Company Registration No. 05754555

MOTO HOLDINGS LIMITED
and subsidiary companies

Annual Report and Financial Statements

52 weeks ended 27 December 2017

MOTO HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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MOTO HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

DIRECTORS

T Moss
R Prynn

COMPANY SECRETARY

J Elson

REGISTERED OFFICE

Toddington Services Area
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Toddington
Bedfordshire
LU5 6HR

AUDITOR

Deloitte LLP, Statutory Auditor
Nottingham, United Kingdom

BANKERS

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249 Silbury Boulevard
Milton Keynes MK9 1NA

LAWYERS

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London EC4R 9HA

MOTO HOLDINGS LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activity of Moto Holdings Limited (the "Company") is to act as an intermediate holding company and it will continue to do so for the foreseeable future.

The principal activity of the group headed by the Company (the "Group") is to operate motorway and trunk road service areas.

BUSINESS REVIEW

The Group has continued to experience steady non-fuel sales and profit growth in the period and the directors expect this trend to continue in the future.

The Group turnover has decreased by £3,059,000 (2016: £4,576,000 increase) to £775,628,000 for the 52 weeks ended 27 December 2017, compared to £778,687,000 in the 52 week period ended 28 December 2016, a decrease of 0.4% (2016: 0.6% increase). The movement in overall turnover was primarily driven by fuel turnover, which decreased by 2.5% (2016: 0.2% increase), whereas non-fuel turnover increased at a rate of 2.0% (2016: 1.0% increase).

Operating profit amounted to £61,432,000 (2016: £60,182,000), an increase of £1,250,000 (2016: £1,199,000 decrease).

The result includes release of £707,000 (2016: £695,000) in relation to the Travelodge onerous contract provision and £490,000 (2016: £15,000) loss on disposal of tangible fixed assets. Excluding depreciation and amortisation, as well as these one-off items, the Adjusted PBITDA has increased by £1,500,000, an increase of 1.5% (2016: 1.1% decline), to £103,900,000 for the 52 weeks ended 27 December 2017, compared to £102,400,000 in the 52 weeks ended 28 December 2016. Further KPIs are set out on the following pages.

The directors consider the financial position of the Group to be as expected given the structure of the Group. The Group reported net assets of £178,935,000 (2016: £235,037,000) as at 27 December 2017.

FUTURE DEVELOPMENTS

Steady sales and profit growth has continued into the New Year, but the directors remain cautious in the short-term given the significant uncertainty in the macro-economic climate. The long-term strategy of the business remains unchanged, we will continue to improve our product offerings in order to attract a more diverse customer base and realise our growth potential. During 2018 the business has committed to invest in new and existing offerings including its own in-house brand Arlo's and franchised offers, such as Costa, Greggs, Chow Asian Kitchen and a trial of KFC.

In March 2018 it was reported that the Transport Secretary has written to the Competition and Markets Authority requesting an investigation into fuel retail prices at Motorway Services Areas. As at the date of these financial statements, the Group has not received any correspondence in respect of this potential matter and the directors are not aware of any further developments, although the Group would comply fully with any investigation that may occur.

STRATEGIC REPORT (CONTINUED)

GOING CONCERN

The Group's external debt financing was refinanced in March 2017. The external debt financing is held in Group companies and has been lent via intercompany loan agreements to Moto Hospitality Limited with no fixed date of repayment. Interest is payable on the intercompany debt at rates higher than those payable on the external debt financing in order to distribute the trading profit of Moto Hospitality Limited to the holding companies to ensure service of the external debt and to facilitate dividend payments to shareholders at the Moto Holdings Limited level.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2023. These cash flows assume that the profitability of the trading company grows in accordance with a detailed Business Plan, which has been approved by the Board.

The cash flow forecasts assume that all liabilities of the business going forward are met in accordance with contractual terms. External interest payments are hedged and the payments due under the terms of the hedge are built into the forecasts. The forecasts for the Group indicate compliance with all covenants until March 2022, when the new debt is due for repayment.

In summary, the directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of the approval of the financial statements. Therefore, the financial statements have been prepared on the going concern basis.

THE BUSINESS MODEL

Moto is the largest motorway and trunk road service area operator in the United Kingdom. The Group operates a national network of 68 sites at 53 locations, including 48 sites at 33 MSA locations as well as a number of off-motorway locations. Our UK-wide presence results in a diverse customer base and reduces our exposure to certain regional factors. We generate turnover from seven distinct products and services: catering, convenience food, confectionery, tobacco and news ("CTN"), forecourt, commercial activities, amusements and fuel, allowing us to service a broad range of customers and commuters. In addition to in-house offers, we operate franchises with well-known, national and international brands.

OWNERSHIP STRUCTURE

The company's immediate parent company is Everest UK Bidco Limited, a company incorporated in Jersey. The company's ultimate parent company is Everest UK Topco Limited, a company incorporated in Jersey. Equity investment in Everest UK Topco Limited is split between USS and CVC Capital Partners with Moto senior management holding the remainder. Robert Horsnall (USS) and Jan Reinier Voute (CVC) are the key executives with oversight of the Moto Group and both serve as directors of Everest UK Topco Limited.

OBJECTIVES AND STRATEGY

Moto enjoyed solid performance in 2017 and the Group expects to continue benefiting from current trends in the market, which include the increase in preference for branded food outlets. The Group is well-placed to benefit from a growth in the UK economy and remains focused on long term growth.

