

MOTO HOLDINGS LIMITED and subsidiary companies

Report and Financial Statements

Period ended 26 December 2007

MOTO HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Independent auditors' report	4
Consolidated profit and loss account	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated cash flow statement	8
Notes to the financial statements	9

MOTO HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

REPORT AND FINANCIAL STATEMENTS 2007

DIRECTORS

D Bogg

A Cowley

(appointed 18 November 2007)

W A Leamon

(resigned 18 November 2007)

SECRETARY

R Prynn

REGISTERED OFFICE

Toddington Services Area

Junction 11-12 M1 Southbound

Toddington

Bedfordshire

LU5 6HR

AUDITORS

Deloitte & Touche LLP

Birmingham

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 51 week and 4 day period ended 26 December 2007.

ACTIVITIES

The principal activity of the company is to act as a holding company and it will continue to do so for the foreseeable future.

The principal activity of the group is to operate motorway and trunk road service areas.

BUSINESS REVIEW

The group has continued to experience steady sales and profit growth in the period following the acquisition of Moto Hospitality Limited. The directors expect this trend to continue in the near future.

The group turnover has increased by £387,028,000 (£796,752,000 for the period ended 26 December 2007 as compared to £409,724,000 in the nine months ended 31 December 2006, only six and a half of which included the trading company). On an annualised basis, this shows a growth of 5.3%. Operating profit amounted to £16,890,000 up by £7,321,000 (compared to £9,569,000 in the six and a half trading months in the period ended 31 December 2006), showing an annualised growth of (4.4)%. Excluding depreciation and amortisation, the PBITDA shows an annualised growth of 4.8%.

The New Year has started well for the group and directors expect to build on the momentum created in the current year.

KEY BUSINESS RISKS

Credit & Finance risk

The majority of sales are cash or credit card therefore the group is not exposed to any significant credit risk. The group has hedged the cash flow risk associated with the floating interest rate on its borrowings by entering into an interest rate swap.

Competitor risk

There are significant barriers for 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.

Foreign Exchange risk

Since the entity only trades within the UK it is not exposed to any foreign exchange risk.

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the period are shown in the profit and loss account on page 5. The directors recommend that no dividend be paid for the period.

SUPPLIER PAYMENT POLICY

The group does not follow a specific standard or code for the payment of suppliers. It agrees payment terms with its suppliers when it enters into contracts. It then seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. Trade creditors of the group at 26 December 2007 were equivalent to 32 days (2006: 32 days) purchases.

EMPLOYMENT POLICY

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.

DIRECTORS' REPORT

EMPLOYMENT POLICY (continued)

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.

DIRECTORS AND THEIR INTERESTS

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

None of the directors had a direct interest in the issued share capital of the company or any of the group companies.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 such 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). The financial statements are required by law to give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors of the company. A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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



R Pryn
Secretary

28 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTO HOLDINGS LIMITED

We have audited the group and parent company financial statements of Moto Holdings Limited for the period ended 26 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the reconciliation to net debt, and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether its consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information within the annual report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Parent Company's affairs as at 26 December 2007 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Birmingham, UK

29 April 2008

MOTO HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Period ended 26 December 2007

	Note	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
TURNOVER	2	797,754	409,724
Change in stocks of finished goods		954	1,266
Staff costs	3	(57,598)	(27,165)
Depreciation and amortisation	4	(27,108)	(13,162)
Other operating costs		(697,112)	(361,094)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST BEING OPERATING PROFIT	4	16,890	9,569
Interest receivable and similar income		1,907	1,283
Interest payable and similar charges	5	(68,786)	(35,105)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,989)	(24,253)
Tax on loss on ordinary activities	6	-	(391)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	17,18	(49,989)	(24,644)

The accompanying notes are an integral part of this profit and loss account.

All results relate to continuing activities.

There are no other recognised gains and losses in the period and accordingly no statement of total recognised gains and losses is presented.

