Appia Europe Limited

(Registered number: 6490323)

Annual report and financial statements
For the year ended 31 December 2022

Appia Europe Limited

Annual report and financial statements for the year ended 31 December 2022

Contents

Appia Europe Limited

Strategic Report

The directors present their Strategic report on the Company for the year ended 31 December 2022.

Business review

The Company was incorporated on 31 January 2008 with the purpose of holding the shares in Appia Finance Limited and subsidiary companies. The principal activity of the Company is that of a holding and financing company.

The Company's profit for the financial year is £30.7m (year ended 31 December 2021: £61.5m). 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 2022 is £16.3m (31 December 2021: £5.6m restated).

The restatement is a result of the review of the carrying amounts of the Company's investments which identified that previous impairment losses of £7.0m were recoverable (note 15).

Statement by the directors on the performance of their statutory duties under s172 of the Companies Act 2006

The Board of directors of Appia Europe Limited consider, both individually and collectively, that they have acted in ways that they believe in good faith to be most likely to promote the success of the business for the benefit of its shareholders (having regard to the stakeholders and other matters set out in s172(1) of the Act) in the decisions they made during the year ended 31 December 2022. The Company engages with shareholders on an ad hoc basis on requests for investment and financial matters. The directors assess such matters to be aligned to the strategy and standards of the Group and decisions are made in the best interests of all stakeholders.

As a holding company within the wider Appia Group of companies the directors consider the impact of the Company's activities on its shareholders and its subsidiaries that have an interest in and are affected by the performance of the Company's investments and financial instruments.

The Company has no employees, customers and minimal suppliers, and does not directly engage with the community or directly impact the environment however the directors provide the highest standards of governance to ensure that they comply with the Group's policies and maintain high standards of business conduct.

Strategic Report (continued)

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the main trading group of companies headed by Welcome Break Holdings (1) Limited and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the Group Strategic report of the Welcome Break Holdings (1) Limited Annual Report which do not form part of this report.

Financial key performance indicators

The key performance indicators (KPIs) and financial risk management of the Company are integrated with those of the Welcome Break Holdings (1) Limited and are not assessed separately. An analysis of the KPIs of the Group, which include those of the Company, together with the Group's financial risk exposure, and the management objectives and policies thereon, is presented within the within the Group Strategic review of the Welcome Break Holdings (1) Limited Annual Report which do not form part of this report.

This report was approved by the board on 29 September 2023 and signed on its behalf by:

John Diviney
Director

Appia Europe Limited

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

Principal activities

Appia Europe Limited ('the Company') principal activity is that of a holding company.

Future developments

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

Post balance sheet event

On 1 January 2023, Welcome Break Services Ltd became 100% owned by Welcome Break Holdings Ltd, having formerly been owned 99.9% by Appia Group Ltd and 0.01% by Welcome Break Holdings Ltd. From 1st January Appia Europe Limited's indirect shareholding of Welcome Break Services Limited is 100%.

On 1 January 2023, Welcome Break Services Limited acquired 100% of the shares in Petrogas Group NI Limited and Applegreen Service Areas NI Limited from Appia Group Limited.

Dividends

During the year the Company paid a dividend of £20.0m (year ended 31 December 2021: £30.0m).

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

Directors' report (continued)

Going concern

The position of the Company at the balance sheet date is a net current liability of £178,561,000 (31 December 2021: £184,487,000 restated). This position reflects the debt funding structure in place for the Group. Whilst there is a net liability position the Directors conclude the going concern basis is appropriate for the reasons discussed in the following paragraphs.

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. Welcome Break Group Limited and Welcome Break Holdings (1) Limited are subsidiaries of the Company. In the event of a covenant breach in respect of the loans held by Welcome Break Group Limited, the Company could also be required to settle its liabilities with other entities in the group headed by Appia Group Limited but does not have the financial resources to do so. As such, it is dependent on these liabilities not being recalled. These liabilities could be recalled in the event of a loan covenant breach.

The business benefitted from the return to more normal trading after the disruption caused by the COVID lockdowns which have been a feature of trading since March 2020. A slightly quieter start to the year was noticed, but from Easter onwards there was again significant pent-up demand from the travelling public who were keen to visit family and friends and attend events. As in previous years, the growth in UK travel from staycation holidays delivered excellent results for the business over the peak summer holiday period from June to September. During the peak summer period in 2022 many sites and units broke their weekly trading records evidencing the seasonality of the business and the importance of this period to the overall business performance.

