Westmorland Limited

Annual report and consolidated financial statements

Registered number 05357857

28 June 2020

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Contents

Strategic report

The directors have pleasure in presenting their annual report and financial statements of the Company for the period ended 28 June 2020.

Principal activities

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

On 25 September 2019, the Group established Tatton Services Limited, a joint venture company set up for the purpose of progressing a prospective new build motorway service area. The Group holds 80% of the share capital.

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

Financial performance

The business has had challenging year, given the impact of the Covid 19 pandemic. Performance was strong until March 2020, but there was a significant impact on Q4 as a result the government's Covid 19 restrictions. More information on the directors' response to the pandemic is given in the S172 statement below. This resulted in turnover falling to £83.5m *(2019: £104.7m)*.

The business made further investment in its local communities through charitable donations of £218k *(2019: £345k)* to Cumbria Community Foundation and £366k *(2019: £509k)* to Gloucestershire Gateway Trust. The Group made a profit on ordinary activities before taxation of £2.7m *(2019: £3.3m)*.

Fixed assets grew slightly to £69.2m *(2019: £67.0m)*. A total of £4.8m *(2019: £3.8m)* was invested in the estate in the year. £1.1m *(2019: £1.5m)* of borrowing was repaid, with net debt increasing to £29.8m *(2019: £23.8m)* as cash balances fell over the course of the year to £4.6m *(2019: £11.6m)*. Net assets grew slightly to £36.2m *(2019: £34.2m)*.

Section 172 Statement

The directors acknowledge their duty, under S172 of the Companies Act 2006, to promote the success of the Company for the benefit of the shareholders as a whole having regard to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's relationships with customers and suppliers;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct;
- and the need to act fairly between members of the company.

In the calendar year of 2020 focus has been on protecting the business and supporting our colleagues through the Covid-19 pandemic.

As a Motorway Service Area business, we have remained open throughout lockdown to serve those customers who need to travel for work. We developed our offer to compliment the restrictions as they were introduced, by increasing our range of take away options in our Kitchens and pre-packaged meat from our Butchers counters in our Farmshops. We increased our outdoor seating spaces supported by extended opening of our outdoor take away food sheds.

We supported colleagues by topping up salaries for those on Furlough leave above and beyond the government support scheme. We launched an interest free loan scheme for colleagues who needed financial support. We focused on communication with weekly video updates from our Leadership Team, weekly 1:1 telephone calls and launched a new colleague Facebook group, encouraging open and honest conversation. 75% of colleagues are now members of our Facebook group and 85% of colleagues said our communication had been excellent during the first lockdown.

During the year we ensured producers were paid quickly and efficiently to support their cashflow. We promoted our producers' businesses through our own marketing channels to support their own initiatives, many opting to open their own online shops.

In our communities we donated surplus food from the business during lockdown to schools and food banks local to our businesses in Scotland, Cumbria and Gloucestershire.

Strategic report *(continued)*

In Gloucester, our colleagues volunteered with our community partner Gloucestershire Gateway Trust to support in the production of food parcels being distributed in the local community. As we look forward we recognise the impact on mental health that the pandemic has brought and this will be a priority for the business.

Before lockdown in March 2020 we had developed many aspects of our customer offer and experience. We invested in Rheged with the reopening of our refurbished Gallery, new Design Shop and Play Area. In Gloucester we opened new Outside Kitchens on both northbound and southbound. In Tebay we opened up the front of our Farmshops to create more space for the products we make ourselves.

A partnership has been formed with Small World Consulting of Lancaster University, headed up by Mike Burners-Lee. SWC are supporting the business with our climate plan and reducing our carbon impact.

We will continue to focus on the wellbeing of our colleagues, encouraging open conversation and offering guidance and support where needed as Covid-19 restrictions ease. Our Board and Leadership team will work hard to ensure all colleagues have access to the support they need.

We will continue to support our local communities through our partnerships with Gloucestershire Gateway Trust and Cumbria Community Foundation. We will strengthen our colleague agenda around recruitment from hard to reach employment groups and secondary schools. We will learn more about mental health initiatives through our current partnerships and new partners.

We will work closely with our producers to ensure their continued success. Our focus remains to support in the recovery / growth of their business after a year of uncertainty. Our shared success will secure their businesses and local jobs.

Continued development of our unique offer following a year of customer behaviour change will guide our thinking. We will think more about outside eating opportunities, take away options and developing our Kitchen food offer. The future of electric charging, accessibility and technology will be key areas of focus in developing our customer experience.

