

REGISTERED NUMBER 01123082

ROADCHEF MOTORWAYS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2020

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ROADCHEF MOTORWAYS LIMITED

COMPANY INFORMATION

DIRECTORS

M Fox
I McKay
R Tindale
J Muirhead
D Wade

SECRETARY

M Hedditch

REGISTERED OFFICE

Roadchef House
Norton Canes MSA
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Norton Canes
Cannock
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WS11 9UX

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

BANKERS

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1 Churchill Place
London
E14 5HP

ROADCHEF MOTORWAYS LIMITED

CONTENTS

Contents	Page(s)
Strategic report	1 - 3
Directors' report	4 - 7
Statement of directors' responsibilities	8
Independent auditors' report	9 - 11
Income statement	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15 - 30

ROADCHEF MOTORWAYS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 27 DECEMBER 2020

The directors present their Strategic Report for the year ended 27 December 2020. The comparative period was the year ended 29 December 2019.

Review of the business

Principal activities

Roadchef Motorways Limited ("the Company") operated 13 Motorway Service Areas over 18 sides of the motorway in the United Kingdom for the year ended 27 December 2020. We do not anticipate the principal activities of the business to change in the foreseeable future.

The results for the Company show an operating loss of £9,470,000 (29 December 2019: operating profit of £10,991,000) and a loss before taxation of £11,888,000 (29 December 2019: profit before taxation of £8,230,000). The results for the year reflect the significant impact that the coronavirus pandemic has had on the Company.

Business environment and strategy

The following narrative relates to the underlying trade of 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. The Group operates roadside service areas at 30 key locations across the UK. The Group's sites are located at strategic positions on the UK motorway network.

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

The Group's 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.

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

Management's drive to add variety and choice of quality brands for customers has been at the forefront of efforts in recent years, and management were delighted to introduce the first Leon on the UK's motorway network at Strensham Southbound in 2017, which has been followed by several more since including two units in 2020. Leon has an emphasis on bringing customers good tasting, healthy fast food and adds an exciting diversity to the Group's portfolio of catering outlets.

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

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

	27 December 2020	29 December 2019	Definition, method of calculation and analysis
Growth in amenity building and drive thru sales (%)	(40.7)%	4.1%	Year-on-year sales growth, including Drive Thru, expressed as a percentage. The 2020 decline follows the significant short-term impact of the coronavirus pandemic on the business.
Gross margin in the amenity building and drive thru (%)	60.7%	60.8%	The amenity building gross margin is the ratio of gross profit to sales expressed as a percentage. Given the challenges posed to trading this year, the gross margin is judged to be at a good level.
Amenity building and drive thru transactions (m)	9.7	18.6	This is the actual number of transactions recorded in the Company's retail and catering outlets. The 2020 decline follows the significant short-term impact of the coronavirus pandemic on the business.
Spend per transaction (£)	£5.88	£5.18	This is the sale of goods (as given in note 4) divided by the number of transactions. The average spend per transaction has increased during the year, helped in part by the temporary 5% VAT rate for hospitality.

In addition to the amenity building sales discussed above, the Company has significant revenues generated from the provision of services and rental income from forecourts. Revenue from the provision of services includes revenue from hotels, parking and gaming.

ROADCHEF MOTORWAYS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 27 DECEMBER 2020

Principal risks and uncertainties

Coronavirus pandemic

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

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

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

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

With a further national lockdown imposed in January 2021, trade continued to be impacted in the early part of 2021. However, as restrictions were lifted, traffic and revenue rebounded strongly and immediately, with revenue reaching over 110% of normal pre-pandemic levels during August 2021. Management are confident that revenue levels will be sustained through the remainder of 2021.

The availability of support from the Government and key suppliers, such as the Coronavirus Job Retention Scheme, enabled the Group to continue trading through the peak of the crisis without the need of any additional funding support. Liquidity has remained healthy and the majority of the Group's employees have been retained, which has been key to provide a platform for the Group's recovery.

As a result of this trading environment a waiver request was required from the Group's lenders in respect of the financial covenants and other potential default events up to and including 31 December 2021. This request has been granted, providing the Group with sufficient time to recover profitability. Management have performed a review of forecasts, and do not expect any breach of financial covenants or any default events for a period in excess of 12 months from the date of approval of these financial statements.

Operational change and business response

A key priority for the Group has been to ensure that all premises provide a safe environment for customers and employees. The Group has invested in making all areas 'Covid Secure' and training employees in accordance with the latest Government advice. Management have also invested in outdoor seating and catering outlets to ensure that our premises remain safe and accessible as visitor numbers increase.

Financial outlook

Management have considered a range of recovery scenarios through to December 2022, forecasting EBITDA, liquidity and financial covenant positions.

It is Management's view that the Group will experience a smooth recovery in 2021, with revenue levels back to normal in the second half of the year, as already observed with July and August 2021 trading performance. This would result in a 60% increase in the year-on-year revenue for the 12 months to June 2022.

