REGISTERED NUMBER 01713437

ROADCHEF LIMITED

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 DECEMBER 2019

ROADCHEF LIMITED

COMPANY INFORMATION

DIRECTORS	M Fox S Turl I McKay R Tindale J Muirhead D Wade
SECRETARY	M Hedditch
REGISTERED OFFICE	Roadchef House Norton Canes MSA Betty's Lane Norton Canes Cannock Staffordshire WS11 9UX
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX
BANKERS	Barclays Bank Plc 1 Churchill Place London E14 5HP

ROADCHEF LIMITED

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The directors present their Strategic Report for the year ended 29 December 2019. The comparative period was the year ended 30 December 2018.

Review of the business

Principal activities
Roadchef Limited ("the Company") and its subsidiaries (together "the Group") operated 20 Motorway Service Areas over 28 sides of the motorway in the United Kingdom for the year ended 29 December 2019. The Group also operated a 2 sided Service Area at Sutton Scotney on the A34. We do not anticipate the principal activities of the business to change in the foreseeable future.

Financial summary
The Group has had a successful year with revenue of £198.0m for the year ended 29 December 2019, which was 3.2% up on the previous year on a like-for-like basis. Underlying eamings before interest, tax, depreciation and amortisation ("EBITDA") was £41.5m, up 6.1%. Underlying EBITDA is used as a key measure of the group's performance and operational effectiveness.

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Revenue	**198.0**	191.8
Underlying operating profit:		
Operating profit	**12.6**	6.3
Property impairments	**-**	1.6
Exceptional items	**1.5**	3.3
IAS 19 pension expenses and associated costs	**0.5**	0.8
Underlying operating profit	**14.6**	12.0
Amortisation and depreciation	**26.9**	27.1
Underlying EBITDA	**41.5**	39.1
Loss before taxation	**(4.2)**	(4.3)

Refinancing
On 31 January 2019 the Group refinanced its bank borrowings. Total available bank borrowings of £271.8m have been secured which includes a term loan, a capital expenditure facility, and a revolving credit facility. The new facilities support the Group's growth initiatives and optimise cash generation through significantly lower financing costs and extended maturity to 2024. Finance costs associated with the refinanced bank debt of £3.3m (30 December 2018: £nil) have been amortised in full. Costs associated with the new bank debt will be amortised over the life of the loan.

Business environment and strategy
The following narrative relates to the underlying trade of the Group which the directors consider to be the primary drivers of the business.

The UK Motorway Service Area market is concentrated in the hands of three major operators and several smaller operators. With an annual turnover of £198m, the Group operates roadside service areas at 30 key locations across the UK. The Group's sites are located at strategic positions on the UK motorway network.

There are approximately 50 million visits to the Group's sites in a year and 77% of these visits result in the visitor being converted to a customer. Recent investment in the catering offering at key sites has proven to improve the level of conversion.

The Group's business strategies are as follows:

- Service our customers in as friendly and efficient a manner as possible;
- Ensure that the brand and services that the Group offers are what our customers want and that the standards are what they expect or better;
- Ensure that products, staff and tills are available to serve customers;
- Close management of key performance indicators, such as growth in amenity building sales; and
- Competitively priced within the motorway service industry.

Review of the business (continued)

Investing in brands and services aligned to customer wants
Management believes that the consistency and quality offered by well-known high street brands drives sales growth.

Since a change in ownership in 2014, the Group has progressed through a multi-million pound development plan of the Motorway Service Areas. Management has been committed to increasing the variety of offerings to its customers with new catering outlets, as well as enhancing the quality of experience for customers through the refurbishment of existing outlets. Alongside this, management have invested in enhancing the general amenity building space and facilities throughout the estate.

The Group's drive to add variety and choice of quality brands for customers has been at the forefront of efforts in recent years, and management were delighted to introduce the first Leon on the UK's motorway network at Strensham Southbound in 2017, shortly followed by a further unit at Norton Canes. Leon has an emphasis on bringing customers good tasting, healthy fast food and adds an exciting diversity to the Group's portfolio of catering outlets. The Group has continued a roll out of Leon units in 2019, including openings at Northampton Northbound and Rownhams Southbound during the year.

Following the success of the Group's opening of the first Costa Drive Thru on the UK's motorway network in 2016, the Group has continued a roll out of new units with 21 units having been opened by the end of 2019.

Management continually assess the suitability and success of the Group's offerings and have made further investments to enhance the estate during 2020, including the opening of two further Leon units.

The board monitors progress on the Group strategy and the individual strategic elements by reference to the following key performance indicators:

	29 December 2019	30 December 2018	Definition, method of calculation and analysis
Growth in amenity building and drive thru sales (%)	**3.8%**	5.2%	Year-on-year sales growth expressed as a percentage. 2019 growth is underpinned by the annualisation of investments made in 2018 and new investments in 2019.
Gross margin in the amenity building and drive thru (%)	**60.8%**	60.5%	The amenity building gross margin is the ratio of gross profit to sales expressed as a percentage. The gross margin is comparable year-on-year and is judged to be at a good level.
Amenity building and drive thru transactions (m)	**32.1**	31.3	This is the actual number of transactions recorded in the Group's retail and catering outlets. Transactions this year have increased by 0.8m and are being driven by the strength in popularity of the offerings in place.
Spend per transaction (£)	**£5.15**	£5.08	This is the sale of goods (as given in note 3) divided by the number of transactions. The average spend per transaction has increased during the year, which the directors take as a key indicator of customer satisfaction with offerings and products available.

In addition to the amenity building sales discussed above, the Group has significant revenues generated from the provision of services and rental income from forecourts. Revenue from the provision of services includes revenue from hotels, parking and gaming.

Principal risks and uncertainties

Post year end coronavirus pandemic
The Group has been a reliably positive cash generating business with consistently strong revenue growth year-on-year.

Since year end, the emergence of the global coronavirus pandemic has had a serious, short term impact on the Group's ability to trade.

Following the UK lockdown in March 2020, the Group's sites remained open, with limited offerings, in order to provide an essential and safe service to those who did need to continue using the motorway network. Footfall and revenue were significantly lower during this time.

The availability of support from the Government and key suppliers enabled the Group to continue trading through the peak of the crisis. Liquidity remained healthy and the majority of the Group's employees have been retained, which has been key to provide a platform for the Group's recovery.

As a result of this trading environment a waiver request was required from the Group's lenders in respect of all financial covenants and other potential default events up to and including 31 December 2020. This request has been granted, providing the Group with sufficient time to recover profitability. Management have performed a review of forecasts, and do not forecast there to be any breach of financial covenants or any default events for a period in excess of 12 months from the date of approval of these financial statements.

Following the ending of lockdown, traffic and sales have recovered strongly, reaching 75% of normal levels during August 2020.

Principal risks and uncertainties (continued)

Operational change and business response
A key priority for the Group has been to ensure that all premises provide a safe environment for customers and employees. The Group has invested in making all areas 'Covid Secure' and training employees in accordance with the latest Government advice.

Following the start of the pandemic, the Group's discretionary capital development programme has been suspended, and other discretionary spend areas planned for 2020 have been cancelled.

Financial outlook

Management have considered a range of recovery scenarios through to December 2021, forecasting EBITDA, liquidity and financial covenant positions.

It is Management's view that, following a significant decline in revenue through the second quarter of the year, the Group will experience a smooth recovery through the remainder of 2020, with revenue levels back to normal through 2021. This would result in a c15% revenue decline for the 12 months to June 2021, however, Summer trading has recovered strongly and is already ahead of expectations.

More protracted recovery scenarios have also been considered. Trading through lockdown so far in 2020 suggests that a more severe scenario for the same period would be limited to a c25% revenue decline.

Management are confident that, with strong cash management and cost reduction, the Group can withstand this level of decline and that a going concern basis of preparation for the financial statements remains appropriate.

Other risks:

Competition: Currently a government programme of new road building is not in focus, with government policy leaning towards road widening and the use of the hard shoulder. As this policy will not result in additional motorway service stations being built, there is not the competition risk associated with new roads.

UK withdrawal from the EU: The majority of the Group's direct suppliers are based in the UK and management work closely with these to secure competitive pricing. The Group's customer base is the travelling public in the UK. Whilst there is uncertainty in the impact that a UK exit from the EU will have on the economy, management are confident that the Group's operations are robust enough to deal with the challenges that this could bring.

Management continually assess the composition of EU nationals as part of the Group's overall workforce and are working to assist employees applying to the EU Settlement Scheme.

Financial risk management policies
The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, fixed and floating rate borrowings, finance leases, interest rate swaps and equity instruments.

Discussion of the risks associated with these financial instruments is included in note 24 to the financial statements.

Capital management
The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group can adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Covenants attached to the Group's borrowings do not require consideration of capital management other than the provision of an equity cure, by means of increases in capital, against what would otherwise constitute a breach in financial covenant.

On behalf of the board

J Muirhead
Director

Date: 23 September 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 DECEMBER 2019

The directors present their report and audited consolidated financial statements for the year ended 29 December 2019.

The Company is a private limited company and is incorporated and domiciled in the UK.

Directors
Details of all the directors who have held office since 30 December 2018 are given below:

M Fox
S Turl
I McKay
R Tindale
J Muirhead
D Wade (appointed 30 September 2019)

Results and dividends
The results for the year are set out on page 9. The directors do not recommend the payment of a dividend (30 December 2018: £nil).

Future developments
The principal activities, organisational structure and debt structure of the Group are not anticipated to change in the foreseeable future. Management plans to develop the existing portfolio of Motorway Service Areas, and will explore further opportunities as the Group *recovers from the coronavirus pandemic.*

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 Group continues and that appropriate training is arranged. It is the policy of the Group 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 Group 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 Group places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. Employees, or their representatives, are consulted on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests. The Group makes use of an annual employee engagement survey to collect the views and opinions of its employees. The Group also encourages all levels of staff to fulfil their own potential and offers internal training, secondment and promotion opportunities to enable this. The Group is one of the few hospitality businesses with a Gold Investors in People accreditation, demonstrating the exceptional standards and commitment that the business maintains as an employer.

