

REGISTERED NUMBER 01123082

ROADCHEF MOTORWAYS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

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
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INDEPENDENT AUDITORS

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Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

BANKERS

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

ROADCHEF MOTORWAYS LIMITED

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ROADCHEF MOTORWAYS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their Strategic Report for the year ended 31 December 2017. The comparative period was the year ended 3 January 2017.

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 31 December 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 £7,947,000 (3 January 2017: £1,363,000) and a profit before taxation of £6,840,000 (3 January 2017: loss before taxation of £24,570,000).

Forecourt operations

During the prior 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 the Roadchef Limited Group ("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 £185m, 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 75% 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 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. Management has been committed to increasing the variety of offerings to its customers with new catering outlets, as well as enhancing the quality of experience for customers through the refurbishment of existing outlets. Alongside this management have invested in enhancing the general amenity building space and facilities throughout the estate.

Management have been delighted to introduce the first Leon on the UK's motorway network at Strensham Southbound, 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's drive to add variety and choice of quality brands for customers has been at the forefront of efforts in 2017, and management were excited to announce a new partnership with Pret A Manger during the year. The Group's first Pret A Manger was opened at Chester just before the end of the year and will be followed by another unit at Clacket Lane Westbound during Spring 2018.

Following the success of the Group's opening of the first Costa Drive Thru on the UK's motorway network in 2016, an additional ten units were opened in 2017.

Management continually assess the suitability and success of the Group's offerings and look forward to making further investments to enhance the estate during 2018.

ROADCHEF MOTORWAYS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	31 December 2017	3 January 2017	Definition, method of calculation and analysis
Growth in amenity building and drive thru sales (%)	2.8%	7.3%	Year-on-year sales growth expressed as a percentage. The continued growth in the current year reflects the popularity of the offerings in place.
Gross margin in the amenity building and drive thru (%)	60.6%	60.2%	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 and drive thru transactions (m)	17.6	17.6	This is the actual number of transactions recorded in the Company's retail and catering outlets. The number of transactions is judged to be a satisfactory level.
Spend per transaction (£)	£5.07	£4.95	This is the sales in the amenity building and Costa Drive Thru (excluding hotel offerings and other income) 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. A key development in the year has been the introduction of McDonald's self ordering systems at several of the Company's sites, which give customers the opportunity to view and build up their selection from a menu at their leisure.

In addition to the amenity building sales discussed above, the Company has significant revenues generated from the provision of services, rental income from forecourts and the sale of fuel. Revenue from the provision of services includes revenue from hotels, parking and gaming. Fuel revenue has decreased from the prior year, as result of the agreement to lease forecourts to Euro Garages Limited as discussed on page 1.

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' was implemented by the Group from January 2016, bringing a step increase to the Group's employee benefit expenses. Management actively planned for these increases and recognises the benefit that these bring to employees and the business.

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, there has been increased uncertainty in markets related to the Group's activities. 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.

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 £2,435,000 (3 January 2017: £2,864,000), 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 at least 70% of variable rate debt held.

Liquidity risk

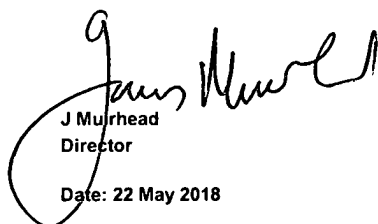
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

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 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 Murhead
Director
Date: 22 May 2018

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and audited financial statements for the year ended 31 December 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 (3 January 2017: £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, 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 £204,600,000 (3 January 2017: £197,838,000). 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.

ROADCHEF MOTORWAYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

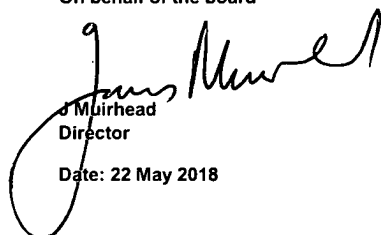
The directors who were members of the board at the time of approving the Directors' Report are listed on page 4. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- 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: 22 May 2018

ROADCHEF MOTORWAYS LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 regulations.

