

Westmorland Limited

Annual report and consolidated financial
statements

Registered number 05357857

30 June 2024

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Strategic report

The directors have pleasure in presenting their annual report and financial statements of the Company for the 52-week period ended 30 June 2024. The prior period was the 52-week period ended 2 July 2023.

Principal activities

The principal activity of the Group during the period was the operation of motorway service areas (Tebay Services, Gloucester Services, Cairn Lodge Services), truck-stops and fillings stations (Junction 38 Truck Stop, Flamstead Filling Station, and Watling Street Truckstop), a hotel (Westmorland Hotel), and a visitor centre (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, holding 80% of the share capital.

The principal activity of the Company during the period was the operation of Tebay Services, Cairn Lodge Services, Junction 38 Truck Stop, Westmorland Hotel, and the Rheged Centre.

Financial performance

Against an uncertain economic backdrop, total turnover dropped to £138.7m (2023: £141.7m), primarily driven by lower fuel prices offset by increased trading in the non-fuel business. Despite the drop in turnover, the Group made an increased profit before taxation of £6.3m (2023: £5.1m), brought about by continued investment in Farmshops, electric vehicle charging and the unique “Proper Food” offer, which sets Westmorland apart in its industry.

This performance enabled further investment in local communities with charitable donations of over £880k to our key community partnerships of the Gloucestershire Gateway Trust, the Cumbrian mental health charity Growing Well, and the Cumbria Community Foundation.

During the year, we continued to invest in the business, developing our distinctively different motorway service offer which champions “Proper Food.” £6.9 million (2023: £6.1m) was invested throughout the business to improve electric vehicle charging facilities, extend the Cairn Lodge Farmshop, and for planning and design costs relating to the potentially revitalised Northbound & Southbound Tebay Services. Tangible fixed assets increased to £76.4m (2023: £74.4m).

Local producers remain at the heart of our businesses, working with total of 412 producers within a 30-mile radius of one of our locations, with the introduction of 62 new producers to our business in this financial year.

Our first producer conference was held in May to share our business direction and bring our producers together as a community. Food writer and campaigner Hugh Fearnley-Whittingstall shared an insightful address, speaking about the future of food and the power of consumer choices. Nurturing and championing the producers who share our commitment to simple good quality is important for both the future of our business and the hundreds of businesses that supply us.

Last year we undertook a review of our food sourcing policy, with a view to reducing the amount of ultra processed food (UPF) in our supply chain. This “proper food” re-focus reduced our UPF content by making practical changes like switching to all butter puff pastry and cold pressed rapeseed oil. We continue our focus on removing unnecessary UPF by cultivating our ethos of “Home-cooked food” throughout our business and supply chain.

We introduced Gelato and Coffee counters at all of our Motorway Service Areas working with local gelato makers Stewart Tower Dairy at Cairn Lodge, Wholly Gelato in Gloucester, and Kimi’s Artisan Gelato at Tebay Services.

We achieved the independent Fair Tax Mark accreditation, which recognises organisations that demonstrate they are paying the right amount of tax in the right place at the right time. The business can now robustly demonstrate they give back to society through their tax contributions, which helps fund public services and reduce inequality.

We completed the successful expansion and refurbishment of the Cairn Lodge Farmshop. The new-look Farmshop celebrates the local area in every detail, from its wilderness inspired décor to the carefully curated selection of products from over 100 exceptional Scottish producers found in the new Gelato, Deli and Cheese counters. The expansion welcomed over 30 new local Scottish producers to the Westmorland Family.

Strategic report *(continued)*

The unique community partnership with Growing Well continues to flourish. Growing Well Tebay is a unique partnership between life-changing mental health charity Growing Well and our Westmorland Family team. We provide a rent-free site and have funded build and horticultural costs. There are five polytunnels and 700 square metres of raised beds where fresh salad and vegetables are grown and delivered to the Farmshop, hotel, and kitchens just a few hundred metres away. The site now helps 225 core beneficiaries to improve their mental health alongside an additional 2,500 day visitors.

The airing of our third documentary 'A Cotswold Farmshop' in September 2023 stimulated sales growth for our Gloucester business and was an inspiring celebration of the people who work at and supply our services, with 5 million people watching the programmes. The series began a celebration of the 10-year partnership between Gloucester Services and the Gloucestershire Gateway Trust. Since the opening of Gloucester Services in the summer of 2014, the partnership has created over 400 quality jobs, invested over £4m in local community initiatives, supported 130 local producers within 30 miles and offered employment initiatives to over 100 people facing barriers to help train them for permanent employment.

The Rheged Centre had its best year ever and footfall was up by 60,000. The key drivers compared to prior year were the catering performance, which increased due to the increased footfall, careful management of the operating model, and the Gallery with the Libby Edmondson Exhibition in Autumn 2023 generating an unprecedented £0.2m in art sales in 11 weeks. Cinema attendances were up, which alongside a new operating strategy helped to improve Rheged's overall profitability.