Going concern
The Group's business activities, financial risk policies and exposures, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Group's key sensitivity is the level of trading it achieves which is dependent on a number of factors, including fuel prices and the wider economy. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

The Group meets its day-to-day working capital requirements through an overdraft facility. In addition, the Group has bank debt, finance leases and intercompany borrowings which it uses to finance the Group's activities.

The impact of Coronavirus on the Group is discussed in the Strategic Report. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, including a severe but plausible downside scenario in light of the coronavirus pandemic, show that the Group expects to operate within the level of its current facilities and to meet minimum covenant requirements in respect of these facilities. The Group has been granted a waiver of all financial covenants up to and including December 2020.

The Group has net assets of £57.0m (30 December 2018: £62.1m) and net current liabilities of £27.8m (30 December 2018: £67.4m). The Group has received confirmation of support from intermediate parent companies to assist in meeting liabilities as and when they fall due. The directors are of the opinion that the Group 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' liability insurance and indemnity
The Group has granted an indemnity to one or more of its directors against 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 on page 4. Having made enquiries of fellow directors and of the Group'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 Group's auditors in connection with preparing their report) of which the Group'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 group auditors were aware of that information.

Corporate Governance

Introduction
The directors recognise that good governance helps the business implement its strategy, protect shareholder value and minimise risk and the Company is committed to maintaining high standards of corporate governance. The Company's corporate governance is part of the overall governance framework of the Group, and is directed in a manner which is responsible and in accordance with high standards of honesty, transparency and accountability. The directors are responsible for the policies and controls put in place to discharge the Group's responsibilities and these include, for example, a sound system of internal controls and risk management procedures.

Financial reporting
The Group has in place internal control and risk management systems in relation to the Company's financial reporting process and the process for preparation of financial statements. These systems include policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the EU; require representatives of the businesses to clarify that their reported information gives a true and fair view of the state of affairs of the business and its results for the financial year, and review and reconcile reported data.

Independent auditors
In accordance with section 485 of the Companies Act 2006, a resolution proposing that PricewaterhouseCoopers LLP be reappointed auditors of the Company will be put to the Annual General Meeting.

On behalf of the board

James Muirhead

J Muirhead
Director

Date 23 September 2020

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;

• state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;

• make judgements and accounting estimates that are reasonable and prudent; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

Each of the directors, whose names and functions are listed in Statement of Directors' responsibilities confirm that, to the best of their knowledge:

• the Company financial statements, which have been prepared in accordance with FRS 101, give a true and fair view of the assets, liabilities, financial position and loss of the Company;

• the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the group; and

• the Directors' Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the board

J Muirhead
Director

Date: 23 September 2020

Independent auditors' report to the members of Roadchef Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Roadchef Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 29 December 2019 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 29 December 2019; the consolidated income statement and consolidated statement of other comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 29 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Steven Kentish (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 23 September 2020

ROADCHEF LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 29 DECEMBER 2019

	Note	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Revenue	3	**198.0**	191.8
Cost of sales	4	**(68.4)**	(67.4)
Gross profit		**129.6**	124.4
Administrative expenses:			
Before exceptional items and property impairments		**(115.5)**	(113.2)
Property impairments		**-**	(1.6)
Exceptional items	6	**(1.5)**	(3.3)
		(117.0)	(118.1)
Operating profit		**12.6**	6.3
Loss on disposal of property, plant and equipment	14	**(0.1)**	(0.2)
Exceptional finance costs	10	**(3.3)**	-
Finance costs	11	**(13.4)**	(10.4)
Loss before taxation		**(4.2)**	(4.3)
Taxation	12	**(1.3)**	(0.7)
Loss for the financial year	27	**(5.5)**	(5.0)

The income statement has been prepared on the basis that all operations are continuing operations.

ROADCHEF LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 DECEMBER 2019

	Note	**Year ended 29 December 2019 £'m**	Year ended 30 December 2018 £'m
Loss for the financial year	27	**(5.5)**	(5.0)
Items that will not be reclassified to the income statement:			
Actuarial gains on pension schemes	28	**0.8**	0.1
IFRIC 14 pension scheme adjustment	28	**(0.3)**	0.3
Property impairments		**-**	(4.3)
Taxation on components of other comprehensive expense	12	**(0.1)**	0.5
Total other comprehensive income/ (expense) for the year		**0.4**	(3.4)
Total comprehensive expense for the year		**(5.1)**	(8.4)

CONSOLIDATED BALANCE SHEET
AS AT 29 DECEMBER 2019

	Note	29 December 2019 £'m	30 December 2018 £'m
Assets			
Non-current assets			
Intangible assets	13	2.3	2.3
Property, plant and equipment	14	356.9	368.8
Derivative financial assets	21	0.4	2.1
Employee benefit scheme surplus	28	1.6	-
Other assets	16	1.7	0.9
		362.9	374.1
Current assets			
Inventories	17	3.4	3.4
Debtors - amounts falling due within one year	18	13.2	12.4
Cash and cash equivalents	19	16.3	11.1
		32.9	26.9
Total assets		395.8	401.0
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	20	(60.3)	(89.2)
Loans and borrowings	22	(1.2)	(4.4)
Deferred revenue	23	(0.7)	(0.7)
		(62.2)	(94.3)
Non-current liabilities			
Loans and borrowings	22	(243.9)	(214.3)
Employee benefit scheme liabilities	28	(0.1)	(0.5)
Derivative financial liabilities	21	(3.6)	-
Deferred revenue	23	(8.7)	(9.4)
Deferred tax liabilities	12	(20.3)	(20.4)
		(276.6)	(244.6)
Total liabilities		(338.8)	(338.9)
Net assets		57.0	62.1
Equity			
Ordinary shares	26	34.1	34.1
Capital reserve	27	0.2	0.2
Revaluation reserve	27	109.7	115.0
Accumulated losses	27	(87.0)	(87.2)
Total equity		57.0	62.1

The financial statements on pages 9 to 47 were approved by the board of directors and authorised for issue on 23 September 2020 and were signed on its behalf.

J Muirhead
Director

The notes on pages 15 to 47 are an integral part of these financial statements.

ROADCHEF LIMITED

COMPANY BALANCE SHEET
AS AT 29 DECEMBER 2019

	Note	29 December 2019 £'m	30 December 2018 £'m
Assets			
Non-current assets			
Intangible assets	13	**1.5**	1.4
Property, plant and equipment	14	**1.0**	1.1
Investments in subsidiaries	15	**302.8**	302.8
Derivative financial assets	21	**0.4**	2.1
		305.7	307.4
Current assets			
Debtors - amounts falling due within one year	18	**46.1**	43.7
Cash and cash equivalents	19	**3.9**	6.0
		50.0	49.7
Total assets		**355.7**	357.1
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	20	**(96.9)**	(120.6)
Loans and borrowings	22	**(0.4)**	(0.3)
		(97.3)	(120.9)
Non-current liabilities			
Loans and borrowings	22	**(115.8)**	(86.7)
Derivative financial liabilities	21	**(3.6)**	-
		(119.4)	(86.7)
Total liabilities		**(216.7)**	(207.6)
Net assets		**139.0**	149.5
Equity			
Ordinary shares	26	**34.1**	34.1
Retained earnings	27	**104.9**	115.4
Total equity		**139.0**	149.5

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the parent company, Roadchef Limited, was £10.5m (30 December 2018: £7.6m).

The financial statements on pages 9 to 47 were approved by the board of directors and authorised for issue on 23 September 2020 and were signed on its behalf.

J Muirhead
Director

Registered Number 01713437

The notes on pages 15 to 47 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2019

	Note	Ordinary shares £'m	Capital reserve £'m	Revaluation reserve £'m	Accumulated losses £'m	Total equity £'m
Group						
At 1 January 2018		34.1	1.6	124.0	(89.2)	70.5
Loss for the financial year		-	-	-	(5.0)	(5.0)
Other comprehensive (expense)/ income		-	-	(3.7)	0.3	(3.4)
Reserve transfer		-	(1.4)	(5.3)	6.7	-
At 30 December 2018		**34.1**	**0.2**	**115.0**	**(87.2)**	**62.1**
Loss for the financial year	27	-	-	-	(5.5)	(5.5)
Other comprehensive income	27	-	-	-	0.4	0.4
Reserve transfer	27	-	-	(5.3)	5.3	-
At 29 December 2019		**34.1**	**0.2**	**109.7**	**(87.0)**	**57.0**

	Note	Ordinary shares £'m	Capital reserve £'m	Retained earnings £'m	Total equity £'m
Company					
At 1 January 2018		34.1	1.4	128.4	163.9
Change in accounting policy		-	-	(6.8)	(6.8)
Loss for the financial year		-	-	(7.6)	(7.6)
Reserve transfer		-	(1.4)	1.4	-
At 30 December 2018		**34.1**	**0.0**	**115.4**	**149.5**
Loss for the financial year	27	-	-	(10.5)	(10.5)
At 29 December 2019		**34.1**	**0.0**	**104.9**	**139.0**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 29 DECEMBER 2019

	Note	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Net cash inflow from operating activities	34	**32.1**	31.3
Investing activities			
Purchase of intangible assets	13	**(0.7)**	(0.4)
Purchase of property, plant and equipment	14	**(14.4)**	(21.9)
		(15.1)	(22.3)
Financing activities			
Interest paid		**(8.9)**	(4.1)
Interest element of finance lease payments		**(0.2)**	(0.3)
Repayment of capital element of finance leases	35	**(0.8)**	(0.9)
Repayment of borrowings	35	**(223.2)**	(1.9)
Parent entity repayments	35	**(25.0)**	(3.0)
New borrowings		**250.7**	10.0
Issue costs of new borrowings		**(4.4)**	-
		(11.8)	(0.2)
Increase in cash in the year		**5.2**	8.8
Cash and cash equivalents brought forward	19	**11.1**	2.3
Cash and cash equivalents carried forward	19	**16.3**	11.1

1 Accounting policies

Basis of preparation

The financial statements have been prepared for the year ended 29 December 2019. The comparative period was the year ended 30 December 2018.

