Company Registration No. 5754555

MOTO HOLDINGS LIMITED

and subsidiary companies

Report and Financial Statements

52 weeks ended 26 December 2012

REPORT AND FINANCIAL STATEMENTS

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MOTO HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

REPORT AND FINANCIAL STATEMENTS 2012

DIRECTORS

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

SECRETARY

R Prynn

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

Barclays Bank plc
27 Soho Square
London W1D 3QR

LAWYERS

DLA Piper UK LLP
3 Noble Street
London EC2V 7EE

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 26 December 2012.

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 (after excluding a one-off onerous contract provision for future losses relating to Travelodge terminating lease agreements on 5 hotels in 2012 and the effect of the fixed asset revaluation in the prior year) in the period. The directors expect this trend to continue in the near future.

The group turnover has decreased by £14,933,000 (2011: £15,963,000 increase) to £849,494,000 for the 52 weeks ended 26 December 2012, compared to £864,427,000 in the 52 week period ended 28 December 2011, a decline of 1.7% (2011: 1.9% increase). This primarily relates to fuel turnover, and non-fuel turnover increased in the year by 2.3% (2011: 1.3% decline). Operating profit amounted to £33,784,000 (2011: £60,487,000), a decrease of £26,703,000 (52 week period ended 28 December 2011 £31,750,000 increase). 2011 included a credit of £14,541,000 being the effect of revaluation of fixed assets, whilst 2012 includes 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 £200,000, a growth of 0.3% (2011: 1.5% growth) (£77,200,000 for the 52 weeks ended 26 December 2012, compared to £77,000,000 in the 52 weeks ended 28 December 2011). Further KPI's 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 £29,159,000 (2011: £63,667,000) as at 26 December 2012.

The New Year has started well for the group and directors expect to build on the momentum created in 2012.

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 2018. 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 £149,883,000 will not be called for repayment for at least 12 months from the date of signing the accounts.

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 accounts. Therefore, the accounts have been prepared on a going concern basis.

DIRECTORS' REPORT (continued)

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

Gordon Parsons
Gordon is a Senior Managing Director within Macquarie Capital Funds, which acts as the asset manager for Moto on behalf of 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 Directors roles for TXU and RWE Npower respectively.

Gordon heads Macquarie Capital Funds' 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.

Marc Perusat
Marc joined Macquarie's European Funds Group in August 2006. He now heads the Telecom, Media & Technology Infrastructure Group. He is responsible for Macquarie's investments in and is a director of Arqiva, Airwave, Ceské Radiokomunikace, Moto and Red Bee Media.

Prior to this, Marc worked at Citigroup for 8 years within their London-based TMT investment banking group with a focus on originating and executing M&A and debt /equity financing transactions across Europe. Prior to this he worked for 5 years with Morgan Stanley in their M&A department, 2 years with LEK Consulting and 2 years with Michelin.

OBJECTIVES AND STRATEGY

Moto enjoyed stable performance in 2012 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.

DIRECTORS' REPORT (continued)

KPIs

The KPIs reported in the accounts and the table below include numbers and comparatives for turnover, cash flow, PBITDA (profit before interest, tax, depreciation and amortisation), pre-tax result, 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 26 December 2012**	**52 weeks ended 28 December 2011**
Turnover	£849.5m	£864.4m
Cash flow from operating activities	£75.9m	£73.9m
PBITDA	£67.6m	£91.5m
Adjusted PBITDA	£77.2m	£77.0m
Loss on ordinary activities before taxation	£(51.2)m	£(34.6)m
Creditor days	39 days	45 days
Headcount (average number of persons employed)	4,789	4,696
Number of transactions (excluding fuel and forecourt purchases)	45.0m	45.7m

Adjusted PBITDA	**52 weeks ended 26 December 2012**	**52 weeks ended 28 December 2011**
Operating Profit	£33.8m	£60.5m
Depreciation and amortisation	£33.8m	£31.0m
PBITDA	£67.6m	£91.5m
Travelodge provision	£8.9m	-
Effect of the revaluation of fixed assets	-	£(14.5)m
Amortisation of deferred income and deferred costs	£0.2m	£(0.4)m
Loss on disposal of fixed assets	£0.5m	£0.4m
Adjusted PBITDA	£77.2m	£77.0m

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

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 that Moto sites are a part of. 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. Our projects range from sponsoring children's sporting activities to helping with the upkeep of community buildings. Since 2005 the Moto in the Community Trust is proud to have raised over £1,700,000 to support national and local community charities. In 2013 we hope to reach £2Million.

