Company Registration No. 5754555

MOTO HOLDINGS LIMITED

and subsidiary companies

Report and Financial Statements

53 weeks ended 30 December 2009

MOTO HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

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OFFICERS AND PROFESSIONAL ADVISERS

REPORT AND FINANCIAL STATEMENTS 2009

DIRECTORS

D Bogg
A Cowley (resigned 4 June 2009)
G Parsons (appointed 4 June 2009)

SECRETARY

R Prynn

REGISTERED OFFICE

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

AUDITORS

Deloitte LLP, Chartered Accountants and Statutory Auditors
Birmingham, UK

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 30 December 2009.

PRINCIPAL ACTIVITIES

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

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

BUSINESS REVIEW

The group has continued to experience steady sales and profit growth in the period. The directors expect this trend to continue in the near future.

The group turnover has decreased by £12,652,000 (£830,283,000 for the 53 week period ended 30 December 2009, compared to £842,935,000 in the 52 week period ended 24 December 2008). This includes a 7.7% decline in fuel turnover. Excluding fuel, turnover has grown by 12.3%. Operating profit amounted to £32,121,000, an increase of £39,015,000 (compared to a loss of £6,894,000 in the 52 week period ended 24 December 2008). Excluding depreciation, amortisation and impairment losses from operating profit, the PBITDA has increased by £12,157,000 (£64,801,000 in the 53 week period ended 30 December 2009 compared to £52,644,000 in the 52 week period ended 24 December 2008), a growth of 23.1%.

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

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

GOING CONCERN

The group is structured via a series of intermediate holding companies and a trading company, Moto Hospitality Limited. The intermediate holding companies, of which this company is one, hold external debt financing, none of which is due for repayment until June 2011. This external debt finance has been lent via intercompany loan agreements to Moto Hospitality Limited with no fixed date of repayment. Interest is payable on the intercompany debt at rates higher than those payable on the external debt financing in order to distribute the trading profit of Moto Hospitality Limited to the holding companies to ensure service of the external debt and to facilitate dividend payments to shareholders at the ultimate parent company level, Moto International Holdings Limited.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2015. 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 ongoing compliance with all covenants attached to bank debt for the foreseeable future.

Although loans from fellow group companies are all presented as being repayable within one year, the directors have received confirmation from fellow group companies that amounts of £163,880,000 will not be called for repayment for at least 12 months from the date of signing the accounts.

The directors have considered the refinancing options available to the business on the expiry of the existing facilities in June 2011 and have had discussions with members of the existing banking syndicate and other banks not part of the syndicate. Based on discussions to date, the directors consider that new debt facilities will be available to the group.

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 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 1500 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.

Gordon Parsons replaced Andrew Cowley on the Board of Moto Holdings Limited on 4 June 2009. Andrew Cowley is a Senior Managing Director of Macquarie Capital Funds.

Dyson Bogg
Dyson is a Managing Director within Macquarie Capital Funds, which acts as the asset manager for Moto on behalf of shareholders.

Dyson joined Macquarie in 2002 after completing his MBA at Kellogg. Prior to undertaking his MBA, Dyson worked for five years in the oil & gas exploration industry in Australia, North America and South East Asia, most recently managing operations and marketing for Baker Oil Tools in South East Asia.

Dyson is a Managing Director within Macquarie Capital Funds' European Consumer Infrastructure Group with extensive experience managing a range of portfolio investments in industries including health care, leisure, oil and gas and financial services. He is currently involved in portfolio companies operating in transport and transport services.

OBJECTIVES AND STRATEGY

Moto enjoyed robust performance in 2009 and the company hopes to continue benefiting from current trends in the market which include the increase in preference for local holidays and the continued rise in UK retail coffee sales. 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, pre-tax result, creditor days and headcount. In addition the number of transactions across sites is monitored.

KPI	53 weeks ended 30 December 2009	52 weeks ended 24 December 2008
Turnover	£830.3m	£842.9m
Cash flow from operating activities	£68.4m	£64.8m
PBITDA	£64.8m	£52.6m
Loss on ordinary activities before taxation	£(42.6)m	£(75.7)m
Creditor days	43 days	32 days
Headcount (average number of persons employed	4,484	4,404
Number of transactions (excluding fuel and forecourt purchases)	47.2m	43.0m

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

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 people have been fundraising for various national and local charities, and also engaging in the support of local community projects. These projects range from sponsoring children's sporting activities to helping with the upkeep of community buildings.