Moto aims to provide exceptional service and an unrivalled customer experience to all of its visitors by providing a diverse range of high quality brands and offerings on each of its sites. Moto is committed to continued investment across its network of sites, further strengthening what is already the strongest brand portfolio on the motorway network in order to continue to exceed the expectations of its customers. Moto is committed to achieving its goals profitably and sustainably.

STRATEGIC REPORT (CONTINUED)

KPIs

The KPIs reported in the financial statements and the table below include numbers and comparatives for turnover, cash flow, PBITDA (profit before interest, tax, depreciation and amortisation), profit before tax, creditor days and headcount. In addition, the number of transactions across sites is monitored. Adjusted PBITDA excludes certain non-recurring and non-cash items included in PBITDA.

KPI	**52 weeks ended 27 December 2017**	**52 weeks ended 28 December 2016**
Turnover	£775.6m	£778.7m
Cash flow from operating activities	£98.2m	£101.3m
PBITDA	£103.8m	£102.7m
Adjusted PBITDA	£103.9m	£102.4m
Profit on ordinary activities before taxation	£10.5m	£19.7m
Creditor days	50 days	46 days
Headcount (average number of persons employed)	5,165	5,118
Number of transactions (excluding fuel and forecourt purchases)	55m	55m

Adjusted PBITDA	**52 weeks ended 27 December 2017**	**52 weeks ended 28 December 2016**
Operating profit	£61.4m	£60.2m
Depreciation and amortisation	£42.4m	£42.5m
PBITDA	£103.8m	£102.7m
Travelodge provision release (see note 5)	£(0.7)m	£(0.7)m
Management services fee	£0.3m	£0.4m
Loss on disposal of fixed assets	£0.5m	-
Adjusted PBITDA	£103.9m	£102.4m

Management believes these are the most important KPIs for the business, allowing them to accurately monitor the growth of the business.

STRATEGIC REPORT (CONTINUED)

KEY BUSINESS RISKS

Credit & finance risk
The majority of sales are cash or credit card and therefore the Group is not exposed to any significant credit risk. The Group has hedged the majority of its cash flow risk associated with the floating interest rate on its borrowings by entering into interest rate swaps. The credit risk on liquid funds and derivative financial instruments is considered limited because the counterparties are reputable banks with high credit ratings. Further detail on financial risks is given in the Directors' Report.

Macro-economic risk
The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and demand for our products and services, which could materially affect our business, results of operations and financial condition.

Competitor risk
There are significant barriers to entry for a potential new motorway service station operator, which protects the Group's position in the market.

Commercial relationships
The Group benefits from close commercial relationships with a number of key suppliers. Damage to or loss of any of these relationships could have a direct effect on the Group's results, which may be material. To manage this risk the Group performs regular supplier reviews.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

Traffic risk
The Group remains exposed to traffic risks, which include disruption to the road networks and the threat of a severe economic downturn affecting traffic volumes. The Group mitigates these risks through regular correspondence with Highways England and close monitoring of long term traffic forecasts.

Brand/franchisee risk
The Group is exposed to brand risk through the relationships it enjoys with its franchise partners. To mitigate this risk, the Group aims to develop relationships with major brands that have a strong track record in their respective markets. The Group also performs rigorous checks on any potential partner companies prior to committing to any new contracts.

Approved by the Board of Directors
and signed on behalf of the board

R Prynn
Director
19 April 2018

MOTO HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 27 December 2017.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

CAPITAL STRUCTURE

The Group maintains an efficient capital structure comprising equity shareholders, bank borrowings and listed loan notes, consistent with the Group's overall risk profile and the regulatory and market requirements of the business (see consolidated balance sheet on page 13).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

WALKER GUIDELINES

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

DIRECTORS' BACKGROUND

Timothy Moss

Timothy is Chief Executive Officer of Moto Hospitality Limited. He has been involved with the core Moto estate for more than twenty years and has worked in various operational roles within the catering industry in the UK and Europe for over thirty years. Timothy holds no other positions outside the Moto group.

He held various operational and marketing roles in Scottish and Newcastle before joining Moto in 1996 as Operations director. He was promoted to Managing Director Moto UK in 1999 and in 2004 became Managing Director of Moto International where he operated service area businesses in Italy, Germany and France as well as the UK. In Europe Timothy oversaw the successful acquisition of motorway service concessions and new tender wins in France and Italy as well as the acquisition of the Mitropa SaS business in Germany. He became Managing director of SSP UK in 2005 responsible for the road, rail and airport concession operations and elected to transfer with Moto on the sale in 2006.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BACKGROUND (CONTINUED)

Robert Prynn

Robert is Chief Financial Officer of Moto Hospitality Limited. He has over twenty years of experience in the retail and catering sector. Robert holds no other positions outside the Moto group.

Robert is a chartered accountant having trained and qualified with KPMG in London, before joining Granada in 1992 as a Financial Controller in the London division of Sutcliffe Catering. He subsequently became Finance Director of Granada Accounting Services, Granada Motorways, and then Compass Roadside (incorporating Moto, Little Chef and Travelodge). He became Finance Director of SSP UK in 2003 before electing to transfer to Moto on the sale by Compass in 2006.

SOCIAL AND COMMUNITY ISSUES

The Moto in the Community Trust is the charitable arm of Moto Hospitality Limited, focusing on identifying opportunities to assist with community projects, providing financial assistance and people power where it is most needed.

