Westmorland Limited

Annual report and consolidated financial statements

Registered number 05357857

3 July 2022

Contents

Strategic report

The directors have pleasure in presenting their annual report and financial statements of the Company for the 53-week period ended 3 July 2022. The prior year was a 52-week period.

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 company set up for the purpose of progressing a prospective new build motorway service area. The Group holds 80% of the share capital.

During the period the Group acquired 100% of the share capital of Watling Street Filling Station Limited, M6 Diesel Services Limited Truckstop and Made By Us Limited.

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 returned to growth as the world began to travel again, with customers appreciating our unique offer of local produce and proper food on the motorway. The summer brought a record number of visitors to our services as the UK staycation market blossomed and global travel restrictions gradually lifted. This welcome return to growth was beneficial not only to our business, but with the wider Westmorland Family of small producers, the hundreds of farmers, growers and makers, whose success depends upon our success because we are often their principal outlet.

As the impacts of global inflationary pressures continue to mount, we will continue to work with our producer partners to help shoulder the cost burden and keep prices affordable for customers as we collectively weather the economic storm.

As the business recovered from the Covid 19 pandemic like-for-like turnover has increased to £121.6.m and total turnover, excluding joint ventures, to £127.4m *(2021: £69.4m)* including the additional £5.8m post acquisition turnover generated from Watling Street Truckstop and Filling Station. The Group made a profit on ordinary activities before taxation of £9.2m (*2021: £2.4m*).

The business made further investment in its local communities through charitable donations of £60k *(2021: £206k)* to Cumbria Community Foundation and £647k *(2021: £319k)* to Gloucestershire Gateway Trust. The charitable donations to CCF are down on 2021 as we have now grown our endowment fund to our target balance such that we are more able to rely on regular investment returns to fund our annual charitable aspirations. The donations to Gloucestershire Gateway Trust are linked to our turnover and have increased in line with the post pandemic business recovery.

Fixed assets grew to £72.0m *(2021: £69.7m)*. A total of £5.3m *(2021: £2.8m)* was invested in the estate in the year including £0.5m in capitalised planning fees incurred for the prospective new motorway service area and a £2.8m freehold land acquisition at one of our services.

£24.9m bank borrowing was repaid *(2021: £1.1m),* and on 28 June 2022, the Group completed a refinancing of its external funding facilities. At the balance sheet date, the Group had in place 2 new term loan facilities which stood at £23.0m *(2021: £23.4m)* and a new Revolving Credit Facility of £10.0m to support the Group's growth plans, which remained undrawn at the period end. All three components of the new facility are in place for a period of 5 years. Net debt fell to £14.2m *(2021: £21.6m)* as cash balances grew over the course of the year to £17.9m *(2021: £13.0m).* Overall net assets grew slightly to £44.5m *(2021: £37.4m).*

On 1 March 2022, the Group underwent a restructure whereby it acquired 50% of the ordinary share capital of M6 Diesel Services Limited, giving it 100% ownership of the company. This company operates as Watling Street Truckstop. Also on 1 March 2022, the Group acquired 50% of the ordinary share capital of Watling Street Filling Station Limited giving it 100% ownership of the company. This company operates as Flamstead Filling Station. Both businesses contributed revenue and net profit to the Group revenue and net profit for the year. Also on 1 March 2022, the Group sold 50% of the ordinary share capital of M6 Diesel Limited.

Strategic report *(continued)*

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.

Tebay Services celebrated 50 years of local sourcing on the M6, with a visit from HRH the Prince of Wales, now King Charles III in March 2022. The farmers, producers and crafters connected to Tebay Services featured in series 2 of 'A Lake District Farmshop', made by Purple Productions for Channel 4. The series averaged 1 million viewers per episode bringing new visitors to Tebay and created a sense of fulfilment and satisfaction amongst colleagues. A third series is planned for 2023, called 'A Cotswold Farmshop', featuring Gloucester Services, with filming commencing in August 2022.

The link from our Tebay farm to the services focussed on craft, turning a tonne of wool from the farm into beautifully crafted wool socks, a Tebay tweed and jumpers sold in the Farmshops. Finding innovative and new producers and partnerships continues to drive the business with a Westmorland Family Producer conference planned for early 2023 to share insight into how we do business better together in the challenging times ahead.

To meet the increased "staycation" demand, we will pilot a Quick Kitchen self-service kiosk, which we hope to then roll out in other areas of the business. A new flexible flatbread offer was launched in our Kitchens, developed to cater to a range of tastes and dietary needs. Coffee and Gelato counters were launched at Tebay Northbound and Gloucester Southbound. Plans for the Junction 38 redevelopment and refurbishment in 2023 have focussed on supporting the needs of the HGV community and include a new shop and food-to-go counter.

Attracting, inspiring, training and cultivating the right talent in our businesses is of principal importance. The Westmorland Cookery School, the chef apprentice scheme established last year, has 10 apprentice chefs enrolled at any time, who progress into our businesses as skilled chefs. This scheme works alongside the Butchery Apprentice scheme which continues to develop fully qualified butchers at both Gloucester and Tebay services. Effective and new training programmes were introduced to develop service leader and managers and a new People and Learning system has been developed and will launch in 2023 to improve colleague development. Colleague satisfaction and engagement rose by 12% in the annual employee engagement survey. The leadership team was strengthened with the appointment of Andy James as Operations Director (previously Operations Manager of Gloucester Services) and Caroline Leigh as Property Director.

