

First Motorway Services Limited

Report and Financial Statements

Year Ended

31 March 2011

Company Number 3126731



First Motorway Services Limited

Report and financial statements for the year ended 31 March 2011

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Directors

R Millar
N Richards
G Ward

Secretary and registered office

G Ward, Magor Motorway Services, Junction 23a M4 Motorway, Magor, Newport, Gwent, NP26 3YL

Company number

3126731

Auditors

BDO LLP, One Victoria Street, Bristol, BS1 6AA

Solicitors

Eversheds LLP, 1 Callaghan Square, Cardiff, CF10 5BT

Bankers

Lloyds TSB plc, 42 Commercial Street, Newport, NP20 1WX

First Motorway Services Limited

Report of the directors for the year ended 31 March 2011

The directors present their report together with the audited financial statements for the year ended 31 March 2011

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

The directors recommend the payment of a final dividend of 60p per ordinary share, this was paid in April 2011 (2010 300p paid in April 2010) During the year a final dividend of 300p (2010 - 310p) was paid in respect of the year ended 30 April 2010

Principal activities, review of business and future developments

The company's principal activity is the operation of motorway and trunk road service areas

The profit and loss account is set out on page 6 of this report and shows a pre-tax profit of £424,751 (2010 £226,952) for the year and sales of £3 4m (2010 £4 4m)

We have seen the recessionary environment continue through the last year but steps taken in prior years such as the sale of Bolton and the new header boards for Burger King and Coffee Republic on our motorway signs have helped stabilise and in some areas show increases in sales over the previous year

Burger King showed through strongly in the year and the Travelodge pricing strategy also paid dividends in the year aiming at the strong events calendar now well established within Wales and in particular at the Cardiff Millenium stadium

We expect this year to continue at last years levels with a pick up expected in Summer 2012 on the back of a general economic improvement Burger King is continuing its year on year growth and the cost saving initiatives brought in last year continue to show through and underpin the profitability of the business

Key performance indicators

The management use a series of key performance indicators to run the business including cost of sales, wages and direct expense ratios which are tracked on a weekly basis through detailed weekly statistics for all departments as well as in the monthly accounts

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the company relate to competition and the economy Management therefore monitor the pricing and offers on competitors' sites to ensure we have a competitive offer for the customer

Financial risk management

The company's operations expose it to a variety of financial risks primarily related to the funding of the company The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs

The directors are responsible for monitoring financial risk management The policies set by the board of directors are implemented by the company's finance department

First Motorway Services Limited

Report of the directors for the year ended 31 March 2011 (*continued*)

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances, all of which earn interest at a variable rate. The company has a policy of maintaining debt at a variable rate of base rate + 1.25% to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Directors

The directors of the company during the year and their interest in the ordinary share capital of the company were

| | Special ordinary shares of £1 each | | Ordinary shares of £1 each | | Ordinary 'B' shares of 1p each | |
|------------|------------------------------------|--------------|----------------------------|--------------|--------------------------------|--------------|
| | 31 March 2011 | 1 April 2010 | 31 March 2011 | 1 April 2010 | 31 March 2011 | 1 April 2010 |
| R Millar | 2 | 2 | 46,000 | 46,000 | 23,000 | 23,000 |
| N Richards | - | - | 25,000 | 25,000 | 12,500 | 12,500 |
| G Ward | - | - | 25,000 | 25,000 | 12,500 | 12,500 |

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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.

First Motorway Services Limited

Report of the directors for the year ended 31 March 2011 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

R Millar
Director

Date



5/8/2011

First Motorway Services Limited

Independent auditor's report

TO THE MEMBERS OF FIRST MOTORWAY SERVICES LIMITED

We have audited the financial statements of First Motorway Services Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet, the cash flow statement, the note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

First Motorway Services Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



James Brown (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Bristol
United Kingdom

Date 5. AUGUST. 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

First Motorway Services Limited

Profit and loss account for the year ended 31 March 2011

| | Note | 2011 £ | 2010 £ |
|--|------|------------------|-----------|
| Turnover | 3 | 3,445,209 | 4,384,481 |
| Cost of sales | | 1,859,567 | 2,756,567 |
| Gross profit | | 1,585,642 | 1,627,914 |
| Administrative expenses | | 1,354,558 | 1,676,558 |
| | | 231,084 | (48,644) |
| Other operating income | | 263,249 | 351,709 |
| Operating profit | 4 | 494,333 | 303,065 |
| Other interest receivable and similar income | | 224 | 641 |
| Interest payable and similar charges | 7 | (69,807) | (76,754) |
| Profit on ordinary activities before taxation | | 424,750 | 226,952 |
| Taxation on profit on ordinary activities | 8 | 102,490 | 93,270 |
| Profit on ordinary activities after taxation | | 322,260 | 133,682 |