Outside of the peak holiday periods, motorway traffic continues to be below pre pandemic levels due to continued homeworking. This reflects a changing trend in the weekly profile of transactions with marginally lower commuter trade during weekdays and higher leisure trade at weekends. This has driven a slight change in customer mix, with the leisure traveller transaction tending to have a higher spend per transaction. The continuation of the strong trading performance, particularly the ongoing spend benefit was also noticeable during the remainder of the year, particularly during the Christmas and New Year period.

The very high inflationary environment was a cause for concern during the year with both cost of goods and energy prices seeing unprecedented increases. The business was able to partially offset these costs with increases to selling prices but had also to consider how high price inflation may impact customers and consequently a negative effect on transaction volumes. It appears that the right balance has been struck between the recovery of costs and consumer sentiment. During the final quarter of the year, the business experienced a significant rise in electricity costs as the previous deal came to an end. The directors are comfortable with the risk moving forward in terms of volatile energy costs with prices having been agreed with suppliers out to March 2024.

The business delivered a performance that was slightly ahead of what was a challenging 2022 budget and continues to perform well in 2023.

Directors' report (continued)

Going concern (continued)

Management have prepared a forecast covering the next 12 months. Having reviewed these 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 months indicate that the business will operate comfortably within its revised banking covenants and will be able to meet all contractual liabilities as they fall due.

Appia Group Limited has confirmed that any necessary financial support will be provided to allow its subsidiaries to meet their liabilities as they become due for 12 months from date of signing the financial statements.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the financial statements.

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 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.

Energy and Carbon Regulations

As the principal activity of the Company is to act as a holding company for other entities in the Appia Group, the Company has had no commercial business, employees or premises, and as such has consumed less than 40,000kWh of energy during the year and therefore information on SECR is not disclosed.

Business Relationships

The Company's only business relationships are those within the Appia Group.

Directors' report (continued)

Statement of disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

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 regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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; 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 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. They 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report (continued)

This report was approved by the board on 29 September 2023 and signed on its behalf by:

John Diviney
Director

2 Vantage Court,
Tickford Street,
Newport Pagnell,
Buckinghamshire
MK16 9EZ.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPIA EUROPE LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Appia Europe Limited:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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, 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • *Going concern* • *Carrying value of investments in subsidiaries*
Materiality	The materiality that we used in the current year was £5,500,000 which was determined on the basis of 1% total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	*This is a first year audit for Deloitte LLP. We have concluded that the fair value of the Eurobond debt listed on the Channel Islands Stock exchange is no longer a key audit matter as the financial instrument was not renewed in the current period.*

4. Conclusions relating to going concern

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.
Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. • Carrying value of investments in subsidiaries

Key audit matter description	The company has unlisted investments of £382m as at 31 December 2022, valued at cost less provision for impairment, including a reversal of prior year impairment losses (£7m). These investments comprise investments in multiple subsidiaries and are highly material to the company. Following a review by the directors of the carrying amount of the investments in subdiaries, there were £7m of impairment losses from prior periods that were reversed. This resulted in the restatement of the 31 December 2021 investments balance. Judgement is required by the directors as to whether any of the investments should be impaired (or previous impairment losses be reversed) based on the financial

	position and future prospects of the investments. This takes into consideration a range of factors and key assumptions such as the trading performance, the expected revenue growth and discount rates. Further details are included within the strategic report, note 6 and note 15 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls related to the valuation of unlisted investments. We obtained the most recent audited financial information of the related investments to determine whether they supported the carrying value. We assessed key assumptions used when determining the carrying value by benchmarking against industry peers. We also considered the historical accuracy of management's forecasts by comparing the actual results to forecasts. We assessed the accuracy and completeness of the reversal of prior year impairment losses by reviewing historical impairments and confirming the reversal is for the appropriate value. We have ensured the carrying value of the investments and the reversal of prior year impairment losses has been disclosed appropriately in the financial statements.
Key observations	Based on the work performed we concluded that the carrying value of investments in subsidiaries is appropriate and that the reversal of prior year impairment losses has been appropriately disclosed as a prior year adjustment.

