

REGISTERED NUMBER 3126731

**First Motorway Services Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 1 JANUARY 2013**



**First Motorway Services Limited**

**COMPANY INFORMATION**

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**DIRECTORS**

S Turl  
I McKay  
R Tindale  
L Dafna

**SECRETARY**

M Hedditch

**REGISTERED OFFICE**

RoadChef House  
Norton Canes MSA  
Betty's Lane  
Norton Canes  
Cannock  
Staffordshire  
WS11 9UX

**AUDITORS**

Ernst & Young LLP  
1 Colmore Square  
Birmingham  
B4 6HQ

**BANKERS**

Lloyds TSB plc  
42 Commercial Street  
Newport  
NP20 1WX

**First Motorway Services Limited**

**CONTENTS**

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<b>Contents</b>	<b>Page</b>
Directors' report	1 - 3
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Note of historical cost profits and losses	7
Balance sheet	8
Notes to the financial statements	9 - 17

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 1 JANUARY 2013**

The directors present their annual report on the affairs of the Company together with the financial statements and independent auditor's report, for the year ended 1 January 2013. The comparative period was the 9 months ended 3 January 2012.

**Business review and principal activity**

The Company operated a Motorway Service Area on 1 side of the motorway and a trunk road service area in the United Kingdom for the year ended 1 January 2013. We do not anticipate the principal activities of the business to change in the foreseeable future.

The results for the Company show an operating loss of £109,000 (3 January 2012: £683,000) and a pre-tax loss of £111,000 (3 January 2012: £708,000). The Board are satisfied with the results for the year.

**Business environment and strategy**

The following narrative relates to the underlying trade of the Roadchef Group which the directors consider to be the primary drivers of the business. The Roadchef Group includes all companies owned directly and indirectly by Roadchef Limited.

The UK Motorway Service Area market is concentrated in the hands of three major operators and several smaller operators, of which Roadchef is the third largest with a market share of about 21% (3 January 2012: 21%).

Management believe that there are about 42 million visits to the Roadchef Group's sites in a year and 68% of these visits result in the visitor being converted to a customer. The Roadchef Group's objective is to increase the conversion rate and the amount each customer spends. Recent investment in the catering offering at key sites has proven to reduce the level of non-conversion by between 10-15%.

The Roadchef Group's strategies to achieve this objective are as follows -

- service our customer in as friendly and efficient a manner as possible,
- ensure that the brand and services that the Roadchef 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 price within the motorway service industry.

**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.

During 2012 the Roadchef Group continued with its multi-million pound development plan of the Motorway Service Areas. In addition to the five installed during 2011, the Group has installed McDonald's at four Motorway Service Areas during 2012 including Magor, which has proved very successful with sales growth of up to 350% in some outlets. In addition the Roadchef Group continued to invest in new seating areas and revitalising the Costa units at the same sites. The development programme will continue to run through 2013 where we are planning to develop a further six sites. The Roadchef Group has continued to develop the Days Inn hotels on all sites, including Magor following its conversion from Travelodge in 2011.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013**

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The management of the business and the execution of the Company's strategy are subject to a number of risks

**Minimum Wage** The Company employs many of its staff at wage rates that are close to the national minimum wage. In past years significant increases in the minimum wage announced by the UK Government has resulted in the Group having to award above inflation pay increases

**Legislative Change** Current restrictions prevent the building of new service areas within 28 miles or 30 minutes travel time of an existing site, which greatly restricts new competition. Whilst no legislative change has as yet been effected, government are currently giving consideration to allow local authorities to make decisions regarding the building of new service areas based upon local requirements. If this ruling were to change then additional competition could enter the market. The Board are however confident that the ongoing investment and development of the Company's Motorway Service Area will help in mitigating the threat posed from an increased number of competitors.

**Road Pricing** There has been much discussion in the press concerning the implementation of a road pricing regime aimed at reducing the use of motor vehicles. The Company's management regard the implementation of such a UK Government policy to be remote at present, though consider it to be a potential long term issue.

**Competition** In the current economic climate a government programme of new road building is not on the agenda. Government policy is now leaning towards road widening and the use of the hard shoulder. As this policy will not result in additional motorway service stations being built there is not the competition risk associated with new roads.

**Key Performance indicators**

The Board monitors progress on the overall Company strategy and the individual strategic elements by reference to a series of KPI's, including growth in amenity building sales, gross margin, number of transactions, and spend per transaction.

**Charitable and political contributions**

During the year the Company made charitable and political donations of £nil (3 January 2012: £nil).