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 in 2012 Help for Heroes who received a donation of £200,000 by the Moto in the Community Trust.

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 55,000 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 company 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 light bulbs and tight control of heating and air-conditioning operating hours.

Waste Management – Moto aims to reduce the level of waste sent to landfill. The amount of waste diverted from landfill increased by a further 4% in 2012 to 25% of all waste material generated. This was achieved by an increase in use of Energy from Waste (EfW) and Material Recovery (MRF) facilities. In additional we have been trialling diversion of food waste from one of our midlands sites to an Anaerobic Digestion plant.

Recycling - Cardboard recycling volume in 2012 increased by 14% in comparison to 2011, however dampened with the backdrop of the commodity price for card reducing by 40% in the 2nd half of 2012.

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

DIRECTORS' 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 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.

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 (2011: 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.

The group remains committed to reviewing its supplier relationships and ensuring best practice processes remain in place. Moto has secured long term contracts with a number of key partners over the years. Moto also maintains a successful track record in renewing and renegotiating contracts highlighting the healthy relationship it shares with its key partners which include corporates such as Burger King, Costa Coffee and BP.

Trade creditors of the group at 26 December 2012 were equivalent to 39 days (2011: 45 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' REPORT (continued)

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:

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) 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
18 April 2013

DIRECTORS' RESPONSIBILITES 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 26 December 2012 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. 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 26 December 2012 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 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.

David Hall, FCA

David Hall FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Nottingham, UK

18 APRIL 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT
52 weeks ended 26 December 2012

	Note	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
TURNOVER	2	849,494	864,427
Change in stocks of finished goods		1,074	(72)
Staff costs	3	(63,191)	(60,587)
Depreciation and amortisation	4	(33,810)	(31,123)
Other operating costs		(719,783)	(726,699)
Effect of the revaluation of fixed assets	4	-	14,541
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST BEING OPERATING PROFIT	4	33,784	60,487
Interest receivable and similar income		269	93
Interest payable and similar charges	5	(85,241)	(95,225)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(51,188)	(34,645)
Tax on loss on ordinary activities	6	16,680	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	17,18	(34,508)	(34,645)

All results relate to continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
52 weeks ended 26 December 2012

	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Loss for the financial period	(34,508)	(34,645)
Unrealised surplus on revaluation of fixed assets	-	125,298
TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD	(34,508)	90,653

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES
52 weeks ended 26 December 2012

	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Reported loss on ordinary activities before taxation	(51,188)	(34,645)
Difference between an historical cost depreciation charge and the actual depreciation charge for the year	6,344	2,525
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(44,844)	(32,120)
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	(28,164)	(32,120)

MOTO HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET
26 December 2012

	Note	26 December 2012 £'000	28 December 2011 £'000
FIXED ASSETS			
Intangible assets	7	59,043	63,651
Tangible assets	8	647,966	663,980
		707,009	727,631
CURRENT ASSETS			
Stock	10	11,007	9,933
Debtors due within one year	11	27,868	26,533
Debtors due after more than one year	11	16,680	-
Cash in hand and at bank		30,417	31,284
		85,972	67,750
CREDITORS: amounts falling due within one year	12	(212,446)	(184,988)
NET CURRENT LIABILITIES		(126,474)	(117,238)
TOTAL ASSETS LESS CURRENT LIABILITIES		580,535	610,393
CREDITORS: amounts falling due after more than one year	13	(542,436)	(546,726)
PROVISIONS FOR LIABILITIES	14	(8,940)	-
NET ASSETS		29,159	63,667
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	(309,580)	(275,072)
Revaluation Reserve	17	215,818	215,818
TOTAL SHAREHOLDERS' FUNDS	18	29,159	63,667

The company registration number is 5754555.

These financial statements were approved by the Board of Directors and authorised for issue on 18 April 2013.

