REGISTERED NUMBER 01713437

ROADCHEF LIMITED

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 JANUARY 2022

ROADCHEF LIMITED

COMPANY INFORMATION

DIRECTORS	M Fox L Bunn 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

CONTENTS

The directors present their Strategic Report for the 53 week period ended 2 January 2022 The comparative period was the year ended 27 December 2020

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 period ended 2 January 2022 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

Change in ownership
On 17 March 2022, 100% of the voting equity shares of Roadchef Topco Limited, an intermediate parent company, were acquired by MEIF 6 Range Bidco Limited. As a result, on 17 March 2022 the ultimate controlling party of the Company changed from Antin Infrastructure Partners Luxembourg III S.a.r.l to Macquarie European Infrastructure Fund 6 SCSp Macquarie European Infrastructure Fund 6 SCSp is managed by the asset management arm of Macquarie Group Limited

Following this, on 7 April 2022 the Group repaid its bank borrowings New bank borrowings of £270.0m have been obtained by an intermediate parent company, which are secured over the assets of the Group and are repayable in 2027.

Financial summary
The Group's result, whilst impacted by the coronavirus pandemic, is a significant improvement on the comparative period, and reflects the strong recovery that has been achieved throughout the period. Revenue of £180.9m for the period ended 2 January 2022 is improved 58.4% on the previous year, and is 91.4% of that achieved in the year previous to that, pre-pandemic, Earnings before interest, tax, depreciation and amortisation ("EBITDA") was £43.5m EBITDA is used as a key measure of the Group's performance and operational effectiveness. The EBITDA achieved is stated after Government grants and other assistance totalling £7.3m (27 December 2020 £17.4m)

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Revenue	180.9	114.2
Adjusted operating profit.		
Operating profit/ (loss)	15.7	(20.0)
Exceptional items	1.0	3.4
IAS 19 pension expenses and associated costs	0.5	0.5
Adjusted operating profit/ (loss)	17.2	(16.1)
Amortisation and depreciation	26.3	27 3
EBITDA	43.5	11 2
Profit/ (loss) before taxation	14.2	(37.5)

The Group has net assets of £26 7m (27 December 2020: £20.0m) and net current liabilities of £17 2m (27 December 2020: £35.8m)

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. 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

In ordinary circumstances, 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

Over the last several years, 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.

Management's drive to add variety and choice of quality brands for customers has been at the forefront of efforts in recent years, which included the opening of two Leon units during the year, at Chester and Watford Gap South. 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.

Management continue to assess the suitability and success of the Group's offerings and will look to make further investment in the year ahead

The board monitors progress on the Group strategy and the individual strategic elements by reference to the following key performance indicators (based upon the first 52 weeks of each period):

	2 January 2022	27 December 2020	Definition, method of calculation and analysis
Growth in amenity building and drive thru sales (%)	**59.3%**	(43.50)%	Year-on-year sales growth, including Drive Thru, expressed as a percentage. The increase reflects a the Group's recovery from a comparative period that was significantly impacted by the coronavirus pandemic.
Gross margin in the amenity building and drive thru (%)	**62.2%**	60.5%	The amenity building gross margin is the ratio of gross profit to sales expressed as a percentage. The gross margin is judged to be at a satisfactory level
Amenity building and drive thru transactions (m)	**23.2**	16.2	This is the actual number of transactions recorded in the Group's retail and catering outlets. The increase reflects the Group's recovery from a comparative period that was significantly impacted by the coronavirus pandemic.
Spend per transaction (£)	**£6.41**	£5.78	This is the sale of goods divided by the number of transactions The average spend per transaction has increased during the year, helped by an increase in leisure travel, with typically a larger average transaction value.

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

Coronavirus pandemic
The Group has historically generated positive cash flow with consistently strong revenue growth year-on-year

The emergence of the global coronavirus pandemic had a serious, short-term impact on the Group's performance.

Following the UK Government's imposition of lockdown in March 2020, the business was granted an essential status by the Government and the Group's sites remained open, however with limited offerings and a significantly reduced labour force, to provide a crucial and safe service to motorists on essential journeys. There was a significant decline in footfall and revenue during this time given the sharp drop in traffic on the UK strategic roads network.

Following the ending of the first lockdown, traffic and sales recovered strongly, reaching 75% of normal levels during August 2020. Whilst further local and national coronavirus restrictions continued to impact trade in 2020, conditions were not as adverse as the first UK wide lockdown of March 2020, helped by the continued operation of our Costa Coffee and McDonald's offers, albeit on reduced hours. The Group's revenue for the year ended 27 December 2020 was reduced by 42% compared to the previous year.

With a further national lockdown imposed in January 2021, trade continued to be impacted in the early part of 2021. However, as restrictions were lifted, traffic and revenue rebounded strongly and immediately, with revenue reaching over 110% of normal pre-pandemic levels during August 2021, and increased 58.4% for the period as a whole, compared to the previous year

The availability of support from the Government and key suppliers, such as the Coronavirus Job Retention Scheme, enabled the Group to continue trading through the peak of the crisis without the need of any additional funding support. Liquidity has 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 the trading environment early in 2021, a waiver was issued by the Group's lenders in respect of the financial covenants and other potential default events up to and including 31 December 2021.

Financial outlook

It is Management's view that the Group will experience continued revenue growth in 2022, with underlying performance exceeding pre-pandemic levels.

Given current forecasts of EBITDA, extending to a period in excess of 12 months from the date of approval of these financial statements, Management do not foresee any issues with liquidity or potential breaches of financial covenants, with a significant headroom.

Management are satisfied that a going concern basis of preparation for the financial statements remains appropriate.

Other risks:

Competition: There are significant barriers to entry for the construction of new motorway service areas, resulting in a low level of competition risk. Management actively monitor planning applications for motorway service areas on the UK network and do not currently envisage any material increase to the number of competitor sites.

Energy pricing: The Group's expenditure on utilities in the period was £5.5m (27 December 2020, £4.6m). Whilst a portion of the Group's utility costs are on a fixed tariff for a period of time, volatility in energy prices are expected to result in at least a £3.0m of price related increases in the year ahead. Management monitor energy pricing closely and seek to adopt an optimum buying strategy with assistance of an energy broker. Management also seek to enhance energy efficiency across the Group's operations

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, leases, interest rate swaps and equity instruments.

Discussion of the risks associated with these financial instruments is included in note 27 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.

No changes to the Group's capital have been required to manage financial covenants in either the current or prior period.

Section 172 statement

A description of how the Board have given regard to matters set out in section 172(1)(a) to (f) of the Companies Act 2006 whilst performing their duties is given in the Directors Report.

On behalf of the board

J Muirhead
Director

Date: 22 September 2022

DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 JANUARY 2022

The directors present their report and audited consolidated financial statements for the period ended 2 January 2022.

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

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

M Fox
L Bunn (appointed 1 October 2021)
I McKay
R Tindale
J Muirhead
D Wade

Results and dividends
The results for the period are set out on page 12. The directors do not recommend the payment of a dividend (27 December 2020 £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.

Corporate Governance

Section 172
The Board recognises that good governance helps the business implement its strategy, protect shareholder value and minimise risk and are committed to maintaining high standards of corporate governance. The Board'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, whilst having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, acting in good faith whilst promoting the success of the Group.

Stakeholder Involvement
Engagement with shareholders
Regular and transparent interaction is promoted with shareholders. The Group's board of directors includes representatives from the Group's principal and majority shareholder The Board meets eleven times per year to discuss the performance and strategic direction of the Group and approve significant business decisions Relevant business decisions and other topics of discussion with shareholders include:

- Remuneration policy,
- Board composition and other key appointments;
- Investment appraisals;
- Significant supplier agreements:
- Tax strategy;
- Significant business risks and opportunities: and
- Any other significant matters that may arise.