The Trust aims to make a difference to the local communities of which Moto sites are a part. Since 2000, Moto employees have been fundraising for various national and local charities, and also engaging in the support of local community projects. In 2005 Moto launched the Moto in the Community Trust in order to focus fundraising activity even further to make it possible to make an even bigger difference to the communities around Moto sites. The Trust currently has 47 local community partners who are linked to Moto sites around the UK, building strong links with our communities. Our community partners benefit not only from financial grants but the opportunity to work with our sites to raise the profile of their organisations. Since 2005 the Moto in the Community Trust is proud to have raised over £4.0m to support national and local community charities and hope to reach the target of £5.0m by the end of this year.

Every year the Moto in the Community Trust partners with a national charity voted for by Moto staff. Charity of the year partners have included Macmillan, Breast Cancer Care and our current national partner since 2012, Help for Heroes. Following a sixth year of a very successful national partnership with Help for Heroes we are very proud to have made a donation of £400,000 following the 2017 fundraising year. This brings our overall donation to Help for Heroes to £1.9m to date. The Trust achieved its aim to raise £1.0m for Help for Heroes at the end of 2015 and will achieve its target pledge of £2.0m by the end of 2018.

An ongoing initiative of Moto in the Community is the 'Adopt a School' programme. Every Moto site in the UK has adopted a local school helping them to focus their support on building strong community links. The schools that form part of the 'Adopt a School' programme are an integral part of Moto's community activities. Since 2005, Moto employees have presented more than 123,000 books to children in their adopted schools. The Moto in the Community Trust also has an active volunteering scheme – 'making-a-difference' - offering Moto employees the opportunity to volunteer both in their immediate communities and as part of nationwide projects.

In 2017 Moto Hospitality donated its carrier bag income of £137,151 to Moto in the Community Trust, which has enabled the trust to donate to environmental charity projects including The Woodland Trust and the Wildfowl and Wetland Trust.

The Moto in the Community Trust also explores opportunities to educate staff and customers of their motorway service areas on road safety issues that affect motorway safety as well as community road safety.

The Moto in the Community Trust is a grant-making trust which spends time listening to feedback from Moto employees about the communities they live in and looking at opportunities for the Trust to provide support that will make a real impact on community life. Further details of the Trust are available on the Moto in the Community website www.motointhecommunity.co.uk.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL POLICY

Moto is committed to being an environmentally responsible group and aims to manage its activities in order to minimise its impact on the environment. Moto has undertaken a number of key environmental initiatives to help promote sustainable business practices which include:

Energy Management - Investment in energy-efficient technology to reduce power consumption. There are operational procedures to reduce power consumption on heating and hot water, lighting and power.

Waste Management – Moto continued its aim to reduce the level of waste sent to landfill. In 2017 we have recycled in excess of 469 tons of cardboard waste. We continued to trial diverting food waste from landfill into anaerobic digestion and this will continue through 2018.

Used Cooking Oil – The used cooking oil that was collected by Moto during 2017 was recycled into around 249,724 litres of bio diesel. This used cooking oil has been recycled to produce green bio diesel which has created 502 metric tonnes of carbon benefit or the equivalent of 2,509 average family cars being removed from the roads. This is an annual reduction of 18,720 litres of UCO, 32 MT of indicative carbon savings and 172 average family cars removed from the roads compared to 2016.

A detailed list of all environmental initiatives being undertaken by the Group can be located on the Moto website.

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the period are shown in the consolidated statement of comprehensive income on page 12. Interim dividends of £40 per share and £26 per share (2016: £55 per share and £30 per share) were paid respectively on 11 May 2017 and 27 September 2017. The directors recommend that no final dividend be paid for the period (2016: £nil).

EMPLOYMENT POLICY AND HUMAN RIGHTS

There are established procedures for employees to receive regular news and information regarding the business and development of the Group. Arrangements are made for consultation to take place and site newsletters and periodic company bulletins are circulated to all staff. The Group recognises the value of employee involvement in effective communications and the need for their contribution to decision making on matters affecting their jobs. To achieve employee involvement at the relevant level the Group has a framework for consultation and the provision of information, having regard to the mix and location of employees.

Suitable procedures are in operation to support the Group's policy that disabled persons (whether registered or not) shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitude and abilities, including existing employees who become disabled.

Through our Corporate Social Responsibility Policy, we work to ensure that we do not infringe human rights in our operations or business relationships.

GENDER DIVERSITY INFORMATION

As at 27 December 2017 the Group employed 5,068 people, and 61% of employees were female. The senior management team, defined as the Moto Operational Board (excluding directors), comprised 12 individuals, 33% female and 67% male. Information on the background of directors is disclosed above.

	Male	**Female**	**Total**
Number of persons employed as at 27 December 2017			
Directors	2	-	2
Senior Managers	8	4	12
Other employees	1,952	3,102	5,054
	1,962	3,106	5,068

DIRECTORS

The directors who served during the period and subsequently are shown on page 1.

MOTO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

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 auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is 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 auditor of the company. A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the board

R Prynn
Director
19 April 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

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 group and of the profit or loss of the group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO HOLDINGS LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 27 December 2017 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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 of Moto Holdings Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

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).

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Report on other legal and regulatory requirements

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 period 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 group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

William Smith

William Smith MA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Nottingham, United Kingdom
19 April 2018

MOTO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 27 December 2017

	Note	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
TURNOVER	3	775,628	778,687
Change in stocks of finished goods		641	214
Staff costs	4	(81,920)	(78,465)
Depreciation and amortisation	5	(42,412)	(42,523)
Other operating costs		(590,505)	(597,731)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST, BEING OPERATING PROFIT		61,432	60,182
Interest receivable and similar income		116	328
Interest payable and similar charges	6	(51,006)	(40,774)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	10,542	19,736
Tax on profit on ordinary activities	7	(879)	3,864
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND COMPREHENSIVE INCOME		9,663	23,600

All results relate to continuing activities.

