

MOTO HOLDINGS LIMITED

and subsidiary companies

Annual Report and Financial Statements

52 weeks ended 25 December 2013

MOTO HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

Page

Officers and professional advisers	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	8
Independent auditor's report	9
Consolidated profit and loss account	10
Consolidated statement of total recognised gains and losses	10
Consolidated note of historical cost profits and losses	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated cash flow statement	14
Consolidated reconciliation of net debt	14
Notes to the financial statements	15

MOTO HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

DIRECTORS

G Parsons
H Dahlstrom (appointed 16 April 2013)
M Perusat (resigned 7 April 2013)

COMPANY SECRETARY

R Pryn

REGISTERED OFFICE

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

AUDITOR

Deloitte LLP, Chartered Accountants and Statutory Auditor
Nottingham, UK

BANKERS

HSBC Bank plc
62-76 Park Street
London SE19 2DZ

LAWYERS

DLA Piper UK LLP
3 Noble Street
London EC2V 7EE

MOTO HOLDINGS LIMITED

STRATEGIC REPORT

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 non-fuel sales and profit growth in the period (after excluding the effect of the fixed asset revaluation, a one-off payment for the termination of a car park management contract and the impact of an onerous contract provision for future losses relating to Travelodge terminating lease agreements on 6 lodges in 2012). The directors expect this trend to continue in the near future.

The group turnover has decreased by £9,465,000 (2012: £14,933,000 decrease) to £840,029,000 for the 52 weeks ended 25 December 2013, compared to £849,494,000 in the 52 week period ended 26 December 2012, a decline of 1.1% (2012: 1.7% decline). This primarily relates to fuel turnover, whereas non-fuel turnover increased in the year by 5.9% (2012: 2.3% increase). Operating profit amounted to £42,359,000 (2012: £33,784,000), an increase of £8,575,000 (2012: £26,703,000 decrease). 2013 includes a credit of £6,050,000 relating to the reversal of past impairments on revaluation of fixed assets, a one-off payment of £7,150,000 to terminate a car park management contract, and a net charge of £1,366,000 to increase the onerous contract provision. 2012 included a one-off onerous contract provision of £8,940,000. Excluding depreciation, amortisation, losses on disposal of scrapped tangible fixed assets, non-cash credits for deferred income, as well as these one-off items, the Adjusted PBITDA has increased by £2,700,000, a growth of 3.5% (2012: 0.3% growth), £79,900,000 for the 52 weeks ended 25 December 2013, compared to £77,200,000 in the 52 weeks ended 26 December 2012. 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 £70,839,000 (2012: £29,159,000) as at 25 December 2013. The impact of the fixed assets revaluation in the period has been to increase net assets by £95,318,000.

The new year has started well for the group and the directors expect to build on the momentum created in 2013.

GOING CONCERN

The group's external debt financing was refinanced in March 2011. 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 ultimate parent company level, Moto International Parent Limited.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2019. 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 2016, when the current debt is due for repayment.

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 £176,390,000 will not be called for repayment for at least 12 months from the date of signing the financial statements.

In summary, taking into account the uncertainty relating to the 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, 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.

MOTO HOLDINGS LIMITED

STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY

Moto enjoyed stable performance in 2013 and the company hopes to continue benefiting from current trends in the market, which include the increase in preference for branded food outlets. The company is well placed to benefit from a recovery 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.