The Board also maintains a long-term business plan which is updated and shared with the Group's shareholders on a quarterly basis, providing a regular update on the long-term financial wellbeing of the Group.

Engagement with employees
The Board 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 through a series of Joint Consultative Committees from site level to Support Office so that the views of employees can be considered in making decisions that are likely to affect their interests. The Chief Executive Officer also monitors an email address named 'Tell Mark' which is promoted to all employees and enables them to raise ideas or concerns directly with him at any time. The Board makes use of an at least annual employee engagement survey to collect the views and opinions of its employees. The Board 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 and also participates in the Best Companies survey enabling employees to provide feedback directly to Best Companies which provides a rating of the Group's performance relative to other similar scale organisations in the UK. During 2022, the Group has been placed seventh on the overall national list with Best Companies, for the best big companies to work for in the UK, and placed fourth for the best companies to work for in the leisure and hospitality industry.

Engagement with customers
The Group actively encourages feedback from customers through its 'Tell Roadchef' programme which enables customers to provide immediate feedback on their experience. The Group's Reputation.com system collates customer feedback from Tell Roadchef, social media, online reviews and other sources meaning customers have a wide choice of channels through which to communicate and the Group receives near real time feedback This ensures that issues can be quickly rectified and outstanding service from team members can be recognised promptly. The Board also works closely with brand partners to ensure the Group fully utilises their branded feedback systems, ensuring the Group maintains consistent standards of service, quality and customer satisfaction across its branded outlets

Stakeholder involvement (continued)
Engagement with other stakeholders
Other stakeholders groups primarily include suppliers, lenders and charity partners, as well as transport infrastructure bodies, key trade bodies and others. The Board has in place key relationship partners from its management team to offer timely and responsive interaction whenever which ensures that these stakeholders are kept informed of all significant business decisions that may affect them and are able to raise ideas and concems with ease.

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.

Streamlined Energy & Carbon Reporting
The Group is committed to ensuring the business operates in a sustainable way, minimising the environmental impact of the business and pioneering new and innovative ways of supporting this.

The Group has taken measures in recent years to reduce its greenhouse gas (GCG) emissions, such as introducing solar panels to most of it's sites providing green power to the business. This alone has reduced carbon emissions by 480 tonnes per year, Other measures taken during the period to reduce the group's carbon impact include the installation of more energy efficient LED lighting for internal, external and signage, replacing the less efficient fluorescent style lighting, as well as replacing end of use assets with a more energy efficient equivalent, such as air handling units & hot water boilers The Group also ensures that 100% of electricity purchased is from renewable sources

The Group has also been involved in a number schemes to divert the companies waste away from landfill, for which the group has recently achieved zero waste to landfill status

Details of energy consumption and emissions for the Group are given below

	Period ended 2 January 2022 kWh	Year ended 27 December 2020 kWh
Energy consumption used to calculate emissions:	**40,608,521**	34,913,913
Energy consumption break down (kWh)		
Gas	5,965,072	5,272,315
Electricity	32,521,623	27,617,176
Transport Fuel	2,121,826	2,024,422

	Period ended 2 January 2022 Tonnes of C02 equivalent	Year ended 27 December 2020 Tonnes of C02 equivalent
Emissions from combustion of gas (Scope 1)	1,208	1,067
Emissions from purchased electricity (Scope 2)	6,905	6,439
Emissions from business travel where company is responsible for the purchasing of fuel (Scope 3)	586	558
Total gross emissions in metric tonnes CO2e	8,699	8,064
Intensity ratio: tonnes of C02e per £m of sales	48.1	70.6
Intensity ratio: tonnes of C02e per employee	2.9	2.5

Prepared following the 2019 HM Government Environmental Reporting Guidelines and using the 2021 & 2020 UK Government's Conversion Factors for Company Reporting.

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 aims to maintain sufficient available cash at any point to manage its day-to-day working capital requirements. In addition, the Group has leases and parent company debt which it uses to finance the Group's activities. On 7 April 2022 the Group repaid its bank borrowings. New bank borrowings of £270.0m have been obtained by an intermediate parent company, which are secured over the assets of the Group and are repayable in 2027.

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 2021.

The Group has net assets of £26.7m (27 December 2020: £20.0m) and net current liabilities of £17.2m (27 December 2020: £35.8m). The Group has received written 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 5. 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.

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

J Muirhead
Director

Date: 22 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 2 JANUARY 2022

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 accounting standards in conformity with the requirements of the Companies Act 2006 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, 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 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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

In the case of each director in office at the date the directors' report is approved:

• so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and

• they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information

On behalf of the board

J Muirhead
Director

Date: 22 September 2022

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 2 January 2022 and of the group's profit and the group's cash flows for the period from 28 December 2020 to 2 January 2022;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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 2 January 2022; 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 period 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Independent auditors' report to the members of Roadchef Limited (continued)

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 period ended 2 January 2022 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and regulations, health and safety legislation and government grants (including the Coronavirus Job Retention Scheme), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax compliance legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of Roadchef Limited (continued)

- Enquiry of management and those charged with governance around actual and potential litigation and claims and any instances of non-compliance with laws and regulations, and fraud;
- Inspecting correspondence and discussion with legal advisors in respect of actual or potential litigation;
- Reviewing minutes of meetings of those charged with governance;
- Testing Coronavirus Job Retention Scheme claims back to bank receipts and submitted claim forms. For a sample of employees we also reperformed the calculation of amounts claimed and sought evidence of the eligibility for those employees;
- Testing journals posted to revenue and expenses that have unusual account combinations, in particular those which manipulate revenue and EBITDA;
- Challenging and auditing assumptions and judgements made by management in their significant accounting estimates and judgements given the potential risk of management bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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
22 September 2022

ROADCHEF LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 2 JANUARY 2022

	Note	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Revenue	3	180.9	114 2
Cost of sales		(60.7)	(39.8)
Gross profit		120.2	74.4
Administrative expenses:			
Before exceptional items		(106.4)	(101.7)
Exceptional items	6	(1.0)	(3.4)
		(107.4)	(105.1)
Other operating income - government grants	7	2.9	10.7
Operating profit/ (loss)		15.7	(20.0)
Loss on disposal of property, plant and equipment		(0.3)	(1 7)
Exceptional finance income/ (costs)	11	0.5	(0.7)
Finance income	12	8.5	-
Finance costs	13	(10.2)	(15.1)
Profit/ (loss) before taxation		14.2	(37.5)
Taxation	14	(10.2)	2 6
Profit/ (loss) for the financial period	30	4.0	(34 9)

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 PERIOD ENDED 2 JANUARY 2022

	Note	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Profit/ (loss) for the financial period	30	4.0	(34.9)
Items that will not be reclassified to the income statement:			
Actuarial gains/ (losses) on pension schemes	31	2.9	(1.6)
IFRIC 14 pension scheme adjustment	31	0.5	(0.1)
Taxation on components of other comprehensive income/ (expense)	14	(0.7)	0.2
Total other comprehensive income/ (expense) for the period		2.7	(1.5)
Total comprehensive income/ (expense) for the period		6.7	(36.4)

ROADCHEF LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 2 JANUARY 2022

	Note	2 January 2022 £'m	27 December 2020 £'m
Assets			
Non-current assets			
Intangible assets	15	2.1	2.4
Property, plant and equipment	16	324.8	341 6
Employee benefit scheme surplus	31	5.8	1 1
Other assets	18	3.0	4.8
		335.7	349 9
Current assets			
Other assets	18	0.2	-
Inventories	19	3.3	2 9
Debtors - amounts falling due within one year	20	11.6	8.4
Cash and cash equivalents	21	30.4	16.4
		45.5	27.7
Total assets		381.2	377.6
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	22	(59.8)	(57 7)
Loans and borrowings	24	(0.7)	(5 1)
Other provisions	25	(1.4)	-
Deferred revenue	26	(0.7)	(0.7)
		(62.6)	(63.5)
Non-current liabilities			
Loans and borrowings	24	(256.3)	(255.2)
Other provisions	25	-	(4.3)
Derivative financial liabilities	23	(0.6)	(8.9)
Deferred revenue	26	(7.3)	(8.0)
Deferred tax liabilities	14	(27.7)	(17.7)
		(291.9)	(294.1)
Total liabilities		(354.5)	(357.6)
Net assets		26.7	20.0
Equity			
Called up ordinary shares	29	34.1	34.1
Capital reserve	30	0.2	0 2
Revaluation reserve	30	99.1	104.4
Accumulated losses	30	(106.7)	(118 7)
Total equity		26.7	20.0

