Company Registration No. 05754555

MOTO HOLDINGS LIMITED
and subsidiary companies

Annual Report and Financial Statements

53 weeks ended 30 December 2020

MOTO HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

MOTO HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

DIRECTORS

K McMeikan	
C Catlin	(appointed 15 May 2020)
N Tatum	(appointed 5 October 2020)
R Prynn	(resigned 15 May 2020)

COMPANY SECRETARY

J Elson

REGISTERED OFFICE

Toddington Services Area
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Toddington
Bedfordshire
LU5 6HR

AUDITOR

Deloitte LLP, Statutory Auditor
Birmingham, United Kingdom

BANKERS

Lloyds Bank plc
249 Silbury Boulevard
Milton Keynes MK9 1NA

LAWYERS

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London EC4R 9HA

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activity of Moto Holdings Limited (the "Company") is to act as an intermediate holding company and it will continue to do so for the foreseeable future.

The principal activity of the group headed by the Company (the "Group") is to operate motorway and trunk road service areas.

EVENTS AFTER THE REPORTING DATE

On 4 January 2021 the Prime Minister announced a third national lockdown and instructed people to stay at home to control the spread of the Covid-19 virus. On 4 February 2021 the group extended the maturity date of its existing Senior Credit Facilities from March 2022 to September 2022 including a waiver of all existing financial covenants with a new liquidity covenant now in place. On the 22 February 2021 the Prime Minister announced the roadmap out of lockdown, with the ending of all restrictions expected on 21 June 2021.

BUSINESS REVIEW

The performance of the Group has been negatively impacted by the Covid-19 crisis. The Group's turnover has decreased by £250,105,000 (2019: £12,346,000 decrease) during the period. Swift and decisive action was taken at the start of the pandemic with non-essential areas of the business, such as catering and adult gaming closed during the first lockdown in line with Government instruction. As restrictions were lifted and the number of vehicles travelling on the UK's strategic road network recovered to circa 85% of pre-Covid levels, the Group was able to re-open its catering and other non-essential services. The Group experienced a strong recovery in turnover following the lifting of restrictions which continued throughout the summer trading period. The introduction of the tiered system in October, followed by further local and national lockdowns subsequently paused the recovery momentum.

The Board implemented an extensive set of measures to safeguard customers, colleagues and the financial health of the business during the Covid-19 crisis. The financial measures included the cancellation of the planned dividend, the raising of a new incremental revolving debt facility of £50 million (which has not been utilised) and a significant reduction of discretionary capital and overheads expenditure. The Group has drawn down £64 million of pre-existing facilities in the year, and repaid £35 million of the capex facility. The Group was also assisted by central government support amounting to £28 million, including the Coronavirus Job Retention Scheme to temporarily reduce its headcount, the business rates holiday and certain other grants. Further actions included a restructure of central and site level operations to ensure that the business emerges from the crisis with a lower cost base and a stronger more resilient operating structure. Average headcount for the period was 4,972, a decrease of 342 for persons employed compared to the prior period due to the restructure and a lower number of seasonal workers employed for the summer trading period.

Operating loss for the period amounted to £6,473,000 (2019: £60,491,000 profit), a decrease of £66,964,000 (2019: £2,301,000 increase) compared to the prior period.

The result includes the utilisation of £754,000 (2019: £741,000) in relation to the Travelodge onerous contract provision and £305,000 (2019: £1,760,000) loss on disposal of tangible fixed assets. Excluding depreciation and amortisation, as well as these one-off items, the Adjusted PBITDA has decreased by £68,000,000, a decrease of 63.7% (2019: 2.7% increase), to £38,700,000 for the 53 weeks ended 30 December 2020, compared to £106,700,000 in the 52 weeks ended 25 December 2019. Additional KPIs are set out on the following pages.

The directors consider the financial position of the Group to be in line with expectations given the structure of the Group and its financial performance. The Group reported net assets of £53,101,000 (2019: £107,636,000) as at 30 December 2020.

STRATEGIC REPORT (CONTINUED)

FUTURE DEVELOPMENTS

Despite the impact of the Covid-19 crisis, the long-term strategy of the business remains unchanged, we will continue to improve our product and facility offerings in order to attract more customers and realise our growth potential. Our vision is to ‘transform the UK’s rest stop experience’. During 2021 the business has committed to the completion and opening of a new MSA on the M6 at Rugby, increasing capacity for HGVs at three locations, trials of two Prêt-a-Manger units, investment in IT hardware and systems and continuing its programme of asset maintenance.

In March 2018 it was reported that the Transport Secretary has written to the Competition and Markets Authority requesting an investigation into fuel retail prices at Motorway Services Areas. As at the date of these financial statements, the Group has not received any correspondence in respect of this potential matter and the directors are not aware of any further developments.

SECTION 172(1) STATEMENT

The Directors of the Group must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the Companies Act 2006 and are given below:

During the financial year the Directors of the Group, both individually and together, acted in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to;

(a) the likely consequences of any decision in the long term,
(b) the interests of the Group’s employees,
(c) the need to foster the Group’s business relationships with suppliers, customers and others,
(d) the impact of the Group’s operations on the community and environment,
(e) the desirability of the Group maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly between members of the Group.

The Group operates a national network of 68 sites at 53 locations, including 48 sites at 33 MSA locations as well as a number of off-motorway locations. The corporate governance structure is managed by the Board across the Group as a whole. The Directors review the key risks and uncertainties discussed in the report below on a regular basis and delegate day-to-day decision making to key employees of the Group through a prescribed operating structure with clear lines of accountability and responsibility. The performance of all employees is monitored continually through regular meetings and performance reviews. The Directors are able to access professional advice for any part of their duties should they need further guidance.

The Group’s vision is to ‘transform the UK’s rest stop experience’ through six core values; 1) think customer, 2) revel in what we do, 3) do the right thing, 4) us before me, 5) give back, and 6) set the bar high. The Group strives to delight its customers with every colleague in the team expected to contribute to the delivery of exceptional customer service. The Directors understand that exceptional customer service can only be consistently delivered by attracting, motivating and retaining the best team members. The Group are keen to ensure that employees reach their potential and have designed personal development programmes to support this.

The Directors take the wellbeing of all employees very seriously. Employees have access to support through the colleague app and the Group holds regular webinars on all aspects of wellbeing and diversity. The Board monitor the culture of the Group through regular employee surveys, feedback forums, annual performance reviews and other KPIs

The Group operates a number of franchises with well-known, national and international brands. Maintaining an excellent relationship through regular engagement and dialogue with our franchise partners is critical to the success of the Group and is fostered by both the Directors and employees of the Group. The Group maintains a close business relationship with its key suppliers through regular engagement including an annual supplier conference.

In their decision making, the Directors have strong regard for the longer term impact of decisions on the Group’s future. During the Covid-19 pandemic the Directors implemented an extensive set of measures to safeguard the future security of the business for all stakeholders. The board also considers annually whether a dividend should be paid from surplus cash.

STRATEGIC REPORT (CONTINUED)

SECTION 172(1) STATEMENT (CONTINUED)

The Directors consider the impact of the Group's operations on the local community and environment. As well as making the Group a great place to work for our colleagues, the Directors want to ensure that the Group makes a difference. Further details of this work can be found in the Directors' Report.