In what has been an extremely challenging year for the business we are optimistic about the year ahead. We anticipate customers will be eager to return and our locations stand us in good stead with the anticipated Great British staycation.

The pride we have for the way we've always done business will continue to be our compass. Taking the right road in the decisions we make will be more important than ever in the year ahead to protect the future of a business approaching 50 years.

Key performance indicators

The business uses a range of KPIs including financial measures, colleague measures and customer satisfaction measures. Together, these enable the business to adopt a balanced approach to the business.

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 spend.

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.

Principal risks and uncertainties

The business continues to monitor and mitigate its key risks and uncertainties:

- Economic risk – the broader economic outlook and specifically Covid 19 and Brexit presents some key risks including:
    - Reduced consumer spending and confidence as a result of the impact of the pandemic
    - Reduced spending power of consumers if inflation increases
    - Increased input prices due to a fall in the value of Sterling
    - Increased fuel prices due to both a fall in the value of Sterling and agreed reductions in crude oil production
    - Cost headwinds including National Living Wages and Energy prices
    - Colleague recruitment challenges if immigration reduces

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

- 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 period. Operations are financed through bank facilities, term loans and retained profits.
- Supplier risk – contracts are in place with all our key suppliers along with regular supplier meetings and reviews.
- Regulatory & Compliance risk – compliance with legislation/regulation is critical to protect our customers and colleagues and uphold our strong values led culture and reputation. These include health & safety, food safety and cyber.

Future outlook

Supported by a strong strategic plan the business will continue to develop its offer, its colleagues and its relationships with both its producers and its local communities with a commitment to continued development 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

Westmorland Place,
Orton,
Penrith
CA10 3SB

Mrs SB Dunning
Director

23 June 2021

Directors' report

The directors have pleasure in presenting their directors' report and financial statements of the Group and Company for the period ended 28 June 2020.

Results and dividends

The profit for the period, after taxation, amounted to £2,022,000 *(2019: £2,412,000)*. A dividend of £100,004 was paid in the current period *(2019: £nil)*.

Directors

The directors who served the Company during the period and up to the date of signing this report were as follows:

Mrs SB Dunning
Mrs JM Lane
Mr L King
Mr BM Gray (Appointed 01.11.2020)
Mr NSK Subuh (Appointed 01.11.2020)

Streamlined Energy and Carbon Report - 2019/20

As a large unquoted company Westmorland Ltd, under the Streamlined Energy and Carbon Reporting regulations must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport. This is the first reporting year so no emissions from previous years are available as a comparison.

Methodology

The reporting period is the most recent financial year 1 July 2019 to 28 June 2020. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the BEIS 2020 carbon conversion factors for all fuels, other than the market-based electricity which has been taken from Ecotricity as the UK supplier.

Directors' report *(continued)*

UK Carbon Footprint Data for the year ended 28 June 2020

Scope	Description	Specific fuels	tCO2e	
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas[2], Kerosene, LPG, Gas Oil Transport[1]: Petrol, Diesel, Unknown vehicle fuel	1,045	
Scope 2	Purchased energy	Electricity[2]	Location based	1,750
			Market Based	0
Scope 3	Supply Chain Emissions		0	
Total		Location based	2,795	
		Market based	1,045	
Intensity Ratio	tCO2e / £1m Turnover	Location based	37.26	
		Market based	13.93	
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Petrol, Diesel, Unknown vehicle fuel	11,099,691	
	Renewable %	Electricity[3]	100%	