MOTO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET
As at 27 December 2017

	Note	27 December 2017 £'000	28 December 2016 £'000
FIXED ASSETS			
Intangible assets - goodwill	9	36,003	40,611
Tangible assets	10	836,632	848,666
		872,635	889,277
CURRENT ASSETS			
Stocks	12	10,968	10,327
Debtors due within one year	13	25,761	23,217
Cash at bank and in hand		31,652	30,630
		68,381	64,174
CREDITORS: amounts falling due within one year	14	(62,336)	(59,778)
NET CURRENT ASSETS		6,045	4,396
TOTAL ASSETS LESS CURRENT LIABILITIES		878,680	893,673
CREDITORS: amounts falling due after more than one year	15	(630,649)	(585,061)
PROVISIONS FOR LIABILITIES	16	(69,096)	(73,575)
NET ASSETS		178,935	235,037
CAPITAL AND RESERVES			
Called-up share capital	17	1,000	1,000
Share premium account		-	-
Profit and loss account		(309,952)	(253,850)
Revaluation reserve		487,887	487,887
TOTAL SHAREHOLDERS' FUNDS		178,935	235,037

The company registration number is 05754555.

These financial statements were approved by the Board of Directors and authorised for issue on 19 April 2018.
Signed on behalf of the Board of Directors

R Prynn
Director

COMPANY BALANCE SHEET
As at 27 December 2017

	Note	27 December 2017 £'000	28 December 2016 £'000
FIXED ASSETS			
Investments	11	231,749	231,749
CURRENT ASSETS			
Debtors	13	-	-
CREDITORS: amounts falling due within one year	14	(1,645)	(1,374)
NET CURRENT LIABILITIES		(1,645)	(1,374)
NET ASSETS		230,104	230,375
CAPITAL AND RESERVES			
Called-up share capital	17	1,000	1,000
Share premium account		-	-
Profit and loss account		229,104	229,375
TOTAL SHAREHOLDERS' FUNDS		230,104	230,375

The profit for the financial period dealt with in the financial statements of the parent company was £65,494,000 (2016: £85,075,000).

The company registration number is 05754555.

These financial statements were approved by the Board of Directors and authorised for issue on 19 April 2018.

Signed on behalf of the Board of Directors

R Prynn
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 27 December 2017

	Note	Called-up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 30 December 2015		112,199	233,939	487,887	(537,237)	296,788
Profit for the financial period and other comprehensive income		-	-	-	23,600	23,600
Share capital reduction		(111,199)	(233,939)	-	345,138	-
Dividends paid on equity shares	8	-	-	-	(85,351)	(85,351)
At 28 December 2016		1,000	-	487,887	(253,850)	235,037
Profit for the financial period and other comprehensive income		-	-	-	9,663	9,663
Dividends paid on equity shares	8	-	-	-	(65,765)	(65,765)
At 27 December 2017		1,000	-	487,887	(309,952)	178,935

COMPANY STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 27 December 2017

	Note	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 30 December 2015		112,199	233,939	(115,487)	230,651
Profit for the financial period and other comprehensive income		-	-	85,075	85,075
Share capital reduction		(111,199)	(233,939)	345,138	-
Dividends paid on equity shares	8	-	-	(85,351)	(85,351)
At 28 December 2016		1,000	-	229,375	230,375
Profit for the financial period and other comprehensive income		-	-	65,494	65,494
Dividends paid on equity shares	8	-	-	(65,765)	(65,765)
At 27 December 2017		1,000	-	229,104	230,104

CONSOLIDATED CASH FLOW STATEMENT
For the 52 weeks ended 27 December 2017

	Note	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Net cash flows from operating activities	21	98,188	101,286
Cash flows from investing activities			
Interest received		116	328
Purchase of tangible fixed assets	10	(26,261)	(16,173)
Net cash flows from investing activities		(26,145)	(15,845)
Cash flows from financing activities			
Dividends paid on equity shares	8	(65,765)	(85,351)
Interest paid		(34,597)	(32,928)
Repayments of borrowings		(572,900)	-
New borrowings raised		615,300	7,600
Costs incurred in relation to new borrowings		(13,059)	(20)
Net cash flows from financing activities		(71,021)	(110,699)
Net increase/(decrease) in cash and cash equivalents		1,022	(25,258)
Cash and cash equivalents at beginning of year		30,630	55,888
Cash and cash equivalents at end of year		31,652	30,630
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		31,652	30,630
Cash and cash equivalents		31,652	30,630

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 27 December 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

General information and basis of accounting

Moto Holdings Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 to 5.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Moto Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Moto Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments and presentation of a cash flow statement.

Going concern

The Group's external debt financing was refinanced in March 2017. The external debt financing is held in Group companies and has been lent via intercompany loan agreements to Moto Hospitality Limited with no fixed date of repayment. Interest is payable on the intercompany debt at rates higher than those payable on the external debt financing in order to distribute the trading profit of Moto Hospitality Limited to the holding companies to ensure service of the external debt and to facilitate dividend payments to shareholders at the Moto Holdings Limited level.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2023. These cash flows assume that the profitability of the trading company grows in accordance with a detailed Business Plan, which has been approved by the Board.