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), loss 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 25 December 2013	52 weeks ended 26 December 2012
Turnover	£840.0m	£849.5m
Cash flow from operating activities	£79.2m	£75.9m
PBITDA	£77.4m	£67.6m
Adjusted PBITDA	£79.9m	£77.2m
Loss on ordinary activities before taxation	£(46.6)m	£(51.2)m
Creditor days	41 days	39 days
Headcount (average number of persons employed)	4,884	4,789
Number of transactions (excluding fuel and forecourt purchases)	47.4m	45.0m

Adjusted PBITDA	52 weeks ended 25 December 2013	52 weeks ended 26 December 2012
Operating Profit	£42.4m	£33.8m
Depreciation and amortisation	£35.0m	£33.8m
PBITDA	£77.4m	£67.6m
Parking contract termination	£7.2m	-
Travelodge provision (see note 4)	£1.4m	£8.9m
Effect of the revaluation of fixed assets	£(6.1)m	-
Amortisation of deferred income and deferred costs	£(0.4)m	£0.2m
Loss on disposal of fixed assets	£0.4m	£0.5m
Adjusted PBITDA	£79.9m	£77.2m

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

MOTO HOLDINGS LIMITED

STRATEGIC REPORT (continued)

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 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.

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 group only trades within the UK it is not exposed to any material foreign exchange risk.

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 the UK Highways Agency 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



G Parsons
Director
3 April 2014

MOTO HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 25 December 2013.

DIRECTORS' BACKGROUND, ROLE AND WHETHER MEMBERS OF A PRIVATE EQUITY FIRM

Gordon Parsons

Gordon is a Senior Managing Director within Macquarie Infrastructure and Real Assets (MIRA), which acts as the asset manager for Moto on behalf of the shareholders.

Gordon joined Macquarie in September 2007. He was previously the Managing Director of Npower Business, which supplies electricity and gas to one in five companies in the UK and has turnover of £3.5 billion, and more than 1,500 employees. He was also a member of the Executive Team of RWE Npower Retail, Britain's largest electricity supplier.

Prior to Npower, Gordon's career has been in the energy industry, previously working for TXU Europe, Powergen (now E.On) and East Midlands Electricity. His background is primarily in commodity trading and risk management, but he has also operated in Sales Director and Marketing Director roles for TXU and RWE Npower respectively.

Gordon heads MIRA's Consumer Infrastructure Group in Europe, with responsibilities for portfolio companies operating in transport and transport services. He is a member of the Chartered Institute of Management Accountants.

Henrik Dahlstrom

Henrik is a Senior Vice President within Macquarie Infrastructure and Real Assets (MIRA), which acts as the asset manager for Moto on behalf of the shareholders.

Henrik works within MIRA's transport group in Europe. During his time at Macquarie Henrik has led the asset management of several of the businesses in MIRA's European portfolio (including in particular the Arlanda Express and Copenhagen Airports), as well as participating in a number of major transport M&A transactions, including the acquisitions of Arlanda Express, Brussels International Airport, Bristol Airport, and National Car Parks. He has also led a number of significant refinancing processes.

MOTO HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

SOCIAL AND COMMUNITY ISSUES

The Moto in the Community Trust is the charitable arm of Moto Hospitality 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 38 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 £2.25m to support national and local community charities. Our current fundraising target is £3m.

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. We are proud to have made a donation of £200,000 to Help for Heroes from our 2012 fundraising and a further donation of £200,000 from our 2013 fundraising.

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 75,000 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.

To reflect the diverse backgrounds of Moto staff, Moto in the Community supports selected overseas projects. These include disaster relief in countries including Haiti and Pakistan as well as offering ongoing support in Kosovo through a partner charity. Moto employees have travelled to Kosovo to help distribute aid as volunteers on a convoy, and staff in the UK collect items to send as aid to help displaced people abroad.

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.

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 through the use of energy-efficient lighting systems and tight control of heating and air-conditioning operating hours.

Waste Management – Moto continued its aim to reduce the level of waste sent to landfill. The amount of waste diverted from landfill increased by a further 9% in 2013 to 34% of all waste material generated. Additional trials of food waste to Anaerobic Digestion plants have been undertaken, which converted to 45% of CO² savings.

Used Cooking Oil – The used cooking oil that was collected by Moto during 2013 was recycled into just over 216,000 litres of bio diesel.