The Directors have regard for the need to act fairly between members of the Group. Shareholder support is integral to the long term success of the Group and agreement between all shareholders is ensured through regular board meetings and oversight by independent members of the Board. Since 2015 the Group has enjoyed the long-term support of its current shareholders.

GOING CONCERN

The company has made a loss after tax in the period of £785,000 (2019: profit of £47,132,000) and has net assets of £228,597,000 (2019: £229,382,000) at 30 December 2020.

The Group's external debt financing was refinanced in March 2017. The external debt financing is held in Group companies and has been lent via intercompany loan agreements to Moto Holdings Limited, with a final repayment date of 31 December 2031. 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 Moto Holdings Limited level.

The directors continue to monitor and respond to the impact of Covid-19 on the business and all available actions have been taken to protect both profit and cash, but also the safety of customers and colleagues. The impact of the current restrictions is less than that experienced during the first lockdown. The continuing rollout of the Government's vaccination programme and the Governments "roadmap out of lockdown" provide optimism for the continued increase in the number of vehicles travelling on the UK's strategic road network during 2021. The Group continues to take advantage of the Coronavirus Job Retention Scheme, the business rates holiday, and deferred VAT tax payments. Restructuring initiative savings amounting to £14m have been implemented, and certain investment capital planned for 2021 has been delayed into 2022. During 2020, the Group raised an additional incremental revolving facility of £50 million from its existing lenders, to date this remains unutilised. In early 2021 the Group has agreed an extension of the debt facilities to 30 September 2022 and the waiver of all existing financial covenants, being replaced with a monthly liquidity covenant.

The Group has not experienced any significant negative impacts resulting from Brexit. The directors remain confident that the Group's operations are robust enough to deal with any further challenges Brexit could bring.

To support the going concern assumption the Group has updated business forecasts to the end of 2025. Monthly cash flow forecasts have been prepared for the business until the end of 2022 and the forecast then assumes the business will grow in line with future UK economic forecasts. These cash flows use the available economic forecasts and historic performance of the business and show headroom each month against the liquidity covenant in place. 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 group have also modelled reasonable downside scenarios and considered how poor performance would need to be to cause the Group to breach the liquidity test in the next 12 months. Testing of the Groups forecast cash flows indicates that the Group has sufficient liquidity for at least the next 12 months. The continuing rollout of vaccinations make further national lockdowns less likely. In the potential scenario that subsequent waves of Covid-19 require the introduction of further regional travel restrictions, leading to further operational disruption and a slowdown in the planned recovery of the business, it is anticipated there will be sufficient headroom under the new liquidity covenants over at least the next 12 months. The reverse stress test shows a return to a similar situation as to the first lockdown would be required for a breach of the covenant to occur and given the roll out of the vaccine in the UK the Group have deemed there to be a remote risk of a breach of covenant.

In summary, the directors have a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis.

STRATEGIC REPORT (CONTINUED)

THE BUSINESS MODEL

Moto is the largest motorway and trunk road service area operator in the United Kingdom. The Group operates a national network of 68 sites at 53 locations, including 48 sites at 33 MSA locations as well as a number of off-motorway locations. Our UK-wide presence results in a diverse customer base and reduces our exposure to certain regional factors. We generate turnover from seven distinct products and services: catering, convenience food, confectionery, tobacco and news ("CTN"), forecourt, commercial activities, amusements and fuel, allowing us to service a broad range of customers and commuters. In addition to in-house offers, we operate franchises with well-known, national and international brands.

OWNERSHIP STRUCTURE

The Company's immediate parent company is Everest UK Bidco Limited, a company incorporated in Jersey. The Company's ultimate parent company is Everest UK Topco Limited, a company incorporated in Jersey. Equity investment in Everest UK Topco Limited is split between USS and CVC Capital Partners with Moto senior management holding the remainder. Robert Horsnall (USS) and Jan Reinier Voûte (CVC) are the key executives with oversight of the Moto Group and both serve as directors of Everest UK Topco Limited.

OBJECTIVES AND STRATEGY

Despite the impact of the Covid-19 crisis on the 2020 financial result, the long-term strategy of the Group remains unchanged, we will continue to improve our product and facility offerings in order to attract more customers and realise our growth potential. The Group is well-placed to benefit from a recovery in the UK economy and remains focused on long term growth. The Group expects to continue benefiting from current trends in the market, which include the increase in preference for branded food outlets.

Moto's vision is to 'transform the UK's rest stop experience' aiming 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 its strong brand portfolio in order to continue to exceed the expectations of its customers. Moto is committed to achieving its goals profitably and sustainably.

KPIs

The KPIs reported in the financial statements and the table below include numbers and comparatives for turnover, cash flow, PBITDA (profit before interest, tax, depreciation and amortisation), profit before tax, creditor days and headcount. In addition, the number of transactions across sites is monitored. Adjusted PBITDA excludes certain non-recurring and non-cash items included in PBITDA.

KPI	**53 weeks ended 30 December 2020**	**52 weeks ended 25 December 2019**
Fuel Turnover	£291.8m	£398.6m
Non-fuel Turnover	£238.9m	£382.2m
Total Turnover	£530.7m	£780.8m
Cash flow from operating activities	£23.2m	£97.3m
PBITDA	£38.8m	£105.3m
Adjusted PBITDA	£38.7m	£106.7m
(Loss) / profit before taxation	£(53.8)m	£15.4m
Creditor days	57 days	45 days
Headcount (average number of persons employed)	4,972	5,314
Number of transactions (excluding fuel and forecourt purchases)	31m	55m

STRATEGIC REPORT (CONTINUED)

KPIs (CONTINUED)

	53 weeks ended 30 December 2020	52 weeks ended 25 December 2019
Adjusted PBITDA		
Operating (loss) / profit	£(6.5)m	£60.5m
Depreciation and amortisation	£45.3m	£44.8m
PBITDA	£38.8m	£105.3m
Travelodge provision utilisation (see note 5)	£(0.7)m	£(0.7)m
Management services fee	£0.3m	£0.3m
Loss on disposal of fixed assets	£0.3m	£1.8m
Adjusted PBITDA	£38.7m	£106.7m

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

PRINCIPAL RISKS AND UNCERTAINTIES

Credit & finance risk
The majority of sales are cash or credit card and therefore the Group is not exposed to any significant credit risk. The Group has hedged the majority of its cash flow risk associated with the floating interest rate on its borrowings by entering into interest rate swaps. The credit risk on liquid funds and derivative financial instruments is considered limited because the counterparties are reputable banks with high credit ratings. Further detail on financial risks is given in the Directors' Report.

Covid-19 risk
The duration and severity of the Covid-19 crisis will have a negative effect on global economic conditions, financial markets and demand for our products and services. A prolonged impact could affect our business, results of operations and financial condition.

Brexit risk
Withdrawal from the European Union may have a negative effect on wider macro economic conditions, financial markets and demand for our products and services, which could materially affect our business, results of operations and financial condition.

Competitor risk
There are significant barriers to 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.

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 Highways England and close monitoring of long term traffic forecasts.

MOTO HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Brand/franchisee risk
The Group is exposed to brand risk through the relationships it enjoys with its franchise partners. To mitigate this risk, the Group aims to develop relationships with major brands that have a strong track record in their respective markets. The Group also performs rigorous checks on any potential partner companies prior to committing to any new contracts.