5.2. Going concern

Key audit matter description	The company has debt of £535m as at 31 December 2022, as shown in notes 8 and 9, with financing comprising listed debt of £176m (not including accrued interest of £12m) which is repayable on 31 March 2031 and incurs interest of 14% per annum. The company also has amounts due to intercompany creditors of £347m and debtors due from subsidiaries totalling £168m. The company is in a net current liability position of £179m, due to the intercompany creditors owed to Appia Group Limited, its immediate parent entity, but in a net asset position overall. The company has received a letter of support from Appia Group Limited committing to provide support to the company in meeting its liabilities as they fall due, as well as confirming that the intercompany payables will not be recalled should the company not be in a position to repay them. The ability of the company to repay the debt and pay the relevant interest charges is dependent on the trading performance and future prospects of the subsidiaries and whether those subsidiaries will have the ability to repay their loans to the company. In addition, the company is also dependent on support from its parent undertaking. Any deterioration in performance of the subsidiaries or unwillingness of the parent undertaking to support the company would in turn affect the going concern basis of accounting under which the financial statements have been prepared. The directors have prepared cash flow projections for the subsidiaries which involve significant judgements over key assumptions such as future

	performance, revenue growth and discount rates, including compliance with the financial covenants of bank loans held by subsidiary companies. Further details are included within the directors' report on page 2-4, and note 1 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls related to the assessment of going concern. We challenged the key assumptions in management's cash flow projections based on our knowledge of the business and general market conditions affecting the subsidiaries, our understanding of the future performance of the business, industry forecasts and assessed the potential risk of management bias. We performed sensitivity analysis in relation to the key assumptions used to consider the extent of changes that either individually or collectively would result in the subsidiaries being unable to pay their loans from the company. We reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts. We tested the integrity of the cash flow projections using our computer assisted analytics tools, and tested the accuracy and completeness of the underlying data and formulae used. We assessed the group's compliance with the banking covenants and the terms of the borrowing facilities to ensure covenants were correctly calculated in line with the agreements. We also assessed the willingness and ability of Appia Group Limited, the company's immediate parent entity, to continue to support the company. We evaluated the adequacy of disclosure made in the directors' report on pages 2 to 4 and note 1 to the financial statements in respect of the company's ability to continue as a going concern.
Key observations	Based on the work performed we are satisfied that the adoption of the going concern basis of accounting and the disclosure in respect of the company's ability to continue as a going concern are appropriate.

6. OUR APPLICATION OF MATERIALITY

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£5,500,000 (2021: £5,344,000)
Basis for determining materiality	1% of total assets (2021: 1% of total assets)
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality (2021:75% of materiality). In determining performance materiality, we considered the following factors:

a. our risk assessment, including our assessment of the company's overall control environment
b. that this was a first year audit for Deloitte LLP
c. the level of corrected misstatements including those corrected in prior periods.

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £275,000 (2021:£267,000) , as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

9. RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

10. AUDITOR'S 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 auditor's 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.

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. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPIA EUROPE LIMITED (CONTINUED)

11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, and the parent company's audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPIA EUROPE LIMITED (CONTINUED)

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of the directors and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance,
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPIA EUROPE LIMITED (CONTINUED)

13. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. USE OF OUR REPORT

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.

Joanna Waring

Joanna Waring FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
29 September 2023

Appia Europe Limited

Statement of comprehensive income for the year ended 31 December 2022

	Note	**Year Ended 31 December 2022 £'000**	Year Ended 31 December 2021 £'000
Administrative expenses		**(6)**	(14)
OPERATING LOSS	3	**(6)**	(14)
Income from shares in group undertakings	12	**70,000**	100,000
Interest payable and similar expenses	4	**(50,448)**	(44,461)
PROFIT BEFORE TAXATION		**19,546**	55,525
Tax on profit	5	**11,147**	5,943
PROFIT FOR THE FINANCIAL YEAR		**30,693**	61,468
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**30,693**	61,468

Appia Europe Limited

Balance sheet as at 31 December 2022

	Note	**31 December 2022**	31 December 2021 restated (note 15)
		£'000	£'000
FIXED ASSETS			
Investments	6	**382,494**	**382,494**
CURRENT ASSETS			
DEBTORS	7	**168,378**	**142,020**
CREDITORS: amounts falling due within one year	8	**(346,939)**	**(328,507)**
NET CURRENT LIABILITIES		**(178,561)**	**(186,487)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**203,933**	**196,007**
CREDITORS: amounts falling due after more than one year	9	**(187,642)**	**(190,409)**
NET ASSETS		**16,291**	**5,598**
CAPITAL AND RESERVES			
Called up share capital	11	**7**	**7**
Profit and loss account	12	**16,284**	**5,591**
TOTAL SHAREHOLDERS' FUNDS		**16,291**	**5,598**

The financial statements on pages 17 to 30 were approved and authorised for issue by the board on 29 September 2023 and were signed on its behalf by:

John Diviney
Director

Registered number: 6490323

The notes on pages 20 to 30 form part of these financial statements.

