Westmorland Limited

Annual report and consolidated financial statements

Registered number 5357857

3 July 2016

Contents

Strategic report

The directors have pleasure in presenting their annual report and financial statements of the Company for the year ended 3 July 2016.

Principal activities

The principal activity of the Group during the period was the operation of Tebay Services, Gloucester Services, J38 Truck Stop, Cairn Lodge Services, Tebay Services Hotel and the Rheged Centre. The principal activity of the Company during the period was the operation of Tebay Services, J38 Truck Stop, Cairn Lodge Services, Tebay Services Hotel and the Rheged Centre.

Financial performance

The business has demonstrated strong growth over the last year, with growth in turnover to £92.9m (2015: £71.8m). The year saw the first full year of trading at Gloucester Services, with the southbound services having opened in May 2015 and the northbound services in May 2014. It also saw Cairn Lodge's first full year of trading under Westmorland Limited ownership. Profit on ordinary activities before taxation rose to £6.1m (2015: £3.6m). All six businesses experienced strong underlying performance, with each of its operations seeing growth in both turnover and profit on the previous year. Fixed assets at the end of the year remained steady at £64.3m (2015: £64.7m) and year end cash balances were £11.7m (2015: £8.2m) with net debt at £33.3m (2015: £38.1m).

The business developed and strengthened its Farmshop & Kitchen offer, which contributed to its strong trading. It is the only motorway service area operator to have been awarded 5* for all its sites by Visit England. Gloucester Services gained wide recognition; it was recognized by the Observer Food Monthly as Britain's 'best newcomer', by the Independent newspaper as best 'destination innovation' and by the Forecourt Trader as 'Forecourt of the Year'. Prince Charles officially opened Gloucester Services in July 2015 and it was also visited by Liz Truss, the then Secretary of State for the Environment. Tebay Services has continued to grow and develop its offer and investment in its car parks has enabled it to accommodate more customers at busy times. Elsewhere in the group, Rheged has continued to develop its cultural programme, winning Gallery of the Year in Cumbria Life's Culture Awards, with a strong series of exhibitions and a growing following for its live streaming film programme, as well as a new web site and online booking facility. The Hotel has continued to make developments to its offer and has recently undergone a refurbishment of a number of its bedrooms.

Work with local and independent producers has remained a priority. The Cumbrian and Gloucestershire businesses now each work with around 130 local producers (within the county or within 30 miles) and the growth of the business has contributed to many of these producers expanding their own businesses. Over half of the spend of the business on its retail and catering suppliers is now either local or regional. During the year, the business has started to develop exclusive product ranges in partnership with selected producers such as More Bakery in Staveley, Cumbria, The Buxton Pudding Company, The Artisan Baker in Stroud, Gloucestershire and Eden Brewery in Penrith, Cumbria. The business continues to develop the provenance of its food sourcing and has recently developed a single milk supply in Cumbria, through a partnership with the Harrington Family, dairy farmers near Penrith, who now supply all the milk we use in our Farmshops and Kitchens in Cumbria.

In order for the business to continue with its development and to sustain its growth, it has decided to strengthen its team, particularly with the operational skills required to run a bigger business. As a result, it has decided to appoint a Chief Executive with a strong retail and operational background and looks forward to welcoming Rob Swyer into the new role in April 2017. Sarah Dunning, who is currently Chief Executive, will move to the role of Chairman. Bryan Gray will remain with the business as Non-Executive Director and valued adviser to the business and Laurence King will become Vice Chairman. This year, the business has also recruited significant additional experience to sustain its growth, particularly in HR, Facilities Management and in Safety, Health and Environment.

In April 2016 the Group undertook a full review of its pay and benefits for its 1,000 colleagues and took the decision to pay above the National Living Wage for all colleagues above the age of 18. It invested in a new Induction programme and launched a leadership training Academy for all managers throughout the business. It has continued its work employing those with physical, educational and social needs and has worked closely with a number of organizations to support this. It now plans to develop new headquarters in Cumbria, as a home for its support teams, a place for its professional teams and suppliers to meet and as a place to develop its food offer and train and develop its teams.