Recognising the economic challenges faced by colleagues, basic pay has been increased to 30p above the national living wage. A hardship fund has been established to help colleagues in need of emergency financial support and colleagues can apply for short term interest free loans to help get their finances back on track.

The success of the business enables the continued support of community causes. A partnership with mental health horticulture charity Growing Well will see the opening of a second site at Tebay Services in January 2023. Funding of £150k from Westmorland Family will help establish a vital community service for people in Eden and North Cumbria. The partnership will help grow crops that can be used in the Farmshops and Kitchens of the services alongside cultivating good mental health.

The Cumbria Community Foundation received £60k as we have now grown our endowment fund to our target £1m, such that we are more able to rely on regular investment returns to fund our annual charitable aspirations. We are exploring this year our community link in Scotland, at our Cairn Lodge Services business. Gloucester Services invests 3p in every £1 of non-fuel sales to the Gloucestershire Gateway Trust and donations rose to £647k *(2021: £319k)* with the welcome rise linked to post pandemic recovery and growth.

Strategic report *(continued)*

This year we said goodbye to Bryan Gray CBE who retired from the Westmorland board after 17 years valued service in various roles, more recently as Non-Executive Director. At the same time, we welcomed Henry Dimbleby MBE as a Non-Executive Director. Henry was the founder and CEO of Leon Restaurants and more recently was the author of the National Food Strategy. In the coming year, Richard Pennycook CBE will also be joining the Board as a Non-Executive Director. Richard has a financial background having been CFO of Morrisons and CEO of the Co-operative Group and now holds a number of Non-Executive Directorships. Neil Austin will also be joining the Board as CFO having previously been the CFO of Carrs Group plc.

The road ahead presents multiple challenges for our business, our wider family of producers and our community partners and our customers. The lessons of and challenges of lockdown showed our business to be robust and resilient and we are more determined than ever to continue to run our business in a way that continues to make a positive impact upon our places, by supporting local producers, championing high quality food production and minimising our impact on the environment.

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 notably energy supplies, inflation, interest rates and the Covid pandemic presents some key risks including:
    - Reduced consumer spending and confidence as a result of the impact of the economic outlook
    - Reduced spending power of consumers if inflation persists
    - Increased input prices due to ongoing inflation and 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
- 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.

Strategic report *(continued)*

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

Rheged
Redhills
Penrith
CA11 0DQ

Mrs SB Dunning
Director

1 February 2023

Directors' report

The directors have pleasure in presenting their directors' report and financial statements of the Group and Company for the period ended 3 July 2022.

Results and dividends

The profit for the period, after taxation, amounted to £7,048,000 *(2021: £1,180,000)*. The Company paid a dividend of £4,633 *(2021: £nil)* in the current period.

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 NSK Subuh
Mr BM Gray (resigned 30 June 2022)
Mr HRM Dimbleby (appointed 1 September 2022)

Streamlined Energy and Carbon Report - 2021/22

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 period used for the compilation of this report is the most recent financial period, 28 June 2021 to 3 July 2022. This report was constructed following the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance'. All emissions quoted are from activities which the company has financial control over unless stated in the statement of exclusions below, in line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Any exclusions are detailed in the exclusions statement section of the accompanying method 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

Our Greenhouse Gas Emissions	2021-22	2020-21	% Change
Scope 1			
Combustion of fuel and operation of machinery (tCO2e)	993	962	3.2%
Transport: Petrol, Diesel, Unknown vehicle fuel (tCO2e)	244	241	1.2%
Total Scope 1	1,237	1,203	2.8%
Scope 2			
Emissions from purchased energy - location method (tCO2e)	1,761	1,425	23.6%
Emissions from purchased energy - market method (tCO2e)	0	0	0.0%
Total Scope 2	1,761	1,425	23.6%
Scope 3			
Indirect emissions from use of third-party transport (tCO2e)	27	16	68.7%
Total Scope 3	27	16	68.7%
Total All Scopes (tCO2e)	3,025	2,645	14.4%
Total All Scopes (kWh)	17,475,847	13,287,907	31.5%
Emission Intensity Ratio tCO2e / £1m Turnover	23.75	38.10	(37.6%)
Total Energy Usage			
Total kWh Consumed	17,475,847	13,287,907	31.5%

Our Approach to Climate

Working with Mike Berners Lee of Small World Consulting, we have mapped the carbon footprint of all our businesses to understand more about our impact and build a holistic environmental plan. This has helped us identify some key focuses and workstreams which will support our emerging climate plan that is gaining momentum.

Our plan is structured around two core areas:

1. Building and Biodiversity
2. Food and Farming

This year as part of this focus we have been able to pilot a food composting scheme at Tebay North which we hope to roll out across the business. We have introduced compostable packaging in our butchery and made significant headway in reducing the amount of plastic in our business. One initiative we are particularly proud of was removing all plastic bottles in our soft drinks and water range across our Farmshops and Kitchens.