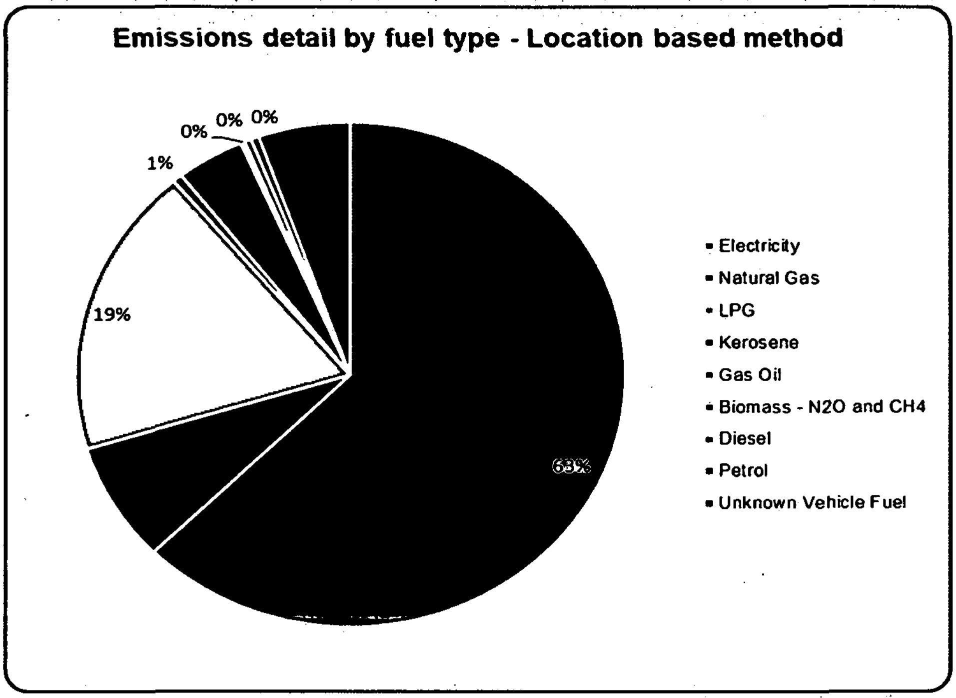
Biomass - Out of Scope

Year	Wood Chips (t)	Nitrous Oxide and Methane (tCO2e)	tC02
2019/20	122	7	163

Note: only Nitrous and methane emissions from Biomass classify as Scope 1

Directors' report *(continued)*

Emissions detail by fuel type



Energy Efficiency Actions taken

New LPG boilers have been installed at the Tebay Southbound Services, the Tebay Services Hotel and Cairn Lodge Services in the past two years.

There has also been a major upgrade of the HVAC system at the Rheged Centre, Penrith which has enabled the biomass plant to supply the heating and most of the hot water for the centre, although a handful of electric point of use water heaters will remain. We have also added cooling to some areas at Rheged which is supplied via an absorption chiller unit powered by the heat from the Biomass.

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 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

Sarah Dunning

Mrs SB Dunning
Director

Westmorland Place
Orton
Penrith
CA10 3SB

23 June 2021

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (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 judgements 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

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 are 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, and 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
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Westmorland Limited

Opinion

We have audited the financial statements of Westmorland Limited ("the company") for the period ended 28 June 2020 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, the Cash flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 June 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

The purpose of our audit work and to whom we owe our responsibilities

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.

David Mitchell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

28 June 2021

Consolidated profit and loss account and other comprehensive income
for the period ended 28 June 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Turnover (including equity accounted investments)	2		83,496		104,677
Less: Turnover of equity accounted investments			(8,477)		(9,298)
Turnover			75,019		95,379
Cost of sales			(57,435)		(72,529)
Gross profit			17,584		22,850
Administrative expenses			(20,004)		(19,414)
Other operating income	4		5,390		232
Group's share of profit in Joint Ventures			597		577
Operating profit	3		3,567		4,245
Interest receivable			28		26
Interest payable and similar charges	7		(920)		(974)
Profit on ordinary activities before taxation			2,675		3,297
Tax on profit on ordinary activities	8	(540)		(771)	
Group's share of tax from Joint Ventures	8	(113)		(114)	
			(653)		(885)
Profit for the financial period			2,022		2,412
Other comprehensive income			-		-
Attributable to non-controlling interests			12		-
Total comprehensive income for the financial period			2,034		2,412

The notes on page 17 to 36 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 period.

Consolidated balance sheet
at 28 June 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible fixed assets	*9*		**69,196**		67,015
Goodwill	*10*		**-**		17
Negative goodwill	*10*		**(119)**		(119)
Investments in joint ventures	*11*		**1,986**		1,502
			71,063		68,415
Current assets					
Stocks	*12*	**1,949**		2,504	
Debtors	*13*	**4,148**		1,447	
Cash at bank and in hand	*14*	**4,597**		11,643	
		10,694		15,594	
Creditors: amounts falling due within one year	*15*	**(33,113)**		(14,580)	
Net current (liabilities)/assets			**(22,419)**		1,014
Total assets less current liabilities			**48,644**		69,429
Creditors: amounts falling due after more than one year	*16*		**(10,966)**		(34,023)
Provisions for liabilities					
Deferred taxation	*19*		**(1,510)**		(1,160)
Government grants	*20*		**-**		-
Non-controlling interest in net assets			**12**		-
Net assets			**36,180**		34,246
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account	*24*		**4,048**		4,048
Profit and loss account			**32,120**		30,198
Non-controlling interests			**12**		-
Shareholders' funds			**36,180**		34,246