The business continues to work closely with its local communities. In Cumbria, the business and its customers donated £120k to Cumbrian causes. Notable partnerships included Cumbria Community Foundation, where it donated £36k to the flood fund in late 2015, £15k to the Princes Countryside Fund, £9k to the Calvert Trust, £12k to

Strategic report *(continued*

Financial performance *(continued)*

the Kirkby Stephen Mountain Rescue and £15k of grants to its employment communities though its endowment fund with Cumbria Community Foundation. In Gloucestershire, the business continues to work closely with its charity partner, Gloucestershire Gateway Trust. In May 2016, the business started paying royalties to the charity, which will see up to £500k being invested annually in its employment communities.

The business was recognised by Business in the Community with the national 'rural action' award, for its positive impact on rural communities. Gloucester Services also won a national Civic Voice award to recognize its work in its communities.

Key Performance Indicators

KPIs used in the motorway and roadside services businesses are vehicle turn-in rates, transactions, average spends and gross margin including staffing costs. Principal risks include the impact on travel and spending in an economic downturn together with prolonged periods of bad weather which also affect travel patterns.

KPIs used in the hotel business are revenue per available room, occupancy, diner/sleeper ratios and average spends. Principal risks include the impact of a poor economy through reduced occupancy and expenditure on conference business, and also hotel room price competition in a very competitive market.

KPIs for the Rheged Centre include footfall, transactions, average spend, conference business, gross margin including staffing costs. Principal risks are as for our motorway services business.

The Group primarily operates in the travel and hospitality industry. The motorway services business is a regulated and capital intensive business with high barriers to entry and is dependent on passing traffic. Our Hotel and Rheged business is dependent on UK travel and tourism levels, together with conference and function business.

Principal uncertainties

2016/2017 carries a number of uncertainties, due to the macro economic outlook and in particular:

- reduced spending power of consumers if inflation increases
- increased input prices due to a weak pound
- increased fuel prices due to both a weak pound and agreed reductions in crude oil production
- increased staff costs due to the National Living Wage
- increased business rates

Other principal uncertainties are as follows:

- Competition risk – in our motorway services business there is reduced competition risk as the industry is regulated and requires high capital investment.
- Credit risk – the majority of sales are cash or credit card therefore the Group is not exposed to any significant credit risk.
- Liquidity risk – the group monitors its cash flows carefully and has traded within its facilities throughout the year.
- Supplier risk – contracts are in place with all our key suppliers along with regular supplier meetings and reviews.

The Group monitors its cash flow regularly to ensure that it works within its facilities. Its operations are financed through bank facilities, term loans and retained profits.

Future outlook

The business will continue to develop its offer, its internal teams and its relationships with both its producers and its local communities, seeking to carry out exemplar work in all these areas. It will continue to invest in its core businesses, as well as to look for new opportunities which enable it to strengthen its identity.

By order of the board

Sarah Dunning

Mrs SB Dunning, *Director*

Westmorland Place, Orton, Penrith CA10 3SB

3 February 2017

Directors' report

The directors have pleasure in presenting their directors' report and financial statements of the Group and Company for the year ended 3 July 2016.

Results and dividends

The profit for the period, after taxation, amounted to £4,893,000 (*2015: £2,735,000)*. No dividends have been paid in the current year (*2015: £77,000*).

Directors

The directors who served the company during the year were as follows:

Mrs SB Dunning
Mr L King
Mr B Gray
Mr JC Dunning
Mrs JME Lane

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Mrs SB Dunning
Director

Westmorland Place
Orton
Penrith
CA10 3SB

3 February 2017

Statement of directors' responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Westmorland Limited

We have audited the financial statements of Westmorland Limited for the year ended 3 July 2016 set out on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 3 July 2016 and of the group's profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Westmorland Limited *(continued)*

Matters on which we are required to report by exception

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

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

Liam Finnigan

Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Statutory Auditor
Chartered Accountants
Edward VII Quay
Navigation Way
Ashton on Ribble
Preston
PR2 2YF