We have successfully implemented the first phase of our EV strategy with an investment to date of £4.5m and all 5 sites are now live with a total of 80 charging points throughout sites. Cairn Lodge is temporarily powered by hydrogen (a first for customer-facing chargers) and Tebay Northbound is powered by a 1MW battery from National Highways. Initial performance is exceeding our expectations.

Sustainability is one of our core business aims, and we continue to make practical changes to how we do business that make a difference. We saved nearly ½ million plastic bottles from landfill annually by switching to more recyclable options using glass, aluminium and paper alternatives. We introduced 4 new electric mini-vans to help internal logistics and for colleagues to commute to our sites, and we introduced solar panels as part of our redevelopment of Junction 38.

The addition of "Changing Places" facilities at Tebay Northbound and Rheged completed the ambition to have Changing Places at all of our sites. Over 250,000 people rely on a Changing Places toilet in the UK to enable them to get out and enjoy the day-to-day activities many of us take for granted so these facilities help unlock the potential for life for both carers and those who need to use them.

Our 1,200 colleagues continue to sit at the heart of everything we do and it is their warmth, graft and courage which makes our business what it is. Colleague turnover reduced in the year, which is very positive, and is at the lowest level seen in the business for some time. This welcome news follows on from the successful launch of digital people systems and our Antler colleague recognition scheme. We will continue to focus on colleagues and invest in their training, leadership and communication to cultivate the leaders of the future.

The coming financial year will hopefully see the commencement of the refurbishment of Tebay Southbound, with outline plans approved internally and submitted in a pre-planning application to the Local Authority, with feedback to date being positive. We have also begun the Westmorland Kitchen Development project which will transform our catering operations and help to build on our team of skilled chefs and bakers throughout the business.

At a strategic level, we submitted our planning application for a fourth motorway service area, Tatton Services, which was approved by Cheshire East Local Planning Authority in October 2023 but was "called in" for Government determination on the eve of the 2024 election. While this was disappointing news, we remain steadfastly committed to the project and will continue to make the case to the Secretary of State so people can benefit from the vital road safety improvements this project will secure, as well as local jobs and wider benefits for the local economy in a sustainable and well-designed manner.

Strategic report (continued)

From a financing perspective, at the balance sheet date the Group had in place two term loan facilities totalling £20.2m (2023: £21.6m), with £1.4m of bank borrowing repaid in the year, and a 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 facility are in place for a period of five years ending 28 June 2027. We also repaid £2.0m in other loans (2023: £4.0m) during the year. Net debt fell to £9.9m (2023: £13.8m). Interest payable on borrowings increased to £1.8m this year (2023: £1.5m) because of increases in the bank base rate compared to the prior year. Overall net assets grew to £52.1m (2023: £48.0m).

We look forward to another year of continued progress. We are as determined as ever to make a positive impact on our local communities, supporting colleagues, 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 commercial 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, volume of transactions, average spends, and gross margin after 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:

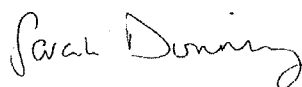
- Economic risk – the broader economic outlook notably energy supplies, inflation and interest rates presents some key risks including:
 - Reduced consumer spending and confidence as a result of the impact of the economic outlook
 - Reduced spending power of consumers if inflation begins to rise again
 - 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, changes to business taxation 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 security.

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.



Ms SB Dunning
Director

Rheged
Redhills
Penrith
CA11 0DQ

27 February 2025

Directors' report

The directors have pleasure in presenting their directors' report and financial statements of the Group and Company for the period ended 30 June 2024.

Results and dividends

The profit for the period, after taxation, amounted to £4,025,000 (2023: £3,434,000). The Company paid a dividend of £nil (2023: £2,107,640) 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 HRM Dimpleby
Mr N Austin
Mr RJ Pennycook

Streamlined Energy and Carbon Report - 2023/24

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.

Energy Efficiency Actions taken in the year

Our efforts to focus on energy efficiency continue to take shape. In the period covered by the report, all our electricity came from a 100% renewable energy tariff. We are also committed to delivering a strategy of generating our own renewable energy at our sites, and plans are taking shape to deliver this at additional sites following our launch at Junction 38 in the year.

At an individual site level, energy efficiency projects are underway for LED lighting, installation of PIR sensors, and swapping older equipment for newer, more energy-efficient replacements. We have also reviewed and revised operating schedules for equipment where this can reduce energy consumption without affecting customer service.

For J38, electricity increased over the year following its filling station refurbishment in 2023, but this is starting to fall back now following the installation of solar panels on the roof part way through the year.

Further progress is anticipated in the coming year.

Methodology for reporting

Our methodology has been based on the principals of the Greenhouse Gas Protocol, taking account of the 2015 amendment which sets out a 'dual reporting' methodology for the reporting of Scope 2 emissions. In the 'Total Footprint' summary below, purchased electricity is reported on market and location-based method.

We have reported on all the measured emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, except where stated.