The Group financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards as adopted by the European Union ("IFRS"), and the Company financial statements have been prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework' (FRS 101).

The financial statements have been prepared under the historical cost convention, with the exception of derivative financial instruments which are stated at market value. The principal accounting policies are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 *Financial Instruments: Disclosures;*

(b) the requirements of paragraphs 10 (d), 16, 38 A to D, 111, and 134 to 136 of IAS 1 *Presentation of Financial Statements;*

(c) the requirements of paragraphs 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;

(d) the requirements of IAS 7 *Statement of Cash Flows;*

(e) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;

(f) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

(g) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors; and*

(h) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*.

(i) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group can adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Covenants attached to the Group's borrowings do not require consideration of capital management other than the provision of an equity cure, by means of increases in capital, against what would otherwise constitute a breach in financial covenant.

Going concern

The Group's business activities, financial risk policies and exposures, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Group's key sensitivity is the level of trading it achieves which is dependent on a number of factors, including fuel prices and the wider economy. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

The Group meets its day-to-day working capital requirements through an overdraft facility. In addition, the Group has bank debt, finance leases and intercompany borrowings which it uses to finance the Group's activities.

The impact of Coronavirus on the Group is discussed in the Strategic Report. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, including a severe but plausible downside scenario in light of the coronavirus pandemic, show that the Group expects to operate within the level of its current facilities and to meet minimum covenant requirements in respect of these facilities. The Group has been granted a waiver of all financial covenants up to and including December 2020.

The Group has net assets of £57.0m (30 December 2018: £62.1m) and net current liabilities of £27.8m (30 December 2018: £67.4m). The Group has received confirmation of support from intermediate parent companies to assist in meeting liabilities as and when they fall due. The directors are of the opinion that the Group 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.

Basis of consolidation

The Group financial statements consolidate the financial statements of Roadchef Limited and its subsidiary undertakings for the year ended 29 December 2019. Acquisitions are accounted for under the acquisition method. The comparative period was the year ended 30 December 2018.

1 Accounting policies (continued)

Goodwill
Business combinations are accounted for using the acquisition method. Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and tested annually for impairment loss with reference to the cash-generating units to which it has been allocated.

Revenue
Revenue consists of the amounts received from customers in the UK from the Group's continuing activity, excluding Value Added Tax. As detailed in note 3, revenue on catering, grocery, retail and hotel sales is recognised when when goods are transferred to customer and performance obligations met.

Deferred revenue, being advances received from various third parties in respect of lease incentives, is amortised to revenue over the period of each agreement.

Interest and finance costs
Interest on loans drawn specifically for new developments, incurred up to the date of practical completion, is capitalised as part of the cost of construction. Financing costs associated with new borrowings are recognised in the income statement over the term of the borrowings at a constant rate on the carrying amount. Where borrowings are refinanced, and it is concluded that this represents a refinancing rather than debt modification, any unamortised transaction costs are expensed immediately to the income statement as an exceptional finance expense.

Finance costs represent the difference between the total amount of the payments that will have to be made in respect of the borrowing instrument and the fair value of the consideration received on the issue of the instrument after deduction of costs that have been incurred and which are directly associated with the issue of that instrument and which would not have arisen had the instrument not been issued.

Vendor allowances
The Group receives various types of vendor allowances. These take the form of upfront payments such as lump sum payments or prepaid amounts, rebates, in the form of cash or credits, and other forms of payments. These amounts are shown as a reduction in the cost of sales as the Group becomes entitled to them.

Costs of development and pre-opening expenses
External costs of development are capitalised if the cost can be reliably measured and it is probable that future economic benefits associated with the item will flow to the entity. Otherwise they are written off to the income statement as incurred.

Pre-opening expenses incurred prior to the opening of new motorway service area outlets are written off in the period in which they arise. These are presented within exceptional items due to their non-recurring nature.

Intangible assets
Intangible assets are stated at cost less any accumulated amortisation and any provision for impairment, and are written off over their expected useful lives on a straight line basis as follows:

Computer software	5 years
Licences and agreements	Over the period of the relevant agreement

Amortisation of intangible assets is charged to administrative expense in the income statement.

Property, plant and equipment
Property, plant and equipment is stated at cost (including capitalised interest) or deemed 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:

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

Plant and machinery, fixtures and fittings and computer equipment are all included within 'Fixtures, fittings and equipment' in note 14 and are written off over their expected useful lives on a straight line basis as follows:

Plant and machinery	5 - 25 years
Fixtures and fittings	5 - 7 years
Computer equipment	3 - 5 years

Assets in the course of construction are not depreciated until the date of completion.

Impairment of non-financial assets
The Group and Company's non-financial assets include goodwill, property, plant and equipment and investments in subsidiaries. At each reporting date, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment is calculated as the difference between the carrying value and the recoverable value of the asset, or cash-generating unit. 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. Impairment losses are recognised through the income statement.

1 Accounting policies (continued)

Impairment of financial assets
The Group considers at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Provisions for impairment are measured using an expected credit loss model. Disclosures relating to the impairment of financial assets are given in the Strategic report.

Investment in subsidiaries
Investment in subsidiaries are stated at cost less provision for impairment.

Inventories
Inventories are stated at the lower of cost, on a standard costing basis, and net realisable value. There is no inclusion of overheads in inventories.

Loans and borrowings
Loans and borrowings are initially stated at fair value, net of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Pensions
The pension costs for defined contribution schemes are the contributions payable in the year. The Group operates two pension schemes providing benefits based on final pensionable pay. The assets of these schemes are held separately from those of the Group. The pension scheme surplus or deficit is recognised in full to the extent allowed giving consideration to IFRIC 14. The liability recognised in respect of defined benefit schemes is the present value of the defined benefit obligation less the market value of the assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash flows using interest rates on high quality corporate bonds denominated in sterling. The movement in the scheme surplus/deficit is split between administrative expenses, finance costs and other comprehensive income in line with IAS 19.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

• In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction, either in the income statement or other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Cash and cash equivalents
For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents comprise cash at bank and in hand and bank overdrafts held.

1 Accounting policies (continued)

Exceptional items
Exceptional items comprise events or transactions which by virtue of their size and incidence the directors consider to be exceptional in nature and have been disclosed separately, in order to improve a reader's understanding of the financial statements.

Fair value measurement
Derivatives are measured at fair value at each balance sheet date and are accounted for as fair value through profit and loss. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarised in note 25.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is *significant to the fair value measurement as a whole) at the end of each reporting period.*

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Amounts owed by group companies
Amounts owed by group companies are initially recognised at fair value and subsequently measured at this value less loss allowances, calculated using the three stage IFRS 9 model.

Leased assets: Lessor
Rentals received under operating leases are credited to revenue on a straight line basis over each lease term.

Leased assets: Lessee
Rentals paid under operating leases are charged to administrative expenses on a straight line basis over each lease term.

Assets held under finance leases are capitalised in the statement of financial position and depreciated over their useful lives. The capital element of future obligations under finance leases are included as liabilities in the statement of financial position. The interest element of the rental obligations are charged in finance costs over the period of the lease.

1 Accounting policies (continued)

Standards issued but not yet effective

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 29 December 2019, have had a material impact on the Group or Company.

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 29 December 2019 and have not been early adopted by the Group.

IFRS 16 Leases is a new standard will result in almost all leases being recognised on the balance sheet by lessees, since the distinction between operating and finance leases is removed. Under the new standard, an asset (that is, the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Lease payments that are contingent upon revenue are also excluded from recognition as a lease liability. The standard will affect primarily the accounting for the Group's operating leases.

The Group will apply the standard for its first accounting period beginning from the mandatory adoption date of 1 January 2019, which will be the year ending 27 December 2020. The first date of application of the new standard will be 30 December 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

At 29 December 2019, the Group has non-cancellable operating lease commitments of £4.9m which are not contingent upon revenue (see note 31). In respect of these lease commitments, on 30 December 2019, the Group expects to recognise right-of-use assets of approximately £3.4m and lease liabilities of £2.0m. Prepaid operating lease payments of £1.8m will be released as part of this initial recognition adjustment. Overall net assets will be approximately £0.4m lower.

The Group expects that net profit after tax will decrease by approximately £0.1m for the year ended 27 December 2020 as a result of adopting the new rules.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group or Company in the current or future reporting periods or on foreseeable future transactions.

2 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 13.

Defined benefit plans (pension benefits)
The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, mortality rates and inflation. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about pension obligations are provided in note 28.

Fair value measurement of financial instruments
The Group measures derivative financial instruments in the form of interest rate swaps at fair value updated at each reporting date.

Further details about derivative financial instruments are provided in note 21.

Judgements

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on taxes are disclosed in note 12.

Consolidation of Roadchef (Employee Benefits Trust) Limited
Roadchef (Employee Benefits Trust) Limited ("REBTL") is a 100% subsidiary of the Roadchef Group ("Roadchef") and acts as a trustee for the Roadchef Employee Benefits Trust ("EBT1"). REBTL has represented the interests of EBT1 through court proceedings against Tim Ingram Hill and other defendants. Following a High Court Ruling against the defendants on 29 January 2014 an agreement for settlement of anticipated receipts from the defendants was reached on 19 November 2014 (the "Agreement") which are now held by "EBT1" for eventual distribution to beneficiaries.