9th February 2017

Consolidated Profit and Loss Account and Other Comprehensive Income

for the year ended 3 July 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Turnover (including equity accounted investments)	2		92,948		71,849
Less: Turnover of equity accounted investments			(7,548)		(8,829)
Turnover			85,400		63,020
Cost of sales			(64,525)		(47,964)
Gross profit			20,875		15,056
Administrative expenses:					
- normal			(14,231)		(10,753)
- exceptional items: pre-opening costs			-		(311)
Charges arising from fixed asset disposals			-		(9)
Other operating income			132		116
Group's share of profit in Joint Ventures			518		508
Operating profit	3		7,294		4,607
Interest receivable			40		12
Interest payable and similar charges	6		(1,203)		(1,054)
Profit on ordinary activities before taxation			6,131		3,565
Tax on profit on ordinary activities	7	(1,134)		(728)	
Group's share of tax from Joint Ventures	7	(104)		(102)	
			(1,238)		(830)
Profit for the financial year			4,893		2,735
Other comprehensive income			-		-
Total comprehensive income for the financial year			4,893		2,735

The notes on page 13 to 30 form an integral part of the financial statements.

All of the activities of the Group are classed as continuing.

There are no recognised gains or losses outside of those recognised in the profit and loss account for both the current and the preceding year.

Consolidated Balance Sheet
at 3 July 2016

	Note	**2016** £000	**2016** £000	2015 £000	2015 £000
Fixed assets					
Tangible fixed assets	*9*		**64,321**		64,763
Goodwill	*10*		**137**		177
Negative goodwill	*10*		**(998)**		(998)
Investments in Joint Ventures	*11*		**859**		785
			64,319		64,727
Current assets					
Stocks	*12*	**2,238**		1,839	
Debtors	*13*	**4,471**		4,435	
Cash at bank and in hand	*14*	**11,697**		8,241	
		18,406		14,515	
Creditors: amounts falling due within one year	*15*	**(14,258)**		(12,803)	
Net current assets			**4,148**		1,712
Total assets less current liabilities			**68,467**		66,439
Creditors: amounts falling due after more than one year	*16*		**(42,907)**		(46,188)
Provisions for liabilities					
Deferred taxation	*19*		**(963)**		(547)
Government grants	*20*		**-**		-
Net assets			**24,597**		19,704
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account	*24*		**4,048**		4,048
Profit and loss account			**20,549**		15,656
Shareholders' funds			**24,597**		19,704

The notes on page 13 to 30 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 3 February 2017 and were signed on its behalf by:

Sarah Dunning

Mrs SB Dunning
Director

Company registered number: 5357857

Company Balance Sheet
at 3 July 2016

	Note	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	9		19,453		19,486
Goodwill	10		137		177
Investments in subsidiaries	11		6,069		6,059
			25,659		25,722
Current assets					
Stocks	12	1,445		1,144	
Debtors	13	45,393		45,576	
Cash at bank and in hand	14	5,490		3,453	
		52,328		50,173	
Creditors: amounts falling due within one year	15	(9,987)		(9,012)	
Net current assets			42,341		41,161
Total assets less current liabilities			68,000		66,883
Creditors: amounts falling due after more than one year	16		(42,907)		(44,387)
Provisions for liabilities					
Deferred taxation	19		(145)		(96)
Government grants	20		-		-
Net assets			24,948		22,400
Capital and reserves					
Called up share capital	23		-		-
Share premium account	24		4,048		4,048
Profit and loss account			20,900		18,352
Shareholders' funds			24,948		22,400

The notes on page 13 to 30 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 3 February 2017 and were signed on its behalf by:

Sarah Dunning

Mrs SB Dunning
Director

Company registered number: 5357857

Consolidated Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	**Total shareholders' equity £000**
Balance at 29 June 2014	-	4,048	12,998	**17,046**
Total comprehensive income				
Profit for the period	-	-	2,735	**2,735**
Total comprehensive income	-	-	2,735	**2,735**
Transactions with owners, recorded directly in equity				
Dividends	-	-	(77)	**(77)**
Total contributions by and distributions to owners	-	-	(77)	**(77)**
Balance at 28 June 2015	-	4,048	15,656	**19,704**
Total comprehensive income				
Profit for the period	-	-	4,893	**4,893**
Total comprehensive income	-	-	4,893	**4,893**
Balance at 3 July 2016	-	4,048	20,549	**24,597**

The notes on page 13 to 30 form an integral part of the financial statements.