In 2020 we were awarded funding from Hubbub and the Cup Fund to support the creation of a cup recycling scheme in our motorway service areas. Due to Covid we were delayed in installing these units, but we have now had a full year of collections across Tebay and Gloucester. We are delighted to report that we have recycled 300,000 single use cups in partnership with James Cropper, Cumbria; these cups have been turned into beautiful papers and will now have a second life.

Directors' report *(continued)*

In the coming year focus turns to improving our electric infrastructure for the growing electric car market and we have ambitious plans to significantly increase the amount of charging bays in all our motorway service area businesses ready for summer 2023. A focus will be placed on the amount of red meat we use in the business and the choice we offer in our Kitchens, particularly around vegan and vegetarian options. We are also actively engaged in several initiatives on our Farm to move to a more sustainable way of using the land to rear our cattle and sheep.

On a more technical level, the number of electricity supply points has increased since the last reporting period due to the acquisition of M6 Diesel Services Limited and Watling Street Filling Station Limited, effective 1st March 2022. These consist of four points, currently supplied by British Gas.

Scope 1 emissions increased from 1,203 tCO2e in 2020/21 to 1,273 tCO2e in 2021/22, emissions increase of 2.8%.

Scope 1 emissions derived from onsite combustible fuels increased from 962 tCO2e to 993 tCO2e, an emissions increase of 3.2%. Westmorland's propane, kerosene, and biomass (wood chip) consumption all increased during the reporting period. Natural gas and gas oil consumption both decreased during the report period.

Natural gas consumption decreased from 1,386,805 kWh in 2020/21 to 1,314,005 kWh in 2021/22, a consumption reduction of 5.2%. This resulted in an emissions reduction of 14 tCO2e.

Gas oil consumption decreased from 547,833 kWh in 2020/21 to 415,650 kWh in 2021/22, a consumption reduction of 24.1%. This resulted in an emissions reduction of 33 tCO2e.

Emissions associated with scope 1 transport (petrol and diesel) increased from 241 tCO2e in 2020/21 to 244 tCO2e in 2021/22. This resulted in an emissions increase of 1.2%.

Scope 2 electricity consumption increased between the reporting periods from 6,713,283 kWh in 2020/21 to 9,108,393 kWh in 2021/22. This is an emissions increase of 336 tCO2e. Market based emissions remain at 0 tCO2e in line with the quoted emissions, detailed within the accompanying method statement 'Emissions Factors - Market Based' section based on the supply contracts from Ecotricity and Drax, along with new sites acquired with British Gas as outlined above.

Scope 3 emissions related to third-party transport (employee mileage) has increased from 16 tCO2e in 2020/21 to 27 tCO2e in 2021/22, an increase of 68.7%. This increase is due to a general increase in employee personal vehicle usage for business purposes during the reporting period in line with company growth and easing of covid lockdown restrictions when compared to the previous reporting period.

Westmorland Limited's emission intensity ratio has reduced by 37.6% from 38.10 tCO2e/£1m turnover in 2020/21 to 23.75 tCO2e/£1m turnover in 2021/22. The intensity ratio has fallen, despite an increase in emissions because turnover has doubled, whilst emissions have only increased by 14.4%. Turnover has increased due to increased trade post Covid, but primarily due to the rise in fuel prices seen across the industry and the acquisition of Watling Street. Our emissions aren't tied to fuel sales which is why the ratio has moved. Next year, the year-on-year comparison should start to normalise, and we will have more of a view on what our target intensity ratio should be.

Energy Efficiency Actions taken

We have been focused on our wider energy usage across the whole business and finding ways to both reduce our usage and find more efficient ways to run our business. We anticipate more movement in the coming year as our climate plan takes shape and focus is on our buildings and energy.

Directors' report *(continued)*

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

Mrs SB Dunning
Director

Rheged
Redhills
Penrith
CA11 0DQ

1 February 2023

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 3 July 2022 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 3 July 2022 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, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the lack of opportunity around the period end, due to the nature of turnover in the Group.

We did not identify any additional fraud risks.

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 revenue accounts, cash accounts and investment accounts.

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 9, 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

8 February 2023

Consolidated profit and loss account and other comprehensive income

for the period ended 3 July 2022

	Note	**2022 £000**	**2022 £000**	2021 £000	2021 £000
Turnover (including equity accounted investments)	*3*		**142,762**		76,809
Less: Turnover of equity accounted investments			**(15,410)**		(7,417)
Turnover			**127,352**		69,392
Cost of sales			**(96,744)**		(52,120)
Gross profit			**30,608**		17,272
Administrative expenses			**(22,704)**		(17,789)
Other operating income	*5*		**1,171**		3,277
Group's share of profit in Joint Ventures			**932**		462
Operating profit	*4*		**10,007**		3,222
Interest receivable			**5**		1
Interest payable and similar charges	*8*		**(831)**		(869)
Profit on ordinary activities before taxation			**9,181**		2,354
Tax on profit on ordinary activities	*9*	**(1,968)**		(1,086)	
Group's share of tax from Joint Ventures	*9*	**(165)**		(88)	
			(2,133)		(1,174)
Profit for the financial period			**7,048**		1,180
Other comprehensive income			**-**		-
Attributable to non-controlling interests			**61**		40
Total comprehensive income for the financial period			**7,109**		1,220