A recent initiative undertaken by Moto was the 'Adopt a School' programme where every Moto site in the UK has adopted a local school in order to focus their support on building strong community links with one school. The schools that form part of the 'Adopt a School' programme will be weaved into Moto's community activities, which include a staff volunteering scheme – 'making a difference'.

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 People 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 website.

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 and in conjunction with its partners, the company is currently investigating the feasibility of composting food waste generated throughout its estate.

Recycling Policy – Moto launched a national recycling programme in 2009, and with all Moto sites participating in the initiative, the company managed to recycle over 1,000 tonnes of cardboard during the year. The company remains committed in continuing to pioneer and participate in such schemes going forward.

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

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

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

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

Foreign Exchange risk
Since the entity only trades within the UK it is not exposed to any 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 company 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 company aims to develop relationships with major brands that have a strong track record in their respective markets. The company also performs rigorous checks on any potential partner companies prior to committing into any new contracts.

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the period are shown in the profit and loss account on page 9. The directors recommend that no dividend be paid for the period (2008: 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 company 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 30 December 2009 were equivalent to 43 days (2008: 32 days) purchases.

DIRECTORS' REPORT (Continued)

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.

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 of the profit or loss of the company 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.

DIRECTORS' REPORT (Continued)

AUDITORS

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

(1) so far as the directors is aware, there is no relevant audit information of which the company's auditors are 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 auditors are 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 auditors of the company. A resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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

D Bogg
Director
13 May 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTO HOLDINGS LIMITED

We have audited the financial statements of Moto Holdings Limited for the 53 weeks ended 30 December 2009 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Cash Flow Statement, the reconciliation to net debt, and the related notes 1 to 24. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 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 (APB'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.

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 30 December 2009 and of the group's loss for the 53 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 matter 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 Auditors
Birmingham, UK

14 May 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT
53 weeks ended 30 December 2009

	Note	53 weeks ended 30 December 2009 £'000	52 weeks ended 24 December 2008 £'000
TURNOVER	2	830,283	842,935
Change in stocks of finished goods		(699)	(1,165)
Staff costs	3	(63,941)	(57,505)
Depreciation and amortisation	4	(32,078)	(30,779)
Other operating costs		(700,842)	(731,621)
Impairment charge on the revaluation of fixed assets	4	(602)	(28,759)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST BEING OPERATING PROFIT / (LOSS)	4	32,121	(6,894)
Interest receivable and similar income		70	778
Interest payable and similar charges	5	(74,834)	(69,555)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(42,643)	(75,671)
Tax on loss on ordinary activities	6	376	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE FINANCIAL PERIOD	17,18	(42,276)	(75,671)

All results relate to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	53 weeks ended 30 December 2009 £'000	52 weeks ended 24 December 2008 £'000
Loss for the financial period	(42,267)	(75,671)
Effect of the revaluation of fixed assets	602	90,807
TOTAL RECOGNISED GAINS & LOSSES FOR THE PERIOD	(41,665)	15,136

The 2009 item in respect of the effect of the revaluation of fixed assets represents a correction to the revaluation reserve included in the 2008 accounts. This is offset by a £602,000 charge included in the 2009 profit and loss account.

CONSOLIDATED BALANCE SHEET
30 December 2009

	Note	30 December 2009 £'000	24 December 2008 £'000
FIXED ASSETS			
Intangible assets	7	72,867	77,475
Tangible assets	8	558,414	568,116
		631,281	645,591
CURRENT ASSETS			
Stock	10	10,140	10,839
Debtors due within one year	11	26,362	23,434
Debtors due after more than one year	11	1,500	4,500
Cash in hand and at bank		21,782	27,645
		59,784	66,418
CREDITORS: amounts falling due within one year	12	(224,336)	(220,227)
NET CURRENT LIABILITIES		(164,552)	(153,809)
TOTAL ASSETS LESS CURRENT LIABILITIES		466,729	491,782
CREDITORS: amounts falling due after more than one year	13	(561,356)	(544,744)
NET LIABILITIES		(94,627)	(52,962)
CAPITAL AND RESERVES			
Called up share capital	15	5,686	5,686
Share premium account	16	849	849
Profit and loss account	17	(192,571)	(150,304)
Revaluation Reserve	17	91,409	90,807
TOTAL SHAREHOLDERS' DEFICIT	18	(94,627)	(52,962)

The company registration number is 5754555.