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 11 to 23 form part of these financial statements

First Motorway Services Limited

Note of historical cost profits and losses for the year ended 31 March 2011

| | 2011 £ | 2010 £ |
|--|----------------|-----------|
| Note of historical cost profits and losses | | |
| Reported profit on ordinary activities before taxation | 424,750 | 226,952 |
| Difference between actual and historical cost depreciation charge | 125,009 | 125,009 |
| | <hr/> | <hr/> |
| Historical cost profit on ordinary activities before taxation | 549,759 | 351,961 |
| | <hr/> | <hr/> |
| Historical cost profit for the year after taxation | 447,269 | 258,691 |
| | <hr/> | <hr/> |

The notes on pages 11 to 23 form part of these financial statements

First Motorway Services Limited

Balance sheet at 31 March 2011

| <i>Company number 3126731</i> | Note | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|--|------|------------------|------------------|------------------|------------------|
| Called up share capital not paid | | | 2 | | 2 |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 8,756,761 | | 9,012,890 |
| | | | <u>8,756,763</u> | | <u>9,012,892</u> |
| Current assets | | | | | |
| Stocks | 12 | 189,047 | | 181,842 | |
| Debtors | 13 | 157,264 | | 111,014 | |
| Cash at bank and in hand | | 659,811 | | 836,793 | |
| | | <u>1,006,122</u> | | <u>1,129,649</u> | |
| Creditors: amounts falling due within one year | 14 | 918,058 | | 903,119 | |
| | | <u>918,058</u> | | <u>903,119</u> | |
| Net current assets | | | 88,064 | | 226,530 |
| Total assets less current liabilities | | | 8,844,827 | | 9,239,422 |
| Creditors, amounts falling due after more than one year | 15 | 3,447,161 | | 3,802,046 | |
| Provisions for liabilities | 16 | 760,965 | | 822,935 | |
| | | <u>4,208,126</u> | | <u>4,624,981</u> | |
| | | | 4,636,701 | | 4,614,441 |

The notes on pages 11 to 23 form part of these financial statements

First Motorway Services Limited

Balance sheet
at 31 March 2011 (continued)

| | Note | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|-----------------------------|------|-----------|-----------|-----------|-----------|
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 100,502 | | 100,502 |
| Revaluation reserve | 19 | | 3,198,929 | | 3,323,938 |
| Profit and loss account | 19 | | 1,337,270 | | 1,190,001 |
| | | | | | |
| Shareholders' funds | 20 | | 4,636,701 | | 4,614,441 |

The financial statements were approved by the board of directors and authorised for issue on

5/8/2011

R Millar
Director



G Ward
Director



The notes on pages 11 to 23 form part of these financial statements

First Motorway Services Limited

Cashflow statement for the year ended 31 March 2011

| | Note | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|--|------|-----------|------------------|-----------|-------------|
| Net cash inflow from operating activities | 23 | | 734,577 | | 510,689 |
| Returns on investments and servicing of finance | | | | | |
| Interest received | | 224 | | 641 | |
| Interest paid other loans | | (69,807) | | (76,754) | |
| | | | | | |
| Net cash outflow from returns on investments and servicing of finance | | | (69,583) | | (76,113) |
| Taxation | | | | | |
| Corporation tax paid | | | (118,307) | | (123,021) |
| Capital expenditure and financial investment | | | | | |
| Payments to acquire tangible fixed assets | | (87,012) | | (48,013) | |
| Receipts from sale of tangible fixed assets | | - | | 1,650,000 | |
| | | | | | |
| Net cash (outflow)/inflow from capital expenditure and financial investment | | | (87,012) | | 1,601,987 |
| Dividends paid | | | (300,000) | | (310,000) |
| | | | | | |
| Cash inflow before use of financing | | | 159,675 | | 1,603,542 |
| Financing | | | | | |
| Loans repaid | | | (336,657) | | (1,560,948) |
| | | | | | |
| (Decrease)/increase in cash | 24 | | (176,982) | | 42,594 |

The notes on pages 11 to 23 form part of these financial statements

First Motorway Services Limited

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Basis of preparation

The directors of the company continue to monitor the principal markets in which it operates and the directors have prepared updated forecasts and projections for the business. These projections demonstrate the company's ability to meet its obligations as they fall due.

The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Consolidated financial statements

The company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the directors consider that all of the company's subsidiaries may be excluded from consolidation as the company's only subsidiary is dormant. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of value added tax.