The financial statements on pages 12 to 55 were approved by the board of directors and authorised for issue on 22 September 2022 and were signed on its behalf

J Muirhead
Director

The notes on pages 18 to 55 are an integral part of these financial statements

ROADCHEF LIMITED

COMPANY BALANCE SHEET
AS AT 2 JANUARY 2022

	Note	2 January 2022 £'m	27 December 2020 £'m
Assets			
Non-current assets			
Intangible assets	15	1.2	1.5
Property, plant and equipment	16	1.5	1.5
Investments in subsidiaries	17	302.8	302 8
Derivative financial assets	23	-	-
		305.5	305.8
Current assets			
Debtors - amounts falling due within one year	20	51.6	50.9
Cash and cash equivalents	21	5.2	2 7
		56.8	53.6
Total assets		362.3	359.4
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	22	(107.2)	(93 3)
Loans and borrowings	24	(0.4)	(4.5)
		(107.6)	(97.8)
Non-current liabilities			
Loans and borrowings	24	(127.5)	(126.4)
Derivative financial liabilities	23	(0.6)	(8.9)
		(128.1)	(135.3)
Total liabilities		(235.7)	(233.1)
Net assets		126.6	126.3
Equity			
Called up ordinary shares	29	34.1	34 1
Retained earnings	30	92.5	92.2
Total equity		126.6	126.3

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006. The profit for the financial year dealt with in the financial statements of the parent company, Roadchef Limited, was £0.3m (27 December 2020: loss of £12 7m).

The financial statements on pages 12 to 55 were approved by the board of directors and authorised for issue on 22 September 2022 and were signed on its behalf

J Muirhead
Director

Registered Number 01713437

The notes on pages 18 to 55 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JANUARY 2022

	Note	Called up ordinary shares £'m	Capital reserve £'m	Revaluation reserve £'m	Accumulated losses £'m	Total equity £'m
Group						
At 29 December 2019		34.1	0.2	109.7	(87.0)	57.0
Change in accounting policy		-	-	-	(0.6)	(0.6)
At 30 December 2019 (adjusted balance)		34.1	0.2	109.7	(87.6)	56.4
Loss for the financial year		-	-	-	(34.9)	(34.9)
Other comprehensive expense		-	-	-	(1.5)	(1.5)
Reserve transfer		-	-	(5.3)	5.3	-
At 27 December 2020		34.1	0.2	104.4	(118.7)	20.0
Profit for the financial period	30	-	-	-	4.0	4.0
Other comprehensive income	30	-	-	-	2.7	2.7
Reserve transfer	30	-	-	(5.3)	5.3	-
At 2 January 2022		34.1	0.2	99.1	(106.7)	26.7

	Note	Called up ordinary shares £'m	Retained earnings £'m	Total equity £'m
Company				
At 29 December 2019		34.1	104.9	139.0
Loss for the financial year		-	(12.7)	(12.7)
At 27 December 2020		34.1	92.2	126.3
Profit for the financial period	30	-	0.3	0.3
At 2 January 2022		34.1	92.5	126.6

ROADCHEF LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 2 JANUARY 2022

	Note	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Net cash inflow from operating activities	38	38.6	6.4
Investing activities			
Purchase of intangible assets	15	(0.3)	(0.6)
Purchase of property, plant and equipment	16	(8.8)	(8.3)
Proceeds from sale of property, plant and equipment		0.2	-
Net cash outflow from investing activities		(8.9)	(8.9)
Financing activities			
Interest paid		(10.7)	(8.3)
Interest element of lease payments		(0.2)	(0.2)
Repayment of capital element of leases	39	(1.0)	(2.0)
Repayment of borrowings	39	(5.0)	(0.3)
Parent entity repayments	39	-	-
New borrowings		1.2	13.5
Issue costs of borrowings		-	(0.1)
Net cash (outflow)/ inflow from financing activities		(15.7)	2.6
Increase in cash in the period		14.0	0.1
Cash and cash equivalents brought forward	21	16.4	16.3
Cash and cash equivalents carried forward	21	30.4	16.4

1 Accounting policies

Roadchef Limited is a private company limited by shares that is incorporated and domiciled in the United Kingdom. The address of its registered office is Roadchef House, Norton Canes MSA, Betty's Lane, Norton Canes, Cannock, Staffordshire, WS11 9UX, England

Basis of preparation

The financial statements have been prepared for the period ended 2 January 2022 The comparative period was the year ended 27 December 2020.

The Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and the Company financial statements have been prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework' (FRS 101). Accounting policies have been applied consistently

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 aims to maintain sufficient available cash at any point to manage its day-to-day working capital requirements. In addition, the Group has leases and parent company debt which it uses to finance the Group's activities. On 7 April 2022 the Group repaid its bank borrowings. New bank borrowings of £270.0m have been obtained by an intermediate parent company, which are secured over the assets of the Group and are repayable in 2027.

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 2021

The Group has net assets of £26.7m (27 December 2020: £20.0m) and net current liabilities of £17.2m (27 December 2020: £35.8m) The Group has received written 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.

1 Accounting policies (continued)

Basis of consolidation
The Group financial statements consolidate the financial statements of Roadchef Limited and its subsidiary undertakings for the period ended 2 January 2022 Acquisitions are accounted for under the acquisition method. The comparative period was the year ended 27 December 2020.

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 the 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

Plant and machinery, fixtures and fittings and computer equipment are all included within 'Fixtures, fittings and equipment' in note 16 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
Motor vehicles	Over the term of the lease

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

1 Accounting policies (continued)

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.

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 notes 20 and 27

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.

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

Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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

1 Accounting policies (continued)

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 period 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)

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 28

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

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

1 Accounting policies (continued)

Leased assets: Lessee
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable,

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,

- amounts expected to be payable by the group under residual value guarantees,

- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability

The lease payments are discounted using the interest rate implicit in the lease If that rate cannot be readily determined, the Company's incremental borrowing rate is used being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received,

- any initial direct costs, and

- restoration costs

Right-of-use assets are presented within property, plant and equipment.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

New standards, amendments and IFRIC Interpretations
No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 2 January 2022, 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 period ended 2 January 2022 and have not been early adopted by the Group.

There are no 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 15

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 31.

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 23

Provisions
Roadchef (Employee Benefits Trust) Limited ("REBTL") is a 100% subsidiary of the Group 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 Group has a provision for the payment of employment taxes following a claim by HMRC that the Group will be liable for charges associated with a distribution of funds from EBT1. Based upon recent discussions with HMRC and having given full consideration to all available documentary evidence and with the support of specialist counsel, the Directors have updated their estimate of the potential outflow that is expected, and have reduced the provision for this accordingly.

Further details on the provision recognised in respect of EBT1 distributions are disclosed in note 25.

2 Significant accounting judgements, estimates and assumptions (continued)

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 14.

Consolidation of Roadchef (Employee Benefits Trust) Limited
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 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 financial statements 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.

Contingent asset
The Group has not recognised an asset in relation to a potential inflow resulting from ongoing commercial negotiations The directors cannot determine the likelihood of an economic benefit arising for the Group and, given this uncertainty, have not disclosed a contingent asset in respect of this

3 Revenue

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Sale of goods	148.6	91.7
Provision of services	24.0	15.6
Rental income	8.3	6.9
	180.9	114.2

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 2 January 2022 is £nil (27 December 2020 £nil)

There are no outstanding performance obligations associated with contracts with customers at 2 January 2022 (27 December 2020: none).