Signed on behalf of the Board of Directors

G Parsons

DIRECTOR

COMPANY BALANCE SHEET
26 December 2012

	Note	26 December 2012 £'000	28 December 2011 £'000
FIXED ASSETS			
Investments	9	231,749	231,749
CURRENT ASSETS			
Debtors	11	241	338
		241	338
CREDITORS: amounts falling due within one year	12	(149,883)	(127,524)
NET CURRENT LIABILITIES		(149,642)	(127,186)
NET ASSETS		82,107	104,563
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	(40,814)	(18,358)
TOTAL SHAREHOLDERS' FUNDS	18	82,107	104,563

The company registration number is 5754555.

These financial statements were approved by the Board of Directors and authorised for issue on 18 April 2013.

Signed on behalf of the Board of Directors

G Parsons

DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT
52 weeks ended 26 December 2012

	Note	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Net cash inflow from operating activities	19	75,869	73,895
Returns on investments and servicing of finance			
Interest received		269	93
Interest paid		(57,510)	(72,529)
Net cash outflow from returns on investments and servicing of finance		(57,241)	(72,436)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(13,695)	(22,895)
Proceeds from sale of tangible fixed assets		-	10,115
Net cash outflow for capital expenditure and financial investment		(13,695)	(12,780)
Net cash inflow / (outflow) before financing		4,933	(11,321)
Financing			
Increase of ordinary share capital		-	35,664
Movement in borrowings	20	(5,800)	(19,108)
Net cash (outflow) / inflow from financing		(5,800)	16,556
(Decrease) / increase in net cash	20	(867)	5,235

Consolidated reconciliation of net debt			
Net debt at beginning of period	20	(643,901)	(730,437)
(Decrease) / increase in net cash	20	(867)	5,235
Movement in borrowings	20	5,800	19,108
Other non-cash changes	20	(28,251)	62,193
Net debt at end of period	20	(667,219)	(643,901)

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 26 December 2012

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 2018. 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 £149,883,000 will not be called for repayment for at least 12 months from the date of signing the accounts.

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 accounts. 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 52 weeks ended 26 December 2012. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

1. **ACCOUNTING POLICIES (continued)**

Goodwill and amortisation

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

Investments

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

Fixed assets and depreciation

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 an interim valuation was performed by Gerald Eve & Co Chartered Surveyors, a qualified external valuer, in 2011. A full valuation is performed every five years, with an interim valuation in year three.

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

1. ACCOUNTING POLICIES (continued)

Leases

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

Bank borrowings

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

Financial instruments

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

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 26 December 2012

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

COMPANY

The company has no employees other than the directors (2011: nil).

The directors received no remuneration with regard to their services to the company or the group (2011: nil).

GROUP

	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Average number of persons employed (including directors)		
Management and administration	641	619
Catering and services staff	4,148	4,077
	4,789	4,696

	£'000	£'000
Staff costs during the period		
Wages and salaries	59,122	56,420
Social security costs	3,649	3,717
Other pension costs	420	450
	63,191	60,587

A second Management Incentive Plan has replaced the scheme that crystallised in June 2010. This operates on a similar basis to the previous scheme, 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 accounts 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 account 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 26 December 2012

4. PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

Profit on ordinary activities before interest is stated after charging / (crediting):	**52 weeks ended 26 December 2012 £'000**	**52 weeks ended 28 December 2011 £'000**
Depreciation	29,202	26,515
Amortisation of goodwill	4,608	4,608
Impairment charge on the revaluation of fixed assets	-	663
Travelodge provision	8,940	-
Reversal of past impairment losses	-	(15,204)
Loss on disposal of fixed assets	507	381
Operating lease payments		
Plant and machinery	460	466
Property rentals	6,764	5,839
Auditor's remuneration for annual audit services	136	140

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 5 hotels that Travelodge exited when they restructured their business in September 2012. The rent on these hotels will continue at a reduced level until April 2013. A management contract is being finalised which will involve these hotels being managed on Moto's behalf on a profit share basis, anticipated to be lower than the previous rent.