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

C Catlin
Director
27 April 2021

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the audited financial statements for the 53 weeks ended 30 December 2020.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

EVENTS AFTER THE REPORTING DATE

On 4 January 2021 the Prime Minister announced a third national lockdown and instructed people to stay at home to control the spread of the Covid-19 virus. On 4 February 2021 the group extended the maturity date of its existing Senior Credit Facilities from March 2022 to September 2022 including a waiver of all existing financial covenants with a new liquidity covenant now in place. On the 22 February 2021 the Prime Minister announced the roadmap out of lockdown, with the ending of all restrictions expected on 21 June 2021.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

The Group is committed to and has applied the principles of corporate governance contained in the Wates Corporate Governance Principles for large private companies for the 53 week ended December 2020. Further explanation of how each principal has been applied is set out below.

Purpose and leadership

The Group's vision is to 'transform the UK's rest stop experience'. The Board prioritises maintaining effective relationships with all its stakeholders and seeks to regularly engage with shareholders, management teams and employees to ensure alignment with its vision.

The Board meet regularly with management teams to analyse the performance both financially and operationally and to plan for the future. Regular conferences and meetings for different functions within the business are held which gives the Directors the opportunity to communicate their vision and aims.

The values of the Group are introduced to all new employees during their inductions and access to the company handbook is available to all employees via the colleague app and website. The company handbook lists the Group's Code of Conduct and Ethics along with other important policies. The Board monitor the culture of the Group through regular employee surveys, feedback forums, annual performance reviews and other KPIs. Should an employee wish to raise concerns about misconduct or unethical practices there are clear guidelines and procedures in place to allow confidential disclosure to the management team.

Board composition

The Board comprises of Directors with extensive experience across the retail and hospitality sectors. They are supported by a team of non-statutory operational directors along with a wider senior management team, with day-to-day decision making delegated to key employees of the Group through a prescribed operating structure with clear lines of accountability and responsibility. The Board are committed to conducting business in an ethical, fair and transparent manner and in accordance with high standards of corporate governance. The Board regularly review governance practices to ensure processes remain fit for purpose and relevant to the business.

Director's responsibilities

The Board is responsible for organising and directing the affairs of the Group in a manner that is most likely to promote the success of the Group for the benefit of its shareholders and in a way which is consistent with good corporate governance practices.

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders by reviewing strategic and financial plans and the annual budget, KPIs, funding and investment proposals, financial performance and corporate governance practices.

The Board have developed corporate governance practices throughout the Group which provide clear lines of accountably and responsibility. The Group has a set of policies and procedures in place to manage internal affairs of the business. The Board regularly review governance practices to ensure processes remain fit for purpose and relevant to the business.

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)

Opportunity and risk

The Board considers strategic opportunities, such as those to expand the current customer offering in new and existing locations as they arise. Short-term opportunities to improve financial performance, resilience and liquidity are collated by responsible management teams and brought to the Board on a regular basis.

The Board assesses risks posed to the Group on a regular basis through maintenance of a detailed risk register and report these to appropriate stakeholders where relevant. A dedicated Risk Management director oversees the risk register and an experienced IT director is responsible for managing cyber risks. Principal risks are discussed in the Strategic Report.

Remuneration

The Remuneration Committee of Everest UK Topco Limited is responsible for developing policies on executive remuneration and for setting the remuneration packages of individual directors and key management personnel. The Group is equal opportunities employer and promotes and environment free from discrimination, harassment and victimisation, where everyone receives equal treatment and career development opportunities. All decisions relating to employment practices are objective, free from bias and based solely on individual merit.

Annual salary reviews are performed to ensure that an individual's remuneration takes into account personal performance, business performance and economic conditions. Benchmarking is performed against the wider market to confirm that members of the board are rewarded appropriately. A discretionary annual bonus is paid based on the performance of the business.

Stakeholder relations and engagement

The Board prioritises maintaining effective relationships with all its stakeholders and seeks to regularly engage with each key stakeholder group having regard to their views when making decisions. The Board ensures that all information presented to stakeholders is fair and balanced by seeking opinions and representations by independent third parties and advisors.

CAPITAL STRUCTURE

The Group maintains an efficient capital structure comprising equity shareholders, bank borrowings and listed loan notes, consistent with the Group's overall risk profile and the regulatory and market requirements of the business (see consolidated balance sheet on page 21).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

WALKER GUIDELINES

The directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

DIRECTORS' BACKGROUND

Ken McMeikan

Ken is Chief Executive Officer of Moto Hospitality Limited and is responsible for leading the business. He joined Moto in November 2018 and has spent over 30 years in senior leadership roles at a number of well known companies such as Sears, Tesco and Sainsbury's. He was appointed CEO at Greggs, the UK's largest bakery in 2008 and more recently as CEO of Brakes, a leading food wholesaler in 2013. Ken holds no other positions outside the Moto group.

Previously, Ken was Retail and Online Director at Sainsbury's during the three year turnaround with Justin King. Prior to that, he spent 14 years with Tesco where his latter roles included CEO of Europa Foods (an acquisition by Tesco) and CEO of Tesco in Japan.

Ken started his retail career with Sears UK in 1986 where he spent four years in roles across the UK. Prior to this, Ken began his working life in the Royal Navy from 1981 to 1986. He was made an Ambassador for HRH Prince Charles in 2010 and Chairman of the Confederation of British Industry (CBI) in the North East from 2010-2012.

Claire Catlin

Claire is the Chief Financial Officer of Moto Hospitality Limited. She has over 15 years experience across numerous consumer facing businesses, within automotive and general merchandise retail. Claire holds no other positions outside the Moto group.

Claire is a chartered management accountant, trained in industry with DaimlerChrysler before joining Home Retail Group in 2006; completing a number of senior finance roles within the Argos business and heavily involved in the digital transformation in 2011. In 2015 Claire moved to take the role of UK Region CFO for Inchcape Plc, a broad role incorporating Finance, Inchcape Fleet Solutions, Property, Strategy and Legal & Compliance. In 2018 Claire joined Sainsbury's Plc as Argos Sainsbury's Finance Director, responsible for Argos, Tu, Habitat and Sainsbury's non food brands.

Claire is responsible for leading Moto's finance function.

Nick Tatum

Nick is the Chief Customer Officer of Moto Hospitality Limited. He joined Moto in September 2019 and was appointed as a director in October 2020. Nick was previously Director of Global Retail at Superdry Plc, and prior to joining Superdry was Strategy, Change and Operations Director for the UK commercial food division of Tesco.

Nick is responsible for providing a high quality experience and service to all Moto's customers.

SOCIAL AND COMMUNITY ISSUES

The Moto in the Community Trust is the charitable arm of Moto Hospitality Limited, focusing on identifying opportunities to assist with community projects, providing financial assistance and people-power where it is most needed.

The Trust aims to make a difference to the local communities of which Moto sites are a part. Since 2000, Moto employees have been fundraising for various national and local charities, and also engaging in the support of local community projects. In 2005 Moto launched the Moto in the Community Trust in order to focus fundraising activity even further to make it possible to make an even bigger difference to the communities around Moto sites.

DIRECTORS' REPORT (CONTINUED)

SOCIAL AND COMMUNITY ISSUES (CONTINUED)

The Trust currently has 40 local community partners who are linked to Moto sites around the UK, building strong links with our communities. Our community partners benefit not only from financial grants but the opportunity to work with our sites to raise the profile of their Organisations.

