REGISTERED NUMBER 1123082

ROADCHEF MOTORWAYS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 3 JANUARY 2017

ROADCHEF MOTORWAYS LIMITED

COMPANY INFORMATION

DIRECTORS	S Turl I McKay R Tindale J Muirhead
SECRETARY	M Hedditch
REGISTERED OFFICE	Roadchef House Norton Canes MSA Betty's Lane Norton Canes Cannock Staffordshire WS11 9UX
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
BANKERS	Barclays Bank Plc 1 Churchill Place London E14 5HP

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STRATEGIC REPORT
FOR THE YEAR ENDED 3 JANUARY 2017

The directors present their Strategic Report for the 52 week year ended 3 January 2017. The comparative period was the year ended 5 January 2016.

Review of the business

Principal activity
Roadchef Motorways Limited ("the Company") operated 13 Motorway Service Areas over 18 sides of the motorway in the United Kingdom for the year ended 3 January 2017. 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 £1,363,000 (5 January 2016: £9,627,000) and a loss before taxation of £24,570,000 (5 January 2016: profit before taxation of £1,393,000).

Refinancing
During the year, the Roadchef Limited Group ("the Group") secured new bank loans providing for the wholesale refinance of the Group's debt, including the early redemption of securitised, listed bond debts held in a fellow group company and lent on to the Company. The Company incurred exceptional finance costs of £19,293,000 in the year (5 January 2016: £nil) as a result of the early redemption of the securitised, listed bond debts.

The refinancing will significantly reduce the annual cost of servicing the debt of the Group and will be better suited to support the Group's on-going development plan through a committed facility dedicated to funding capital development.

Forecourt operations
During the year, the Company entered into agreements with Euro Garages Limited, whereby Euro Garages Limited would lease two forecourts with effect from December 2016, a further forecourt with effect from January 2017 and a final forecourt with effect from November 2017. The agreement provides for a fixed rental income for the Company going forwards.

Although the profit of the Company remains at similar levels as a result of this agreement, there has been a reduction in revenue and cost of sales. These contracts have enabled the Company to reduce its exposure to fuel price fluctuations and to move away from very low margin business to focus on the more profitable income generators of the business such as catering.

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 £195m, 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.

Management believe there are approximately 50 million visits to the Group's sites in a year and 74% of these visits result in the visitor being converted to a customer. The 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 improve the level of conversion by between 5-10%.

The Group's strategies to achieve this objective 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.

Following a change in ownership of the Group in 2014, the Group initiated its multi-million pound development plan of the Motorway Service Areas. As well as upgrading existing offerings with the latest equipment and formats, the Group has installed brand new McDonald's at two Motorway Service Areas during 2016, including Sedgemoor, which has proved successful with significant sales growth.

In addition to the two initial new grocery offerings opening in 2015, the Group has opened four further units this year with two more planned for 2017.

2016 has also seen the Group's opening of the first Costa Drive Thru on the UK's motorway network at Rownhams Northbound, a format which management are excited to develop further across the estate in 2017.

The Group continues to invest in developing its in-house branded catering outlet, Fresh Food Café. Fresh Food Café combines a contemporary branded food servery with the latest back of house cooking equipment, which improves food quality, speed of service and continues to deliver value to customers.

Finally, management are committed to enhancing the general amenity building space and facilities throughout the estate and have several extension and refurbishment plans in place for this.

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:

	3 January 2017	5 January 2016	Definition, method of calculation and analysis
Growth in amenity building sales (%)	**7.3%**	11.6%	Year-on-year sales growth expressed as a percentage. Amenity building sales showed an increase of 7.3%, driven by the introduction of a new McDonald's in the year as well as two new grocery units.
Gross margin in the amenity building (%)	**60.2%**	60.9%	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 satisfactory level.
Amenity building transactions (m)	**17.6**	16.5	This is the actual number of transactions recorded in the main building in the retail, grocery and catering outlets. This rise is driven by the strength in popularity of the franchise partner offerings in place.
Spend per transaction (£)	**£4.95**	£4.93	This is the sales in the amenity building (excluding hotel offerings and other income) divided by the number of transactions. The directors closely monitor this at an outlet level where the labour content of each transaction can vary significantly. The spend per transaction has increased during the period and is driven by the strength in popularity of the franchise partner offerings in place.