MOTO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET 26 December 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Intangible assets	7	82,083	90,250
Tangible assets	8	495,264	484,502
		<u>577,347</u>	<u>574,752</u>
CURRENT ASSETS			
Stock	10	12,004	11,050
Debtors due after more than one year	11	7,500	10,750
Debtors due within one year	11	26,077	19,854
Cash in hand and at bank		31,519	46,721
		<u>77,100</u>	<u>88,375</u>
CREDITORS: amounts falling due within one year	12	<u>(217,563)</u>	<u>(193,960)</u>
NET CURRENT LIABILITIES		<u>(140,463)</u>	<u>(105,585)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		436,884	469,167
CREDITORS: amounts falling due after more than one year	13	<u>(504,982)</u>	<u>(487,396)</u>
NET LIABILITIES		<u>(68,098)</u>	<u>(18,229)</u>
CAPITAL AND RESERVES			
Called up share capital	15	5,686	5,686
Share premium account	16	849	729
Profit and loss account	17	<u>(74,633)</u>	<u>(24,644)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT	18	<u>(68,098)</u>	<u>(18,229)</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on

26 April 2008

Signed on behalf of the Board of Directors



D Bogg

DIRECTOR

MOTO HOLDINGS LIMITED

COMPANY BALANCE SHEET 26 December 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Investments	9	-	-
			-
CURRENT ASSETS			
Debtors	11	169,003	160,403
		169,003	160,403
CREDITORS: amounts falling due within one year	12	(160,196)	(153,776)
NET CURRENT ASSETS		8,807	6,627
NET ASSETS		8,807	6,627
CAPITAL AND RESERVES			
Called up share capital	15	5,686	5,686
Share premium account	16	849	729
Profit and loss account	17	2,272	212
TOTAL EQUITY SHAREHOLDERS' FUNDS	18	8,807	6,627

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors



D Bogg

DIRECTOR

28 April 2008.

MOTO HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT Period ended 26 December 2007

	Note	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	46,532	36,695
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,907	2,713
Interest paid		(53,038)	(17,602)
Issue costs of new bank loan		-	(9,634)
Net cash outflow from returns on investments and serving of finance		(51,131)	(24,523)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(33,130)	(10,270)
Sale of tangible fixed assets		2,820	-
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(30,310)	(10,270)
ACQUISITIONS			
Purchase of subsidiary undertakings	7	(66)	(592,946)
Net cash acquired with subsidiary undertakings		-	5,499
NET CASH OUTFLOW FOR ACQUISITIONS		(66)	(587,447)
NET CASH OUTFLOW BEFORE FINANCING		(34,975)	(585,545)
FINANCING			
Issue of ordinary share capital	15,16	123	4,986
Increase in borrowings	20	19,650	627,280
NET CASH INFLOW FROM FINANCING		19,773	632,266
(DECREASE) / INCREASE IN NET CASH		(15,202)	46,721
RECONCILIATION TO NET DEBT			
Net debt at beginning of period	20	(589,174)	-
(Decrease) / increase in net cash		(15,202)	46,721
Movement in borrowings		(19,650)	(627,280)
Issue costs of new bank loan		-	9,634
Other non-cash changes	20	(7,612)	(18,249)
NET DEBT AT END OF PERIOD	20	(631,638)	(589,174)

NOTES TO THE FINANCIAL STATEMENTS

Period ended 26 December 2007

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost basis and in accordance with applicable United Kingdom accounting standards. These policies have all been applied consistently throughout the period.

Basis of consolidation

The group's financial statements consolidate the financial statements of the company and its subsidiary undertakings for the period ended 26 December 2007. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

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 written off 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

Freehold and long leasehold land is not depreciated. Freehold buildings are depreciated to their estimated residual values over period 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 less estimated residual value on a straight line basis at the following rates per annum:

Freehold property	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
Other fixtures and fittings and vehicles	5 to 10 years

Stocks

Stocks, which comprise goods purchased for resale and consumables, are valued at the lower of cost and net realisable value

Taxation

Current tax, including UK corporation tax and foreign 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.