The cash flow forecasts assume that all liabilities of the business going forward are met in accordance with contractual terms. External interest payments are hedged and the payments due under the terms of the hedge are built into the forecasts. The forecasts for the Group indicate compliance with all covenants until March 2022, when the new debt is due for repayment.

In summary, the directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of the approval of the financial statements. Therefore, the financial statements have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings for the 52 weeks ended 27 December 2017. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Goodwill and amortisation

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised on a straight-line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Fixed assets and depreciation

The Group accounts for tangible fixed assets under the cost model, with assets held at deemed cost on the date of transition to FRS 102 less accumulated depreciation and any accumulated impairment losses. The deemed cost on the date of transition to FRS 102 is based on a valuation performed in 2014.

Freehold and long leasehold land is not depreciated. Freehold buildings are depreciated to their estimated residual values over a period of up to fifty years. Leasehold buildings are depreciated to their estimated residual values over the shorter of fifty years and their remaining lease period.

Depreciation is provided on cost or valuation less estimated residual value on a straight-line basis at the following rates per annum:

Freehold buildings	Up to 50 years
Long leasehold property	Shorter of term of the lease and 50 years
Short leasehold property	Term of the lease
Computer equipment	3 to 5 years
Owned vehicles, equipment and fittings	1 to 10 years

Assets under the course of construction are not depreciated.

Stocks

Stock, which comprises goods purchased for resale and consumables, is valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Cost is calculated using the FIFO (first in, first out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the matter in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pension costs

The Group participates in a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating leases are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

(iii) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Share-based payments

The company has applied the requirements of Section 26 of FRS 102, Share Based Payments. The parent company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. No charge has been made in the Financial statements on the grounds of materiality.

Company Profit and Loss Account

The company has taken advantage of the exemption contained in Section 408 of Companies Act 2006 and has therefore not disclosed the company profit and loss account.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(i) Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

(ii) Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (continued)

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group'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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgements

Apart from those involving estimations (which are dealt with separately below), there are no material critical judgements the directors have made in the process of applying the Group's accounting policies.

Key source of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £36,003,000.

Useful economic lives of tangible fixed assets

The periodic depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives of the Group's assets are determined by management at the time the asset is acquired. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact this. See note 10 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

3. TURNOVER

An analysis of the Group's turnover is as follows:

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Sale of goods	756,762	760,699
Rendering of services	16,517	15,585
Rental income	2,349	2,403
Turnover	775,628	778,687
Interest receivable and similar income	116	328
Total Revenue	775,744	779,015

Accounting policies for turnover and total revenue have been applied consistently throughout the year and the preceding period.

Turnover comprises sales of goods and services within the UK, and is stated exclusive of value added tax. Turnover includes rental income as well as sales to consumers.

Fuel Turnover

The Group acts as both a principal and an agent for the sale of fuel. Where the Group operates as principal, the amounts included within turnover represent the gross sales price of goods and services. Under certain fuel supply arrangements the Group acts as an agent for the sale of fuel and fuel products on behalf of the petroleum companies. In this case, the amounts included within turnover represent the commission earned on these transactions. Commission is recognised upon the sale of the relevant fuel and fuel products on behalf of the petroleum companies to the customer.

For all non-fuel sales the Group considers that it acts as principal as it has exposure to all significant benefits and risks. Revenue is recognised for products and services where the group obtains the right to consideration in exchange for its performance.

In the opinion of the directors, turnover and profit on ordinary activities before tax are attributable to one activity, namely the operation of motorway and trunk road service areas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

COMPANY

The company has no employees other than the directors (2016: none).

The directors received no remuneration with regard to their services to the company (2016: £nil).

GROUP

	52 weeks ended 27 December 2017 Number	52 weeks ended 28 December 2016 Number
Average number of persons employed (including directors)		
Management and administration	846	799
Catering and services staff	4,319	4,319
	5,165	5,118

Staff costs during the period	**£'000**	**£'000**
Wages and salaries	76,552	73,529
Social security costs	4,569	4,190
Other pension costs	799	746
	81,920	78,465

Directors and key management compensation

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
The directors' emoluments were as follows:		
Aggregate emoluments	1,050	781
Highest paid director		
Aggregate emoluments	610	446

Key management compensation
Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

Salaries and other short term benefits	1,484	1,393
	1,484	1,393

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

Moto operates a Management Incentive Plan, with ‘B1’, ‘B2’, ‘C’ and preference shares in Everest UK Topco Limited being sold to key management in March 2016. These shares will be acquired from management by the parent companies (USS Way LP and Project Lane Holdings Jersey Limited) in 2021 at a value as at 31 December 2020, calculated to reward management should certain yield and equity return hurdles of the plan be met.