4 Cost of sales

Cost of sales includes:

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Costs of inventories recognised as an expense	44.4	29.6
Franchise fees	8.1	4.8
Consumables, disposables and distribution	5.3	3.4

5 Administrative expenses

Administrative expenses include

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Depreciation of property, plant and equipment (note 16):		
- owned assets	16.1	17.3
- leased assets	9.7	9.5
Amortisation of intangible assets (note 15):		
- owned assets	0.5	0.5
Expense relating to variable lease payments not included in lease liabilities (note 24)	2.1	1.3
Insurance costs	0.9	0.8
IT costs	2.7	2.4
Repairs and maintenance	3.5	3.6
Utilities	5.5	4.6
IAS 19 pension expenses and associated costs	0.5	0.6
Employee benefit expenses (note 8)	52.1	53.1
Auditors' remuneration - audit fees (note 10)	0.3	0.3
Other fees to auditors (note 10)	-	0.2

6 Exceptional items

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Restructuring costs	0.3	1.1
Pre-opening expenses	0.1	0.2
Net employment taxes and associated expenses	(0.2)	1.3
Dilapidation expenses	0.1	-
Other	0.7	0.8
	1.0	3.4

Restructuring costs relate to costs following an internal reorganisation

Pre-opening expenses relate to non-capital costs associated with the opening of a new units, which include two Leon units during 2021

Net employment taxes credit of £0.2m (27 December 2020: charge of £1.3m) is in relation to a provision for employment taxes, as disclosed in note 25, net of reimbursements that have been recognised as an asset, as disclosed in note 18.

Dilpadiation expenses relate to one-off repair costs as required under the terms of one the Group's leasehold properties.

Other costs relate to building safety costs and costs incurred as part of the Company's response to the coronavirus pandemic, including personal protective equipment for employees and enhanced health and safety measures for customers

The tax impact of the above items has been to reduce the current tax charge by £0.2m (27 December 2020: £0.6m).

7 Government grants

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Coronavirus Job Retention Scheme	2.9	9.3
Eat Out to Help Out	-	1.4
	2.9	10.7

The Group has participated in the 'Coronavirus Job Retention Scheme', a Government initiative to support businesses throughout the coronavirus pandemic via a grant to cover a portion of employees wages, which ran until June 2021. In the prior year the Group participated in the 'Eat Out to Help Out Scheme', a Government scheme designed to encourage customer demand throughout August 2020. As part of this scheme the Government paid 50% of customer's eligible food bills, capped at £10 per head. There are no unfulfilled conditions or other contingencies attached to this grant

The Group has also had Government assistance via the business rates expanded retail discount, a business rates holiday for retail, hospitality and leisure businesses. No grant income has been received in the period, however the Group has benefitted from discounts against certain business rates charges which would otherwise have been charged through administrative expenses. Amounts discounted in the period which would have otherwise been charged through administrative expenses in the period total £4.4m (27 December 2020: £6.7m).

8 Employee benefit expenses

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

Group	Period ended 2 January 2022 Number	Year ended 27 December 2020 Number
Motorway Service Areas	2,896	3,100
Head office	97	97
	2,993	3,197

Their payroll costs comprised:

	£'m	£'m
Wages and salaries	48.1	49.0
Social security costs	3.1	3.2
Other pension costs (note 31)	0.9	0.9
	52.1	53.1

Company	Period ended 2 January 2022 Number	Year ended 27 December 2020 Number
Head office	97	97
	97	97

Their payroll costs comprised:

	£'m	£'m
Wages and salaries	6.0	7.2
Social security costs	0.7	0.9
Other pension costs (note 31)	0.2	0.2
	6.9	8.3

9 Directors' remuneration

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Short-term employee benefits	1.4	2.2
	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	0.4	0.6

There were no directors (27 December 2020 none) who were members of a defined benefit pension scheme.

Directors' advances are disclosed in note 34

10 Auditors' remuneration

	Period ended 2 January 2022 £'000	Year ended 27 December 2020 £'000
The remuneration of the auditors or their associates is further analysed as follows		
Auditors' remuneration:		
Audit of the financial statements*	80	50
Audit of other group companies	219	210
Total audit	299	260
Auditors' remuneration - other services		
Taxation compliance services	-	20
Tax advisory services	-	161
Other assurance services	10	8
Total other services	10	189

* £22,000 (27 December 2020: £17,000) of this relates to the Company

11 Exceptional finance income/ (costs)

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Exceptional finance Income/ (costs)	0.5	(0.7)

Current period exceptional finance income of £0.5m (27 December 2020 finance costs of £0.7m) has been incurred in relation to a provision for employment taxes, as disclosed in note 25.

12 Finance Income

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Fair value movement on derivatives (note 23)	8.3	
Other interest received	0.2	-
	8.5	-

13 Finance costs

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Bank loans and overdrafts	8.9	8.3
Finance costs of loans	1.1	0.9
Finance costs payable under leases	0.2	0.2
Other interest	-	-
Fair value movement on derivatives (note 23)	-	5.7
	10.2	15.1

14 Taxation

Taxation through consolidated income statement:

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Corporation tax		
Current tax on profit for the period	1.3	-
Adjustments in respect of prior periods	(0.4)	(0.2)
Total current tax	0.9	(0.2)
Deferred tax		
Origination and reversal of timing differences	3.5	(5.0)
Adjustments in respect of prior periods	0.2	0.2
Effect of changes in tax rates on deferred tax balance	5.6	2.4
Total tax charged/ (credited) to income statement	10.2	(2.6)

Taxation through consolidated statement of other comprehensive income:

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Deferred tax		
Deferred tax related to items recognised in other comprehensive income during the period:		
Movement in pension schemes	0.7	(0.2)
Total tax charged/ (credited) to other comprehensive income/ (expense)	0.7	(0.2)

The total current tax charge/ (credit) is different to the standard rate of corporation tax in the UK of 19.0% (27 December 2020: 19.0%). The material differences are reconciled below

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Profit/ (loss) before taxation	14.2	(37.5)
Profit/ (loss) before taxation multiplied by the UK tax rate of 19.00% (27 December 2020: 19.00%)	2.7	(7.1)
Transfer pricing adjustments	(0.3)	(0.2)
Effect of changes in tax rates on deferred tax balance	5.6	2.4
Adjustments in respect of prior periods	(0.2)	-
Group relief (claimed)/ surrendered not paid for	(0.9)	0.2
Expenses not deductible for tax purposes	3.3	2.1
Total tax charged/ (credited) to income statement	10.2	(2.6)

14 Taxation (continued)

Reconciliation of deferred taxes

Group	Consolidated balance sheet		Consolidated income statement	
	2 January 2022 £'m	27 December 2020 £'m	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Property, plant and equipment	(40.0)	(30.4)	(9.6)	(1 9)
Pension fund	(1.4)	(0.2)	(0.5)	(0.1)
Losses	11.5	11 3	0.2	4 4
Other short term timing differences	2.2	1.6	0.6	-
Deferred tax (charge)/ credit through income statement			(9.3)	2 4
Net deferred tax liability	(27.7)	(17 7)		
Reflected as:				
Deferred tax liabilities	(27.7)	(17 7)		
	(27.7)	(17 7)		

Movements in net deferred tax liability:	2 January 2022 £'m	27 December 2020 £'m
Net deferred tax liability		
Opening liability	(17.7)	(20.3)
(Charge)/ credit through income statement	(9.3)	2 4
(Charge)/ credit through other comprehensive income/ (expense)	(0.7)	0.2
Closing liability	(27.7)	(17.7)

The Group has chosen not to recognise a potential deferred tax asset of £9 3m In respect of corporate interest restrictions (27 December 2020 £7.1m) due to uncertainty over the recoverability of this asset

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% This was substantively enacted on 24 May 2021 Deferred tax balances have been calculated with reference to the tax rate which is most likely to be applicable when amounts are reversed

Reconciliation of deferred taxes
Company

The Company has chosen not to recognise a potential deferred tax asset of £9.5m in respect of brought forward tax losses and corporate interest restrictions (27 December 2020: £10 8m) due to uncertainty over the recoverability of this asset.

