RNS Number : 1962R
Roadside Real Estate PLC
24 December 2024

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR.

Roadside Real Estate plc

("Roadside", the "Group" or the "Company")

Final results for the year ended 30 September 2024

Roadside, (AIM: ROAD) announces its audited results for the year to 30 September 2024, following a year in which it has delivered upon its strategy of focusing upon roadside retail through the establishment of a joint venture ("JV") with Meadow Partners LLP, ("Meadow").

Financial highlights

	2024 *12 months*	**2023** *15 months*	**Change**
Revenue from continuing operations* (£m)	0.4	0.1	+0.3
Operating loss from continuing operations* (£m)	-1.9	-5.3	+3.4
Profit/(loss) for the period from discontinued operations** (£m)	49.4	-2.4	+51.8
Profit/(loss) after tax (£m)	43.2	-10.2	+53.4
Net increase in cash (£m)	0.7	0.0	+0.7
Basic earnings per share (pence)	30.26	-7.00	+37.26
Net assets/(liabilities) per share (pence)	22.87	-12.44	+35.31

* Continuing operations is real estate. Roadside sold Workshop Coffee and wound down Centurian Automotive in the prior year and disposed of Barkby Pubs in the period. The Board continues to assess the best way to maximise the value of the Group's remaining stake in CSS. Therefore, all of these businesses have been presented as discontinued operations.

** The profit from discontinued operations includes a £41.0 million fair value gain in relation to the deconsolidation and retained investment in CSS, this is a non cash, accounting and exceptional profit.

Charles Dickson, Executive Chairman of Roadside, said:

"I am delighted with the significant progress we have made in realigning our business to focus on creating, managing and growing an exciting £250 million portfolio of roadside real estate assets in desirable locations catering for local communities and businesses.

"Over the last 13 months the JV has committed £86 million into real estate assets including the acquisition of 12 Lidl stores under a sale and leaseback agreement with Lidl. We are on target to deploy £250 million by May 2026 and have a large pipeline of potential further acquisitions as we move into 2025.

"Our wholly owned commercial sites in Wellingborough and Maldon are fully let and generating rental income and cash flow.

"During the period we sold 20% of Cambridge Sleep Sciences ("CSS") to CGV Ventures 1 Ltd ("CGV") for £16 million, of which £8.5 million of proceeds were received post year end, demonstrating the value of CSS and creating significant liquidity for the Group. The remaining investment in CSS has been revalued resulting in a fair value gain of £41.0 million for shareholders.

"This resulted in an exceptional, non cash accounting profit after tax of £43.2 million in the year and a Net Asset position of £32.9 million.

"We also restructured our debt with the issue of a new £9 million Loan Note and repayment of external and related party borrowings during the year resulting in a reduction in borrowings of £1.0 million, leaving the Group with available liquidity of £8.1 million.

"We look forward to updating our shareholders as we continue to make further progress."

Operational highlights

Real Estate

- The Group is focussing on building and acquiring a high-quality, substantial portfolio of modern roadside real estate investments.
- Wellingborough was valued at £3.9 million at the financial year end and has a total contracted rent of £237,000 per annum from tenants including Greggs plc, Formula One Autocentres Ltd., City Plumbing Supplies Holdings Ltd. and C. Brewers & Sons Ltd.
- Maldon was valued at £4.9 million at the financial year end and has a total contracted rent of £280,000 per annum with contracted tenants being Costa Coffee Ltd., Formula One Autocentres Ltd, Toolstation Ltd. and City Electrical Factors Ltd.
- During the year, the Company acquired three sites via its joint venture with Meadow in Stoke, Gosport and Coventry. Roadside contributed 3% of the acquisition cost for each site in line with the joint venture agreement and will earn ongoing asset management fees as well as its share of rental income.
- Post year end, the joint venture agreed to acquire 12 stores from Lidl Great Britain Ltd. for total consideration of £70 million and Brampton Hut services in Cambridgeshire for £4.8 million.