In addition to the amenity building sales discussed above, the Group has significant revenues generated from the provision of services and the sale of fuel. Fuel revenue has fallen £3.4m from the prior year, partly as result of the agreement to lease forecourts to Euro Garages Limited as discussed on page 1, as well as localised roadworks at two sites impacting revenue generation throughout the year. Fluctuation in the selling price of fuel does not impact gross profit as the Group predominantly operates forecourts under fixed margin agreements.

Principal risks and uncertainties

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

Living Wage: The Government introduction of the mandatory 'national living wage' has been implemented by the Company from January 2016, three months ahead of the mandatory deadline, and has seen the Company award above inflation pay increases. The Company actively planned for these increases and recognises the benefit that these bring to its employees and the business.

Fuel Prices: Fluctuations in fuel prices can have a significant impact on fuel sales volumes and also on non-fuel sales. The Company's exposure to fuel price fluctuations will reduce as two forecourts currently in the Company's operation transfer across to Euro Garages in 2017.

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.

EU Referendum: Following the 2016 referendum decision for the UK to leave the EU, management believe there is increased uncertainty in markets related to the the Company's activities. The majority of the Company's direct suppliers are based in the UK and management work closely with these to secure competitive pricing. The Company's customer base is the travelling public in the UK. Whilst there is uncertainty in how the referendum result will impact consumer spending, management are hopeful that the Company can benefit from increased tourism to the UK following a post-referendum decrease in the value of sterling.

Principal risks and uncertainties (continued)

Financial risk management policies
The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, finance leases 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, liquidity risk and interest rate 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 £2,864,000 (5 January 2016: £1,957,000), 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.

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

The Group as a whole manages its interest rate risk by maintaining a balanced portfolio of fixed to floating rate borrowings, with varying rates of maturity. For long-term borrowings subject to floating rates of interest, interest rate swaps are used to fix 80% of variable rate debt 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 parent. 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 Muirhead
Director

Date: 1 June 2017

DIRECTORS' REPORT
FOR THE YEAR ENDED 3 JANUARY 2017

The directors present their report and audited financial statements for the year ended 3 January 2017.

Directors
The directors of the company who were in office during the year and up to the date of signing the financial statements were:

S Turl
I McKay
R Tindale
J Muirhead

Results and dividends
The results for the year are set out on page 9. The directors do not recommend the payment of a dividend (5 January 2016: £nil).

Future developments
The principal activities, organisational structure and debt structure of the Company are not anticipated to change in the foreseeable future. Management plan to develop the existing portfolio of Motorway Service Areas as described in the Strategic Report.

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 fulfill 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 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 minimum covenant requirements in respect of these facilities.

The Company has net assets of £197,838,000 (5 January 2016: £222,315,000). 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.

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
PricewaterhouseCoopers LLP were appointed as auditors during the year. 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: 1 June 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 3 JANUARY 2017

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 17 month period. 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, 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;
- Make judgements and estimates that are reasonable and prudent;
- 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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

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.

On behalf of the board

James Muirhead

J Muirhead
Director

Date: 1 June 2017

Independent auditors' report to the members of Roadchef Motorways Limited

Report on the financial statements

Our opinion

In our opinion, Roadchef Motorways Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 3 January 2017 and of its loss for the 52 week year (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.