15 Intangible assets

Group	Goodwill on consolidation £'m	Computer Software £'m	Licences and agreements £'m	Total £'m
Cost or valuation				
At 30 December 2019	1 0	7 3	0.4	8 7
Additions	-	0 5	0.1	0.6
At 27 December 2020	1.0	7.8	0.5	9.3
Additions	-	0 3	-	0.3
Disposals	-	(0 1)	(0.1)	(0.2)
At 2 January 2022	1.0	8.0	0.4	9.4
Accumulated amortisation				
At 30 December 2019	0.2	6 1	0 1	6.4
Charge for the period	-	0.5	-	0.5
At 27 December 2020	0.2	6.6	0.1	6.9
Charge for the period	-	0.4	0.1	0.5
Disposals	-	(0.1)	-	(0.1)
At 2 January 2022	0.2	6.9	0.2	7.3
Net book value				
At 2 January 2022	0.8	1.1	0.2	2.1
At 27 December 2020	0 8	1 2	0.4	2.4
At 29 December 2019	0.8	1 2	0.3	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 2026. Other major assumptions are as follows

Discount rate	7.6%
Growth rate	3.0%

The recoverable amounts of the Magor CGU has been estimated to exceed the carrying amount by £15.7m (27 December 2020: £15.4m).

Managements assumptions are based upon past experience as well as market conditions existing at the reporting date

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 7.6% to 21.6%**
Growth rate	**Reduction from 3.0% growth to 15.6% decline**

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

15 Intangible assets (continued)

Company	Computer Software £'m	Licences and agreements £'m	Total £'m
Cost			
At 28 December 2020	7 4	0.6	8 0
Additions	0 3	-	0 3
Disposals	(0.1)	(0.1)	(0.2)
At 2 January 2022	7.6	0.5	8.1
Accumulated amortisation			
At 28 December 2020	6.4	0.1	6 5
Charge for the period	0.4	0 1	0.5
Disposals	(0 1)	-	(0 1)
At 2 January 2022	6.7	0.2	6.9
Net book value			
At 2 January 2022	0.9	0.3	1.2
At 27 December 2020	1 0	0.5	1 5

16 Property, plant and equipment

Group	Land and buildings			Fixtures, fittings and equipment	Total
	Freehold	Long leasehold	Short leasehold		
	£'m	£'m	£'m	£'m	£'m
Cost or deemed cost					
At 30 December 2019	135.9	54.2	201.4	123.2	514.7
Adjustment for change in accounting policy	-	-	3.0	2.3	5.3
Additions	-	-	0.6	8.8	9.4
Disposals	-	-	-	(5.6)	(5.6)
At 27 December 2020	135.9	54.2	205.0	128.7	523.8
Additions	-	-	-	9.6	9.6
Disposals	-	-	-	(4.4)	(4.4)
At 2 January 2022	135.9	54.2	205.0	133.9	529.0
Accumulated depreciation					
At 30 December 2019	16.9	9.3	70.1	61.5	157.8
Adjustment for change in accounting policy	-	-	0.3	1.2	1.5
Charge for the period	2.0	0.9	7.9	16.0	26.8
Disposals	-	-	-	(3.9)	(3.9)
At 27 December 2020	18.9	10.2	78.3	74.8	182.2
Charge for the period	1.9	0.9	8.1	14.9	25.8
Disposals	-	-	-	(3.8)	(3.8)
At 2 January 2022	20.8	11.1	86.4	85.9	204.2
Net book value					
At 2 January 2022	**115.1**	**43.1**	**118.6**	**48.0**	**324.8**
At 27 December 2020	117.0	44.0	126.7	53.9	341.6
At 29 December 2019	119.0	44.9	131.3	61.7	356.9

Property, plant and equipment includes right-of-use assets as follows.

	2 January 2022	27 December 2020
	£'m	£'m
Net book value		
Leasehold land and buildings	161.7	170.7
Equipment	1.9	1.9
Motor vehicles	0.5	0.4
	164.1	173.0

	2 January 2022	27 December 2020
	£'m	£'m
Depreciation charge for the period		
Leasehold land and buildings	9.0	8.8
Equipment	0.3	0.3
Motor vehicles	0.4	0.4
	9.7	9.5

Additions to the right-of-use assets during the period were £0.8m (27 December 2020: £1.2m)

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 market value of property, plant and equipment at 17 December 2018 was £417.6m.

16 **Property, plant and equipment (continued)**

Company	Freehold land £'m	Fixtures fittings and equipment £'m	Total £'m
Cost			
At 28 December 2020	0.3	3.3	3 6
Additions	-	0.9	0 9
Disposals	-	(1.2)	(1 2)
Transfers to group companies	-	(0.1)	(0 1)
At 2 January 2022	0.3	2.9	3.2
Accumulated depreciation			
At 28 December 2020	-	2.1	2.1
Charge for the period	-	0.7	0.7
Disposals	-	(1 1)	(1.1)
At 2 January 2022	-	1.7	1.7
Net book value			
At 2 January 2022	0.3	1.2	1.5
At 27 December 2020	0.3	1.2	1.5

Property, plant and equipment includes right-of-use assets as follows:

	2 January 2022 £'m	27 December 2020 £'m
Net book value		
Equipment	0.2	0.3
Motor vehicles	0.5	0.4
	0.7	0.7

	2 January 2022 £'m	27 December 2020 £'m
Depreciation charge for the period		
Equipment	0.1	0.2
Motor vehicles	0.4	0 4
	0.5	0.6

Additions to the right-of-use assets during the period were £0.8m (27 December 2020: £0.2m)

17 Investments in subsidiaries

Company	Subsidiary undertaking £'m
Cost and net book value	
At 27 December 2020 and 2 January 2022	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 (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 C/O Mazars Llp 1st Floor, Two Chamberlain Square Birmingham, B3 3AX

18 Other assets

	2 January 2022 £'m	27 December 2020 £'m
Group		
Current assets:		
Other assets - current asset	0.2	-
Non-current assets:		
Other assets - non-current asset	-	2.3
Long term prepayments	3.0	2.5
	3.0	4.8

Other assets relate to the reimbursement of employment taxes that would be due to the Group in the event that the Group is required to settle obligations to HMRC, as detailed in note 24 The value of other receivables has been calculated with reference to the provision recognised in note 25 and has been recognised based upon the strength of evidence which supports the Group's contractual right to receive reimbursement. Furthermore management have considered and gained documentary evidence that sufficient resources are available for the reimbursement to be made In recognising the indemnification asset, the Directors have taken legal advice, obtaining comfort that the contractual right to receive reimbursement is legally enforceable and that there are sufficient liquid funds to honour the contractual indemnification. Consequently, the Directors have concluded that it is virtually certain, in accordance with the requirements of IAS 37, that the liability will be indemnified and an asset of £0.2m has been recognised.

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

19 Inventories

Group	2 January 2022 £'m	27 December 2020 £'m
Raw materials and consumables	0.3	0.3
Goods for resale	3.0	2 6
	3.3	2 9

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

20 Debtors - amounts falling due within one year

	2 January 2022 £'m	27 December 2020 £'m
Group		
Trade receivables	3.3	1.8
Other receivables	0.4	0.7
Prepayments and accrued income	7.9	5.9
	11.6	8 4

As at 2 January 2022, trade receivables of £0.6m (27 December 2020 £0 1m) were past due. The ageing analysis of these receivables is as follows.

