Westmorland Limited

Annual report and consolidated financial statements

Registered number 05357857

27 June 2021

Contents

Strategic report

The directors have pleasure in presenting their annual report and financial statements of the Company for the period ended 27 June 2021.

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. The Group also operates 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 another challenging year, given the continued impact of the Covid 19 pandemic and the government restrictions which were reintroduced in second half of 2020 through to March 2021. More information on the directors' response to the pandemic is given in the S172 statement below. This resulted in turnover falling to £76.8m *(2020: £83.5m*).

The business made further investment in its local communities through charitable donations of £206k *(2020: £218k)* to Cumbria Community Foundation and £319k *(2020: £366k)* to Gloucestershire Gateway Trust. The Group made a profit on ordinary activities before taxation of £2.4m (*2020: £2.7m*).

Fixed assets grew slightly to £69.7m *(2020: £69.2m).* A total of £2.8m *(2020: £4.8m)* was invested in the estate in the year including £0.7m in capitalised planning fees incurred for the prospective new motorway service area. No borrowing was repaid *(2020: £1.1m)* as we took the option of a capital repayment holiday, but net debt fell to £21.6m *(2020: £29.8m)* as cash balances grew over the course of the year to £13.0m *(2020: £4.6m).* Net assets grew slightly to £37.4m *(2020: £36.2m).*

On 24 June 2022, the Group completed a refinancing of its external funding facilities. At the balance sheet date the Group had in place 2 term loan facilities which stood at £23.4m. These have been rolled forward into 2 term loans of £16m and £7m respectively, in addition to a new Revolving Credit Facility of £10m to support the Group's growth plans. All three components of the new facility are in place for a period of 5 years. Please see note 17 of the financial statements for further details.

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 this financial year, our primary focus has been to recover footfall and sales to pre-pandemic trading levels and support our colleagues back into work after a period of furlough. The financial and furlough support from the government was welcome it allowed the business to retain colleagues and plan for the future in a year of continued uncertainty.

The year started with positive news that travel restrictions, which heavily impacted business, would ease from 4 July 2020. Our focus was to create safe spaces for colleagues to work while allowing customers to enjoy a return to greater freedom and travel. Social distancing restrictions, the wearing of face masks and the limit of 2 households remained in place, but we wanted to reassure, welcome, and treat our customers to help them enjoy travelling again.

Strategic report *(continued)*

Many colleagues returned following furlough, our focus was to support their well-being, offer refreshed training to help them be confident in the return to work. There was a refreshed energy throughout the business as we entered a busy summer with a renewed and revitalised team.

The uncertainty of what the summer would bring in way of restrictions allowed us to be creative in our approach. We rediscovered our outdoor spaces, expanded and enhanced our picnic areas with outdoor tents, open air seating and food to go outlets like the "Sausage Roll Shacks." This allowed more space for customers perhaps uncomfortable eating indoors, inviting them to enjoy the views and green outdoor spaces. This outside seating proved popular and has become a permanent part of our offer.

A challenging Autumn and Winter followed; many colleagues were re-furloughed following a lockdown that lasted a lot longer than anticipated with restrictions finally easing in March 2021. We were well equipped to move the business back into protection mode and focussed our efforts on planning for recovery in the summer of 2021. We decided to reward colleagues with an additional £1 per hour in what we anticipated to be a busy "The Great British Staycation."

During the second lockdown, we started filming a 4-part documentary series with Purple Productions for Channel 4 called 'A Lake District Farmshop,' broadcast in Spring 2021. The series was a huge success, attracting 1.6 million viewers in its first episode. The interest and buzz around the programme brought a sense of fulfilment and satisfaction in colleagues and suppliers at a significant time, as the world began to travel again. A second series of the show has been commissioned for spring 2022 alongside a Christmas special.

Throughout this challenging year, we recognised our commitments in the community and continued to support our charity partners Gloucestershire Gateway Trust and Cumbria Community Foundation. We continue to work closely in our local communities with food donations, volunteering where it was most needed, and supporting producers by ensuring prompt payment and being aware of any issues they may be facing.