The directors of Roadchef believe it is not appropriate to consolidate the assets of EBT1 as they do not have control over EBT1 pursuant to the various rulings and the Agreement and have no residual liability or asset in relation to these funds. In particular Roadchef has no control over who individual beneficiaries are, nor the quantum of potential distribution to them.

Furthermore no employee of Roadchef has been a director of REBTL since 29 July 2016 nor has EBT1 had any potential reliance on support from Roadchef since 2014. Were the assets and liabilities of EBT1 to be consolidated within Roadchef they would not affect the net asset position of Roadchef.

If Roadchef assists in the distribution of these funds to current employees in the future it will be acting as an agent only. To the extent that EBT1 holds these funds they will not be consolidated in the accounts of Roadchef for the reasons mentioned above. Any funds received from EBT1 by Roadchef would be restricted and only available for making payments to the beneficiaries of the trust. Any funds received by Roadchef from EBT1 for distribution to beneficiaries and undistributed at a future balance sheet date would be disclosed within the assets of Roadchef with a corresponding liability.

3 Revenue

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Sale of goods	**165.0**	158.8
Provision of services	**24.6**	25.2
Rental income	**8.4**	7.8
	198.0	191.8

Revenue from the sale of goods and provision of services is recognised when when goods are transferred to customer and performance obligations met. Payment from customers is taken at the point in which performance obligations have been met, which is typically on transfer of goods or rendering of a service to customers.

The balance of contract assets and liabilities at 29 December 2019 is £nil (30 December 2018: £nil).

There are no outstanding performance obligations associated with contracts with customers at 29 December 2019 (30 December 2018: none).

4 Cost of sales

Cost of sales includes:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Costs of inventories recognised as an expense	**51.7**	50.4
Franchise fees	**8.8**	8.4
Consumables, disposables and distribution	**5.7**	5.5

5 Administrative expenses

Administrative expenses include:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Depreciation of property, plant and equipment (note 14):		
- owned assets	**17.1**	16.3
- leased assets	**9.1**	9.4
Amortisation of intangible assets (note 13):		
- owned assets	**0.7**	1.4
Operating lease rentals:		
- land and buildings	**2.7**	2.6
- plant and machinery	**0.5**	0.5
Insurance costs	**0.8**	0.9
IT costs	**2.4**	2.3
Repairs and maintenance	**3.3**	3.1
Utilities	**6.0**	5.6
IAS 19 pension expenses and associated costs	**0.7**	0.8
Employee benefit expenses (note 7)	**56.4**	55.7
Auditors' remuneration - audit fees (note 9)	**0.2**	0.2
Other fees to auditors (note 9)	**0.1**	0.1

6 Exceptional items

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Exceptional items:		
Restructuring costs	0.9	1.6
Pre-opening expenses	0.3	1.0
Onerous contract costs	-	0.2
Other	0.3	0.5
	1.5	3.3

The restructuring costs in the year relate to costs following an internal reorganisation.

Pre-opening expenses relate to non-capital costs associated with the opening of new units, which included three Costa Drive Thru units, two Leon units and a McDonald's Drive Thru during the year.

The cash impact of exceptional items is materially consistent with the amounts as presented above.

The tax impact of the above items has been to reduce the current tax charge by £0.3m (30 December 2018: £0.5m).

7 Employee benefit expenses

The average monthly number of employees during the year was made up as follows:

Group	Year ended 29 December 2019 Number	Year ended 30 December 2018 Number
Motorway Service Areas	3,478	3,530
Head office	94	92
	3,572	3,622
Their payroll costs comprised:	£'m	£'m
Wages and salaries	52.3	51.7
Social security costs	3.2	3.2
Other pension costs (note 28)	0.9	0.8
	56.4	55.7

Company	Year ended 29 December 2019 Number	Year ended 30 December 2018 Number
Head office	94	92
	94	92
Their payroll costs comprised:	£'m	£'m
Wages and salaries	5.8	5.7
Social security costs	0.7	0.7
Other pension costs (note 28)	0.2	0.2
	6.7	6.6

8 Directors' remuneration

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Short-term employee benefits	1.7	1.7

	Number	Number
Number of directors accruing benefits under money purchase schemes	4	3

	£'m	£'m
In respect of the highest paid director:		
Short-term employee benefits	0.5	0.6

There were no directors (30 December 2018: none) who were members of a defined benefit pension scheme.

Directors' advances are disclosed in note 30.

9 Auditors' remuneration

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
The remuneration of the auditors or its associates is further analysed as follows:		
Auditors' remuneration:		
Audit of the financial statements*	50	40
Audit of other group companies	175	164
Total audit	225	204
Auditors' remuneration - other services		
Taxation compliance services	21	23
Tax advisory services	85	59
Other assurance services	1	10
Total other services	107	92

* £17,000 (30 December 2018: £10,000) of this relates to the Company.

10 Exceptional finance costs

Exceptional finance costs of £3.3m (30 December 2018: £nil) were incurred in the year following the refinancing of bank loans held by the Group.

11 Finance costs

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Bank loans and overdrafts	7.4	7.6
Finance costs of loans	0.9	1.3
Finance costs payable under finance leases	0.2	0.3
Loans from group companies	-	1.4
Other interest	0.1	0.1
Fair value movement on derivatives (note 21)	4.8	(0.3)
	13.4	10.4

12 Taxation

Taxation through consolidated income statement:	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Corporation tax		
Current tax on loss for the year	**1.6**	1.1
Adjustments in respect of prior periods	**(0.1)**	(0.3)
Total current tax	**1.5**	0.8
Deferred tax		
Origination and reversal of timing differences	**(0.2)**	(0.2)
Adjustments in respect of prior periods	**-**	0.1
Total tax charged to income statement	**1.3**	0.7

Taxation through consolidated statement of other comprehensive income:	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Deferred tax		
Deferred tax related to items recognised in other comprehensive income during the year:		
Property impairment	**-**	(0.6)
Movement in pension schemes	**0.1**	0.1
Total tax charged/ (credited) to other comprehensive income/ (expense)	**0.1**	(0.5)

The total current tax charge is different to the standard rate of corporation tax in the UK of 19.00% (30 December 2018: 19.00%). The material differences are reconciled below:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Loss before taxation	**(4.2)**	(4.3)
Loss before taxation multiplied by the UK tax rate of 19.00% (30 December 2018: 19.00%)	**(0.8)**	(0.8)
Transfer pricing and WWDC adjustments	**(0.3)**	-
Adjustments in respect of prior periods	**(0.1)**	(0.2)
Group relief surrendered not paid for	**(1.3)**	0.2
Expenses not deductible for tax purposes	**3.8**	1.5
Total tax charged to income statement	**1.3**	0.7

12 Taxation (continued)

Reconciliation of deferred taxes

Group	Consolidated balance sheet		Consolidated income statement	
	29 December 2019 £'m	30 December 2018 £'m	**Year ended 29 December 2019 £'m**	Year ended 30 December 2018 £'m
Property, plant and equipment	**(28.5)**	(29.1)	**0.6**	0.6
Pension fund	**(0.3)**	0.1	**(0.3)**	(0.1)
Losses	**6.9**	6.9	**-**	(0.2)
Other short term timing differences	**1.6**	1.7	**(0.1)**	(0.2)
Deferred tax credit through income statement			**0.2**	0.1
Net deferred tax liability	**(20.3)**	(20.4)		
Reflected as:				
Deferred tax liabilities	**(20.3)**	(20.4)		
	(20.3)	(20.4)		

Movements in net deferred tax liability:	**29 December 2019 £'m**	30 December 2018 £'m
Net deferred tax liability		
Opening liability	**(20.4)**	(21.0)
Credit through income statement	**0.2**	0.1
(Charge)/ credit through other comprehensive income/ (expense)	**(0.1)**	0.5
Closing liability	**(20.3)**	(20.4)

The Group has chosen not to recognise a potential deferred tax asset of £4.6m in respect of corporate interest restrictions (30 December 2018: £1.0m) due to uncertainty over the recoverability of this asset.

Factors that may affect future tax charges

The current standard rate of taxation in the UK is 19%. Changes to the UK corporation tax rates were substantively enacted on 6 September 2017 as part of the Finance Bill 2017, to reduce the main rate to 17% from 1 April 2020. The deferred tax balances above have been calculated with reference to the corporation tax rate of 17% substantively enacted at the balance sheet date. As announced in the Budget on 11 March 2020 the Corporation Tax rate will now remain at 19% from 1 April 2020. Whilst this change has not yet been substantively enacted, were the deferred tax position to be recalculated at 19% this would give a deferred tax liability of £22.7m a difference of £2.4m.

Reconciliation of deferred taxes

Company	Company balance sheet		Company income statement	
	29 December 2019 £'m	30 December 2018 £'m	**Year ended 29 December 2019 £'m**	Year ended 30 December 2018 £'m
Property, plant and equipment	**-**	-	**-**	0.1
Losses	**-**	-	**-**	(0.1)
Deferred tax charge through income statement			**-**	-
Net deferred tax position	**-**	-		

The Company has chosen not to recognise a potential deferred tax asset of £7.7m in respect of brought forward tax losses and corporate interest restrictions (30 December 2018: £5.2m) due to uncertainty over the recoverability of this asset.

13 Intangible assets

Group

	Goodwill on consolidation £'m	Computer Software £'m	Licences and agreements £'m	Total £'m
Cost or valuation				
At 31 December 2018	1.0	7.2	0.5	8.7
Additions	-	0.4	0.3	0.7
Disposals	-	(0.3)	(0.4)	(0.7)
At 29 December 2019	**1.0**	**7.3**	**0.4**	**8.7**
Accumulated amortisation				
At 31 December 2018	0.2	5.8	0.4	6.4
Charge for year	-	0.6	0.1	0.7
Disposals	-	(0.3)	(0.4)	(0.7)
At 29 December 2019	**0.2**	**6.1**	**0.1**	**6.4**
Net book value				
At 29 December 2019	**0.8**	**1.2**	**0.3**	**2.3**
At 30 December 2018	0.8	1.4	0.1	2.3

Computer software and licences are amortised over their estimated useful economic life, as detailed in the accounting policies.