	2 January 2022 £'m	27 December 2020 £'m
Past due		
1-30 days	0.4	-
31-60 days	0.1	-
> 60 days	0.1	0 1
	0.6	0 1

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

	2 January 2022 £'m	27 December 2020 £'m
Opening provision	0.1	-
Amounts provided	-	0 1
Closing provision	0.1	0.1

	2 January 2022 £'m	27 December 2020 £'m
Company		
Amounts owed by group companies	51.0	50.0
Other receivables	0.3	0.4
Prepayments and accrued income	0.3	0.5
	51.6	50.9

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 2 January 2022 (27 December 2020 £6.8m).

21 Cash and cash equivalents

	2 January 2022 £'m	27 December 2020 £'m
Group		
Cash and cash equivalents	30.4	16.4

	2 January 2022 £'m	27 December 2020 £'m
Company		
Cash and cash equivalents	5.2	2.7

22 Creditors - amounts falling due within one year

	2 January 2022 £'m	27 December 2020 £'m
Group		
Trade payables	9.8	8 0
Amounts owed to a group company	33.0	33.0
Other taxes and social security	4.0	3.2
Other payables	0.3	0.3
Accruals	12.7	13.2
	59.8	57.7

	2 January 2022 £'m	27 December 2020 £'m
Company		
Trade payables	1.3	2.0
Amounts owed to group companies	102.2	84.7
Other taxes and social security	0.3	2.5
Other payables	0.2	0.2
Accruals	3.2	3.9
	107.2	93.3

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

23 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

Derivative financial liabilities:	2 January 2022 £'m	27 December 2020 £'m
Group		
Interest rate swaps	0 6	8 9
Company		
Interest rate swaps	0.6	8.9

24 Loans and borrowings

	2 January 2022 £'m	27 December 2020 £'m
Group		
Secured bank loans	254.4	257.4
Leases	2.6	2 9
	257.0	260 3

Secured bank loans	2 January 2022 £'m	27 December 2020 £'m
Secured bank loans maturity:		
Repayable in more than two years but not more than five years	254.4	253.3
	254.4	253.3
Repayable in one year or less	-	4.1
	254.4	257.4

The secured bank loans are repayable as follows:	2 January 2022 £'m	27 December 2020 £'m
LIBOR + 2.25% repayable March 2021	-	5.0
LIBOR + 2 25% repayable January 2024	256.5	255.3
	256.5	260.3
Less finance costs allocated to future periods	(2.1)	(2.9)
	254.4	257.4

The secured bank loans held at 2 January 2022 are secured by fixed and floating charges over assets held by the Group.

At 2 January 2022, the Group had available £5,000 000 (27 December 2020 £nil) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group also had available £10,300,000 (27 December 2020: £11,500,000) 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.

Secured bank loans held by the Group at 2 January 2022 were repaid on 7 April 2022 following a refinance of the Group's borrowings (note 33).

Lease liabilities	2 January 2022 £'m	27 December 2020 £'m
Lease maturity:		
Current	0.7	1.0
Non-current	1.9	1.9
	2.6	2.9

Interest expenses for the period of £0.2m (27 December 2020. £0 2m) have been charged to finance costs in relation to leases.

Variable lease payments that depend on sales of £2 1m (27 December 2020. £1 3m) have been charged to administrative expenses and are not included in the measurement of lease liabilities.

The 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 27.

24 Loans and borrowings (continued)

	2 January 2022 £'m	27 December 2020 £'m
Company		
Secured bank loans	127.2	130 1
Leases	0.7	0 8
	127.9	130.9

Secured bank loans	2 January 2022 £'m	27 December 2020 £'m
Secured bank loans maturity:		
Repayable in more than two years but not more than five years	127.2	126 0
	127.2	126.0
Repayable in one year or less	-	4 1
	127.2	130.1

The secured bank loans are repayable as follows:

	2 January 2022 £'m	27 December 2020 £'m
LIBOR + 2 25% repayable March 2021	-	5.0
LIBOR + 2 25% repayable January 2024	129.2	128.0
	129.2	133.0
Less finance costs allocated to future periods	(2.0)	(2 9)
	127.2	130.1

The secured bank loans held at 2 January 2022 are secured by fixed and floating charges over assets held by the Group

At 2 January 2022, the Company had available £5,000,000 (27 December 2020: £nil) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Company also had available £10,300,000 (27 December 2020 £11,500,000) 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

Secured bank loans held by the Company at 2 January 2022 were repaid on 7 April 2022 following a refinance of the Company's borrowings (note 33).

Leases	2 January 2022 £'m	27 December 2020 £'m
Lease liabilities		
Current	0.4	0.4
Non-current	0.3	0.4
	0.7	0.8

The leases are secured by charges over specific related assets

25 Other provisions

	2 January 2022 £'m	27 December 2020 £'m
Employment taxes - current liability	1.4	-
Employment taxes - non-current liability	-	4.3

The Group has made a provision for employment taxes following a claim by HMRC that the Group will be liable for charges associated with a distribution of funds from EBT1, discussed in note 2 The provision recognised at 2 January 2022 is based upon an agreed position with HMRC

26 Deferred revenue

	2 January 2022 £'m	27 December 2020 £'m
Group		
Opening balance	8.7	9.4
Credited to income statement	(0.7)	(0 7)
Closing balance	8.0	8 7

	2 January 2022 £'m	27 December 2020 £'m
Current	0.7	0 7
Non-current	7.3	8.0
	8.0	8.7

27 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 £3 3m (27 December 2020: £1.8m), 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 2 January 2022, after taking into account the effect of interest rate swaps and including leases held, approximately 90% of the Group's borrowings are at a fixed rate of interest (27 December 2020: 86%)

27 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 £0.1m through the impact on floating rate borrowings (27 December 2020: £0.2m).

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	More than 5 years £'m	Total £'m
At 2 January 2022					
Trade and other payables	47.1	-	-	-	47.1
Loans and borrowings	1.7	5.8	264.9	3.6	276.0
	48.8	5.8	264.9	3.6	323.1

	Up to 3 months £'m	Between 3 and 12 months £'m	Between 1 and 5 years £'m	More than 5 years £'m	Total £'m
At 27 December 2020					
Trade and other payables	44.5	-	-	-	44.5
Loans and borrowings	6.8	5.3	268.9	3.7	284 7
	51.3	5 3	268.9	3.7	329 2

28 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	2 January 2022 Carrying amount £'m	Fair value £'m
Financial liabilities		
Secured bank loans	254.4	254.4
Leases	2.6	2.6
	257.0	257.0

	27 December 2020 Carrying amount £'m	Fair value £'m
Financial liabilities		
Secured bank loans	257.4	257.4
Leases	2.9	2.9
	260.3	260.3

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		
2 January 2022	Quoted prices in active markets (Level 1) £'m	Significant observable inputs (Level 2) £'m	Significant unobservable inputs (Level 3) £'m
Liabilities measured at fair value:			
Interest rate swaps	-	0.6	-
Liabilities for which fair values are disclosed:			
Secured bank loans	-	254.4	-
Leases	-	2.6	-

	Fair value measurement using		
27 December 2020	Quoted prices in active markets (Level 1) £'m	Significant observable inputs (Level 2) £'m	Significant unobservable inputs (Level 3) £'m
Liabilities measured at fair value:			
Interest rate swaps	-	8.9	-
Liabilities for which fair values are disclosed:			
Secured bank loans	-	257.4	-
Leases	-	2.9	-

There have been no transfers between fair value hierarchy levels during the period ended 2 January 2022 (27 December 2020, none).