Sustainability is a key focus and work began with Mike Berners-Lee of Small World Consulting to map our carbon footprint. This research is being turned into a long-term plan to improve the sustainability and make important decisions for the entire business. Early projects being trialled and implemented include turning food waste into fertiliser and the expansion of electric vehicle charge points.

The completion of the Rheged renovation has revitalised this business, updating the centre with a fresh and modern offer, a new café, refreshed gallery, meeting rooms, and relocation of the Westmorland Family Office. The works included the expansion of the Westmorland Kitchens, also based at Rheged which will benefit the wider group. Other notable investments include, new websites for the motorway service areas, an extended butchery cutting room and pilot digital menu screens at Gloucester, which will be rolled out company-wide in 2022.

We all hope lockdowns are a thing of the past, but our business remains agile, focused on our uniqueness, and the continued development of a wider range of food, including more plant-based products and the expansion of the Westmorland Kitchen, which makes much of the food we sell across our businesses. We anticipate future recruitment challenges across the wider hospitality sector, and a key priority will be on growing talent and potential from within, with a focus on chefs with the launch of the Westmorland Cookery School.

Looking forward to 2022, we celebrate 50 years of establishing Tebay Services and the wider Westmorland Family of businesses. Our commitment to farming, real food, local produce continues to set our compass for the next 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.

Strategic report *(continued)*

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
- 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

Sarah Dunning

Rheged
Redhills
Penrith
CA11 0DQ

Mrs SB Dunning
Director

28 June 2022

Directors' report

The directors have pleasure in presenting their directors' report and financial statements of the Group and Company for the period ended 27 June 2021.

Results and dividends

The profit for the period, after taxation, amounted to £1,180,000 (*2020: £2,022,000)*. No dividend was paid in the current period (*2020: £100,004*).

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 1 November 2020)
Mr NSK Subuh (appointed 1 November 2020)

Streamlined Energy and Carbon Report - 2020/21
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.

Methodology
The reporting period is the most recent financial year 29 June 2020 to 27 June 2021. 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 2021 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 27 June 2021

Scope	Description	Specific fuels	tCO2e	
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Gas Oil, Propane, Kerosene, Biomass	On Site	962
		Transport: Petrol, Diesel, Unknown vehicle fuel	Transport	241
			Total	1,203
Scope 2	Purchased energy	Electricity	Location based	1,425
			Market Based	0
Scope 3	Indirect Emissions	Employee Business Mileage	16	
Total		Location based	2,645	
		Market based	1,219	
Intensity Ratio	tCO2e / £1m Turnover	Location based	38.1	
		Market based	17.6	
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Propane, Kerosene, Biomass, Petrol, Diesel, Unknown vehicle fuel	13,287,907	
	Renewable %	Electricity	100%	

Directors' report *(continued)*

Year on Year Emissions Changes

The Group's location-based emissions decreased from 2,795 tC02e in 2019/20 to 2,645 tC02e in 2020/21. This is an emissions reduction of 5.4%.

Scope 1 emissions increased from 1,045 tC02e in 2019/20 to 1,203 tC02e in 2020/21, emissions increase of 15.2%

The Scope 1 emissions derived from on site combustible fuels increased from 870 tC02e to 962 tC02e. The Group's natural gas, kerosene, gas oil and biomass (wood chip) consumption all increased in this reporting period.

Natural gas consumption increased from 1,162,123 kwh in 2019/20 to 1,386,805 kwh in 2020/21, a consumption increase of 19.3%. This resulted in emissions increase of 19.3%. This resulted in emissions increase of 40 tC02e associated with natural gas consumption.

Propane consumption decreased from 2,342,401 kwh in 2019/20 to 2,246,541 kwh in 2020/21. Despite the decrease in consumption, propane remained the Group's primary Scope 1 combustible fuel, contributing to 50% of static combustion emissions.

The emissions associated with Scope 1 transport (petrol and diesel) increased form 175tC02e in 2019/20 to 241tC02e in 2020/21, emissions increase of 37.6%.