Goodwill relates to the acquisition of First Motorway Services Limited in 2011. The entire carrying amount of goodwill has been allocated to the Magor motorway services as a cash generating unit ("CGU").

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The recoverable amount of the Magor CGU has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to 31 December 2024. Other major assumptions are as follows:

Discount rate	**7.5%**
Growth rate	**3.0%**

The recoverable amounts of the Magor CGU has been estimated to exceed the carrying amount by £31.9m (30 December 2018: £19.3m).

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

Discount rate	**Increase from 7.5% to 21.4%**
Growth rate	**Reduction from 3.0% growth to 11.6% decline**

The directors are of the opinion that the sensitivity in key assumptions used is within tolerable levels.

Company

	Computer Software £'m	Licences and agreements £'m	Total £'m
Cost			
At 31 December 2018	7.0	0.2	7.2
Additions	0.4	0.3	0.7
Disposals	(0.3)	-	(0.3)
At 29 December 2019	**7.1**	**0.5**	**7.6**
Accumulated amortisation			
At 31 December 2018	5.8	-	5.8
Charge for year	0.6	0.1	0.7
Disposals	(0.4)	-	(0.4)
At 29 December 2019	**6.0**	**0.1**	**6.1**
Net book value			
At 29 December 2019	**1.1**	**0.4**	**1.5**
At 30 December 2018	1.2	0.2	1.4

14 Property, plant and equipment

Group	Land and buildings					
	Freehold £'m	Long leasehold £'m	Short leasehold £'m	Short leasehold improvements £'m	Fixtures, fittings and equipment £'m	Total £'m
Cost or deemed cost						
At 31 December 2018	135.7	54.2	188.9	12.2	113.4	504.4
Additions	0.2	-	0.3	-	13.9	14.4
Disposals	-	-	-	-	(4.1)	(4.1)
At 29 December 2019	**135.9**	**54.2**	**189.2**	**12.2**	**123.2**	**514.7**
Accumulated depreciation						
At 31 December 2018	15.0	8.4	59.6	2.5	50.1	135.6
Charge for year	1.9	0.9	7.7	0.3	15.4	26.2
Disposals	-	-	-	-	(4.0)	(4.0)
At 29 December 2019	**16.9**	**9.3**	**67.3**	**2.8**	**61.5**	**157.8**
Net book value						
At 29 December 2019	**119.0**	**44.9**	**121.9**	**9.4**	**61.7**	**356.9**
At 30 December 2018	120.7	45.8	129.3	9.7	63.3	368.8

Property, plant and equipment includes assets in the course of construction with a cost of £0.4m (30 December 2018: £0.1m).

Fixtures, fittings and equipment includes assets with a cost of £4.4m (30 December 2018: £5.6m) and net book value of £1.4m (30 December 2018: £1.7m) subject to finance leases.

The leasehold land and buildings were professionally valued by external valuers Cushman & Wakefield, as at 17 December 2018, on an open market for existing use basis, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation manual, and based upon a multiple of projected future earnings before interest, taxation, depreciation and amortisation ("EBITDA"). The recoverable amount calculated falls into level 3 of the fair value hierarchy. The market value of property, plant and equipment at 17 December 2018 was £417.6m.

At 29 December 2019, the Group had unprovided capital commitments of £0.6m (30 December 2018: £1.2m).

Company	Freehold land £'m	Fixtures fittings and equipment £'m	Total £'m
Cost			
At 31 December 2018	0.3	1.5	1.8
Additions	-	0.1	0.1
At 29 December 2019	**0.3**	**1.6**	**1.9**
Accumulated depreciation			
At 31 December 2018	-	0.7	0.7
Charge for year	-	0.2	0.2
At 29 December 2019	**-**	**0.9**	**0.9**
Net book value			
At 29 December 2019	**0.3**	**0.7**	**1.0**
At 30 December 2018	0.3	0.8	1.1

15 Investments in subsidiaries

Company	Subsidiary undertaking £'m
Cost and net book value	
At 30 December 2018 and 29 December 2019	**302.8**

The Company's subsidiaries are listed below. These companies are wholly owned and the shareholdings are in ordinary shares. Aside from those otherwise stated, the registered address of these companies is Roadchef House, Norton Canes MSA, Betty's Lane, Norton Canes, Cannock, Staffordshire, WS11 9UX.

Name	Holding	Principal activity
Roadchef Newco 1 Limited	Direct	Intermediate holding company
Roadchef Newco 2 Limited	Direct	Intermediate holding company
Roadchef Newco 3 Limited	Direct	Property holding company
Roadchef Motorways Holdings Limited	Indirect	Intermediate holding company
Roadchef Development Holdings Limited	Indirect	Motorway Service Area
Roadchef Motorways Limited	Indirect	Motorway Service Area
Blue Boar Motorways Limited	Indirect	Motorway Service Area
First Motorway Services Limited	Indirect	Motorway Service Area
Takeabreak Motorway Services Limited *	Indirect	Non-trading company
Roadchef (Chesterfield) Limited *	Indirect	Non-trading company
Roadchef Finance Limited **	Indirect	Non-trading company
Roadchef (Winchester) Limited	Indirect	Non-trading company
Roadchef (Employee Benefits Trustees) Limited	Direct	Non-trading company
Blue Boar Group Limited	Direct	Non-trading company
Blue Boar Group (1995) Limited	Indirect	Non-trading company
Blue Boar Company Limited	Indirect	Non-trading company
Roadchef (Profit Sharing Trustees) Limited	Direct	Non-trading company
Roadchef Management Trustees Limited	Direct	Non-trading company
McDonald's Costa Limited	Direct	Non-trading company
Roadchef (Chester) Limited	Indirect	Non-trading company
Roadchef (Clacket Lane) Limited	Indirect	Non-trading company
Roadchef (Durham) Limited	Indirect	Non-trading company
Roadchef (Killington) Limited	Indirect	Non-trading company
Roadchef Costa Coffee Limited	Indirect	Non-trading company
Roadchef (Pont Abraham) Limited	Indirect	Non-trading company
Roadchef (Rownhams) Limited	Indirect	Non-trading company
Roadchef (Sandbach) Limited	Indirect	Non-trading company
Roadchef (Sedgemoor) Limited	Indirect	Non-trading company
Roadchef (Taunton) Limited	Indirect	Non-trading company
Superlodge Limited	Indirect	Non-trading company

* Registered in the United Kingdom at 45 Church Street, Birmingham, B3 2RT.
** Registered in Cayman Islands at Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman.

16 Other assets

	29 December 2019 £'m	30 December 2018 £'m
Group		
Long term prepayments	**1.7**	0.9

Long term prepayments relate to payments made to enter call option agreements which give the Group the right to purchase undeveloped land.

17 Inventories

Group	29 December 2019 £'m	30 December 2018 £'m
Raw materials and consumables	**0.3**	0.3
Goods for resale	**3.1**	3.1
	3.4	3.4

The replacement value of stock is not materially different to its cost in either year.

18 Debtors - amounts falling due within one year

	29 December 2019 £'m	30 December 2018 £'m
Group		
Trade receivables	**4.0**	3.5
Other receivables	**0.7**	0.7
Prepayments and accrued income	**8.5**	8.2
	13.2	12.4

As at 29 December 2019, trade receivables of £0.2m (30 December 2018: £0.1m) were past due. The ageing analysis of these receivables is as follows:

	29 December 2019 £'m	30 December 2018 £'m
Past due		
1-30 days	**0.2**	0.1

The movement in provision for impairment against trade receivables is as follows:

	29 December 2019 £'m	30 December 2018 £'m
Opening provision	**-**	0.1
Allowances released	**-**	(0.1)
Closing provision	**-**	-

Based upon historical experience in collecting from past due receivables, along with an assessment of individual customers abilities to make payments, the Group believes that no closing allowance for doubtful receivables is required to cover the risk of default.

	29 December 2019 £'m	30 December 2018 £'m
Company		
Amounts owed by group companies	**44.0**	41.4
Other receivables	**1.6**	2.0
Prepayments and accrued income	**0.5**	0.3
	46.1	43.7

Amounts owed by other group companies are non-interest bearing and contractually repayable on demand. The likelihood of default on amounts owed by other group companies has been considered with a provision for impairment of £6.8m included at 29 December 2019 (30 December 2018: £6.8m).

19 Cash and cash equivalents

	29 December 2019 £'m	30 December 2018 £'m
Group		
Cash and cash equivalents	**16.3**	11.1

	29 December 2019 £'m	30 December 2018 £'m
Company		
Cash and cash equivalents	**3.9**	6.0

20 Creditors - amounts falling due within one year

	29 December 2019 £'m	30 December 2018 £'m
Group		
Trade payables	9.0	12.8
Amounts owed to group company	33.0	58.0
Other taxes and social security	5.0	4.0
Other payables	0.9	0.2
Accruals	12.4	14.2
	60.3	89.2

	29 December 2019 £'m	30 December 2018 £'m
Company		
Trade payables	1.2	1.9
Amounts owed to group companies	90.2	113.8
Other taxes and social security	0.8	0.7
Other payables	0.1	0.1
Accruals	4.6	4.1
	96.9	120.6

Amounts owed to group companies are unsecured, non-interest bearing and contractually repayable on demand.