More protracted recovery scenarios have also been considered which would see revenue growth of 53% for year-on-year revenue to June 2022.

Both of these revenue scenarios demonstrate an excellent level of liquidity, enabling the Group to service all payables as they fall due with no issues. Furthermore these scenarios demonstrate the Group's ability to pass all financial covenants associated with the Group's borrowings as they resume in 2022. For these reasons Management are satisfied that a going concern basis of preparation for the financial statements remains appropriate.

ROADCHEF MOTORWAYS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020**

Principal risks and uncertainties (continued)

Other risks:

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

UK withdrawal from the EU: The majority of the Group's direct suppliers are based in the UK and management work closely with these to secure competitive pricing. The Group's customer base is the travelling public in the UK. There has been no significant impact on the business as a result of the UK withdrawal from the EU.

Financial risk management policies

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, 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 £1,353,000 (29 December 2019: £2,617,000), 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.

Section 172 statement

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

On behalf of the board


J Muirhead
Director

Date: 28 September 2021

**DIRECTORS' REPORT
FOR THE YEAR ENDED 27 DECEMBER 2020**

The directors present their report and audited financial statements for the year ended 27 December 2020.

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

Directors

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

M Fox
S Turl (resigned 30 September 2020)
I McKay
R Tindale
J Muirhead
D Wade

Results and dividends

The results for the year are set out on page 12. The directors do not recommend the payment of a dividend (29 December 2019: £nil).

Future developments

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

Corporate Governance**Section 172**

The Board recognises that good governance helps the business implement its strategy, protect shareholder value and minimise risk and are committed to maintaining high standards of corporate governance. The Board's corporate governance is part of the overall governance framework of the Company and is directed in a manner which is responsible and in accordance with high standards of honesty, transparency, and accountability, whilst having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, acting in good faith whilst promoting the success of the Company.

The Company has applied the Wates Corporate Governance Principles for Large Private Companies for the year ended 27 December 2020, as set out as follows:

Purpose and Leadership

The Company's vision is to make Britain's roads a safer and happier place by elevating the mood of every road user and its mission is to de-stress and delight Britain's road users. The Board of Directors seek to deliver the Company's vision and mission through three core values:

- i) **Caring** - To be friendly, engaging, welcoming and inclusive.
- ii) **Uncomplicated** - To be straightforward, grounded, practical and transparent, and;
- iii) **Positively Obsessive** - To be energetic, adaptable, diligent, and ambitious.

These values are the personality traits that the Board ask all of the Company's employees to display in their dealings with each other, partners, suppliers, customers and regulatory authorities. The Company lives by these values and they inform what the Board choose to do and how they do it.

The Company's values are communicated to all employees as an integral part of their induction to the business, and the Board are committed to further promote the values on an ongoing basis, putting them at the heart of all key employee relations, including regular communications and behaviour driven incentives and rewards.

The Board monitor the effectiveness of this through employee engagement surveys, performance reviews and customer satisfaction scores, amongst other measures.

The Board believe that in promoting these shared collective values the Company is more likely to achieve long-term sustainable success and moves closer to achieving its vision and mission.

Board composition

The Board comprises a range of roles, combining appropriate backgrounds and skills in order to optimise the effectiveness and balance of the Board as a collective, as well as individual objectivity and accountability. The Board is led by a Chief Executive Officer with extensive experience managing a range of businesses across the UK and Europe.

The size and structure of the Board is carefully considered to ensure it can meet the strategic needs and challenges of the Company and enable effective decision-making. This is reviewed in the context of evolving business requirements, the result of which has, for example, resulted in the appointment of a Chief Commercial Officer in a recently created role.

The Board recognises the importance of diversity in appointments and benefits that this delivers. The Company uses succession planning to identify and develop future leaders and senior managers for the business.

ROADCHEF MOTORWAYS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

Corporate Governance (continued)

Director Responsibilities

The Board are responsible for safeguarding the assets of the Company and promoting the success of the Company for the benefit of its shareholders, whilst maintaining high standards of corporate governance.

The Board sets out to fulfil these responsibilities in all of its day-to-day activities and business interactions, and also has several structured methods as part of the delivery of these responsibilities.

The Board has established a comprehensive and robust process of internal review to ensure processes and controls are operating effectively and the integrity management information is monitored and maintained. The Company operates a comprehensive programme of internal audits, including management control audits by the Company's loss prevention team and monthly financial reviews between finance and operations teams.

The Board meets formally eleven times in each twelve month period to review all key aspects of the business, including financial performance, strategic and operational matters, stakeholder relations, health and safety, legal matters and corporate governance. The Board also meets on a monthly basis with senior managers of the business to discuss similar topics and to ensure all involved are fully informed of relevant matters.

The Company has a remuneration committee and audit committee which meet as required and provide independent recommendations to the Board for approval or further action.