The period of our report is 3 July 2023 to 30 June 2024. This includes limited emissions under Scope 1 and 2 (gas & fuel used in transport; purchased electricity), except where stated, and limited emissions under Scope 3 (fuel used in personal/hire cars for business purposes). Energy use and emissions figures relate to our UK operation (including offshore energy and emissions) only, except where stated. Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2023-24, and are available at: <https://energy.drax.com/support/fuel-mix-disclosure/>.

Owned vehicles usage data was estimated due to actual data for this being unavailable.

Due to this financial year starting part way through the month, all data has not been pro-rated to fit the exact financial period. However, an entire 12 months (365 days) period has been covered as 1 July 2023 to 30 June 2024.

Directors' report (continued)

Exclusions

Wood logs used for open fires have been excluded due to insufficient data not being available for calculation, however emissions from this source are estimated to be immaterial. Data improvements are ongoing to be able to correctly capture this data, for the future.

UK Carbon Footprint Data for the year

Scope Breakdown (Market-Based)

Emission Type	kWh			CO ₂ e tonnes (Market-Based)		
	Previous Year (2022-23)	Current Year (2023-24)	Var. (%)	Previous Year (2022-23)	Current Year (2023-24)	Var. (%)
Scope 1: Operation of Facilities	0	0	0.0%	0.00	0.00	0.0%
Scope 1: Combustion	6,613,617	7,706,451	16.5%	958.77	1,022.05	6.6%
Total Scope 1	6,613,617	7,706,451	16.5%	958.77	1,022.05	6.6%
Scope 2: Purchased Energy	9,094,532	9,237,446	1.6%	0.86	16.89	1864.5%
Total Scope 2	9,094,532	9,237,446	1.6%	0.86	16.89	1864.5%
Scope 3: Indirect Energy use	141,855	76,712	-45.9%	33.88	18.27	-46.1%
Total Scope 3	141,855	76,712	-45.9%	33.88	18.27	-46.1%
Total	15,850,004	17,020,609	7.4%	993.51	1,057.21	6.4%

Scope Breakdown (Location-Based)

Emission Type	kWh			CO ₂ e tonnes (Location-Based)		
	Previous Year (2022-23)	Current Year (2023-24)	Var. (%)	Previous Year (2022-23)	Current Year (2023-24)	Var. (%)
Scope 1: Operation of Facilities	0	0	0.0%	0.00	0.00	0.0%
Scope 1: Combustion	6,613,617	7,706,451	16.5%	958.77	1,022.05	6.6%
Total Scope 1	6,613,617	7,706,451	16.5%	958.77	1,022.05	6.6%
Scope 2: Purchased Energy	9,094,532	9,237,446	1.6%	1,883.23	1,912.55	1.6%
Total Scope 2	9,094,532	9,237,446	1.6%	1,883.23	1,912.55	1.6%
Scope 3: Indirect Energy use	141,855	76,712	-45.9%	33.88	18.27	-46.1%
Total Scope 3	141,855	76,712	-45.9%	33.88	18.27	-46.1%
Total	15,850,004	17,020,609	7.4%	2,875.88	2,952.86	2.7%

Directors' report (continued)

UK Carbon Footprint Data for the year (continued)

Greenhouse Gas Emissions Intensity Ratio (Market-Based)

Total Footprint (Scope 1, Scope 2 and Scope 3) (Market-Based) - CO ₂ e tonnes			
	Previous Year (2022-23)	Current Year (2023-24)	YoY Variance (%)
Turnover (£)	141.41	138.72	-1.9%
Intensity Ratio tCO ₂ e/£1m	7.03	7.62	8.5%

Greenhouse Gas Emissions Intensity Ratio (Location-Based)

Total Footprint (Scope 1, Scope 2 and Scope 3) (Location-Based) - CO ₂ e tonnes			
	Previous Year (2022-23)	Current Year (2023-24)	YoY Variance (%)
Turnover (£)	141.41	138.72	-1.9%
Intensity Ratio tCO ₂ e/£1m	20.34	21.29	4.7%

Intensity Ratio Review (Market-Based)

Intensity Ratio Trend Review (Market-Based)					
	(2019-20)	(2020-21)	(2021-22)	Previous Year (2022-23)	Current Year (2023-24)
Intensity Ratio	N/A	13.93	9.92	7.03	7.62
Difference	N/A	N/A	-4.01	-2.89	0.60
Variance %	N/A	N/A	-28.8%	-29.2%	8.5%

Greenhouse Gas Emissions Intensity Ratio (Market-Based)

Total Footprint (Scope 1, Scope 2 and Scope 3) (Market-Based) - CO ₂ e tonnes			
	Previous Year (2022-23)	Current Year (2023-24)	YoY Variance (%)
Sales. Ex fuel (£)	69.62	75.92	9.0%
Intensity Ratio tCO ₂ e/£1m	14.27	13.93	-2.4%

Directors' report (continued)

UK Carbon Footprint Data for the year (continued)

Greenhouse Gas Emissions Intensity Ratio (Location-Based)