Discontinued operations

As previously announced in July 2022, the Board committed to dispose of the Group's non-real estate businesses and investments and has made the following progress in the period under review:

- Roadside sold 20% of CSS's total share capital in two tranches during the year for a total consideration of £16.0 million, with £7.5 million received during the year and £8.5 million received post year end. The proceeds of the stake sale were used to fund operational costs, repay related party and third party borrowings, leaving the company with £0.6 million of cash as at 23 December 2024 and £7.5 million available from its related party financing facilities. The Company's remaining stake is expected to be sold when conditions enable maximum shareholder value to be achieved. As a result, Roadside maintains an investment in CSS but no longer controls the company. Therefore, the results of CSS are no longer consolidated within the Group accounts but are treated as an associate investment held for sale for accounting purposes. This presentation resulted in a fair value gain of £41.0 million recognised in the year within discontinued operations.

  CSS launched its smart pillow in October 2024 at Highpoint, Carolina, USA. The first production run of 2,000 units was shipped in December 2024 from China and the order book for its smart pillows is growing at pace. The company is confident of meeting orders to sell 25,000 units by March 2025 thus triggering an additional payment of £1.5 million from CGV Ventures as per the Share Purchase Agreement of the second stake sale. CSS continues to grow its licensing opportunities and expects to start shipping the smart mattress in the second half of 2026.

- Roadside's pub business was disposed of during the year and all other investments, save for CSS, have been disposed of or wound down in order to focus on real estate.

The results of Centurian Automotive, Barkby Pubs and Cambridge Sleep Sciences are presented as discontinued operations in the results for the year to 30 September 2024. The prior year comparative also includes the result of Workshop Coffee within discontinued operations, which was sold in that year.

Cash and liquidity

- The Group had £0.1 million of cash as at the year end.
- The Group improved its liquidity following the issue of a loan note in April 2024 and by refinancing and extending its debt facilities alongside the proceeds from the CSS stake sale.
- Following the receipt of cash from the CSS stake sale, the Group repaid a portion of its related party borrowings in accordance with the terms of the agreement signed on 24 April 2024 and therefore as at 23 December 2024 the Company has £0.6 million of cash and £7.5 million available from its financing facilities, which can be drawn until March 2026.

In accordance with AIM Rule 20 and 26, the annual report is available to view on the Company's website: https://www.roadsideplc.com/investors

Enquiries:

Roadside Real Estate PLC
Charles Dickson, Executive Chairman
c/o Montfort

Montfort

Olly Scott	+44 (0)78 1234 5205
Isabella Leathley	+44 (0)74 7168 7266

Cavendish Capital Markets Limited (Nomad and Joint Corporate Broker)	+44 (0)20 7220 0500

Carl Holmes / Seamus Fricker / Fergus Sullivan (Corporate Finance)
Tim Redfern (ECM)

Stifel Nicolaus Europe Limited (Financial Adviser and Joint Corporate Broker)	+44 (0)20 7710 7600
Mark Young	
Jonathan Wilkes-Green	
Catriona Neville	

Chairman's statement

The Group has made significant progress on its strategic intention to focus on real estate and dispose of the Group's non-core investments. To reflect the significant progress towards this strategy, Barkby Group plc changed its name to Roadside Real Estate plc in January 2024.

Strategic focus
As previously outlined, the Group endured a challenging start following its listing on AIM, in January 2020, due to the impact of Covid on the Group's businesses. We have emerged from these early years with a renewed focus on our real estate business and the opportunity this has created.

In line with our strategy, we have retained our real estate developments located at Wellingborough and Maldon.

We are also pleased to be working with our joint venture partner, Meadow, to develop our roadside real estate portfolio by acquiring high-quality sites where we can meet the requirements and demands of both local communities and businesses by offering a mix of Drive Thru, Foodvenience, Local Logistics and Trade Counter Businesses, alongside EV charging facilities.

With access to the capital required, the JV is delivering on its strategy of institutionalising a new asset class within the real estate sector. Its first acquisition was completed in October 2023 at Stoke. This asset has scope for several accretive investment opportunities, not least the installation of much-needed EV charging infrastructure. Two further sites were subsequently acquired at Gosport and Coventry.

Outlook
As at today, the JV has committed to acquire £86 million of Roadside assets and has a prospective investment and development pipeline in excess of £150 million, which we are confident will attract high-quality nationwide tenants, underpinning reliable, long-term income streams.

In October 2024, the JV entered an agreement with Lidl to acquire 12 stores for a consideration of £70 million. This was a significant transaction for both Lidl and the JV, deploying a substantial portion of our joint venture's targeted investment capital into high-quality assets with a nationally recognised tenant under strong covenants.