The notes on page 17 to 36 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 23 June 2021 and were signed on its behalf by:

Sarah Dunning

Mrs SB Dunning
Director

Company registered number: 05357857

Company balance sheet
at 28 June 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible fixed assets	*9*		**26,838**		24,244
Goodwill	*10*		**-**		17
Investments in subsidiaries	*11*		**6,069**		6,069
			32,907		30,330
Current assets					
Stocks	*12*	**1,349**		1,644	
Debtors including £35,094 *(2019: £38,422)* due after more than one year and £3,496 *(2019: £1,109)* due within one year	*13*	**38,590**		39,531	
Cash at bank and in hand	*14*	**2,395**		3,600	
		42,334		44,775	
Creditors: amounts falling due within one year	*15*	**(36,354)**		(13,847)	
Net current assets			**5,980**		30,928
Total assets less current liabilities			**38,887**		61,258
Creditors: amounts falling due after more than one year	*16*		**(10,966)**		(34,023)
Provisions for liabilities					
Deferred taxation	*19*		**(3)**		-
Government grants	*20*		**-**		-
Net assets			**27,918**		27,235
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account	*24*		**4,048**		4,048
Profit and loss account			**23,870**		23,187
Shareholders' funds			**27,918**		27,235

The notes on page 17 to 36 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 23 June 2021 and were signed on its behalf by:

Sarah Dunning

Mrs SB Dunning
Director

Company registered number: 05357857

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Non-controlling interests £000	**Total shareholders' equity £000**
Balance at 1 July 2018	-	4,048	27,786	-	**31,834**
Total comprehensive income					
Profit for the period	-	-	2,412	-	**2,412**
Total comprehensive income	-	-	2,412	-	**2,412**
Balance at 30 June 2019	-	4,048	30,198	-	**34,246**
Total comprehensive income					
Profit for the period	-	-	2,022	-	**2,022**
Attributable to non-controlling interests	-	-	-	12	**12**
Dividends paid in the year	-	-	(100)	-	**(100)**
Total comprehensive income	-	-	1,922	12	**1,934**
Balance at 28 June 2020		4,048	32,120	12	**36,180**

The notes on page 17 to 36 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 1 July 2018	-	4,048	23,031	**27,079**
Total comprehensive income				
Profit for the period	-	-	156	**156**
Total comprehensive income	-	-	156	**156**
Balance at 30 June 2019	-	4,048	23,187	**27,235**
Total comprehensive income				
Profit for the period	-	-	783	**783**
Dividends paid in the year	-	-	(100)	**(100)**
Total comprehensive income	-	-	683	**683**
Balance at 28 June 2020	-	4,048	23,870	**27,918**

The notes on page 17 to 36 form an integral part of the financial statements.

Consolidated cash flow statement
for the period ended 28 June 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Profit for the period		**2,022**	2,412
Adjustments for:			
Depreciation, amortisation, and impairment		**2,443**	2,231
Net share of income from equity accounted investments		**(597)**	(577)
Interest receivable and similar income		**(28)**	(26)
Interest payable and similar charges	*7*	**920**	974
Loss/(profit) on sale of tangible fixed assets		**22**	(25)
Taxation	*8*	**653**	885
		5,435	5,874
(Increase)/decrease in trade and other debtors		**(2,701)**	58
Decrease in stocks		**555**	51
(Decrease)/increase in trade and other creditors		**(3,506)**	945
		(217)	6,928
Interest paid		**(599)**	(647)
Tax paid		**(453)**	(689)
Net cash from operating activities		**(1,269)**	5,592
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**125**	25
Interest received		**28**	26
Dividends received		**-**	423
Acquisition of tangible fixed assets		**(4,754)**	(3,821)
Net cash from investing activities		**(4,601)**	(3,347)
Cash flows from financing activities			
Repayment of borrowings		**(1,076)**	(1,535)
Dividends paid		**(100)**	-
Net cash from financing activities		**(1,176)**	(1,535)
Net increase in cash and cash equivalents		**(7,046)**	710
Cash and cash equivalents at the beginning of the period		**11,643**	10,933
Cash and cash equivalents at the end of the period	*14*	**4,597**	11,643

The notes on page 17 to 36 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"*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 52 week period ending 28 June 2020 (*2019: 52 week period ending 30 June 2019*) within seven days of the end of the accounting reference period of 30 June 2020 as permitted by the Companies Act 2006.

Going concern

These accounts have been prepared on a going concern basis notwithstanding net current liabilities of £22,419,000 at the balance sheet date. The directors believe this to be appropriate for the following reasons.