Company Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	**Total shareholders' equity £000**
Balance at 29 June 2014	-	4,048	15,840	**19,888**
Total comprehensive income				
Profit for the period	-	-	2,589	**2,589**
Total comprehensive income	-	-	2,589	**2,589**
Transactions with owners, recorded directly in equity				
Dividends	-	-	(77)	**(77)**
Total contributions by and distributions to owners	-	-	(77)	**(77)**
Balance at 28 June 2015	-	4,048	18,352	**22,400**
Total comprehensive income				
Profit for the period	-	-	2,548	**2,548**
Total comprehensive income	-	-	2,548	**2,548**
Balance at 3 July 2016	-	4,048	20,900	**24,948**

The notes on page 13 to 30 form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the year ended 3 July 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Profit for the year		**4,893**	2,735
Adjustments for:			
Depreciation, amortisation and impairment		**1,574**	1,029
Net share of income from equity accounted investments		**(74)**	(135)
Interest receivable and similar income		**(40)**	(12)
Interest payable and similar charges	6	**1,203**	1,054
Loss on sale of tangible fixed assets		**-**	9
Taxation	7	**1,238**	830
Increase in trade and other debtors		**(37)**	(1,709)
Increase in stocks		**(399)**	(312)
(Decrease)/increase in trade and other creditors		**(381)**	2,445
Dividends paid		**-**	(77)
Interest paid	6	**(1,203)**	(1,054)
Tax paid	7	**(1,238)**	(602)
Net cash from operating activities		**5,536**	4,201
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**-**	1
Interest received		**40**	12
Dividends received		**340**	271
Acquisition of tangible fixed assets	9	**(1,092)**	(19,085)
Acquisition of other intangible assets	10	**-**	(177)
Net cash from investing activities		**(712)**	(18,978)
Cash flows from financing activities			
Repayment of borrowings		**(1,827)**	-
New loans		**459**	18,241
Net cash from financing activities		**(1,368)**	18,241
Net increase in cash and cash equivalents		**3,456**	3,464
Cash and cash equivalents at the beginning of the period		**8,241**	4,777
Cash and cash equivalents at the end of the period	14	**11,697**	8,241

The notes on page 13 to 30 form an integral part of the financial statements.

Notes

(forming part of the financial statements)

1. Accounting policies

Westmorland Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In transition to FRS 102 from old UK GAAP, the Group has made no measurement and recognition adjustments.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The financial statements have been prepared based upon the Group's trading cycle of a 53 week period ending 3 July 2016 (*2015: 52 week period ending 28 June 2015*) within seven days of the end of the accounting reference period of 30 June 2016 as permitted by the Companies Act 2006.

Going concern

These accounts have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons: the business is strongly asset backed, trading in the current year to date is in line with a robust profit forecast and the business is cash generative.

The Group monitors its cash flow regularly to ensure that it works within its facilities. Its operations are financed through bank facilities, term loans and retained profits.

Financial forecasts show the Group will continue to trade profitably, generate cash and trade within its banking facilities throughout the forecast period.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 3 July 2016. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Where a group company is party to a joint venture which is not an entity that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Where a group company is party to a joint arrangement which is not an entity that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The Company profit for the year was £2,548,000 *(2015: £2,589,000)*.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Goodwill and negative goodwill

Negative goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging/(crediting) the unamortised amount of any related goodwill/(negative goodwill).

Goodwill arising on acquisitions are amortised over 5 years on a straight line basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold Land and Buildings	-	2%, 5%, 10% straight line
Fixtures, Fittings & Equipment	-	5%, 10% straight line and 25% reducing balance per annum
Motor Vehicles	-	25% reducing balance per annum

No depreciation is provided on freehold land or a fixed element of regularly maintained buildings which are not considered to depreciate in value. Full year depreciation is charged on capital additions.