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

MOTO HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the period are shown in the profit and loss account on page 10. The directors recommend that no dividend be paid for the period (2012: £nil).

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

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

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



G Parsons
Director
3 April 2014

MOTO HOLDINGS LIMITED

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). 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 judgments 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

We have audited the financial statements of Moto Holdings Limited for the 52 weeks ended 25 December 2013, which comprise Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Note of Historical Cost Profits and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Reconciliation of Net Debt, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 25 December 2013 and of the group's loss for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.



William Smith MA FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Nottingham, UK

3 April 2014

MOTO HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT 52 weeks ended 25 December 2013

	Note	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
TURNOVER	2	840,029	849,494
Change in stocks of finished goods		8	1,074
Staff costs	3	(66,635)	(63,191)
Depreciation and amortisation	4	(34,991)	(33,810)
Other operating costs		(702,102)	(719,783)
Effect of the revaluation of fixed assets	4	6,050	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST, BEING OPERATING PROFIT	4	42,359	33,784
Interest receivable and similar income		63	269
Interest payable and similar charges	5	(89,010)	(85,241)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(46,588)	(51,188)
Tax on loss on ordinary activities	6	(1,000)	16,680
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION, BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	17,18	(47,588)	(34,508)

All results relate to continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES 52 weeks ended 25 December 2013

		52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Loss for the financial period		(47,588)	(34,508)
Unrealised surplus on revaluation of fixed assets	17	89,268	-
TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD		41,680	(34,508)

MOTO HOLDINGS LIMITED

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES 52 weeks ended 25 December 2013

	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Reported loss on ordinary activities before taxation	(46,588)	(51,188)
Difference between an historical cost depreciation charge and the actual depreciation charge for the period	<u>6,344</u>	<u>6,344</u>
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(40,244)</u>	<u>(44,844)</u>
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	<u>(41,244)</u>	<u>(28,164)</u>

MOTO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET 25 December 2013

	Note	25 December 2013 £'000	26 December 2012 £'000
FIXED ASSETS			
Intangible assets - goodwill	7	54,435	59,043
Tangible assets	8	726,762	647,966
		<u>781,197</u>	<u>707,009</u>
CURRENT ASSETS			
Stock	10	11,015	11,007
Debtors due within one year	11	20,748	27,868
Debtors due after more than one year	11	15,680	16,680
Cash in hand and at bank		32,644	30,417
		<u>80,087</u>	<u>85,972</u>
CREDITORS: amounts falling due within one year	12	<u>(241,863)</u>	<u>(212,446)</u>
NET CURRENT LIABILITIES		<u>(161,776)</u>	<u>(126,474)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		619,421	580,535
CREDITORS: amounts falling due after more than one year	13	(538,397)	(542,436)
PROVISIONS FOR LIABILITIES	14	<u>(10,185)</u>	<u>(8,940)</u>
NET ASSETS		<u>70,839</u>	<u>29,159</u>
CAPITAL AND RESERVES			
Called-up share capital	15	112,199	112,199
Share premium account	16	10,722	10,722
Profit and loss account	17	(357,168)	(309,580)
Revaluation reserve	17	305,086	215,818
TOTAL SHAREHOLDERS' FUNDS	18	<u>70,839</u>	<u>29,159</u>

The company registration number is 5754555.

These financial statements were approved by the Board of Directors and authorised for issue on 3 April 2014.

Signed on behalf of the Board of Directors



G Parsons

DIRECTOR

MOTO HOLDINGS LIMITED

COMPANY BALANCE SHEET 25 December 2013

	Note	25 December 2013 £'000	26 December 2012 £'000
FIXED ASSETS			
Investments	9	231,749	231,749
CURRENT ASSETS			
Debtors	11	145	241
CREDITORS: amounts falling due within one year	12	(176,390)	(149,883)
NET CURRENT LIABILITIES		(176,245)	(149,642)
NET ASSETS		55,504	82,107
CAPITAL AND RESERVES			
Called-up share capital	15	112,199	112,199
Share premium account	16	10,722	10,722
Profit and loss account	17	(67,417)	(40,814)
TOTAL SHAREHOLDERS' FUNDS	18	55,504	82,107

The company registration number is 5754555.