Appia Europe Limited

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' deficit £'000
At 1 January 2022 restated (note 15)	**7**	**5,591**	**5,598**
Comprehensive income for the financial year			
Profit for the financial year	-	30,693	30,693
Total comprehensive income for the financial year	**-**	**30,693**	**30,693**
Dividend paid	-	(20,000)	(20,000)
Total transactions with owners, recognised directly in equity	**-**	**(20,000)**	**(20,000)**
At 31 December 2022	**7**	**16,284**	**16,291**

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

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds/deficit £'000
At 1 January 2021 (as previously stated)	**7**	**(32,865)**	**(32,858)**
Restatement	-	6,988	6,988
At 1 January 2021 restated (note 15)	7	(25,877)	(25,870)
Comprehensive expense for the financial year			
Profit for the financial year	-	61,468	61,468
Total comprehensive expense for the financial year	**-**	**61,468**	**61,468**
Dividend paid	-	(30,000)	(30,000)
Total transactions with owners, recognised directly in equity	**-**	**(30,000)**	**(30,000)**
At 31 December 2021 restated (note 15)	**7**	**5,591**	**5,598**

The notes on pages 20 to 30 form part of these financial statements.

Appia Europe Limited

Notes to the financial statements for the year ended 31 December 2022

1. Principal accounting policies

(a) General information

Appia Europe Limited's ('the Company') principal activity is that of a holding and financing 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.

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) 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. Welcome Break Group Limited and Welcome Break Holdings (1) Limited are subsidiaries of the Company. In the event of a covenant breach in respect of the loans held by Welcome Break Group Limited, the Company could also be required to settle its liabilities with other entities in the group headed by Appia Group Limited but does not have the financial resources to do so. As such, it is dependent on these liabilities not being recalled. These liabilities could be recalled in the event of a loan covenant breach.

The business benefitted from the return to more normal trading after the disruption caused by the COVID lockdowns which have been a feature of trading since March 2020. A slightly quieter start to the year was noticed, but from Easter onwards there was again significant pent-up demand from the travelling public who were keen to visit family and friends and attend events. As in previous years, the growth in UK travel from staycation holidays delivered excellent results for the business over the peak summer holiday period from June to September. During the peak summer period in 2022 many sites and units broke their weekly trading records evidencing the seasonality of the business and the importance of this period to the overall business performance.

Outside of the peak holiday periods, motorway traffic continues to be below pre pandemic levels due to continued homeworking. This reflects a changing trend in the weekly profile of transactions with marginally lower commuter trade during weekdays and higher leisure trade at weekends. This has driven a slight change in customer mix, with the leisure traveller transaction tending to have a higher spend per transaction. The continuation of the strong trading performance, particularly the ongoing spend benefit was also noticeable during the remainder of the year, particularly during the Christmas and New Year period.

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

(c) Going concern (continued)

The very high inflationary environment was a cause for concern during the year with both cost of goods and energy prices seeing unprecedented increases. The business was able to partially offset these costs with increases to selling prices but had also to consider how high price inflation may impact customers and consequently a negative effect on transaction volumes. It appears that the right balance has been struck between the recovery of costs and consumer sentiment. During the final quarter of the year, the business experienced a significant rise in electricity costs as the previous deal came to an end. The directors are comfortable with the risk moving forward in terms of volatile energy costs with prices having been agreed with suppliers out to March 2024.

The business delivered a performance that was slightly ahead of what was a challenging 2022 budget and continues to perform well in 2023.

Management have prepared forecast scenarios covering the next 12 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 months indicate that the business will operate comfortably within its revised 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 has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the financial statements.