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined by latest supplier invoice price which, due to the nature of the stock, represents a first in first out basis. Cost includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

Turnover

Turnover, which excludes value added tax, represents the amounts receivable for goods sold and services provided and includes rents receivable under operating leases. The Group recognise turnover for goods and services when, and to the extent that, the Group obtain the right to consideration in exchange for its performance and specifically for the following:

Retail sales: the Group operate retail shops, forecourts, parking facilities and catering units for the sale of a range of products and services. Sales of goods and services are recognised on sale to the customer at the point of sale. Retail sales are usually settled by cash, credit or payment card. Refunds are not provided for as the value of these is insignificant.

Hotel and room hire income: the Group operates a hotel and a visitor attraction with conference facilities. Sales of hotel rooms and room hire are recognised on their sale to the customer at the point of sale. Where turnover is invoiced in advance it is deferred on the balance sheet and is recognised as turnover in the period to which it relates.

Dividends on shares presented within equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Group. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Group. An analysis of turnover is given below.

	2016	2015
	£000	£000
Sale of goods	**83,054**	61,112
Rendering of services	**2,163**	1,845
Commissions	**183**	63
Total turnover	**85,400**	63,020

	Turnover including equity accounted investments		**Turnover excluding equity accounted investments**	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
United Kingdom	**92,948**	71,849	**85,400**	63,020

Notes *(continued)*

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2016 £000	2015 £000
Auditor's remuneration – audit of the company financial statements	**17**	17
Auditor's remuneration – audit of subsidiaries and group financial statements	**22**	21
Auditor's remuneration – other fees, taxation services	**12**	19

4 Staff numbers and costs

	2016 No	2015 No
Number of administrative staff	**129**	117
Number of operational staff	**749**	597
	878	714

The aggregate payroll costs of the above were:

	£000	£000
Wages and salaries	**12,430**	9,269
Social security costs	**743**	590
Other pension costs	**242**	201
	13,415	10,060

5 Remuneration of directors

The directors' aggregate remuneration in respect of qualifying services was:

	2016 £000	2015 £000
Directors' remuneration	**293**	288
Pension contributions to money purchase schemes	**14**	21
Amounts paid to third parties in respect of directors' services	**100**	100
	407	409

The aggregate of remuneration of the highest paid director was £100,000 (2015: £97,000).

Retirement benefits are accruing to the following number of directors under:

	2016 No.	2015 No.
Money purchase schemes	**1**	1

Notes *(continued)*

6 Interest payable and similar charges

	2016 £000	2015 £000
Interest payable on bank borrowing	**864**	803
Interest payable on loans from related parties	**339**	251
	1,203	1,054

7 Taxation

(a) Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	2015 £000
Current tax		
In respect of the period:		
UK Corporation tax based on the results for the period at 20% (*2015: 20.75%*)	**775**	292
Adjustments in respect of prior periods	**(57)**	-
On share of income from equity accounted investments	**104**	102
	822	394
Deferred tax		
Origination and reversal of timing differences (note 19)	**416**	436
Total tax	**1,238**	830

	2016 £000	2015 £000
Profit on ordinary activities before taxation	**6,131**	3,565
Total tax expense	**1,238**	830
Profit excluding taxation	**6,131**	3,565
Tax using the UK Corporation tax rate of 20% *(2015:20.75%)*	**1,227**	740
Non-deductible expenses	**-**	48
Adjustments in respect of prior periods	**(57)**	-
Reduction in rate of deferred tax balances	**(107)**	(352)
Permanent differences	**175**	394
	1,238	830

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax provision at 31 July 2016 has been calculated based on these rates. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax provision.

Notes *(continued)*

8 Dividends

Equity dividends	**2016**	2015
	£000	£000
Paid		
Equity dividends on ordinary shares	-	77

9 Tangible fixed assets

Group	**Freehold Land & Buildings £000**	**Fixtures, Fittings & Equipment £000**	**Motor Vehicles £000**	**Total £000**
Cost				
At beginning of period	66,652	13,499	54	80,205
Additions	775	305	12	1,092
Transfers between categories	1,010	(1,010)	-	-
At end of period	68,437	12,794	66	81,297
Depreciation				
At beginning of period	6,297	9,116	29	15,442
Charge for year	959	566	9	1,534
At end of period	7,256	9,682	38	16,976
Net book value				
At 3 July 2016	**61,181**	**3,112**	**28**	**64,321**
At 28 June 2015	60,355	4,383	25	64,763

The transfers noted above were in relation to a reclassification of assets to include them in a more appropriate category.