Included within group net current liabilities are bank loans of £23,418,000. This bank loan facility was originally due for renewal in July 2020 and hence technically falls due within one year of the balance sheet date. As described in note 17, the loan facility is repayable through to 2038 but is subject to a periodic renewal of terms. Subsequent to the balance sheet date, the facility has been renewed on similar terms through to August 2021 and then renewed again on similar terms in June 2021 through to July 2022 prior to approval of these financial statements. The group expects to have agreed a further bank loan facility based on the future needs of the business before July 2022 when the current renewal is due to expire. The group is in regular dialogue with its bankers who have confirmed that they can see no reason why such a new facility will not be agreed. The directors acknowledge that a degree of uncertainty arises from the fact that the bank facilities fall due for renewal 13 months from the date of approving these accounts. However, the underlying strength of the business and the balance sheet, supported by the results of the Group in the post year end period to the date of approval of these accounts, means the directors are confident that the company will have sufficient banking facilities available to satisfy the current and future funding requirements.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period, and within its available facilities (including the covenants attached). The directors have considered the impact on the forecast period and future of the business of the unprecedented Covid-19 epidemic. As discussed in the Strategic Report, the business' core activities have remained open throughout lockdowns given their essential nature although lockdowns have impacted some of the Group's activities. The impact of any anticipated possible further lockdowns in the next 12 months have been incorporated into the forecast sensitivities. The Group is forecast to have sufficient resources to be able to meet its liabilities as they fall due even in these downside scenarios.

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 28 June 2020. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period 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.

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 period was £783,000 *(2019: £156,000).*

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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.

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%, 20% 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 period 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. Amounts recognised in the profit and loss are presented under other operating income.

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 period 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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.

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.

	2020	2019
	£000	£000
Sale of goods	**72,332**	92,423
Rendering of services	**1,949**	2,480
Commissions	**738**	476
Total turnover	**75,019**	95,379

	Turnover including equity accounted investments		**Turnover excluding equity accounted investments**	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
United Kingdom	**83,496**	104,677	**75,019**	95,379

Notes *(continued)*

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2020 £000	2019 £000
Auditor's remuneration – audit of the company financial statements	**23**	20
Auditor's remuneration – audit of subsidiaries and group financial statements	**32**	33
Auditor's remuneration – other fees, taxation services	**6**	16

4 Other operating income

	2020 £000	2019 £000
Rental income	**95**	127
Sundry income	**51**	27
Business interruption insurance claim	**2,500**	-
Contractor retention released	**326**	
Coronavirus Job Retention Scheme Grant	**2,418**	-
Dividends received	**-**	53
Profit on disposal of assets	**-**	25
	5,390	232

The CJRS Grants of £2.4m relate to claims submitted to HMRC under the government's furlough scheme covering the period ended June 2020. All grants outstanding at the balance sheet date were received post year-end and all conditions applicable to the grants have been fulfilled. During the year the Group also benefitted from government assistance under the business rates holiday from 1 April to 28 June 2020, estimated to be a saving of £0.5m although this is not recognised as other income as it was a cost foregone.

5 Staff numbers and costs

	2020 No	2019 No
Number of administrative staff	**134**	147
Number of operational staff	**892**	846
	1,026	993

The aggregate payroll costs of the above were:

	£000	£000
Wages and salaries	**16,245**	16,352
Social security costs	**1,047**	1,084
Other pension costs	**417**	358
	17,709	17,794

Notes *(continued)*

6 Remuneration of directors

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

	2020	2019
	£000	£000
Directors' remuneration	**372**	761
Pension contributions to money purchase schemes	**-**	4
	372	765

The aggregate of remuneration of the highest paid director was £210,000 *(2019: £283,000).*

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

	2020	2019
	No.	No.
Money purchase schemes	**-**	1

7 Interest payable and similar charges

	2020	2019
	£000	£000
Interest payable on bank borrowing	**594**	647
Interest payable on loans from related parties	**326**	327
	920	974

Notes *(continued)*

8 Taxation

	2020 £000	2019 £000
Current tax		
In respect of the period:		
UK Corporation tax based on the results for the period at 19% *(2019: 19%)*	**305**	583
Adjustments in respect of prior periods	**(116)**	288
On share of income from equity accounted investments	**113**	114
	302	985
Deferred tax		
Origination and reversal of timing differences (note 18)	**401**	(100)
Adjustments in respect of prior periods	**(50)**	-
	351	(100)
Total tax	**653**	885

	2020 £000	2019 £000
Profit for the year	**2,022**	2,412
Total tax expense	**653**	885
Profit excluding taxation	**2,675**	3,297
Tax using the UK Corporation tax rate of 19% *(2019:19%)*	**508**	626
Adjustments in respect of prior periods	**(166)**	288
Reduction in rate of deferred tax balances	**130**	(259)
Permanent differences	**181**	230
Group relief surrendered	**-**	1
	653	885

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. The deferred tax assets and liabilities provided for as at 31 March 2020 have been calculated at 19% (2019: 17%).