**Results and dividends**

The results for the year are set out on page 6. The directors do not recommend the payment of a dividend (3 January 2012: interim dividend of £0.60 per share).

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The key sensitivity is the level of trading it achieves which is dependant on a number of factors outside the its control, including fuel prices, the wider economy and also the weather. 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.

Overall the Group meets its day-to-day working capital requirements through an overdraft facility which is renewed annually. In addition the Group has various secured and unsecured loan notes and bank debt which it uses to finance the Group's activities. The Company is party to the Group arrangements or the recipient of the on-lending of these borrowings.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group expects to operate within the level of its current facilities and to meet the required covenant tests.

The directors are of the opinion that, having regard to the funding available from MSA Acquisitions Co. Limited, the Company has sufficient funds to continue in operational existence for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Directors**

Details of all the directors who have held office since 3 January 2012 are given below.

S Turi  
I McKay  
R Tindale  
L Dafna (appointed 1 February 2012)

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013**

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**Directors' liability insurance and indemnity**

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

**Directors' statement as to disclosure of information to the auditors**

The directors who were members of the Board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that

- to the best of each directors' knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- each director had taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the auditors were aware of that information.

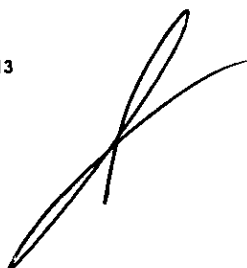
**Auditors**

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

**On behalf of the Board**

**L Dafna  
Director**

**Date 19 June 2013**

A handwritten signature in black ink, consisting of a large, stylized 'L' and 'D' intertwined.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 1 JANUARY 2013**

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**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF FIRST MOTORWAY SERVICES LIMITED**

We have audited the financial statements of First Motorway Services Limited for the year ended 1 January 2013 which comprise the Profit and Loss Account the Statement of Total Recognised Gains and Losses the Note of Historical Cost Profits and Losses the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 January 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

*Ernst & Young LLP*

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

Date

21/6/2013



**First Motorway Services Limited**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 1 JANUARY 2013**

	Note	Year ended 1 January 2013 £'000	Period ended 3 January 2012 £'000
Turnover		4,934	2,810
Cost of sales		(1,748)	(995)
Gross profit		3,186	1,815
Administrative expenses			
Before exceptional items		(3,142)	(2,457)
Exceptional items	2	(153)	(41)
		(3,295)	(2,498)
Operating loss	6	(109)	(683)
Interest receivable and similar income		17	-
Interest payable and similar charges		(19)	(25)
Net finance cost	5	(2)	(25)
Loss on ordinary activities before taxation		(111)	(708)
Taxation	8	(10)	136
Loss for the financial period	16	(121)	(572)

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

**First Motorway Services Limited**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 1 JANUARY 2013**

	Note	Year ended 1 January 2013 £'000	Period ended 3 January 2012 £'000
Loss for the financial period	16	(121)	(572)
Unrealised surplus on revaluation of land and buildings	9	1,022	2 351
<b>Total recognised gains for the period</b>		<b>901</b>	<b>1 779</b>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 1 JANUARY 2013**

	Note	Year ended 1 January 2013 £'000	Period ended 3 January 2012 £'000
Reported loss on ordinary activities before taxation		(111)	(708)
Difference between the historical cost depreciation charge and the actual depreciation charge for the period	16	181	125
<b>Historical cost profit/ (loss) on ordinary activities before taxation</b>		<b>70</b>	<b>(583)</b>
<b>Historical cost profit/ (loss) on ordinary activities after taxation</b>		<b>60</b>	<b>(447)</b>

**First Motorway Services Limited**

**BALANCE SHEET  
AS AT 1 JANUARY 2013**

	Note	1 January 2013 £'000	3 January 2012 £'000
<b>Fixed assets</b>			
Tangible fixed assets	9	<u>12,800</u>	11 281
<b>Current assets</b>			
Stocks	10	122	184
Debtors amounts falling due within one year	11	13,982	135
Cash at bank and in hand		<u>178</u>	<u>222</u>
		14,282	541
<b>Creditors amounts falling due within one year</b>	12	<u>(19,300)</u>	(238)
<b>Net current (liabilities)/ assets</b>		<u>(5,018)</u>	303
<b>Total assets less current liabilities</b>		<u>7,782</u>	11 584
<b>Creditors amounts falling due after more than one year</b>	13	-	(4,556)
<b>Provisions for liabilities and charges</b>	14	<u>(525)</u>	(672)
<b>Net assets</b>		<u>7,257</u>	6,356
<b>Capital and reserves</b>			
Called up share capital	15	101	101
Revaluation reserve	16	6,266	5,425
Profit and loss account	16	890	830
<b>Equity shareholder's funds</b>	17	<u>7,257</u>	6,356

The financial statements were approved by the Board and authorised for issue on 19 June 2013

L Dafna  
Director



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY 2013

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**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards (UK GAAP), which have been consistently applied. The principal accounting policies are set out below.

**Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

**Cash flow statement**

The Company qualifies under Financial Reporting Standard 1 "Cash Flow Statements", for exemption from preparing a cash flow statement as it is a wholly owned subsidiary of a UK company which publishes consolidated accounts which include the company.

**Turnover**

Turnover consists of the amounts receivable from customers in the UK from the Company's continuing activity, excluding Value Added Tax. Turnover on catering, retail, fuel, and hotel sales is recognised when goods or services are provided to the customer.

**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 profit and loss account over the term of the borrowings at a constant rate on the carrying amount. 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 Company receives various types of vendor allowances. These take the form of up-front 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 Company becomes entitled to them.

**Development costs and pre-opening expenses**

External development costs are carried forward and capitalised if and when sites are developed and when its future recoverability can be reasonably regarded as assured. Otherwise they are written off to the profit and loss account as incurred.

Pre-opening expenses incurred prior to the opening of new Motorway Service Areas are written off in the period in which they arise.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment, and are written off over their expected useful lives on the following basis:

Short leasehold land and buildings

Over the term of the lease on a straight line basis

The cost of other tangible fixed assets comprises fixtures, fittings, and computer equipment and is written off over their expected useful lives on a straight line basis as follows:

Fixtures and fittings  
Computer equipment

5 - 25 years  
3 - 5 years

In the comparative period depreciation was charged on a reducing balance basis. The above policy was implemented at the beginning of the current period to bring the Company policy in line with the rest of the Roadchef Group.

Assets in the course of construction are not depreciated and are transferred to their appropriate categories once completed.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013**

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**Revaluation of properties**

Short leasehold properties are professionally valued at least every five years. The surplus or deficit on book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such deficit is charged (or credited) to the profit and loss account.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a transfer of reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

**Impairment of tangible fixed assets**

At each balance sheet date, the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the impairment is calculated as the difference between the carrying value and the recoverable value of income-generating units. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. For other fixed assets if incurred, impairment is recognised immediately within the profit and loss account. For properties that have been previously revalued, any impairment is initially recognised through the revaluation reserve with any excess impairment over previous increases in valuation being taken to the profit and loss account.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. There is no inclusion of overheads in stocks.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement asset is sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Loans and borrowings**

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

**Pensions**

The amount charged to the profit and loss account in respect of personal money purchase pension schemes is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**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.

**Leases**

Rentals paid under operating leases are charged in the profit and loss account on a straight line basis over each lease term.

**Related party transactions**

The Company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" from the requirement to disclose transactions between wholly owned Group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company at 1 January 2013, Delek Group Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013

2 Exceptional items

	Year ended 1 January 2013 £'000	Period ended 3 January 2012 £'000
Pre-opening expenses	136	41
Other	17	-
	<b>153</b>	<b>41</b>

Pre-opening expenses relate to costs associated with McDonald's openings

The other items relate to exceptional write offs

The tax impact of these items has been to reduce the current tax charge by £37,000 (3 January 2012: £11,000)

3 Employee costs

	Year ended 1 January 2013 Number	Period ended 3 January 2012 Number
Operational	74	84
Management and administration	12	10
	<b>86</b>	<b>94</b>

	£'000	£'000
Their payroll costs comprised		
Wages and salaries	1,189	709
Social security costs	66	39
Other pension costs	7	19
	<b>1,262</b>	<b>767</b>

4 Directors' remuneration

	Year ended 1 January 2013 £'000	Period ended 3 January 2012 £'000
Aggregate emoluments in respect of qualifying services	66	72
Aggregate of company contributions paid in respect of money purchase schemes	9	24
Number of directors accruing benefits under money purchase schemes	4	6

There were no directors (3 January 2012: none) who were members of a defined benefit pension scheme

**First Motorway Services Limited**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013**

**5 Net finance cost**

	<b>Year ended 1 January 2013 £'000</b>	<b>Period ended 3 January 2012 £'000</b>
<b>Interest receivable</b>		
Other interest receivable	<u>17</u>	-
<b>Interest payable and similar charges</b>		
Bank loans and overdrafts	(19)	(25)
<b>Net finance costs</b>	<u>(2)</u>	<u>(25)</u>

