Company Registration No. 5754555

MOTO HOLDINGS LIMITED

and subsidiary companies

Report and Financial Statements

52 weeks ended 24 December 2008

MOTO HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

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OFFICERS AND PROFESSIONAL ADVISERS

REPORT AND FINANCIAL STATEMENTS 2008

DIRECTORS

D Bogg
A Cowley

SECRETARY

R Prynn

REGISTERED OFFICE

Toddington Services Area
Junction 11-12 M1 Southbound
Toddington
Bedfordshire
LU5 6HR

AUDITORS

Deloitte LLP
Birmingham

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 24 December 2008.

PRINCIPAL 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 before impairment charges 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 £45,181,000 (£842,935,000 for the period ended 24 December 2008, compared to £797,754,000 in the period ended 26 December 2007). This shows a growth of 5.7%. Operating losses amounted to £6,894,000 down by £23,784,000 (compared to £16,890,000 in the period ended 26 December 2007). Excluding depreciation, amortisation and impairment losses, the PBITDA has increased by £8,646,000 (£52,644,000 in the period ended 24 December 2008 compared to £43,998,000 in the period ended 26 December 2007), a growth of 19.7%.

The directors consider the financial position of the group to be as expected given the structure of the group. The reported net liabilities arise due to the intercompany loans and payment of interest on the external debt.

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

GOING CONCERN

The group is structured via a series of intermediate holding companies and a trading company, Moto Hospitality Limited. The intermediate holding companies, of which this company is one, hold external debt financing, none of which is due for repayment until 2011. This external debt finance 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 ultimate parent company level, Moto International Holdings Limited.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2012. 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. A key assumption within the Business Plan is that it assumes a return to motorway traffic growth in 2010 consistent with an economic recovery and in agreement with traffic forecasts obtained from external advisors. In the event of a delayed economic recovery future dividends to shareholders would be reduced with no impact on the going concern basis.

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 ongoing compliance with all covenants attached to bank debt for the foreseeable future.

Although loans from fellow group companies are all presented as being repayable within one year, the directors have received confirmation from fellow group companies that amounts of £162,756,000 will not be called for repayment for at least 12 months from the date of signing the accounts.

DIRECTORS' REPORT (CONTINUED)

The directors have considered the refinancing options available to the business on the expiry of the existing facilities in July 2011 and have had discussions with the Agent Bank for the existing Banking Syndicate. The directors have concluded that new debt facilities will be available to the group on terms which are not materially adverse to those currently enjoyed.

In summary taking into account the uncertainty relating to motorway traffic forecasts and all other factors noted above, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the accounts have been prepared on a going concern basis.

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. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable banks with high credit ratings.

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 6. The directors recommend that no dividend be paid for the period (2007: Nil).

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 24 December 2008 were equivalent to 32 days (2007: 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.

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.

DIRECTORS' REPORT (CONTINUED)

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 LLP have expressed their willingness to continue in office as auditors of the company. A resolution to reappoint Deloitte 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 Prynn
Secretary

25 March 2009

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 24 December 2008 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, 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 and group'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 24 December 2008 and of the Group's loss for the 52 week 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 LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, UK

26 March 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Period ended 24 December 2008

	Note	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
TURNOVER	2	842,935	797,754
Change in stocks of finished goods		(1,165)	954
Staff costs	3	(57,505)	(57,598)
Depreciation and amortisation	4	(30,779)	(27,108)
Other operating costs		(731,621)	(697,112)
Impairment of fixed assets	4	(28,759)	-
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST BEING OPERATING (LOSS)/ PROFIT	4	(6,894)	16,890
Interest receivable and similar income		778	1,907
Interest payable and similar charges	5	(69,555)	(68,786)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(75,671)	(49,989)
Tax on loss on ordinary activities	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	17,18	(75,671)	(49,989)

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

All results relate to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
Loss for the financial period	(75,671)	(49,989)
Unrealised surplus on revaluation of fixed assets	90,807	-
TOTAL RECOGNISED GAINS & LOSSES FOR THE PERIOD	15,136	(49,989)