Scope 2 electricity consumption decreased between the reporting periods from 7,505,167 kwh in 2019/20 to 6,713,283 kwh in 2020/21. Subsequently, Scope 2 location-based emissions decreased by 325tC02e. The Group's market-based emissions remained at 0tC02e as they continued to procure REGO backed renewable electricity through Ecotricity.

Employee mileage has been reclassified as scope 3 in this year's figures as the Group does not have financial control over the assets.

Energy Efficiency Actions taken

No specific energy efficiency actions were taken during the year as the business navigated through the Covid-19 pandemic.

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

Rheged
Redhills
Penrith
CA11 0DQ

28 June 2022

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 27 June 2021 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 27 June 2021 and of the Group's profit for the period 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Group or the Company will continue in operation.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group management may be in a position to make inappropriate accounting entries; and
- the risk that turnover is overstated through recording revenues in the wrong period.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts linked to turnover.
- Substantive testing of revenue around the period end, including assessing revenue cut-off with reference to source documentation.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and environmental legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

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

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.

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

29 June 2022

Consolidated profit and loss account and other comprehensive income
for the period ended 27 June 2021

	Note	**2021**	**2021**	2020	2020
		£000	**£000**	£000	£000
Turnover (including equity accounted investments)	*2*		**76,809**		83,496
Less: Turnover of equity accounted investments			**(7,417)**		(8,477)
Turnover			**69,392**		75,019
Cost of sales			**(52,120)**		(57,435)
Gross profit			**17,272**		17,584
Administrative expenses			**(17,789)**		(20,004)
Other operating income	*4*		**3,277**		5,390
Group's share of profit in Joint Ventures			**462**		597
Operating profit	*3*		**3,222**		3,567
Interest receivable			**1**		28
Interest payable and similar charges	*7*		**(869)**		(920)
Profit on ordinary activities before taxation			**2,354**		2,675
Tax on profit on ordinary activities	*8*	**(1,086)**		(540)	
Group's share of tax from Joint Ventures	*8*	**(88)**		(113)	
			(1,174)		(653)
Profit for the financial period			**1,180**		2,022
Other comprehensive income			**-**		-
Attributable to non-controlling interests			**40**		12
Total comprehensive income for the financial period			**1,220**		2,034

The notes on page 18 to 37 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 27 June 2021

	Note	**2021**		2020	
		£000	**£000**	£000	£000
Fixed assets					
Tangible fixed assets	*9*		**69,676**		69,196
Negative goodwill	*10*		**(119)**		(119)
Investments in joint ventures	*11*		**2,110**		1,986
			71,667		71,063
Current assets					
Stocks	*12*	**2,290**		1,949	
Debtors	*13*	**1,446**		4,148	
Cash at bank and in hand	*14*	**13,034**		4,597	
		16,770		10,694	
Creditors: amounts falling due within one year	*15*	**(15,305)**		(33,113)	
Net current assets/(liabilities)			**1,465**		(22,419)
Total assets less current liabilities			**73,132**		48,644
Creditors: amounts falling due after more than one year	*16*		**(33,549)**		(10,966)
Provisions for liabilities					
Deferred taxation	*19*		**(2,235)**		(1,510)
Government grants	*20*		**-**		-
Non-controlling interest in net assets			**52**		12
Net assets			**37,400**		36,180
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account	*24*		**4,048**		4,048
Profit and loss account			**33,300**		32,120
Non-controlling interests			**52**		12
Shareholders' funds			**37,400**		36,180

The notes on page 18 to 37 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 28 June 2022 and were signed on its behalf by:

Sarah Dunning

Mrs SB Dunning
Director

Company registered number: 05357857

Company balance sheet
at 27 June 2021

	Note	**2021**		2020	
		£000	**£000**	£000	£000
Fixed assets					
Tangible fixed assets	*9*		**27,718**		26,838
Investments in subsidiaries	*11*		**6,069**		6,069
			33,787		32,907
Current assets					
Stocks	*12*	**1,561**		1,349	
Debtors including £34,899 *(2020: £35,094)* due after more than one year and £1,209 *(2020: £3,496)* due within one year	*13*	**36,108**		38,590	
Cash at bank and in hand	*14*	**7,364**		2,395	
		45,033		42,334	
Creditors: amounts falling due within one year	*15*	**(17,417)**		(36,354)	
Net current assets			**27,616**		5,980
Total assets less current liabilities			**61,403**		38,887
Creditors: amounts falling due after more than one year	*16*		**(33,308)**		(10,966)
Provisions for liabilities					
Deferred taxation	*19*		**(132)**		(3)
Government grants	*20*		**-**		-
Net assets			**27,963**		27,918
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account	*25*		**4,048**		4,048
Profit and loss account			**23,915**		23,870
Shareholders' funds			**27,963**		27,918

The notes on page 18 to 37 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 28 June 2022 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 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**
Total comprehensive income					
Profit for the period	-	-	1,180	-	**1,180**
Attributable to non-controlling interests	-	-	-	40	**40**
Dividends paid in the year	-	-	-	-	**-**
Total comprehensive income	-	-	1,180	40	**1,220**
Balance at 27 June 2021	-	4,048	33,300	52	**37,400**

The notes on page 18 to 37 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 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**
Total comprehensive income				
Profit for the period	-	-	45	**45**
Dividends paid in the year	-	-	-	**-**
Total comprehensive income	-	-	45	**45**
Balance at 27 June 2021	-	4,048	23,915	**27,963**

The notes on page 18 to 37 form an integral part of the financial statements.

Consolidated cash flow statement
for the period ended 27 June 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Profit for the period		**1,180**	2,022
Adjustments for:			
Depreciation, amortisation, and impairment		**2,363**	2,443
Net share of income from equity accounted investments		**(462)**	(597)
Interest receivable and similar income		**(1)**	(28)
Interest payable and similar charges	*7*	**869**	920
Loss on sale of tangible fixed assets		**3**	22
Taxation	*8*	**1,174**	653
		5,126	5,435
Decrease/(increase) in trade and other debtors		**2,702**	(2,701)
(Increase)/decrease in stocks		**(341)**	555
Increase/(decrease) in trade and other creditors		**4,147**	(3,506)
		11,634	(217)
Interest paid		**(444)**	(599)
Tax paid		**(158)**	(453)
Net cash from operating activities		**11,032**	(1,269)
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**-**	125
Interest received		**1**	28
Dividends received		**250**	-
Acquisition of tangible fixed assets		**(2,846)**	(4,754)
Net cash from investing activities		**(2,595)**	(4,601)
Cash flows from financing activities			
Repayment of borrowings		**-**	(1,076)
Dividends paid		**-**	(100)
Net cash from financing activities		**-**	(1,176)
Net increase in cash and cash equivalents		**8,437**	(7,046)
Cash and cash equivalents at the beginning of the period		**4,597**	11,643
Cash and cash equivalents at the end of the period	*14*	**13,034**	4,597

The notes on page 18 to 37 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 27 June 2021 (*2020: 52-week period ending 28 June 2020*) within seven days of the end of the accounting reference period of 30 June 2021 as permitted by the Companies Act 2006.

Going concern

These financial statements have been prepared on a going concern basis. The directors believe this to be appropriate for the following reasons.

At the balance sheet date the balance sheet included bank loans of £23.4m. This facility was due for renewal on 15 July 2022 but was fully refinanced on 28 June 2022. The existing term loans were replaced with two new term loans of £16m and £7m each which are in place until 28 June 2027. The Group now has access to a Revolving Credit Facility of £10m, also in place for a period of five years. These facilities provide the Group with the facilities to deliver on opportunities and growth plans. The repayment terms and covenants in place on the new facilities have been incorporated into the Group's cash flow forecasts. The Group also had cash balances of £13.0m at the balance sheet date and £17.2m at the date of approving these accounts.

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. The directors have considered the continued impact on the forecast period and future of the business of the unprecedented Covid-19 epidemic, uncertainties that surround the 'new normal' and have also considered the current inflationary pressures and wider macro-economic concerns. The Group is forecast to have sufficient resources through its currently agreed facilities to be able to meet its liabilities as they fall due even in these downside scenarios and is forecast to meet all covenants in place throughout the forecast period.