The position of the Company as at the balance sheet date is a net current liability of £178,561,000 (31 December 2021: £184,487,000 restated). This position reflects the debt funding structure in place for the Group. The wider group is able to support the Company in meeting all liabilities as they fall due and continuing its business operations for at least 12 months after these financial statements are signed. The Company has received a letter of support from Appia Group Limited. Group undertakings have confirmed that they will not demand repayment of intercompany balances within the next 12 months.

(d) 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].

1. Principal accounting policies (continued)

(d) Exemptions for qualifying entities under FRS102 (continued)

This information is included in the financial statements of Appia Group Limited for year ended 31 December 2022 which will be publicly available once approved and authorised for issue by the Board .

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.

(e) 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.

(f) Consolidated financial statements

These financial statements contain information about Appia Europe 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 its ultimate parent, Appia Group Limited, a company incorporated in Jersey.

(g) One off items

The Company identifies one-off charges or credits that have a material impact on the Company's financial results and discloses these separately to provide further understanding of the financial performance of the Company.

(h) Interest

Interest income is recognised in the statement of comprehensive income in the financial year in which it is received.

Interest costs are accounted for on an accruals basis, using the effective interest method, in the statement of comprehensive income in the financial year in which they are incurred.

Interest payable on loan notes is accounted for on an accruals basis, using the effective interest method, in the statement of comprehensive income and is added to the carrying amount of the Eurobonds once additional loan notes have been issued, under the terms of the loans, (31 July and 31 January annually) or otherwise unsettled interest is recorded within accruals.

1. Principal accounting policies (continued)

(i) 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.

(j) Fixed asset investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment. At the end of each financial year fixed assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash -generating unit) may be impaired. If there is such an indication that an asset (or asset's cash-generating unit) may not be recoverable, an impairment test is carried out.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows expected to be derived from continuing use of the asset (or cash-generating unit).

(k) 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.

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 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.

1. Principal accounting policies (continued)

(k) Financial instruments (continued)

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.

(l) 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.

(m) 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Directors believe that the most critical judgement in applying accounting policies is determining the discount rate applied to the net present value calculation for the Eurobond. Key sources of estimation uncertainty also arise from the future availability of cash in the group to make repayments and shareholder expectations concerning timing of repayments.

Sensitivities were performed over the assumptions with the impacts as shown below:

Assumption	Impact on Net Present Value £’000
Increase discount rate by 1% to 10.16%	(4,401)
Decrease discount rate by 1% to 8.16%	4,536

The fair value of the Eurobond is estimated to be at a similar value to the book value.

3. Operating loss

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 current financial year is £393,000 (year ended 31 December 2021: £366,000). The fee allocated to Appia Europe Limited is £5,000 (year ended 31 December 2021: £5,000). No amounts were paid by the Company in respect of non-audit services (year ended 31 December 2021: £nil).

Notes to the financial statements for the year ended 31 December 2022 (continued)

3. Operating loss (continued)

In the year to 31 December 2022 one current director (year ended 31 December 2021: 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 to 31 December 2022 (year ended 31 December 2021: none).

4. Interest payable and similar expenses

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Interest payable and similar expenses:		
Eurobonds	**(27,233)**	(24,098)
Interest payable to other group undertakings	**(23,215)**	(20,363)
Total interest payable and similar expenses	**(50,448)**	(44,461)

5. Tax on profit

The tax on the profit is made up as follows:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Current tax credit:		
Group relief receivable	**(6,701)**	(5,451)
Adjustments in respect of prior periods	**(4,446)**	(492)
Total current tax	**(11,147)**	(5,943)

Notes to the financial statements for the year ended 31 December 2022 (continued)

5. Tax on profit (continued)

The tax assessed for the current year varies (year ended 31 December 2021: varies) from the standard rate of corporation tax in the UK of 19% (year ended 31 December 2021: 19%). The differences are explained below:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Profit before taxation	**19,546**	55,525
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (year ended 31 December 2021: 19%)	**3,714**	10,550
Effects of:		
Income not subject to tax	**(13,300)**	(19,000)
Expenses not deductible for tax	**2,934**	3,121
Tax adjustments for transfer pricing	**(49)**	(122)
Adjustments in respect of prior periods	**(4,446)**	(492)
Total current tax credit	**(11,147)**	(5,943)

In the Spring Budget 2022 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 11 March 2021.