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;
- 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



**J Muirhead
Director**

Date: 22 May 2018

Independent auditors' report to the members of Roadchef Motorways Limited

Report on the audit of the financial statements

Opinion

In our opinion, Roadchef Motorways Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 31 December 2017; the income statement and 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.

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.

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 when:

- 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 31 December 2017 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 Roadchef Motorways 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 set out on page 6, 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.

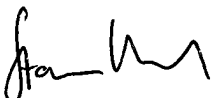
Other required reporting

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

Date: 24 May 2018

ROADCHEF MOTORWAYS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Revenue	3	115,689	125,668
Cost of sales		(43,298)	(55,608)
Gross profit		72,391	70,060
Administrative expenses:			
Before exceptional items		(62,265)	(59,989)
Property impairments	5	-	(7,397)
Other exceptional items	6	(2,179)	(1,311)
		(64,444)	(68,697)
Operating profit		7,947	1,363
Loss on disposal of property, plant and equipment		(91)	(110)
Exceptional finance costs	9	-	(19,293)
Finance costs	10	(1,016)	(6,530)
Profit/ (loss) before taxation		6,840	(24,570)
Taxation	11	(78)	3,399
Profit/ (loss) for the financial year	22	6,762	(21,171)

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

ROADCHEF MOTORWAYS LIMITED

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Profit/ (loss) for the financial year	22	6,762	(21,171)
Property impairments		-	(4,132)
Taxation on components of other comprehensive income	11	-	826
Total comprehensive income/ (expense) for the year		6,762	(24,477)

ROADCHEF MOTORWAYS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	31 December 2017 £'000	3 January 2017 £'000
Assets			
Non-current assets			
Intangible assets	12	25	67
Property, plant and equipment	13	237,483	235,057
Investments in subsidiaries	14	1	1
		<u>237,509</u>	<u>235,125</u>
Current assets			
Inventories	15	2,086	2,497
Debtors - amounts falling due within one year	16	18,600	17,202
Cash at bank and in hand	17	874	1,993
		<u>21,560</u>	<u>21,692</u>
Total assets		<u>259,069</u>	<u>256,817</u>
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	18	(23,116)	(25,859)
Loans and borrowings	19	(860)	(832)
Deferred revenue	20	(495)	(674)
		<u>(24,471)</u>	<u>(27,365)</u>
Non-current liabilities			
Loans and borrowings	19	(2,461)	(3,321)
Deferred revenue	20	(7,577)	(8,072)
Deferred tax liabilities	11	(19,960)	(20,221)
		<u>(29,998)</u>	<u>(31,614)</u>
Total liabilities		<u>(54,469)</u>	<u>(58,979)</u>
Net assets		<u>204,600</u>	<u>197,838</u>
Equity			
Ordinary shares	21	1,045	1,045
Share premium account	22	17	17
Revaluation reserve	22	80,689	83,185
Retained earnings	22	122,849	113,591
Total equity		<u>204,600</u>	<u>197,838</u>

Amounts have been reclassified between revaluation reserve and retained earnings as at 3 January 2017. See note 22 for further explanation.

The financial statements on pages 9 to 25 were approved by the board of directors and authorised for issue on 22 May 2018 and were signed on its behalf.


J Muirhead
Director

Registered Number 01123082

The notes on pages 13 to 25 are an integral part of these financial statements.

ROADCHEF MOTORWAYS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Ordinary shares £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 6 January 2016		1,045	17	89,950	131,303	222,315
Loss for the financial year		-	-	-	(21,171)	(21,171)
Other comprehensive (expense)/ income		-	-	(4,132)	826	(3,306)
Reserve transfer		-	-	(2,633)	2,633	-
At 3 January 2017		1,045	17	83,185	113,591	197,838
Profit for the financial year	22	-	-	-	6,762	6,762
Reserve transfer	22	-	-	(2,496)	2,496	-
At 31 December 2017		1,045	17	80,689	122,849	204,600

Amounts have been reclassified between revaluation reserve and retained earnings as at 6 January 2016 and 3 January 2017. See note 22 for further explanation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Basis of preparation

The financial statements have been prepared for the year ended 31 December 2017. The comparative period was the year ended 3 January 2017.