29 Called up ordinary shares

	2 January 2022 £'m	27 December 2020 £'m
Group and Company		
Authorised		
1,000,000,000 (27 December 2020: 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 (27 December 2020: 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

30 Reserves

Group	Capital reserve £'m	Revaluation reserve £'m	Accumulated losses £'m	Total £'m
At 30 December 2019	0.2	109.7	(87.0)	22 9
Change in accounting policy	-	-	(0.6)	(0.6)
Loss for the financial year	-	-	(34 9)	(34.9)
Actuarial loss on pension scheme	-	-	(1 6)	(1.6)
IFRIC 14 pension scheme adjustment	-	-	(0.1)	(0.1)
Tax on components of other comprehensive expense	-	-	0.2	0.2
Reserves transfer	-	(5.3)	5.3	-
At 27 December 2020	0.2	104.4	(118.7)	(14.1)
Profit for the financial period	-	-	4.0	4.0
Actuarial gain on pension scheme	-	-	2.9	2 9
IFRIC 14 pension scheme adjustment	-	-	0.5	0 5
Tax on components of other comprehensive income	-	-	(0.7)	(0 7)
Reserves transfer	-	(5.3)	5.3	-
At 2 January 2022	0.2	99.1	(106.7)	(7.4)

Reserve transfer between the revaluation reserve and retained earnings is in respect of excess depreciation that has been charged in against revalued assets

Company	Retained earnings £'m	Total £'m
At 28 December 2020	92.2	92.2
Profit for the financial period	0.3	0 3
At 2 January 2022	92.5	92.5

31 Employee benefit 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 period for these schemes amounted to £0 9m (27 December 2020: £0 9m). An amount of £0 2m (27 December 2020 £0 2m) is owed to the pension schemes at the period 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 2020

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 period in respect of this scheme were £1 1m (27 December 2020: £1 1m).

The market value of the scheme's assets as at 31 May 2020 was £36.0m. The actuarial value of the assets as at 31 May 2020 represented 85% of the accrued benefits.

The actuarial valuations described above have been updated at 2 January 2022 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 2 January 2022 is a surplus of £4.5m (27 December 2020: £1 1m).

The major assumptions used by the actuary were:

	2 January 2022	27 December 2020
Rate of increase in 5% capped pensions in payment	3.1%	2.9%
Rate of increase in 2 5% capped pensions in payment	2.1%	2 1%
Discount rate	2.0%	1 4%
Inflation assumption (retail price index)	3.3%	2.9%
Inflation assumption (consumer price index)		
Pre 2030	2.3%	1 9%
Post 2030	3.2%	2.8%

Sensitivity analysis for the significant assumptions is as follows:

	Effect on obligation	
	2 January 2022 £'m	27 December 2020 £'m
Discount rate - 0.1% increase	(0.7)	(0 7)
Inflation assumptions - 0 1% increase	0.4	0 5
Life expectancy - 1 year increase	1.4	1 5

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:

	2 January 2022	27 December 2020
Active and deferred members	S3NA + CMI_2020 with 1.25% long term rate	S3NA + CMI_2019 with 1 25% long term rate
Pensioners	S3NA + CMI_2020 with 1.25% long term rate	S3NA + CMI_2019 with 1.25% long term rate

31 Employee benefit schemes (continued)

Roadchef Motorways Holdings Limited (continued)

For the period ended 2 January 2022 the S3NA mortality tables were used with an allowance for improvements in mortality using CMI_2020 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 22 5 years after reaching age 65 and a male member aged 65 at the valuation date would be expected to live for another 21.2 years. A female aged 45 at the accounting date would be expected to live for another 25.2 years after reaching age 65 and a female member aged 65 at the valuation date would be expected to live for another 23.8 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

	2 January 2022 £'m	27 December 2020 £'m
Equities	3.1	2.6
Diversified growth funds	6.3	5.7
Bonds	22.7	21 1
Liability driven investments	6.1	7.3
Cash	0.1	0.1
Total market value of assets	38.3	36.8
Present value of scheme liabilities	(33.8)	(35 7)
Surplus in the scheme	4.5	1 1

The fair value of the assets in the scheme are determined based on quoted prices in active markets, including investments in pooled investment funds which are unquoted, but where underlying assets of these funds are quoted

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

	2 January 2022 £'m	27 December 2020 £'m
Opening fair value of scheme assets	36.8	33.9
Interest on plan assets	0.5	0 7
Actuarial gains	1.0	2 2
Contributions by employer	1.1	1 1
Expenses	(0 2)	(0 2)
Benefits paid	(0.9)	(0 9)
Closing fair value of scheme assets	38.3	36.8

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

	2 January 2022 £'m	27 December 2020 £'m
Opening fair value of scheme liabilities	35.7	32 3
Interest on pension liabilities	0 5	0 7
Actuarial (gains)/ losses	(1.5)	3.6
Benefits paid	(0.9)	(0.9)
Closing fair value of scheme liabilities	33.8	35 7

31 Employee benefit schemes (continued)

Roadchef Motorways Holdings Limited (continued)

The following entries have been made in the financial statements:

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Operating profit		
Expenses	(0.2)	(0.2)
Total operating charge	(0.2)	(0.2)
Other finance credits/(charges)		
Interest on plan assets	0.5	0 7
Interest on pension liabilities	(0.5)	(0 7)
Net finance result	-	-

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Statement of other comprehensive income (OCI)		
Actual return less expected return on pension assets	1.0	2 2
Experience (losses)/ gains arising on pension scheme liabilities	(0.7)	0 5
Changes in assumptions underlying the present value of the scheme's liabilities	2.2	(4 1)
Actuarial gain/ (loss) recognised in OCI	2.5	(1.4)

Movement in surplus in the period

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Opening plan surplus	1.1	1.6
Contributions	1.1	1 1
Expenses	(0.2)	(0 2)
Actuarial gains/ (losses)	2.5	(1.4)
Closing plan surplus	4.5	1 1

The Group has recognised a deferred tax liability on pensions of £1.1m (27 December 2020 £0.2m)

31 **Employee benefit schemes (continued)**

Roadchef Motorways Holdings Limited (continued)

Details of experience gains and losses:

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Difference between the expected and actual return in scheme assets		
- amount	1.0	2.2
Experience (losses)/ gains on liabilities		
- amount	(0.7)	0.5
Total amount recognised in OCI		
- amount	2.5	(1 4)
- as a percentage of scheme liabilities	7%	4%

As at 2 December 2022 the number of active members in the scheme was nil (27 December 2020 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 period ended 2 January 2022 were fixed amounts of £88,833 monthly. The agreed contribution rate for the next year is £88,833 monthly and two additional lump sum payments totalling £1.7m

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

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

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 2020.

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 period in respect of this scheme were £0.5m (27 December 2020: £0 5m).

The market value of the scheme's assets as at 31 May 2020 was £8.4m and this was sufficient to cover 86% of the benefits that had accrued to members.

The actuarial valuations described above have been updated at 2 January 2022 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 2 January 2022, excluding the impact of the IFRIC 14 asset limit, is a surplus of £1.3m (27 December 2020: £0.5m).

The major assumptions used by the actuary were:

	2 January 2022	27 December 2020
Rate of increase in 5% capped pensions in payment	3.2%	2.9%
Rate of increase in 2.5% capped pensions in payment	2.1%	2.1%
Discount rate	1.9%	1 4%
Inflation assumption (retail price index)	3.4%	2 9%
Inflation assumption (consumer price index)		
Pre 2030	2.4%	1.9%
Post 2030	3.3%	2.8%

31 **Employee benefit schemes (continued)**

Blue Boar Motorways Limited (continued)

Sensitivity analysis for the significant assumptions is as follows

	Effect on obligation	
	2 January 2022 £'m	27 December 2020 £'m
Discount rate - 0.1% decrease	(0.1)	(0.1)
Inflation assumptions - 0.1% increase	-	0.1
Life expectancy - 1 year increase	0.4	0.4

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.