These financial statements were approved by the Board of Directors and authorised for issue on 3 April 2014.

Signed on behalf of the Board of Directors



G Parsons

DIRECTOR

MOTO HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT 52 weeks ended 25 December 2013

	Note	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Net cash inflow from operating activities	19	79,173	75,869
Returns on investments and servicing of finance			
Interest received		63	269
Interest paid		(56,521)	(57,510)
Net cash outflow from returns on investments and servicing of finance		(56,458)	(57,241)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(14,647)	(13,695)
Proceeds from sale of tangible fixed assets		359	-
Net cash outflow from capital expenditure and financial investment		(14,288)	(13,695)
Net cash inflow before financing		8,427	4,933
Financing			
Movement in borrowings	20	(6,200)	(5,800)
Net cash outflow from financing		(6,200)	(5,800)
Increase / (decrease) in net cash	20	2,227	(867)

CONSOLIDATED RECONCILIATION OF NET DEBT 25 December 2013

	Note	25 December 2013 £'000	26 December 2012 £'000
Net debt at beginning of period	20	(667,219)	(643,901)
Increase / (decrease) in net cash	20	2,227	(867)
Movement in borrowings	20	6,200	5,800
Other non-cash changes	20	(32,526)	(28,251)
Net debt at end of period	20	(691,318)	(667,219)

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 25 December 2013

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. The principal accounting policies are summarised below. These policies have all been applied consistently throughout the period and prior period.

Going Concern

The group's external debt financing was refinanced in March 2011. 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 ultimate parent company level, Moto International Parent Limited.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2019. 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 2016, when the current debt is due for repayment.

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 £176,390,000 will not be called for repayment for at least 12 months from the date of signing the financial statements.

In summary, taking into account the uncertainty relating to the 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, 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.

Basis of consolidation

The group's financial statements consolidate the financial statements of the company and its subsidiary undertakings for the 52 weeks ended 25 December 2013. 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 (Continued)**52 weeks ended 25 December 2013****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 a full valuation was performed by Gerald Eve LLP Chartered Surveyors, a qualified external valuer, in 2013. A full valuation is performed every five years, with an interim valuation in year three. Owned vehicles, equipment & fittings are not revalued.

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 less estimated residual value on a straight-line basis at the following rates per annum:

Freehold property	Up to 50 years
Long & short leasehold property	Shorter of term of the lease and 50 years
Computer equipment	3 to 5 years
Other fixtures and fittings and vehicles	5 to 10 years

Stock

Stock, which comprise goods purchased for resale and consumables, is 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52 weeks ended 25 December 2013

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 and 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 not recorded on the balance sheet. The fair value of these contracts is measured at market rate.

Share-based payments

The company has applied the requirements of FRS 20, Share Based Payments. The 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.

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.

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 group acts as both a principal and an agent for the sale of fuel. Where the group operates as the 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 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 (Continued)
52 weeks ended 25 December 2013

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

COMPANY

The company has no employees other than the directors (2012: Nil).

The directors received no remuneration with regard to their services to the company or the group (2012: £Nil).