A net deferred tax asset is regarded as recoverable and therefore 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 26 December 2007

1. ACCOUNTING POLICIES (continued)

Pension costs

The group participates in a defined contribution scheme.

For defined contribution schemes 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

Operating rental payments are charged directly to the profit and loss account on an accruals basis.

Bank borrowings

Interest bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial instruments

The group enters into interest rate derivatives with a view to managing interest rate risk. Such transactions are accounted for off balance sheet. The fair value of these contracts is measured at market rate.

2. TURNOVER

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 company acts as both a principal and an agent for the sale of fuel. Where the company operates as the principal, the amounts included within turnover represent the gross sales price of goods and services. Under certain fuel supply arrangements the company 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, revenue is recognised for products and services where the company obtains the right to consideration in exchange for its performance

In the opinion of the directors, turnover and loss 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

Period ended 26 December 2007

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees.

The directors received no remuneration with regard to their services to the company or the group. The directors are remunerated by Macquarie Bank Limited, and it is not possible to apportion these costs.

	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
Average number of persons employed (including directors)		
Management and administration	599	667
Catering and services staff	3,938	3,696
	<u>4,537</u>	<u>4,363</u>
Staff costs during the period		
Wages and salaries	52,873	24,832
Social security costs	3,779	1,660
Other pension costs	946	673
	<u>57,598</u>	<u>27,165</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

Profit on ordinary activities before interest is stated after charging:	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
Depreciation	22,537	10,439
Amortisation of goodwill	4,571	2,723
Operating lease payments		
Plant and machinery	634	479
Property rentals	4,586	2,695
Auditor's remuneration for annual audit services	123	115
Separation costs	1,035	887
	<u>123</u>	<u>159</u>

During the year the Group incurred the following costs for services provided by the Company's auditors.

Fees payable to the Company's auditor for the audit of the Company's annual accounts	15	40
Fees paid to the Company's auditor for other services:		
The audit of the Company's subsidiaries pursuant to legislation	108	75
Tax services	-	5
VAT services	-	4
Other services	-	35
	<u>123</u>	<u>159</u>

The company audit fee was paid by other group companies. There were no non audit fees in the period.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 26 December 2007

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
Amounts payable on bank loans	32,131	17,338
Payable to group undertakings	36,655	17,767
	<u>68,786</u>	<u>35,105</u>

Amounts payable on bank loans includes £963,000 (2006: £482,000) relating to amortisation of debt issue costs.

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
Total current tax	-	-
Deferred Tax		
Originating and reversal of timing differences (note 14)	-	391
Total deferred tax	-	391
Total tax charge on loss on ordinary activities	-	391

The current period deferred tax charge relates entirely to origination and timing differences as detailed in note 14.

Reconciliation of the UK Statutory Tax Rate to the Effective Current Tax Rate

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 30%. The current tax charge for the period is higher than 30% for the reasons set out in the following reconciliation.

	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
Tax charge on profit on ordinary activities at the UK statutory rate of 30%	30%	30%
Decrease arising from :		
Expenses not deductible for tax purposes	(20)%	(17)%
Movement in unprovided deferred tax	1%	(15)%
Deferred tax charge (note 14)	-%	2%
Reversal of provision on industrial buildings allowances	(11)%	-%
Current tax charge for the period	<u>-%</u>	<u>-%</u>

Factors affecting future tax charge

From financial year 2008, the UK corporation tax rate will reduce from 30% to 28%. It is estimated that as a result, the group's current tax charge will remain as £nil.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 26 December 2007

7. INTANGIBLE FIXED ASSETS

GROUP

	Goodwill £'000
Cost	
At 1 January 2007	92,973
Adjustments	(3,596)
	<hr/>
At 26 December 2007	89,377
	<hr/>
Amortisation	
At 1 January 2007	2,723
Charge for the period	4,571
	<hr/>
At 26 December 2007	7,294
	<hr/>
Net book value	
At 26 December 2007	82,083
	<hr/>
At 31 December 2006	90,250
	<hr/>