CONSOLIDATED BALANCE SHEET
24 December 2008

	Note	24 December 2008 £'000	26 December 2007 £'000
FIXED ASSETS			
Intangible assets	7	77,475	82,083
Tangible assets	8	568,116	495,264
		645,591	577,347
CURRENT ASSETS			
Stock	10	10,839	12,004
Debtors due after more than one year	11	4,500	7,500
Debtors due within one year	11	23,434	26,077
Cash in hand and at bank		27,645	31,519
		66,418	77,100
CREDITORS: amounts falling due within one year	12	(220,227)	(217,563)
NET CURRENT LIABILITIES		(153,809)	(140,463)
TOTAL ASSETS LESS CURRENT LIABILITIES		491,782	436,884
CREDITORS: amounts falling due after more than one year	13	(544,744)	(504,982)
NET LIABILITIES		(52,962)	(68,098)
CAPITAL AND RESERVES			
Called up share capital	15	5,686	5,686
Share premium account	16	849	849
Profit and loss account	17	(150,304)	(74,633)
Revaluation Reserve	17	90,807	-
TOTAL EQUITY SHAREHOLDERS' DEFICIT	18	(52,962)	(68,098)

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

These financial statements were approved by the Board of Directors on 25 March 2009.

Signed on behalf of the Board of Directors

A Cowley

DIRECTOR

COMPANY BALANCE SHEET
24 December 2008

	Note	24 December 2008 £'000	26 December 2007 £'000
FIXED ASSETS			
Investments	9	-	-
CURRENT ASSETS			
Debtors	11	174,581	169,003
		174,581	169,003
CREDITORS: amounts falling due within one year	12	(162,756)	(160,196)
NET CURRENT ASSETS		11,825	8,807
NET ASSETS		11,825	8,807
CAPITAL AND RESERVES			
Called up share capital	15	5,686	5,686
Share premium account	16	849	849
Profit and loss account	17	5,290	2,272
TOTAL EQUITY SHAREHOLDERS' FUNDS	18	11,825	8,807

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

These financial statements were approved by the Board of Directors on 25 March 2009.

Signed on behalf of the Board of Directors

A Cowley

DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT
Period ended 24 December 2008

	Note	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	64,761	46,532
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		778	1,907
Interest paid		(67,946)	(53,038)
Net cash outflow from returns on investments and serving of finance		(67,168)	(51,131)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(40,350)	(33,130)
Sale of tangible fixed assets		-	2,820
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(40,350)	(30,310)
ACQUISITIONS			
Purchase of subsidiary undertakings		-	(66)
NET CASH OUTFLOW FOR ACQUISTIONS		-	(66)
NET CASH OUTFLOW BEFORE FINANCING		(42,757)	(34,975)
FINANCING			
Issue of ordinary share capital		-	123
Increase in borrowings	20	38,883	19,650
NET CASH INFLOW FROM FINANCING		38,883	19,773
DECREASE IN NET CASH		(3,874)	(15,202)

	Note	2008 £'000	2007 £'000
RECONCILIATION TO NET DEBT			
Net debt at beginning of period	20	(631,638)	(589,174)
Decrease in net cash		(3,874)	(15,202)
Movement in borrowings		(38,883)	(19,650)
Other non-cash changes	20	(3,524)	(7,612)
NET DEBT AT END OF PERIOD	20	(677,919)	(631,638)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost basis as modified for the revaluation of fixed assets and in accordance with applicable United Kingdom accounting standards. These policies have all been applied consistently throughout the period and prior period.

Going Concern

The group is structured via a series of intermediate holding companies and a trading company, Moto Hospitality Limited. The intermediate holding companies, of which this company is one, hold external debt financing, none of which is due for repayment until 2011. This external debt finance 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 ultimate parent company level, Moto International Holdings Limited.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2012. 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. A key assumption within the Business Plan is that it assumes a return to motorway traffic growth in 2010 consistent with an economic recovery and in agreement with traffic forecasts obtained from external advisors. In the event of a delayed economic recovery future dividends to shareholders would be reduced with no impact on the going concern basis.

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 ongoing compliance with all covenants attached to bank debt for the foreseeable future.

Although loans from fellow group companies are all presented as being repayable within one year, the directors have received confirmation from fellow group companies that amounts of £162,756,000 will not be called for repayment for at least 12 months from the date of signing the accounts.

