

REGISTERED NUMBER 03126731

FIRST MOTORWAY SERVICES LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019



FIRST MOTORWAY SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

M Fox
S Turl
I McKay
R Tindale
J Muirhead
D Wade

SECRETARY

M Hedditch

REGISTERED OFFICE

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

FIRST MOTORWAY SERVICES LIMITED

CONTENTS

Contents	Page(s)
Strategic report	1 - 3
Directors' report	4 - 5
Statement of directors' responsibilities	6
Independent auditors' report	7 - 8
Income statement	9
Statement of other comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 24

FIRST MOTORWAY SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 29 DECEMBER 2019

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

Review of the business

Principal activities

First Motorway Services Limited ("the Company") operated two Motorway Service Areas on two sides of the motorway in the United Kingdom for the year ended 29 December 2019. The Company also operated a two 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.

The results for the Company show an operating profit of £1,452,000 (30 December 2018: £1,083,000) and a profit before taxation of £992,000 (30 December 2018: £937,000). The board are satisfied with the results for the year.

Refinancing

On 31 January 2019 the Roadchef Limited Group ("the Group") refinanced its bank borrowings. Total available bank borrowings of £271.8m have been secured which includes a term loan, a capital expenditure facility, and a revolving credit facility. The new facilities support the Group's growth initiatives and optimise cash generation through significantly lower financing costs and extended maturity to 2024. Finance costs associated with the refinanced bank debt have been amortised in full, with £340,000 (30 December 2018: £nil) charged to the Company in the year.

Business environment and strategy

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

The UK Motorway Service Area market is concentrated in the hands of three major operators and several smaller operators. With an annual turnover of more than £197m, the Group operates roadside service areas at 30 key locations across the UK. The Group's sites are located at strategic positions on the UK motorway network.

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

The Group's business strategies are as follows:

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

Investing in brands and services aligned to customer wants

Management believes that the consistency and quality offered by well-known high street brands drives sales growth.

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

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

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

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

FIRST MOTORWAY SERVICES LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019

Review of the business (continued)

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

	29 December 2019	30 December 2018	Definition, method of calculation and analysis
Growth in amenity building sales (%)	6.6%	5.2%	Year-on-year sales growth expressed as a percentage. Sales growth underpinned by the annualisation of investments made in 2018 and excellent year-on-year growth in McDonald's.
Gross margin in the amenity building (%)	59.6%	59.7%	The amenity building gross margin is the ratio of gross profit to sales expressed as a percentage. The gross margin is comparable year-on-year and is judged to be at a good level.
Amenity building transactions (m)	3.4	3.3	This is the actual number of transactions recorded in the Company's retail and catering outlets. Transactions this year have increased by 0.1m and are being driven by the strength in popularity of the offerings in place.
Spend per transaction (£)	£5.31	£5.18	This is the sale of goods (as given in note 3) divided by the number of transactions. The average spend per transaction has increased during the year, which the directors take as a key indicator of customer satisfaction with offerings and products available.

Principal risks and uncertainties

Post year end coronavirus pandemic

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

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

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

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

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

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

Operational change and business response

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

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

Financial outlook

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

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

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

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

FIRST MOTORWAY SERVICES LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019

Principal risks and uncertainties (continued)

Other risks:

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

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

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

Financial risk management policies

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, and equity instruments.

The Company is exposed to a number of risks associated with these financial instruments. In particular the Company is exposed to credit risk and liquidity risk. The Company operates solely within the United Kingdom and has minimal exposure to foreign currency transactions, which eliminates exposure to foreign exchange risk. The Company'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. 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.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are trade receivables of £297,000 (30 December 2018: £380,000), which represent the Company's maximum exposure to credit risk in relation to financial assets.

Trade receivables are made up of credit card receivables and invoiced sales not yet collected. 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 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 would indicate a low level of credit risk to the business. No collateral or other credit enhancements are held.

Liquidity risk

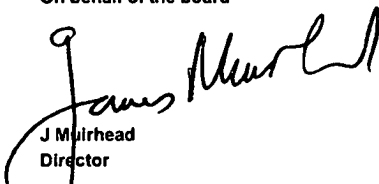
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

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.

Capital management

Capital consists of equity attributable to the equity holders of the Company. The Company does not have a complex capital structure and the directors do not anticipate any changes to capital in the foreseeable future.