Since 2005 the Moto in the Community Trust is proud to have raised over £7.0m to support national and local community charities. The Trust has put a new target of £10.0m in place having reached the previous target of £7.0m in 2020.

The Moto in the Community Trust partners with a national charity voted for by Moto staff. Charity of the year partners have included Macmillan, Breast Cancer Care and our current national partner since 2012, Help for Heroes. Following a ninth year of a very successful national partnership with Help for Heroes we are very proud to have made a donation of £100,000. This brings our overall donation to Help for Heroes to £2.9m to date. Having achieved the target pledged to Help for Heroes of £2.0m, the Trust has set a new target pledge of another £1.0m to raise the total donation to £3.0m and have almost met this target.

Despite the pandemic in 2020 the ongoing initiative of Moto in the Community continues to be 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 150,000 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.

In 2020 Moto Hospitality donated its carrier bag income of £138,852 to Moto in the Community Trust. This income has supported the trust with ongoing costs and the trust will donate a portion of this income to The Woodland Trust and the Wildfowl and Wetland Trust to carry out environmental projects in 2021.

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 ASPECTS

Moto is fully committed to the protection of the environment and the reduction of its carbon footprint. As per the changes introduced by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Directors are required to report on the energy and carbon information relating to the Group.

Streamlined Energy and Carbon Reporting (SECR)

This is the first period for the SECR mandatory statement in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations').

SECR focuses on tonnes of carbon dioxide equivalent (tCO2e) emissions. Every kWh of electricity saved delivers more tCO2e savings than gas for the same kWhs saving. The following reflects the requirement to report tCO2e emissions which standardises the units and methodology.

(i) Energy management

The following energy efficiency projects have been implemented during 2020: upgrade gas boilers with approximately 20% improvement in efficiency as well as significant reduction of NOx emissions; LED car park lighting; Frankley Air Handing Unit upgrade with a heat recovery heat wheel to increase efficiency. These actions include recommendations from our 2019 ESOS audit report. There have been no significant material changes in the Moto estate during this period.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL ASPECTS (CONTINUED)

(ii) Carbon Dioxide Equivalent (tCO2e) emissions table

The CO2 Emissions Table below shows the emissions from the various sources broken down into Scopes 1, 2 and 3, which are the classifications required by SECR guidance. The emissions shown in the Annual CO2 Emissions Summary Table are the aggregate of all sites excluding billed tenants.

	53 weeks ended 30 December 2020	
	MWh	**tCo2e**
Natural Gas	19,260	3,541
LPG	9,427	2,022
Heating Oil	2,849	703
Biomass (wood)	5,828	90
Business Travel	6,178	1,434
Grid Electricity	49,700	11,587
	93,242	19,377
Emissions per non-fuel turnover CO2e		81.1

The absolute emissions for 2020 were 19,377 tCO2e and the Energy Intensity Ratio was 81.1 tCO2e/£m non-fuel turnover. The non- fuel turnover was £238.9m, taken from the KPI section in this report.

(iii) Methodology

Energy data was obtained from a combination of direct energy suppliers data and the Group's automated metering system. Billing tenants are omitted, in accordance with "Environmental Reporting Guidelines" as shown in "Streamlined Energy and Carbon Reporting Guidance" March 2019.

The energy consumption from transport was derived from travel costs. Consumption includes utility company estimates for LPG, Heating Oil and Biomass where metered consumption is not available.

The conversion factors used for converting energy (MWh) to tCO2e were taken from the 2020 annual conversion factors published on the Government website.

(iv) Renewable energy

The biomass renewable energy project, which uses wood pellet fuel, delivers reduced CO2 emissions when compared with other comparable energy sources, as can be seen from the Emissions Table above.

(v) Waste and water management

Waste Management – Moto continued to work to reduce the level of waste sent to landfill. In 2020 we recycled 324 tonnes of cardboard waste. The majority of our locations now participate in an off-site energy from waste scheme which has resulted in 97% of our waste being diverted from landfill in 2020.

Used Cooking Oil – Moto has continued to send used cooking oil for recycling. In 2020 168 tonnes of our used cooking oil was recycled, contributing to the production of biodiesel and resulting in a carbon saving of 389 tonnes. This is equivalent to 345 cars being removed from the roads in one year.

Waste water reduction – considerable water and sewerage savings have been achieved by utilising the automated metering system to identify changes in consumption.

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

DIRECTORS' REPORT (CONTINUED)

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the period are shown in the consolidated profit and loss account on page 20. No interim dividends were paid for the period (2019: £33 per share and £15 per share). The directors recommend that no final dividend be paid for the period (2019: £nil).

EMPLOYMENT POLICY AND HUMAN RIGHTS

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, including existing employees who become disabled.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Through our Corporate Social Responsibility Policy, we work to ensure that we do not infringe human rights in our operations or business relationships.

GENDER DIVERSITY INFORMATION

As at 30 December 2020 the Group employed 4,505 people, and 62% of employees were female. The senior management team, defined as the Moto Operational Board, comprised 7 individuals, 43% female and 57% male. Information on the background of directors is disclosed above.

	Male	Female	Total
Number of persons employed as at 30 December 2020			
Directors	2	1	3
Senior Managers	313	414	727
Other employees	1,384	2,391	3,775
	1,699	2,806	4,505

DIRECTORS

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

DIRECTORS' INDEMNITIES

During the period and up to the date of the Directors' Report, the Group had in place qualifying third party indemnity provisions available for the benefit of the directors.

BUSINESS RELATIONSHIPS

Business relationships are discussed within the section 172(1) statement of the directors' report.

DIRECTORS' REPORT (CONTINUED)

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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

C Catlin
Director
27 April 2021

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO HOLDINGS LIMITED

Independent auditor's report to the members of Moto Holdings Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Moto Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 December 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- We obtained an understanding of the relevant controls over the going concern assessment process;
- We evaluated the directors' plans for future actions in relation to the going concern
- We assessed the cash flow forecasts of the Group produced by management and challenged the underlying data and key assumptions such as the expected relaxation of travel restrictions in the UK and the rate at which revenue and PBITDA recovers to pre-pandemic levels. This has been assessed by comparing assumptions with available external market predictions and considering the impact of COVID 19;
- We assessed management's reasonable downside scenario and assessed how poor performance would need to be for the Group to breach liquidity tests in the next 12 months; and
- We assessed the appropriateness of management's disclosure in the financial statements

We note that even in management's reasonable downside scenario assessment a breach of the Group's liquidity test in the next 12 months does not occur. Management's reverse stress test shows a return to a similar situation as to the first COVID 19 related lockdown would be required for a breach of the covenant to occur and given the roll out of the vaccine in the UK the Group have deemed there to be a remote risk of a breach of covenant.

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, about their own identification and assessment of the risks of irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO HOLDINGS LIMITED (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and pension and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty, such as Health and Safety legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- there are a number of judgments made in estimating Accruals and deferred income period end balance. We assessed the accuracy of management's judgements in calculating the accruals values and obtained evidence of the obligation of accruals at period end.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO HOLDINGS LIMITED (CONTINUED)

Use of our report

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.