Section 26 of FRS 102 requires these shares to be accounted for in Moto Hospitality Limited and the consolidated financial statements of Moto Investments Limited, Moto Ventures Limited and Moto Holdings Limited as equity-settled share based payments, whereby any excess of the fair value of such shares at the grant date over the fair value of the price payable by management for those shares is recognised as a charge to the profit and loss account of Moto Hospitality Limited and the consolidated profit and loss accounts of Moto Investments Limited, Moto Ventures Limited and Moto Holdings Limited evenly over the life of the Plan. No charge has been recognised in the Financial statements as, in the opinion of the directors, the price paid was equal to the fair value of the shares at the date they were issued.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	52 weeks ended 27 December 2017 £’000	52 weeks ended 28 December 2016 £’000
Inventory recognised as an expense	550,287	522,079
Depreciation of tangible fixed assets (note 10)	37,804	37,915
Loss on disposal of tangible fixed assets (note 10)	490	15
Amortisation of goodwill (note 9)	4,608	4,608
Operating lease rentals – plant and machinery	521	506
Operating lease rentals – property rentals	9,610	9,440
Travelodge provision release	(707)	(695)
Management services fee	300	370
Auditor’s remuneration for annual audit services	170	187

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 5 lodges that Travelodge exited when they restructured their business in September 2012. These lodges are now managed on Moto’s behalf on a profit share basis, with income anticipated to continue to be lower than the rental obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

During the period the Group incurred the following costs for services provided by the company's auditor:

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	21	21
Fees paid to the company's auditor for other services:		
The audit of the company's subsidiaries pursuant to legislation	149	166
	170	187
Tax Compliance Services	48	37
Tax Advisory Services	168	124
Tax - Other services	-	80
Corporate finance services	160	-
	546	428

The company audit fee was paid by other group companies.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Amounts payable on bank loans	47,289	35,805
Losses on derivative financial instruments	3,500	4,725
Unwinding of discounts on provisions	217	244
	51,006	40,774

Amounts payable on bank loans includes £12,747,000 (2016: £3,198,000) relating to amortisation of debt issue costs and costs relating to cancellation of the previous loan notes of £5,600,000 (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

7. TAXATION

Analysis of taxation charge/(credit) in the period

The tax charge/(credit) is made up as follows:

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Current tax		
Corporation tax on profits of the period	6,377	4,151
Adjustments with respect to prior periods	(1,510)	(807)
Total current tax	4,867	3,344
Deferred tax		
Origination and reversal of timing differences	(3,923)	(3,903)
Adjustment in respect of previous periods	(65)	689
Effect of changes in tax rates	-	(3,994)
Total deferred tax	(3,988)	(7,208)
Total tax charge/(credit) on profit on ordinary activities	879	(3,864)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

7. TAXATION (CONTINUED)

Reconciliation of the total tax charge/(credit)

The differences between the total tax charge/(credit) shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows.

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Profit on ordinary activities before tax	10,542	19,736
Tax on Group profit on ordinary activities at standard UK corporation tax rate of 19.3% (2016: 20%)	2,035	3,947
Effects of:		
Income not taxable	-	-
Expenses not deductible for tax purposes	1,810	1,986
Change in rates	365	(3,057)
Adjustments in respect of prior periods	(1,575)	(118)
Group relief	(1,756)	(6,622)
Total tax charge/(credit) for the period	879	(3,864)

Amounts above represent losses surrendered by the Group's parent companies.

Factors affecting future tax charge

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017. In accordance with the Finance Act 2016, the UK corporation tax rate will reduce to 17% in 2020. Deferred tax has been calculated at the tax rate applicable for the period in which the temporary differences are expected to reverse.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

8. DIVIDENDS

	52 weeks ended 27 December 2017 £'000	52 weeks ended 28 December 2016 £'000
Equity – Ordinary		
Interim paid: £66 (2016: £85) per £1 share	65,765	85,351
	65,765	85,351

9. INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000
Cost	
At 29 December 2016 and 27 December 2017	89,377
Amortisation	
At 29 December 2016	48,766
Charge for the period	4,608
At 27 December 2017	53,374
Net book value	
At 27 December 2017	36,003
At 28 December 2016	40,611

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

10. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £'000	Long & short leasehold land and buildings £'000	Owned vehicles, equipment and fittings £'000	Total £'000
Cost				
At 29 December 2016	519,441	329,990	221,368	1,070,799
Additions	2,420	-	23,841	26,261
Disposals	-	-	(151,451)	(151,451)
Transfers	(1,289)	1,626	8,248	8,585
At 27 December 2017	520,572	331,616	102,006	954,194
Depreciation				
At 29 December 2016	17,750	28,133	176,250	222,133
Charge for the period	8,814	14,132	14,858	37,804
Disposals	-	-	(150,814)	(150,814)
Transfers	-	66	8,373	8,439
At 27 December 2017	26,564	42,331	48,667	117,562
Net book value				
At 27 December 2017	494,008	289,285	53,339	836,632
At 28 December 2016	501,691	301,857	45,118	848,666

Within owned vehicles, equipment & fittings there are £582,000 (2016: £180,000) of Assets Under the Course of Construction, which are not being depreciated.

Freehold land and buildings includes £187,319,000 (2016: £187,319,000) of land. Long and short leasehold land and buildings includes £44,400,000 (2016: £44,400,000) of land.

During the year management carried out a detailed review of the group's tangible fixed assets and the transfers above reflect adjustments arising as a result.