During the year the Group incurred the following costs for services provided by the Company's auditor:

	52 weeks ended 26 December 2012 £'000	**52 weeks ended 28 December 2011 £'000**
Fees payable to the Company's auditor for the audit of the Company's annual accounts	20	20
Fees paid to the Company's auditor for other services:		
The audit of the Company's subsidiaries pursuant to legislation	116	120
	136	140
Tax Services	39	49
Due Diligence on issue of Loan Notes	-	300
	175	489

The company audit fee was paid by other group companies. The due diligence fees where appropriate were treated as debt issue costs and not charged to the profit and loss account immediately.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Amounts payable on bank loans	62,983	71,633
Payable to group undertakings	22,258	23,592
	85,241	95,225

Amounts payable on bank loans includes £5,241,000 (2011: £5,292,000) relating to amortisation of debt issue costs. 2011 also included an exceptional charge of £15,381,000 relating to the cash settlement cost of reducing the notional amount of interest rate hedges to the value of the new £400 million senior debt facilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Total current tax	-	-
Deferred tax		-
Origination and reversal of timing differences	17,769	-
Effect of changes in tax rates	(1,089)	-
Total deferred tax	16,680	-
Total tax credit on loss on ordinary activities	16,680	-

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

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013. These rate reductions became substantively enacted in March 2012 and July 2012, respectively. The UK Government has also proposed changes to further reduce the standard rate of UK corporation tax to 21% effective 1 April 2014, but this change has not yet been substantively enacted. The effect of this tax rate reduction on the deferred tax balance will be accounted for in the period in which the rate reduction is substantively enacted.

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 24.5% (2011: 26.5%). The current tax credit for the period is lower than 24.5% (2011: 26.5%) for the reasons set out in the following reconciliation.

	52 weeks ended 26 December 2012 £'000	52 weeks ended 28 December 2011 £'000
Tax credit on loss on ordinary activities at the UK statutory rate of 24.5% (2011: 26.5%)	24.5%	26.5%
Decrease arising from :		
Expenses not deductible for tax purposes	(18.3)%	(18.8)%
Movement in deferred tax	1.2%	(6.3)%
Tax losses carried forward	(7.4)%	(1.5)%
Other timing differences	-%	0.1%
Current tax credit for the period	-%	-%

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

7. INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000
Cost	
At 29 December 2011 and 26 December 2012	89,377
Amortisation	
At 29 December 2011	25,726
Charge for the period	4,608
At 26 December 2012	30,334
Net book value	
At 26 December 2012	59,043
At 28 December 2011	63,651

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

8. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £'000	Long & short leasehold land and buildings £'000	Owned vehicles equipment and fittings £'000	Total £'000
Cost or valuation				
At 29 December 2011	383,891	227,898	153,190	764,979
Additions	2	10	13,683	13,695
Disposals	-	-	(1,057)	(1,057)
At 26 December 2012	383,893	227,908	165,816	777,617
Depreciation				
At 29 December 2011	-	-	100,999	100,999
Charge for the period	6,031	8,872	14,299	29,202
Disposals	-	-	(550)	(550)
At 26 December 2012	6,031	8,872	114,747	129,651
Net book value				
At 26 December 2012	377,862	219,036	51,068	647,966
At 28 December 2011	383,891	227,898	52,191	663,980

Within owned vehicles, equipment & fittings there are £192,000 (2011: £369,000) of Assets Under the Course of Construction, which are not being depreciated.

Freehold land and buildings includes £146,825,000 (2011: £146,825,000) of land. Long and short leasehold land and buildings includes £27,600,000 (2011: £27,600,000) of land.

An interim valuation of the group's freehold and leasehold properties was carried out as at 28 December 2011 by external valuers, Gerald Eve LLP Chartered Surveyors and Property Consultants. The valuations were in accordance with the requirements of the RICS Valuation Standards - Global and UK, 7th edition and FRS 15, and were undertaken on a desk-top basis with four re-inspections and having inspected all properties in February 2011. 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:

(i) That the properties would be sold for their existing use.
(ii) 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 three years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

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	292,881	251,586
Depreciation	(62,618)	(68,723)
Net book value	230,263	182,863

9. INVESTMENTS

COMPANY	£'000
Cost and Net Book Value	
At 28 December 2011 and 26 December 2012	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
Kentucky Fried Chicken Costa Burger King Limited*	Dormant company	Ordinary shares	England & Wales
Kentucky Fried Chicken Burger King Costa Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Costa Kentucky Fried Chicken Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Kentucky Fried Chicken Costa Limited*	Dormant company	Ordinary shares	England & Wales
Costa Burger King Kentucky Fried Chicken Limited*	Dormant company	Ordinary shares	England & Wales
Costa Kentucky Fried Chicken Burger King Limited*	Dormant company	Ordinary shares	England & Wales

* held indirectly via subsidiary companies

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

10. STOCK

GROUP	26 December 2012 £'000	28 December 2011 £'000
Goods for resale	11,007	9,933

There is no material difference between the balance sheet value of stocks and their replacement cost.