Joanna Waring

Joanna Waring FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
27 April 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the 53 weeks ended 30 December 2020

	Note	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
TURNOVER	3	530,658	780,763
Change in stocks of finished goods		(999)	685
Staff costs	4	(76,807)	(85,762)
Depreciation and amortisation	5	(45,318)	(44,763)
Other operating costs		(426,619)	(590,432)
Grant income		12,612	-
OPERATING (LOSS) / PROFIT		(6,473)	60,491
Interest receivable and similar income		31	146
Interest payable and similar charges	6	(47,327)	(45,203)
(LOSS) / PROFIT BEFORE TAXATION	5	(53,769)	15,434
Tax on (loss) / profit	7	(766)	(6,494)
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD		(54,535)	8,940

All results relate to continuing activities.

There is no other comprehensive income for the current or previous period as shown above. Accordingly, no Statement of Comprehensive Income has been presented.

CONSOLIDATED BALANCE SHEET
As at 30 December 2020

	Note	30 December 2020 £'000	25 December 2019 £'000
FIXED ASSETS			
Intangible assets - goodwill	9	22,179	26,787
Tangible assets	10	812,255	820,027
		834,434	846,814
CURRENT ASSETS			
Stocks	12	11,242	12,241
Debtors due within one year	13	19,528	14,188
Cash at bank and in hand		26,077	39,168
		56,847	65,597
CREDITORS: amounts falling due within one year	14	(47,113)	(58,921)
NET CURRENT ASSETS		9,734	6,676
TOTAL ASSETS LESS CURRENT LIABILITIES		844,168	853,490
CREDITORS: amounts falling due after more than one year	15	(728,544)	(684,946)
PROVISIONS FOR LIABILITIES	16	(62,523)	(60,908)
NET ASSETS		53,101	107,636
CAPITAL AND RESERVES			
Called-up share capital	17	1,000	1,000
Profit and loss account	17	(435,786)	(381,251)
Revaluation reserve	17	487,887	487,887
TOTAL SHAREHOLDERS' FUNDS		53,101	107,636

The company registration number is 05754555.

These financial statements were approved by the Board of Directors and authorised for issue on 27 April 2021. Signed on behalf of the Board of Directors

C Catlin
Director

COMPANY BALANCE SHEET
As at 30 December 2020

	Note	30 December 2020 £'000	25 December 2019 £'000
FIXED ASSETS			
Investments	11	231,749	231,749
CREDITORS: amounts falling due within one year	14	(3,152)	(2,367)
NET CURRENT LIABILITIES		(3,152)	(2,367)
NET ASSETS		228,597	229,382
CAPITAL AND RESERVES			
Called-up share capital	17	1,000	1,000
Profit and loss account	17	227,597	228,382
TOTAL SHAREHOLDERS' FUNDS		228,597	229,382

The loss for the financial period dealt with in the financial statements of the parent company was £785,000 (2019: £47,132,000 profit).

The company registration number is 05754555.

These financial statements were approved by the Board of Directors and authorised for issue on 27 April 2021.

Signed on behalf of the Board of Directors

C Catlin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 53 weeks ended 30 December 2020

	Note	Called-up share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 26 December 2018		1,000	487,887	(342,665)	146,222
Profit for the financial period and other comprehensive income		-	-	8,940	8,940
Dividends paid on equity shares	8	-	-	(47,526)	(47,526)
At 25 December 2019		1,000	487,887	(381,251)	107,636
Loss for the financial period and other comprehensive income		-	-	(54,535)	(54,535)
Dividends paid on equity shares	8	-	-	-	-
At 30 December 2020		1,000	487,887	(435,786)	53,101

COMPANY STATEMENT OF CHANGES IN EQUITY
For the 53 weeks ended 30 December 2020

	Note	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 26 December 2018		1,000	228,776	229,776
Profit for the financial period and other comprehensive income		-	47,132	47,132
Dividends paid on equity shares	8	-	(47,526)	(47,526)
At 25 December 2019		1,000	228,382	229,382
Loss for the financial period and other comprehensive income		-	(785)	(785)
Dividends paid on equity shares	8	-	-	-
At 30 December 2020		1,000	227,597	228,597

MOTO HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the 53 weeks ended 30 December 2020

	Note	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2029 £'000
Net cash flows from operating activities	21	23,166	97,325
Cash flows from investing activities			
Interest received		31	146
Purchase of tangible fixed assets	10	(33,243)	(39,347)
Net cash flows from investing activities		(33,212)	(39,201)
Cash flows from financing activities			
Dividends paid on equity shares	8	-	(47,526)
Interest paid		(30,701)	(28,932)
Borrowings repaid		(34,650)	-
New borrowings raised		63,600	24,800
Costs incurred in relation to new borrowings		(1,294)	-
Net cash flows from financing activities		(3,045)	(51,658)
Net (decrease) / increase in cash and cash equivalents		(13,091)	6,466
Cash and cash equivalents at beginning of period		39,168	32,702
Cash and cash equivalents at end of period		26,077	39,168
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		26,077	39,168
Cash and cash equivalents		26,077	39,168

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES

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

General information and basis of accounting

Moto Holdings Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 to 7.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Moto Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Moto Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, remuneration of key management personnel, financial instruments and presentation of a cash flow statement.

Going concern

The company has made a loss after tax in the period of £785,000 (2019: profit of £47,132,000) and has net assets of £228,597,000 (2019: £229,382,000) at 30 December 2020. The Group's external debt financing was refinanced in March 2017. The external debt financing is held in Group companies and has been lent via intercompany loan agreements to Moto Holdings Limited, with a final repayment date of 31 December 2031. 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 Moto Holdings Limited level.

The directors continue to monitor and respond to the impact of Covid-19 on the business and all available actions have been taken to protect both profit and cash, but also the safety of customers and colleagues. The impact of the current restrictions is less than that experienced during the first lockdown. The continuing rollout of the Government's vaccination programme and the Governments "roadmap out of lockdown" provide optimism for the continued increase in the number of vehicles travelling on the UK's strategic road network during 2021. The Group continues to take advantage of the Coronavirus Job Retention Scheme, the business rates holiday, and deferred VAT tax payments. Restructuring initiative savings amounting to £14m have been implemented, and certain investment capital planned for 2021 has been delayed into 2022. During 2020, the Group raised an additional incremental revolving facility of £50 million from its existing lenders, to date this remains unutilised. In early 2021 the Group has agreed an extension of the debt facilities to 30 September 2022 and the waiver of all existing financial covenants, being replaced with a monthly liquidity covenant.

The Group has not experienced any significant negative impacts resulting from Brexit. The directors remain confident that the Group's operations are robust enough to deal with any further challenges Brexit could bring.

To support the going concern assumption the Group has updated business forecasts to the end of 2025. Monthly cash flow forecasts have been prepared for the business until the end of 2022 and the forecast then assumes the business will grow in line with future UK economic forecasts. These cash flows use the available economic forecasts and historic performance of the business and show headroom each month against the liquidity covenant in place. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Going Concern (Continued)

The group have also modelled reasonable downside scenarios and considered how poor performance would need to be to cause the Group to breach the liquidity test in the next 12 months. Testing of the Groups forecast cash flows indicates that the Group has sufficient liquidity for at least the next 12 months.

The continuing rollout of vaccinations make further national lockdowns less likely. In the potential scenario that subsequent waves of Covid-19 require the introduction of further regional travel restrictions, leading to further operational disruption and a slowdown in the planned recovery of the business, it is anticipated there will be sufficient headroom under the new liquidity covenants over at least the next 12 months. The reverse stress test shows a return to a similar situation as to the first lockdown would be required for a breach of the covenant to occur and given the roll out of the vaccine in the UK the Group have deemed there to be a remote risk of a breach of covenant.