The notes on page 20 to 43 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 3 July 2022

	Note	**2022**		2021	
		£000	**£000**	£000	£000
Fixed assets					
Tangible fixed assets	*10*		**71,974**		69,676
Goodwill	*11*		**1,554**		(119)
Investments in joint ventures	*12*		**256**		2,110
			73,784		71,667
Current assets					
Stocks	*13*	**3,479**		2,290	
Debtors	*14*	**2,889**		1,446	
Cash at bank and in hand	*15*	**17,890**		13,034	
		24,258		16,770	
Creditors: amounts falling due within one year	*16*	**(20,724)**		(15,305)	
Net current assets			**3,534**		1,465
Total assets less current liabilities			**77,318**		73,132
Creditors: amounts falling due after more than one year	*17*		**(30,356)**		(33,549)
Provisions for liabilities					
Deferred taxation	*20*		**(2,571)**		(2,235)
Government grants	*21*		**-**		-
Non-controlling interest in net assets			**113**		52
Net assets			**44,504**		37,400
Capital and reserves					
Called up share capital	*24*		**-**		-
Share premium account	*26*		**4,048**		4,048
Profit and loss account			**40,343**		33,300
Non-controlling interests			**113**		52
Shareholders' funds			**44,504**		37,400

The notes on page 20 to 43 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 1 February 2023 and were signed on its behalf by:

Sarah Dunning

Mrs SB Dunning
Director

Company registered number: 05357857

Company balance sheet
at 3 July 2022

	Note	2022		2021	
		£000	**£000**	£000	£000
Fixed assets					
Tangible fixed assets	*10*		**27,716**		27,718
Investments in subsidiaries	*12*		**6,069**		6,069
Current assets			**33,785**		33,787
Stocks	*13*	**2,130**		1,561	
Debtors including £36,561 *(2021: £34,899)* due after more than one year and £1,559 *(2021: £1,209)* due within one year	*14*	**38,120**		36,108	
Cash at bank and in hand	*15*	**6,920**		7,364	
		47,170		45,033	
Creditors: amounts falling due within one year	*16*	**(19,453)**		(17,417)	
Net current assets			**27,717**		27,616
Total assets less current liabilities			**61,502**		61,403
Creditors: amounts falling due after more than one year	*17*		**(30,356)**		(33,308)
Provisions for liabilities					
Deferred taxation	*20*		**(317)**		(132)
Government grants	*21*		**-**		-
Net assets			**30,829**		27,963
Capital and reserves					
Called up share capital	*24*		**-**		-
Share premium account	*26*		**4,048**		4,048
Profit and loss account			**26,781**		23,915
Shareholders' funds			**30,829**		27,963

The notes on page 20 to 43 form an integral part of the financial statements.

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 £2,871,000 *(2021: £45,000)*.

These financial statements were approved by the board of directors on 1 February 2023 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 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**
Total comprehensive income					
Profit for the period	-	-	7,048	-	**7,048**
Attributable to non-controlling interests	-	-	-	61	**61**
Share premium on acquisition	-	-	-	-	**-**
Dividends paid in the year	-	-	(5)	-	**(5)**
Total comprehensive income	-	-	7,043	61	**7,104**
Balance at 3 July 2022	-	4,048	40,343	113	**44,504**

The notes on page 20 to 43 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 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**
Total comprehensive income				
Profit for the period	-	-	2,871	**2,871**
Dividends paid in the year	-	-	(5)	**(5)**
Total comprehensive income	-	-	2,866	**2,866**
Balance at 3 July 2022	-	4,048	26,781	**30,829**

The notes on page 20 to 43 form an integral part of the financial statements.

Consolidated cash flow statement
for the period ended 3 July 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Profit for the period		**7,048**	1,180
Adjustments for:			
Depreciation, amortisation, and impairment		**3,023**	2,363
Net share of income from equity accounted investments		**(932)**	(462)
Interest receivable and similar income		**(5)**	(1)
Interest payable and similar charges	*8*	**831**	869
Profit on sale of investments		**(662)**	-
(Profit)/loss on sale of tangible fixed assets		**(30)**	3
Taxation	*9*	**2,133**	1,174
		11,406	5,126
(Increase)/decrease in trade and other debtors		**(392)**	2,702
(Increase) in stocks		**(1,041)**	(341)
Increase in trade and other creditors		**2,116**	4,147
		12,089	11,634
Interest paid		**(765)**	(444)
Tax paid		**(1.361)**	(158)
Net cash from operating activities		**9,963**	11,032
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**99**	-
Proceeds from sales of investments		**1,200**	-
Interest received		**5**	1
Dividends received from joint ventures		**1,870**	250
Acquisition of investments less cash acquired		**(319)**	-
Acquisition of tangible fixed assets		**(5,329)**	(2,846)
Net cash from investing activities		**(2,474)**	(2,595)
Cash flows from financing activities			
Repayment of borrowings		**(23,418)**	-
New loans		**23,000**	-
Repayment of shareholder loans		**(2,210)**	
Dividends paid		**(5)**	-
Net cash from financing activities		**(2,633)**	-
Net increase in cash and cash equivalents		**4,856**	8,437
Cash and cash equivalents at the beginning of the period		**13,034**	4,597
Cash and cash equivalents at the end of the period	*15*	**17,890**	13,034

The notes on page 20 to 43 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 53-week period ending 3 July 2022 (*2021: 52-week period ending 27 June 2021*) within seven days of the end of the accounting reference period of 30 June 2022 as permitted by the Companies Act 2006.