What we have audited

The financial statements, included within the Reports and Financial Statements (the "Annual Report"), comprise:

- *the balance sheet as at* 3 *January* 2017;
- the income statement for the period then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

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

Date: 2 June 2017

ROADCHEF MOTORWAYS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 3 JANUARY 2017

	Note	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Revenue	4	**125,668**	121,266
Cost of sales		**(55,608)**	(54,871)
Gross profit		**70,060**	66,395
Administrative expenses:			
Before exceptional items		**(59,989)**	(54,583)
Property impairments	6	**(7,397)**	-
Other exceptional items	7	**(1,311)**	(2,185)
		(68,697)	(56,768)
Operating profit		**1,363**	9,627
Loss on disposal of property, plant and equipment	14	**(110)**	-
Exceptional finance costs	10	**(19,293)**	-
Finance costs	11	**(6,530)**	(8,234)
(Loss)/ profit before taxation		**(24,570)**	1,393
Taxation	12	**3,399**	1,934
(Loss)/ profit for the financial year	24	**(21,171)**	3,327

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

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 3 JANUARY 2017

	Note	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
(Loss)/ profit for the financial year	24	**(21,171)**	3,327
Property impairments	24	**(4,132)**	-
Taxation on components of other comprehensive income	24	**826**	-
Total comprehensive (expense)/ income for the year		**(24,477)**	3,327

A restatement of the Balance Sheet at 5 January 2016, explained in note 2 to the financial statements, has had no impact on the Statement of Other Comprehensive Income in either the current or prior year.

ROADCHEF MOTORWAYS LIMITED

BALANCE SHEET
AS AT 3 JANUARY 2017

	Note	3 January 2017 £'000	Restated * 5 January 2016 £'000
Assets			
Non-current assets			
Intangible assets	13	**67**	109
Property, plant and equipment	14	**235,057**	247,078
Investments in subsidiaries	15	**1**	1
		235,125	247,188
Current assets			
Inventories	16	**2,497**	2,894
Debtors - amounts falling due within one year	17	**17,202**	255,849
Cash at bank and in hand	18	**1,993**	1,958
		21,692	260,701
Total assets		**256,817**	507,889
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	19	**(25,859)**	(183,528)
Loans and borrowings	21	**(832)**	(805)
Deferred revenue	22	**(674)**	(795)
		(27,365)	(185,128)
Non-current liabilities			
Creditors - amounts falling due in more than one year	20	**-**	(63,099)
Loans and borrowings	21	**(3,321)**	(4,153)
Deferred revenue	22	**(8,072)**	(8,748)
Deferred tax liabilities	12	**(20,221)**	(24,446)
		(31,614)	(100,446)
Total liabilities		**(58,979)**	(285,574)
Net assets		**197,838**	222,315
Equity			
Ordinary shares	23	**1,045**	1,045
Share premium account	24	**17**	17
Revaluation reserve	24	**108,345**	115,961
Retained earnings	24	**88,431**	105,292
Total equity		**197,838**	222,315

* Note 2

The financial statements on pages 9 to 26 were approved by the board of directors and authorised for issue on 1 June 2017 and were signed on its behalf.

J Muirhead
Director

Registered Number 1123082

The notes on pages 13 to 26 are an integral part of these financial statements.

ROADCHEF MOTORWAYS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 3 JANUARY 2017

	Note	Ordinary shares £'000	Share premium £'000	Resatated revaluation reserve * £'000	Restated retained earnings * £'000	Total equity £'000
At 7 January 2015		1,045	17	119,445	98,481	218,988
Profit for the financial year		-	-	-	3,327	3,327
Other comprehensive income		-	-	-	-	-
Reserve transfer		-	-	(3,484)	3,484	-
At 5 January 2016		**1,045**	**17**	**115,961**	**105,292**	**222,315**
Loss for the financial year	24	-	-	-	(21,171)	(21,171)
Other comprehensive expense	24	-	-	(4,132)	826	(3,306)
Reserve transfer	24	-	-	(3,484)	3,484	-
At 3 January 2017		**1,045**	**17**	**108,345**	**88,431**	**197,838**

* Note 2

1 Accounting policies

Basis of preparation
The financial statements have been prepared for the 52 week year ended 3 January 2017. The comparative period was the year ended 5 January 2016.

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standards 101, 'Reduced Disclosure Framework' ("FRS 101").