Post acquisition, the company has identified £3,596,000 of fair value and other adjustments that impact the value of goodwill on acquisition:

	Adjustment £'000
Additional cost invoices	(66)
Stock	(258)
Trade debtors and other debtors	446
Trade creditors and other creditors	3,474
	<hr/>
	3,596
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 26 December 2007

8. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Short Leasehold land and buildings £'000	Owened vehicles equipment and fittings £'000	Total £'000
Cost					
At 1 January 2007	289,305	96,997	87,363	73,653	547,318
Additions	9,737	-	-	25,755	35,492
Disposals	(1,323)	-	-	(1,702)	(3,025)
At 26 December 2007	297,719	96,997	87,363	97,706	579,785
Depreciation					
At 1 January 2007	17,130	9,692	15,573	20,421	62,816
Charge for the period	3,266	3,356	2,419	13,496	22,537
Disposals	-	-	-	(832)	(832)
At 26 December 2007	20,396	13,048	17,992	33,085	84,521
Net book value					
At 26 December 2007	277,323	83,949	69,371	64,621	495,264
At 31 December 2006	272,175	87,305	71,790	53,232	484,502

Fixed assets additions of £35,492,000 (2006: £8,406,000) includes an increase in accruals for capital items received not invoiced of £2,362,000 (2006: decrease of £1,864,000). The total actual expenditure was £33,130,000 (2006: £10,270,000).

NOTES TO THE FINANCIAL STATEMENTS
Period ended 26 December 2007

9. INVESTMENTS

COMPANY

2007
£'000

Cost and Net Book Value

At 1 January 2007

-

Additions

-

At 26 December 2007

-

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

Group undertaking	Nature of business	£1 shares	Country of registration
Moto Ventures Limited	Holding 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	Motorway service areas operators	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 in the Community	Charity	Ordinary shares	England & Wales
Princebilt Hotels Limited	Dormant company	Ordinary shares	Scotland
Moto Motorway Services Limited	Dormant company	Ordinary shares	England & Wales

10. STOCK

GROUP

2007
£'000

2006
£'000

Goods for resale

12,004

11,050

NOTES TO THE FINANCIAL STATEMENTS
Period ended 26 December 2007

11. DEBTORS

GROUP	2007	2006
	£'000	£'000
Trade debtors	16,013	6,411
Other debtors	4,130	7,785
Prepayments and accrued income	4,510	4,229
Unpaid share capital	1,424	1,429
	<hr/>	<hr/>
Amounts due within one year	26,077	19,854
Debtors due after one year	7,500	10,750
	<hr/>	<hr/>
	33,577	30,604
	<hr/>	<hr/>

Amounts due after one year relate to amounts owed under the acquisition agreement with Compass Group plc.

COMPANY	2007	2006
	£'000	£'000
Amounts owed by fellow subsidiary undertakings	167,579	158,974
Unpaid share capital	1,424	1,429
	<hr/>	<hr/>
Amounts due within one year	169,003	160,403
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2007	2006
	£'000	£'000
Trade creditors	20,623	11,419
Amounts owed to parent undertaking	160,196	153,547
Other creditors	18,348	14,140
Accruals and deferred income	18,396	14,854
	<hr/>	<hr/>
	217,563	193,960
	<hr/>	<hr/>
Company	2007	2006
	£'000	£'000
Amounts owed to group companies	160,196	153,776
	<hr/>	<hr/>

Amounts owed to parent undertaking are unsecured. Interest is charged at a fixed rate of 24%, payable semi-annually in arrears.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 26 December 2007

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

Group	2007 £'000	2006 £'000
Senior Debt	469,650	450,000
Junior Debt	41,500	41,500
Capitalised debt issue costs	(8,189)	(9,152)
Accruals and deferred income	2,021	5,048
	<u>504,982</u>	<u>487,396</u>

The Senior Debt carries interest at a floating rate of LIBOR plus 1.5% and matures in two to five years. No amounts fall due in less than two years. The lender holds security over the shares and assets of the company and Moto Hospitality Limited.