Land and buildings

Financial Reporting Standard 15 'Tangible fixed assets' requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this land and buildings are subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

| | |
|------------------------------|--|
| Freehold land | - Nil |
| Leasehold land and buildings | - Over the unexpired lease term on a straight line basis |
| Fixtures and fittings | - 10% reducing balance |
| Other fixed assets | - 33% reducing balance |

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

First Motorway Services Limited

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

1 Accounting policies (*continued*)

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Leased assets

Rentals under operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

2 Corresponding figures

The analysis between continuing and discontinued operations for the year ended 31 March 2010 is shown below

| | Continuing £ | Discontinued £ | Total £ |
|-------------------------|-----------------|-------------------|------------|
| Turnover | 4,085,836 | 298,645 | 4,384,481 |
| Cost of sales | 2,484,402 | 272,165 | 2,756,567 |
| Gross profit | 1,601,434 | 26,480 | 1,627,914 |
| Administrative expenses | 1,560,630 | 115,928 | 1,676,558 |
| | 40,804 | (89,448) | (48,644) |
| Other operating income | 351,709 | - | 351,709 |
| Operating profit/(loss) | 392,513 | (89,448) | 303,065 |

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

4 Operating profit

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| This is arrived at after charging/(crediting) | | |
| Depreciation of tangible fixed assets | 343,140 | 357,559 |
| Loss/(profit) on disposal of tangible fixed assets | 1 | (9,727) |
| Hire of other assets - operating leases | 62,420 | 160,420 |
| Auditors' remuneration | | |
| Audit services | 8,500 | 8,500 |
| Taxation services | 1,350 | 1,350 |
| Other services | 900 | 900 |

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

5 Employees

Staff costs (including directors) consist of

| | 2011 £ | 2010 £ |
|-----------------------|----------------|------------------|
| Wages and salaries | 872,677 | 1,225,516 |
| Social security costs | 56,368 | 82,008 |
| Other pension costs | 49,940 | 48,630 |
| | <u>978,985</u> | <u>1,356,154</u> |

The average number of employees (including directors) during the year was as follows

| | 2011 Number | 2010 Number |
|---------------------|----------------|----------------|
| Retail and services | 65 | 76 |
| Administration | 11 | 12 |
| | <u>76</u> | <u>88</u> |

6 Directors' remuneration

| | 2011 £ | 2010 £ |
|---|-----------|-----------|
| Directors' emoluments | 98,546 | 193,231 |
| Company contributions to money purchase pension schemes | 38,576 | 39,817 |
| | <u></u> | <u></u> |

There were 3 directors in the company's defined contribution pension scheme during the year (2010 - 3)

7 Interest payable and similar charges

| | 2011 £ | 2010 £ |
|-----------------|-----------|-----------|
| All other loans | 69,807 | 76,754 |
| | <u></u> | <u></u> |

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

8 Taxation on profit on ordinary activities

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| <i>UK Corporation tax</i> | | |
| Current tax on profits of the year | 164,089 | 117,936 |
| Adjustment in respect of previous periods | 371 | (1,979) |
| | <hr/> | <hr/> |
| Total current tax | 164,460 | 115,957 |
| <i>Deferred tax</i> | | |
| Origination and reversal of timing differences | (61,970) | (22,687) |
| | <hr/> | <hr/> |
| Taxation on profit on ordinary activities | 102,490 | 93,270 |
| | <hr/> | <hr/> |

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below.

| | 2011 £ | 2010 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | 424,750 | 226,952 |
| | <hr/> | <hr/> |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2010 - 28%) | 118,930 | 63,547 |
| Effect of | | |
| Expenses not deductible for tax purposes | 56,779 | 49,472 |
| Depreciation for period in excess of capital allowances | 3,434 | 22,687 |
| Adjustment to tax charge in respect of previous periods | 371 | (1,979) |
| Small companies rate of taxation relief | - | (17,768) |
| Other adjustments | - | (2) |
| Marginal relief | (15,054) | - |
| | <hr/> | <hr/> |
| Current tax charge for the year | 164,460 | 115,957 |
| | <hr/> | <hr/> |

9 Dividends

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Ordinary shares | | |
| Interim paid of £3.00 (2010 - £3.10) per share | 300,000 | 310,000 |
| | <hr/> | <hr/> |

