

# **Welcome Break Holdings (2) Limited.**

(Registered Number: 4379574)

**Annual report and financial statements**  
**For the year ended 31 December 2021**

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# **Welcome Break Holdings (2) Limited.**

## **Annual report and financial statements for the year ended 31 December 2021**

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# **Welcome Break Holdings (2) Limited.**

## **Strategic Report**

The directors present their Strategic report on the Company for the year ended 31 December 2021.

### **Business review**

The Company was incorporated on 22 February 2002 with the purpose of acquiring and holding the shares in Welcome Break Holdings (1) Limited and subsidiary companies. The principal activity of the Company is that of a holding company.

The Company's profit for the year ended 31 December 2021 is £30.0m (year ended 31 December 2020: result of £nil). The profit for the year and the year end financial position is considered by the directors to be in line with expectations.

The net asset position of the Company at 31 December 2021 is £466.1m (year ended 31 December 2020: £466.1m).

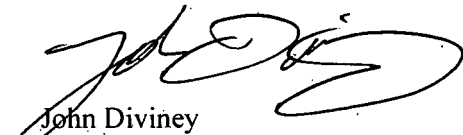
### **Principal risks and uncertainties**

With regard to the Company, the principal risks and uncertainties are incorporated with the principal risks of the Group and are not managed separately. Therefore, the principal risks and uncertainties of Appia Group Limited, which include those of the Company, are discussed on page 3 of the Group's Annual report which does not form part of this report.

### **Financial key performance indicators**

As the Company is not a trading company the directors believe it is inappropriate to include key performance indicators in this report to get an understanding of the development, performance or position of the business of Welcome Break Holdings (2) Limited. The development, performance and position of the business of Appia Group Limited, which includes the Company, are discussed on page 3 of the Group's Annual report, which does not form part of this report.

This report was approved by the board on 27 September 2022 and signed on its behalf by:



John Diviney  
Director

# **Welcome Break Holdings (2) Limited.**

## **Directors' report**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

## **Future developments**

The directors do not anticipate that any trading will be undertaken by the Company in the foreseeable future.

## **Going Concern**

In completing their going concern assessment, the directors have considered the forecasts and projections of the business undertaken by the group headed by Appia Group Limited, referred to as 'the business' below. The Company is a subsidiary of Appia Group Limited. Appia Group Limited has a number of borrowing facilities, including loans held by Welcome Break Group Limited. The loans held by Welcome Break Group Limited are subject to financial covenants that are measured on the performance of the group of companies headed by Welcome Break Holdings (1) Limited. The Company is a guarantor of the loans held by Welcome Break Group Limited. If the loan covenants on these loans are breached and called for payment, then the Company could be required to satisfy these guarantees. Both Welcome Break Group Limited and Welcome Break Holdings (1) Limited are subsidiaries of the Company.

The business's principal activity is the operation of Motorway Service Areas ("MSAs"). The impact of COVID had been significant on the business during 2020 however, the effect was much less severe during 2021.

At the start of the year a national lockdown was in place which reduced motorway traffic and turn-ins to sites to around 55% of normal levels. The impact on full year results was minor due to this lockdown being in relatively quieter winter period. Easter performance was down on normal years although by this time, traffic and transactions returned with restrictions being released and vaccines being rolled out. The business benefitted from the return to more normal trading over the summer period following the release of restrictions, with exceptional results and record weekly sales at many MSA sites. There was significant pent-up demand from the travelling public who were keen to visit family and friends and attend events which had not been possible for much of the previous 16 months. With foreign travel proving difficult and expensive, the "UK Staycation" was prevalent during this period of 2021 which benefitted the sector.

Trade for the remainder of the year remained strong. Traffic was below usual levels due to homeworking and reduced coach traffic but spend per transaction remained strong. This reflects a changing trend in transactions with marginally lower commuter trade during weekdays and higher leisure trade at weekends. The continuation of the strong trading performance, particularly the ongoing spend benefit is also noticeable during the start of 2022. The expectation for 2022 is that the UK will experience another "Staycation" effect during the summer, again leading to a very robust peak trading performance during the key months of June to September.

The business returned to an "on budget" performance in May 2021 and results have continued to be strong since. Even with early 2021 lockdown in place, the company is trading ahead of both budget and 2019.