Opportunity and Risk

The Board considers the opportunities and risks of the Company on a regular basis, primarily discussing these during formal Board meetings. The Board recognise that in order to facilitate comprehensive and effective discussions they must endeavour to remain suitably informed and aware of potential opportunities and risks. The Board utilise a variety of resource to enable this, including analysis of industry and market data, maintenance of short and long-term business modelling, maintenance of risk registers, input from third party experts, and stakeholder collaboration. Employees are encouraged to interact with the Board in this regard through regular strategic meetings held throughout the year which involve senior managers across all key business functions.

Key strategic and investment proposals are considered and approved by the Board on a financial and non-financial basis, giving full consideration to the Company's values, and with the aim of creating and preserving value for the Company.

Significant risks are considered on a similar basis, with financial and non-financial implications fully explored by the Board and appropriate plans for mitigation agreed.

Remuneration

Remuneration policies and decisions are made based upon the recommendations of a remuneration committee, which includes an independent member who is not remunerated by the Company. The remuneration committee is responsible for setting remuneration packages for the individual Board members as well as the policy for the Company's employees, with annual pay reviews undertaken, including a discretionary annual bonus that depends upon the performance of the Company.

In doing so, consideration is given to benchmarking data, business performance, and an underlying intent to attract and retain highly talented individuals.

Stakeholder relationships and engagement

Engagement with shareholders

Regular and transparent interaction is promoted with shareholders. The Company's board of directors includes representatives from the Group's principal and majority shareholder. The Board meets eleven times per year to discuss the performance and strategic direction of the Company, and approve significant business decisions.

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

Engagement with employees

The Board places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. Employees, or their representatives, are consulted on a regular basis through a series of Joint Consultative Committees from site level to Support Office so that the views of employees can be considered in making decisions that are likely to affect their interests. The Chief Executive Officer also monitors an email address named "Tell Mark" which is promoted to all employees and enables them to raise ideas or concerns directly with him at any time. The Board makes use of an at least annual employee engagement survey to collect the views and opinions of its employees. The Board also encourages all levels of staff to fulfil their own potential and offers internal training, secondment and promotion opportunities to enable this. The Company is one of the few hospitality businesses with a Gold Investors in People accreditation, demonstrating the exceptional standards and commitment that the business maintains as an employer and also participates in the Best Companies survey enabling employees to provide feedback directly to Best Companies which provides a rating of the Company's performance relative to other similar scale organisations in the UK.

ROADCHEF MOTORWAYS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

Corporate Governance (continued)

Engagement with customers

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

Engagement with other stakeholders

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

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the 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.

Streamlined Energy & Carbon Reporting

The Company is committed to ensuring the business operates in a sustainable way, minimising the environmental impact of the business and pioneering new and innovative ways of supporting this.

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

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

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

	Year ended 27 December 2020 kWh	Year ended 29 December 2019 kWh
Energy consumption used to calculate emissions:	19,748,702	25,544,149
Energy consumption break down (kWh)		
Gas	2,874,324	3,848,030
Electricity	16,534,589	21,350,092
Transport Fuel	339,789	346,027
	Year ended 27 December 2020 Tonnes of CO2 equivalent	Year ended 29 December 2019 Tonnes of CO2 equivalent
Emissions from combustion of gas (Scope 1)	604	808
Emissions from purchased electricity (Scope 2)	3,855	5,457
Emissions from business travel where company is responsible for the purchasing of fuel (Scope 3)	94	97
Total gross emissions in metric tonnes CO2e	4,553	6,362
Intensity ratio: tonnes of CO2e per £m of sales	63.8	54.5
Intensity ratio: tonnes of CO2e per employee	2.4	3.1

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

ROADCHEF MOTORWAYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020**

Going concern

The Company's business activities, financial risk policies and exposures, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The key sensitivity is the level of trading it achieves which is dependent on a number of factors outside the Company's control, including fuel prices and the wider economy. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

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

The impact of Coronavirus on the Group is discussed in the Strategic Report. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, including a severe but plausible downside scenario in light of the coronavirus pandemic, show that the Group expects to operate within the level of its current facilities and to meet minimum covenant requirements in respect of these facilities.

The Company has net assets of £201,302,000 (29 December 2019: £212,800,000). 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

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: 28 September 2021

ROADCHEF MOTORWAYS LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 27 DECEMBER 2020**

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Reports and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the 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: 28 September 2021

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 27 December 2020 and of its loss 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: Balance Sheet as at 27 December 2020; the Income Statement and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's detailed cash flow forecasts and both liquidity and covenant headroom under both base case and downside scenarios.
- Comparison of the going concern base case forecasts to Board approved forecasts and where applicable, we compared these forecasts for consistency to those used elsewhere in the business. We also considered whether they were reasonable in light of previous performance, future expectations and management's track record of accurate forecasting.
- Reading the key terms of all committed debt facilities to understand any terms, covenants or undertakings that may impact the availability of the facility.
- Assessing there were no doubts over the ability of the Group to meet its debt covenants under both the base case and downside scenarios.
- Assessing the adequacy of disclosures within the Annual Report in light of managements concluded headroom under both the base case and downside scenarios.