The deferred tax disclosures in the financial statements include balances measured at 25%, as these were the tax rates in force at the balance sheet date.

6. Investments

	£'000
At 1 January 2022 (restated) and 31 December 2022	**382,494**

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

	% of shares held
Direct subsidiary undertakings	
Welcome Break Holdings Limited (holding company) – holding company	100
Colne Valley Motorway Service Area Limited – dormant company	100
Indirect subsidiary undertakings	
Welcome Break No. 2 Limited – holding company	100
Welcome Break No. 1 Limited – holding company	100
Welcome Break Holdings (2) Limited – holding company	100
Welcome Break Finance (2) Limited – dormant company	100
Welcome Break Finance (3) Limited – dormant company	100
Welcome Break Services Limited – motorway service area and petrol filling	0.0002
station operator	100
Welcome Break Holdings (1) Limited – holding company	100
Welcome Break Group Limited – motorway service area operator	100
Welcome Break Limited – motorway service are operator	92
Motorway Services Limited – motorway service area operator	100
Welcome Break KFC Limited – dormant company	100
Welcome Break Coffee Primo Limited – dormant company	100

6. Investments (continued)

	% of shares held
Indirect subsidiary undertakings (continued)	
Welcome Break KFC Starbucks Limited – dormant company	100
Welcome Break Birchanger Limited – dormant company	100
Welcome Break Waitrose Limited – dormant company	100
Welcome Break McDonald's Limited – dormant company	100
Coffee Primo Burger King Limited – dormant company	100
Welcome Break Waitrose KFC Limited – dormant company	100
Welcome Break Starbucks Waitrose KFC Limited – dormant company	100
Welcome Break Starbucks Burger King Limited – dormant company	100
Welcome Break Starbucks McDonald's Limited – dormant company	100
Welcome Break Starbucks Waitrose Burger King Limited – dormant company	100
Starbucks Coffee Burger King Limited – dormant company	100
Starbucks Coffee KFC Limited – dormant company	100
Starbucks Coffee McDonald's Limited – dormant company	100
Starbucks Coffee Waitrose Limited – dormant company	100
Starbucks Coffee Waitrose KFC Limited – dormant company	100
Starbucks Coffee McDonald's Waitrose Limited – dormant company	100
Welcome Break Burger King Limited – dormant comany	100
Alliance (GW) Limited – owner of real estate	100
PGUK TRSAl Limited – petrol filling station operator	100
Partnership	
Welcome Break Gretna Green Partnership – motorway service area operator	100

An annual impairment review of the carrying value of investments has been carried out which indicates the investment of £382.5m in the financial statements is supported by a value in use calculation.

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

7. Debtors

	31 December 2022	31 December 2021 restated (note 15)
	£'000	£'000
Amounts due from subsidiary undertakings	**168,378**	142,020

The amounts owed by subsidiary undertakings are unsecured, interest free and are repayable on demand.

8. Creditors: amounts falling due within one year

	31 December 2022 £'000	31 December 2021 restated (note 15) £'000
Amounts owed to subsidiary undertakings	**12,361**	**12,361**
Amounts owed to parent undertakings	**334,575**	**316,146**
Accruals	**3**	**-**
	346,939	**328,507**

The loans, together with any accrued interest, from other group undertakings may be repaid by the Borrower in whole or part at any time and shall be repaid by the Borrower on demand by the Lender at any time and are unsecured. The rate of interest, on the loan from its immediate parent of £189,037,000 (2021: £165,819,000), is 14% (2021: 14%). All other loans are interest free.

9. Creditors: amounts falling due after more than one year

	31 December 2022 £'000	31 December 2021 £'000
Eurobonds and accrued interest	**187,642**	190,409

Eurobonds (unsecured 14% fixed rate notes) comprise an aggregate principal amount of £80,980,935 issued on 28 March 2008 and further loan notes issued bi-annually from 31 July 2008 to 31 July 2022 inclusive under the terms of the loan. On 16 March 2022 the Company entered into a Deed of Amendment to extend the maturity date of the Eurobond Instrument from 31 March 2022 to 31 March 2031. The loan notes are held by related parties. On 19 December 2023 the terms of the Eurobond were amended resulting in a reduction of the interest rate from 14% to 8.5% from 1 February 2023.