Total Footprint (Scope 1, Scope 2 and Scope 3) (Location-Based) - CO ₂ e tonnes			
	Previous Year (2022-23)	Current Year (2023-24)	YoY Variance (%)
Sales. Ex fuel (£)	69.62	75.92	9.0%
Intensity Ratio tCO ₂ e/£1m	41.31	38.90	-5.8%

Intensity Ratio Review (Market-Based)

Intensity Ratio Trend Review (Market-Based)					
	(2019-20)	(2020-21)	(2021-22)	Previous Year - (2022-23)	Current Year (2023-24)
Intensity Ratio	N/A	34.02	18.61	14.27	13.93
Difference	N/A	N/A	-15.41	-4.34	-0.34
Variance %	N/A	N/A	-45.3%	-23.3%	-2.4%

Dual Reporting Methodology

Emission Type	CO ₂ e tonnes (Dual Reporting Methodology)		
	Location Based	Market Based (Supplier Specific)	Var. %
Scope 1: Operation of Facilities	0.00	0.00	0.0%
Scope 1: Combustion	1,022.05	1,022.05	0.0%
TOTAL Scope 1	1,022.05	1,022.05	0.0%
Scope 2: Purchased Energy	1,912.55	16.89	-99.1%
TOTAL Scope 2	1,912.55	16.89	-99.1%
Scope 3: Indirect Energy use	18.27	18.27	0.0%
TOTAL Scope 3	18.27	18.27	0.0%
Total	2,952.86	1,057.21	-64.2%

Directors' report *(continued)*

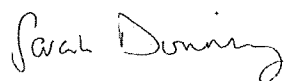
Disclosure of information to auditor

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

27 February 2025

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

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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 30 June 2024 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 30 June 2024 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.
- Using analytical procedures to identify any unusual or unexpected relationships.

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 10, 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

28 FEBRUARY 2025
.....

Consolidated profit and loss account and other comprehensive income
for the period ended 30 June 2024

	<i>Note</i>	2024	2024	2023	2023
		£000	£000	£000	£000
Turnover (including equity accounted investments)	2		139,755		142,900
Less: Turnover of equity accounted investments			(1,040)		(1,243)
			<hr/>		<hr/>
Turnover			138,715		141,657
Cost of sales			(104,177)		(109,848)
			<hr/>		<hr/>
Gross profit			34,538		31,809
Administrative expenses			(27,292)		(25,581)
Other operating income	4		303		153
Group's share of profit in Joint Ventures			100		107
			<hr/>		<hr/>
Operating profit	3		7,649		6,488
Interest receivable			436		104
Interest payable and similar charges	7		(1,824)		(1,522)
			<hr/>		<hr/>
Profit on ordinary activities before taxation			6,261		5,070
Tax on profit on ordinary activities	8	(1,977)		(1,616)	
Group's share of tax from Joint Ventures	8	(25)		(20)	
			<hr/>		<hr/>
			(2,002)		(1,636)
			<hr/>		<hr/>
Profit for the financial period			4,259		3,434
Other comprehensive income			-		-
Attributable to non-controlling interests			(78)		(70)
			<hr/>		<hr/>
Attributable to owners of the parent			4,337		3,504
			<hr/> <hr/>		<hr/> <hr/>

The notes on page 21 to 41 form an integral part of the financial statements.

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

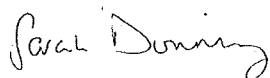
There are no recognised gains or losses outside of those recognised in the profit and loss account for both the current and the preceding period.

Consolidated balance sheet
at 30 June 2024

	Note	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	9		76,385		74,449
Goodwill	10		888		1,221
Investments in joint ventures	11		418		343
			<hr/>		<hr/>
			77,691		76,013
Current assets					
Stocks	12	3,407		3,143	
Debtors	13	6,447		4,481	
Cash at bank and in hand	14	12,078		12,942	
			<hr/>		<hr/>
		21,932		20,566	
Creditors: amounts falling due within one year	15	(17,416)		(20,246)	
			<hr/>		<hr/>
Net current assets			4,516		320
			<hr/>		<hr/>
Total assets less current liabilities			82,207		76,333
Creditors: amounts falling due after more than one year	16		(26,338)		(25,316)
Provisions for liabilities					
Deferred taxation	19		(3,785)		(3,192)
Non-controlling interest in net assets			-		183
			<hr/>		<hr/>
Net assets			52,084		48,008
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	23		-		-
Share premium account	25		4,048		4,048
Profit and loss account			48,297		43,777
Non-controlling interests			(261)		183
			<hr/>		<hr/>
Shareholders' funds			52,084		48,008
			<hr/> <hr/>		<hr/> <hr/>

The notes on page 21 to 41 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 27 February 2025 and were signed on its behalf by:



Mrs SB Dunning
Director

Company registered number: 05357857

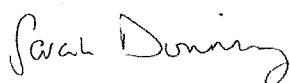
Company balance sheet
at 30 June 2024

	<i>Note</i>	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	9		31,620		29,601
Investments in subsidiaries	11		6,069		6,069
			<hr/>		<hr/>
Current assets			37,689		35,670
Stocks	12	2,278		2,068	
Debtors including £25,979 (2023: £26,211) due after more than one year and £5,848 (2023: £2,493) due within one year	13	31,827		28,704	
Cash at bank and in hand	14	6,930		10,788	
			<hr/>		<hr/>
		41,035		41,560	
Creditors: amounts falling due within one year	15	(11,832)		(20,199)	
			<hr/>		<hr/>
Net current assets			29,203		21,361
			<hr/>		<hr/>
Total assets less current liabilities			66,892		57,031
Creditors: amounts falling due after more than one year	16		(31,611)		(24,956)
Provisions for liabilities					
Deferred taxation	19		(870)		(517)
			<hr/>		<hr/>
Net assets			34,411		31,558
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	23		-		-
Share premium account	25		4,048		4,048
Profit and loss account			30,363		27,510
			<hr/>		<hr/>
Shareholders' funds			34,411		31,558
			<hr/> <hr/>		<hr/> <hr/>

The notes on page 21 to 41 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 £2,853,000 (2023: £729,000).

These financial statements were approved by the board of directors on 27 February 2025 and were signed on its behalf by:



Mrs SB Dunning
Director

Company registered number: 05357857

Consolidated statement of changes in equity

	Called up share capital	Share premium account	Profit and loss account	Non- controlling interests	Total shareholders' equity
	£000	£000	£000	£000	£000
Balance at 3 July 2022	-	4,048	40,343	113	44,504
Total comprehensive income					
Profit for the period	-	-	3,434	-	3,434
Attributable to non-controlling interests	-	-	-	70	70
Equity settled share-based payments	-	-	2,108	-	2,108
Dividends paid in the year	-	-	(2,108)	-	(2,108)
Total comprehensive income	-	-	3,434	70	3,504
Balance at 2 July 2023	-	4,048	43,777	183	48,008
Total comprehensive income					
Profit for the period	-	-	4,337	-	4,337
Attributable to non-controlling interests	-	-	-	(78)	(78)
Total comprehensive income	-	-	4,337	(78)	4,259
Reserves transfer	-	-	183	(366)	(183)
Balance at 30 June 2024	-	4,048	48,297	(261)	52,084

The notes on page 21 to 41 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 3 July 2022	-	4,048	26,781	30,829
Total comprehensive income				
Profit for the period	-	-	729	729
Equity settled share-based payments	-	-	2,108	2,108
Dividends paid in the year	-	-	(2,108)	(2,108)
Total comprehensive income	-	-	729	729
Balance at 2 July 2023	-	4,048	27,510	31,558
Total comprehensive income				
Profit for the period	-	-	2,853	2,853
Total comprehensive income	-	-	2,853	2,853
Balance at 30 June 2024	-	4,048	30,363	34,411

The notes on page 21 to 41 form an integral part of the financial statements.

Consolidated cash flow statement
for the period ended 30 June 2024

	<i>Note</i>	2024	2023
		£000	£000
Cash flows from operating activities			
Profit for the period		4,259	3,434
<i>Adjustments for:</i>			
Depreciation, amortisation, and impairment		4,471	3,670
Net share of income from equity accounted investments		(100)	(107)
Interest receivable and similar income		(436)	(104)
Interest payable and similar charges	7	1,824	1,522
(Profit)/loss on sale of tangible fixed assets		(76)	137
Taxation	8	2,002	1,636
Long-term incentive plans		850	2,108
		12,794	12,296
Increase in trade and other debtors		(1,966)	(1,592)
(Increase)/decrease in stocks		(264)	336
Increase/(decrease) in trade and other creditors		248	(342)
		10,812	10,698
Interest paid		(1,545)	(1,163)
Tax paid		(1,301)	(1,130)
		7,966	8,405
Net cash from operating activities			
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		944	14
Interest received		436	104
Acquisition of tangible fixed assets		(6,943)	(5,963)
Proceeds from receipt of government grants		133	-
		(5,430)	(5,845)
Net cash from investing activities			
Cash flows from financing activities			
Repayment of borrowings		(1,400)	(1,400)
Repayment of shareholder loans		(2,000)	(4,000)
Dividends paid		-	(2,108)
		(3,400)	(7,508)
Net cash from financing activities			
Net increase in cash and cash equivalents		(864)	4,948
Cash and cash equivalents at the beginning of the period		12,942	17,890
		12,078	12,942
Cash and cash equivalents at the end of the period	<i>14</i>	12,078	12,942

The notes on page 21 to 41 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; and
- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.26 Share Based Payments.

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 30 June 2024 (*2023: 52-week period ending 2 July 2023*) within seven days of the end of the accounting reference period of 30 June 2024 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 outstanding bank loans of £20.2m. This facility was fully refinanced on 28 June 2022 with two new term loans, currently standing at £16m and £4.2m each which are in place until 28 June 2027. The Group also has access to a Revolving Credit Facility of £10m, in place until 28 June 2027 which remains 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.