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

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

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

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

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

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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 27 December 2020 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the 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
28 September 2021

ROADCHEF MOTORWAYS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 27 DECEMBER 2020**

	Note	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Revenue	4	71,371	116,815
Cost of sales		(24,027)	(39,342)
Gross profit		47,344	77,473
Administrative expenses:			
Before exceptional items		(60,669)	(66,323)
Exceptional items	7	(2,096)	(159)
		(62,765)	(66,482)
Other operating income - government grants	8	5,951	-
Operating (loss) / profit		(9,470)	10,991
Loss on disposal of property, plant and equipment	16	(964)	(31)
Exceptional finance costs	11	(702)	(2,014)
Finance income	12	27	-
Finance costs	13	(779)	(716)
(Loss) / profit before taxation		(11,888)	8,230
Taxation	14	396	(1,232)
(Loss) / profit for the financial year	27	(11,492)	6,998

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

The Company has no recognised gains and losses other than the results above and therefore no separate statement of other comprehensive income has been presented.

ROADCHEF MOTORWAYS LIMITED

**BALANCE SHEET
AS AT 27 DECEMBER 2020**

	Note	27 December 2020 £'000	29 December 2019 £'000
Assets			
Non-current assets			
Intangible assets	15	95	39
Property, plant and equipment	16	215,090	224,253
Investments in subsidiaries	17	1	1
Other assets	18	4,775	1,714
		<u>219,961</u>	<u>226,007</u>
Current assets			
Inventories	19	1,785	2,038
Debtors - amounts falling due within one year	20	18,821	18,588
Cash and cash equivalents	21	7,372	4,903
		<u>27,978</u>	<u>25,529</u>
Total assets		<u>247,939</u>	<u>251,536</u>
Liabilities			
Current liabilities			
Creditors - amounts falling due within one year	22	(14,153)	(11,605)
Loans and borrowings	23	(470)	(831)
Deferred revenue	25	(495)	(495)
		<u>(15,118)</u>	<u>(12,931)</u>
Non-current liabilities			
Loans and borrowings	23	(1,414)	(743)
Other provisions	24	(4,322)	-
Deferred revenue	25	(6,092)	(6,587)
Deferred tax liabilities	14	(19,691)	(18,475)
		<u>(31,519)</u>	<u>(25,805)</u>
Total liabilities		<u>(46,637)</u>	<u>(38,736)</u>
Net assets		<u>201,302</u>	<u>212,800</u>
Equity			
Called up ordinary shares	26	1,045	1,045
Share premium account	27	17	17
Revaluation reserve	27	69,268	71,781
Retained earnings	27	130,972	139,957
Total equity		<u>201,302</u>	<u>212,800</u>

The financial statements on pages 12 to 30 were approved by the board of directors and authorised for issue on 28 September 2021 and were signed on its behalf.


J. Muirhead
Director

Registered Number 01123082

The notes on pages 15 to 30 are an integral part of these financial statements.

ROADCHEF MOTORWAYS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 DECEMBER 2020

	Note	Called up ordinary shares £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 31 December 2018		1,045	17	74,295	130,445	205,802
Profit for the financial year		-	-	-	6,998	6,998
Reserve transfer		-	-	(2,514)	2,514	-
At 29 December 2019		1,045	17	71,781	139,957	212,800
Change in accounting policy	2	-	-	-	(6)	(6)
At 30 December 2019 (adjusted balance)		1,045	17	71,781	139,951	212,794
Loss for the financial year	27	-	-	-	(11,492)	(11,492)
Reserve transfer	27	-	-	(2,513)	2,513	-
At 27 December 2020		1,045	17	69,268	130,972	201,302

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 DECEMBER 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared for the year ended 27 December 2020. The comparative period was the year ended 29 December 2019.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standards 101 'Reduced Disclosure Framework' (FRS 101). Accounting policies have been applied consistently, other than where new policies have been adopted.

The principal accounting policies are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (b) the requirements of paragraphs 10 (d), 16, 38 A to D, 111, and 134 to 136 of IAS 1 *Presentation of Financial Statements*;
- (c) the requirements of paragraphs 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- (d) the requirements of IAS 7 *Statement of Cash Flows*;
- (e) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- (f) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- (h) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*.
- (i) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

Consolidated financial statements

The financial statements contain information about Roadchef Motorways Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of an intermediate parent company, Roadchef Topco Limited, a company registered in England and Wales.

Going concern

The Company's business activities, financial risk policies and exposures, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The key sensitivity is the level of trading it achieves which is dependent on a number of factors outside the Company's control, including fuel prices and the wider economy. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

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

The impact of Coronavirus on the Group is discussed in the Strategic Report. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, including a severe but plausible downside scenario in light of the coronavirus pandemic, show that the Group expects to operate within the level of its current facilities and to meet minimum covenant requirements in respect of these facilities.