In summary, the directors have a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis..

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings for the 53 weeks ended 30 December 2020. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

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 amortised 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 accounts for tangible fixed assets under the cost model, with assets held at deemed cost on the date of transition to FRS 102 less accumulated depreciation and any accumulated impairment losses. The deemed cost on the date of transition to FRS 102 is based on a valuation performed in 2014.

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

Freehold buildings	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
Owned vehicles, equipment and fittings	1 to 10 years

Assets under the course of construction are not depreciated.

1. ACCOUNTING POLICIES (CONTINUED)

Stocks

Stock, which comprises goods purchased for resale and consumables, is valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Cost is calculated using the FIFO (first in, first out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax, including UK corporation 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.

Unrelieved tax losses and other deferred tax assets are 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the matter in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs

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

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating leases are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iii) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The company has applied the requirements of Section 26 of FRS 102, Share Based Payments. The parent 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. No charge has been recognised in the financial statements as, in the opinion of the directors, the price paid was equal to the fair value of the shares at the date they were issued.

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.

Grant income

Grant income includes grants from the UK Government in relation to the Covid-19 related Coronavirus Job Retention Scheme, The Retail, Hospitality and Leisure Grant Fund (RHLGF) and the Retail Discount. Grant income is not recognised until there is reasonable assurance that the company will comply with the conditions attached, and the grants will be received. Grant income is recorded at the amount of cash receivable.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(i) Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (continued)

(ii) Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Dividends

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgements

Apart from those involving estimations (which are dealt with separately below), there are no material critical judgements the directors have made in the process of applying the Group's accounting policies.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key source of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £22,179,000 (2019: £26,787,000). The key assumptions used in the present value calculations include:

- Future cash flows used have been forecast in with the business forecast which show the Group will return to pre- Covid-19 trading levels in 2022. Growth rates thereafter are in line with forecast National GDP growth of 2%
- The cash flows are discounted at the weighted average cost of capital of 9.5%.

Useful economic lives of tangible fixed assets

The periodic depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives of the Group's assets are determined by management at the time the asset is acquired. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact this. See note 10 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

3. TURNOVER

An analysis of the Group's turnover is as follows:

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Sale of goods	513,713	760,374
Rendering of services	15,946	18,182
Rental income	999	2,207
Turnover	530,658	780,763
Interest receivable and similar income	31	146
Grant income	12,612	-
Total Revenue	543,301	780,909

Accounting policies for turnover and total revenue have been applied consistently throughout the period and the preceding period. 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 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.

Non-fuel turnover

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 profit before tax are attributable to one activity, namely the operation of motorway and trunk road service areas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

COMPANY

The company has no employees other than the directors (2019: none).

The directors received no remuneration with regard to their services to the company (2019: £nil).

GROUP

	53 weeks ended 30 December 2020 Number	52 weeks ended 25 December 2019 Number
Average number of persons employed (including directors)		
Management and administration	778	828
Catering and services staff	4,194	4,486
	4,972	5,314

Staff costs during the period	**£'000**	**£'000**
Wages and salaries	71,687	79,725
Social security costs	3,958	4,728
Other pension costs	1,162	1,309
	76,807	85,762

Staff costs during the period are presented gross of support received under the Coronavirus Job Retention Scheme which is disclosed separately within Grant income.

Directors and key management compensation

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
The directors' emoluments were as follows:		
Aggregate emoluments	1,272	875
Highest paid director		
Aggregate emoluments	745	513
Key management compensation		
Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:		
Salaries and other short term benefits	1,625	1,299
	1,625	1,299

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

During the period retirement benefits where accruing to one director (2019: no directors) in respect of a defined contribution pension scheme.

Moto operates a Management Incentive Plan, with ‘B1’, ‘B2’, ‘C’ and preference shares in Everest UK Topco Limited being sold to key management in March 2016. These shares will be acquired from management by the parent companies (USS Way LP and Project Lane Holdings Jersey Limited) in 2021 at a value as at 31 December 2020, calculated to reward management should certain yield and equity return hurdles of the plan be met.

Section 26 of FRS 102 requires these shares to be accounted for in Moto Hospitality Limited and the consolidated financial statements of Moto Investments Limited, Moto Ventures Limited and Moto Holdings Limited as equity-settled share based payments, whereby any excess of the fair value of such shares at the grant date over the fair value of the price payable by management for those shares is recognised as a charge to the profit and loss account of Moto Hospitality Limited and the consolidated profit and loss accounts of Moto Investments Limited, Moto Ventures Limited and Moto Holdings Limited evenly over the life of the Plan. No charge has been recognised in the financial statements as, in the opinion of the directors, the price paid was equal to the fair value of the shares at the date they were issued.

5. (LOSS) / PROFIT BEFORE TAXATION

(Loss) / profit before taxation is stated after charging/(crediting):

	53 weeks ended 30 December 2020 £’000	**52 weeks ended 25 December 2019 £’000**
Depreciation of tangible fixed assets (note 10)	40,710	40,155
Loss on disposal of tangible fixed assets (note 10)	305	1,760
Amortisation of goodwill (note 9)	4,608	4,608
Grant income	12,612	-
Operating lease rentals – plant and machinery	397	452
Operating lease rentals – property rentals	9,647	10,385
Travelodge provision utilisation (note 16)	(754)	(741)
Management services fee	300	300
Auditor’s remuneration for annual audit services	221	190

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 5 lodges that Travelodge exited when they restructured their business in September 2012. These lodges are now managed on Moto’s behalf on a profit share basis, with income anticipated to continue to be lower than the rental obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

5. (LOSS) / PROFIT BEFORE TAXATION (CONTINUED)

During the period the Group incurred the following costs for services provided by the company's auditor:

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	25	25
Fees paid to the company's auditor for other services:		
The audit of the company's subsidiaries pursuant to legislation	196	165
	221	190
Tax Compliance Services	51	51
Tax Advisory Services	57	65
	329	306

The company audit fee was paid by other group companies.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Amounts payable on bank loans	33,317	31,135
Losses on derivative financial instruments	13,840	13,881
Unwinding of discounts on provisions	170	187
	47,327	45,203

Amounts payable on bank loans includes £2,102,000 (2019: £2,311,000) relating to amortisation of debt issue costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

7. TAXATION

Analysis of taxation charge in the period

The tax charge is made up as follows:

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Current tax		
Corporation tax on profits of the period	-	11,459
Adjustments with respect to prior periods	(1,433)	311
Total current tax (credit)/charge	(1,433)	11,770
Deferred tax		
Origination and reversal of timing differences	2,199	(5,458)
Adjustment in respect of previous periods	-	182
Total deferred tax charge/(credit)	2,199	(5,276)
Total tax charge for the period	766	6,494

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

7. TAXATION (CONTINUED)

Reconciliation of the total tax charge

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows.

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
(Loss)/profit before tax	(53,769)	15,434
Tax on Group (loss)/profit at standard UK corporation tax rate of 19% (2019: 19%)	(10,216)	2,932
Effects of:		
Expenses not deductible for tax purposes	6,023	3,107
Change in rates	6,369	-
Adjustments in respect of prior periods	(1,433)	493
Group relief surrendered/(utilised)	23	(38)
Total tax charge for the period	766	6,494

Group relief amounts above represent losses surrendered or utilised by the Company.