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax liability would have increased by £477,000.

Notes *(continued)*

9 Tangible fixed assets

Group	Assets under construction £000	Freehold land & buildings £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Cost					
At beginning of period	-	70,842	18,514	92	89,448
Additions	297	275	4,157	25	4,754
Disposals	-	(117)	(18)	(49)	(184)
At end of period	297	71,000	22,653	68	94,018
Depreciation					
At beginning of period	-	11,452	10,934	47	22,433
Charge for period	59	908	1,446	13	2,426
Disposals	-	(3)	(4)	(30)	(37)
At end of period	59	12,357	12,376	30	24,822
Net book value					
At 28 June 2020	**238**	**58,643**	**10,277**	**38**	**69,196**
At 30 June 2019	-	59,390	7,580	45	67,015

The Royal Bank of Scotland Plc has a legal charge, dated 12 June 2014, 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	26,957	14,785	71	41,813
Additions	51	4,088	10	4,149
Disposals	(117)	-	(28)	(145)
At end of period	26,891	18,873	53	45,817
Karina2008!!				
Depreciation				
At beginning of period	8,040	9,491	38	17,569
Charge for period	343	1,082	9	1,434
Disposals	(3)	-	(21)	(24)
At end of period	8,380	10,573	26	18,979
Net book value				
At 28 June 2020	**18,511**	**8,300**	**27**	**26,838**
At 30 June 2019	18,917	5,294	33	24,244

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	183	(879)	(696)
Amortisation charge for the period	17	-	17
At end of period	200	(879)	(679)
Goodwill at 28 June 2020	**-**	**(119)**	**(119)**
Goodwill at 30 June 2019	17	(119)	(102)

Notes *(continued)*

10 Goodwill *(continued)*

	£000
Company	
Cost	
At beginning and end of period	200
Amortisation	
At beginning of period	183
Amortisation charge for the period	17
At end of period	200
Goodwill at 28 June 2020	-
Goodwill at 30 June 2019	17

11 Investments

	Interests in joint ventures £000
Group	
At 30 June 2019	1,502
Share of results	484
At 28 June 2020	**1,986**
Share of turnover of joint ventures	
Share of assets	
Share of fixed assets	**560**
Share of current assets	**2,281**
	2,841
Share of liabilities	
Liabilities due within one year or less	**(505)**
Liabilities due in more than one year	**(15)**
Fair value adjustments made at acquisition	**(335)**
Share of net assets	**1,986**

Notes *(continued)*

11 Investments *(continued)*

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

	Country of incorporation	Registered number	Principal activity	Class and percentage of shares held Group	Class and percentage of shares held Company
Subsidiary undertakings					
Tebay Gorge Services Limited Westmorland Place, Orton, Penrith, Cumbria, CA10 3SB	England & Wales	01039443	Holding company	Ordinary £1 100%	Ordinary £1 & 100%
Westmorland Motorway Services Limited Westmorland Place, Orton, Penrith, Cumbria, CA10 3SB	England & Wales	01027246	Dormant	Ordinary £1 & 100%	Ordinary £1 & 100%
Gloucestershire Gateway Limited Westmorland Place, Orton, Penrith, Cumbria, CA10 3SB	England & Wales	07002304	Motorway services	Ordinary £1 & 100%	Ordinary £1 & 100%
Joint ventures					
M6 Diesel Services Limited Watling Street Filling Station, London Road, Flamstead, St. Albans, AL3 8HA	England & Wales	01261050	HGV Truckstop	Ordinary £1 & 50%	
M.6. Diesel Limited Saredon Filling Station, Shareshill, Cannock Road, Wolverhampton, WV10 7LZ	England & Wales	01871115	HGV Truckstop	Ordinary £1 & 50%	
Dieselbank Limited Tebay Interchange Service Station, Tebay, Penrith, CA10 3SS	England & Wales	01653502	HGV Truckstop	Ordinary £1 & 50%	
Watling Street Filling Station Limited Flamstead Filling Station, London Road, Flamstead, St. Albans, AL3 8HA	England & Wales	01786358	Petrol filling station	Ordinary £1 & 50%	
Tatton Services Limited Westmorland Place, Orton, Penrith, Cumbria, CA10 3SB	England & Wales	12227472	Motorway services construction	Ordinary £1 & 80%	Ordinary £1 & 80%