The directors have considered the refinancing options available to the business on the expiry of the existing facilities in July 2011 and have had discussions with the Agent Bank for the existing Banking Syndicate. The directors have concluded that new debt facilities will be available to the group on terms which are not materially adverse to those currently enjoyed.

In summary taking into account the uncertainty relating to motorway traffic forecasts and all other factors noted above, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the accounts have been prepared on a going concern basis.

Basis of consolidation

The group's financial statements consolidate the financial statements of the company and its subsidiary undertakings for the period ended 24 December 2008. 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.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

1. ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

The group has a policy of revaluation of tangible fixed assets. The revaluation is based on the existing use value of the service stations valued as operational entities with regard to their trading potential and is performed by Gerald Eve & Co Chartered Surveyors, a qualified external valuer. A full valuation has been performed in the current year.

In the current the year the company has revalued tangible fixed assets with all gains being credited to the revaluation reserve. Losses up to a deemed historical depreciated cost have been charged against the revaluation reserve with excess losses being charged directly to the P&L account.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

1. **ACCOUNTING POLICIES (continued)**

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.

Company Profit and Loss Account

The company has taken advantage of the exemption contained in Section 230(3) of Companies Act 1985 and has therefore not disclosed the Company Profit and Loss Account.

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 24 December 2008

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees other than the directors.

The directors received no remuneration with regard to their services to the company or the group.

	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
Average number of persons employed (including directors)		
Management and administration	621	599
Catering and services staff	3,783	3,938
	4,404	4,537
Staff costs during the period		
Wages and salaries	53,151	52,873
Social security costs	3,917	3,779
Other pension costs	437	946
	57,505	57,598

4. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

(Loss) / profit on ordinary activities before interest is stated after charging:	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
Depreciation	26,171	22,537
Amortisation of goodwill	4,608	4,571
Impairment of fixed assets	28,759	-
Operating lease payments		
Plant and machinery	671	634
Property rentals	4,557	4,586
Auditor's remuneration for annual audit services	118	123
Separation costs	292	1,035

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	15
Fees paid to the Company's auditor for other services:		
The audit of the Company's subsidiaries pursuant to legislation	103	108
Tax services	-	-
VAT services	-	-
Other services	-	-
	118	123

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 24 December 2008

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
Amounts payable on bank loans	33,979	32,131
Payable to group undertakings	35,576	36,655
	69,555	68,786

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

	52 weeks ended 24 December 2008 £'000	51 weeks and 4 days ended 26 December 2007 £'000
Total current tax	-	-
Deferred Tax		
Originating and reversal of timing differences (note 14)	-	-
Total deferred tax	-	-
Total tax charge on loss on ordinary activities	-	-

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 28.5% (2007: 30%). The current tax charge for the period is lower than 28.5% (2007: 30%) for the reasons set out in the following reconciliation.

	52 weeks ended 24 December 2008	51 weeks and 4 days ended 26 December 2007
Tax charge on profit on ordinary activities at the UK statutory rate of 28.5% (2007: 30%)	28.5%	30%
Decrease arising from :		
Expenses not deductible for tax purposes	(22.0)%	(20)%
Movement in unprovided deferred tax	(6.5)%	1%
Deferred tax charge (note 14)	-%	-%
Reversal of provision on industrial buildings allowances	-%	(11)%
Current tax charge for the period	-%	-%

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

7. INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000
Cost	
At 27 December 2007	89,377
At 24 December 2008	89,377
Amortisation	
At 27 December 2007	7,294
Charge for the period	4,608
At 24 December 2008	11,902
Net book value	
At 24 December 2008	77,475
At 26 December 2007	82,083

