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# Directors' Report and Accounts

MOTORWAY SERVICES LIMITED

31 October 1973

Price Waterhouse & Co 3 Frederick's Place Old Jewry London EC2R 8DB

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## MOTORWAY SERVICES LIMITED

Report of the directors to be presented at the Annual General Meeting of the company to be held on 20 May 1974.

The directors present herewith their Annual Report and Statement of Accounts for the year ended 31 October 1973.

### ACTIVITIES

The company operates freehold Motor Lodges (hotels) at Newport Pagnell (100 bedrooms) and Charnock Richard (108 bedrooms) and leasehold Motorway Service Areas at Newport Pagnell, Charnock Richard and Keele which provide catering and petrol station facilities.

### TRADING RESULTS

The profit before taxation for the year ended 31 October 1973 was £618,446 which compares with a profit of £625,034 for the previous year. After providing for taxation of £261,067 there is a sum of £357,379 available for appropriation.

### DIVIDEND

A dividend of £350,000 has been declared and paid in respect of the year ended 31 October 1973. No further dividend is proposed.

### HOLDING COMPANY

The company's ultimate holding company is Trust Houses Forte Limited, which is incorporated in England.

### DIRECTORS

The under-mentioned persons were directors of the company during the year ended 31 October 1973:

B Bratt  
RS Gunn  
E Hartwell  
D Hearn  
E Leyton  
AL McDowell

## DIRECTORS' INTERESTS

The directors who held office at 31 October 1973 had interests in the share and loan capital of the company's ultimate holding company as follows:

### TRUST HOUSES FORTE LIMITED

<u>Ordinary shares of 25p</u>	<u>As at 1 November 1972 or date of appointment</u>	<u>As at 31 October 1973</u>
B Bratt	Nil	Nil
RS Gunn	2,458	2,458
E Leyton	16,390	16,390
AD McDowell	Nil	Nil

The under-mentioned directors are also directors of Trust Houses Forte Limited and as such their interests in that company are not required to be recorded in the Register of Directors' Interests of this company.

D Eearn  
E Hartwell

### AUDITORS

The auditors, Price Waterhouse & Co, have agreed to continue in office.

By Order of the Board

RD CLINCH  
Secretary

166 High Holborn,  
London WC1V 6PF

18 February 1974

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**Price Waterhouse & Co**

2 Frederick's Place Old Jewry London EC2R 8DB  
Telephone: 01-606 6044 Telex: 604057

**AUDITORS' REPORT TO THE MEMBERS OF  
MOTORWAY SERVICES LIMITED**

In our opinion the foregoing accounts and notes give a true and fair view of the state of the company's affairs at 31 October 1973 and of its profit for the year then ended and comply with the Companies Acts, 1948 and 1967 after providing for taxation on the basis set out in note 3.

**PRICE WATERHOUSE & CO.**  
Chartered Accountants

**18 February 1974**

MOTORWAY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 1973

	<u>1973</u>	<u>1972</u>
TURNOVER (Note 1)	<u>£7,825,067</u>	<u>£6,931,896</u>
PROFIT BEFORE TAXATION (Note 2)	618,446	625,034
TAXATION (Note 3)	<u>261,067</u>	<u>237,579</u>
PROFIT BEFORE TAXATION <i>AFTER.</i>	357,379	387,455
BALANCE BROUGHT FORWARD	<u>107,633</u>	<u>80,178</u>
	465,012	467,633
DIVIDEND	<u>350,000</u>	<u>360,000</u>
BALANCE CARRIED FORWARD	<u>£115,012</u>	<u>£107,633</u>

# MOTORWAY SERVICES LIMITED

BALANCE SHEET AT 31 OCTOBER 1973

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	<u>1973</u>	<u>1972</u>
<b>ASSETS EMPLOYED</b>		
FIXED ASSETS (Note 5)	3,913,213	3,837,889
SINKING FUND POLICIES		
Premiums paid (Surrender value £238,551 1972 £212,705)	226,167	206,338
AMOUNT OWING BY HOLDING COMPANY		
Loan account	200,000	800,000
ADD: AMOUNTS OWING BY FELLOW SUBSIDIARY AND ULTIMATE HOLDING COMPANY	<u>388,283</u>	<u>(303,031)</u>
	588,283	496,969
CURRENT ASSETS		
Stocks (Note 6)	253,316	199,352
Debtors	41,573	10,872
Balance at Bank	<u>31,840</u>	<u>122,394</u>
	326,729	332,618
LESS: CURRENT LIABILITIES		
Taxation (including corporation tax payable 1 November 1974)	505,000	427,000
Creditors	399,689	289,490
Dividend payable	<u>350,000</u>	<u>360,000</u>
	1,254,689	1,076,490
	<u>(927,960)</u>	<u>(743,872)</u>
	<u>£3,799,703</u>	<u>£3,797,324</u>