Company	**£000**
Cost	
At 30 June 2019 and 28 June 2020	**6,069**

Notes *(continued)*

12 Stocks

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Finished goods for resale	**1,949**	2,504	**1,349**	1,644

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to £46,795,000 *(2019: £60,821,000)* for the Group and £31,733,000 *(2019: £41,741,000)* for the Company.

13 Debtors

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Trade debtors	**557**	950	**402**	794
Other debtors	**3,302**	157	**2,958**	2
Deferred tax	**-**	-	**-**	100
Amounts owed by group undertakings	**108**	54	**35,094**	38,422
Prepayments and accrued income	**181**	286	**136**	213
	4,148	1,447	**38,590**	39,531
Due within one year	**4,148**	1,447	**3,496**	1,109
Due after more than one year	**-**	-	**35,094**	38,422
	4,148	1,447	**38,590**	39,531

Group debtors include amounts owed by group undertakings of £nil (2019: £nil) due after one year. Company debtors include amounts owed by group undertakings of £35,094,000 (2019: £38,422,000) due after one year.

14 Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Cash at bank and in hand	**4,597**	11,643	**2,395**	3,600
	4,597	11,643	**2,395**	3,600

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Bank loans	**23,418**	1,436	**23,418**	1,436
Trade creditors	**2,820**	5,826	**1,780**	4,095
Amounts owed to group undertakings	**-**	289	**5,531**	3,537
Corporation tax	**197**	461	**18**	179
Other taxation	**1,030**	1,681	**974**	1,595
Other creditors	**1,807**	1,945	**1,190**	527
Accruals and deferred income	**3,841**	2,942	**3,443**	2,478
	33,113	14,580	**36,354**	13,847

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Bank loans	**-**	23,057	**-**	23,057
Other creditors	**10,966**	10,966	**10,966**	10,966
	10,966	34,023	**10,966**	34,023

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	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Creditors falling due after more than one year				
Secured bank loans	-	23,057	-	23,057
	-	23,057	-	23,057
Creditors falling due in less than one year				
Secured bank loans	**23,418**	1,436	**23,418**	1,436
	23,418	1,436	**23,418**	1,436

Included within secured bank loans are amounts repayable after five years by instalments of £17,678,000 *(2019: £17,313,000)*. The Royal Bank of Scotland Plc has a legal charge, dated 12 June 2014, 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**	**2020**	2019
				£000	£000
Loan	**GBP**	**3%**	**2038**	**28,700**	28,700
				28,700	28,700

Whilst the loan reaches maturity in 2038 it is subject to a periodic renewal which, as explained in the basis of preparation, next falls on 15 July 2022. For the reasons explained in the basis of preparation the directors are confident that the loan will be successfully renewed.

The loans provided by the shareholders, which are included in other creditors falling due after more than one year, have no fixed repayment date. However, the shareholders have granted the Company an unconditional right that these loans will not be recalled from at least twelve months from the date the balance sheet was signed.

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 £335,000 *(2019: £358,000)*. There were accrued contributions of £85,000 *(2019: £80,000)* 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:

	2020	2019
	£000	£000
Provision brought forward	**1,160**	1,260
Profit and loss account movement arising during the period	**350**	(100)
Provision carried forward	**1,510**	1,160

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

	2020	2019
	£000	£000
Fixed asset timing differences	**1,960**	1,528
Short term timing differences	**(450)**	(368)
	1,510	1,160

Company

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

	2020	2019
	£000	£000
(Asset)/provision brought forward	**(100)**	132
Profit and loss account movement arising during the period	**103**	(232)
(Asset)/provision carried forward	**3**	(100)

The (asset)/provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2020	2019
	£000	£000
Fixed asset timing differences	**436**	234
Short term timing differences	**(433)**	(334)
	3	(100)

Notes *(continued)*

20 Government grants

Group and company	**2020**	2019
	£000	£000
Received and receivable:		
At beginning and end of the period	**3,743**	3,743
Amortisation:		
At beginning and end of the period	**3,743**	3,743
	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, a period which has now elapsed.