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

8. TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Short Leasehold land and buildings £'000	Owned vehicles equipment and fittings £'000	Total £'000
Cost or valuation					
At 27 December 2007	297,719	96,997	87,363	97,706	579,785
Additions	12,896	7,912	-	16,167	36,975
Adjustments on revaluation	46,230	3,543	5,903	-	55,676
Disposals	-	-	-	(1,240)	(1,240)
At 24 December 2008	356,845	108,452	93,266	112,633	671,196
Depreciation					
At 27 December 2007	20,396	13,048	17,992	33,085	84,521
Charge for the period	3,276	2,431	1,793	18,671	26,171
Impairment losses	2,764	14,637	7,165	4,193	28,759
Adjustments on revaluation	(23,397)	(4,820)	(6,914)	-	(35,131)
Disposals	-	-	-	(1,240)	(1,240)
At 24 December 2008	3,039	25,296	20,036	54,709	103,080
Net book value					
At 24 December 2008	353,806	83,156	73,230	57,924	568,116
At 26 December 2007	277,323	83,949	69,371	64,621	495,264

Fixed assets additions of £36,975,000 (2007: £35,492,000) includes a decrease in accruals for capital items received not invoiced of £3,375,000 (2007: increase of £2,362,000). The total actual expenditure was £40,350,000 (2007: £33,130,000).

A revaluation was carried out by Gerald Eve & Co Chartered Surveyors (external valuers) dated 24 December 2008. The valuation was based on existing use value as at 24 December 2008. All accounting entries relating to this valuation have been recorded in the financial statement for the period ended 24 December 2008. The revaluations during the period ended 24 December 2008 resulted in a revaluation surplus of £90,807,000. All revaluation gains have been credited to the revaluation reserve, losses up to a deemed historical depreciated cost have been charged against the revaluation reserve with excess losses being charged directly to the profit and loss account.

In the prior period the values ascribed for the purposes of determining depreciation and net book value on an historic cost basis were taken from a valuation carried out in September 2005 by Gerald Eve & Co for assets acquired prior to that date. Subsequent additions were previously held at original cost. Records of historical costs are not available, so no comparison of valuation under historical cost can be performed. The earliest available valuation records relate to a valuation of assets carried out in September 2005 by Gerald Eve & Co Chartered Surveyors. The deemed historical cost net book value of fixed assets under that valuation at September 2005 amounted to £495,134,000.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

9. INVESTMENTS

COMPANY

	£'000
Cost and Net Book Value	-

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*	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 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

* held indirectly via subsidiary companies

10. STOCK

GROUP

	2008 £'000	2007 £'000
Goods for resale	10,839	12,004

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

11. DEBTORS

GROUP	2008 £'000	2007 £'000
Trade debtors	12,141	16,013
Other debtors	6,271	4,130
Prepayments and accrued income	3,596	4,510
Unpaid share capital	1,426	1,424
Amounts due within one year	23,434	26,077
Debtors due after one year	4,500	7,500
	27,934	33,577

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

COMPANY	2008 £'000	2007 £'000
Amounts owed by fellow subsidiary undertakings	173,155	167,579
Unpaid share capital	1,426	1,424
Amounts due within one year	174,581	169,003

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2008 £'000	2007 £'000
Trade creditors	25,822	20,623
Amounts owed to parent undertaking	162,756	160,196
Other creditors	14,806	18,348
Accruals and deferred income	16,843	18,396
	220,227	217,563

Company	2008 £'000	2007 £'000
Amounts owed to group companies	162,756	160,196

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 24 December 2008

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

Group	2008 £'000	2007 £'000
Senior Debt	508,533	469,650
Junior Debt	41,500	41,500
Capitalised debt issue costs	(7,225)	(8,189)
Accruals and deferred income	1,936	2,021
	544,744	504,982

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 a number of interest rate derivatives to hedge against the interest rate risk on the Senior and Junior Debt. The earliest derivative was entered into on the 20 April 2006. Subsequently further derivatives have been entered into between June and November 2008 to hedge against the risk on the additional borrowings. No cost was incurred to set up any of the derivatives. The total fair value of these derivatives at the balance sheet date was £(69,464,000) (2007: £995,000), which is based on a third party bank valuation and is accounted for off balance sheet.

In addition to the borrowings the debt facility also includes the provision of letters of credit to suppliers. At 24 December 2008 there was £4,000,000 of open letters of credit in issue (2007: nil). The directors do not expect any payments to be required under these letters of credit. Letters of credit are subject to a fee of 1.5% per annum. This has been charged to interest payable in the financial statements.