Consequently, the directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 27 June 2021. 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 £45,000 *(2020: £783,000).*

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.

	2021	2020
	£000	£000
Sale of goods	**67,565**	72,332
Rendering of services	**1,345**	1,949
Commissions	**482**	738
Total turnover	**69,392**	75,019

	Turnover including equity accounted investments		**Turnover excluding equity accounted investments**	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
United Kingdom	**76,809**	83,496	**69,392**	75,019

Notes *(continued)*

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2021	2020
	£000	£000
Auditor's remuneration – audit of the company financial statements	**25**	23
Auditor's remuneration – audit of subsidiaries and group financial statements	**29**	32
Auditor's remuneration – other fees, taxation services	**-**	6

4 Other operating income

	2021	2020
	£000	£000
Rental income	**119**	95
Sundry income	**71**	51
Business interruption insurance claim	**-**	2,500
Contractor retention released	**-**	326
Coronavirus Job Retention Scheme Grant	**3,049**	2,418
Local Authority Coronavirus Re-opening Grant	**36**	-
Hubbub Recycling Project Grant	**2**	-
	3,277	5,390

The CJRS Grants of £3.0m relate to claims submitted to HMRC under the government's furlough scheme covering the period ended June 2021. 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 29 June 2020 to 27 June 2021, estimated to be a saving of £1.9m although this is not recognised as other income as it was a cost foregone.

5 Staff numbers and costs

	2021	2020
	No	No
Number of administrative staff	**122**	134
Number of operational staff	**735**	892
	857	1,026

The aggregate payroll costs of the above were:

	£000	£000
Wages and salaries	**14,439**	16,245
Social security costs	**972**	1,047
Other pension costs	**386**	417
	15,797	17,709

Aggregate payroll costs for the period include enacted redundancy costs of £355,000 (2020: 415,000).

Notes *(continued)*

6 Remuneration of directors

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

	2021	2020
	£000	£000
Directors' remuneration	**710**	372
Pension contributions to money purchase schemes	**15**	-
	725	372

The aggregate of remuneration of the highest paid director was £248,000 *(2020: £210,000).*

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

	2021	2020
	No.	No.
Money purchase schemes	**1**	-

7 Interest payable and similar charges

	2021	2020
	£000	£000
Interest payable on bank borrowing	**591**	594
Interest payable on loans from related parties	**278**	326
	869	920

Notes *(continued)*

8 Taxation

	2021	2020
	£000	£000
Current tax		
In respect of the period:		
UK Corporation tax based on the results for the period at 19% *(2020: 19%)*	**386**	305
Adjustments in respect of prior periods	**(25)**	(116)
On share of income from equity accounted investments	**88**	113
	449	302
Deferred tax		
Origination and reversal of timing differences (note 19)	**249**	401
Adjustments in respect of prior periods	**476**	(50)
	725	351
Total tax	**1,174**	653

	2021	2020
	£000	£000
Profit for the year	**1,180**	2,022
Total tax expense	**1,174**	653
Profit excluding taxation	**2,354**	2,675
Tax using the UK Corporation tax rate of 19% *(2020:19%)*	**448**	508
Adjustments in respect of prior periods	**451**	(166)
Effect of changes in tax rates	**60**	130
Permanent differences	**157**	181
Group relief surrendered	**58**	-
	1,174	653

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.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021. The deferred tax balances at the balance sheet date have been calculated at the tax rate that is expected to apply to the reversal of the related difference.