GROUP

	52 weeks ended 25 December 2013 Number	52 weeks ended 26 December 2012 Number
Average number of persons employed (including directors)		
Management and administration	679	641
Catering and services staff	4,205	4,148
	<u>4,884</u>	<u>4,789</u>
	£'000	£'000
Staff costs during the period		
Wages and salaries	62,121	59,122
Social security costs	3,777	3,649
Other pension costs	737	420
	<u>66,635</u>	<u>63,191</u>

Moto operates a Management Incentive Plan, with 'B1' and 'C1' shares in Moto Holdings Limited being sold to key management in June 2010. These shares will be acquired from management by the parent company (Moto International Holdings Limited) in December 2015 at a value as at 31 December 2015, calculated to reward management should certain yield and equity return hurdles of the plan be met. FRS 20 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. The price paid by management for the shares was not significantly different to their fair value at the date they were issued, and accordingly no annual charge has been recognised in the financial statements of Moto Hospitality Limited or the consolidated financial statements of Moto Investments Limited, Moto Ventures Limited and Moto Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 25 December 2013

4. PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Profit on ordinary activities before interest is stated after charging / (crediting):		
Depreciation	30,383	29,202
Amortisation of goodwill	4,608	4,608
Impairment charge on the revaluation of fixed assets	320	-
Reversal of past impairment losses	(6,370)	-
Loss on disposal of fixed assets	427	507
Travelodge provision	1,366	8,940
Operating lease payments:		
Plant and machinery	460	460
Property rentals	8,429	6,764
Auditor's remuneration for annual audit services	141	136

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 6 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.

During the year the group incurred the following costs for services provided by the company's auditor:

	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	20	20
Fees paid to the company's auditor for other services:		
The audit of the company's subsidiaries pursuant to legislation	121	116
	141	136
Tax Compliance Services	35	39
Other Services	5	-
	181	175

The company audit fee was paid by other group companies.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52 weeks ended 25 December 2013

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Amounts payable on bank loans	62,628	62,983
Payable to group undertakings	26,382	22,258
	<u>89,010</u>	<u>85,241</u>

Amounts payable on bank loans includes £5,211,000 (2012: £5,241,000) relating to amortisation of debt issue costs.

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	52 weeks ended 25 December 2013 £'000	52 weeks ended 26 December 2012 £'000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(1,053)	(17,769)
Adjustment in respect of previous period	(310)	-
Effect of changes in tax rates	2,363	1,089
Total deferred tax	<u>1,000</u>	<u>(16,680)</u>
Total tax charge / (credit) on loss on ordinary activities	<u>1,000</u>	<u>(16,680)</u>

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

A reduction in the standard rate of corporation tax from 24% to 23% was effective from 1 April 2013. Finance Act 2013 provides for a further reduction in the standard rate of tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015. This change was substantively enacted on 2 July 2013. These reduced rates have been reflected in the calculation of deferred tax as they were substantively enacted at the balance sheet date.

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 23.3% (2012: 24.5%). The current tax credit for the period is lower than 23.3% (2012: 24.5%) for the reasons set out in the following reconciliation.

	52 weeks ended 25 December 2013 %	52 weeks ended 26 December 2012 %
Tax credit on loss on ordinary activities at the UK statutory rate of 23.3% (2012: 24.5%)	23.3	24.5
Decrease arising from :		
Expenses not deductible for tax purposes	(21.0)	(18.3)
Movement in deferred tax	0.8	1.2
Tax losses carried forward	(3.1)	(7.4)
Other timing differences	-	-
Current tax credit for the period	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 25 December 2013

7. INTANGIBLE FIXED ASSETS

GROUP

Cost

At 27 December 2012 and 25 December 2013

Goodwill
£'000

89,377

Amortisation

At 27 December 2012

30,334

Charge for the period

4,608

At 25 December 2013

34,942

Net book value

At 25 December 2013

54,435

At 26 December 2012

59,043

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 25 December 2013

8. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £'000	Long & short leasehold land and buildings £'000	Owened vehicles, equipment and fittings £'000	Total £'000
Cost or valuation				
At 27 December 2012	383,893	227,908	165,816	777,617
Additions	-	-	14,647	14,647
Revaluation	47,254	12,205	-	59,459
Reversal of past impairment losses	54	6,316	-	6,370
Impairment losses arising on revaluation	-	(320)	-	(320)
Disposals	-	(359)	(654)	(1,013)
At 25 December 2013	431,201	245,750	179,809	856,760
Depreciation				
At 27 December 2012	6,031	8,872	114,748	129,651
Charge for the period	6,031	8,875	15,477	30,383
Adjustments on revaluation	(12,062)	(17,747)	-	(29,809)
Disposals	-	-	(227)	(227)
At 25 December 2013	-	-	129,998	129,998
Net book value				
At 25 December 2013	431,201	245,750	49,811	726,762
At 26 December 2012	377,862	219,036	51,068	647,966