The Company has net assets of £201,302,000 (29 December 2019: £212,800,000). 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.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 DECEMBER 2020

1 Accounting policies (continued)

Revenue

Revenue consists of the amounts received from customers in the UK from the Company's continuing activity, excluding Value Added Tax. As detailed in note 4, revenue on catering, grocery, retail and hotel sales is recognised when goods are transferred to customer and performance obligations met.

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

Interest and finance costs

Interest on loans drawn specifically for new developments, incurred up to the date of practical completion, is capitalised as part of the cost of construction. Financing costs associated with new borrowings are recognised in the income statement over the term of the borrowings at a constant rate on the carrying amount. Finance costs represent the difference between the total amount of the payments that will have to be made in respect of the borrowing instrument and the fair value of the consideration received on the issue of the instrument after deduction of costs that have been incurred and which are directly associated with the issue of that instrument and which would not have arisen had the instrument not been issued.

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.

Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and any provision for impairment, and are written off over their expected useful lives on a straight line basis as follows:

Computer software	5 years
Licences	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
Short leasehold improvements	Over the term of the lease

Plant and machinery, fixtures and fittings and computer equipment are all included within 'Fixtures, fittings and equipment' in note 16 and are written off over their expected useful lives on a straight line basis as follows:

Plant and machinery	5 - 25 years, or over the term of the lease
Fixtures and fittings	5 - 7 years
Computer equipment	3 - 5 years
Motor vehicles	Over the term of the lease

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

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. Impairment is calculated subject to an expected credit loss model. Disclosures relating to the impairment of financial assets are given in the Strategic report.

Investments in subsidiaries

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

ROADCHEF MOTORWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020**

1 Accounting policies (continued)

Inventories

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

Loans and borrowings

Loans and borrowings are initially stated at fair value, net of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Pensions

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

Exceptional items

Exceptional items comprise events or transactions which by virtue of their size and incidence the directors consider to be exceptional in nature and have been disclosed separately, in order to improve a reader's understanding of the financial statements.

Government grants

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

Amounts owed by group companies

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

Leased assets: Lessor

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

Leased assets: Lessee

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

- fixed payments, less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

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

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

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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

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

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

1 Accounting policies (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 *Leases* on the Company's financial statements.

The Company has adopted IFRS 16 *Leases* retrospectively from 30 December 2019, but has not restated comparatives for the prior reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 30 December 2019. The new accounting policies are disclosed in note 1.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. The weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 8.0%.

For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 30 December 2019

The following is a reconciliation of total operating lease commitments at 29 December 2019 (as disclosed in the financial statements to 29 December 2019) to the lease liabilities recognised at 30 December 2019:

	£'000
Operating lease commitments disclosed as at 29 December 2019	2,855
Discounted at the date of initial application	281
Lease liability recognised as at 30 December 2019	281
Of which are:	
Current lease liabilities	1
Non-current lease liabilities	280

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

The change in accounting policy affected the following items in the balance sheet on 30 December 2019:

- Property, plant and equipment – increase by £275,000
- Lease liabilities – increase by £281,000
- Retained earnings – decrease by £6,000

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.

Estimates

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Further details about impairment of non-financial assets are provided in note 16.

Provisions

Roadchef (Employee Benefits Trust) Limited ("REBTL") is a 100% subsidiary of the Group and acts as a trustee for the Roadchef Employee Benefits Trust ("EBT1"). REBTL has represented the interests of EBT1 through court proceedings against Tim Ingram Hill and other defendants. Following a High Court Ruling against the defendants on 29 January 2014 an agreement for settlement of anticipated receipts from the defendants was reached on 19 November 2014 (the "Agreement") which are now held by EBT1 for eventual distribution to beneficiaries.

It is currently uncertain as to whether employment taxes are due on these distributions and, if so, how much would be due. Furthermore it is uncertain as to whether the Company would be liable for these amounts. During the year the Directors have concluded, based on correspondence received from HMRC and legal advice, that in accordance with IAS 37 an estimate of the potential outflow can be made and consequently a provision has been recognised.

A significant accounting estimate has been required to determine the provision amount that should be recognised, based upon the likelihood of possible outcomes, giving full consideration to all available documentary evidence and with the support of specialist counsel.

Further details on the provision recognised in respect of EBT1 distributions are disclosed in note 24.

Judgements

Contingent assets

Should any liability arise for the Company following the distributions of funds from EBT1, the Company will be contractually entitled to a reimbursement. Significant management judgement is required to determine whether the Company will be entitled to full reimbursement against particular elements of the arising liability and, in accordance with the requirements of IAS 37 for an event to be virtually certain, the Company has not recognised an asset in relation to those elements.

Further details on the contingent asset are disclosed in note 24.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on taxes are disclosed in note 14.

ROADCHEF MOTORWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020**

4 Revenue

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Sale of goods	56,182	96,181
Provision of services	10,409	15,548
Rental income	4,780	5,086
	71,371	116,815

Revenue from the sale of goods and provision of services is recognised when goods are transferred to customer and performance obligations

The balance of contract assets and liabilities at 27 December 2020 is £nil (29 December 2019: £nil).