# **Welcome Break Holdings (2) Limited.**

## **Directors' report (continued)**

### **Going Concern (continued)**

The revised (waiver) covenants were comfortably met during 2020 and 2021, and with trading in the second half of 2021 stronger than anticipated as restrictions were eased, the return to the original covenants was achieved in June 2021.

Management have prepared forecast scenarios covering the next 12-18 months. Having reviewed detailed cashflow forecasts, the directors are comfortable that the business, and each company, will have sufficient liquidity to operate for at least the next 12 months, and have significant headroom in both. This position is continually monitored by the directors.

The business's forecasts and projections over the next 12-18 months indicate that the business will operate comfortably within its banking covenants and will be able to meet all contractual liabilities as they fall due. The directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the financial statements.

### **Dividends**

During the year the Company paid a dividend of £30.0m (year ended 31 December 2020: £nil). The directors proposed and paid a dividend of £20.0m on 12 May 2022 (year ended 31 December 2021: £nil).

### **Post balance sheet event**

On 14 July 2022 Petrogas Holdings UK Limited acquired shares in Appia Group Limited from Rome One LP. The shareholding in Appia Group Limited following the acquisition comprises Petrogas Holdings UK Limited 53.55%, Rome One LP 28.34% and Rome Two LP 18.11%.

### **Financial risk management**

The exposures and the measures taken to mitigate financial risks are reviewed by the directors on a regular basis.

#### *Liquidity risk*

The Group maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Charles Hazelwood  
Surinder Toor  
Niall Dolan  
Joseph Barrett  
John Diviney

# **Welcome Break Holdings (2) Limited.**

## **Directors' report (continued)**

### **Qualifying third party indemnity provision**

A qualifying third party indemnity provision was in place for the Company's directors and officers during the financial year and at the date of approval of the financial statements.

### **Environment**

The Company is committed to conducting its business in a manner which shows responsibility towards the environment, and in ensuring high standards of health and safety for its employees, visitors and the general public. The Company is further committed to taking into account the effect of its working practices upon the environment and in minimising potential negative effects. The Company complies with all statutory and mandatory requirements.

### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 company and of the profit or loss of the company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

## **Welcome Break Holdings (2) Limited.**

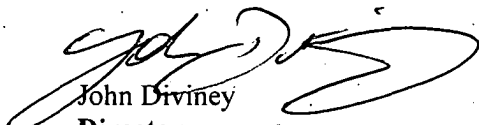
### **Directors' report (continued)**

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report was approved by the board on 27 September 2022 and signed on its behalf by:



John Diviney  
Director



# Independent auditors' report to the members of Welcome Break Holdings (2) Limited.

## Report on the audit of the financial statements

### Opinion

In our opinion, Welcome Break Holdings (2) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and the financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



# Independent auditors' report to the members of Welcome Break Holdings (2) Limited. (continued)

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Independent auditors' report to the members of Welcome Break Holdings (2) Limited. (continued)

## **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiries of management, walkthrough procedures to understand and evaluate the controls designed to prevent and detect irregularities and fraud, and consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- challenging assumptions made by management in their accounting estimates, for example in relation to the recoverability of investments;
- identifying journal entries, in particular any journal entries posted with unusual account combinations, posted by unusual users, and journal entries with specific defined descriptions;
- review of board minutes to identify any inconsistencies with other information provided by management; and
- incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Independent auditors' report to the members of Welcome Break Holdings (2) Limited. (continued)

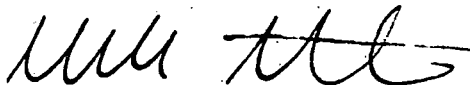
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Foster (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Milton Keynes  
29 September 2022

## Welcome Break Holdings (2) Limited.

### Statement of comprehensive income for the year ended 31 December 2021

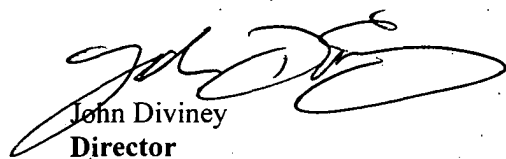
	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
<b>OPERATING RESULT</b>	3	-	-
Income from shares in group undertakings	7	30,000	-
<b>PROFIT/RESULT BEFORE TAXATION</b>		30,000	-
Tax on profit/result	4	-	-
<b>PROFIT/RESULT FOR THE FINANCIAL YEAR</b>		30,000	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		30,000	-