Going concern

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

At the balance sheet date the balance sheet included bank loans of £23m. This facility 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, which was undrawn at the period end. 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 Company is now back to pre-Covid trading levels and is cash generative and Group cash balances as at 1 February 2023 were £12,252,155. The directors have prepared forecasts through to June 2024 which indicate the Company will continue to be able to meet its liabilities as they fall due. These forecasts have been sensitised to include a severe but plausible downside scenario, and even in this event, the business can continue to meet its liabilities within its current working capital facilities.

Accordingly, the directors have built that assumption into cashflow forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group and the 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 £2,871,000 *(2021: £45,000).*

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.

Judgements and estimates

There are no significant judgements applied by the directors in finalising these accounts.

In terms of estimates, the following are the significant areas where directors have applied an estimate that significantly affect the accounts:

Useful economic lives of fixed assets – The directors have estimated the useful economic life of material assets, which drive the depreciation rates applied in the accounts. However, all UEL's are estimated in line with set classifications of each asset and prior year knowledge and experience and are considered fair and reasonable on this basis.

Provisions – The directors have estimated a value to provide for against those stocks which are potentially valued in excess of their recoverable amount, based on the length of time stock has been unsold and on the classification of retail stock lines.

Impairment and the recoverability of goodwill and investment carrying values - The directors have applied a degree of estimation in impairment calculations. However, in the context of positive trading of the underlying business this is considered low risk.

Notes *(continued)*

2 Acquisitions and disposal of businesses

Acquisitions in the current period

On 1 March 2022, the Group acquired 50% of the ordinary share capital of M6 Diesel Services Limited, giving it 100% ownership of the company. This company operates as Watling Street Truckstop. This business contributed revenue of £884,000 and net loss of £68,000 of to the Group revenue and net profit for the year.

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Acquiree's net assets at acquisition date			
Tangible fixed assets	52	-	52
Stocks	48	-	48
Trade and other debtors	109	-	109
Cash in the bank	567	-	567
Trade and other creditors	(65)	(845)	(910)
Deferred tax liabilities	(5)	-	(5)
Net assets/(liabilities)	706	(845)	(139)
Consideration			
Consideration paid			700
Goodwill on acquisition			**839**

The fair value adjustments relate to a £545,000 (50%) share of the pre-acquisition dividends paid after the acquisition data and a £300,000 provision for pre-acquisition related fuel infrastructure repairs. The consideration was settled in cash.

The expected useful life of goodwill arising on acquisition is 5 years.

Notes *(continued)*

2 Acquisitions and disposal of businesses *(continued)*

Acquisitions in the current period

On 1 March 2022, the Group acquired 50% of the ordinary share capital of Watling Street Filling Station Limited giving it 100% ownership of the company. This company operates as Flamstead Filling Station. This business contributed revenue of £4,936,000 and net profit of £194,000 to the Group revenue and net profit for the year.

	Book values £000	**Fair value adjustments £000**	**Recognised values on acquisition £000**
Acquiree's net assets at acquisition date			
Tangible fixed assets	18	-	18
Stocks	47	-	47
Trade and other debtors	149	-	149
Cash in the bank	720	-	720
Trade and other creditors	(228)	(680)	(908)
Deferred tax liabilities	(2)	-	(2)
Net assets/(liabilities)	704	(680)	24
Consideration			
Consideration paid			850
Goodwill on acquisition			**826**

The fair value adjustments relate to a £630,000 (50%) share of the pre-acquisition dividends paid after the acquisition date and a £50,000 provision for pre-acquisition related fuel infrastructure repairs. The consideration was settled in cash.

The expected useful life of goodwill arising on acquisition is 5 years.

Disposal of businesses in the current period

On 1 March 2022, the Group sold 50% of the ordinary share capital of M6 Diesel Limited for a cash consideration of £1,200,000.

Notes *(continued)*

2 Acquisitions and disposal of businesses *(continued)*

Acquisitions in the current period

On 28 June 2021, the Company acquired 100% of the ordinary share capital of Made By Us Limited giving it 100% ownership of the company. This company ceased trading on 27 June 2021 and is now dormant and contributed £nil revenue and net profit to the Group revenue and net profit for the year.

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Acquiree's net assets at acquisition date			
Tangible fixed assets	4	-	4
Stocks	53	-	53
Trade and other debtors	793	-	793
Cash in the bank	22	-	22
Trade and other creditors	(136)	-	(136)
Net assets	736	-	736
Consideration			
Consideration paid			736
Goodwill on acquisition			-

The consideration was settled via the issue of loan notes.

There were no fair value adjustments and no goodwill on acquisition.