There are no outstanding performance obligations associated with contracts with customers at 27 December 2020 (29 December 2019: none).

5 Cost of sales

Cost of sales includes:	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Costs of inventories recognised as an expense	17,977	30,106
Franchise fees	2,926	5,112
Consumables, disposables and distribution costs	2,210	3,352

6 Administrative expenses

Administrative expenses include:	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Depreciation of property, plant and equipment (note 16):		
- owned assets	10,261	10,100
- leased assets	5,157	5,207
Amortisation of intangible assets (note 15)	25	12
Repairs and maintenance	2,244	1,990
Utilities	2,777	3,413
Employee benefit expenses (note 9)	26,385	29,147
Auditors' remuneration - audit of the financial statements	29	25

For the year ended 27 December 2020, the Company's audit fee of £29,000 (29 December 2019: £25,000) was borne by Roadchef Limited, an intermediate parent company in the United Kingdom, and recharged to the Company.

Fees paid to the Company's auditors for services other than the statutory audit of the Company are not disclosed since the consolidated financial statements of Roadchef Limited, an intermediate parent company, are required to disclose non-audit fees on a consolidated basis.

ROADCHEF MOTORWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020**

7 Exceptional items

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Restructuring costs	256	-
Pre-opening expenses	161	122
Net employment taxes	1,325	-
Other	354	37
	2,096	159

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

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

Net employment taxes of £1,325,000 (29 December 2019: £nil) are amounts recognised in relation to a provision for employment taxes, as disclosed in note 24, net of reimbursements that have been recognised as an asset, as disclosed in note 18.

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

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

The tax impact of the above items has been to reduce the current tax charge by £398,000 (29 December 2019: £30,000).

8 Government grants

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Coronavirus Job Retention Scheme	5,069	-
Eat Out to Help Out	882	-
	5,951	-

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

The Company has also had Government assistance via the business rates expanded retail discount, a business rates holiday for retail, hospitality and leisure businesses. No grant income has been received in the year, however the Company has benefitted from discounts against certain business rates charges which would otherwise have been charged through administrative expenses. Amounts discounted in the year which would have otherwise been charged through administrative expenses in the year total £4,485,000 (29 December 2019: £nil).

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

9 Employee benefit expenses

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

	Year ended 27 December 2020 Number	Year ended 29 December 2019 Number
Operational	1,684	1,820
Management and administration	206	230
	1,890	2,050

Their payroll costs comprised:

	£'000	£'000
Wages and salaries	24,681	27,287
Social security costs	1,366	1,467
Other pension costs (note 28)	338	393
	26,385	29,147

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.

10 Directors' remuneration

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Short-term employee benefits	572	436
Post-employment pension benefits	7	9
	579	445
	Number	Number
Number of directors accruing benefits under money purchase schemes	3	4
	£'000	£'000
In respect of the highest paid director:		
Short-term employee benefits	150	125
Post-employment pension benefits	-	2
	150	127

There were no directors (29 December 2019: none) who were members of a defined benefit pension scheme.

11 Exceptional finance costs

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Exceptional finance costs	702	2,014

Current year exceptional finance costs of £702,000 have been incurred in relation to a provision for employment taxes, as disclosed in note 24. Prior year exceptional finance costs were recharged to the Company following the refinancing of bank loans held by fellow group companies.

ROADCHEF MOTORWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020**

12 Finance income

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Interest receivable		
Other interest receivable	27	-

13 Finance costs

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Finance costs		
Finance costs of loans from other group companies	681	578
Finance costs payable under leases	98	103
Other interest	-	35
	779	716

14 Taxation

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Corporation tax		
Current tax on profit for the year	-	1,614
Adjustments in respect of prior periods	(1,612)	(100)
Total current tax	(1,612)	1,514
Deferred tax		
Origination and reversal of timing differences	(1,360)	(268)
Adjustments in respect of prior periods	360	(42)
Effect of changes in tax rates on deferred tax balance	2,216	28
Total tax (credited)/ charged to income statement	(396)	1,232

The total tax (credit)/ charge is different to the standard rate of corporation tax in the United Kingdom of 19.0% (29 December 2019: 19.0%). The material differences are reconciled below:

	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
(Loss) / profit before taxation	(11,888)	8,230
(Loss) / profit before taxation multiplied by the UK tax rate of 19.00% (29 December 2019: 19.00%)	(2,259)	1,564
Transfer pricing adjustments	17	9
Effect of changes in tax rates on deferred tax balance	2,216	28
Adjustments in respect of prior periods	(1,252)	(142)
Group relief claimed not paid for	-	(942)
Expenses not deductible for tax purposes	882	715
Total tax (credited)/ charged to income statement	(396)	1,232

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

14 Taxation (continued)

Reconciliation of deferred taxes

	Balance sheet		Income statement	
	27 December 2020 £'000	29 December 2019 £'000	Year ended 27 December 2020 £'000	Year ended 29 December 2019 £'000
Property, plant and equipment	(21,580)	(19,647)	(1,933)	363
Losses	669	-	669	-
Other short term timing differences	1,220	1,172	48	(81)
Deferred tax (charge)/ credit through income statement			(1,216)	282
Net deferred tax liability	(19,691)	(18,475)		
Reflected as:				
Deferred tax liabilities	(19,691)	(18,475)		
	(19,691)	(18,475)		
Movements in net deferred tax liability:			27 December 2020 £'000	29 December 2019 £'000
Opening liability			(18,475)	(18,757)
(Charge)/ credit through income statement			(1,216)	282
Closing liability			(19,691)	(18,475)

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the deferred tax liability by £6,218,000.