The deal was an excellent example of the JVs strategy in action, rapidly providing targeted capital to enable tenant expansion whilst securing asset management fees and creating additional opportunities for income initiatives.

Roadside will continue to offer exciting potential for investors and we believe the JV has the opportunity to create a portfolio worth £250 million over the next 18 months. We are also identifying more opportunities in the Roadside space, particularly around energy transition, convenience retail and evolving consumer demands. Roadside will continue to explore ways to harness these growth trends to scale our business and create value for our shareholders.

I would like to recognise our most important attribute, our people, who have demonstrated solidarity and commitment across the Group. Despite substantial changes within the business and the impact of events outside our control, I have been hugely impressed and proud of the attitudes shown across all of our teams. We now look forward to continuing to deliver our strategy and further unlocking its potential for success.

Business and financial review

Roadside real estate

Our Commercial Property Development business specialises in acquiring and managing Roadside real estate assets across the United Kingdom. Our real estate strategy now focuses on retaining completed developments and acquiring new assets in line with our strategic joint venture with Meadow.

Recent acquisition and development deals have been impacted by macro-economic conditions, including inflation and higher interest rates. We recognised a decrease of £355,000 in the value of our investment properties during the year. The decrease in value is based on third party valuations conducted in accordance with RICS valuation standards.

Wellingborough
The development is located on Dennington Road and has excellent links to local communities in Northampton and Kettering, main arterial A-roads and the M1. The Wellingborough site was purchased in January 2021 for £540,000 subject to planning and was 90% pre-let prior to construction works commencing to reposition the site in line with the Group's investment criteria.

The site's total rentable space of 14,100 sq.ft. is occupied by Greggs (as a Drive Thru), Formula One Autocentres, City Plumbing Supplies and a branch of Brewers Decorator Centre, producing a total rental income of £232,300 per annum. These tenants meet our demanding occupier criteria by virtue of their strong structural underpinnings, brands and covenants. The site benefits from a WAULT of over 12 years, with index-linked rental agreements. Following completion, the site has an EPC rating of A and its sustainability credentials will shortly be further enhanced by the completion of four Ultra-fast EV charging bays, creating a new income stream for the site and delivering new customer footfall for tenants.

Maldon
The Maldon development is situated just off the A414 Wycke Hill in a prime location next to Wycke Hill business

park and near the town of Maldon, where 1,500 new dwellings are currently under development. It was purchased in October 2021 for £2.2 million. The Maldon site's total rentable space of 14,200 sq ft will be occupied by a Costa Coffee (as a Drive Thru), Formula One Autocentres, Toolstation, City Electrical Factors and Be-EV producing a total rental income of £286,000 per annum, 78% of which is index-linked with caps and collars. These tenants meet the Group's demanding occupier criteria by virtue of their strong structural underpinnings, brands and covenants. Following completion, the site has an EPC rating of 'A' and has been further enhanced with the addition and completion of four Ultra-fast EV charging bays.

Swindon and Spalding
It is still our intention to transfer Swindon and Spalding into the JV at cost, we expect these transactions to take place during the current financial year. Swindon has full planning permission, and we expect to begin construction over the summer. The Spalding planning application will be submitted in Q1 of 2025.

Joint venture with Meadow Partners LLP
The Group explored a variety of options to fund its strategy amidst a challenging capital markets environment. The Board concluded that the JV offered the best structure to support the successful implementation of its strategy, maximising the creation of sustainable shareholder value. The formation of the JV creates a well-capitalised vehicle capable of rapidly deploying investment in target assets.

The JV focuses on acquiring sites where it can offer consumers a mix of Drive Thru, Foodvenience, Local Logistics and Trade Counter businesses alongside opportunities to increase EV charging facilities. It intends to create a modern roadside portfolio worth over £250 million through acquisition, asset management and development, including opportunities across the portfolio for electric vehicle charging infrastructure.

Meadow is a real estate private equity manager based in New York and London with US 6.2 billion gross AUM. It specialises in middle-market real estate transactions across all sub-sectors and risk profiles. Its partners have been responsible for the acquisition and ongoing asset management of over US 30 billion of real estate assets located in the United States, Europe and Asia.

Meadow will initially own and fund 97% of the JV while Roadside will own and fund 3%.