Notes *(continued)*

3 Turnover

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

	2022	2021
	£000	£000
Sale of goods	**124,046**	67,565
Rendering of services	**2,710**	1,345
Commissions	**596**	482
Total turnover	**127,352**	69,392

	Turnover including equity accounted investments		**Turnover excluding equity accounted investments**	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
United Kingdom	**142,762**	76,809	**127,352**	69,392

4 Expenses and auditor's remuneration

Auditor's remuneration:

	2022	2021
	£000	£000
Auditor's remuneration – audit of the company financial statements	**28**	25
Auditor's remuneration – audit of subsidiaries and group financial statements	**48**	29

Notes *(continued)*

5 Other operating income

	2022 £000	2021 £000
Rental income	**119**	119
Sundry income	**64**	71
Coronavirus Job Retention Scheme Grant	**-**	3,049
Local Authority Coronavirus Re-opening Grant	**30**	36
Hubbub Recycling Project Grant	**26**	2
Goodwill written off on disposal	**119**	
Business interruption insurance claims	**82**	-
Arts Council England Grant	**15**	-
Apprentice Levy Fund grants utilised	**24**	-
Profit on disposal of investments	**662**	-
Profit on disposal of assets	**30**	-
	1,171	3,277

The CJRS Grants of £nil *(2021: £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 28 June 2021 to 31 March 2022, estimated to be a saving of £1.0m *(29 June 2020 to 27 June 2021: £1.9m)* although this is not recognised as other income as it was a cost foregone.

6 Staff numbers and costs

	2022 No	2021 No
Number of administrative staff	**139**	122
Number of operational staff	**917**	735
	1,056	857

The aggregate payroll costs of the above were:

	£000	£000
Wages and salaries	**18,551**	14,439
Social security costs	**1,272**	972
Other pension costs	**452**	386
	20,275	15,797

Aggregate payroll costs for the period include enacted redundancy costs of £291,000 (*2021: 355,000*).

Notes *(continued)*

7 Remuneration of directors

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

	2022	2021
	£000	£000
Directors' remuneration	**972**	710
Pension contributions to money purchase schemes	**24**	15
	996	725

The aggregate of remuneration of the highest paid director was £300,000 *(2021: £248,000).*

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

	2022	2021
	No.	No.
Money purchase schemes	**1**	1

8 Interest payable and similar charges

	2022	2021
	£000	£000
Interest payable on bank borrowing	**549**	591
Interest payable on loans from related parties	**282**	278
	831	869

Notes *(continued)*

9 Taxation

	2022	2021
	£000	£000
Current tax		
In respect of the period:		
UK Corporation tax based on the results for the period at 19% *(2021: 19%)*	**1,627**	386
Adjustments in respect of prior periods	**5**	(25)
On share of income from equity accounted investments	**165**	88
	1,797	449
Deferred tax		
Origination and reversal of timing differences (note 20)	**318**	249
Adjustments in respect of prior periods	**18**	476
	336	725
Total tax	**2,133**	1,174

	2022	2021
	£000	£000
Profit for the year	**7,048**	1,180
Total tax expense	**2,133**	1,174
Profit excluding taxation	**9,181**	2,354
Tax using the UK Corporation tax rate of 19% *(2021:19%)*	**1,744**	448
Adjustments in respect of prior periods	**23**	451
Effect of changes in tax rates	**79**	60
Permanent differences	**288**	157
Group relief surrendered	**(1)**	58
	2,133	1,174

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)*

10 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	1,005	71,059	24,721	72	96,857
Additions through acquisition	-	12	56	6	74
Additions	489	3,240	1,497	27	5,253
Disposals	-	-	(2)	(12)	(14)
Reclassification	(1,494)	1,494	-	-	-
At end of period	-	75,805	26,272	93	102,170
Depreciation					
At beginning of period	260	13,259	13,626	36	27,181
Charge for period	299	975	1,727	22	3,023
Disposals	-	-	-	(8)	(8)
Reclassification	(559)	559	-	-	-
At end of period	-	14,793	15,353	50	30,196
Net book value					
At 3 July 2022	**-**	**61,012**	**10,919**	**43**	**71,974**
At 27 June 2021	745	57,800	11,095	36	69,676

National Westminster Bank Plc has a legal charge, dated 28 June 2022, over properties owned by the Group.

Notes *(continued)*

10 Tangible fixed assets *(continued)*

	Freehold land & buildings £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Company				
Cost				
At beginning of period	26,950	20,921	57	47,928
Additions	400	1,349	27	1,776
Disposals	-	-	(12)	(12)
At end of period	27,350	22,270	72	49,692
Depreciation				
At beginning of period	8,707	11,474	29	20,210
Charge for period	395	1,366	13	1,774
Disposals	-	-	(8)	(8)
At end of period	9,102	12,840	34	21,976
Net book value				
At 3 July 2022	**18,248**	**9,430**	**38**	**27,716**
At 27 June 2021	18,243	9,447	28	27,718