The Royal Bank of Scotland Plc has a legal charge, dated 12 June 2015, over the properties at Gloucester Services Northbound and Southbound, Upton, Gloucestershire.

Notes *(continued)*

9 Tangible fixed assets *(continued)*

	Freehold Land & Buildings £000	Fixtures, Fittings & Equipment £000	Motor Vehicles £000	Total £000
Company				
Cost				
At beginning of period	22,675	11,435	54	34,164
Additions	202	243	12	457
Transfers between categories	1,010	(1,010)	-	-
At end of period	23,887	10,668	66	34,621
Depreciation				
At beginning of period	5,771	8,878	29	14,678
Charge for year	233	248	9	490
At end of period	6,004	9,126	38	15,168
Net book value				
At 3 July 2016	**17,883**	**1,542**	**28**	**19,453**
At 28 June 2015	16,904	2,557	25	19,486

10 Goodwill

	Goodwill £000	Negative goodwill £000	Total £000
Group			
Cost			
At beginning and end of period	**200**	**(998)**	**(798)**
Amortisation			
At beginning of period	**23**	**-**	**23**
Amortisation charge for the period	**40**	**-**	**40**
At end of period	**63**	**-**	**63**
Goodwill at 3 July 2016	**137**	**(998)**	**(861)**
Goodwill at 28 June 2015	**137**	**(998)**	**(861)**

Notes *(continued)*

10 Goodwill *(continued)*

	£000
Company	
Cost	
At beginning and end of period	**200**
Amortisation	
At beginning of period	**23**
Amortisation charge for the period	**40**
At end of period	**63**
Goodwill at 3 July 2016	**137**
Goodwill at 28 June 2015	**177**

11 Investments

	Interests in Joint Ventures £000
Group	
At 29 June 2015	785
Share of results	414
Dividends received	(340)
At 3 July 2016	**859**
Share of turnover of Joint Ventures	**7,548**
Share of assets	
Share of fixed assets	**575**
Share of current assets	**1,523**
	2,098
Share of liabilities	
Liabilities due within one year or less	**(427)**
Liabilities due in more than one year	**(5)**
Fair value adjustments made at acquisition	**(807)**
Share of net assets	**859**

Notes *(continued)*

11 Investments *(continued)*

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows:

	Country of incorporation	Registered number	Principal activity	Class and percentage of shares held Group	Company
Subsidiary undertakings					
Tebay Gorge Services Limited	England & Wales	1039443	HGV Roadside Services	Ordinary £1 & 100%	Ordinary £1 & 100%
Westmorland Motorway Services Limited	England & Wales	1027246	Dormant	Ordinary £1 & 100%	Ordinary £1 & 100%
Gloucestershire Gateway Limited	England & Wales	7002304	Motorway Services	Ordinary £1 & 100%	Ordinary £1 & 100%
Joint ventures					
M6 Diesel Services Limited	England & Wales	1261050	HGV Truckstop	Ordinary £1 & 50%	Ordinary £1 & 50%
M6 Diesel Limited	England & Wales	1871115	HGV Truckstop	Ordinary £1 & 50%	Ordinary £1 & 50%
Dieselbank Limited	England & Wales	1653502	HGV Truckstop	Ordinary £1 & 50%	Ordinary £1 & 50%
Watling Street Filling Station Limited	England & Wales	1786358	Petrol filling station	Ordinary £1 & 50%	Ordinary £1 & 50%

Company	**£000**
Cost	
At 29 June 2015	**6,059**
Reclassification of balance previously disclosed within in other debtors	**10**
At 3 July 2016	**6,069**

12 Stocks

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Finished goods	**2,238**	1,839	**1,445**	1,144

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £53,570,000 *(2015: £37,095,000)* for the Group and £34,368,000 *(2015: £28,440,000)* for the Company.