Other terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 45-day terms
- Other taxes and social security are non-interest bearing and fall due for payment within two months of the reporting date
- Other payables are non-interest bearing and fall due for payment within one month of the reporting date

21 Derivative financial instruments

The Group conducts derivative transactions in the form of interest rate swap contracts. The purpose is to manage the interest rate risk arising from the Group's sources of finance. It is the Group's policy that no trading in financial instruments shall be undertaken. Derivative financial liabilities have been classified as fair value through profit and loss. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, are as follows:

	29 December 2019 £'m	30 December 2018 £'m
Derivative financial assets:		
Group		
Interest rate swaps	0.4	2.1
Company		
Interest rate swaps	0.4	2.1

21 Derivative financial instruments (continued)

Derivative financial liabilities:	29 December 2019 £'m	30 December 2018 £'m
Group		
Interest rate swaps	3.6	-
Company		
Interest rate swaps	3.6	-

22 Loans and borrowings

	29 December 2019 £'m	30 December 2018 £'m
Group		
Secured bank loans	243.1	215.6
Unsecured loans	0.3	0.6
Finance leases	1.7	2.5
	245.1	218.7

Secured bank loans	29 December 2019 £'m	30 December 2018 £'m
Secured bank loans maturity:		
Repayable in more than one year but not more than two years	-	4.7
Repayable in more than two years but not more than five years	243.1	207.7
	243.1	212.4
Repayable in one year or less	-	3.2
	243.1	215.6

The secured bank loans are repayable as follows:

	29 December 2019 £'m	30 December 2018 £'m
LIBOR + 2.75% repayable December 2016 to June 2021	-	16.5
LIBOR + 2.90% repayable September 2021	-	202.5
LIBOR + 2.25% repayable January 2024	246.8	-
	246.8	219.0
Less finance costs allocated to future periods	(3.7)	(3.4)
	243.1	215.6

On 31 January 2019 the Group refinanced its bank borrowings. The new facilities provide lower financing costs and extended maturity to 2024.

The secured bank loans held at 29 December 2019 are secured by fixed and floating charges over assets held by the Group.

At 29 December 2019, the Group had available £5,000,000 (30 December 2018: £5,000,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group also had available £20,000,000 (30 December 2018: £nil) of undrawn committed capex facility. The capex facility is available as a source of funding for development of property, plant and equipment. Both of these facilities expire during January 2024.

22 Loans and borrowings (continued)

Unsecured loans

	29 December 2019 £'m	30 December 2018 £'m
Unsecured loan maturity:		
Repayable in more than one year but not more than two years	-	0.2
	-	0.2
Repayable in one year or less	0.3	0.4
	0.3	0.6

The unsecured loan is repayable in equal monthly instalments of £31,000 until September 2020. No interest is charged on the unsecured loan.

Finance leases

	29 December 2019 £'m	30 December 2018 £'m
Finance lease maturity:		
Repayable in more than one year but not more than two years	0.5	0.9
Repayable in more than two years but not more than five years	0.3	0.8
	0.8	1.7
Repayable in one year or less	0.9	0.8
	1.7	2.5

The finance leases are repayable as follows:

	29 December 2019 £'m	30 December 2018 £'m
6-7% finance leases repayable January 2011 to October 2023	1.4	2.0
11% finance leases repayable February 2016 to January 2021	0.4	0.8
	1.8	2.8
Less finance costs allocated to future periods	(0.1)	(0.3)
	1.7	2.5

The finance leases are secured by charges over specific related assets.

The Group's financial risk management policies for liquidity and interest rate risks associated with financial liabilities are discussed in note 24.

	29 December 2019 £'m	30 December 2018 £'m
Company		
Secured bank loans	115.8	86.3
Finance leases	0.4	0.7
	116.2	87.0

22 Loans and borrowings (continued)

Secured bank loans	**29 December 2019 £'m**	30 December 2018 £'m
Secured bank loans maturity:		
Repayable in more than two years but not more than five years	**115.8**	86.3

The secured bank loans are repayable as follows:

	29 December 2019 £'m	30 December 2018 £'m
LIBOR + 2.90% repayable September 2021	-	89.7
LIBOR + 2.25% repayable January 2024	**119.5**	-
	119.5	89.7
Less finance costs allocated to future periods	**(3.7)**	(3.4)
	115.8	86.3

The secured bank loans held at 29 December 2019 are secured by fixed and floating charges over assets held by the Group.

At 29 December 2019, the Company had available £5,000,000 (30 December 2018: £5,000,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Company also had available £20,000,000 (30 December 2018: £nil) of undrawn committed capex facility. The capex facility is available as a source of funding for development of property, plant and equipment. Both of these facilities expire during January 2024.

Finance leases	**29 December 2019 £'m**	30 December 2018 £'m
Finance lease maturity:		
Repayable in more than one year but not more than two years	-	0.3
Repayable in more than two years but not more than five years	-	0.1
	-	0.4
Repayable in one year or less	**0.4**	0.3
	0.4	0.7

The finance leases are repayable as follows:

	29 December 2019 £'m	30 December 2018 £'m
11% finance leases repayable February 2016 to January 2021	**0.4**	0.8
	0.4	0.8
Less finance costs allocated to future periods	-	(0.1)
	0.4	0.7

The finance leases are secured by charges over specific related assets.

23 Deferred revenue

	29 December 2019 £'m	30 December 2018 £'m
Group		
Opening balance	**10.1**	10.8
Credited to income statement	**(0.7)**	(0.7)
Closing balance	**9.4**	10.1

	29 December 2019 £'m	30 December 2018 £'m
Current	**0.7**	0.7
Non-current	**8.7**	9.4
	9.4	10.1

24 Financial instruments - risk management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, fixed and floating rate borrowings, interest rate swaps and equity instruments.

The Group is exposed to a number of risks associated with these financial instruments. In particular the Group is exposed to credit risk, market risk and liquidity risk. The Group operates solely within the UK and has minimal exposure to foreign currency transactions, which eliminates exposure to foreign exchange risk. The Group's management team oversees the management of these risks and is supported on a day-to-day basis by the treasury function.

The treasury function is provided centrally for the Group as a whole, this includes Roadchef Limited and all of its subsidiaries. The treasury objective is to ensure that risks are reduced to a minimum. The Group does not use complex financial instruments in the management of these exposures. The exposures and measures taken by the Group to mitigate them are reviewed by the board of the Group on a regular basis. The Group does not enter into transactions of a speculative nature, nor trades in financial instruments.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's principal financial assets are trade receivables of £4.0m (30 December 2018: £3.5m), which represent the Group's maximum exposure to credit risk in relation to financial assets.

Trade receivables are made up of credit card receivables, invoiced sales not yet collected, and rebates due from suppliers. Credit card receivables are held with blue-chip companies and are collected in 3-5 days after a sale being recorded; card receivables represent a low level of credit risk to the business. Invoiced sales and supplier rebates are generally on 30 day terms from point of billing. Customers who do not pay within their terms of credit are individually assessed by management and a provision for impairment made as necessary. Historic experience of invoiced sales and supplier rebates would indicate a low level of credit risk to the business. No collateral or other credit enhancements are held.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, financial instruments affected by market risk are loans and borrowings, and derivatives.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by maintaining a balanced portfolio of fixed to floating rate borrowings, with varying rates of maturity. For long-term borrowings subject to floating rates of interest, interest rate swaps are used to fix at least 70% of variable rate debt held.

At 29 December 2019, after taking into account the effect of interest rate swaps and including finance leases held, approximately 88% of the Group's borrowings are at a fixed rate of interest (30 December 2018: 75%).

24 Financial instruments - risk management (continued)

Interest rate sensitivity
After taking into account the effect of interest rate swaps, with all other variables held constant, a 50 basis-point shift would result in an increase or decrease of the Group's profit before tax of £0.2m through the impact on floating rate borrowings (30 December 2018: £0.3m).

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment and represents the maximum reasonable expectation of changes in interest rates.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's objective is to manage maturity of its borrowing arrangements to ensure sufficient cash is available to meet liabilities as they fall due. The Group uses forecasts and projections by way of a detailed 12 month cash flow forecast as well as a five year business plan to identify future cash requirements. The Group also seeks to reduce liquidity risk by fixing a proportion of its borrowings to bring more certainty over future cash flows.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months £'m	Between 3 and 12 months £'m	Between 1 and 5 years £'m	Total £'m
At 29 December 2019				
Trade and other payables	**47.9**	**-**	**-**	**47.9**
Loans and borrowings	**2.2**	**6.5**	**277.4**	**286.1**
	50.1	**6.5**	**277.4**	**334.0**

	Up to 3 months £'m	Between 3 and 12 months £'m	Between 1 and 5 years £'m	Total £'m
At 30 December 2018				
Trade and other payables	75.0	-	-	75.0
Loans and borrowings	3.2	10.0	218.4	231.6
	78.2	10.0	218.4	306.6

25 Fair value measurement

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values by virtue of their short-term nature:

Group	**29 December 2019**	
	Carrying amount	**Fair value**
	£'m	**£'m**
Financial liabilities		
Secured bank loans	**243.1**	**243.5**
Unsecured loans	**0.3**	**0.3**
Finance leases	**1.7**	**1.8**
	245.1	**245.6**

	30 December 2018	
	Carrying amount	Fair value
	£'m	£'m
Financial liabilities		
Secured bank loans	215.6	216.8
Unsecured loans	0.6	0.6
Finance leases	2.5	2.7
	218.7	220.1

It has been assessed that cash, trade receivables and other receivables, trade payables and other payables and bank overdrafts approximately equal their carrying amounts largely due to the short-term maturities of these instruments.

Fair value of interest rate swaps is the mark-to-market value, which is arrived at using valuation techniques which employs the use of market observable inputs.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Fair value measurement using		
29 December 2019	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	£'m	**£'m**	**£'m**
Assets measured at fair value:			
Interest rate swaps	-	**0.4**	-
Liabilities measured at fair value:			
Interest rate swaps	-	**3.6**	-
Liabilities for which fair values are disclosed:			
Secured bank loans	-	**243.5**	-
Unsecured loans	-	**0.3**	-
Finance leases	-	**1.8**	-

	Fair value measurement using		
30 December 2018	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	£'m	**£'m**	**£'m**
Assets measured at fair value:			
Interest rate swaps	-	2.1	-
Liabilities for which fair values are disclosed:			
Secured bank loans	-	216.8	-
Unsecured loans	-	0.6	-
Finance leases	-	2.7	-

There have been no transfers between fair value hierarchy levels during the year ended 29 December 2019 (30 December 2018: none).