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 £204,600,000 (3 January 2017: £197,838,000). 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 received 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 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.

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 16.

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.

ROADCHEF MOTORWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

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.

3 Revenue

	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Sale of goods	95,647	107,486
Provision of services	16,172	15,482
Rental income	3,870	2,700
	115,689	125,668

4 Cost of sales

Cost of sales includes:

	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Costs of inventories recognised as an expense	33,485	46,510
Franchise fees	4,520	4,285
Consumables, disposables and distribution costs	3,034	2,485

ROADCHEF MOTORWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

5 Administrative expenses

Administrative expenses include:

	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Depreciation of property, plant and equipment (note 13):		
- owned assets	8,497	6,921
- leased assets	5,603	5,913
Amortisation of intangible assets (note 12)	42	42
Property impairment	-	7,397
Operating lease rentals:		
- land and buildings	57	82
- plant and machinery	131	188
Business rates	5,449	4,580
Repairs and maintenance	1,981	1,967
Utilities	1,898	1,872
Employee benefit expenses (note 7)	28,050	27,355
Auditors' remuneration - audit of the financial statements	20	19

For the year ended 31 December 2017, the Company's audit fee of £20,000 (3 January 2017: £19,000) was borne by Roadchef Limited, an intermediate parent company in the United Kingdom, and recharged to the Company.

6 Other exceptional items

	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Restructuring costs	713	253
Pre-opening expenses	1,340	1,058
Other	126	-
	2,179	1,311

The restructuring costs in the year relate to costs following an internal reorganisation, costs associated with the leasing of forecourts to Euro Garages in the year, and one off costs in relation to franchise agreements.

Pre-opening expenses relate to non-capital costs associated with the opening of new units, which included a new Leon unit, six Costa Drive Thru units and a Pret A Manger during the year.

The tax impact of the above items has been to reduce the current tax charge by £419,000 (3 January 2017: £258,000).

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

7 Employee benefit expenses

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

	Year ended 31 December 2017 Number	Year ended 3 January 2017 Number
Operational	1,802	1,756
Management and administration	258	274
	2,060	2,030

Their payroll costs comprised:

	£'000	£'000
Wages and salaries	26,327	25,669
Social security costs	1,456	1,419
Other pension costs (note 23)	267	267
	28,050	27,355

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 31 December 2017 £'000	Year ended 3 January 2017 £'000
Short-term employee benefits	328	391
Post-employment pension benefits	11	27
Number of directors accruing benefits under money purchase schemes	2	3
In respect of the highest paid director:		
Short-term employee benefits	132	169
Post-employment pension benefits	3	4

There were no directors (3 January 2017: none) who were members of a defined benefit pension scheme.

9 Exceptional finance costs

Exceptional finance costs of £19,293,000 were incurred in the prior year as a result of early redemption of secured loan notes held in a fellow group company which had been lent on to the Company. No such costs were incurred during the current year.

10 Finance costs

	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Finance costs		
Bank loans and overdrafts	-	47
Loans from group companies	-	5,015
Finance costs of loans from other group companies	814	1,126
Finance costs payable under finance leases	154	181
Other interest	48	161
	1,016	6,530

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

11 Taxation

	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Corporation tax		
Current tax on profit/ (loss) for the year	339	-
Total current tax	339	-
Deferred tax		
Origination and reversal of timing differences	(22)	(2,895)
Adjustments in respect of prior periods	(242)	313
Effect of changes in tax rates on deferred tax balance	3	(817)
Total tax charged/ (credited) to income statement	78	(3,399)
The total tax charge is different to the standard rate of corporation tax in the United Kingdom of 19.25% (3 January 2017: 20%). The material differences are reconciled below:		
Profit/ (loss) before taxation	6,840	(24,570)
Profit/ (loss) before taxation multiplied by the UK tax rate of 19.25% (3 January 2017: 20%)	1,317	(4,914)
Transfer pricing and WWDC adjustments	79	2,169
Effect of changes in tax rates on deferred tax balance	3	(817)
Depreciation charged on ineligible assets	627	914
Adjustments in respect of prior periods	(242)	313
Group relief claimed not paid for	(1,842)	(1,080)
Expenses not deductible for tax purposes	136	16
Total tax charge/ (credit)	78	(3,399)