**6 Operating loss**

	<b>Year ended 1 January 2013 £'000</b>	<b>Period ended 3 January 2012 £'000</b>
Operating loss is stated after charging		
Depreciation of tangible fixed assets		
- owned assets	574	48
- leased assets	346	269
Loss on disposal of tangible fixed assets	-	4
Operating lease rentals		
- land and buildings	48	37
- plant and machinery	2	5
Previous auditor's remuneration		
- other services	-	10
Current auditor's remuneration		
- audit of the financial statements	10	15

The Company's audit fee of £10,000 (3 January 2012 £15,000) was borne by Roadchef Motorways Limited, a fellow group company in the United Kingdom, and recharged to the Company

Fees paid to the Company's auditor for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of MSA Acquisitions Co Limited an intermediate parent company, are required to disclose non-audit fees on a consolidated basis

**7 Dividends**

	<b>Year ended 1 January 2013 £'000</b>	<b>Period ended 3 January 2012 £'000</b>
Ordinary shares		
Interim paid of £nil (3 January 2012 - £0 60) per share	-	60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013

## 8 Taxation

	Year ended 1 January 2013 £'000	Period ended 3 January 2012 £'000
<b>Corporation tax</b>		
Group relief payable	162	(47)
Adjustments in respect of prior periods	(5)	-
<b>Total current tax</b>	<b>157</b>	<b>(47)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(99)	(89)
Effect of change in tax rate	(48)	-
<b>Taxation on loss on ordinary activities</b>	<b>10</b>	<b>(136)</b>

The total current tax charge is different to the standard rate of corporation tax in the United Kingdom of 24.5% (3 January 2012 26%). The material differences are reconciled below:

Loss on ordinary activities before taxation	(111)	(708)
Loss on ordinary activities before taxation multiplied by the UK tax rate of 24.5% (3 January 2012 26%)	(27)	(184)
Depreciation in excess of capital allowances	141	18
Expenses not deductible for tax purposes	93	75
Utilisation of tax losses	(45)	-
Adjustments in relation to prior periods	(5)	-
<b>Current tax charge</b>	<b>157</b>	<b>(47)</b>

The Company has claimed/ (surrendered) group relief relating to the current and prior period from other group companies for £157,000 (3 January 2012 £47,000) consideration.

Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the 2011, 2012 and 2013 Budget Statements. At the Balance Sheet date a rate of 23% (effective from 1 April 2013) had been substantively enacted, and this has therefore been reflected in the closing deferred tax calculations. Further reduction to the main rate are proposed to reduce the rate by 2% to 21% from 1 April 2014 and by a further 1% to 20% by 1 April 2015. These further changes had not been substantively enacted at the Balance Sheet date and, therefore, are not included in these financial statements. The proposed changes will lead to a reduction in provided and unprovided deferred tax assets and liabilities. From the information available at the balance sheet date it is anticipated that the unprovided deferred tax asset of £58,000 on tax losses would reduce to £49,000 and the unprovided deferred tax liability of £1,500,000 on property revaluations would reduce to £1,304,000 if the deferred tax balance all reversed at 20%. The provided deferred tax liability of £525,000 on accelerated capital allowances would reduce to £457,000 if the deferred tax balance all reversed at 20%.

	1 January 2013		3 January 2012	
	Amount provided £'000	Not provided £'000	Amount provided £'000	Not provided £'000
<b>Deferred taxation</b>				
Accelerated capital allowances	525	-	714	-
Tax losses	-	(56)	(42)	(61)
Property revaluations	-	1,500	-	1,529
	<b>525</b>	<b>1,444</b>	<b>672</b>	<b>1,468</b>
				£'000
At 3 January 2012 potential deferred tax liability				1,468
Movement in unprovided deferred tax				(24)
At 1 January 2013 potential deferred tax liability				<b>1,444</b>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013**9 Tangible fixed assets**

	Short leasehold land and buildings £'000	Fixtures Fittings and Equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 4 January 2012	10,708	2,291	12,999
Additions	-	1,417	1,417
Revaluation adjustment	426	-	426
<b>At 1 January 2013</b>	<b>11,134</b>	<b>3,708</b>	<b>14,842</b>
<b>Depreciation</b>			
At 4 January 2012	250	1,468	1,718
Charge for year	346	574	920
Revaluation adjustment	(596)	-	(596)
<b>At 1 January 2013</b>	<b>-</b>	<b>2,042</b>	<b>2,042</b>
<b>Net book value</b>			
<b>At 1 January 2013</b>	<b>11,134</b>	<b>1,666</b>	<b>12,800</b>
At 3 January 2012	10,458	823	11,281

Fixtures, fittings and equipment includes assets with a cost of £400,000 (3 January 2012: £nil) and accumulated depreciation of £48,000 (3 January 2012: £nil) subject to finance leases. The finance lease under which these amounts are leased is held in Roadchef Motorways Limited.