On behalf of the board


J Mulrhead
Director
Date: 23 September 2020

**DIRECTORS' REPORT
FOR THE YEAR ENDED 29 DECEMBER 2019**

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

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

Directors

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

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

Results and dividends

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

Future developments

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

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Equal opportunities

The Company is an equal opportunities employer. Its policy is to ensure that recruitment, selection, training, development and promotion procedures result in no applicant or employee receiving less favourable and discriminatory treatment on the grounds of sex, age, race, nationality, creed, ethnic origin, disability, sexual orientation, marital status or by conditions or requirements which cannot be shown to be justifiable.

Employee involvement

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. The Company makes use of an annual employee engagement survey to collect the views and opinions of its employees. The Company also encourages all levels of staff to fulfil their own potential and offers internal training, secondment and promotion opportunities to enable this. The Group is one of the few hospitality businesses with a Gold Investors in People accreditation, demonstrating the exceptional standards and commitment that the business maintains as an employer.

Going concern

The Company'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 key sensitivity is the level of trading it achieves which is dependent on a number of factors outside the Company's control, including fuel prices and the wider economy. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

The Group meets its day-to-day working capital requirements through an overdraft facility. In addition the Group has bank debt and intercompany borrowings which it uses to finance the activities. The Company is party to the Group arrangements or the recipient of the on-lending of these borrowings.

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 Company has net assets of £8,301,000 (30 December 2018: £7,224,000) and net current liabilities of £13,900,000 (30 December 2018: £15,081,000). The Company has received confirmation of support from intermediate parent companies to assist in meeting liabilities as and when they fall due. The directors are of the opinion that, having regard to the funding available from Roadchef Bidco Limited and other Group companies, 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.

FIRST MOTORWAY SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

Directors' liability insurance and indemnity

Roadchef Limited, a 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

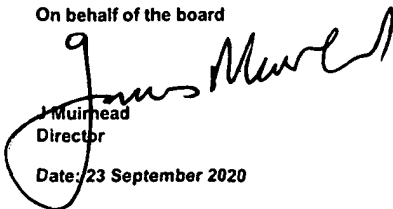
The directors who were members of the board at the time of approving the Directors' Report are listed on page 4. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- To the best of each director's 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.

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: 23 September 2020

FIRST MOTORWAY SERVICES LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 29 DECEMBER 2019**

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.

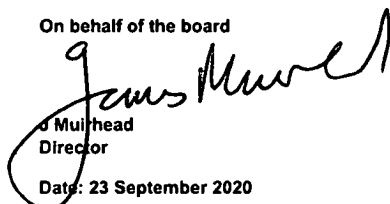
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, 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 Company will continue in business.

The directors 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.

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.

On behalf of the board



J Muirhead
Director

Date: 23 September 2020

Independent auditors' report to the members of First Motorway Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, First Motorway Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2019 and of its profit for the year then ended;
- 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
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

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

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

Independent auditors' report to the members of First Motorway Services Limited (continued)

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

Date: 23 September 2020

FIRST MOTORWAY SERVICES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 29 DECEMBER 2019**

	Note	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Revenue	3	21,036	19,999
Cost of sales		(7,973)	(7,537)
Gross profit		<u>13,063</u>	<u>12,462</u>
Administrative expenses:			
Before exceptional items		(11,567)	(11,225)
Other exceptional items	6	(44)	(154)
		<u>(11,611)</u>	<u>(11,379)</u>
Operating profit		<u>1,452</u>	<u>1,083</u>
Loss on disposal of property, plant and equipment	13	(23)	(2)
Exceptional finance costs	9	(340)	-
Finance costs	10	(97)	(144)
Profit before taxation		<u>992</u>	<u>937</u>
Taxation	11	85	72
Profit for the financial year	19	<u>1,077</u>	<u>1,009</u>

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

FIRST MOTORWAY SERVICES LIMITED

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

	Note	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Profit for the financial year	19	1,077	1,009
<i>Items that will not be reclassified to the income statement:</i>			
Reversal of property impairments		-	1,128
Taxation on components of other comprehensive income	11	-	(192)
Other comprehensive income for the year		-	936
Total comprehensive income for the year		1,077	1,945

FIRST MOTORWAY SERVICES LIMITED

**BALANCE SHEET
AS AT 29 DECEMBER 2019**

	Note	29 December 2019 £'000	30 December 2018 £'000
Assets			
Non-current assets			
Intangible assets	12	11	15
Property, plant and equipment	13	24,176	24,361
		<u>24,187</u>	<u>24,376</u>
Current assets			
Inventories	14	320	329
Debtors - amounts falling due within one year	15	361	5,596
Cash and cash equivalents	16	2,125	679
		<u>2,806</u>	<u>6,604</u>
Total assets		<u>26,993</u>	<u>30,980</u>
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	17	(16,706)	(21,685)
Non-current liabilities			
Deferred tax liabilities	11	(1,986)	(2,071)
Total liabilities		<u>(18,692)</u>	<u>(23,756)</u>
Net assets		<u>8,301</u>	<u>7,224</u>
Equity			
Ordinary shares	18	101	101
Revaluation reserve	19	915	950
Retained earnings	19	7,285	6,173
Total equity		<u>8,301</u>	<u>7,224</u>

The financial statements on pages 9 to 24 were approved by the board of directors and authorised for issue on 23 September 2020 and were signed on its behalf.