Notes *(continued)*

13 Debtors

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Trade debtors	**922**	970	**746**	778
Other debtors	**1,792**	2,118	**100**	67
Amounts owed by group undertakings	**-**	-	**43,399**	43,741
Prepayments and accrued income	**1,757**	1,347	**1,148**	990
	4,471	4,435	**45,393**	45,576

14 Cash and cash equivalents

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Cash at bank and in hand	**11,697**	8,241	**5,490**	3,453
	11,697	8,241	**5,490**	3,453

15 Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Bank loans	**1,538**	200	**1,538**	200
Trade creditors	**5,945**	6,031	**3,558**	3,727
Amounts owed to group undertakings	**-**	-	**1,483**	1,431
Corporation tax	**385**	292	**225**	270
Other taxation	**1,298**	975	**715**	891
Other creditors	**3,326**	3,967	**1,050**	1,419
Accruals and deferred income	**1,766**	1,338	**1,418**	1,074
	14,258	12,803	**9,987**	9,012

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Bank loans	**30,740**	31,820	**30,740**	31,820
Other creditors	**12,167**	14,368	**12,167**	12,567
	42,907	46,188	**42,907**	44,387

Notes *(continued)*

17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Creditors falling due more than one year				
Secured bank loans	**30,740**	31,820	**30,740**	31,820
	30,740	31,820	**30,740**	31,820
Creditors falling due within less than one year				
Secured bank loans	**1,538**	200	**1,538**	200
	1,538	200	**1,538**	200

Included within secured bank loans are amounts repayable after five years by instalments of £24,188,000 (2015: £25,174,000). The Royal Bank of Scotland Plc has a legal charge, dated 12 June 2015, over the properties at Gloucester Services Northbound and Southbound, Upton, Gloucestershire.

Terms and debt repayment schedule

Group and company	**Currency**	**Nominal interest rate**	**Year of maturity**	**2016**	2015
				£000	£000
Loan 1	**GBP**	**3%**	**2030**	**3,578**	3,780
Loan 2	**GBP**	**3%**	**2038**	**28,700**	28,240
				32,278	32,020

18 Pensions

The Group contributes to staff personal pension schemes. The pension cost charge represents contributions payable by the Group to the pension scheme and amounted to £240,000 (*2015: £201,000*). There were accrued contributions of £nil (*2015: £nil*) in respect of these schemes as at the balance sheet date.

Notes *(continued)*

19 Deferred taxation

Group

The movement in the deferred taxation provision during the period was:

	2016 £000	2015 £000
Provision brought forward	**547**	111
Profit and loss account movement arising during the period	**416**	436
Provision carried forward	**963**	547

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2016 £000	2015 £000
Fixed asset timing differences	**987**	792
Short term timing differences	**(24)**	(53)
Losses and other deductions	**-**	(192)
	963	547

Company

The movement in the deferred taxation provision during the period was:

	2016 £000	2015 £000
Provision brought forward	**96**	111
Profit and loss account movement arising during the period	**49**	(15)
Provision carried forward	**145**	96

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2016 £000	2015 £000
Fixed asset timing differences	**168**	149
Short term timing differences	**(23)**	(53)
	145	96

Notes *(continued)*

20 Government grants

Group and company	2016	2015
	£000	£000
Received and receivable:		
At beginning and end of the period	**3,743**	3,743
Amortisation:		
At beginning of the period	**3,743**	2,018
Credit to profit and loss account	**-**	1,725
	3,743	3,743
At the end of the period	**-**	-

The company has previously received a European Regional Development Fund Grant in respect of the development of Rheged amounting to £2,000,000. This grant was repayable in full if any of the terms of the grant are breached within a period of 20 years from 11 December 1995. As at 3 July 2016 £nil (*2015: £nil*) of this grant is included in deferred grants following the decision of the company to fully amortise the grants in the prior period.

21 Operating leases

Non-cancellable operating leases are payable as follows:

	2016		2015	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Less than one year	**70**	**70**	70	70
Between one and five years	**263**	**263**	280	280
More than five years	**-**	**-**	53	53
	333	**333**	403	403

During the year £70,000 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £70,000).

22 Related party transactions

Westmorland Motorway Services (1987) Pension Fund

During the period the Company paid Westmorland Motorway Services (1987) Pension Fund, the directors' pension scheme, £125,000 (*2015: £125,000*) in respect of the rent of the Westmorland Hotel and £70,000 (*2015: £70,000*) in respect of Junction 38, a property owned by the pension scheme. At the balance sheet date £nil (*2015: £nil*) remains outstanding or is prepaid in respect of these transactions.