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

10 Tangible fixed assets

| | Freehold land and buildings £ | Short leasehold land and buildings £ | Fixtures and fittings £ | Other fixed assets £ | Total £ |
|--------------------------|-------------------------------------|--|-------------------------------|----------------------------|------------|
| <i>Cost or valuation</i> | | | | | |
| At 1 April 2010 | 1 | 9,008,577 | 1,640,933 | 75,597 | 10,725,108 |
| Additions | - | - | 86,692 | 320 | 87,012 |
| Disposals | (1) | - | - | - | (1) |
| | | | | | |
| At 31 March 2011 | - | 9,008,577 | 1,727,625 | 75,917 | 10,812,119 |
| | | | | | |
| <i>Depreciation</i> | | | | | |
| At 1 April 2010 | - | 316,851 | 1,324,269 | 71,098 | 1,712,218 |
| Provided for the year | - | 316,374 | 25,766 | 1,000 | 343,140 |
| | | | | | |
| At 31 March 2011 | - | 633,225 | 1,350,035 | 72,098 | 2,055,358 |
| | | | | | |
| <i>Net book value</i> | | | | | |
| At 31 March 2011 | - | 8,375,352 | 377,590 | 3,819 | 8,756,761 |
| | | | | | |
| At 31 March 2010 | 1 | 8,691,726 | 316,664 | 4,499 | 9,012,890 |

The historical cost of leasehold property is

| | 2011 £ | 2010 £ |
|---|-----------|-----------|
| Cost | 5,507,649 | 5,507,649 |
| Accumulated depreciation based on historical cost | 1,044,483 | 853,108 |
| | | |
| Historical cost net book value | 4,463,166 | 4,654,541 |

The company has adopted a policy of revaluing its leasehold property. The company's leasehold properties at Magor and Symonds Yat were subject to independent valuation by Christie & Co, Chartered Surveyors on 14 September 2009 at £9 million. The valuation was prepared on the basis of Open Market Value on the basis of being fully equipped operational entities, having regards to their potential and was made in accordance with the RICS Appraisal and Valuation manual. This valuation has been included within the value of short leasehold property shown above.

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

11 Fixed asset investments

The company holds a 100% investment in First Motorway Services (Bolton) Limited. In the year ended 31 March 2010 the cost of this investment was written off.

12 Stocks

| | 2011 £ | 2010 £ |
|-------------------------------------|----------------|-----------|
| Finished goods and goods for resale | 189,047 | 181,842 |

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 Debtors

| | 2011 £ | 2010 £ |
|--------------------------------|----------------|-----------|
| Trade debtors | 44,063 | 71,669 |
| Prepayments and accrued income | 113,201 | 39,345 |
| | 157,264 | 111,014 |

All amounts shown under debtors fall due for payment within one year.

14 Creditors: amounts falling due within one year

| | 2011 £ | 2010 £ |
|---|----------------|-----------|
| Bank loans and overdrafts (secured) (see note 14) | 360,228 | 342,000 |
| Trade creditors | 191,663 | 174,406 |
| Amounts owed to group undertakings | - | 1,000 |
| Corporation tax | 164,089 | 117,936 |
| Other taxation and social security | 103,463 | 85,059 |
| Other creditors | 26,334 | 29,482 |
| Accruals and deferred income | 72,281 | 153,236 |
| | 918,058 | 903,119 |

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

15 Creditors: amounts falling due after more than one year

| | 2011 £ | 2010 £ |
|---|--------------------------------------|--------------------------------------|
| Bank loans (secured) | 3,447,161 | 3,802,046 |
| | <u> </u> | <u> </u> |
| Maturity of debt | | |
| | Loans and overdrafts 2011 £ | Loans and overdrafts 2010 £ |
| In one year or less, or on demand | 360,228 | 342,000 |
| | <u> </u> | <u> </u> |
| In more than one year but not more than two years | 365,848 | 342,000 |
| In more than two years but not more than five years | 1,127,536 | 1,026,000 |
| In more than five years | 1,953,777 | 2,434,046 |
| | <u> </u> | <u> </u> |
| | 3,447,161 | 3,802,046 |
| | <u> </u> | <u> </u> |

Included in creditors due after more than one year are the following amounts repayable in more than five years

| | 2011 £ | 2010 £ |
|-------|-------------------|-------------------|
| Loans | 1,953,777 | 2,434,046 |
| | <u> </u> | <u> </u> |

The bank loans are secured by first legal charge over the company's property assets

Interest on bank loans is charged at 2% above base rate The loan is repayable over 180 months commencing January 2006

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

16 Provisions for liabilities

| | Deferred taxation £ |
|-------------------------------------|---------------------------|
| At 1 April 2010 | 822,935 |
| Credited to profit and loss account | (61,970) |
| | <hr/> |
| At 31 March 2011 | 760,965 |
| | <hr/> |

Deferred taxation

| | 2011 £ | 2010 £ |
|--------------------------------|----------------|-----------|
| Accelerated capital allowances | 760,965 | 822,935 |
| | <hr/> | <hr/> |

As at 31 March 2011 the company had unprovided deferred taxation on unrealised revaluation gains of £978,419 (2010 - £978,419)

17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £49,940 (2010 - £48,630).