# Welcome Break Holdings (2) Limited.

## Balance sheet as at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
<b>FIXED ASSETS</b>			
Investments	5	466,100	466,100
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>466,100</b>	<b>466,100</b>
<b>NET ASSETS</b>		<b>466,100</b>	<b>466,100</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	1	1
Profit and loss account	7	466,099	466,099
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>466,100</b>	<b>466,100</b>

The financial statements on pages 10 to 19 were approved and authorised for issue by the board on 27 September 2022 and were signed on its behalf by:



John Diviney  
Director

Registered number: 4379574

The notes on pages 13 to 19 form part of these financial statements.

## Welcome Break Holdings (2) Limited.

### Statement of changes in equity for the year ended at 31 December 2021

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2021	1	466,099	466,100
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	30,000	30,000
<b>Total comprehensive income for the financial year</b>	-	<b>30,000</b>	<b>30,000</b>
Dividend paid	-	(30,000)	(30,000)
<b>Total transactions with owners, recognised directly in equity</b>	-	<b>(30,000)</b>	<b>(30,000)</b>
<b>At 31 December 2021</b>	<b>1</b>	<b>466,099</b>	<b>466,100</b>

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2020	1	466,099	466,100
<b>Comprehensive income for the financial year</b>			
Result for the financial year	-	-	-
<b>Total comprehensive income for the financial year</b>	-	-	-
<b>At 31 December 2020</b>	<b>1</b>	<b>466,099</b>	<b>466,100</b>

The notes on pages 13 to 19 form part of these financial statements.

# **Welcome Break Holdings (2) Limited.**

## **Notes to the financial statements for the year ended 31 December 2021**

### **1. Principal accounting policies**

#### **(a) General information**

Welcome Break Holdings (2) Limited's ('the Company') principal activity is that of a holding company.

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is: 2 Vantage Court, Tickford Street, Newport Pagnell, Buckinghamshire MK16 9EZ.

#### **(b) Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable United Kingdom and the Republic of Ireland and the Companies Act 2006.

In completing their going concern assessment, the directors have considered the forecasts and projections of the business undertaken by the group headed by Appia Group Limited, referred to as 'the business' below. The Company is a subsidiary of Appia Group Limited. Appia Group Limited has a number of borrowing facilities, including loans held by Welcome Break Group Limited. The loans held by Welcome Break Group Limited are subject to financial covenants that are measured on the performance of the group of companies headed by Welcome Break Holdings (1) Limited. The Company is a guarantor of the loans held by Welcome Break Group Limited. If the loan covenants on these loans are breached and called for payment, then the Company could be required to satisfy these guarantees. Both Welcome Break Group Limited and Welcome Break Holdings (1) Limited are subsidiaries of the Company.

The business's principal activity is the operation of Motorway Service Areas ("MSAs"). The impact of COVID had been significant on the business during 2020 however, the effect was much less severe during 2021.

At the start of the year a national lockdown was in place which reduced motorway traffic and turn-ins to sites to around 55% of normal levels. The impact on full year results was minor due to this lockdown being in relatively quieter winter period. Easter performance was down on normal years although by this time, traffic and transactions returned with restrictions being released and vaccines being rolled out. The business benefitted from the return to more normal trading over the summer period following the release of restrictions, with exceptional results and record weekly sales at many MSA sites. There was significant pent-up demand from the travelling public who were keen to visit family and friends and attend events which had not been possible for much of the previous 16 months. With foreign travel proving difficult and expensive, the "UK Staycation" was prevalent during this period of 2021 which benefitted the sector.

# Welcome Break Holdings (2) Limited.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1. Principal accounting policies (continued)

#### (b) Basis of preparation (continued)

Trade for the remainder of the year remained strong. Traffic was below usual levels due to homeworking and reduced coach traffic but spend per transaction remained strong. This reflects a changing trend in transactions with marginally lower commuter trade during weekdays and higher leisure trade at weekends. The continuation of the strong trading performance, particularly the ongoing spend benefit is also noticeable during the start of 2022. The expectation for 2022 is that the UK will experience another "Staycation" effect during the summer, again leading to a very robust peak trading performance during the key months of June to September.