Mr JC Dunning

The Company made purchases of £308,635 (*2015: £257,435*) from Mr JC Dunning. At the balance sheet date £13,527 (*2015: £36,069*) remains outstanding in respect of these transactions.

Made By Us Limited

Mrs SB Dunning is also a director of Made By Us Limited. During the period the Company made purchases of £825,915 (*2015: £712,668*) from Made By Us Limited. Included in trade creditors is £79,501 (*2015: £82,127*) outstanding at the period end.

During the period the Company supplied meat and related products to Made By Us Limited to the value of £290,529 *(2015: £350,838)*. Included in trade debtors is £14,666 *(2015: £114,500)* outstanding at the period end.

Mrs J Lane

Loan notes of £561,000 (*2015: £561,000*) remain outstanding at the balance sheet date and are presented within other creditors due after more than one year. Mrs J Lane is a director of Westmorland Limited.

Notes *(continued)*

22 Related party transactions *(continued)*

Saxon Holdings Limited

Included within other debtors is a loan of £33,000 *(2015: £33,000)* due to Tebay Gorge Services Limited from Saxon Holdings Limited, a company under the control of Mr JC Dunning, a director of Tebay Gorge Services Limited.

M6 Diesel Limited

During the period the Group received dividends of £100,000 (*2015: £170,853*) from M6 Diesel Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding. Included in other debtors is £nil (*2015: £170,853*) outstanding at the period end.

Watling Street Filling Station Limited

During the period the Group received dividends of £100,000 (*2015: £100,000*) from Watling Street Filling Station Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding. Included in other debtors is £nil (*2015: £100,000*) outstanding at the period end.

Dieselbank Limited

During the period the Group received dividends of £140,000 (*2015: £nil*) from Dieselbank Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding. Included in other debtors is £nil (*2015: £nil)* outstanding at the period end.

M6 Diesel Services Partnership

During the period the Group (through the company Tebay Gorge Services Limited) charged M6 Diesel Services Partnership (in which Tebay Gorge Services Limited was a partner up to 1 April 2016) for £112,500 (*2015: £143,000)* representing profit share. Included in other debtors is £822,432 (*2015: £709,932*) outstanding at the period end.

During the period the Group (through the company Tebay Gorge Services Limited) charged M6 Diesel Services Partnership for fuel sales taken by the partnership on behalf of the company to the value of £45,061 (*2015: £80,810*). Included in other debtors is £nil (*2015: £7,425*) outstanding at the period end.

During the period the Group (through the company Tebay Gorge Services Limited was charged £92,240 (*2015: £113,175*) by M6 Diesel Services Partnership in respect of business rates, forecourt repairs and wages chargeable to the company and to reimburse the partnership for forecourt sales taken on its behalf. Included in other creditors is £nil (*2015: £21,271*) outstanding at the period end.

During the period the Company charged £59,977 (*2015: £79,382*) to M6 Diesel Services Partnership in respect of wages and other administrative costs chargeable to the partnership. Included in other debtors is £nil (*2015: £7,195*) outstanding at the period end.

During the period the Company was charged £19,326 (*2015: £72*) by M6 Diesel Services Partnership in respect of fuel stocks, maintenance costs and other sundry items recharged to the Company. Included in other creditors is £nil (*2015: £nil*) outstanding at the period end.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £307,000 (2015: £309,000)

23 Share capital

	2016 No	**2016 £000**	2015 No	2015 £000
Allotted, called up and fully paid:				
Ordinary 'A' shares of £0.01 each	**13,745**	**-**	13,745	-
Ordinary 'B' shares of £0.01 each	**860**	**-**	860	-
	14,605	**-**	14,605	-

Notes *(continued)*

24 Share premium account

Group and company	**2016**	2015
	£000	£000
Balance brought forward and carried forward	**4,048**	4,048

25 Ultimate parent company and parent company of a larger group

The largest group within which these consolidated results are included and are publically available are these financial statements and Westmorland Limited is the ultimate controlling party of the Group. The ultimate control party is the family interests of the Dunning family.