15 Intangible assets

	Computer Software £'000	Licences £'000	Total £'000
Cost			
At 30 December 2019	57	3	60
Additions	51	30	81
At 27 December 2020	108	33	141
Accumulated amortisation			
At 30 December 2019	20	1	21
Charge for year	22	3	25
At 27 December 2020	42	4	46
Net book value			
At 27 December 2020	66	29	95
At 29 December 2019	37	2	39

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

16 Property, plant and equipment

	Land and buildings			Fixtures, fittings and equipment £'000	Total £'000
	Freehold £'000	Long leasehold £'000	Short leasehold £'000		
Cost or deemed cost					
At 30 December 2019	77,233	37,954	126,154	75,701	317,042
Adjustment for change in accounting policy (note 2)	-	-	276	42	318
Additions	3	1	591	6,349	6,944
Disposals	-	-	-	(2,808)	(2,808)
At 27 December 2020	77,236	37,955	127,021	79,284	321,496
Accumulated depreciation or impairment					
At 30 December 2019	10,711	7,004	38,519	36,555	92,789
Adjustment for change in accounting policy (note 2)	-	-	4	39	43
Charge for year	791	476	4,629	9,522	15,418
Disposals	-	-	-	(1,844)	(1,844)
At 27 December 2020	11,502	7,480	43,152	44,272	106,406
Net book value					
At 27 December 2020	65,734	30,475	83,869	35,012	215,090
At 29 December 2019	66,522	30,950	87,635	39,146	224,253

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

	27 December 2020 £'000
Net book value	
Leasehold land and buildings	114,344
Equipment	987
	115,331
	27 December 2020 £'000
Depreciation charge for the year	
Leasehold land and buildings	5,105
Equipment	52
	5,157

Additions to the right-of-use assets during the year were £933,000

The leasehold land and buildings were professionally valued by external valuers Cushman & Wakefield, as at 17 December 2018, on an open market for existing use basis, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation manual, and based upon a multiple of projected future earnings before interest, taxation, depreciation and amortisation ("EBITDA"). The recoverable amount calculated falls into level 3 of the fair value hierarchy. The market value of property, plant and equipment at 17 December 2018 was £269,600,000.

A review of individual site carrying values against recoverable amounts has not given rise to an impairment of land and buildings in the period (29 December 2019: £nil).

The recoverable amount of individual sites has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to 31 December 2025. Other major assumptions are as follows:

Discount rate	Between 11.6 - 27.1%
Long-term growth rate	3.0%

The recoverable amounts calculated have been estimated to exceed the carrying amounts by £94,900,000 (29 December 2019: not applicable).

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

Discount rate	Increase to 17.3 - 32.8%
Long-term growth rate	Reduction from 3.0% growth to 3.2% decline

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

At 27 December 2020, the Company had unprovided capital commitments of £nil (29 December 2019: £413,000).

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 27 DECEMBER 2020**

17 Investments in subsidiaries

	Subsidiary undertaking £'000
Cost and net book value	
At 29 December 2019 and 27 December 2020	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

18 Other assets

	27 December 2020 £'000	29 December 2019 £'000
Other assets	2,295	-
Long term prepayments	2,480	1,714
	4,775	2,038

Other assets relate to the reimbursement of employment taxes that would be due to the Company in the event that the Company is required to settle potential obligations of £4,322,000, as detailed in note 24. The value of other receivables has been calculated with reference to the provision recognised in note 24 and has been recognised based upon the strength of evidence which supports the Company's contractual right to receive reimbursement. Furthermore management have considered and gained documentary evidence that sufficient resources are available for the reimbursement to be made. In recognising the indemnification asset, the Directors have taken legal advice, obtaining comfort that the contractual right to receive reimbursement is legally enforceable and that there are sufficient liquid funds to honour the contractual indemnification. Consequently, the Directors have concluded that it is virtually certain, in accordance with the requirements of IAS 37, that the liability will be indemnified and an asset of £2,295,000 has been recognised.

Note, as disclosed in note 24, where this virtual certainty criteria has not been met, a contingent asset has been disclosed.