The balance outstanding at 1 January 2022 was £179,854,000. The total interest charged in the year is £27,233,000. Additional loan notes of £12,693,000 and £13,368,000 have been issued on 31 January 2022, and 31 July 2022 respectively. Loan notes of £30,000,000 were repaid in the year. The closing loan balance at 31 December 2022 is £175,915,000 (excluding accrued interest).

10. Loans

Analysis of the maturity of loans is given below:

	31 December 2022 £'000	31 December 2021 £'000
After five years	**175,915**	179,854
	175,915	179,854

11. Called up share capital

Allotted and fully paid	**31 December 2022 £'000**	31 December 2021 £'000
6,987,000 (31 December 2021: 6,987,000) ordinary shares of £0.001 each (31 December 2021: £0.001 each)	**7**	7

12. Reserves

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 dividends of £70,000,000 from a subsidiary company (year ended 31 December 2021: £100,000,000) and paid a dividend to its parent company of £20,000,000 (year ended 31 December 2021: £30,000,000). The dividend per share paid is £2.86 (year ended 31 December 2021: £4.29).

13. Related party disclosures

During the year ended 31 December 2022 the company did not transact with Motorway Services Limited (year ended 31 December 2021: none transact), a company which it indirectly holds 92% of the voting shares. The balance at 31 December 2022 due from Motorway Services Limited is £6,701,000 (31 December 2021: £6,701,000).

14. Ultimate controlling company

The immediate parent undertaking and controlling party is Appia Group Limited, incorporated in Jersey, which is the parent undertaking of the smallest group to consolidate these financial statements. Copies of Appia Group Limited's consolidated financial statements are available from Companies House as an appendix to these financial statements.

Appia Group Limited, incorporated in Jersey, is the intermediate parent company and is owned by Petrogas Holdings UK Limited 53.55%, Rome One LP 28.34% and Rome Two LP 18.11%. The registered office of Appia Group Limited is 44 Esplanade, St Helier, Jersey JE4 9WG.

Causeway Consortium Holdings Limited, incorporated in Ireland, is the ultimate controlling party and 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.

15. Prior year adjustments

The carrying amounts of the Company's investments in subsidiary undertakings have been reviewed to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. As a result of this review, it has been identified that previous impairment losses of £6,988,000 were recoverable.

15. Prior year adjustments (continued)

This has been written back to opening reserves in 2021 as retrospective analysis indicates this should have been recognised in prior year financial statements, and therefore the comparative balances of investment in subsidiary undertakings and retained earnings have been restated in this year's financial statements.

This adjustment has no impact on the 2021 profit and loss account.

The Company has historically presented intercompany debtors/creditors as a net figure, meaning the net amount presented represented amounts relating to more than one entity in the group. Amounts presented therefore did not align with the legal right to offset balances by entity. Therefore, the Company has reclassified amounts to represent debtor/creditor positions on an entity-by-entity basis.

Balance sheet restatements	31 December 2021	Amounts due/from group	Impairment review	**31 December 2021 restated**
	£'000	£'000	£'000	**£'000**
FIXED ASSETS				
Investments	375,506	-	6,988	**382,494**
CURRENT ASSETS				
DEBTORS	158,942	(16,922)	-	**142,020**
CREDITORS: amounts falling due within one year	(345,429)	16,922	-	**(328,507)**
NET CURRENT LIABILITIES	(186,487)	-	-	**(186,487)**
TOTAL ASSETS LESS CURRENT LIABILITIES	189,019	-	6,988	**196,007**
CREDITORS: amounts falling due after more than one year	(190,409)	-	-	**(190,409)**
NET LIABILITIES	(1,390)	-	6,988	**5,598**
CAPITAL AND RESERVES				
Called up share capital	7	-	-	**7**
Profit and loss account	(1,397)	-	6,988	**5,591**
TOTAL SHAREHOLDERS' DEFICIT	(1,390)	-	6,988	**5,598**

16. Post balance sheet event

On 1 January 2023, Welcome Break Services Ltd became 100% owned by Welcome Break Holdings Ltd, having formerly been owned 99.9% by Appia Group Ltd and 0.01% by Welcome Break Holdings Ltd. From 1st January Appia Europe Limited's indirect shareholding of Welcome Break Services Limited is 100%.

On 1 January 2023, Welcome Break Services Limited acquired 100% of the shares in Petrogas Group NI Limited and Applegreen Service Areas NI Limited from Appia Group Limited.