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

18 Share capital

| | 2011 £ | 2010 £ |
|---|----------------|----------------|
| <i>Allotted, called up and fully paid</i> | | |
| 2 special ordinary shares of £1 each | 2 | 2 |
| 100,000 ordinary shares of £1 each | 100,000 | 100,000 |
| 50,000 ordinary 'B' shares of £0.01 each | 500 | 500 |
| | <u>100,502</u> | <u>100,502</u> |

The ordinary shares have voting rights of one vote per share and on winding up, the holders are entitled to £1 per share

The special ordinary shares have no voting rights and carry no right to dividends. On winding up, the holders are entitled to £1 per share

The 'B' ordinary shares have voting rights of one vote per share. The 'B' ordinary shares carry no right to dividends and, on winding up, the holders are entitled to £0.01 per share

19 Reserves

| | Revaluation reserve £ | Profit and loss account £ |
|---|-----------------------------|---------------------------------|
| At 1 April 2010 | 3,323,938 | 1,190,001 |
| Profit for the year | - | 322,260 |
| Dividends | - | (300,000) |
| Revaluation surplus released to profit and loss | (125,009) | 125,009 |
| | <u>3,198,929</u> | <u>1,337,270</u> |
| At 31 March 2011 | <u>3,198,929</u> | <u>1,337,270</u> |

The historic cost net book value of the leasehold property in Note 10 is £4,463,166 (2010 £4,654,541). The difference between the historic cost net book value plus the revaluation reserve balance as above and the net book value of short leasehold land and buildings is £713,247. This difference relates to a repurchase of own shares during the year ended 31 March 2006.

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

20 Reconciliation of movements in shareholders' funds

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Profit for the year | 322,260 | 133,682 |
| Dividends | (300,000) | (310,000) |
| Net additions to/(deductions from) shareholders' funds | 22,260 | (176,318) |
| Opening shareholders' funds | 4,614,441 | 4,790,759 |
| Closing shareholders' funds | 4,636,701 | 4,614,441 |

21 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

| | Land and buildings 2011 £ | Other 2011 £ | Land and buildings 2010 £ | Other 2010 £ |
|-------------------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Operating leases which expire | | | | |
| Within one year | - | 12,420 | - | 12,420 |
| After five years | 50,000 | - | 50,000 | - |

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

22 Related party disclosures

Controlling parties

There are no controlling parties of the company

23 Reconciliation of operating profit to net cash inflow from operating activities

| | 2011 £ | 2010 £ |
|---|-----------|-----------|
| Operating profit | 494,334 | 303,065 |
| Investment write off | - | 1,000 |
| Depreciation of tangible fixed assets | 343,140 | 357,559 |
| Profit on sale of tangible fixed assets | - | (9,727) |
| (Increase)/decrease in stocks | (7,205) | 57,678 |
| (Increase)/decrease in debtors | (46,250) | 130,932 |
| Decrease in creditors | (49,442) | (329,818) |
| | <hr/> | <hr/> |
| Net cash inflow from operating activities | 734,577 | 510,689 |
| | <hr/> | <hr/> |

24 Reconciliation of net cash flow to movement in net debt

| | 2011 £ | 2010 £ |
|----------------------------------|-------------|-------------|
| (Decrease)/increase in cash | (176,982) | 42,594 |
| Cash inflow from changes in debt | 336,657 | 1,560,948 |
| | <hr/> | <hr/> |
| Movement in net debt | 159,675 | 1,603,542 |
| Opening net debt | (3,307,253) | (4,910,795) |
| | <hr/> | <hr/> |
| Closing net debt | (3,147,578) | (3,307,253) |
| | <hr/> | <hr/> |

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

25 Analysis of net debt

| | At 1 April 2010 £ | Cash flow £ | At 31 March 2011 £ |
|--------------------------|-------------------------|-------------------|--------------------------|
| Cash at bank and in hand | 836,793 | (176,982) | 659,811 |
| Debt due within one year | (342,000) | (18,228) | (360,228) |
| Debt due after one year | (3,802,046) | 354,885 | (3,447,161) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | (3,307,253) | 159,675 | (3,147,578) |
| | <u> </u> | <u> </u> | <u> </u> |