11. DEBTORS

GROUP	26 December 2012 £'000	28 December 2011 £'000
Trade debtors	19,685	18,395
Other debtors	1,522	2,517
Prepayments and accrued income	6,661	5,621
Amounts due within one year	27,868	26,533
Debtors due after more than one year	16,680	-
	44,548	26,533

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

	Unrecognised		Recognised	
	26 December 2012 £'000	28 December 2011 £'000	26 December 2012 £'000	28 December 2011 £'000
Deferred tax asset				
Excess of depreciation over capital allowances	-	12,099	12,991	-
Other timing differences	-	179	148	-
Tax losses	-	1,091	3,541	-
Deferred tax asset	-	13,369	16,680	-

A deferred tax asset of £16,680,000 has been recognised at 26 December 2012 (2011: nil). 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.

In 2011, the deferred tax asset was not recognised on the basis that there was not sufficient certainty over future taxable profits against which the asset could be realised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

11. DEBTORS (continued)

	Deferred taxation £'000	Total £'000
At 28 December 2011	-	-
Credited to profit and loss account	16,680	16,680
At 26 December 2012	16,680	16,680

COMPANY	26 December 2012 £'000	28 December 2011 £'000
Prepayments and accrued income	241	338
	241	338

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	26 December 2012 £'000	28 December 2011 £'000
Senior Debt	6,200	1,800
Trade creditors	20,252	20,774
Amounts owed to parent undertaking	149,297	127,053
Other creditors	20,111	20,568
Accruals and deferred income	16,586	14,793
	212,446	184,988

COMPANY		
Amounts owed to group companies	149,883	127,524

Amounts owed to parent undertaking are unsecured. Interest is charged at a fixed rate of 17% (2011: 17%), payable semi-annually in arrears.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

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

GROUP

	26 December 2012 £'000	28 December 2011 £'000
Senior Debt	388,000	398,200
Loan Notes	172,017	171,070
Capitalised debt issue costs	(17,878)	(22,938)
Accruals and deferred income	297	394
	542,436	546,726

The Senior Debt carries interest at a floating rate of LIBOR plus a margin of 3.5%. The margin steps up by 0.25% per annum, to 4.25% in March 2015. The outstanding balance of £394.2 million comprises an amortising amount of £43.2 million, of which £6.2 million is due within one year, £9.9 million is due within one to two years and £27.1 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 matures in more than two years but not more than five years. 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 £(65,889,000) (2011: £(75,218,000)) 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 28 December 2011 there was £4,400,000 of open letters of credit in issue (2011: £5,100,000). The directors do not expect any payments to be required under these letters of credit. Letters of credit are subject to a fee of 3.5% per annum. This has been charged to interest payable in the financial statements.

The maturity profile of the group's borrowings at 26 December 2012 is as follows:

	26 December 2012 £'000	28 December 2011 £'000
Senior Debt		
In one year or less or on demand	6,200	1,800
In more than one year but not more than two years	9,900	6,200
In more than two years but not more than five years	378,100	392,000
	394,200	400,000
Loan Notes		
In more than two years but not more than five years	172,017	-
In more than five years	-	171,070
	172,017	171,070

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

14. PROVISIONS FOR LIABILITIES

	Travelodge £'000	Total £'000
At 28 December 2011	-	-
Charged to profit and loss account	8,940	8,940
At 26 December 2012	8,940	8,940

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 5 hotels that Travelodge exited when they restructured their business in September 2012. The rent on these hotels will continue at a reduced level until April 2013. A management contract is being finalised which will involve these hotels being managed on Moto's behalf on a profit share basis, anticipated to be lower than the previous rent. The provision expires over the life of these onerous leases, which run until 2025.