The short leasehold land and buildings were professionally valued by external valuers DTZ Debenham Tie Leung as at 31 December 2012, on an open market for existing use basis, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation manual.

At 1 January 2013, the Company had unprovided capital commitments of £nil (3 January 2012: £914,000).

**10 Stocks**

	1 January 2013 £'000	3 January 2012 £'000
Raw materials and consumables	33	-
Goods for resale	89	184
	<b>122</b>	<b>184</b>

The replacement value of stock is not materially different than cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013

11 Debtors amounts falling due within one year

	1 January 2013 £'000	3 January 2012 £'000
Trade debtors	-	36
Amounts owed by group companies	13,942	48
Prepayments and accrued income	40	51
	<u>13,982</u>	<u>135</u>

12 Creditors amounts falling due within one year

	1 January 2013 £'000	3 January 2012 £'000
Unsecured loans	-	3
Trade creditors	-	65
Amounts owed to group companies	18,926	-
Other taxes and social security	147	3
Other creditors	-	2
Accruals	227	165
	<u>19,300</u>	<u>238</u>

13 Creditors amounts falling due after more than one year

	1 January 2013 £'000	3 January 2012 £'000
Unsecured loans	-	4
Amounts owed to group companies	-	4 552
	<u>-</u>	<u>4,556</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013

## 14 Provisions for liabilities

	Deferred taxation £'000	
At 4 January 2012	672	
Credited to profit and loss account	(147)	
At 1 January 2013	525	
<b>Deferred taxation</b>	<b>1 January 2013 £'000</b>	<b>3 January 2012 £'000</b>
Accelerated capital allowances	525	714
Tax losses	-	(42)
	<u>525</u>	<u>672</u>

## 15 Share capital

	<b>1 January 2013 £'000</b>	<b>3 January 2012 £'000</b>
<b>Allotted, called up and fully paid</b>		
2 special ordinary shares of £1 each	-	-
100,000 ordinary share of £1 each	100	100
50,000 'B' ordinary shares of £0.01 each	1	1
	<u>101</u>	<u>101</u>

The ordinary shares have voting rights of one vote per share and on winding up the holders are entitled to £1 per share

The special ordinary shares have no voting rights and carry no rights to dividends. On winding up, the holders are entitled to £1 per share

The 'B' ordinary shares have voting rights of one vote per share. The 'B' ordinary shares carry no right to dividends and, on winding up, the holders are entitled to £0.01 per share

## 16 Reserves

	<b>Revaluation reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
At 4 January 2012	5,425	830	6,255
Loss for the financial year	-	(121)	(121)
Revaluation of fixed assets	1,022	-	1,022
Reserve transfer	(181)	181	-
At 1 January 2013	<u>6,266</u>	<u>890</u>	<u>7,156</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 1 JANUARY 2013

17 Reconciliation of movement in shareholder's funds

	1 January 2013 £'000	3 January 2012 £'000
At 4 January 2012	6,356	4,637
Loss for the financial period	(121)	(572)
Dividends	-	(60)
Revaluation of fixed assets	1,022	2,351
At 1 January 2013	<u>7,257</u>	<u>6,356</u>

18 Pension schemes

The Company operates a defined contribution pension scheme. The assets of that scheme are held separately from those of the Company in an independently administered fund. The pension charge for the period amounted to £7,000 (3 January 2012 £19,000). An amount of £nil (3 January 2012 £nil) is owed to the pension schemes at the period end.

19 Financial commitments

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

	1 January 2013 £'000	3 January 2012 £'000
Expiry date		
Within one year	12	-
After more than five years	-	50
	<u>12</u>	<u>50</u>

20 Contingent liabilities

There are fixed and floating charges over the assets of the Company to secure bank loans held by a fellow group company amounting to £8,145,000 (3 January 2012 £8,145,000).

21 Control

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

As at 1 January 2012, Delek Group Limited was considered to be the ultimate parent undertaking. Yitzhak Tshuva has a controlling shareholding in Delek Group Limited.

The largest group for which group results are drawn up is that headed by Delek Group Limited, and the smallest is that headed by Roadchef Limited.

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