The business returned to an "on budget" performance in May 2021 and results have continued to be strong since. Even with early 2021 lockdown in place, the company is trading ahead of both budget and 2019.

The revised (waiver) covenants were comfortably met during 2020 and 2021, and with trading in the second half of 2021 stronger than anticipated as restrictions were eased, the return to the original covenants was achieved in June 2021.

Management have prepared forecast scenarios covering the next 12-18 months. Having reviewed detailed cashflow forecasts, the directors are comfortable that the business, and each company, will have sufficient liquidity to operate for at least the next 12 months, and have significant headroom in both. This position is continually monitored by the directors.

The business's forecasts and projections over the next 12-18 months indicate that the business will operate comfortably within its banking covenants and will be able to meet all contractual liabilities as they fall due. The directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

#### (c) Exemptions for qualifying entities under FRS102

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland":

- the requirement to prepare a statement of cash flows. [Section 7 of FRS102 and para 3.17(d)]
- the non-disclosure of key management personnel compensation in total. [FRS 102 para 33.7]
- certain financial instrument disclosures [FRS102 paras 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A]

This information is included in the financial statements of Appia Group Limited for the year ended 31 December 2021 which will be available at Companies House once approved and authorised to issue by the Board (as an Appendix to Appia Europe Limited).



# **Welcome Break Holdings (2) Limited.**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **1. Principal accounting policies (continued)**

#### **(c) Exemptions for qualifying entities under FRS102 (continued)**

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company includes the Company's cash flow in its own consolidated financial statements.

#### **(d) Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

#### **(e) Consolidated financial statements**

These financial statements contain information about Welcome Break Holdings (2) Limited, as an individual company and do not contain consolidated financial information. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Appia Group Limited, a company incorporated in Jersey.

#### **(f) Taxation**

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

#### **(g) Fixed asset investments**

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

#### **(h) Financial instruments**

The Company only enters into financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Sections 11 and 12 of FRS102 are applied in the recognition and measurement of financial instruments.

# **Welcome Break Holdings (2) Limited.**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **1. Principal accounting policies (continued)**

#### **(h) Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables and receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **(i) Dividend distribution**

Final dividends to the company's shareholders are recognised as a liability in the group's financial statements in the year in which dividends are approved by the company's shareholders. Interim dividends are recognised when paid.

#### **(j) Share capital**

Ordinary shares are recognised as equity.

### **2. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

There are no significant judgements, estimates or assumptions in these financial statements.

# Welcome Break Holdings (2) Limited.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 3. Operating result

Auditors' remuneration for the audit of all group companies and their financial statements is borne by Welcome Break Group Limited. The total amount payable for the financial year is £366,000 (year ended 31 December 2020: £284,000). The fee allocated to Welcome Break Holdings (2) Limited, is £5,000 (year ended 31 December 2020: £5,000). Additional costs charged in 2021 relating to the previous financial year are £35,000 of which the fee allocated to Welcome Break Holdings (2) Limited, is £nil (31 December 2020: £nil). No amounts were paid by the Company in respect of non-audit services (year ended 31 December 2020: £nil).

In the year ended 31 December 2021 one director (year ended 31 December 2020: one current director) was remunerated by Welcome Break Group Limited and the amount receivable is disclosed in its financial statements. It is not possible to make an accurate apportionment of their emoluments in respect of each of the group companies. The remaining directors received no remuneration for services provided to Appia Group Limited or any of its subsidiaries.

There were no employees of the Company in the year ended 31 December 2021 (year ended 31 December 2020: none).

### 4. Tax on profit/result

	Year Ended 31 December 2021 £'000	Year Ended 31 December 2020 £'000
<b>Tax charge for the financial year</b>	-	-

The tax assessed for the current year varies (year ended 31 December 2020: the same) from the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%). The differences are explained below:

	Year Ended 31 December 2021 £'000	Year Ended 31 December 2020 £'000
<b>Profit/result before taxation</b>	<b>30,000</b>	-
Profit/result before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	5,700	-
<b>Effects of:</b>		
Income not subject to tax	(5,700)	-
<b>Tax charge for the financial year</b>	-	-

In the Spring Budget 2021 the Government announced the corporation tax rate would remain at 19% until 1 April 2023. On 1 April 2023 the corporation tax rate will change to 25%. This new law was substantively enacted on 24 May 2021.