Notes *(continued)*

9 Tangible fixed assets

	Assets under construction £000	Freehold land & buildings £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Group					
Cost					
At beginning of period	297	71,000	22,653	68	94,018
Additions	708	59	2,068	11	2,846
Disposals	-	-	-	(7)	(7)
At end of period	1,005	71,059	24,721	72	96,857
Depreciation					
At beginning of period	59	12,357	12,376	30	24,822
Charge for period	201	902	1,250	10	2,363
Disposals	-	-	-	(4)	(4)
At end of period	260	13,259	13,626	36	27,181
Net book value					
At 27 June 2021	**745**	**57,800**	**11,095**	**36**	**69,676**
At 28 June 2020	238	58,643	10,277	38	69,196

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	26,891	18,873	53	45,817
Additions	59	2,048	11	2,118
Disposals	-	-	(7)	(7)
At end of period	26,950	20,921	57	47,928
Depreciation				
At beginning of period	8,380	10,573	26	18,979
Charge for period	327	901	7	1,235
Disposals	-	-	(4)	(4)
At end of period	8,707	11,474	29	20,210
Net book value				
At 27 June 2021	**18,243**	**9,447**	**28**	**27,718**
At 28 June 2020	18,511	8,300	27	26,838

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	200	(879)	(679)
Amortisation charge for the period	-	-	-
At end of period	200	(879)	(679)
Goodwill at 27 June 2021	**-**	**(119)**	**(119)**
Goodwill at 28 June 2020	-	(119)	(119)

Notes *(continued)*

11 Investments

	Interests in joint ventures £000
Group	
At 28 June 2020	1,986
Share of results	124
At 27 June 2021	**2,110**
Share of turnover of joint ventures	
Share of assets	
Share of fixed assets	**531**
Share of current assets	**2,598**
	3,129
Share of liabilities	
Liabilities due within one year or less	**(617)**
Liabilities due in more than one year	**(67)**
Fair value adjustments made at acquisition	**(335)**
Share of net assets	**2,110**

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 ncorporation	Registered number	Principal activity	Class and percentage of shares held Group	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%
Tatton Services Limited Westmorland Place, Orton, Penrith, Cumbria, CA10 3SB	England & Wales	12227472	Motorway services construction	Ordinary £1 & 80%	Ordinary £1 & 80%
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%	

See Note 24 for Post Balance Sheet changes to the investments held by the Group

Company	**£000**
Cost	
At 30 June 2020 and 27 June 2021	**6,069**

Notes *(continued)*

12 Stocks

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Finished goods for resale	**2,290**	1,949	**1,561**	1,349

13 Debtors

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade debtors	**1,096**	557	**847**	402
Other debtors	**98**	3,302	**61**	2,958
Corporation tax	**-**	-	**150**	-
Amounts owed by group undertakings	**57**	108	**34,899**	35,094
Prepayments and accrued income	**195**	181	**151**	136
	1,446	4,148	**36,108**	38,590
Due within one year	**1,446**	4,148	**1,209**	3,496
Due after more than one year	**-**	-	**34,899**	35,094
	1,446	4,148	**36,108**	38,590

Group debtors include amounts owed by group undertakings of £nil *(2020: £nil)* due after one year. Company debtors include amounts owed by group undertakings of £34,899,000 *(2020: £35,094,000)* due after one year.

14 Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Cash at bank and in hand	**13,034**	4,597	**7,364**	2,395
	13,034	4,597	**7,364**	2,395

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Bank loans	**1,076**	23,418	**1,076**	23,418
Trade creditors	**7,004**	2,820	**4,639**	1,780
Amounts owed to group undertakings	**-**	-	**5,866**	5,531
Corporation tax	**384**	197	**-**	18
Other taxation	**1,192**	1,030	**1,130**	974
Other creditors	**1,746**	1,807	**1,257**	1,190
Accruals and deferred income	**3,903**	3,841	**3,449**	3,443
	15,305	33,113	**17,417**	36,354

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Bank loans	**22,342**	-	**22,342**	-
Other creditors	**11,207**	10,966	**10,966**	10,966
	33,549	10,966	**33,308**	10,966

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	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Creditors falling due after more than one year				
Secured bank loans	**22,342**	-	**22,342**	-
	22,342	-	**22,342**	-
Creditors falling due in less than one year				
Secured bank loans	**1,076**	23,418	**1,076**	23,418
	23,418	23,418	**23,418**	23,418

Included within secured bank loans are amounts repayable after five years by instalments of £16,960,000 *(2020: £17,678,000)*. 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**	**2021**	2020
				£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. On 28 June 2022 the Group completed a refinancing of its external funding facilities. The above noted bank loan has been replaced by new facilities with quarterly repayments of £350,000 with full repayment now falling due on 28 June 2027. In addition, a new revolving credit facility of £10m is in place until 28 June 2027.