The financial statements have been prepared under the historical cost convention. 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.*

Consolidated financial statements
The Company is a wholly owned subsidiary of a parent undertaking established under the law of an EEA state. It is included within the consolidated financial statements of Roadchef Limited and Roadchef Topco Limited, which are publicly available. The registered address of these companies is Roadchef House, Norton Canes MSA, Betty's Lane, Norton Canes, Cannock, Staffordshire, WS11 9UX. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

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 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 minimum covenant requirements in respect of these facilities.

The Company has net assets of £197,838,000 (5 January 2016: £222,315,000). 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 receivable from customers in the UK from the Company's continuing activity, excluding Value Added Tax. Revenue on catering, grocery, retail, and hotel sales is recognised when goods or services are provided to the customer.

Under the terms of certain fuel supply arrangements, the Company acts as an agent for the sale of fuel and fuel products on behalf of the petroleum companies. The amounts included within revenue represent the commission earned on these transactions. Commission is recognised upon the sale of the relevant fuel and fuel products on behalf of the petroleum companies to the customer. Under other fuel supply arrangements, revenue consists of the amounts receivable from customers, excluding Value Added Tax.

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

1 Accounting policies (continued)

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.

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:

Licences	Over the period of the licence

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

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

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

Impairment of non-financial assets
The Company's non-financial assets include property, plant and equipment and investments in subsidiaries. At each reporting date, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment is calculated as the difference between the carrying value and the recoverable value of the asset, or cash-generating unit. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. Impairment losses are recognised through the income statement.

Impairment of financial assets
The Company considers at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Disclosures relating to the impairment of financial assets are given in the Strategic report and note 17.

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

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

1 Accounting policies (continued)

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 period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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.

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.

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

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

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

New standards, amendments and IFRIC interpretations
No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 3 January 2017, have had a material impact on the Company.

2 Restatement

Amounts owed to and from group companies
Amounts owed to and from group companies, contractually repayable on demand but with no intention of settlement within twelve months, were disclosed incorrectly as at 5 January 2016 in respect of contractual maturity. As a result, there is a material restatement of the Balance Sheet in the Financial Statements for the year ended 5 January 2016.

There is no change in the Income Statement, Statement of Other Comprehensive Income or Statement of Changes in Equity as a result of this restatement. Furthermore, there is no impact on the net asset position of the Company as at 5 January 2016.

Revaluation reserves
A change in the disclosure of reserves is explained in note 24.

The effect of these restatements are given below.

	As previously stated 5 January 2016 £'000	**As restated 5 January 2016 £'000**	Restatement 5 January 2016 £'000
Balance Sheet			
Debtors - amounts falling due within one year			
Amounts owed from group companies	7,262	**250,564**	243,302
Debtors - amounts falling due in more than one year			
Amounts owed from group companies	243,302	**-**	(243,302)
Creditors - amounts falling due within one year			
Amounts owed to group companies	(145,099)	**(168,099)**	(23,000)
Creditors - amounts falling due in more than one year			
Amounts owed to group companies	(86,099)	**(63,099)**	23,000
Net assets	222,315	**222,315**	-
Equity			
Revaluation reserves	-	**115,961**	115,961
Retained earnings	221,253	**105,292**	(115,961)
Total equity	222,315	**222,315**	-

3 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.

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.

4 Revenue

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Sale of goods	**107,486**	104,965
Provision of services	**15,482**	13,933
Rental income from forecourts	**2,700**	2,368
	125,668	121,266

5 Cost of sales

Cost of sales includes:

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Costs of inventories recognised as an expense	**46,510**	48,481
Franchise fees	**4,285**	3,814
Consumables, disposables and distribution costs	**2,485**	1,948

6 Administrative expenses

Administrative expenses include:

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Depreciation of property, plant and equipment:		
- owned assets	**6,921**	4,933
- leased assets	**5,913**	5,863
Amortisation of intangible assets	**42**	42
Property impairment	**7,397**	-
Operating lease rentals:		
- land and buildings	**82**	173
- plant and machinery	**188**	193
Business rates	**4,580**	4,589
Repairs and maintenance	**1,967**	2,010
Utilities	**1,872**	1,798
IT costs	**176**	129
Employee benefit expenses (note 8)	**27,355**	24,254
Auditors' remuneration - audit of the financial statements	**19**	20

For the year ended 3 January 2017, the Company's audit fee of £19,000 (5 January 2016: £20,000) was borne by Roadchef Limited, an intermediate parent company in the United Kingdom, and recharged to the Company.