Factors affecting future tax charge

On 3 March 2021 the Chancellor of the Exchequer announced that the corporation tax rate will increase from 19% to 25% from 1 April 2023, deferred tax calculations have not been updated as this change was not substantively enacted before the balance sheet date. If the amended tax rate had been used, the deferred tax provision would have been £18,091,000 higher.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

8. DIVIDENDS

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Equity – Ordinary		
Interim paid: £nil (2019: £48) per £1 ordinary share	-	47,526
	-	47,526

The directors recommend that no final dividend be paid for the period (2019:£nil).

9. INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000
Cost	
At 26 December 2019 and 30 December 2020	89,377
Amortisation	
At 26 December 2019	62,590
Charge for the period	4,608
At 30 December 2020	67,198
Net book value	
At 30 December 2020	22,179
At 25 December 2019	26,787

10. 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				
At 26 December 2019	525,100	331,616	157,100	1,013,816
Additions	397	198	32,648	33,243
Disposals	-	-	(22,879)	(22,879)
At 30 December 2020	525,497	331,814	166,869	1,024,180
Depreciation				
At 26 December 2019	44,286	72,413	77,090	193,789
Charge for the period	8,861	14,451	17,398	40,710
Disposals	-	-	(22,574)	(22,574)
At 30 December 2020	53,147	86,864	71,914	211,925
Net book value				
At 30 December 2020	472,350	244,950	94,955	812,255
At 25 December 2019	480,814	259,203	80,010	820,027

Within owned vehicles, equipment & fittings there are £40,829,000 (2019: £18,825,000) of Assets Under the Course of Construction, which are not being depreciated.

Freehold land and buildings includes £200,140,000 (2019: £199,743,000) of land. Long and short leasehold land and buildings includes £36,800,000 (2019: £36,800,000) of land.

Historical cost

If land and buildings had not been revalued they would have been included at the following amounts:

	Freehold land and buildings £'000	Long & short leasehold land and buildings £'000
Cost at 25 December 2019	301,419	251,586
Depreciation	(89,021)	(101,566)
Net book value at 25 December 2019	212,398	150,020
Cost at 30 December 2020	301,816	251,784
Depreciation	(92,792)	(106,258)
Net book value at 30 December 2020	209,024	145,526

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

11. INVESTMENTS

COMPANY	**£'000**
Cost and Net Book Value	
At 25 December 2019 and 30 December 2020	231,749

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

Group undertaking	Nature of business	Shares held	Country of registration
Moto Ventures Limited	Holding company	Ordinary shares	England & Wales
Moto Finance plc*	Finance 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 Motorway Services Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Costa Limited*	Dormant company	Ordinary shares	England & Wales
Costa Burger King Limited*	Dormant company	Ordinary shares	England & Wales
Moto Burger King Limited*	Dormant company	Ordinary shares	England & Wales
Burger King Costa Marks and Spencer Limited*	Dormant company	Ordinary shares	England & Wales
Greggs Burger King Costa Limited*	Dormant company	Ordinary shares	England & Wales
Costa WH Smith Burger King Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1777 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1778 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1779 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1780 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1781 Limited*	Dormant company	Ordinary shares	England & Wales
De Facto 1782 Limited*	Dormant company	Ordinary shares	England & Wales

* held indirectly via subsidiary companies

The registered office address for each of the group undertakings listed above is Toddington Services Area, Junction 11-12 M1 Southbound, Toddington, Bedfordshire, LU5 6HR.

12. STOCKS

GROUP	**30 December 2020 £'000**	**25 December 2019 £'000**
Goods for resale and consumables	11,242	12,241

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

13. DEBTORS

GROUP

	30 December 2020 £'000	25 December 2019 £'000
Trade debtors	9,779	8,746
Other debtors	5,126	2,239
Corporation tax	61	-
Prepayments and accrued income	4,562	3,203
Amounts due within one year	19,528	14,188

COMPANY

The company had no debtors (2019: £nil).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	30 December 2020 £'000	25 December 2019 £'000
Trade creditors	18,527	21,860
Other creditors	2,735	2,375
Corporation tax	-	5,999
Other taxation and social security	5,177	8,070
Accruals and deferred income	20,674	20,617
	47,113	58,921

COMPANY

	30 December 2020 £'000	25 December 2019 £'000
Amounts owed to subsidiaries	2,802	2,317
Accruals and deferred income	350	50
	3,152	2,367

Amounts owed to subsidiaries are charged at interest rate of libor plus 19.6% and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

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

GROUP	30 December 2020 £'000	25 December 2019 £'000
Senior Debt	534,950	506,000
Loan Notes	150,000	150,000
Derivative Financial Instruments	46,320	32,480
Capitalised Debt Issue Costs	(2,726)	(3,534)
	728,544	684,946

The Senior Debt carries interest at a floating rate of LIBOR plus a margin of 2.625%. The margin steps up by 0.125% per annum in March 2021 and by a further 0.5% per annum in April 2022. The lender holds security over the shares and assets of Moto Holdings Limited and Moto Hospitality Limited. The Senior Debt matures in more than one year but not more than five years, in September 2022.

The Loan Notes carry interest at a fixed rate of 4.50% on the principal amount of £150 million, and mature in more than one year but not more than five years, in October 2022. The lender holds security over the shares and assets of Moto Finance Plc, Moto Investments Limited and Moto Ventures Limited.

We, our affiliates (including direct or indirect shareholders), or agents acting on our or their behalf, may retain, purchase or sell for our own account any of our outstanding corporate bonds, and may subsequently re-offer or re-sell any such bonds purchased. We may not disclose the extent of any such investment or transactions, other than in accordance with any legal or regulatory obligation to do so.

Costs incurred of £13,059,000 in the setting up of the original senior debt and loan notes have been capitalised and are being amortised over the period of the loans. Additional costs of £1,294,000 were incurred during the period for the raising of a new incremental revolving debt facility, these have also been capitalised and are being amortised over the remaining period of the loan. See note 6 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, 24 March 2017. The total fair value of these derivatives at the balance sheet date was £(46,320,000) (2019: £(32,480,000)), which is based on a third party bank valuation and includes a further adjustment to factor in credit risk exposure on the mark-to-market valuations. The principal amount covered by interest rate derivatives at the balance sheet date was £450,000,000 (2019: £450,000,000).

In addition to the borrowings the debt facility also includes the provision of letters of credit to suppliers. At 30 December 2020 there were £3,200,000 of open letters of credit in issue (2019: £3,200,000). The directors do not expect any payments to be required under these letters of credit. Letters of credit are subject to a fee of 2.50% per annum. This has been charged to interest payable in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

The maturity profile of the Group's borrowings is as follows:

	30 December 2020 £'000	25 December 2019 £'000
Senior Debt		
In more than one year but not more than five years	534,950	506,000
	534,950	506,000
Loan Notes		
In more than one year but not more than five years	150,000	150,000
	150,000	150,000

16. PROVISIONS FOR LIABILITIES

	Travelodge £'000	Deferred tax £'000	Total £'000
At 25 December 2019	5,819	55,089	60,908
Net charge to profit and loss account	-	2,199	2,199
Utilisation of provision	(754)	-	(754)
Unwinding of discount	170	-	170
At 30 December 2020	5,235	57,288	62,523

Travelodge

The Travelodge provision is an onerous contract provision set up to cover future losses on the leases of 5 lodges that Travelodge exited when they restructured their business in September 2012. These lodges are now managed on Moto's behalf on a profit share basis, anticipated to continue to be lower than the previous rent. The provision expires over the life of these onerous leases, which run until 2039.