26 Ordinary shares

	29 December 2019 £'m	30 December 2018 £'m
Group and Company		
Authorised		
1,000,000,000 (30 December 2018: 1,000,000,000) ordinary shares of £0.10 each	**100.0**	100.0
Group and Company		
Allotted, called up and fully paid		
341,000,000 (30 December 2018: 341,000,000) ordinary shares of £0.10 each	**34.1**	34.1

There are no restrictions on the voting rights or economic rights of issued capital.

27 Reserves

Group	Capital reserve £'m	Revaluation reserve £'m	Accumulated losses £'m	Total £'m
At 31 December 2018	0.2	115.0	(87.2)	28.0
Loss for the financial year	-	-	(5.5)	(5.5)
Actuarial gain on pension scheme	-	-	0.8	0.8
IFRIC 14 pension scheme adjustment	-	-	(0.3)	(0.3)
Tax on components of other comprehensive expense	-	-	(0.1)	(0.1)
Reserves transfer	-	(5.3)	5.3	-
At 29 December 2019	**0.2**	**109.7**	**(87.0)**	**22.9**

Company	Retained earnings £'m	Total £'m
At 31 December 2018	115.4	115.4
Loss for the financial year	(10.5)	(10.5)
At 29 December 2019	**104.9**	**104.9**

28 Pension schemes

Defined contribution schemes
The Group operates a number of defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension charge for the year for these schemes amounted to £0.9m (30 December 2018: £0.8m). An amount of £0.1m (30 December 2018: £0.1m) is owed to the pension schemes at the year end.

Defined benefit schemes

Roadchef Motorways Holdings Limited
The Group operates a defined benefit pension scheme providing benefits at retirement and on death-in-service. The assets of the scheme are held separately from those of the Group, being invested with an insurance company. The most recent actuarial valuation was 31 May 2017.

The scheme is closed to new entrants and during 2013 the scheme closed to the future accrual of benefits for active members. Active members of the schemes do not have their benefits linked to salary.

The pension contributions for the year in respect of this scheme were £1.2m (30 December 2018: £1.3m).

The market value of the scheme's assets as at 31 May 2017 was £29.2m. The actuarial value of the assets as at 31 May 2017 represented 89% of the accrued benefits.

The actuarial valuations described above have been updated at 29 December 2019 by a qualified actuary using revised assumptions that are consistent with the requirements of IAS 19. Investments have been valued, for this purpose, at fair value. The valuation of the scheme as at 29 December 2019 is a surplus of £1.6m (30 December 2018: deficit of £0.1m).

The major assumptions used by the actuary were:

	29 December 2019	30 December 2018
Rate of increase in 5% capped pensions in payment	2.80%	3.10%
Rate of increase in 2.5% capped pensions in payment	2.00%	2.10%
Discount rate	2.10%	2.90%
Inflation assumption (retail price index)	2.90%	3.20%
Inflation assumption (consumer price index)	1.90%	2.10%

Sensitivity analysis for the significant assumptions is as follows:

	Effect on obligation	
	29 December 2019 £'m	30 December 2018 £'m
Discount rate - 0.1% increase	(0.6)	(0.5)
Inflation assumptions - 0.1% increase	0.4	0.4
Life expectancy - 1 year increase	1.2	1.0

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

In addition to the above financial assumptions, the principal demographic assumptions used by the actuary relate to post-retirement member mortality and are as follows:

	29 December 2019	30 December 2018
Active and deferred members	S2NA + CMI_2018 with 1.25% long term rate	S2MA + CMI_2017 with 1.25% long term rate
Pensioners	S2NA + CMI_2018 with 1.25% long term rate	S2MA + CMI_2017 with 1.25% long term rate

28 Pension schemes (continued)

Roadchef Motorways Holdings Limited (continued)

For the year ended 29 December 2019 the S2NA Year of Birth tables were used, with an allowance for improvements in mortality using CMI_2018 rates subject to a 1.25% long term trend rate. A male member aged 45 at the accounting date would be expected to live for another 23.3 years after reaching age 65 and a male member aged 65 at the valuation date would be expected to live for another 22.0 years. A female aged 45 at the accounting date would be expected to live for another 25.5 years after reaching age 65 and a female member aged 65 at the valuation date would be expected to live for another 24.0 years.

The investment of scheme assets is managed by the trustees of the scheme. The trustees' investment objective is to ensure that the plans have adequate resources to meet their liabilities and thereafter to maximise the long-term total rate of return on the assets. Investment risk is managed by diversifying the assets across asset classes whose return patterns are not highly correlated.

The fair value of the assets in the scheme and the present value of the liabilities in the scheme were:

	29 December 2019 £'m	30 December 2018 £'m
Equities	**7.4**	7.1
Diversified growth funds	**9.6**	6.9
Bonds	**9.1**	5.4
Liability driven investments	**7.7**	8.8
Cash	**0.1**	0.5
Total market value of assets	**33.9**	28.7
Present value of scheme liabilities	**(32.3)**	(28.8)
Surplus/(Deficit) in the scheme	**1.6**	(0.1)

Changes in fair value of the plan assets are analysed as follows:

	29 December 2019 £'m	30 December 2018 £'m
Opening fair value of scheme assets	**28.7**	29.5
Interest on plan assets	**0.8**	0.8
Actuarial gains/(losses)	**4.3**	(1.8)
Contributions by employer	**1.2**	1.3
Expenses	**(0.1)**	(0.4)
Benefits paid	**(1.0)**	(0.7)
Closing fair value of scheme assets	**33.9**	28.7

Changes in fair value of the plan liabilities are analysed as follows:

	29 December 2019 £'m	30 December 2018 £'m
Opening fair value of scheme liabilities	**28.8**	30.8
Interest on pension liabilities	**0.8**	0.8
Actuarial losses/(gains)	**3.7**	(2.1)
Benefits paid	**(1.0)**	(0.7)
Closing fair value of scheme liabilities	**32.3**	28.8

28 Pension schemes (continued)

Roadchef Motorways Holdings Limited (continued)

The following entries have been made in the financial statements:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Operating profit		
Expenses	(0.1)	(0.4)
Total operating charge	(0.1)	(0.4)
Other finance credits/(charges)		
Interest on plan assets	0.8	0.8
Interest on pension liabilities	(0.8)	(0.8)
Net finance result	-	-

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Statement of other comprehensive income (OCI)		
Actual return less expected return on pension assets	4.3	(1.8)
Experience gains arising on pension scheme liabilities	0.1	0.2
Changes in assumptions underlying the present value of the scheme's liabilities	(3.8)	1.9
Actuarial gain recognised in OCI	0.6	0.3

Movement in surplus/ (deficit) in the year:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Opening plan deficit	(0.1)	(1.3)
Contributions	1.2	1.3
Expenses	(0.1)	(0.4)
Actuarial gains	0.6	0.3
Closing plan surplus/ (deficit)	1.6	(0.1)

The Group has recognised a deferred tax liability on pensions of £0.3m (30 December 2018: £nil).

28 Pension schemes (continued)

Roadchef Motorways Holdings Limited (continued)

Details of experience gains and losses:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Difference between the expected and actual return in scheme assets:		
- amount	4.3	(1.8)
Experience gains on liabilities		
- amount	0.1	0.2
Total amount recognised in OCI		
- amount	0.6	0.3
- as a percentage of scheme liabilities	2%	1%

As at 29 December 2019 the number of active members in the scheme was nil (30 December 2018 nil). As such no contributions are anticipated in respect of pensionable earnings.

Contributions in respect of the shortfall in funding, inclusive of expenses, for the year ended 29 December 2019 were fixed amounts of £88,833 monthly, with an additional one-off payment of £150,000 paid in the year. The agreed contribution rate for the next year is £88,833 monthly.

Should a surplus of funds be reached, the trustees of the scheme may refund to the Group amounts held in excess of requirements giving consideration to scheme obligations.

Blue Boar Motorways Limited

Blue Boar Motorways Limited operates a defined benefit pension scheme providing benefits at retirement and on death-in-service. The assets of the scheme are held separately from those of the Group, being invested with an insurance company. The most recent actuarial valuation was at 31 May 2017.

An allowance of £nil (30 December 2018: £0.2m) has been made in the year for estimated costs relating to GMP inequalities in the scheme.

The scheme is closed to new entrants and during 2013 the scheme closed to the future accrual of benefits for active members. Active members of the schemes have retained their link between benefits and salary.

The pension contributions for the year in respect of this scheme were £0.5m (30 December 2018: £0.5m).

The market value of the scheme's assets as at 31 May 2017 was £7.1m and this was sufficient to cover 87% of the benefits that had accrued to members.

The actuarial valuations described above have been updated at 29 December 2019 by a qualified actuary using revised assumptions that are consistent with the requirements of IAS 19. Investments have been valued, for this purpose, at fair value. The valuation of the scheme as at 29 December 2019, excluding the impact of the IFRIC 14 asset limit, is a surplus of £0.3m (30 December 2018: deficit of £0.3m).