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

19 Inventories

	27 December 2020 £'000	29 December 2019 £'000
Raw materials and consumables	206	194
Goods for resale	1,579	1,844
	1,785	2,038

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

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

20 Debtors - amounts falling due within one year

	27 December 2020 £'000	29 December 2019 £'000
Trade receivables	1,353	2,617
Amounts owed by group companies	15,040	12,883
Other receivables	259	135
Prepayments and accrued income	2,169	2,953
	18,821	18,588

As at 29 December 2019, trade receivables of £73,000 (29 December 2019: £173,000) were past due. The ageing analysis of these receivables is as follows:

	27 December 2020 £'000	29 December 2019 £'000
Past due		
1-30 days	12	142
31-60 days	8	-
> 60 days	53	31
	73	173

There is provision for impairment against trade receivables at 27 December 2020 of £47,000 (29 December 2019: £4,000). Based upon historical experience in collecting from past due receivables, along with an assessment of individual customers abilities to make payments, the Company believes that the allowance for doubtful receivables is sufficient to cover the risk of default.

Amounts owed by other group companies are non-interest bearing and contractually repayable on demand. The likelihood of default on amounts owed by other group companies has been considered with no provision required at 27 December 2020 (29 December 2019: £nil).

21 Cash and cash equivalents

	27 December 2020 £'000	29 December 2019 £'000
Cash and cash equivalents	7,372	4,903

22 Creditors - amounts falling due within one year

	27 December 2020 £'000	29 December 2019 £'000
Trade payables	3,395	4,025
Amounts owed to group companies	5,440	-
Other taxes and social security	318	2,848
Other payables	35	686
Accruals	4,965	4,046
	14,153	11,605

Amounts owed to group companies at 27 December 2020 are unsecured, non-interest bearing and contractually repayable on demand.

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2020

23 Loans and borrowings

	27 December 2020 £'000	29 December 2019 £'000
Unsecured loans	-	276
Leases	1,884	1,298
	1,884	1,574
	27 December 2020 £'000	29 December 2019 £'000
Lease liabilities		
Current	470	555
Non-current	1,414	743
	1,884	1,298

Interest expenses for the year of £98,000 (29 December 2019: £103,000) have been charged to finance costs in relation to leases.

Variable lease payments that depend on sales of £12,000 (29 December 2019: £6,000) have been charged to administrative expenses and are not included in the measurement of lease liabilities.

Certain leases are secured by charges over specific related assets.

24 Other Provisions

	27 December 2020 £'000	29 December 2019 £'000
Employment taxes	4,322	-

The Company has made a provision for employment taxes following a claim by HMRC that the Company may be liable for charges associated with a distribution of funds from EBT1, discussed in note 3. It is currently uncertain as to whether employment taxes are due on these distributions and, if so, how much would be due. Furthermore it is uncertain as to whether the Company would be liable for these amounts.

The Company has appealed against the claim from HMRC however due to the uncertainty in the outcome of these matters, a provision has been recognised.

The provision recognised of £4,322,000 (29 December 2019: £nil) has been calculated based upon a weighted average of possible outcomes, which range from £nil to £14,439,000, including a provision for interest charges added. The calculation relies upon the best estimate of management, based upon the likelihood of possible outcomes, giving full consideration to all available documentary evidence and with the support of specialist counsel.

Contingent asset

Associated with the above provision, the Company has a corresponding contingent asset of £1,325,000 for the reimbursement of employment taxes that may be payable by the Company. No separate asset has been recognised for the potential reimbursement to the Company for certain specific elements of the provision, due to the requirement of IAS 37 for the recovery to be virtually certain.

As detailed in note 18, an asset has been recognised for a reimbursement value of £2,295,000, the receipt of which is virtually certain in the event of the Company being required to settle employment taxes of £4,322,000.

25 Deferred revenue

	27 December 2020 £'000	29 December 2019 £'000
Opening balance	7,082	7,577
Credited to income statement	(495)	(495)
Closing balance	6,587	7,082
	27 December 2020 £'000	29 December 2019 £'000
Current	495	495
Non-current	6,092	6,587
	6,587	7,082

ROADCHEF MOTORWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 DECEMBER 2020

26 Called up ordinary shares

	27 December 2020 £'000	29 December 2019 £'000
1,045,000 (29 December 2019: 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.

27 Reserves

	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
At 30 December 2019	17	71,781	139,957	211,755
Change in accounting policy (note 2)	-	-	(6)	(6)
Loss for the financial year	-	-	(11,492)	(11,492)
Reserve transfer	-	(2,513)	2,513	-
At 27 December 2020	17	69,268	130,972	200,257

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

28 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 £338,000 (29 December 2019: £393,000). An amount of £nil (29 December 2019: £nil) is owed to the pension schemes at the year end.

29 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 £3,900,000 (29 December 2019: £4,200,000). 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:

	27 December 2020 Land and buildings £'000	29 December 2019 Land and buildings £'000
Within one year	886	886
Between one and five years	3,545	3,545
After more than five years	10,945	11,829
	15,376	16,260

30 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 27 December 2020 was £260,308,000 (29 December 2019: £246,808,000). The directors consider the likelihood of any financial liability arising in respect of these to be remote.

31 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, Maundy, Cardiff, CF14 3UZ.