	2 January 2022	27 December 2020
Active and deferred members	S3NA + CMI_2020 with 1.25% long term rate	S3NA + CMI_2019 with 1.25% long term rate
Pensioners	S3NA + CMI_2020 with 1.25% long term rate	S3NA + CMI_2019 with 1.25% long term rate

For the period ended 2 January 2022 the S3NA mortality tables were used with an allowance for improvements in mortality using CMI_2020 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 22.5 years after reaching age 65 and a male member aged 65 at the valuation date would be expected to live for another 21.2 years. A female aged 45 at the accounting date would be expected to live for another 25 2 years after reaching age 65 and a female member aged 65 at the valuation date would be expected to live for another 23 8 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

	2 January 2022 £'m	27 December 2020 £'m
Equities	-	0.7
GARS	1.1	1.3
Bonds	5.8	5.7
Liability driven investment	0.8	0.9
Cash	1.1	0.1
Total market value of assets	8.8	8.7
Present value of scheme liabilities	(7.5)	(8.2)
IFRIC 14 impact	-	(0.5)
Surplus in the scheme	1.3	-

The fair value of the assets in the scheme are determined based on quoted prices in active markets, including investments in pooled investment funds which are unquoted, but where underlying assets of these funds are quoted

31 Employee benefit schemes (continued)

Blue Boar Motorways Limited (continued)

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

	2 January 2022 £'m	27 December 2020 £'m
Opening fair value of scheme assets	8.7	8.2
Interest on plan assets	0.1	0.1
Actuarial (losses)/ gains	(0.1)	0.4
Contributions by employer	0.5	0.5
Benefits paid	(0.3)	(0.4)
Expenses	(0.1)	(0.1)
Closing fair value of scheme assets	8.8	8.7

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

	2 January 2022 £'m	27 December 2020 £'m
Opening fair value of scheme liabilities	8.2	7.9
Interest on pension liabilities	0.1	0.1
Actuarial (gains)/ losses	(0.5)	0.6
Benefits paid	(0.3)	(0.4)
Closing fair value of scheme liabilities	7.5	8.2

Movement in IFRIC 14 asset limit are as follows:

	2 January 2022 £'m	27 December 2020 £'m
Opening asset limit	0.5	0.4
Movement	(0.5)	0.1
Closing asset limit	-	0.5

The following entries have been made in the financial statements

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Operating profit		
Expenses	(0.1)	(0.1)
Total operating charge	(0.1)	(0.1)
Other finance charges		
Interest on plan assets	0.1	0.1
Interest on pension liabilities	(0.1)	(0.1)
Net finance result	-	-

31 Employee benefit schemes (continued)

Blue Boar Motorways Limited (continued)

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Statement of other comprehensive income (OCI)		
Actual return less expected return on pension assets	(0.1)	0.4
Experience gain arising on pension scheme liabilities	-	0.1
Changes in assumptions underlying the present value of the scheme's liabilities	0.5	(0.7)
IFRIC 14 impact	0.5	(0.1)
Actuarial gain/ (loss) recognised in OCI	0.9	(0.3)

Movement in surplus/ (deficit) in the period

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Opening plan deficit	-	(0.1)
Contributions	0.5	0.5
Operating expenses	(0.1)	(0.1)
Actuarial losses	0.9	(0.3)
Closing plan surplus	1.3	-

The Group has recognised a deferred tax liability on pensions of £0.3m (27 December 2020: £nil).

Details of experience gains and losses:

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Difference between the expected and actual return in scheme assets:		
- amount	(0.1)	0.4
Experience gains on liabilities		
- amount	-	0.1
Total amount recognised in OCI		
- amount	0.9	(0.3)
- as a percentage of scheme liabilities	(12)%	4%

As at 2 January 2022 the number of active members in the scheme was nil (27 December 2020: 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 period ended 2 January 2022 were amounts of £38,917 monthly. The agreed contribution rate for the next year is £38,917 monthly.

The weighted average duration of the expected benefit payments from the defined benefit pension scheme is approximately 15 years.

32 Financial 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 period is £7.4m (27 December 2020: £6.0m) 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.

	2 January 2022 Land and buildings £'m	27 December 2020 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	10.0	10 9
	14.4	15.3

33 Post balance sheet events

On 7 April 2022 the Group and Company repaid its bank borrowings. New bank borrowings of £270.0m have been obtained by an intermediate parent company, which are secured over the assets of the Group and are repayable in 2027. As a result, existing unamortised finance costs of £2 1m have been charged to finance costs after the reporting date.

34 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:

	29 December 2019 £000's	Repayments £000's	27 December 2020 £000's	Repayments £000's	2 January 2022 £000's
M Fox	113	(38)	75	-	75
S Turl *	75	-	75	-	75
I McKay	45	-	45	-	45
R Tindale	80	(38)	42	-	42
J Muirhead	62	(31)	31	-	31
	375	(107)	268	-	268

* Non-executive director of a group company

35 Related party disclosures

In addition to transactions with directors, disclosed in notes 9 and 34, the following related party transactions and balances have occurred:

Group

		Amounts owed to related parties £'m
Parent entity		
Roadchef Bidco Limited	2 January 2022	33.0
	27 December 2020	33.0

36 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 2 January 2022 was £127,300,000 (27 December 2020 £127,300,000). 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 24

37 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, a company registered in England and Wales. Copies of these financial statements can be obtained from Companies House. Crown Way Maindy, Cardiff, CF14 3UZ

As at 2 January 2022, Antin Infrastructure Partners Luxembourg III S.a.r.l is considered to be the ultimate controlling party, a company registered in Luxembourg On 17 March 2022 the ultimate controlling party of the Company changed from Antin Infrastructure Partners Luxembourg III S a r.l to Macquarie European Infrastructure Fund 6 SCSp, a fund registered in Luxembourg

38 Net cash inflow from operating activities

Group

	Period ended 2 January 2022 £'m	Year ended 27 December 2020 £'m
Operating profit/ (loss)	15.7	(20.0)
Amortisation of intangible assets	0.5	0.5
Depreciation of property, plant and equipment	25.8	26.8
Amortisation of deferred revenue	(0.7)	(0.7)
Non-cash exceptional items	(0.6)	1.3
Difference between pension charge and cash contribution	(1.3)	(1 3)
(Increase)/ decrease in inventories	(0.4)	0 5
(Increase)/ decrease in receivables	(3.4)	1 9
Increase/ (decrease) in payables	3.5	(2 2)
Net corporation tax paid	(0.5)	(0 4)
Net cash inflow from operating activities	38.6	6 4

39 Net debt reconciliation

Group

	2 January 2022 £'m	27 December 2020 £'m
Cash and cash equivalents	30.4	18.4
Secured bank loans (gross of finance costs allocated to future periods)	(256.5)	(260.3)
Leases	(2.6)	(2.9)
Net debt	(228.7)	(246.8)

	Cash and cash equivalents £'m	Secured bank loans (gross of finance costs allocated to future periods) £'m	Unsecured loans £'m	Leases £'m	Total £'m
Net debt at 30 December 2019	16.3	(246.8)	(0.3)	(1.7)	(232.5)
Adjustment for change in accounting policy	-	-	-	(2.1)	(2.1)
Cash flows	0.1	-	-	-	0.1
Repayment of borrowings	-	-	0.3	2.0	2.3
New borrowings (cash)	-	(13.5)	-	-	(13.5)
New leases (non-cash)	-	-	-	(1.1)	(1.1)
Net debt at 27 December 2020	16.4	(260.3)	-	(2.9)	(246.8)
Cash flows	14.0	-	-	-	14.0
Repayment of borrowings	-	5.0	-	1.0	6.0
New borrowings (cash)	-	(1.2)	-	-	(1.2)
Early termination of leases (non-cash)	-	-	-	0.1	0.1
New leases (non-cash)	-	-	-	(0.8)	(0.8)
Net debt at 2 January 2022	30.4	(256.5)	-	(2.6)	(228.7)