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 of the balance sheet.

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 £386,000 (*2020: £335,000*). There were accrued contributions of £65,000 (*2020: £85,000)* 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:

	2021	2020
	£000	£000
Provision brought forward	**1,510**	1,160
Profit and loss account movement arising during the period	**725**	350
Provision carried forward	**2,235**	1,510

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

	2021	2020
	£000	£000
Fixed asset timing differences	**2,896**	1,960
Short term timing differences	**(661)**	(450)
	2,235	1,510

Company

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

	2021	2020
	£000	£000
(Asset)/provision brought forward	**3**	(100)
Profit and loss account movement arising during the period	**129**	103
Provision carried forward	**132**	3

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

	2021	2020
	£000	£000
Fixed asset timing differences	**770**	436
Short term timing differences	**(638)**	(433)
	132	3

Notes *(continued)*

20 Government grants

Group and company	2021	2020
	£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:

	2021		2020	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Less than one year	**252**	**245**	252	245
Between one and five years	**923**	**921**	931	922
More than five years	**1,022**	**1,022**	1,254	1,254
	2,197	**2,188**	2,437	2,421

During the period £252,729 was recognised as an expense in the profit and loss account in respect of operating leases *(2020: £254,106)*.

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 (*2020: £145,000)* in respect of the rent of the Westmorland Hotel and £70,000 *(2020: £70,000)* in respect of Junction 38, properties owned by the pension scheme. Included in trade creditors is £nil (*2020: £nil*) outstanding at the period end.

Westmorland Chapel Farm Limited

During the period the Company made purchases of £193,183 *(2020: £283,043*) from Westmorland Chapel Farm Limited. Included in trade creditors is £6,829 *(2020: £5,055)* outstanding at the period end. During the year the company recharged goods and services to the value of £4,043 (*2020: £3,990)*. Included in trade debtors is £3,076 *(2020: £424*) 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 £576,442 (*2020: £759,216)* from Made By Us Limited and was recharged for goods and services to the value of £261,968 *(2020: £375,777)*. Included in trade creditors is £112,798 (*2020: £4,905)* and in other creditors is £629,000 *(2020: £365,000)* 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 £417,100 *(2020: £245,018)*. Included in trade debtors is £69,116 *(2020: £5,755)* outstanding at the period end.

Mrs SB Dunning

Loans from Mrs SB Dunning of £5,378,000 *(2020: £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 *(2020: £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.

Loan notes from Mrs JM Lane of £210,000 (*2020: £210,000)* 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 1.5% plus Bank of England base rate. Mrs JM Lane is a director of Westmorland Limited.

M. 6. Diesel Limited

M. 6. Diesel Limited is a company in which Tebay Gorge Services Limited has a 50% shareholding. The Company received commissions from M.6. Diesel Limited of £13,473 *(2020: £18,524)* and recharged goods and services to the value of £7,323 *(2020: £12,427)* to M. 6. Diesel Limited. Included in trade debtors is £1,437 *(2020: £1,215)* outstanding at the period end.

Dieselbank Limited

During the period the Group received dividends of £250,000 (*2020: £nil)* 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 £807,557 (*2020: £562,182)*.

Notes *(continued)*

23 Share capital

	2021 No	2021 £000	2020 No	2020 £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 Post Balance Sheet events

On the 1 March 2022, under the terms of a share purchase agreement, the Tebay Gorge Services Limited, a subsidiary of Westmorland Limited, acquired 100% of the share capital of M6 Diesel Services Limited and Watling Street Filling Station Limited. At the same time, it relinquished its 50% holding in M.6. Diesel Limited.

25 Share premium account

Group and company	**2021 £000**	2020 £000
Balance brought forward and carried forward	**4,048**	4,048

26 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