7 Exceptional items

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Restructuring costs	**253**	50
Pre-opening expenses	**1,058**	1,755
Exceptional VAT	**-**	197
Other	**-**	183
	1,311	2,185

The restructuring costs in the year relate to costs associated with the leasing of forecourts to Euro Garages in the year.

Pre-opening expenses relate to costs associated with the opening of new units, which included three Spar convenience outlets, a new McDonald's at Sedgemoor, as well as the UK's first drive-thru Costa Coffee at a Motorway Service Area at Rownhams Northbound. Prior year costs included the opening of four McDonald's units during the year.

Exceptional VAT
The Company's activities comprise a mixture of taxable and exempt supplies for VAT purposes, which in turn impact the level of input VAT that the Company can recover. Since the year end of 5 January 2016, the Company has made voluntary disclosure to HMRC of input VAT that had been over-recovered. Accordingly, an exceptional operating charge of £197,000 providing for the repayment of over-recovered input VAT has been recognised in the prior year, which represents voluntary disclosure amounts to HMRC for VAT periods up to 6 January 2015. Provision for the repayment of over-recovered input VAT relating to the year ended 5 January 2016 has been recognised in administrative expenses before exceptional items.

The tax impact of the above items has been to reduce the current tax charge by £258,000 (5 January 2016: £442,000).

8 Employee benefit expenses

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

	Year ended 3 January 2017 Number	Year ended 5 January 2016 Number
Operational	**1,756**	1,715
Management and administration	**274**	258
	2,030	1,973

Their payroll costs comprised:

	£'000	£'000
Wages and salaries	**25,669**	22,831
Social security costs	**1,419**	1,200
Other pension costs (note 25)	**267**	223
	27,355	24,254

9 Directors' remuneration

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Short-term employee benefits	**391**	340
Post-employment pension benefits	**27**	26
Number of directors accruing benefits under money purchase schemes	**3**	4
In respect of the highest paid director:		
Short-term employee benefits	**169**	148
Post-employment pension benefits	**4**	11

There were no directors (5 January 2016: none) who were members of a defined benefit pension scheme.

10 Exceptional finance costs

Exceptional finance costs of £19,293,000 (5 January 2016: £nil) have been incurred in the year as a result of the early redemption of secured loan notes held by a fellow group company, Roadchef Finance Limited, with costs recharged to the Company.

11 Finance costs

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Finance costs		
Bank loans and overdrafts	**47**	72
Loans from group companies	**5,015**	7,381
Finance costs of loans from other group companies	**1,126**	414
Finance costs payable under finance leases	**181**	206
Other interest	**161**	161
	6,530	8,234

12 Taxation

	Year ended 3 January 2017 £'000	Year ended 5 January 2016 £'000
Corporation tax		
Group relief payable	-	2,285
Net consideration for transfer pricing & World Wide Debt Cap ("WWDC")	-	(953)
Total current tax	-	1,332
Deferred tax		
Origination and reversal of timing differences	(2,895)	(756)
Adjustments in respect of prior periods	313	(267)
Effect of decreased tax rate on deferred tax balance	(817)	(2,243)
Total tax credited to income statement	(3,399)	(1,934)

The total tax charge is different to the standard rate of corporation tax in the United Kingdom of 20% (5 January 2016: 20.25%). The material differences are reconciled below:

(Loss)/ profit before taxation	(24,570)	1,393
(Loss)/ profit before taxation multiplied by the UK tax rate of 20% (5 January 2016: 20.25%)	(4,914)	282
Transfer pricing and WWDC adjustments	2,169	953
Consideration for TP and WWDC adjustments	-	(953)
Group Income	-	-
Effect of decreased tax rate on deferred tax balance	(817)	(2,238)
Depreciation charged on ineligible assets	914	436
Adjustments in respect of prior periods	313	(267)
Other permanent differences	-	(197)
Group relief claimed not paid for	(1,080)	-
Expenses not deductible for tax purposes	16	50
Total tax credit	(3,399)	(1,934)

The Company has claimed group relief relating to the current period from other group companies for £nil (5 January 2016: £2,285,000) consideration.

12 Tax (continued)

Reconciliation of deferred taxes

	Balance sheet		Income statement	
			Year ended	Year ended
	3 January 2017 £'000	5 January 2016 £'000	**3 January 2017 £'000**	5 January 2016 £'000
Property, plant and equipment	**(21,564)**	(26,011)	**3,621**	3,521
Other short term timing differences	**1,343**	1,565	**(222)**	(255)
Deferred tax credit through income statement			**3,399**	3,266
Net deferred tax liability	**(20,221)**	(24,446)		
Reflected as:				
Deferred tax liabilities	**(20,221)**	(24,446)		
	(20,221)	(24,446)		

Movements net deferred tax liability:	**3 January 2017 £'000**	5 January 2016 £'000
Net deferred tax liability		
Opening liability	**(24,446)**	(27,712)
Credit through income statement	**3,399**	3,266
Credit through other comprehensive income	**826**	-
Closing liability	**(20,221)**	(24,446)

Factors that may affect future tax charges

At the Balance Sheet date a rate of 17% (effective from 6 September 2016) had been substantively enacted, applicable for periods beginning 1 April 2020. The current corporation tax rate of 20% will reduce to 19% on 1 April 2017. The deferred tax balances above have been calculated with reference to the corporation tax rate due to be in effect on the date at which the balance is anticipated to reverse.

13 Intangible assets

	Licences £'000
Cost	
At 6 January 2016 and 3 January 2017	211
Accumulated amortisation	
At 6 January 2016	102
Charge for year	42
At 3 January 2017	**144**
Net book value	
At 3 January 2017	**67**
At 5 January 2016	109

The Company has made upfront payments to purchase licences relevant to the operation activities of the Company. Licences have been granted for a period of five years, and this has been used as the expected useful life for the purpose of amortisation.

14 Property, plant and equipment

	Land and buildings				
	Freehold £'000	Long leasehold £'000	Short leasehold £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or deemed cost					
At 6 January 2016	76,733	37,934	124,059	34,772	273,498
Additions	144	7	429	11,872	12,452
Disposals	-	-	-	(1,920)	(1,920)
At 3 January 2017	**76,877**	**37,941**	**124,488**	**44,724**	**284,030**
Accumulated depreciation or impairment					
At 6 January 2016	3,037	1,170	9,854	12,359	26,420
Charge for year	791	591	4,933	6,519	12,834
Disposals	-	-	-	(1,810)	(1,810)
Impairment	3,430	-	8,099	-	11,529
At 3 January 2017	**7,258**	**1,761**	**22,886**	**17,068**	**48,973**
Net book value					
At 3 January 2017	**69,619**	**36,180**	**101,602**	**27,656**	**235,057**
At 5 January 2016	73,696	36,764	114,205	22,413	247,078

Property, plant and equipment includes assets in the course of construction with a cost of £105,000 (5 January 2016: £3,407,000).

Fixtures, fittings and equipment includes assets with a cost of £3,321,000 (5 January 2016: £3,321,000) and net book value of £1,481,000 (5 January 2016: £1,872,000) subject to finance leases. The finance leases under which certain of these amounts are leased are held in Roadchef Limited.