Three new schemes were acquired via the JV during the year and an agreement to acquire 12 Lidl stores for £70 million was entered into shortly after the year end, followed by Brampton Hut services in Cambridgeshire for £4.8 million. We are now looking to continue to scale our focused Roadside commercial property business in line with the funding available from our JV.

Investments / discontinued operations

Roadside sold 20% of CSS's total share capital in two tranches during the year for a total consideration of £16.0 million to CGV Ventures 1 Ltd ("CGV"). An unconditional agreement to sell the first tranche entered on 20 March 2024, with funds received the following month. An unconditional agreement to sell the second tranche was entered on 30 September 2024, with funds received in full post period end. Roadside's remaining stake is expected to be sold when conditions enable maximum shareholder value to be achieved. As a result, Roadside maintains an investment in CSS but no longer controls the company. Therefore, the results of CSS are no longer consolidated within the Group accounts but are treated as an associate investment held for sale for accounting purposes. This presentation resulted in a fair value gain of £41.0 million recognised in the year within discontinued operations.

Roadside's pub business was disposed of during the year and all other investments have been disposed of or wound down in order to focus on real estate.

As a result of this, the financial result of CSS and Barkby Pubs have been presented as discontinued operations, which generated a profit of £49.4 million during the year.

Funding, borrowings liquidity and going concern

Loan Note
The Group issued a loan note on 27 March 2024 to the value of £9 million. The loan note carries a rolled-up interest rate of 14% and is repayable on 31 March 2026.

As an incentive to subscribe for the loan notes, the Company agreed to pay initial subscribers for the April 2024 Loan Notes a bonus in cash equal to 25% of the principal amount of the April 2024 Loan Notes subscribed by them on the occurrence of any of the following events within 10 years: (i) the disposal by the Company of its shares in CSS for an aggregate consideration of £15.0 million or more; (ii) the distribution of the Company's CSS shares to the Company's shareholders paid up out of the distributable profits or capital reserves of the Company; (iii) the disposal by CSS of all or substantially all of its undertakings and assets or the winding-up of the Company, which in either case results in the distribution of capital and/or distributable profits by CSS to the Company of at least £15.0 million; or (iv) the flotation of CSS on a recognised stock exchange.

On 30 September, prior to crystallization of the above events, the Company entered into an agreement with some of the Loan Note holders to exchange the CSS Bonus payable by Company under the April 2024 Loan Note agreement for ordinary shares in CSS. The rationale for this was to settle a potential future cash liability, that otherwise would have remained on the Roadside balance sheet for up to 10 years.

£8.6 million of the previous Tarncourt facility, including accrued interest, was rolled into the loan via repayment and redraw.

Tarncourt facility
Following the repayment of the Tarncourt facility, a revised facility was put in place on 24 April 2024. The new facility is for £7.5 million, which was fully drawn as at the year end. The new facility was repaid post year end, therefore £7.5 million of funding was available as at December 2024. The new facility is available until March 2026.

HSBC overdraft

The Group repaid its £1.2 million overdraft with HSBC as part of the Company's refinancing which was announced on 23 April 2024. There are no borrowings or overdraft in place with HSBC at the year end or post year-end.

Other third-party finance
Roadside has a third-party loan facility with Together, a specialist property finance lender, which is secured on its commercial developments. The balance of the facility was £8.0 million as at year end.

Cash and available funding
Overall, the Group had £0.1 million of cash as at the year end. Following the receipt of cash from the CSS stake sale, the Group repaid a portion of its related party borrowings in accordance with the terms of the agreement signed on 24 April 2024 and therefore as at 23 December 2024 the Company has £0.6 million of cash and £7.5 million available from its financing facilities.

Group statement of profit or loss and other comprehensive income
Year ended 30 September 2024

	Year ended 30 Sep 24 £'000s	Period ended 30 Sep 2023 £'000s
Continuing operations		
Revenue	431	60
Gross profit	431	60
Other operating income	68	78
Administrative expenses	-1,995	-2,856
Movement in fair value of investment property	-355	-2,610
Loss from continuing operations	-1,851	-5,328
Finance expense	-4,333	-2,487
Loss from continuing operations before tax	-6,184	-7,815
Income tax	-	-
Loss for the year from continuing operations	-6,184	-7,815
Discontinued operations		
Profit/(loss) for the year from discontinued operations	49,357	-2,368
Profit/(loss) and total comprehensive income for the period	43,173	-10,183
Profit for the year is attributable to:		
Owners of Roadside Real Estate Plc	43,389	-2,368
Non-controlling interest	-216	-142
	43,173	-10,183
	Pence	**Pence**
Loss per share for profit attributable to the owners of Roadside Real Estate Plc		
Basic and diluted loss per share from continuing operations	-4.31	-5.45
Basic and diluted profit/(loss) per share from discontinued operations	34.57	-1.55
	30.26	-7.00