Historical cost

If land and buildings had not been revalued they would have been included at the following amounts:

	Freehold land and buildings £'000	Long & short leasehold land and buildings £'000
Cost at 27 December 2017	296,891	251,586
Depreciation	(81,477)	(92,182)
Net book value at 27 December 2017	215,414	159,404

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

11. INVESTMENTS

COMPANY	£'000
Cost and Net Book Value	
At 28 December 2016 and 27 December 2017	231,749

The company holds 100% of the share capital of the following companies:

Group undertaking	Nature of business	Shares held	Country of registration
Moto Ventures Limited	Holding company	Ordinary shares	England & Wales
Moto Finance plc*	Finance company	Ordinary shares	England & Wales
Moto Investments Limited*	Holding company	Ordinary shares	England & Wales
Moto Hospitality Limited*	Motorway service areas operators	Ordinary shares	England & Wales
Poplar 2000*	Dormant company	Ordinary shares	England & Wales
Pavilion Services Group Limited*	Dormant company	Ordinary shares	England & Wales
Pavilion Services Limited*	Dormant company	Ordinary shares	England & Wales
Moto Marks & Spencer Limited*	Agency	Ordinary shares	England & Wales
Moto Motorway Services Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Costa Limited*	Dormant company	Ordinary shares	England & Wales
Costa Burger King Limited*	Dormant company	Ordinary shares	England & Wales
Moto Burger King Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Costa Marks and Spencer Limited*	Dormant company	Ordinary shares	England & Wales
Greggs Burger King Costa Limited*	Dormant company	Ordinary shares	England & Wales
Costa WH Smith Burger King Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1777 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1778 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1779 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1780 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1781 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1782 Limited*	Dormant company	Ordinary shares	England & Wales

* held indirectly via subsidiary companies

The registered office address for each of the group undertakings listed above is Toddington Services Area, Junction 11-12 M1 Southbound, Toddington, Bedfordshire, LU5 6HR.

12. STOCKS

GROUP	27 December 2017 £'000	28 December 2016 £'000
Goods for resale and consumables	10,968	10,327

There is no material difference between the balance sheet value of stock and its replacement cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

13. DEBTORS

GROUP

	27 December 2017 £'000	28 December 2016 £'000
Trade debtors	15,375	15,565
Other debtors	2,382	1,842
Prepayments and accrued income	8,004	5,810
Amounts due within one year	25,761	23,217

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	27 December 2017 £'000	28 December 2016 £'000
Trade creditors	24,188	23,252
Other creditors	2,960	3,497
Corporation tax	2,484	2,693
Other taxation and social security	8,855	7,393
Accruals and deferred income	23,849	22,943
	62,336	59,778

COMPANY

	27 December 2017 £'000	28 December 2016 £'000
Amounts owed to group companies	1,595	1,324
Accruals and deferred income	50	50
	1,645	1,374

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

GROUP	27 December 2017 £'000	28 December 2016 £'000
Senior Debt	465,300	397,900
Loan Notes	150,000	175,000
Derivative Financial Instruments	26,487	22,987
Capitalised Debt Issue Costs	(11,138)	(10,826)
	630,649	585,061

The Senior Debt carries interest at a floating rate of LIBOR plus a margin of 2.50%. The margin steps up by 0.125% per annum in March 2020 and by a further 0.125% per annum in March 2021. The lender holds security over the shares and assets of Moto Holdings Limited and Moto Hospitality Limited.

The Loan Notes carry interest at a fixed rate of 4.50% on the principal amount of £150 million, and mature in more than two years but not more than five years, in October 2022. The lender holds security over the shares and assets of Moto Finance Plc, Moto Investments Limited and Moto Ventures Limited.

Costs incurred of £13,059,000 in the setting up of the senior debt and loan notes have been capitalised and are being amortised over the period of the loans. See note 6 for details of the charge to the profit and loss account.

The Group has entered into a number of interest rate derivatives to hedge against the interest rate risk on the Senior Debt. The derivatives were entered into at the refinancing date, 24 March 2017. The total fair value of these derivatives at the balance sheet date was £(26,487,000) (2016: £(22,987,000)), which is based on a third party bank valuation and includes a further adjustment to factor in credit risk exposure on the mark-to-market valuations. The principal amount covered by interest rate derivatives at the balance sheet date was £450,000,000 (2016: £385,000,000).

In addition to the borrowings the debt facility also includes the provision of letters of credit to suppliers. At 27 December 2017 there were £3,200,000 of open letters of credit in issue (2016: £3,200,000). The directors do not expect any payments to be required under these letters of credit. Letters of credit are subject to a fee of 2.50% per annum. This has been charged to interest payable in the financial statements.

The maturity profile of the Group's borrowings at 27 December 2017 is as follows:

	27 December 2017 £'000	28 December 2016 £'000
Senior Debt		
In more than two years but not more than five years	465,300	397,900
	465,300	397,900
Loan Notes		
In more than two years but not more than five years	150,000	175,000
	150,000	175,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

16. PROVISIONS FOR LIABILITIES

	Travelodge £'000	Deferred tax £'000	Total £'000
At 29 December 2016	7,390	66,185	73,575
Net credit to profit and loss account	-	(3,989)	(3,989)
Release of provision	(707)	-	(707)
Unwinding of discount	217	-	217
At 27 December 2017	6,900	62,196	69,096

Travelodge

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 5 lodges that Travelodge exited when they restructured their business in September 2012. These lodges are now managed on Moto's behalf on a profit share basis, anticipated to continue to be lower than the previous rent. The provision expires over the life of these onerous leases, which run until 2039.

Deferred tax

	27 December 2017 £'000	28 December 2016 £'000
Deferred tax provision		
Revaluation reserves	60,324	62,946
Historical business combinations	15,962	16,590
Interest rate derivatives	(4,503)	(3,909)
Excess of depreciation over capital allowances	(9,471)	(9,225)
Short term timing differences	(116)	(217)
Deferred tax provision	62,196	66,185

A net deferred tax provision of £62,196,000 has been recognised at 27 December 2017 (2016: £66,185,000).