21 Operating leases

Non-cancellable operating leases are payable as follows:

	2020		2019	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Less than one year	**252**	**245**	237	237
Between one and five years	**931**	**922**	910	910
More than five years	**1,254**	**1,254**	1,451	1,451
	2,437	**2,421**	2,598	2,598

During the period £254,106 was recognised as an expense in the profit and loss account in respect of operating leases *(2019: £231,098)*.

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, £145,000 *(2019: £145,000)* in respect of the rent of the Westmorland Hotel and £70,000 *(2019: £70,000)* in respect of Junction 38, properties owned by the pension scheme. Included in trade creditors is £nil (*2019: £nil*) outstanding at the period end.

Westmorland Chapel Farm Limited

During the period the Company made purchases of £283,043 *(2019: £380,021)* from Westmorland Chapel Farm Limited. Included in trade creditors is £5,055 (*2019: 45,519*) outstanding at the period end. During the year the company recharged goods and services to the value of £3,990 (*2019: £4,123)*. Included in trade debtors is £424 *(2019: £2,161*) outstanding at the period end.

Notes *(continued)*

22 Related party transactions *(continued)*

Made By Us Limited

Mrs SB Dunning is also a director of Made By Us Limited. During the period the Company made purchases of £759,216 *(2019: £995,949)* from Made By Us Limited and was recharged for goods and services to the value of £375,777 *(2019: £292,655)*. Included in trade creditors is £4,905 *(2019: £97,423)* and in other creditors is £365,000 *(2019: £nil)* outstanding at the period end.

During the period the Company supplied meat and other goods and services to Made By Us Limited to the value of £245,018 *(2019: £286,913)*. Included in trade debtors is £5,755 *(2019: £32,808)* outstanding at the period end.

Mrs SB Dunning

Loans from Mrs SB Dunning of £5,378,000 *(2019: £5,378,000)* are owed by the Company at the year end and are presented within other creditors due after more than one year. Interest is charged at a nominal interest rate of 2.5% plus Bank of England base rate. Mrs SB Dunning is a director of Westmorland Limited.

Mrs JM Lane

Loans from Mrs JM Lane of £5,378,000 *(2019: £5,378,000)* are owed by the Company at the year end and are presented within other creditors falling due after more than one year. Interest is charged at a nominal interest rate of 2.5% plus Bank of England base rate.

During the year £nil *(2019: £100,000)* was repaid to Mrs JM Lane in respect of outstanding loan notes. £210,000 *(2019: £210,000)* remain outstanding at the balance sheet date and are presented within other creditors due after more than one year. Interest is charged at a nominal interest rate of 1.5% plus Bank of England base rate. Mrs JM Lane is a director of Westmorland Limited.

M6 Diesel Services Limited

During the period the Company received dividends of £nil *(2019: £100,000)* from M6 Diesel Services Limited a company in which Tebay Gorge Services Limited has a 50% shareholding. Included in other debtors is £nil *(2019: £nil)* outstanding at the period end.

M. 6. Diesel Limited

During the period the Group received dividends of £nil *(2019: £200,000)* from M. 6. Diesel Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding. The Company also received commissions from M.6. Diesel Limited of £18,524 *(2019: £15,244)* and recharged goods and services to the value of £12,427 to M. 6. Diesel Limited. Included in trade debtors is £1,215 *(2019: £nil)* outstanding at the period end.

Watling Street Filling Station Limited

During the period the Group received dividends of £nil *(2019: £nil)* from Watling Street Filling Station Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding.

Dieselbank Limited

During the period the Group received dividends of £nil *(2019: £70,000)* from Dieselbank Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding.

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 period amounted to £562,182 *(2019: £1,110,000)*.

Notes *(continued)*

23 Share capital

	2020 No	2020 £000	2019 No	2019 £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	**64**	-	64	-
Ordinary 'C' shares of £0.01 each	**724**	-	724	-
	14,533	-	14,533	-

The Ordinary 'A' shares carry one vote per share, are non-redeemable and are entitled to dividends.

The Ordinary 'B' shares carry no voting rights, are non-redeemable and are entitled to dividends, subject to conditions, in the event of an asset sale.

The Ordinary 'C' shares carry no voting rights, are non-redeemable and are entitled to dividends, subject to conditions, in the event of an asset sale.

24 Share premium account

Group and company	2020 £000	2019 £000
Balance brought forward and carried forward	**4,048**	4,048

25 Ultimate parent company

The immediate and ultimate parent company is Chapel Beck Limited, a company registered in England and Wales. The ultimate controlling party is the family interests of the Dunning family. The consolidated accounts of this group are available to the public and may be obtained from;

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