Group consolidated statement of financial position
As at 30 September 2024

	As at 30 Sep 24 £'000s	As at 30 Sep 23 £'000s
Assets		
Non-current assets		
Property, plant and equipment	25	30
Right-of-use asset	100	-
Investment in associates	-	-
Investment property	8,827	8,700
Total non-current assets	8,952	8,730
Current assets		
Inventory	181	385
Trade and other receivables	913	750

Other current financial asset	8,919	-
Cash and cash equivalents	103	2,045
Assets of disposal groups held for sale	40,970	5,000
Total current assets	51,086	8,180
Total assets	60,038	16,910
Liabilities		
Current liabilities		
Trade payables	-596	-1,269
Borrowings	-8,395	-17,359
Other current liabilities	-1,599	-1,111
Lease liabilities	-13	-
Liabilities of disposal groups held for sale	-	-6,440
Total current liabilities	-10,603	-26,179
Non-current liabilities		
Borrowings	-16,495	-8,597
Lease liabilities	-88	-
Total non-current liabilities	-16,583	-8,597
Total liabilities	-27,186	-34,776
Net assets/(liabilities)	32,852	-17,866
Equity		
Share capital	1,237	1,237
Share premium	5,443	5,443
Merger reserve	-422	-422
Retained earnings/(losses)	26,594	-23,446
Equity attributable to the owners	32,852	-17,188
Non-controlling interest	-	-678
Total equity	32,852	-17,866

Group statement of cash flows
For the year ended 30 September 2024

	Year ended 30 Sep 24 £'000s	**Period ended 30 Sep 23 £'000s**
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	-6,184	-7,815
Loss before taxation from discontinued operations	49,357	-2,434
Profit/(loss) before tax	43,173	-10,249
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment and right-of-use assets	18	1,081
Amortisation of intangible assets	-	198
Loss on disposal of property, plant and equipment	-	199
Gain on disposal of subsidiary	-52,102	-
Fair value movement in investment property	355	2,610
Finance expense	4,333	3,257
Working capital changes		
(Increase)/decrease in trade and other receivables	-1,092	386
(Increase)/decrease in inventories	-45	4,614
Increase/(decrease) in trade and other payables	1,021	-5,503
	-4,339	-503
Interest paid	-256	-1,533
Income tax received	-	66
Net cash used in operating activities	-4,595	-4,874
Cash flows from investing activities		
Investment in financial assets	-419	-
Disposal of shares in subsidiary	7,494	-
Purchase of investment property	-482	-6,658
Disposal/(purchase) of property, plant and equipment	360	-267
Net cash generated/(used) in investing activities	6,953	-6,925
Cash flows from financing activities		
Proceeds from issue of shares	-	4
Proceeds from borrowings	15,052	18,597

Proceeds from borrowings	15,052	18,597
Repayment of borrowings	-16,505	-6,165
Repayment of lease liabilities	-179	-617
Net cash raised in financing activities	-1,632	11,819
Net increase in cash and cash equivalents	726	20
Cash and cash equivalents at the beginning of the financial period	-623	-628
Cash and cash equivalents at the end of the financial period	103	-608
Cash and cash equivalents of continuing operations at the end of the financial period	103	-623
Cash and cash equivalents of discontinued operations at the end of the financial period	-	15

Group consolidated statement of changes in equity
For the year ended 30 September 2024

	Share capital	Share premium	Merger relief reserve	Retained earnings/ (losses)	Non-controlling interest	Total equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Balance at 30 September 2023	1,237	5,443	-422	-23,446	-678	-17,866
Profit for the year and total comprehensive income	-	-	-	43,389	-216	43,173
Transactions with owners						
Disposal of subsidiary without loss of control	-	-	-	7,500	45	7,545
Non-controlling interest adjustment on disposal of subsidiaries	-	-	-	-849	849	-
Balance at 30 September 2024	1,237	5,443	-422	26,594	-	32,852

Notes to the financial statements

1. Company information
The consolidated financial statements of Roadside Real Estate plc for the period ended 30 September 2024 were authorised for issue in accordance with a resolution of the directors on 18 December 2024. Roadside Real Estate plc is a public limited company incorporated and domiciled in the UK. The company's number is 07139678 and the registered office is located at 115b Innovation Drive, Milton,
Abingdon, Oxfordshire OX14 4RZ.