Deferred tax

	30 December 2020 £'000	25 December 2019 £'000
Deferred tax provision		
Revaluation reserves	59,716	55,719
Historical business combinations	15,735	14,706
Interest rate derivatives	(9,086)	(5,521)
Excess of depreciation over capital allowances	(8,475)	(9,733)
Short term timing differences	(602)	(82)
Deferred tax provision	57,288	55,089

16. PROVISIONS FOR LIABILITIES (CONTINUED)

A net deferred tax provision of £57,288,000 has been recognised at 30 December 2020 (2019: £55,089,000).

The asset proportion, which relates to fixed asset timing differences (capital allowances) and interest rate derivatives has been recognised in the financial statements on the basis that the directors are of the opinion that these deferred tax assets will be recovered against the expected reversal of the deferred tax liabilities also recognised.

There is a deferred tax asset of £13,301,000 (2019: £3,995,000) that has not been recognised. This relates to temporary differences arising from restrictions under the UK Corporate Interest Restriction rules, as it is not probable that the related tax benefit will be realised.

17. CALLED-UP SHARE CAPITAL

GROUP and COMPANY	30 December 2020 £'000	25 December 2019 £'000
Allotted, called-up and fully paid		
1,000,000 (2019: 1,000,000) A ordinary shares of £1 each	1,000	1,000
	1,000	1,000

The company has one class of ordinary shares which carry no right to fixed income

The revaluation reserve represents the cumulative effect of revaluations of freehold and leasehold land and buildings which were revalued up to the date of transition to FRS102.

The profit and loss account represents cumulative profits or losses, net of dividends paid.

18. RECONCILIATION OF NET DEBT

GROUP	At 25 December 2019 £'000	Cash flow £'000	Other non-cash changes £'000	As at 30 December 2020 £'000
Cash in hand and at bank	39,168	(13,091)	-	26,077
Debt due after one year	(652,466)	(27,656)	(2,102)	(682,224)
	(613,298)	(40,747)	(2,102)	(656,147)

Non-cash changes comprise amortisation of issue costs relating to debt issues.

Debt due after one year includes external debt of £684,950,000 (2019: £656,000,000) less capitalised debt costs of £2,726,000 (2019: £3,534,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

19. FINANCIAL INSTRUMENTS

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

GROUP	30 December 2020 £'000	25 December 2019 £'000
Financial assets that are debt instruments measured at amortised cost		
Trade debtors (note 13)	9,779	8,746
Other debtors (note 13)	5,126	2,239
	14,905	10,985
Financial liabilities measured at amortised cost		
Bank loans (note 15)	534,950	506,000
Loan notes (note 15)	150,000	150,000
Trade creditors (note 14)	18,527	21,860
Other creditors (note 14)	2,735	2,375
	706,212	680,235
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments (note 15)	46,320	32,480
	46,320	32,480

Company	30 December 2020 £'000	25 December 2019 £'000
Financial liabilities at amortised cost		
Amounts owed to group undertakings (note 14)	2,802	2,317
	2,802	2,317

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

19. FINANCIAL INSTRUMENTS (CONTINUED)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

GROUP	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Interest income and (expense)		
Total interest income for financial assets at amortised cost	31	146
Total interest expense for financial liabilities at amortised cost (note 6)	(33,317)	(31,135)
Fair value losses		
On financial liabilities measured at fair value through profit or loss (note 6)	(13,840)	(13,881)

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Current		Non-current	
	30 December 2020 £'000	25 December 2019 £'000	30 December 2020 £'000	25 December 2019 £'000
GROUP				
Liabilities				
Interest rate swaps	-	-	46,320	32,480
	-	-	46,320	32,480

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates, with a further adjustment to factor in credit risk exposure on the mark-to-market valuations.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Fair value	
	30 December 2020 %	25 December 2019 %	30 December 2020 £'000	25 December 2019 £'000	30 December 2020 £'000	25 December 2019 £'000
GROUP						
1 to 5 years	1.8788	1.8788	450,000	450,000	46,320	32,480
			450,000	450,000	46,320	32,480

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Interest rate swap contracts are not designated as cash flow hedges because they do not meet the criteria for hedge accounting. All fair value movements are recognised as an interest charge or credit in the profit and loss account.

21. CASH FLOW STATEMENT

Reconciliation of operating (loss)/profit to cash generated by operations:

	30 December 2020 £'000	25 December 2019 £'000
Operating (loss) / profit	(6,473)	60,491
Adjustment for:		
Depreciation	40,710	40,155
Amortisation	4,608	4,608
Loss on disposal of tangible fixed assets	305	1,760
Operating cash flow before movement in working capital	39,150	107,014
Decrease / (increase) in stocks	999	(685)
(Increase) / decrease in debtors	(5,279)	5,215
Decrease in creditors	(7,079)	(3,803)
Cash generated by operations before tax paid	27,791	107,741
Corporation tax paid	(4,625)	(10,416)
Cash generated by operations	23,166	97,325

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

22. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Other		Land and buildings	
	30 December 2020 £'000	25 December 2019 £'000	30 December 2020 £'000	25 December 2019 £'000
Within one year	256	321	9,233	9,305
Between one and five years	162	269	34,878	36,145
After five years	-	-	7,452	15,394
	418	590	51,563	60,844

Capital commitments are as follows:

GROUP	30 December 2020 £'000	25 December 2019 £'000
Contracted but not provided for	4,800	15,323

COMPANY
The company had no financial commitments (2019: £nil).

23. 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 £1,162,000 (2019: £1,309,000) with unpaid contributions at 30 December 2020 of £262,000 (2019: £265,000).

24. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Section 33 of FRS 102 whereby wholly-owned subsidiaries are not required to disclose intra group transactions and balances. This has been applied for the group companies included within this set of consolidated financial statements.

During the period the company was charged £300,000 (2019: £300,000) for management services fees payable to its immediate parent company, Everest UK Bidco Limited. At the period end £350,000 (2019: £50,000) was outstanding and included within creditors.

Other related party transactions

The total remuneration for key management personnel for the period totalled £1,625,000 (2019: £1,299,000), being remuneration disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

25. ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is Everest UK Bidco Limited, a company incorporated in Jersey. The company's ultimate parent company is Everest UK Topco Limited, a company incorporated in Jersey. The directors regard Universities Superannuation Scheme Ltd as the ultimate controlling party.

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

The registered office of the business is Toddington Service Area, Junction 11-12 M1 Southbound, Toddington, Bedfordshire LU5 6HR.

26. EVENTS AFTER THE REPORTING DATE

On 4 January 2021 the Prime Minister announced a third national lockdown and instructed people to stay at home to control the spread of the Covid-19 virus. On 4 February 2021 the group extended the maturity date of its existing Senior Credit Facilities from March 2022 to September 2022 including a waiver of all existing financial covenant with a new liquidity covenants now in place. On the 22 February 2021 the Prime Minister announced the roadmap out of lockdown, with the ending of all restrictions expected on 21 June 2021.