11 Goodwill

	Goodwill £000	Negative Goodwill £000	Total £000
Group			
Cost			
At beginning and end of period	200	(998)	(798)
Additions	1,664	-	1,664
Written off	-	998	998
	1,864	-	1,864
Amortisation			
At beginning of period	200	(879)	(679)
Amortisation charge for the period	110	-	110
Amortisation written off	-	879	879
At end of period	310	-	310
Goodwill at 3 July 2022	**1,554**	**-**	**1,554**
Goodwill at 27 June 2021	-	(119)	(119)

Notes *(continued)*

12 Investments

	Investments £000
Company	
Fair value	
At 27 June 2021	**6,069**
Acquisition	**736**
Final settlement of investment via dividend	**(736)**
At 3 July 2022	**6,069**
Net book value	
At 3 July 2022	**6,069**

During the year the Company acquired the entire share capital in Made By Us Limited, from the parent Company Chapel Beck Limited, for a consideration of £736,000 settled through issue of interest free unsecured loan notes to the value of £736,000.

On 28 June 2021 a full and final dividend was received from Made By Us Limited as final distribution of its net assets. Made By Us Limited continues to exist as a dormant entity with a carrying value and share capital of £1.

	Interests in joint ventures £000
Group	
At 27 June 2021	2,110
Share of results	767
Dividends received	(1,870)
Disposals	(751)
At 3 July 2022	**256**
Share of turnover of joint ventures	
Share of assets	
Share of fixed assets	**5**
Share of current assets	**354**
	359
Share of liabilities	
Liabilities due within one year or less	**(102)**
Liabilities due in more than one year	**(1)**
Fair value adjustments made at acquisition	
Share of net assets	**256**

Notes *(continued)*

12 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 Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	01039443	Holding company	Ordinary £1 100%	Ordinary £1 & 100%
Westmorland Motorway Services Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	01027246	Dormant	Ordinary £1 & 100%	Ordinary £1 & 100%
Gloucestershire Gateway Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	07002304	Motorway services	Ordinary £1 & 100%	Ordinary £1 & 100%
Tatton Services Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	12227472	Motorway services construction	Ordinary £1 & 80%	Ordinary £1 & 80%
Made By Us Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	06194764	Dormant	Ordinary £1 & 100%	Ordinary £1 & 100%
M6 Diesel Services Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	01261050	HGV Truckstop	Ordinary £1 & 100%	
M.6. Diesel Limited Saredon Filling Station, Shareshill, Cannock Road, Wolverhampton, WV10 7LZ	England & Wales	01871115	HGV Truckstop	Ordinary £1 & 0%	
Dieselbank Limited Tebay Interchange Service Station, Tebay, Penrith, CA10 3SS	England & Wales	01653502	HGV Truckstop	Ordinary £1 & 50%	
Watling Street Filling Station Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	01786358	Petrol filling station	Ordinary £1 & 100%	

On 1 March 2022 Tebay Gorge Services acquired 100% of the shareholding of M6 Diesel Services Limited and Watling Street Filling Station Limited and sold its 50% shareholding in M.6. Diesel Limited.

Notes *(continued)*

13 Stocks

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Finished goods for resale	**3,479**	2,290	**2,130**	1,561

14 Debtors

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade debtors	**2,011**	1,096	**1,196**	847
Other debtors	**159**	98	**38**	61
Corporation tax	**-**	-	**-**	150
Amounts owed by group undertakings	**57**	57	**36,561**	34,899
Prepayments and accrued income	**662**	195	**325**	151
	2,889	1,446	**38,120**	36,108
Due within one year	**2,889**	1,446	**1,559**	1,209
Due after more than one year	**-**	-	**36,561**	34,899
	2,889	1,446	**38,120**	36,108

Group debtors include amounts owed by group undertakings of £nil *(2021: £nil)* due after one year. Company debtors include amounts owed by group undertakings of £36,561,000 *(2021: £34,899,000)* due after one year.

15 Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Cash at bank and in hand	**17,890**	13,034	**6,920**	7,364
	17,890	13,034	**6,920**	7,364

Notes *(continued)*

16 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Bank loans	**1,400**	1,076	**1,400**	1,076
Trade creditors	**9,293**	7,004	**6,120**	4,639
Amounts owed to group undertakings	**736**	-	**4,990**	5,866
Corporation tax	**761**	384	**329**	-
Other taxation	**2,018**	1,192	**1,817**	1,130
Other creditors	**2,172**	1,746	**1,133**	1,257
Accruals and deferred income	**4,344**	3,903	**3,664**	3,449
	20,724	15,305	**19,453**	17,417

During the period, in settlement of the hive up transaction for the trade and assets of Made By Us Limited, the Company issued a loan note to the value of £736,000 to Made By Us Limited. On 28 June 2021 a full and final dividend was received from Made By Us Limited which was taken to extinguish the loan notes on issue

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Bank loans	**21,600**	22,342	**21,600**	22,342
Other creditors	**8,756**	11,207	**8,756**	10,966
	30,356	33,549	**30,356**	33,308

Notes *(continued)*

18 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	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Creditors falling due after more than one year				
Secured bank loans	**21,600**	22,342	**21,600**	22,342
	21,600	22,342	**21,600**	22,342
Creditors falling due in less than one year				
Secured bank loans	**1,400**	1,076	**1,400**	1,076
	23,000	23,418	**23,000**	23,418

Included within secured bank loans are amounts repayable after five years by instalments of £16,000,000 *(2021: £16,960,000)*. National Westminster Bank Plc has a legal charge, dated 28 June 2022, over the properties owned by the Group.