The Group's principal continuing activities consist of real estate investment. During the period ended 30 September 2024, the Group disposed of Barkby Pubs (a pub portfolio) and reduced its ownership of Cambridge Sleep Sciences (owner of SleepHub and SleepEnging) to a non-controlling stake. During the prior period ended 30 September 2023 the Group disposed of Workshop Coffee (a speciality coffee roaster) and wound down Centurian Automotive (a premium used car dealership). Therefore, these companies are shown as discontinued activities in these financial statements.

2. Significant accounting policies
The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended UK adopted Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At present, no new or amended Accounting Standards or Interpretations are expected to have an impact on the reported results in the future. The Group has assessed the impact of these new or amended Accounting Standards and Interpretations and do not expect that the adoption of these standards will have a material impact on the financial information of the Group or Company in future periods.

Basis of preparation
These consolidated financial statements of Roadside Real Estate plc (or "the Group") have been prepared in accordance with UK adopted International Accounting Standards.

Accounting periods
The financial statements have been prepared covering the financial year ended 30 September 2024. The comparative financial period was an extended 15-month period consisting of a 65-week period ending on 30 September 2023. The change to a September year end was to align year ends for all subsidiaries. The Group's consolidated financial

change to a September year end was to align year ends for all subsidiaries. The Group's consolidated financial statements cover the financial period from 1 October 2023 to 30 September 2024 (2023: 3 July 2022 to 30 September 2023). Therefore, the current and prior periods presented are not entirely comparable.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are held at fair value and are detailed in the Group 's accounting policies. The consolidated financial statements are presented in Pounds Sterling, which is RRE's functional and presentation currency and all values are rounded to the nearest thousand (£'000s) unless otherwise stated.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Roadside Real Estate plc ('company' or 'parent entity') as at 30 September 2024 and the results of all subsidiaries for the period then ended. Roadside Real Estate plc and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and recognized gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling
interest acquired is recognized directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are only attributed to the non-controlling interest to the extent to which they can be recovered from those parties.

Discontinued operations
The Group classifies discontinued operations within a disposal group held for sale if their carrying values will be recovered principally through a sale transaction rather than through their continuing use. Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of a
disposal group, excluding finance costs and income tax expense. The criteria for classifying a disposal group as held for sale is regarding as having been met only when a sale is highly probable and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be reversed. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of classification.

A disposal group qualifies as discontinued operations of it is a component of an entity that either has been disposed of, or is classified as held for sale and:

• Represents a separate major line of business
• Is part of a single co-ordinated plan to dispose of a separate major line of business.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and comprehensive income. All other notes to the financial statements include amounts for continuing operations unless otherwise stated.

Following decisions of the Board, the Group issued a Trading and Strategy update announcing that the Board had resolved to sell the Barkby Pubs, Cambridge Sleep Sciences and Centurian Automotive businesses at the end of the comparative period. Barkby Pubs and Cambridge Sleep Sciences were sold during the financial year ended 30 September 2024.

Centurian Automotive wound down its operations during the prior year, with some final vehicle stock being sold during the financial year ended 30 September 2024. The Group retained the subsidiary entity and on this basis the assets and liabilities have been included within the continuing operations lines of the Statement of Financial Position. The trading result for the year have been presented within discontinued operations.

3. Post Balance Sheet Events
On 28 October 2024, RRE announced that Roadside Retail Limited, its joint venture with Meadow Real Estate Fund VI LP, set up to acquire and develop UK-based roadside real estate assets and signed an agreement with Lidl Great Britain Limited to acquire 12 stores for total consideration of £70 million. Subsequently, the Group announced the acquisition of the Brampton Hut services in Cambridgeshire for consideration of £5 million.

END

FR TJBMTMTBTTII