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

11 Taxation (continued)

Reconciliation of deferred taxes

	Balance sheet		Income statement	
	31 December 2017 £'000	3 January 2017 £'000	Year ended 31 December 2017 £'000	Year ended 3 January 2017 £'000
Property, plant and equipment	(21,373)	(21,564)	191	3,621
Other short term timing differences	1,413	1,343	70	(222)
Deferred tax credit through income statement			261	3,399
Net deferred tax liability	(19,960)	(20,221)		
Reflected as:				
Deferred tax liabilities	(19,960)	(20,221)		
	(19,960)	(20,221)		
Movements in net deferred tax liability:			31 December 2017 £'000	3 January 2017 £'000
Net deferred tax liability				
Opening liability			(20,221)	(24,446)
Credit through income statement			261	3,399
Credit through other comprehensive income			-	826
Closing liability			(19,960)	(20,221)

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 19% will reduce to 17% on 1 April 2020. 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.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

12 Intangible assets

	Licences £'000
Cost	
At 4 January 2017 and 31 December 2017	<u>211</u>
Accumulated amortisation	
At 4 January 2017	144
Charge for year	42
At 31 December 2017	<u>186</u>
Net book value	
At 31 December 2017	<u>25</u>
At 3 January 2017	<u>67</u>

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.

13 Property, plant and equipment

	Land and buildings			Fixtures, fittings and equipment	Total
	Freehold £'000	Long leasehold £'000	Short leasehold £'000	£'000	£'000
Cost or deemed cost					
At 4 January 2017	76,877	37,941	124,488	44,724	284,030
Additions	185	-	999	14,901	16,085
Disposals	-	-	-	(246)	(246)
Transfers in	-	-	-	533	533
At 31 December 2017	<u>77,062</u>	<u>37,941</u>	<u>125,487</u>	<u>59,912</u>	<u>300,402</u>
Accumulated depreciation or impairment					
At 4 January 2017	7,258	1,761	22,886	17,068	48,973
Charge for year	821	592	4,621	8,066	14,100
Disposals	-	-	-	(154)	(154)
At 31 December 2017	<u>8,079</u>	<u>2,353</u>	<u>27,507</u>	<u>24,980</u>	<u>62,919</u>
Net book value					
At 31 December 2017	<u>68,983</u>	<u>35,588</u>	<u>97,980</u>	<u>34,932</u>	<u>237,483</u>
At 3 January 2017	69,619	36,180	101,602	27,656	235,057

Property, plant and equipment includes assets in the course of construction with a cost of £1,265,000 (3 January 2017: £105,000).

Fixtures, fittings and equipment includes assets with a cost of £3,321,000 (3 January 2017: £3,321,000) and net book value of £1,091,000 (3 January 2017: £1,481,000) subject to finance leases. The finance leases under which certain of these amounts are leased are held in Roadchef Limited.

Fixtures, fittings and equipment includes £529,000 of assets transferred in from inventories as well as £4,000 transferred in from a fellow group company.

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.

At 31 December 2017, the Company had unprovided capital commitments of £1,250,000 (3 January 2017: £806,000).

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 Investments in subsidiaries

Subsidiary
undertaking
£'000

Cost and net book value

At 3 January 2017 and 31 December 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

15 Inventories

	31 December 2017 £'000	3 January 2017 £'000
Raw materials and consumables	174	782
Goods for resale	1,912	1,715
	2,086	2,497

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

16 Debtors - amounts falling due within one year

	31 December 2017 £'000	3 January 2017 £'000
Trade receivables	2,435	2,864
Amounts owed by group companies	12,733	11,393
Other receivables	191	142
Prepayments and accrued income	3,241	2,803
	18,600	17,202

Amounts owed by other group companies are non-interest bearing and are repayable on demand.