Post year-end trading and cash generation continues to be positive. The directors have prepared forecasts through to June 2026 which indicate the Group and 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.

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 30 June 2024. 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 £2,853,000 (2023: £729,000).

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

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 it is 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)

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.

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on company specific observable market data taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the entity receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

Notes (continued)

1 Accounting policies (continued)

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 risk on fixed assets, investments, and the recoverability of goodwill - The directors have applied a degree of estimation in impairment calculations. However, underlying cash generating from operations is significant and continues to support the relatively high value of fixed assets on the balance sheet.

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.

	2024 £000	2023 £000
Sale of goods	134,568	138,004
Rendering of services	3,164	3,024
Commissions	983	629
	138,715	141,657
	138,715	141,657

	Turnover including equity accounted investments		Turnover excluding equity accounted investments	
	2024 £000	2023 £000	2024 £000	2023 £000
United Kingdom	139,755	142,900	138,715	141,657
	139,755	142,900	138,715	141,657
	139,755	142,900	138,715	141,657

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2024 £000	2023 £000
Auditor's remuneration – audit of the company financial statements	37	32
Auditor's remuneration – audit of subsidiaries and group financial statements	59	49
	96	81
	96	81

Notes *(continued)*

4 Other operating income

	2024	2023
	£000	£000
Rental income	27	18
Sundry income	85	57
Business interruption insurance claims	33	6
Arts Council England grant	-	17
Training grant funding	56	55
Amortisation of capital grants	25	-
Profit on disposal of assets	77	-
	303	153
	303	153

5 Staff numbers and costs

	2024	2023
	No	No
Number of administrative staff	139	130
Number of operational staff	1,055	1,029
	1,194	1,159
	1,194	1,159

The aggregate payroll costs of the above were:

	£000	£000
Wages and salaries	21,544	20,010
Social security costs	1,476	1,359
Other pension costs	524	527
	23,544	21,896
	23,544	21,896

Aggregate payroll costs for the period include enacted redundancy costs of £91,000 (2023: 79,000).

Notes (continued)

6 Remuneration of directors

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

	2024	2023
	£000	£000
Directors' remuneration	950	859
Amounts receivable under long-term incentive plans	850	2,097
Company contributions to money purchase pension schemes	52	40
	1,852	2,996
	1,852	2,996

The aggregate of remuneration of the highest paid director was £1,176,000 (2023: £2,036,000).

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

	2024	2023
	No.	No.
Money purchase schemes	2	1
	2	1
	2	1

7 Interest payable and similar charges

	2024	2023
	£000	£000
Interest payable on bank borrowing	1,549	1,164
Interest payable on loans from related parties	275	358
	1,824	1,522
	1,824	1,522

Notes (continued)

8 Taxation

	2024	2023
	£000	£000
Current tax		
In respect of the period:		
UK Corporation tax based on the results for the period at 25% (2023:20.5%)	1,460	1,135
Adjustments in respect of prior periods	(76)	(140)
On share of income from equity accounted investments	25	20
	1,409	1,015
Deferred tax		
Origination and reversal of timing differences (note 19)	505	621
Adjustments in respect of prior periods	88	-
	593	621
Total tax	2,002	1,636
	2024	2023
	£000	£000
Profit for the year	4,259	3,434
Total tax expense	2,002	1,636
	6,261	5,070
Profit excluding taxation		
Tax using the UK Corporation tax rate of 25% (2023:20.5%)	1,565	1,039
Adjustments in respect of prior periods	12	(140)
Effect of changes in tax rates	-	111
Permanent differences	425	623
Group relief surrendered	-	3
	2,002	1,636

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

Group	Assets under construction £000	Freehold land & buildings £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
<i>Cost</i>					
At beginning of period	2,547	76,364	28,728	86	107,725
Additions	2,352	659	3,819	113	6,943
Disposals	(863)	-	(7)	(21)	(891)
Reclassification	(3,644)	-	3,644	-	-
At end of period	<u>4,036</u>	<u>77,023</u>	<u>32,540</u>	<u>178</u>	<u>113,777</u>
<i>Depreciation</i>					
At beginning of period	-	16,044	17,177	55	33,276
Charge for period	-	1,378	2,724	36	4,138
Disposals	-	-	(6)	(16)	(22)
At end of period	<u>-</u>	<u>17,422</u>	<u>19,895</u>	<u>75</u>	<u>37,392</u>
<i>Net book value</i>					
At 30 June 2024	<u>4,036</u>	<u>59,601</u>	<u>12,645</u>	<u>103</u>	<u>76,385</u>
At 2 July 2023	<u>2,547</u>	<u>60,320</u>	<u>11,551</u>	<u>31</u>	<u>74,449</u>

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

Notes (continued)