Within owned vehicles, equipment & fittings there are £223,000 (2012: £192,000) of Assets Under the Course of Construction, which are not being depreciated.

Freehold land and buildings includes £162,375,000 (2012: £146,825,000) of land. Long and short leasehold land and buildings includes £28,500,000 (2012: £27,600,000) of land.

A full valuation of the group's freehold and leasehold properties was carried out as at 25 December 2013 by external valuers, Gerald Eve LLP Chartered Surveyors and Property Consultants. The valuations were in accordance with the requirements of the RICS Valuation – Professional Standards (Global and UK edition) and FRS 15, and having inspected all properties in December 2013. The valuation of each property as a fully equipped operational trading entity was on the basis of Existing Use Value, subject to the following assumptions:

- that the properties would be sold for their existing use; and
- a special assumption that the benefit of all existing franchise and fuel supply agreements would be transferable to a purchaser of an individual property interest.

The valuers' opinion of Existing Use Value was primarily derived using:

- estimates of the future potential net income generated by use of the properties; and
- comparable recent market transactions on arm's length terms.

The valuer responsible for the instruction has been a signatory to the valuation of the subject properties for the last five years.

MOTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 weeks ended 25 December 2013

8. TANGIBLE FIXED ASSETS (continued)

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 25 December 2013	292,881	251,586
Depreciation	(66,390)	(73,415)
Net book value at 25 December 2013	<u>226,491</u>	<u>178,171</u>

9. INVESTMENTS

COMPANY

£'000

Cost and Net Book Value

At 26 December 2012 and 25 December 2013

231,749

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 Finance plc*	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
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

* held indirectly via subsidiary companies

MOTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 weeks ended 25 December 2013

10. STOCK

GROUP

	25 December 2013 £'000	26 December 2012 £'000
Goods for resale and consumables	11,015	11,007

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

11. DEBTORS

GROUP

	25 December 2013 £'000	26 December 2012 £'000
Trade debtors	11,987	19,685
Other debtors	1,561	1,522
Prepayments and accrued income	7,200	6,661
Amounts due within one year	20,748	27,868
Debtors due after more than one year	15,680	16,680
	36,428	44,548

Amounts due after more than one year relate to deferred tax assets.

	25 December 2013 £'000	26 December 2012 £'000
Deferred tax asset		
Excess of depreciation over capital allowances	11,445	12,991
Other timing differences	80	148
Tax losses	4,155	3,541
Deferred tax asset	15,680	16,680

A deferred tax asset of £15,680,000 has been recognised at 25 December 2013 (2012: £16,680,000). This asset, which relates to losses and fixed asset timing differences (capital allowances), has been recognised in the financial statements on the basis that the directors are of the opinion, based on recent and forecast trading, that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of these timing differences can be deducted.

There is no unrecognised deferred tax asset (2012: £nil).

MOTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 weeks ended 25 December 2013

11. DEBTORS (continued)

	Deferred taxation £'000
At 27 December 2012	16,680
Debited to profit and loss account	(1,000)
	<hr/>
At 25 December 2013	15,680
	<hr/>

COMPANY	25 December 2013 £'000	26 December 2012 £'000
Prepayments and accrued income	145	241
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR GROUP

	25 December 2013 £'000	26 December 2012 £'000
Senior Debt	9,900	6,200
Trade creditors	19,571	20,252
Amounts owed to parent undertaking	175,665	149,297
Other creditors	18,908	20,111
Accruals and deferred income	17,819	16,586
	<hr/>	<hr/>
	241,863	212,446
	<hr/>	<hr/>
COMPANY		
Amounts owed to group companies	176,390	149,883
	<hr/>	<hr/>

Amounts owed to parent undertaking are unsecured. Interest is charged at a fixed rate of 17% (2012: 17%), payable semi-annually in arrears.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 25 December 2013

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

GROUP	25 December 2013 £'000	26 December 2012 £'000
Senior Debt	378,100	388,000
Loan Notes	172,964	172,017
Capitalised debt issue costs	(12,667)	(17,878)
Accruals and deferred income	-	297
	<u>538,397</u>	<u>542,436</u>

The Senior Debt carries interest at a floating rate of LIBOR plus a margin of 3.75%. The margin steps up by 0.25% per annum, to 4.25% in March 2015. The outstanding balance of £388.0 million comprises an amortising amount of £37.0 million, of which £9.9 million is due within one year, £14.0 million is due within one to two years and £13.1 million is due between two and five years. The remaining £351 million matures in between two and five years, in March 2016. The lender holds security over the shares and assets of Moto International Holdings Limited and Moto Hospitality Limited.

The Loan Notes carry interest at a fixed rate of 10.25% on the principal amount of £176 million, and mature in more than two years but not more than five years, in March 2017. The Loan Notes were issued at a discount of 3.23%, and this cost is spread over the life of the loan notes. The lender holds security over the shares and assets of Moto Finance Plc, Moto Investments Limited and Moto Ventures Limited.

Costs incurred of £27,013,000 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 5 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, 18 March 2011. The total fair value of these derivatives at the balance sheet date was £(42,758,000) (2012: £(65,889,000)), which is based on a third party bank valuation and is not recognised on the balance sheet.

In addition to the borrowings the debt facility also includes the provision of letters of credit to suppliers. At 25 December 2013 there were £4,083,000 of open letters of credit in issue (2012: £4,400,000). The directors do not expect any payments to be required under these letters of credit. Letters of credit are subject to a fee of 3.75% per annum. This has been charged to interest payable in the financial statements.

The maturity profile of the group's borrowings at 25 December 2013 is as follows:

	25 December 2013 £'000	26 December 2012 £'000
Senior Debt		
In one year or less or on demand	9,900	6,200
In more than one year but not more than two years	14,000	9,900
In more than two years but not more than five years	364,100	378,100
	<u>388,000</u>	<u>394,200</u>
Loan Notes		
In more than two years but not more than five years	172,964	172,017
	<u>172,964</u>	<u>172,017</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 25 December 2013

14. PROVISIONS FOR LIABILITIES

	Travelodge £'000
At 27 December 2012	8,940
Net charge to profit and loss account	1,366
Utilisation of provision	(401)
Unwinding of discount	280
	<hr/>
At 25 December 2013	10,185
	<hr/>

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 6 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.

15. CALLED-UP SHARE CAPITAL

GROUP and COMPANY

	25 December 2013 £'000	26 December 2012 £'000
Authorised, allotted, called-up and fully paid		
110,418,917 A ordinary shares of £1 each	110,419	110,419
307,195 B1 ordinary shares of £1 each	307	307
7,200 C1 ordinary shares of £1 each	7	7
1,466,377 deferred shares of £1 each	1,466	1,466
	<hr/>	<hr/>
	112,199	112,199
	<hr/>	<hr/>

A ordinary shares

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

B1, C1, B, C and D ordinary shares and deferred shares

B1 and C1 ordinary shares and deferred shares have no voting rights and are not entitled to dividends. B, C and D ordinary shares were acquired by the parent company during the year and converted into deferred shares as part of the crystallisation of the Management Incentive Plan, see note 3.