As at 31 December 2017, trade receivables of £664,000 (3 January 2017: £314,000) were past due. The ageing analysis of these receivables is as follows:

	31 December 2017 £'000	3 January 2017 £'000
Past due		
1-30 days	159	196
31-60 days	70	49
61-90 days	352	3
91-120 days	8	-
> 120 days	75	66
	664	314

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

	31 December 2017 £'000	3 January 2017 £'000
Opening provision	32	49
Amounts utilised	-	(18)
Allowances made	51	1
Closing provision	83	32

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.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

17 Cash at bank and in hand

	31 December	3 January
	2017	2017
	£'000	£'000
Cash at bank and in hand	874	1,993

18 Creditors - amounts falling due within one year

	31 December	3 January
	2017	2017
	£'000	£'000
Trade payables	7,410	5,900
Amounts owed to group companies	8,585	13,216
Other taxes and social security	1,915	2,696
Other payables	36	11
Accruals	5,170	4,036
	23,116	25,859

Amounts owed to group companies at 31 December 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.

19 Loans and borrowings

	31 December	3 January
	2017	2017
	£'000	£'000
Unsecured loans	1,011	1,378
Finance leases	2,310	2,775
	3,321	4,153

Unsecured loans

	31 December	3 January
	2017	2017
	£'000	£'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	275	642
Repayable in more than five years	-	-
	643	1,010
Repayable in one year or less	368	368
	1,011	1,378

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

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

19 Loans and borrowings (continued)

Finance leases

	31 December 2017 £'000	3 January 2017 £'000
Finance lease maturity:		
Repayable in more than one year but not more than two years	521	492
Repayable in more than two years but not more than five years	1,229	1,541
Repayable in more than five years	68	278
	1,818	2,311

Repayable in one year or less	492	464
	2,310	2,775

The finance leases are repayable as follows:

	31 December 2017 £'000	3 January 2017 £'000
6-7% finance leases repayable January 2011 to October 2023	2,662	3,280
Less finance costs allocated to future periods	(352)	(505)
	2,310	2,775

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 the Strategic Report.

20 Deferred revenue

	31 December 2017 £'000	3 January 2017 £'000
Opening balance	8,746	9,543
Credited to income statement	(674)	(797)
Closing balance	8,072	8,746

	31 December 2017 £'000	3 January 2017 £'000
Current	495	674
Non-current	7,577	8,072
	8,072	8,746

21 Ordinary shares

	31 December 2017 £'000	3 January 2017 £'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.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

22 Reserves

	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
At 4 January 2017	17	83,185	113,591	196,793
Profit for the financial year	-	-	6,762	6,762
Reserve transfer	-	(2,496)	2,496	-
At 31 December 2017	17	80,689	122,849	203,555

Amounts have been reclassified between revaluation reserve and accumulated losses as at 4 January 2017. Deferred tax expenses of £25,160,000 which arose from revalued items of property, plant and equipment have been recognised in revaluation reserve in line with the requirements of IAS 12, having originally been recognised in retained earnings. There is no change in the Income Statement or Statement of Other Comprehensive Income as a result of this reclassification.

23 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 (3 January 2017: £267,000). An amount of £nil (3 January 2017: £nil) is owed to the pension schemes at the year end.

24 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 £3,870,000 (3 January 2017: £2,688,000). 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:

	31 December 2017 Land and buildings £'000	3 January 2017 Land and buildings £'000
Expiry date:		
Within one year	886	550
Between one and five years	3,545	3,545
After more than five years	13,597	14,476
	18,028	18,571

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

	31 December 2017 Land and buildings £'000	Plant and machinery £'000	3 January 2017 Land and buildings £'000	Plant and machinery £'000
Within one year	20	3	47	6
Between one and five years	80	-	-	-
After more than five years	2,503	-	-	-
	2,603	3	47	6

25 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 31 December 2017 was £210,500,000 (3 January 2017: £195,883,000). The directors consider the likelihood of any financial liability arising in respect of these to be remote.

26 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 31 December 2017, Antin Infrastructure Partners Luxembourg III S.a.r.l is considered to be the ultimate controlling party, a company registered in Luxembourg.