9 Tangible fixed assets (continued)

Company	Assets under construction £000	Freehold land & buildings £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
<i>Cost</i>					
At beginning of period	1,353	27,666	24,431	70	53,520
Additions	733	431	3,315	113	4,592
Disposals	-	-	(7)	(21)	(28)
Reclassification	(2,002)	-	2,002	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	2,086	28,097	27,739	162	58,084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At beginning of period	-	9,503	14,374	42	23,919
Charge for period	-	403	2,129	35	2,567
Disposals	-	-	(6)	(16)	(22)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	9,906	16,497	61	26,464
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 June 2024	2,086	18,191	11,242	101	31,620
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 2 July 2023	1,353	18,163	10,057	28	29,601
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

10 Goodwill

	Total £000
Group	
<i>Cost</i>	
At beginning and end of period	1,864
	<hr/>
	1,864
	<hr/>
<i>Amortisation</i>	
At beginning of period	643
Amortisation charge for the period	333
	<hr/>
At end of period	976
	<hr/>
Goodwill at 30 June 2024	888
	<hr/>
Goodwill at 2 July 2023	1,221
	<hr/>

Notes (continued)

11 Investments

	Investments £000
Company	
Cost	
At 3 July 2022 and 2 July 2023	6,069
	<hr/>
Net book value	
At 3 July 2022 and 2 July 2023	6,069
	<hr/> <hr/>
	Interests in joint ventures £000
Group	
At 2 July 2023	343
Share of results	75
	<hr/>
At 30 June 2024	418
	<hr/> <hr/>
Share of turnover of joint ventures	
Share of assets	
Share of fixed assets	27
Share of current assets	495
	<hr/>
	522
Share of liabilities	
Liabilities due within one year or less	(103)
Liabilities due in more than one year	(1)
	<hr/>
Share of net assets	418
	<hr/> <hr/>

Notes (continued)

11 Investments (continued)

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

	Country of incorporation	Registered number	Principal activity	Class and percentage of shares held	
				Group	Company
<i>Subsidiary undertakings</i>					
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%
M6 Diesel Services Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	01261050	HGV Truckstop	Ordinary £1 & 100%	
Watling Street Filling Station Limited Rheged, Redhills, Penrith, Cumbria, CA11 0DQ	England & Wales	01786358	Petrol filling station	Ordinary £1 & 100%	
<i>Joint ventures held indirectly through Tebay Gorge Services Limited</i>					
Dieselbank Limited Tebay Interchange Service Station, Tebay, Penrith, CA10 3SS	England & Wales	01653502	HGV Truckstop	Ordinary £1 & 50%	

Notes (continued)

12 Stocks

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Finished goods for resale	3,407	3,143	2,278	2,068

13 Debtors

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	2,516	2,330	1,443	1,315
Amounts owed by group undertakings	12	-	28,584	26,211
Other debtors	113	63	29	32
Prepayments and accrued income	3,806	2,088	1,771	1,146
	<u>6,447</u>	<u>4,481</u>	<u>31,827</u>	<u>28,704</u>
Due within one year	6,447	4,481	5,848	2,493
Due after more than one year	-	-	25,979	26,211
	<u>6,447</u>	<u>4,481</u>	<u>31,827</u>	<u>28,704</u>

Group debtors include amounts owed by group undertakings of £nil (2023: £nil) due after one year. Company debtors include amounts owed by group undertakings of £25,979,000 (2023: £26,211,000) due after one year.

14 Cash and cash equivalents

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Cash at bank and in hand	12,078	12,942	6,930	10,788
	<u>12,078</u>	<u>12,942</u>	<u>6,930</u>	<u>10,788</u>

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank loans	1,400	1,400	1,400	1,400
Trade creditors	10,180	10,658	6,473	6,636
Amounts owed to group undertakings	-	699	44	5,981
Corporation tax	721	627	629	273
Other taxation	1,854	1,541	1,684	1,440
Other creditors	1,754	1,252	625	1,073
Accruals and deferred income	1,507	4,069	977	3,396
	<u>17,416</u>	<u>20,246</u>	<u>11,832</u>	<u>20,199</u>

Included within accruals and deferred income are amounts received under government grants that have not been released into the profit and loss account totalling £138,000 (2023: £nil). See Note 20 for more details.

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank loans	18,800	20,200	18,800	20,200
Amounts owed to group undertakings	736	-	6,009	-
Other creditors	6,802	5,116	6,802	4,756
	<u>26,338</u>	<u>25,316</u>	<u>31,611</u>	<u>24,956</u>

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	
	2024 £000	2023 £000	2024 £000	2023 £000
Creditors falling due after more than one year				
Secured bank loans	18,800	20,200	18,800	20,200
	<u>18,800</u>	<u>20,200</u>	<u>18,800</u>	<u>20,200</u>
	<u><u>18,800</u></u>	<u><u>20,200</u></u>	<u><u>18,800</u></u>	<u><u>20,200</u></u>
Creditors falling due in less than one year				
Secured bank loans	1,400	1,400	1,400	1,400
	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>
	<u><u>20,200</u></u>	<u><u>21,600</u></u>	<u><u>20,200</u></u>	<u><u>21,600</u></u>

Included within secured bank loans are amounts repayable after five years by instalments of £13,200,000 (2023: £14,600,000). 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	2024 £000	2023 £000
Loan - Facility A	GBP	7%	2039	16,000	16,000
Loan - Facility B	GBP	7%	2039	4,200	5,600
				<u>20,200</u>	<u>21,600</u>
				<u><u>20,200</u></u>	<u><u>21,600</u></u>

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.