J. Murhead
Director

Registered Number 03126731

The notes on pages 13 to 24 are an integral part of these financial statements.

FIRST MOTORWAY SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2019**

	Note	Ordinary shares £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2018		101	14	5,164	5,279
Profit for the financial year		-	-	1,009	1,009
Other comprehensive income		-	936	-	936
Reserve transfer		-	-	-	-
At 30 December 2018		101	950	6,173	7,224
Profit for the financial year	19	-	-	1,077	1,077
Reserve transfer	19	-	(35)	35	-
At 29 December 2019		101	915	7,285	8,301

FIRST MOTORWAY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies

Basis of preparation

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

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standards 101 'Reduced Disclosure Framework' (FRS 101).

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*.

Going concern

The Company'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 key sensitivity is the level of trading it achieves which is dependent on a number of factors outside the Company's control, including fuel prices and the wider economy. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

The Group meets its day-to-day working capital requirements through an overdraft facility. In addition the Group has bank debt and intercompany borrowings which it uses to finance the activities. The Company is party to the Group arrangements or the recipient of the on-lending of these borrowings.

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 Company has net assets of £8,301,000 (30 December 2018: £7,224,000) and net current liabilities of £13,900,000 (30 December 2018: £15,081,000). The Company has received confirmation of support from intermediate parent companies to assist in meeting liabilities as and when they fall due. The directors are of the opinion that, having regard to the funding available from Roadchef Bidco Limited and other Group companies, the Company has sufficient funds to continue in operational existence for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and bank overdrafts held.

Revenue

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

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

Interest and finance costs

Interest on loans drawn specifically for new developments, incurred up to the date of practical completion, is capitalised as part of the cost of construction. Financing costs associated with new borrowings are recognised in the income statement over the term of the borrowings at a constant rate on the carrying amount. 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.

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

1 Accounting policies (continued)

Vendor allowances

The Company 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 Company 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 and material size.

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 13 and are written off over their expected useful lives on a straight line basis as follows:

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

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

At each reporting date, the Company reviews the carrying amounts of property, plant and equipment 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 Company considers at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Impairment is calculated subject to an expected credit loss model.

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 amount charged to the income statement in respect of personal money purchase pension schemes is the contributions payable in the year. Differences between contributions payable in the year 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.

Amounts owed by group companies

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

Leased assets: Lessee

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

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

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 year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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 Company based its assumptions and estimates on parameters available when the 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 Company. 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 Company 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.

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 11.

3 Revenue

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Sale of goods	18,186	17,006
Provision of services	2,850	2,993
	21,036	19,999

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

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

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

4 Cost of sales

Cost of sales includes:

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Costs of inventories recognised as an expense	5,743	5,385
Franchise fees	1,158	1,088
Consumables, disposables and distribution costs	614	594

FIRST MOTORWAY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019

5 Administrative expenses

Administrative expenses include:

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Depreciation of property, plant and equipment (note 13):		
- owned assets	1,697	1,534
- leased assets	535	563
Amortisation of intangible assets (note 12)	4	5
Operating lease rentals:		
- plant and machinery	18	-
Repairs and maintenance	404	399
Utilities	723	642
Employee benefit expenses (note 7)	5,617	5,562
Auditors' remuneration - audit of the financial statements	25	23

The Company's audit fee of £25,000 (30 December 2018: £23,000) was borne by Roadchef Limited, a fellow group company in the United Kingdom, and recharged to the Company.

6 Other exceptional items

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Pre-opening expenses	44	126
Restructuring costs	-	15
Other	-	13
	44	154

Pre-opening expenses relate to non-capital costs associated with the opening of a new units, which included Costa Drive Thru during the year.

Restructuring costs in the prior year relate to costs following an internal reorganisation.

Other costs in the prior year included professional fees in relation to one-off activities which do not form part of the Company's operational activities.