The asset proportion, which relates to fixed asset timing differences (capital allowances), other short term timing differences, and interest rate derivatives has been recognised in the financial statements on the basis that the directors are of the opinion that these deferred tax assets will be recovered against the expected reversal of the deferred tax liabilities also recognised.

There is no unrecognised deferred tax (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

17. CALLED-UP SHARE CAPITAL

GROUP and COMPANY	27 December 2017 £'000	28 December 2016 £'000
Allotted, called-up and fully paid		
1,000,000 (2016: 1,000,000) A ordinary shares of £1 each	1,000	1,000
	1,000	1,000

The company has one class of ordinary shares which carry no right to fixed income

The revaluation reserve represents the cumulative effect of revaluations of freehold and leasehold land and buildings which were revalued up to the date of transition to FRS102.

18. RECONCILIATION OF NET DEBT

GROUP	At 28 December 2016 £'000	Cash flow £'000	Other non-cash changes £'000	As at 27 December 2017 £'000
Cash in hand and at bank	30,630	1,022	-	31,652
Debt due after one year	(562,074)	(42,400)	312	(604,162)
	(531,444)	(41,378)	312	(572,510)

Non-cash changes comprise amortisation of issue costs relating to debt issues.

Debt due after one year includes external debt of £615,300,000 (2016: £572,900,000) less capitalised debt costs of £11,138,000 (2016: £10,826,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

19. FINANCIAL INSTRUMENTS

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

GROUP	27 December 2017 £'000	28 December 2016 £'000
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	15,375	15,565
Other debtors	2,382	1,842
	17,757	17,407
Financial liabilities measured at amortised cost		
Bank loans	465,300	397,900
Loan notes	150,000	175,000
Trade creditors	24,188	23,252
Other creditors	2,960	3,497
	642,448	599,649
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments	26,487	22,987
	26,487	22,987

Company

Financial liabilities at amortised cost		
Amounts owed to group undertakings	1,595	1,324
	1,595	1,324

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

19. FINANCIAL INSTRUMENTS (CONTINUED)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

GROUP	27 December 2017 £'000	28 December 2016 £'000
Interest income and (expense)		
Total interest income for financial assets at amortised cost	116	328
Total interest expense for financial liabilities at amortised cost	(47,289)	(35,805)
Fair value (losses)		
On financial liabilities measured at fair value through profit or loss	(3,500)	(4,725)

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Current		Non-current	
	27 December 2017 £'000	28 December 2016 £'000	27 December 2017 £'000	28 December 2016 £'000
GROUP				
Liabilities				
Interest rate swaps	-	-	26,487	22,987
	-	-	26,487	22,987

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates, with a further adjustment to factor in credit risk exposure on the mark-to-market valuations.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Fair value	
	27 December 2017 %	28 December 2016 %	27 December 2017 £'000	28 December 2016 £'000	27 December 2017 £'000	28 December 2016 £'000
GROUP						
2 to 5 years	1.8788	2.5798	450,000	385,000	26,487	22,987
			450,000	385,000	26,487	22,987

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Interest rate swap contracts are not designated as cash flow hedges because they do not meet the criteria for hedge accounting. All fair value movements are recognised as an interest charge or credit in the profit and loss account.

21. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations:

	27 December 2017 £'000	28 December 2016 £'000
Operating profit	61,432	60,182
Adjustment for:		
Depreciation	37,804	37,915
Amortisation	4,608	4,608
Loss on disposal of tangible fixed assets	490	15
Operating cash flow before movement in working capital	104,334	102,720
Increase in stocks	(641)	(214)
(Increase)/ decrease in debtors	(2,544)	500
Increase/ (decrease) in creditors	2,117	(57)
Cash generated by operations before tax paid	103,266	102,949
Corporation tax paid	(5,078)	(1,663)
Cash generated by operations	98,188	101,286

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

22. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Other		Land and buildings	
	27 December 2017 £'000	**28 December 2016 £'000**	**27 December 2017 £'000**	**28 December 2016 £'000**
Within one year	392	362	8,796	8,277
Between one and five years	396	230	35,097	33,042
After five years	-	-	30,830	35,377
	788	592	74,723	76,696

Capital commitments are as follows:

GROUP	**27 December 2017 £'000**	**28 December 2016 £'000**
Contracted but not provided for	-	-

COMPANY
The company had no financial commitments (2016: £nil).

23. PENSION COSTS

The group operates a defined contribution scheme and the contributions are charged to the profit and loss account. The contributions charged in the period amounted to £799,000 (2016: £746,000) with unpaid contributions at 27 December 2017 of £125,000 (2016: £119,000).

24. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Section 33 of FRS 102 whereby wholly-owned subsidiaries are not required to disclose intra group transactions and balances. This has been applied for the group companies included within this set of consolidated financial statements.

During the period the company was charged £300,000 for management services fees payable to its immediate parent company, Everest UK Bidco Limited. At the period end £50,000 was outstanding and included within creditors.

Other related party transactions

The total remuneration for key management personnel for the period totalled £1,484,000 (2016: £1,393,000), being remuneration disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 27 December 2017

25. ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is Everest UK Bidco Limited, a company incorporated in Jersey. The company's ultimate parent company is Everest UK Topco Limited, a company incorporated in Jersey. The directors regard USS as the ultimate controlling party.

Moto Holdings Limited is the largest company into which these financial statements are consolidated. Copies of group financial statements may be obtained from the Company Secretary, Toddington Service Area, Junction 11-12 M1 Southbound, Toddington, Bedfordshire LU5 6HR.