These financial statements were approved by the Board of Directors and authorised for use on 13 May 2010 .

Signed on behalf of the Board of Directors

D Bogg

DIRECTOR

COMPANY BALANCE SHEET
30 December 2009

	Note	30 December 2009 £'000	24 December 2008 £'000
FIXED ASSETS			
Investments	9	-	-
CURRENT ASSETS			
Debtors	11	175,218	174,581
		175,218	174,581
CREDITORS: amounts falling due within one year	12	(163,880)	(162,756)
NET CURRENT ASSETS		11,338	11,825
NET ASSETS		11,338	11,825
CAPITAL AND RESERVES			
Called up share capital	15	5,686	5,686
Share premium account	16	849	849
Profit and loss account	17	4,803	5,290
TOTAL SHAREHOLDERS' FUNDS	18	11,338	11,825

The company registration number is 5754555.

These financial statements were approved by the Board of Directors on 13 May 2010

Signed on behalf of the Board of Directors

D Bogg

DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT
53 weeks ended 30 December 2009

	Note	53 weeks ended 30 December 2009 £'000	52 weeks ended 24 December 2008 £'000
Net cash inflow from operating activities	19	68,441	64,761
Returns on investments and servicing of finance			
Interest received		50	778
Interest paid		(68,339)	(67,946)
Net cash outflow from returns on investments and serving of finance		(68,289)	(67,168)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(19,015)	(40,350)
Net cash outflow for capital expenditure and financial investment		(19,015)	(40,350)
Net cash outflow before financing		(18,863)	(42,757)
Financing			
Increase in borrowings	20	13,000	38,883
Net cash inflow from financing		13,000	38,883
Decrease in net cash		(5,863)	(3,874)

Reconciliation to net debt			
Net debt at beginning of period	20	(677,919)	(631,638)
Decrease in net cash		(5,863)	(3,874)
Movement in borrowings		(13,000)	(38,883)
Other non-cash changes	20	(5,459)	(3,524)
Net debt at end of period	20	(702,241)	(677,919)

NOTES TO THE FINANCIAL STATEMENTS
53 weeks ended 30 December 2009

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 is structured via a series of intermediate holding companies and a trading company, Moto Hospitality Limited. The intermediate holding companies, of which this company is one, hold external debt financing, none of which is due for repayment until June 2011. This external debt finance has been lent via intercompany loan agreements to Moto Hospitality Limited with no fixed date of repayment. Interest is payable on the intercompany debt at rates higher than those payable on the external debt financing in order to distribute the trading profit of Moto Hospitality Limited to the holding companies to ensure service of the external debt and to facilitate dividend payments to shareholders at the ultimate parent company level, Moto International Holdings Limited.

Monthly cash flow forecasts have been prepared for the business going forward to the end of 2015. 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 ongoing compliance with all covenants attached to bank debt for the foreseeable future.

Although loans from fellow group companies are all presented as being repayable within one year, the directors have received confirmation from fellow group companies that amounts of £163,880,000 will not be called for repayment for at least 12 months from the date of signing the accounts.

The directors have considered the refinancing options available to the business on the expiry of the existing facilities in June 2011 and have had discussions with members of the existing banking syndicate and other banks not part of the syndicate. Based on discussions to date, the directors consider that new debt facilities will be available to the group.

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 period ended 30 December 2009. 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)
53 weeks ended 30 December 2009

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 was performed by Gerald Eve & Co Chartered Surveyors, a qualified external valuer, in December 2008.

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 leasehold property	Shorter of term of the lease and 50 years
Short leasehold property	Term of the lease
Computer equipment	3 to 5 years
Other fixtures and fittings and vehicles	5 to 10 years

Stocks

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

Taxation

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

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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Pension costs

The group participates in a defined contribution scheme.