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

The tax impact of the above items has been to reduce the current tax charge by £8,000 (30 December 2018: £29,000).

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

7 Employee benefit expenses

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

	Year ended 29 December 2019 Number	Year ended 30 December 2018 Number
Operational	352	355
Management and administration	47	47
	399	402

Their payroll costs comprised:

	£'000	£'000
Wages and salaries	5,259	5,224
Social security costs	286	283
Other pension costs (note 20)	72	55
	5,617	5,562

Employee numbers and costs included in the above include certain employees whose contracts of employment are held with other group companies and recharged to this entity.

8 Directors' remuneration

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Short-term employee benefits	296	296
Post-employment pension benefits	6	5
	Number	Number
Number of directors accruing benefits under money purchase schemes	4	3
	£'000	£'000
In respect of the highest paid director:		
Short-term employee benefits	85	112
Post-employment pension benefits	2	2

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

9 Exceptional finance costs

Exceptional finance costs of £340,000 (30 December 2018: £nil) were recharged to the Company in the year following the refinancing of bank loans held by fellow group companies.

10 Finance costs

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Finance costs		
Finance costs of loans from other group companies	89	109
Other interest	8	35
	97	144

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

11 Taxation

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Corporation tax		
Current tax on profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences	(107)	(90)
Adjustments in respect of prior periods	11	8
Effect of changes in tax rates on deferred tax balance	11	10
Total tax credited to income statement	(85)	(72)

Taxation through statement of other comprehensive income:

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Deferred tax		
Deferred tax related to items recognised in other comprehensive income during the year:		
Reversal of property impairment	-	192
Total tax charged to other comprehensive income	-	192

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

	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Profit before taxation	992	937
Profit before taxation multiplied by the UK tax rate of 19.00% (30 December 2018: 19.00%)	188	178
Transfer pricing and WWDC adjustments	(11)	(10)
Adjustments in respect of prior periods	11	8
Effect of changes in tax rates on deferred tax balance	11	10
Group relief claimed not paid for	(387)	(367)
Expenses not deductible for tax purposes	103	109
Total tax credited to income statement	(85)	(72)

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

11 Taxation (continued)

Reconciliation of deferred taxes

	Balance sheet		Income statement	
	29 December 2019 £'000	30 December 2018 £'000	Year ended 29 December 2019 £'000	Year ended 30 December 2018 £'000
Property, plant and equipment	(1,986)	(2,071)	85	72
Deferred tax credit through income statement			85	72
Net deferred tax liability	(1,986)	(2,071)		
Reflected as:				
Deferred tax liabilities	(1,986)	(2,071)		
	<u>(1,986)</u>	<u>(2,071)</u>		
Movements in net deferred tax liability:			29 December 2019 £'000	30 December 2018 £'000
Net deferred tax liability				
Opening liability			(2,071)	(1,951)
Credit through income statement			85	72
Charge through other comprehensive income			-	(192)
Closing liability			<u>(1,986)</u>	<u>(2,071)</u>

The Company has chosen not to recognise a potential deferred tax asset of £41,000 in respect of brought forward tax losses (30 December 2018: £41,000) due to uncertainty over the recoverability of this asset.

Factors that may affect future tax charges

The current standard rate of taxation in the UK is 19%. Changes to the UK corporation tax rates were substantively enacted on 6 September 2017 as part of the Finance Bill 2017, to reduce the main rate to 17% from 1 April 2020. The deferred tax balances above have been calculated with reference to the corporation tax rate of 17% substantively enacted at the balance sheet date. As announced in the Budget on 11 March 2020 the Corporation Tax rate will now remain at 19% from 1 April 2020. Whilst this change has not yet been substantively enacted, were the deferred tax position to be recalculated at 19% this would give a deferred tax liability of £2,219,000 a difference of £233,000.

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

12 Intangible assets

	Computer Software £'000	Licences and agreements £'000	Total £'000
Cost			
At 31 December 2018	13	37	50
Disposals	-	(33)	(33)
At 29 December 2019	13	4	17
Accumulated amortisation			
At 31 December 2018	2	33	35
Charge for year	3	1	4
Disposals	-	(33)	(33)
At 29 December 2019	5	1	6
Net book value			
At 29 December 2019	8	3	11
At 30 December 2018	11	4	15