14. PROVISIONS FOR LIABILITIES

GROUP	2008 £'000	2007 £'000
Unrecognised deferred taxation		
Excess of depreciation over capital allowances	9,113	7,182
Other timing differences	210	82
Tax losses	1,256	2,155
Unrecognised deferred tax asset	10,579	9,419

Movements on Deferred Tax are as follows:

Deferred tax asset at 27 December 2007	-	-
Acquired	-	-
Deferred tax charge for the period	-	-
Deferred tax asset at 24 December 2008	-	-

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 24 December 2008

15. CALLED UP SHARE CAPITAL

Group and Company	2008 £'000	2007 £'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
	5,686	5,686
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	26	26
7,200 C ordinary shares of £1 each	7	7
7,200 D ordinary shares of £1 each	7	7
	4,260	4,260
Allotted and unpaid		
712,800 C ordinary shares of £1 each	713	713
712,800 D ordinary shares of £1 each	713	713
	1,426	1,426

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 24 December 2008

16. SHARE PREMIUM ACCOUNT

Group and Company	2008 £'000	2007 £'000
At 27 December 2007	849	729
Premium on unpaid shares paid during the period	-	120
At 24 December 2008	849	849

17. RESERVES

Group	Profit and loss account £'000	Revaluation Reserve £'000	Total £'000
At 27 December 2007	(74,633)	-	(74,633)
Loss for the period	(75,671)	-	(75,671)
Revaluation in period	-	90,807	90,807
At 24 December 2008	(150,304)	90,807	(59,497)

Company	Profit and loss account £'000
At 27 December 2007	2,272
Profit for the period	3,018
At 24 December 2008	5,290

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

GROUP	2008 £'000	2007 £'000
Premium on unpaid shares paid during the period	-	120
Loss for the financial period	(75,671)	(49,989)
Revaluation in period	90,807	-
Net increase / (decrease) in shareholders' deficit	15,136	(49,869)
Opening shareholders' deficit	(68,098)	(18,229)
Closing shareholders' deficit	(52,962)	(68,098)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

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

COMPANY	2008 £'000	2007 £'000
Unpaid share capital paid during the period	-	120
Profit for the financial period	3,018	2,060
Net increase in shareholders' funds	3,018	2,180
Opening shareholders' funds	8,807	6,627
Closing shareholders' funds	11,825	8,807

19. CASH FLOW FROM OPERATING ACTIVITIES

Group	2008 £'000	2007 £'000
Operating (loss) / profit	(6,894)	16,890
Depreciation charge	26,171	22,537
Goodwill amortisation	4,608	4,571
Impairment of fixed assets	28,759	-
Decrease / (increase) in stocks	1,165	(954)
Decrease / (increase) in debtors	5,643	(2,973)
Increase in creditors	5,309	6,461
Net cash inflow from operating activities	64,761	46,532

20. RECONCILIATION OF NET DEBT

Group	At 27 December 2007 £'000	Cash flow £'000	Other non-cash changes £'000	As at 24 December 2008 £'000
Cash in hand and at bank	31,519	(3,874)	-	27,645
Debt due within one year	(160,196)	-	(2,560)	(162,756)
Debt due after one year	(502,961)	(38,883)	(964)	(542,808)
	(631,638)	(42,757)	(3,524)	(677,919)

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

Debt due after one year includes debt of £550,033,000 (2007: £511,150,000) less capitalised debt costs of £7,225,000 (2007: £8,189,000).

NOTES TO THE FINANCIAL STATEMENTS
Period ended 24 December 2008

21. OPERATING LEASE COMMITMENTS

At 24 December 2008, 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	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Leases which expire:				
In two to five years	671	634	-	-
In more than five years	-	-	5,283	4,586
	671	634	5,283	4,586

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 24 December 2008 amounted to £437,000 (2007: £946,000).

23. RELATED PARTY TRANSACTIONS

Group			Value of transactions 2008	Amount outstanding 2008	Value of transactions 2007	Amount outstanding 2007
Name of related party	Relationship	Transaction Type	£'000	£'000	£'000	£'000
Macquarie Bank Limited	Controlling Party	Advisory services	91	86	-	-
		Management fee	-	-	1,000	-
Moto International Holdings Limited	Parent	Borrowings	-	135,780	-	135,780
		Interest	35,576	26,976	36,655	24,416

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

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