During 2009 an agreement was entered into with BP to lease some of the forecourts that are included within the total value of fixed assets. It is not possible to separately identify the exact value of these forecourts as they are not valued on a stand alone basis. During 2012 and 2016 similar agreements were entered into with Shell and Eurogarages respectively.

The leasehold land and buildings were professionally valued by external valuers Cushman & Wakefield, as at 11 July 2016, 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 2 of the fair value hierarchy. The market value of property, plant and equipment at 11 July 2016 was £262,210,000.

A review of individual site carrying values gave rise to an impairment in the year of £12,251,000 in respect of land and buildings (5 January 2016: £nil), and a reversal of previously recognised impairments of £722,000 (5 January 2016: £nil). A net £4,132,000 has been charged to revaluation reserve with £7,397,000 charged to the income statement. The recoverable amount of assets impaired in the year was £39,814,000 against a carrying value of £52,065,000.

At 3 January 2017, the Company had unprovided capital commitments of £806,000 (5 January 2016: £1,270,000).

15 Investments in subsidiaries

	Subsidiary undertaking £'000
Cost and net book value	
At 6 January 2016 and 3 January 2017	**1**

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

RoadChef (Chester) Limited
RoadChef (Clacket Lane) Limited
RoadChef (Durham) Limited
RoadChef (Killington) Limited
RoadChef Costa Coffee Limited
Superlodge Limited
RoadChef (Pont Abraham) Limited
RoadChef (Rownhams) Limited
RoadChef (Sandbach) Limited
RoadChef (Sedgemoor) Limited
RoadChef (Taunton) Limited

16 Inventories

	3 January 2017 £'000	5 January 2016 £'000
Raw materials and consumables	**782**	1,208
Goods for resale	**1,715**	1,686
	2,497	2,894

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

17 Debtors - amounts falling due within one year

	3 January 2017 £'000	Restated 5 January 2016 £'000
Trade receivables	**2,864**	1,957
Amounts owed by group companies (note 2)	**11,393**	250,564
Other receivables	**142**	581
Prepayments and accrued income	**2,803**	2,747
	17,202	255,849

Amounts owed by other group companies to the Group and Company are non-interest bearing and have no fixed repayment date.

As at 3 January 2017, trade receivables of £314,000 (5 January 2016: £197,000) were past due. The ageing analysis of these receivables is as follows:

	3 January 2017 £'000	5 January 2016 £'000
Past due		
1-30 days	**196**	28
31-60 days	**49**	8
61-90 days	**3**	82
91-120 days	**-**	2
> 120 days	**66**	77
	314	197

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

	3 January 2017 £'000	5 January 2016 £'000
Opening provision	**49**	68
Amounts utilised	**(18)**	(19)
Allowances made	**1**	-
Closing provision	**32**	49

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.

18 Cash at bank and in hand

	3 January 2017 £'000	5 January 2016 £'000
Cash at bank and in hand	**1,993**	1,958

19 Creditors - amounts falling due within one year

	3 January 2017 £'000	Restated 5 January 2016 £'000
Trade payables	**5,900**	11,760
Amounts owed to group companies (note 2)	**13,216**	168,099
Other taxes and social security	**2,696**	288
Other payables	**11**	127
Accruals	**4,036**	3,254
	25,859	183,528

Amounts owed to group companies at 3 January 2017 are unsecured, non-interest bearing and have no fixed repayment date. The fellow group companies have indicated that they will not require repayment within twelve months from the date of signature of these financial statements.

20 Creditors - amounts falling due in more than one year

	3 January 2017 £'000	Restated 5 January 2016 £'000
Amounts owed to group companies (note 2)	**-**	63,099

21 Loans and borrowings

	3 January 2017 £'000	5 January 2016 £'000
Unsecured loans	**1,378**	1,746
Finance leases	**2,775**	3,212
	4,153	4,958

Unsecured loans

	3 January 2017 £'000	5 January 2016 £'000
Unsecured loan maturity:		
Repayable in more than one year but not more than two years	**368**	368
Repayable in more than two years but not more than five years	**642**	1,010
Repayable in more than five years	**-**	-
	1,010	1,378
Repayable in one year or less	**368**	368
	1,378	1,746

The unsecured loan is repayable in equal monthly instalments of £31,000 between January 2017 and September 2020. No interest is charged on the unsecured loan.