15. CALLED UP SHARE CAPITAL

GROUP and COMPANY

	26 December 2012 £'000	28 December 2011 £'000
Authorised, allotted and fully paid		
110,418,917 (2010: 4,220,000) 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
	112,199	112,199

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

	26 December 2012 £'000	28 December 2011 £'000
At 28 December 2011	10,722	10,722
At 26 December 2012	10,722	10,722

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

17. RESERVES

GROUP

	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 29 December 2011	(275,072)	215,818	(59,254)
Loss for the period	(34,508)	-	(34,508)
At 26 December 2012	(309,580)	215,818	(93,762)

COMPANY

	Profit and loss account £'000
At 29 December 2011	(18,358)
Loss for the period	(22,456)
At 26 December 2012	(40,814)

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

GROUP

	26 December 2012 £'000	28 December 2011 £'000
Issue of ordinary share capital	-	106,199
Loss for the financial period	(34,508)	(34,645)
Revaluation in period	-	125,298
Net (decrease) / increase in shareholders' funds	(34,508)	196,852
Opening shareholders' funds / (deficit)	63,667	(133,185)
Closing shareholders' funds	29,159	63,667

COMPANY

	26 December 2012 £'000	28 December 2011 £'000
Issue of ordinary share capital	-	106,199
Loss for the financial period	(22,456)	(17,506)
Net (decrease) / increase in shareholders' funds	(22,456)	88,693
Opening shareholders' funds	104,563	15,870
Closing shareholders' funds	82,107	104,563

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

19. CASH FLOW FROM OPERATING ACTIVITIES

GROUP

	26 December 2012 £'000	28 December 2011 £'000
Operating profit	33,784	60,487
Depreciation charge	29,202	26,515
Loss on disposal of fixed assets	508	381
Goodwill amortisation	4,608	4,608
Effect of the revaluation of fixed assets	-	(14,541)
(Increase) / decrease in stocks	(1,074)	72
(Increase) / decrease in debtors	(1,335)	1,598
Increase / (decrease) in creditors	10,176	(5,225)
Net cash inflow from operating activities	75,869	73,895

20. RECONCILIATION OF NET DEBT

GROUP

	As at 29 December 2011 £'000	Cash flow £'000	Other non-cash changes £'000	As at 26 December 2012 £'000
Cash in hand and at bank	31,284	(867)	-	30,417
Debt due within one year	(128,853)	1,800	(28,444)	(155,497)
Debt due after one year	(546,332)	4,000	193	(542,139)
	(643,901)	4,933	(28,251)	(667,219)

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 £6,200,000 (2011: £1,800,000) and amounts owed to parent undertaking of £149,297,000 (2011: £127,053,000).

Debt due after one year includes external debt of £560,017,000 (2011: £569,270,000) less capitalised debt costs of £17,878,000 (2011: £22,938,000).

Movement in borrowings

GROUP

	As at 26 December 2012 £'000	As at 28 December 2011 £'000
Debt due within one year:		
Repayment of debt	1,800	(563,033)
Debt due after one year:		
Repayment of debt	4,000	-
New senior debt	-	400,000
New loan notes	-	170,322
Issue costs of new bank loans	-	(26,397)
Increase in borrowings	5,800	(19,108)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 weeks ended 26 December 2012

21. FINANCIAL COMMITMENTS

Capital commitments are as follows:

GROUP	As at 26 December 2012 £'000	As at 28 December 2011 £'000
Contracted but not provided for	-	-

At 26 December 2012, 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	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Leases which expire:				
In two to five years	460	466	-	-
In more than five years	-	-	7,466	6,464
	466	466	7,466	6,464

COMPANY

The company had no financial commitments (2011: 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 £420,000 (2011: £450,000) with unpaid contributions at 26 December 2012 of £63,000 (2011: £68,000).

23. RELATED PARTY TRANSACTIONS

GROUP Name of related party	Relationship	Transaction Type	Value of transactions 2012 £'000	Amount outstanding 2012 £'000	Value of transactions 2011 £'000	Amount outstanding 2011 £'000
Macquarie Capital Funds (Europe) Limited	Shareholder of parent company	Advisory services	-	-	2,850	-
Moto International Holdings Limited	Parent	Borrowings	-	81,468	-	81,468
		Interest	22,258	67,829	23,592	45,585

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 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 Parent Limited, a company incorporated in Bermuda, which is controlled by a consortium.

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