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MOTORWAY SERVICES LIMITED

BALANCE SHEET AT 31 OCTOBER 1973 (CONTINUED)

	<u>1973</u>	<u>1972</u>
<u>FINANCED BY:</u>		
SHARE CAPITAL		
Authorised, issued and fully paid 60,000 ordinary shares of £1 each	60,000	60,000
CAPITAL RESERVES (Note 7)	2,424,691	2,429,691
PROFIT RETAINED	<u>115,012</u>	<u>107,633</u>
	2,599,703	2,597,324
MORTGAGE DEBENTURES (Note 8)	1,200,000	1,200,000
DIRECTORS		
E Hartwell		
D Hearn		
	<u>£3,799,703</u>	<u>£3,797,324</u>

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MOTORWAY SERVICES LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 OCTOBER 1973

1 TURNOVER

Turnover is the amount receivable for goods sold and services provided and includes motor fuel duty of £3,004,009 (1972 £2,695,651).

2 PROFIT BEFORE TAXATION is arrived at after charging the items shown below:

	<u>1973</u>	<u>1972</u>
Interest payable:		
On bank overdraft and loans repayable within 5 years	30,357	3,379
Other loans	<u>81,000</u>	<u>27,000</u>
	£111,357	£30,379
	<u>£700</u>	<u>£500</u>
Auditors' remuneration	<u>£114,743</u>	<u>£55,515</u>
Amortisation and depreciation		

3 TAXATION

Corporation tax at 40% to 5 April 1973 and 50% thereafter (1972-40%)	265,000	240,000
Overprovision for taxation in previous years	<u>(3,933)</u>	<u>(2,421)</u>
	<u>£261,067</u>	<u>£237,579</u>

No provision has been made in these accounts for tax deferred estimated at £56,000 (1972: £33,000) in respect of the excess of capital allowances over the corresponding depreciation.

4 DIRECTORS' EMOLUMENTS

None of the directors has received any emoluments from the company.



# MOTORWAY SERVICES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1973 (CONTINUED)

### 5 FIXED ASSETS

	<u>Land and buildings</u>		<u>Plant and equipment</u>	<u>Total</u>
	<u>Freehold</u>	<u>Short leasehold</u>		
Cost or valuation at 31 October 1972	894,300	2,720,000	445,691	4,059,991
Additions	36,168	80,146	144,003	260,317
Disposals	-	-	(1,250)	(1,250)
Grants	<u>(70,000)</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>
Cost or valuation	860,468	2,800,146	588,444	4,249,058
Less: Accumulated depreciation	<u>-</u>	<u>69,098</u>	<u>285,172</u>	<u>354,270</u>
	<u>£860,468</u>	<u>£2,731,048</u>	<u>£303,272</u>	<u>3,894,788</u>
Plate, linen and utensils				<u>18,425</u>
Net book amount at 31 October 1973:				<u>£3,913,213</u>
Cost				2,108,106
Valuation 1972				<u>2,140,952</u>
				<u>£4,249,058</u>

Certain of the company's freehold and leasehold properties have been revalued on a going concern basis as at 31 October 1972 by an independent firm of professional valuers. Subsequent additions are shown at cost.

No depreciation is provided on freehold properties or leasehold properties held on leases with fifty years and over to run at the balance sheet date. Properties held on leases with an unexpired term of less than fifty years are amortised over the remaining period. All other assets are depreciated over their estimated useful lives, except for plate, linen and utensils which are stated at directors' valuation, replacements being charged against profits.

### 6 STOCKS

Stocks are valued at the lower of cost and net realisable value.

# MOTORWAY SERVICES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1973 (CONTINUED)

### 7 CAPITAL RESERVES

Share premium account		280,000
General		
Balance brought forward	2,149,691	
Less: Additional costs of loan	<u>5,000</u>	<u>2,144,691</u>
At 31 October 1973		<u>£2,424,691</u>

### 8 MORTGAGE DEBENTURES

	Interest rate	£	1972
Repayable 1 September 1978	6½%	400,000	400,000
Repayable 31 October 1992	10 1/8%	<u>800,000</u>	<u>-800,000</u>
		<u>1,200,000</u>	<u>1,200,000</u>

No premium is payable on redemption unless the company exercises its right to redeem before redemption date.

### 9 COMMITMENTS FOR CAPITAL EXPENDITURE

	1973	1972
Committed at 31 October	44,000	73,000
Approved by the Board	<u>300,000</u>	<u>300,000</u>
	<u>£344,000</u>	<u>£373,000</u>

### 10 CONTINGENT LIABILITIES

There is no present intention of selling any of the properties revalued at 31 October 1972 and no provision has been made for any tax which might arise if such sales took place. It is estimated that if these properties had been sold on 31 October 1972 at their net book amounts at that date the tax liability which might have arisen would not have exceeded £600,000.