The Junior Debt carries interest at LIBOR plus 3.0% until 15 June 2009 and 3.5% thereafter, and matures within two to five years. No amounts are repayable within 12 months of the balance sheet date. The lender holds security over the shares and assets of the company and Moto Holdings Limited.

Cost incurred in the setting up of the senior and junior debt have been capitalised and are being amortised over the period of the loans.

The group has entered into an interest rate swap to hedge against the interest on the Senior Debt. This swap was entered into on the 20 April 2006. No cost was incurred. The fair value of this swap at the balance sheet date was £995,000 (2006: £6,601,000), which is based on a third party bank valuation and is accounted for off balance sheet.

14. PROVISIONS FOR LIABILITIES

GROUP	2007 £'000	2006 £'000
Unprovided deferred taxation		
Excess of depreciation over capital allowances	7,182	4,279
Other timing differences	82	237
Tax losses	2,155	3,234
Unprovided deferred tax asset	<u>9,419</u>	<u>7,750</u>

Movements on Deferred Tax are as follows:

Deferred tax asset at 1 January 2007	-	-
Acquired	-	391
Deferred tax charge for the period	-	(391)
Deferred tax asset at 26 December 2007	<u>-</u>	<u>-</u>

The deferred tax asset is not recognised on the basis that there is not sufficient certainty over future taxable profits against which the asset could be realised.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 26 December 2007

14. PROVISIONS FOR LIABILITIES (continued)

Company	2007 £'000	2006 £'000
Deferred taxation		
Deferred tax asset	-	-
Movements on Deferred Tax are as follows		
Deferred tax asset at 31 December 2006	-	-
Deferred tax credit for the period	-	-
Deferred tax asset at 26 December 2007	-	-

15. CALLED UP SHARE CAPITAL

Group and company	2007 £'000	2006 £'000
Authorised		
4,220,000 A ordinary shares of £1 each	4,220	4,220
26,377 B ordinary shares of £1 each	26	26
720,000 C ordinary shares of £1 each	720	720
720,000 D ordinary shares of £1 each	720	720
	<u>5,686</u>	<u>5,686</u>
Allotted and fully paid		
4,220,000 A ordinary shares of £1 each	4,220	4,220
26,377 B ordinary shares of £1 each (2006: 22,644)	26	23
7,200 C ordinary shares of £1 each	7	7
7,200 D ordinary shares of £1 each	7	7
	<u>4,260</u>	<u>4,257</u>
Allotted and unpaid		
Nil B ordinary shares of £1 each (2006: 3,733)	0	3
712,800 C ordinary shares of £1 each	713	713
712,800 D ordinary shares of £1 each	713	713
	<u>1,426</u>	<u>1,429</u>

A ordinary shares

A ordinary shares have full voting rights and are entitled to dividends.

B, C and D ordinary shares

B, C and D ordinary shares have no voting rights and are not entitled to dividends.

The company was incorporated on 23 March 2006 with authorised share capital of 4,220,000 A ordinary shares, 26,377 B ordinary shares, 720,000 C ordinary shares and 720,000 D ordinary shares of nominal value £1 each. 4,220,000 A ordinary shares, 720,000 C ordinary shares and 720,000 D ordinary shares were issued at par and 26,377 B ordinary shares were issued at £33.17, a premium of £32.17 per share.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 26 December 2007

16. SHARE PREMIUM ACCOUNT

Group and Company	2007 £'000	2006 £'000
Beginning of period	729	-
Premium on shares issued during the period	-	729
Premium on unpaid shares paid during the period	120	-
	<u>849</u>	<u>729</u>
End of period	<u>849</u>	<u>729</u>

17. RESERVES

Group	Profit and loss account £'000	Total £'000
At 31 December 2006	(24,644)	(24,644)
Loss for the period	(49,989)	(49,989)
	<u>(74,633)</u>	<u>(74,633)</u>
At 26 December 2007	<u>(74,633)</u>	<u>(74,633)</u>