Notes (continued)

18 Employee Benefits

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 £524,000 (2023: £527,000). There were accrued contributions of £20,000 (2023: £42,000) in respect of these schemes as at the balance sheet date.

Share-based payments

During the prior period the company recognised £2,108,000 in respect of equity settled share-based payments. This reflects the 64 Ordinary 'B' shares and the 724 Ordinary 'C' shares which were allotted to employees of Westmorland Limited and then acquired by Chapel Beck Limited (the immediate parent) for £2,108,000 settled in cash. This transaction was treated as a cash settled share-based payment transaction in the Chapel Beck Limited financial statements and equity settled in Westmorland Limited (being the subsidiary where the employees' services were delivered). On 31 August 2023, 765 Ordinary 'B' shares were issued under a new share subscription agreement.

19 Deferred taxation

Group

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

	2024 £000	2023 £000
Provision brought forward	3,192	2,571
Profit and loss account movement arising during the period	593	621
	3,785	3,192

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

	2024 £000	2023 £000
Fixed asset timing differences	4,699	4,044
Short term timing differences	(914)	(852)
	3,785	3,192

Notes *(continued)*

19 **Deferred taxation** *(continued)*

Company

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

	2024 £000	2023 £000
Provision brought forward	517	317
Profit and loss account movement arising during the period	353	200
	870	517
Provision carried forward	870	517

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

	2024 £000	2023 £000
Fixed asset timing differences	1,747	1,325
Short term timing differences	(877)	(808)
	870	517
	870	517

Notes (continued)

20 Government grants

Group and company	2024 £000	2023 £000
Received and receivable:		
At beginning of the period	3,743	3,743
Received in the period	163	-
	<hr/>	<hr/>
At the end of the period	3,906	3,743
	<hr/>	<hr/>
Amortisation:		
At beginning of the period	3,743	3,743
Amortisation charge for the period	25	-
	<hr/>	<hr/>
At the end of the period	3,768	3,743
	<hr/>	<hr/>
As at 30 June 2024	138	-
	<hr/>	<hr/>
As at 2 July 2023	-	-
	<hr/>	<hr/>

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:

	2024		2023	
	Group £000	Company £000	Group £000	Company £000
Less than one year	265	265	281	281
Between one and five years	1,013	1,013	989	989
More than five years	490	490	735	735
	<hr/>	<hr/>	<hr/>	<hr/>
	1,768	1,768	2,005	2,005
	<hr/>	<hr/>	<hr/>	<hr/>

During the period £283,000 (2023: £287,211) was recognised as an expense in the profit and loss account in respect of operating leases.

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, £175,000 (2023: £175,000) in respect of the rent of the Westmorland Hotel and £70,000 (2023: £70,000) in respect of Junction 38, properties owned by the pension scheme. Included in trade creditors is £73,500 (2023: £nil) outstanding at the period end.

Westmorland Chapel Farm Limited

During the period the Company made purchases of £358,805 (2023: £263,261) from Westmorland Chapel Farm Limited. Included in trade creditors is £10,947 (2023: £2,418) outstanding at the period end. During the year the company recharged goods and services to the value of £20,085 (2023: £10,414). Included in trade debtors is £3,127 (2023: £nil) outstanding at the period end.

Notes *(continued)*

22 Related party transactions *(continued)*

Mrs SB Dunning

Loans from Mrs SB Dunning of £1,378,000 (2023: £2,378,000) 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 daily 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 £1,378,000 (2023: £2,378,000) 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 daily nominal interest rate of 2.5% plus Bank of England base rate. Mrs JM Lane is a director of Westmorland Limited.

Dieselbank Limited

During the period the Group recharged services to Dieselbank Limited, a company in which Tebay Gorge Services Limited has a 50% shareholding, to the value of £1,241 (2023: £nil). Included in trade debtors is £256 (2023: £nil) outstanding at the period end.

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

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the period amounted to £1,852,000 (2023: £2,996,000).

23 Share capital

	2024 No	2024 £000	2023 No	2023 £000
Allotted, called up and fully paid:				
Ordinary 'A' shares of £0.01 each	14,533	-	14,533	-
Ordinary 'B' shares of £0.01 each	765	-	-	-
	<u>15,298</u>	<u>-</u>	<u>14,533</u>	<u>-</u>

The Ordinary 'A' shares carry one vote per share, are non-redeemable and are entitled to dividends. The Ordinary 'B' shares carry no right to vote, are non-redeemable and are not entitled to dividends.

On 31 August 2023, 765 Ordinary 'B' shares were issued under share subscription agreement.

Notes (continued)

24 Post Balance Sheet events

There were no post balance sheet events.

25 Share premium account

Group and company	2024	2023
	£000	£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