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

Leases

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

1. ACCOUNTING POLICIES (continued)

Bank borrowings

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

Financial instruments

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

Company Profit and Loss Account

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

For all non fuel sales, revenue is recognised for products and services where the company obtains the right to consideration in exchange for its performance

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees other than the directors.

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

	53 weeks ended 30 December 2009	52 weeks ended 24 December 2008
Average number of persons employed (including directors)		
Management and administration	621	621
Catering and services staff	3,863	3,783
	4,484	4,404

	£'000	£'000
Staff costs during the period		
Wages and salaries	59,479	53,151
Social security costs	4,046	3,917
Other pension costs	416	437
	63,941	57,505

A Management Incentive Plan is in place, whereby 'B', 'C', and 'D' shares in Moto Holdings Limited were sold to key management in June 2006. These shares will be acquired from management by the parent company (Moto International Holdings Limited) at a value as at 31 December 2010, 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 Holdings Limited and Moto Hospitality 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 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 Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

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

Profit / (loss) on ordinary activities before interest is stated after charging:	**53 weeks ended 30 December 2009 £'000**	**52 weeks ended 24 December 2008 £'000**
Depreciation	27,470	26,171
Amortisation of goodwill	4,608	4,608
Impairment charge on the revaluation of fixed assets	602	28,759
Operating lease payments		
Plant and machinery	596	671
Property rentals	5,514	4,557
Auditor's remuneration for annual audit services	120	118
Separation costs	481	292

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

Fees payable to the Company's auditor for the audit of the Company's annual accounts	15	15
Fees paid to the Company's auditor for other services:		
The audit of the Company's subsidiaries pursuant to legislation	105	103
VAT Services	5	-
	125	118

The company audit fee was paid by other group companies. Non audit fees of £5,000 were incurred in the period (2008: £nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 30 December 2009 £'000	**52 weeks ended 24 December 2008 £'000**
Amounts payable on bank loans	38,700	33,979
Payable to group undertakings	36,134	35,576
	74,834	69,555

Amounts payable on bank loans includes £4,335,000 (2008: £963,000) relating to amortisation of debt issue costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	53 weeks ended 30 December 2009 £'000	52 weeks ended 24 December 2008 £'000
Adjustments in respect of prior years	376	-
Total current tax	376	-
Total deferred tax	-	-
Total tax credit on loss on ordinary activities	376	-

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

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 28% (2008: 28.5%). The current tax credit for the period is lower than 28% (2008: 28.5%) for the reasons set out in the following reconciliation.

	53 weeks ended 30 December 2009 £'000	52 weeks ended 24 December 2008 £'000
Tax credit on profit on ordinary activities at the UK statutory rate of 28% (2008: 28.5%)	28.0%	28.5%
Decrease arising from :		
Expenses not deductible for tax purposes	(21.3)%	(22.0)%
Movement in unprovided deferred tax	(6.6)%	(6.5)%
Other timing differences	(0.1)%	-%
Adjustments in respect of prior years	0.9%	-%
Current tax credit for the period	0.9%	-%

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

7. INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000
Cost	
At 25 December 2008	89,377
At 30 December 2009	89,377
Amortisation	
At 25 December 2008	11,902
Charge for the period	4,608
At 30 December 2009	16,510
Net book value	
At 30 December 2009	72,867
At 25 December 2008	77,475

8. TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Short Leasehold land and buildings £'000	Owned vehicles equipment and fittings £'000	Total £'000
Cost or valuation					
At 25 December 2008	356,845	108,452	93,266	112,633	671,196
Additions	102	123	117	18,673	19,015
Disposals	-	-	-	(2,142)	(2,142)
At 30 December 2009	356,947	108,575	93,383	129,164	688,069
Depreciation					
At 25 December 2008	3,039	25,296	20,036	54,709	103,080
Charge for the period	4,495	3,339	3,338	16,298	27,470
Disposals	-	-	-	(895)	(895)
At 30 December 2009	7,534	28,635	23,374	70,112	129,655
Net book value					
At 30 December 2009	349,413	79,940	70,009	59,052	558,414
At 24 December 2008	353,806	83,156	73,230	57,924	568,116