Company	Profit and loss account £'000	Total £'000
At 31 December 2006	212	212
Profit for the period	2,060	2,060
	<u>2,272</u>	<u>2,272</u>
At 26 December 2007	<u>2,272</u>	<u>2,272</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT/FUNDS

GROUP	2007 £'000	2006 £'000
Issue of ordinary share capital	-	6,415
Premium on unpaid shares paid during the period	120	-
Loss for the financial period	(49,989)	(24,644)
	<u>(49,869)</u>	<u>(18,229)</u>
Net decrease in shareholders' funds	<u>(49,869)</u>	<u>(18,229)</u>
Opening shareholders' deficit	(18,229)	-
	<u>(68,098)</u>	<u>(18,229)</u>
Closing shareholders' deficit	<u>(68,098)</u>	<u>(18,229)</u>

MOTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 26 December 2007

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT/FUNDS (continued)

COMPANY	2007 £'000	2006 £'000
Issue of ordinary share capital	-	6,415
Unpaid share capital paid during the period	120	-
Profit for the financial period	2,060	212
Net increase in shareholders' funds	2,180	6,627
Opening shareholders' funds	6,627	-
Closing shareholders' funds	8,807	6,627

19. CASH FLOW FROM OPERATING ACTIVITIES

Group	Period ended 26 December 2007 £'000	9 months ended 31 December 2006 £'000
Operating profit	16,890	9,569
Depreciation charge	22,537	10,439
Goodwill amortisation	4,571	2,723
(Increase) in stocks	(954)	(1,266)
(Increase) in debtors	(2,973)	(13,109)
Increase in creditors	6,461	28,339
Net cash inflow from operating activities	46,532	36,695

20. RECONCILIATION OF NET DEBT

Group	At 1 January 2007 £'000	Cash flow £'000	Other non- cash changes £'000	As at 26 December 2007 £'000
Cash in hand and at bank	46,721	(15,202)	-	31,519
Debt due within one year	(153,547)	-	(6,649)	(160,196)
Debt due after one year	(482,348)	(19,650)	(963)	(502,961)
	(589,174)	(34,852)	(7,612)	(631,638)

Non-cash changes comprise amortisation of issue costs relating to debt issues and interest accrued on amounts owed to the parent undertaking.

Senior debt includes senior debt of £469,650,000 (2006: £450,000,000) less capitalised debt costs of £8,189,000 (2006: £9,152,000).

NOTES TO THE FINANCIAL STATEMENTS

Period ended 26 December 2007

21. OPERATING LEASE COMMITMENTS

At 31 December 2007, the group was committed to making the following payments during the next year in respect of operating leases:

Group	Plant and machinery		Land and buildings	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Leases which expire:				
In two to five years	634	1,101	4,586	4,086

22. PENSION COSTS

The group operates a defined contribution scheme and the contributions are charged to the profit and loss account. The contributions paid in the period ending 26 December 2007 amounted to £946,000 (2006: £673,000).

23. RELATED PARTY TRANSACTIONS

Group			Value of	Amount	Value of	Amount
			transactions	outstanding	transactions	outstanding
			2007	2007	2006	2006
Name of related party	Relationship	Transaction Type	£'000	£'000	£'000	£'000
Macquarie Bank Limited	Controlling Party	Advisory services	-	-	7,528	-
		Management fee	1,000	-	500	500
Moto International Holdings Limited	Parent	Share acquisition	-	-	4,220	-
		Borrowings	-	135,780	135,780	135,780
		Interest	36,655	24,416	17,767	17,767

The company has taken advantage of the exemption under FRS 8 whereby 90% 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 accounts.

24. ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is Moto International Holdings Limited. The company's ultimate parent company is Moto International Holdings Limited, which is controlled by Macquarie Bank Limited, a company incorporated in Australia.

Moto Holdings Limited is both the largest and smallest company into which these accounts are consolidated.