The major assumptions used by the actuary were:

	29 December 2019	30 December 2018
Rate of increase in 5% capped pensions in payment	2.80%	3.10%
Rate of increase in 2.5% capped pensions in payment	2.00%	2.10%
Discount rate	2.00%	2.80%
Inflation assumption (retail price index)	2.90%	3.20%
Inflation assumption (consumer price index)	1.90%	2.10%

28 Pension schemes (continued)

Blue Boar Motorways Limited (continued)

Sensitivity analysis for the significant assumptions is as follows:

	Effect on obligation	
	29 December 2019 £'m	30 December 2018 £'m
Discount rate - 0.1% increase	**(0.1)**	(0.1)
Inflation assumptions - 0.1% increase	**-**	-
Life expectancy - 1 year increase	**0.4**	0.3

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

In addition to the financial assumptions, the principal demographic assumptions used by the actuary relate to post-retirement member mortality.

	29 December 2019	30 December 2018
Active and deferred members	**S2NA + CMI_2018 with 1.25% long term rate**	S2MA + CMI_2017 with 1.25% long term rate
Pensioners	**S2NA + CMI_2018 with 1.25% long term rate**	S2MA + CMI_2017 with 1.25% long term rate

For the year ended 29 December 2019 the S2NA Year of Birth tables were used, with an allowance for improvements in mortality using CMI_2018 rates subject to a 1.25% long term trend rate. A male member aged 45 at the accounting date would be expected to live for another 23.3 years after reaching age 65 and a male member aged 65 at the valuation date would be expected to live for another 22.0 years. A female aged 45 at the accounting date would be expected to live for another 25.5 years after reaching age 65 and a female member aged 65 at the valuation date would be expected to live for another 24.0 years.

The investment of scheme assets is managed by the trustees of the scheme. The trustees' investment objective is to ensure that the plans have adequate resources to meet their liabilities and thereafter to maximise the long-term total rate of return on the assets. Investment risk is managed by diversifying the assets across asset classes whose return patterns are not highly correlated.

The fair value of the assets in the scheme and the present value of the liabilities in the scheme were:

	29 December 2019 £'m	30 December 2018 £'m
Equities	**1.9**	1.5
GARS	**1.9**	1.6
Bonds	**3.0**	2.2
Liability driven investment	**1.3**	1.5
Cash	**0.1**	0.1
Total market value of assets	**8.2**	6.9
Present value of scheme liabilities	**(7.9)**	(7.2)
IFRIC 14 impact	**(0.4)**	(0.1)
Deficit in the scheme	**(0.1)**	(0.4)

28 Pension schemes (continued)

Blue Boar Motorways Limited (continued)

Changes in fair value of the plan assets are analysed as follows:

	29 December 2019 £'m	30 December 2018 £'m
Opening fair value of scheme assets	6.9	7.2
Interest on plan assets	0.2	0.2
Actuarial gains/(losses)	1.0	(0.5)
Contributions by employer	0.5	0.5
Benefits paid	(0.3)	(0.3)
Expenses	(0.1)	(0.2)
Closing fair value of scheme assets	8.2	6.9

Changes in fair value of the plan liabilities are analysed as follows:

	29 December 2019 £'m	30 December 2018 £'m
Opening fair value of scheme liabilities	7.2	7.4
Interest on pension liabilities	0.2	0.2
Actuarial losses/(gains)	0.8	(0.3)
Benefits paid	(0.3)	(0.3)
Past service costs	-	0.2
Closing fair value of scheme liabilities	7.9	7.2

Movement in IFRIC 14 asset limit are as follows:

	29 December 2019 £'m	30 December 2018 £'m
Opening asset limit	0.1	0.4
Movement	0.3	(0.3)
Closing asset limit	0.4	0.1

The following entries have been made in the financial statements:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Operating profit		
Past service costs	-	(0.2)
Expenses	(0.1)	(0.2)
Total operating charge	(0.1)	(0.4)
Other finance charges		
Interest on plan assets	0.2	0.2
Interest on pension liabilities	(0.2)	(0.2)
Net finance result	-	-

28 Pension schemes (continued)

Blue Boar Motorways Limited (continued)

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Statement of other comprehensive income (OCI)		
Actual return less expected return on pension assets	1.0	(0.5)
Changes in assumptions underlying the present value of the scheme's liabilities	(0.8)	0.3
IFRIC 14 impact	(0.3)	0.3
Actuarial (loss)/ gain recognised in OCI	(0.1)	0.1

Movement in deficit in the year:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Opening plan deficit	0.4	0.6
Contributions	(0.5)	(0.5)
Operating expenses	0.1	0.4
Actuarial losses/ (gains)	0.1	(0.1)
Closing plan deficit	0.1	0.4

The Group has recognised a deferred tax asset on pensions of £nil (30 December 2018: £0.1m).

Details of experience gains and losses:

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Difference between the expected and actual return in scheme assets:		
- amount	1.0	(0.5)
Experience gains on liabilities		
- amount	-	-
Total amount recognised in OCI		
- amount	(0.1)	0.1
- as a percentage of scheme liabilities	(1)%	1%

As at 29 December 2019 the number of active members in the scheme was nil (30 December 2018: nil). As such no contributions are anticipated in respect of pensionable earnings.

Contributions in respect of the shortfall in funding, inclusive of expenses, for the year ended 29 December 2019 were amounts of £38,917 monthly, with an additional one-off payment of £50,000 paid in the year. The agreed contribution rate for the next year is £38,917 monthly until February 2020, and £10,000 per month thereafter.

The weighted average duration of the expected benefit payments from both the defined benefit pension schemes is approximately 19 years.

29 Operating lease commitments

The Group receives rental income on several forecourts leased to third parties under non-cancellable operating leases. The total contingent rents recognised as income during the year is £7.6m (30 December 2018: £6.9m). Contingent rentals are linked to the sales and gross margin performance of lessees. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	29 December 2019 Land and buildings £'m	30 December 2018 Land and buildings £'m
Within one year	**0.9**	0.9
Between one and five years	**3.5**	3.5
After more than five years	**11.8**	12.7
	16.2	17.1

The Group makes contingent rental payments for land and buildings to a third party under a non-cancellable operating lease. The total contingent rents charged to administrative expenses during the year is £2.6m (30 December 2018: £2.6m). Contingent rentals are linked to the sales of the Group.

The Group is a lessee with future minimum rentals payable under non-cancellable operating leases as follows:

	29 December 2019		30 December 2018	
	Land and buildings £'m	**Plant and machinery £'m**	Land and buildings £'m	Plant and machinery £'m
Within one year	**0.5**	**0.6**	0.5	0.5
Between one and five years	**0.2**	**0.6**	0.6	0.5
After more than five years	**3.0**	**-**	2.6	-
	3.7	**1.2**	3.7	1.0

30 Directors' advances

The Company has made available interest-free loans to the directors. Annual repayment of the utilised loan amounts is required with final settlement of the loan required by 30 September 2024. Movements in the loan balances are as follows:

	30 December 2018 £000's	Repayments £000's	29 December 2019 £000's
M Fox	150	(37)	**113**
S Turl	112	(37)	**75**
I McKay	69	(24)	**45**
R Tindale	118	(38)	**80**
J Muirhead	94	(32)	**62**
	543	**(168)**	**375**

31 Related party disclosures

In addition to transactions with directors, disclosed in notes 8 and 30, the following related party transactions and balances have occurred:

Group

		Amounts owed to related parties £'m
Parent entity		
Roadchef Bidco Limited	**29 December 2019**	**33.0**
	30 December 2018	58.0

32 Contingent liabilities

Along with other group companies, the Company has guaranteed the bank loans and overdrafts of certain fellow group companies. The aggregate amount outstanding as at 29 December 2019 was £127,300,000 (30 December 2018: £129,300,000). The directors consider the likelihood of any financial liability arising in respect of these to be remote.

The Group makes contingent rent payments as disclosed in note 29.

33 Control

The immediate parent company is Roadchef Bidco Limited, a company registered in England and Wales. Copies of these financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The largest and smallest group in which the results of the Group are consolidated is that headed by Roadchef Topco Limited. Copies of these financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

As at 29 December 2019, Antin Infrastructure Partners Luxembourg III S.a.r.l is considered to be the ultimate controlling party, a company registered in Luxembourg.

34 Reconciliation of operating profit to net cash inflow from operating activities

Group

	Year ended 29 December 2019 £'m	Year ended 30 December 2018 £'m
Operating profit	**12.6**	6.3
Amortisation of intangible assets	**0.7**	1.4
Depreciation of property, plant and equipment	**26.2**	25.7
Property impairments	**-**	1.6
Amortisation of deferred revenue	**(0.7)**	(0.7)
Difference between pension charge and cash contribution	**(1.5)**	(1.0)
Increase in receivables	**(1.5)**	(1.0)
Decrease in payables	**(2.7)**	(0.2)
Net Corporation tax paid	**(1.0)**	(0.8)
Net cash inflow from operating activities	**32.1**	31.3

35 Net debt reconciliation

Group

	29 December 2019 £'m	30 December 2018 £'m
Cash and cash equivalents	**16.3**	11.1
Secured bank loans (gross of finance costs allocated to future periods)	**(246.8)**	(219.0)
Unsecured loans	**(0.3)**	(0.6)
Finance leases	**(1.7)**	(2.5)
Net debt	**(232.5)**	(211.0)

	Cash and cash equivalents £'m	Secured bank loans (gross of finance costs allocated to future periods) £'m	Unsecured loans £'m	Finance leases £'m	Total £'m
Net debt at 1 January 2018	2.3	(210.5)	(1.0)	(3.4)	(212.6)
Cash flows	8.8	-	-	-	8.8
Repayment of borrowings	-	1.5	0.4	0.9	2.8
New borrowings	-	(10.0)	-	-	(10.0)
Net debt at 30 December 2018	**11.1**	**(219.0)**	**(0.6)**	**(2.5)**	**(211.0)**
Cash flows	5.2	-	-	-	5.2
Repayment of borrowings	-	222.9	0.3	0.8	224.0
New borrowings	-	(250.7)	-	-	(250.7)
Net debt at 29 December 2019	**16.3**	**(246.8)**	**(0.3)**	**(1.7)**	**(232.5)**