Fixed assets additions of £19,015,000 (2008: £36,975,000) include a decrease in accruals for capital items received not invoiced of £nil (2008: decrease of £3,375,000). The total actual expenditure was £19,015,000 (2008: £40,350,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

9. INVESTMENTS

COMPANY	£'000
Cost and Net Book Value	-

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

Group undertaking	Nature of business	£1 shares	Country of registration
Moto Ventures Limited	Holding company	Ordinary shares	England & Wales
Moto Investments Limited*	Holding company	Ordinary shares	England & Wales
Moto Hospitality Limited*	Motorway service areas operators	Ordinary shares	England & Wales
Poplar 2000*	Dormant company	Ordinary shares	England & Wales
Pavilion Services Group Limited*	Dormant company	Ordinary shares	England & Wales
Pavilion Services Limited*	Dormant company	Ordinary shares	England & Wales
Moto Marks & Spencer Limited*	Agency	Ordinary shares	England & Wales
Moto in the Community*	Charity	Ordinary shares	England & Wales
Princebilt Hotels Limited*	Dormant company	Ordinary shares	Scotland
Moto Motorway Services Limited*	Dormant company	Ordinary shares	England & Wales
Moto Costa 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
Costa Marks and Spencer Limited*	Dormant company	Ordinary shares	England & Wales
Moto Burger King Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Marks and Spencer Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Costa Marks and Spencer Limited*	Dormant company	Ordinary shares	England & Wales

* held indirectly via subsidiary companies

10. STOCK

GROUP	2009 £'000	2008 £'000
Goods for resale	10,140	10,839

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

11. DEBTORS

GROUP

	2009 £'000	2008 £'000
Trade debtors	15,994	12,141
Other debtors	6,165	6,271
Prepayments and accrued income	2,777	3,596
Unpaid share capital	1,426	1,426
Amounts due within one year	26,362	23,434
Debtors due after one year	1,500	4,500
	27,862	27,934

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

COMPANY

	2009 £'000	2008 £'000
Amounts owed by fellow subsidiary undertakings	173,792	173,155
Unpaid share capital	1,426	1,426
Amounts due within one year	175,218	174,581

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	2009 £'000	2008 £'000
Trade creditors	23,902	25,822
Amounts owed to parent undertaking	163,880	162,756
Other creditors	15,989	14,806
Accruals and deferred income	20,565	16,843
	224,336	220,227

COMPANY

	2009 £'000	2008 £'000
Amounts owed to group companies	163,880	162,756

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

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

GROUP	2009 £'000	2008 £'000
Senior Debt	521,533	508,533
Junior Debt	41,500	41,500
Capitalised debt issue costs	(2,890)	(7,225)
Accruals and deferred income	1,213	1,936
	561,356	544,744

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

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

Cost incurred in the setting up of the senior and junior debt have been capitalised and are being amortised over the period of the loans. 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 and Junior Debt. The earliest derivative was entered into on the 20 April 2006. Subsequently further derivatives have been entered into between June and November 2008 to hedge against the risk on the additional borrowings. No cost was incurred to set up any of the derivatives. The total fair value of these derivatives at the balance sheet date was £(56,163,000) (2008: £(69,464,000)), 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 30 December 2009 there was £6,600,000 of open letters of credit in issue (2008: £4,000,000). The directors do not expect any payments to be required under these letters of credit. Letters of credit are subject to a fee of 1.5% per annum. This has been charged to interest payable in the financial statements.