Terms and debt repayment schedule

Group and company	Currency	Nominal interest rate	Year of maturity	2022 £000	2021 £000
Loan	**GBP**	**3%**	**2038**	**-**	28,700
Loan - Facility A	**GBP**	**3%**	**2039**	**16,000**	-
Loan - Facility B	**GBP**	**3%**	**2039**	**7,000**	-
				23,000	28,700

Whilst the loan reaches maturity in 2039 it is subject to a periodic renewal. On 28 June 2022 the Group completed a refinancing of its external funding facilities. The existing bank loan was 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, undrawn at the end of the period, 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.

19 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 £452,000 (*2021: £386,000*). There were accrued contributions of £95,000 (*2021: £65,000)* in respect of these schemes as at the balance sheet date.

Notes *(continued)*

20 Deferred taxation

Group

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

	2022 £000	2021 £000
Provision brought forward	**2,235**	1,510
Profit and loss account movement arising during the period	**336**	725
Provision carried forward	**2,571**	2,235

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

	2022 £000	2021 £000
Fixed asset timing differences	**3,301**	2,896
Short term timing differences	**(730)**	(661)
	2,571	2,235

Company

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

	2022 £000	2021 £000
Provision brought forward	**132**	3
Profit and loss account movement arising during the period	**185**	129
Provision carried forward	**317**	132

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

	2022 £000	2021 £000
Fixed asset timing differences	**1,032**	770
Short term timing differences	**(715)**	(638)
	317	132

Notes *(continued)*

21 Government grants

Group and company	2022	2021
	£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.

22 Operating leases

Non-cancellable operating leases are payable as follows:

	2022		2021	
	Group	**Company**	Group	Company
	£000	**£000**	£000	£000
Less than one year	**285**	**280**	252	245
Between one and five years	**1,032**	**1,032**	923	921
More than five years	**980**	**980**	1,022	1,022
	2,297	**2,292**	2,197	2,188

During the period £277,881 *(2021: £252,729)* was recognised as an expense in the profit and loss account in respect of operating leases.

23 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, £182,500 (*2021: £145,000)* in respect of the rent of the Westmorland Hotel and £70,000 *(2021: £70,000)* in respect of Junction 38, properties owned by the pension scheme. Included in trade creditors is £nil (*2021: £nil*) outstanding at the period end.

Westmorland Chapel Farm Limited

During the period the Company made purchases of £357,114 *(2021: £193,183*) from Westmorland Chapel Farm Limited. Included in trade creditors is £8,945 *(2021: £6,829)* outstanding at the period end. During the year the company recharged goods and services to the value of £39,462 (*2021: £4,043)*. Included in trade debtors is £37,633 *(2021: £3,076*) outstanding at the period end.

Notes *(continued)*

23 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 £53,606 (*2021: £576,442)* from Made By Us Limited and was recharged for goods and services to the value of £633,329 *(2021: £261,968)*. Included in trade creditors is £nil (*2021: £112,798)* and in other creditors is £nil *(2021: £629,000)* 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 £nil *(2021: £417,100)*. Included in trade debtors is £nil *(2021: £69,116)* outstanding at the period end.

Mrs SB Dunning

Loans from Mrs SB Dunning of £4,378,000 *(2021: £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 £4,378,000 *(2021: £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 £nil (*2021: £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 had a 50% shareholding until 1 March 2022, when it sold its shares to a third party. Up to 1 March 2022, the Company received commissions from M.6. Diesel Limited of £11,465 *(2021: £13,473)* and recharged goods and services to the value of £nil *(2021: £7,323)* to M. 6. Diesel Limited. Included in trade debtors is £1,756 *(2021: £1,437)* outstanding at the period end.

M6 Diesel Services Limited

M6 Diesel Services Limited is a company in which Tebay Gorge Services Limited had a 50% shareholding until 1 March 2022, when it acquired a 100% shareholding. Up to 1 March 2022, the Company recharged goods and services to M6 Diesel Services Limited of £5,463 *(2021: £nil)*. Included in trade debtors is £11,406 *(2021: £nil)* outstanding at the period end.

Watling Street Filling Station Limited

Watling Street Filling Station Limited is a company in which Tebay Gorge Services Limited had a 50% shareholding until 1 March 2022, when it acquired a 100% shareholding. Up to 1 March 2022, the Company recharged goods and services to Watling Street Filling Station Limited of £3,942 *(2021: £nil)*. Included in trade debtors is £6,279 *(2021: £nil)* outstanding at the period end.

Dieselbank Limited

During the period the Group received dividends of £150,000 (*2021: £250,000)* 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 £997,000 (*2021: £807,557)*.

Notes *(continued)*

24 Share capital

	2022 **No**	**2022** **£000**	2021 No	2021 £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.

25 Post Balance Sheet events

There were no post balance sheet events.

26 Share premium account

Group and company	**2022** **£000**	2021 £000
Balance brought forward and carried forward	**4,048**	4,048

27 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