13 Property, plant and equipment

	Land and buildings			Fixtures, fittings and equipment £'000	Total £'000
	Freehold £'000	Long leasehold £'000	Short leasehold £'000		
Cost or deemed cost					
At 31 December 2018	3,627	8,914	12,206	12,321	37,068
Additions	-	25	308	1,737	2,070
Disposals	-	-	-	(800)	(800)
At 29 December 2019	3,627	8,939	12,514	13,258	38,338
Accumulated depreciation or impairment					
At 31 December 2018	622	859	5,074	6,152	12,707
Charge for year	51	187	308	1,686	2,232
Disposals	-	-	-	(777)	(777)
At 29 December 2019	673	1,046	5,382	7,061	14,162
Net book value					
At 29 December 2019	2,954	7,893	7,132	6,197	24,176
At 30 December 2018	3,005	8,055	7,132	6,169	24,361

Fixtures, fittings and equipment includes assets with a cost of £779,000 (30 December 2018: £970,000) and net book value of £165,000 (30 December 2018: £242,000) subject to finance leases. The finance leases under which these amounts are leased are held in Roadchef Limited and Roadchef Motorways Limited.

The leasehold land and buildings were professionally valued by external valuers Cushman & Wakefield, as at 17 December 2018, on an open market for existing use basis, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation manual, and based upon a multiple of projected future earnings before interest, taxation, depreciation and amortisation ("EBITDA"). The recoverable amount calculated falls into level 3 of the fair value hierarchy. The market value of property, plant and equipment at 17 December 2018 was £29,550,000.

At 29 December 2019, the Company had unprovided capital commitments of £29,000 (30 December 2018: £390,000).

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

14 Inventories

	29 December 2019 £'000	30 December 2018 £'000
Raw materials and consumables	30	30
Goods for resale	290	299
	320	329

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

15 Debtors - amounts falling due within one year

	29 December 2019 £'000	30 December 2018 £'000
Trade receivables	297	380
Amounts owed by intermediate parent company	7	5,138
Other receivables	2	-
Prepayments and accrued income	55	78
	361	5,596

As at 29 December 2019, trade receivables of £1,000 (30 December 2018: £1,000) were past due. The ageing analysis of these receivables is as follows:

	29 December 2019 £'000	30 December 2018 £'000
Past due		
> 60 days	1	1
	1	1

There is provision for impairment against trade receivables at 29 December 2019 of £1,000 (30 December 2018: £1,000). Based upon historical experience in collecting from past due receivables, along with an assessment of individual customers abilities to make payments, the Company believes that the allowance for doubtful receivables is sufficient to cover the risk of default.

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 no provision required at 29 December 2019 (30 December 2018: £nil).

16 Cash and cash equivalents

	29 December 2019 £'000	30 December 2018 £'000
Cash and cash equivalents	2,125	679

17 Creditors - amounts falling due within one year

	29 December 2019 £'000	30 December 2018 £'000
Trade payables	926	1,050
Amounts owed to group companies	14,361	19,229
Other taxes and social security	649	604
Other payables	16	2
Accruals	754	800
	16,706	21,685

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

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

18 Ordinary shares

	29 December 2019 £'000	30 December 2018 £'000
Authorised, issued and fully paid		
2 (30 December 2018: 2) special ordinary shares of £1 each	-	-
100,000 (30 December 2018: 100,000) ordinary shares of £1 each	100	100
50,000 (30 December 2018: 50,000) 'B' ordinary shares of £0.01 each	1	1
	101	101

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.

19 Reserves

	Revaluation reserve £'000	Retained earnings £'000	Total £'000
At 31 December 2018	950	6,173	7,123
Profit for the financial year	-	1,077	1,077
Reserve transfer	(35)	35	-
At 29 December 2019	915	7,285	8,200

20 Pension schemes

Defined contribution schemes

The Company operates defined contribution pension schemes. The assets of these schemes are held separately from those of the Company in independently administered funds. The pension charge for the year for these schemes amounted to £72,000 (30 December 2018: £55,000). An amount of £nil (30 December 2018: £nil) is owed to the pension schemes at the year end.

FIRST MOTORWAY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

21 Financial commitments

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

	29 December 2019		30 December 2018	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Expiry date:				
Within one year	25	-	-	1
Between one and five years	100	-	-	-
After more than five years	432	-	-	-
	557	-	-	1

22 Contingent liabilities

Along with other group companies, the Company has guaranteed the bank loans and overdrafts of certain fellow group companies. The aggregate amount outstanding as at 29 December 2019 was £246,808,000 (30 December 2018: £219,000,000). The directors consider the likelihood of any financial liability arising in respect of these to be remote.

23 Control

The immediate parent company is Roadchef Newco 1 Limited, a company registered in England and Wales.

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

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