14. PROVISIONS FOR LIABILITIES

GROUP	2009 £'000	2008 £'000
Unrecognised deferred taxation		
Excess of depreciation over capital allowances	12,803	9,113
Other timing differences	271	210
Tax losses	1,222	1,256
Unrecognised deferred tax asset	14,296	10,579

Movements on Deferred Tax are as follows:

Deferred tax asset at 24 December 2008	-	-
Deferred tax charge for the period	-	-
Deferred tax asset at 30 December 2009	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

15. CALLED UP SHARE CAPITAL

GROUP and COMPANY	2009 £'000	2008 £'000
Authorised		
4,220,000 A ordinary shares of £1 each	4,220	4,220
26,377 B ordinary shares of £1 each	26	26
720,000 C ordinary shares of £1 each	720	720
720,000 D ordinary shares of £1 each	720	720
	5,686	5,686
Allotted and fully paid		
4,220,000 A ordinary shares of £1 each	4,220	4,220
26,377 B ordinary shares of £1 each	26	26
7,200 C ordinary shares of £1 each	7	7
7,200 D ordinary shares of £1 each	7	7
	4,260	4,260
Allotted and unpaid		
712,800 C ordinary shares of £1 each	713	713
712,800 D ordinary shares of £1 each	713	713
	1,426	1,426

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

16. SHARE PREMIUM ACCOUNT

GROUP and COMPANY	2009 £'000	2008 £'000
At 25 December 2008	849	849
At 30 December 2009	849	849

17. RESERVES

GROUP	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 25 December 2008	(150,304)	90,807	(59,497)
Loss for the period	(42,267)	-	(42,267)
Revaluation in period	-	602	602
At 30 December 2009	(192,571)	91,409	(101,162)

COMPANY	Profit and loss account £'000
At 25 December 2008	5,290
Loss for the period	(487)
At 30 December 2009	4,803

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

GROUP	2009 £'000	2008 £'000
Loss for the financial period	(42,267)	(75,671)
Revaluation in period	602	90,807
Net (increase) / decrease in shareholders' deficit	(41,665)	15,136
Opening shareholders' deficit	(52,962)	(68,098)
Closing shareholders' deficit	(94,627)	(52,962)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

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

COMPANY	2009 £'000	2008 £'000
(Loss) / profit for the financial period	(487)	3,018
Net (decrease) / increase in shareholders' funds	(487)	3,018
Opening shareholders' funds	11,825	8,807
Closing shareholders' funds	11,338	11,825

19. CASH FLOW FROM OPERATING ACTIVITIES

GROUP	2009 £'000	2008 £'000
Operating profit / (loss)	32,121	(6,894)
Depreciation charge	27,470	26,171
Goodwill amortisation	4,608	4,608
Effect of the revaluation of fixed assets	602	28,759
Decrease in stocks	699	1,165
Decrease in debtors	72	5,643
Increase in creditors	2,869	5,309
Net cash inflow from operating activities	68,441	64,761

20. RECONCILIATION OF NET DEBT

GROUP	As at 24 December 2008 £'000	Cash flow £'000	Other non-cash changes £'000	As at 30 December 2009 £'000
Cash in hand and at bank	27,645	(5,863)	-	21,782
Debt due within one year	(162,756)	-	(1,124)	(163,880)
Debt due after one year	(542,808)	(13,000)	(4,335)	(560,143)
	(677,919)	(18,863)	(5,459)	(702,241)

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

Debt due after one year includes debt of £563,033,000 (2008: £550,033,000) less capitalised debt costs of £2,890,000 (2008: £7,225,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
53 weeks ended 30 December 2009

21. OPERATING LEASE COMMITMENTS

At 30 December 2009, 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	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Leases which expire:				
In two to five years	596	671	-	-
In more than five years	-	-	5,418	5,283
	596	671	5,418	5,283

22. PENSION COSTS

The group operates a defined contribution scheme and the contributions are charged to the profit and loss account. The contributions paid in the period ending 30 December 2009 amounted to £416,000 (2008: £437,000).

23. RELATED PARTY TRANSACTIONS

GROUP Name of related party	Relationship	Transaction Type	Value of transactions 2009 £'000	Amount outstanding 2009 £'000	Value of transactions 2008 £'000	Amount outstanding 2008 £'000
Macquarie Capital Funds (Europe) Limited	Shareholder of parent company	Advisory services	3	-	91	86
Moto International Holdings Limited	Parent	Borrowings	-	135,780	-	135,780
		Interest	36,134	28,100	35,576	26,976

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 Holdings Limited, 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. Copies of group accounts may be obtained from the Secretary, Toddington Service Area, Junction 11-12 M1 Southbound, Toddington, Bedfordshire LU5 6HR.