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax.

# Welcome Break Holdings (2) Limited.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 5. Investments

	£'000
<b>At 1 January 2021 and 31 December 2021</b>	<b>466,100</b>

Investments in subsidiaries comprise holdings of equity shares in the following entities which are incorporated in Great Britain and registered in England and Wales unless otherwise indicated:

	% of equity held
<b>Direct subsidiary undertaking</b>	
Welcome Break Holdings (1) Limited (holding company)	100
<b>Indirect subsidiary undertakings</b>	
Welcome Break Group Limited	100
Welcome Break Limited	100
Motorway Services Limited	92
Welcome Break KFC Limited	100
Welcome Break Coffee Primo Limited	100
Welcome Break KFC Starbucks Limited	100
Welcome Break Birchanger Limited	100
Welcome Break Burger King Limited	100
Welcome Break Waitrose Limited	100
Welcome Break McDonald's Limited	100
Coffee Primo Burger King Limited	100
Welcome Break Waitrose KFC Limited	100
Welcome Break Starbucks Waitrose KFC Limited	100
Welcome Break Starbucks Burger King Limited	100
Welcome Break Starbucks McDonald's Limited	100
Welcome Break Starbucks Waitrose Burger King Limited	100
Starbucks Coffee Burger King Limited	100
Starbucks Coffee KFC Limited	100
Starbucks Coffee McDonald's Limited	100
Starbucks Coffee Waitrose Limited	100
Starbucks Coffee Waitrose KFC Limited	100
Starbucks Coffee McDonald's Waitrose Limited	100
<b>Partnership</b>	
Welcome Break Gretna Green Partnership	100

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company has guaranteed the obligations of itself under the bank loans obtained by Welcome Break Group Limited which are secured by fixed and floating charges over its assets.

The registered office for all of the investments above is 2 Vantage Court, Tickford Street, Newport Pagnell, Buckinghamshire MK16 9EZ.

# Welcome Break Holdings (2) Limited.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 6. Called up share capital

	31 December 2021 £'000	31 December 2020 £'000
Allotted and fully paid		
1,000 (31 December 2020: 1,000) ordinary shares of £1	1	1

### 7. Reserves

#### Share premium account

The share premium account represents the consideration received on the issue of shares in the Company in excess of the nominal value of those shares, net of share issue costs, bonus issues of shares and any subsequent capital reductions.

#### Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

During the year the company received a dividend of £30,000,000 (year ended 31 December 2020: £nil) and paid a dividend of £30,000,000 (year ended 31 December 2020: £nil).

### 8. Ultimate controlling company

Welcome Break No. 1 Limited, incorporated in England and Wales, is the immediate parent undertaking.

Appia Group Limited, a company registered in Jersey, is the smallest to consolidate these financial statements. Copies of Appia Group Limited's consolidated financial statements can be obtained from Companies House (as an Appendix to Appia Europe Limited).

Appia Group Limited, incorporated in Jersey, is the intermediate parent company and is owned by Petrogas Holdings UK Limited 50.01%, Rome One LP 31.88% and Rome Two LP 18.11%. The registered office of Appia Group Limited is 44 Esplanade, St Helier, Jersey, JE4 9WG.

On 9 March 2021 Causeway Consortium Limited, a wholly owned subsidiary of Causeway Consortium Holdings Limited, acquired 100% of the shares of Applegreen Limited (formerly Applegreen plc). Causeway Consortium Holdings Limited the ultimate controlling party, is the largest group to consolidate these financial statements. The registered office of Causeway Consortium Holdings Limited is 25-28 North Wall Quay, IFSC, Dublin 1, D01H104 Ireland.

### 9. Post balance sheet event

On 14 July 2022 Petrogas Holdings UK Limited acquired shares in Appia Group Limited from Rome One LP. The shareholding in Appia Group Limited following the acquisition comprises Petrogas Holdings UK Limited 53.55%, Rome One LP 28.34% and Rome Two LP 18.11%.