21 Loans and borrowings (continued)

Finance leases

	3 January 2017 £'000	5 January 2016 £'000
Finance lease maturity:		
Repayable in more than one year but not more than two years	**492**	465
Repayable in more than two years but not more than five years	**1,541**	1,568
Repayable in more than five years	**278**	742
	2,311	2,775
Repayable in one year or less	**464**	437
	2,775	3,212

The finance leases are repayable as follows:

	3 January 2017 £'000	5 January 2016 £'000
6-7% finance leases repayable January 2011 to October 2023	**3,280**	3,898
Less finance costs allocated to future periods	**(505)**	(686)
	2,775	3,212

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

The Company's financial risk management policies for liquidity and interest rate risks associated with financial liabilities are discussed in Strategic Report.

22 Deferred revenue

	3 January 2017 £'000	5 January 2016 £'000
Opening balance	**9,543**	10,338
Credited to income statement	**(797)**	(795)
Closing balance	**8,746**	9,543

	3 January 2017 £'000	5 January 2016 £'000
Current	**674**	795
Non-current	**8,072**	8,748
	8,746	9,543

23 Ordinary shares

	3 January 2017 £'000	5 January 2016 £'000
Authorised, called up and fully paid		
1,045,000 ordinary shares of £1 each	**1,045**	1,045

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

24 Reserves

	Share premium £'000	Restated revaluation reserve £'000	Restated retained earnings £'000	Total £'000
At 6 January 2016	17	115,961	105,292	221,270
Loss for the financial year	-	-	(21,171)	(21,171)
Property impairments	-	(4,132)	-	(4,132)
Taxation components on other comprehensive income	-	-	826	826
Reserve transfer	-	(3,484)	3,484	-
At 3 January 2017	**17**	**108,345**	**88,431**	**196,793**

The Financial Statements for the year ended 5 January 2016 included an FRS 101 transition adjustment transferring revaluation reserve amounts into retained earnings following the Company's election to carry land and buildings under the historic cost model based upon deemed cost at the date of transition. After further consideration of the specific requirements of the Companies Act 2006 (S.I. 2008/410), it has been determined that revaluation reserve amounts should not have been transferred into retained earnings on transition to FRS 101. Revaluation reserve amounts have as such been separately disclosed for both the current and prior year.

25 Pension schemes

Defined contribution schemes
The Company operates defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension charge for the year for these schemes amounted to £267,000 (5 January 2016: £223,000). An amount of £nil (5 January 2016: £nil) is owed to the pension schemes at the year end.

26 Financial commitments

The Company receives contingent rental income on a forecourt leased to a third party under a non-cancellable operating lease. The total contingent rents recognised as income during the year is £2,688,000 (5 January 2016: £2,368,000). Contingent rentals are linked to the sales and gross margin performance of the lessee. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	3 January 2017 Land and buildings £'000	5 January 2016 Land and buildings £'000
Expiry date:		
Within one year	**550**	-
Between one and five years	**3,545**	-
After more than five years	**14,476**	-
	18,571	-

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

	3 January 2017		5 January 2016	
	Land and buildings £'000	**Plant and machinery £'000**	Land and buildings £'000	Plant and machinery £'000
Within one year	**47**	**6**	82	6
Between one and five years	-	-	48	-
After more than five years	-	-	-	-
	47	**6**	130	6

27 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 3 January 2017 was £195,883,000 (5 January 2016: £11,735,000). The directors consider the likelihood of any financial liability arising in respect of these to be remote.

28 Control

The immediate parent company is Roadchef Motorways Holdings 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 3 January 2017, Antin Infrastructure Partners Luxembourg III S.a.r.l is considered to be the ultimate controlling party, a company registered in Luxembourg.