16. SHARE PREMIUM ACCOUNT

GROUP and COMPANY

	25 December 2013 £'000	26 December 2012 £'000
At 26 December 2012 and 25 December 2013	10,722	10,722
	<hr/>	<hr/>

MOTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 weeks ended 25 December 2013

17. RESERVES

GROUP

	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 27 December 2012	(309,580)	215,818	(93,762)
Loss for the period	(47,588)	-	(47,588)
Surplus on revaluation in the period	-	89,268	89,268
At 25 December 2013	<u>(357,168)</u>	<u>305,086</u>	<u>(52,082)</u>

COMPANY

	Profit and loss account £'000
At 27 December 2012	(40,814)
Loss for the period	<u>(26,603)</u>
At 25 December 2013	<u>(67,417)</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

GROUP

	25 December 2013 £'000	26 December 2012 £'000
Loss for the financial period	(47,588)	(34,508)
Surplus on revaluation in the period	<u>89,268</u>	<u>-</u>
Net increase / (decrease) in shareholders' funds	41,680	(34,508)
Opening shareholders' funds	<u>29,159</u>	<u>63,667</u>
Closing shareholders' funds	<u>70,839</u>	<u>29,159</u>

COMPANY

	25 December 2013 £'000	26 December 2012 £'000
Loss for the financial period	(26,603)	(22,456)
Net decrease in shareholders' funds	(26,603)	(22,456)
Opening shareholders' funds	<u>82,107</u>	<u>104,563</u>
Closing shareholders' funds	<u>55,504</u>	<u>82,107</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 25 December 2013

19. CASH FLOW FROM OPERATING ACTIVITIES

GROUP	25 December 2013 £'000	26 December 2012 £'000
Operating profit	42,359	33,784
Depreciation charge	30,383	29,202
Loss on disposal of fixed assets	427	508
Goodwill amortisation	4,608	4,608
Effect of the revaluation of fixed assets	(6,050)	-
Increase in stocks	(8)	(1,074)
Decrease / (increase) in debtors	7,120	(1,335)
Increase in creditors	334	10,176
Net cash inflow from operating activities	79,173	75,869

20. RECONCILIATION OF NET DEBT

GROUP	As at 26 December 2012 £'000	Cash flow £'000	Other non- cash changes £'000	As at 25 December 2013 £'000
Cash in hand and at bank	30,417	2,227	-	32,644
Debt due within one year	(155,497)	6,200	(36,268)	(185,565)
Debt due after one year	(542,139)	-	3,742	(538,397)
	(667,219)	8,427	(32,526)	(691,318)

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

Debt due within one year includes external debt of £9,900,000 (2012: £6,200,000) and amounts owed to parent undertaking of £175,665,000 (2012: £149,297,000).

Debt due after one year includes external debt of £551,064,000 (2012: £560,017,000) less capitalised debt costs of £12,667,000 (2012: £17,878,000).

Movement in borrowings

GROUP	25 December 2013 £'000	26 December 2012 £'000
Debt due within one year:		
Repayment of debt	6,200	1,800
Debt due after one year:		
Repayment of debt	-	4,000
Decrease in borrowings	6,200	5,800

MOTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 weeks ended 25 December 2013

21. FINANCIAL COMMITMENTS

Capital commitments are as follows:

GROUP	25 December 2013 £'000	26 December 2012 £'000
Contracted but not provided for	-	-

At 25 December 2013, the group was committed to making the following payments during the next year in respect of operating leases:

	Plant and machinery		Land and buildings	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Leases which expire:				
In two to five years	460	460	20	-
In more than five years	-	-	7,604	7,466
	460	460	7,624	7,466

COMPANY

The company had no financial commitments (2012: £Nil).

22. 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 £737,000 (2012: £420,000) with unpaid contributions at 25 December 2013 of £107,000 (2012: £63,000).

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 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.

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 Parent Limited, a company incorporated in Bermuda, which is controlled by a consortium, with no ultimate controlling party.

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