Holdings Limited is £2,888,000 (2013: £1,637,000).

During the period to 29 January 2013 the Company claimed group relief from Welcome Break Services Limited, a company which is a wholly owned subsidiary of Appia Group Limited, of £235,000. 92% of the voting shares in this company are controlled within this group. The balance at 28 January 2014 due to Welcome Break Services Limited is £534,000 (2013: £299,000).

During the period to 29 January 2013 the Company had no transactions with Appia Finance Limited, a company which is a wholly owned subsidiary of Appia Group Limited. 92% of the voting shares in this company are controlled within this group. The balance at 28 January 2014 due to Appia Finance Limited is £4,000 (2013: £4000).

20 Ultimate controlling company

Welcome Break Limited, incorporated in England and Wales, is the immediate parent undertaking. The minority shareholder is Valero Energy Limited.

Welcome Break Holdings (1) Limited, incorporated in England and Wales, is the intermediate parent undertaking that heads the smallest group of companies of which the Company is a member and for which group financial statements are prepared. Copies of Welcome Break Holdings (1) Limited consolidated financial statements are available from Companies House.

Appia Group Limited, incorporated in Jersey, is the largest group to consolidate these financial statements. Copies of Appia Group Limited's consolidated financial statements are available from Companies House as an appendix to Appia Europe Limited's financial statements. Appia Europe Limited is the top UK company within the Appia group of companies.

Motorway Services Limited

Notes to the financial statements for the 52 weeks ended 28 January 2014 (continued)

20 Ultimate controlling company (continued)

Appia Group Limited, the ultimate parent company, is owned by a consortium of infrastructure investors and the holdings of the consortium are: NIBC European Infrastructure Fund 55% (2013: 53%); ING European Infrastructure Fund 30% (2013: 29%); Challenger Life 15% (2013: 14%) and management 0% (2013: 4%). There is no single ultimate parent undertaking or controlling party of Appia Group Limited. The Company is controlled by Welcome Break Limited (incorporated in the England and Wales) which owns 91.67% of the company's shares. The remaining 8.33% of shares are owned by Valero Energy Limited.