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First Motorway Services Limited

Report and Financial Statements

Year Ended

31 March 2010

Company Number 3126731



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First Motorway Services Limited

Report and financial statements for the year ended 31 March 2010

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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 2010

The directors present their report together with the audited financial statements for the year ended 31 March 2010

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 300p per ordinary share, this was paid in April 2010. During the year an interim dividend of 310p (2009 - 260p) was paid

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 5 of this report and shows a pre-tax profit of £226,952 (2009 £325,009) for the year and sales of £4.4million (2009 £5.9m). These figures include a £89,448 loss on discontinued operations which reflects the sale of our Bolton site in June 2009. Without this profits were in line with last year reflecting the flat profile of business in a recessionary environment

We expect this environment to continue through to March 2011 and have taken appropriate steps to underpin the business through this elongated recessionary period. The sale of Bolton was part of this process and along with good cash management we believe we have strengthened our balance sheet as a result

We are confident that we will maintain our current level of trading on our remaining sites in to the future

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 which in the current year has seen us bring the Coffee Republic offer onto our Magor site along with new header board signage on the Motorway

Charitable contributions

During the year the company made charitable contributions of £500 (2009 £500)

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 2010 (*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 2010	1 April 2009	31 March 2010	1 April 2009	31 March 2010	1 April 2009
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,
- 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 2010 (*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

6/8/2010

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 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 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 9. AUG. 2010

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 2010

	Note	Continuing operations 2010 £	Discontinued operations 2010 £	Total 2010 £	Total 2009 As restated £
Turnover	4	4,085,836	298,645	4,384,481	5,939,209
Cost of sales		2,484,402	272,165	2,756,567	3,697,974
Gross profit		1,601,434	26,480	1,627,914	2,241,235
Administrative expenses		1,560,630	115,928	1,676,558	2,064,090
		40,804	(89,448)	(48,644)	177,145
Other operating income		351,709	-	351,709	433,697
Operating profit/(loss)	5	392,513	(89,448)	303,065	610,842
Other interest receivable and similar income				641	24,407
Interest payable and similar charges	8			(76,754)	(310,240)
Profit on ordinary activities before taxation				226,952	325,009
Taxation on profit on ordinary activities	9			93,270	109,150
Profit on ordinary activities after taxation				133,682	215,859

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

First Motorway Services Limited

Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 March 2010

	Note	2010 £	2009 £
Statement of total recognised gains and losses			
Profit for the financial year		133,682	215,859
Unrealised surplus on revaluation of properties	20	-	828,570
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		133,682	1,044,429
		<hr/>	<hr/>
Note of historical cost profits and losses			
		2010 £	2009 £
Reported profit on ordinary activities before taxation		226,952	325,009
Difference between actual and historical cost depreciation charge		125,009	125,009
		<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation		351,961	450,018
		<hr/>	<hr/>
Historical cost profit for the year after taxation		258,691	340,868
		<hr/>	<hr/>

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

First Motorway Services Limited

Balance sheet at 31 March 2010

Company number 3126731	Note	2010 £	2010 £	2009 £	2009 £
Called up share capital not paid			2		2
Fixed assets					
Tangible assets	11		9,012,890		10,962,709
Fixed asset investments	12		-		1,000
			<hr/>		<hr/>
			9,012,892		10,963,711
Current assets					
Stocks	13	181,842		239,520	
Debtors	14	111,014		241,946	
Cash at bank and in hand		836,793		794,199	
		<hr/>		<hr/>	
		1,129,649		1,275,665	
Creditors, amounts falling due within one year	15	903,119		1,312,995	
		<hr/>		<hr/>	
Net current assets/(liabilities)			226,530		(37,330)
			<hr/>		<hr/>
Total assets less current liabilities			9,239,422		10,926,381
Creditors amounts falling due after more than one year	16	3,802,046		5,290,000	
Provisions for liabilities	17	822,935		845,622	
		<hr/>		<hr/>	
			4,624,981		6,135,622
			<hr/>		<hr/>
			4,614,441		4,790,759
			<hr/>		<hr/>

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

First Motorway Services Limited

Balance sheet at 31 March 2010 (continued)

	Note	2010 £	2010 £	2009 £	2009 £
Capital and reserves					
Called up share capital	19		100,502		100,502
Revaluation reserve	20		3,323,938		3,448,947
Profit and loss account	20		1,190,001		1,241,310
Shareholders' funds	21		4,614,441		4,790,759

The financial statements were approved by the board of directors and authorised for issue on 6/8/2010


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 2010

	Note	2010 £	2010 £	2009 £	2009 £
Net cash inflow from operating activities	25		510,689		572,463
Returns on investments and servicing of finance					
Interest received		641		24,407	
Interest paid other loans		(76,754)		(310,240)	
Net cash outflow from returns on investments and servicing of finance			(76,113)		(285,833)
Taxation					
Corporation tax paid			(123,021)		(230,955)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(48,013)		(25,239)	
Receipts from sale of tangible fixed assets		1,650,000		-	
Net cash inflow/(outflow) from capital expenditure and financial investment			1,601,987		(25,239)
Dividends paid			(310,000)		(260,000)
Cash inflow/(outflow) before use of financing			1,603,542		(229,564)
Financing					
Loans repaid			(1,560,948)		(331,746)
Increase/(Decrease) in cash	26		42,594		(561,310)

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 2010

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

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, 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.

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

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Deferred taxation (continued)

- 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

2 Corresponding figures

The analysis between continuing and discontinued operations for the year ended 31 March 2009 is shown below

Further details on discontinued operations are given in note 22

	Continuing £	Discontinued £	Total £
Turnover	4,682,071	1,257,138	5,939,209
Cost of sales	2,742,899	955,075	3,697,974
	<hr/>	<hr/>	<hr/>
Gross profit	1,939,172	302,063	2,241,235
Administrative expenses	1,534,297	529,793	2,064,090
	<hr/>	<hr/>	<hr/>
	404,875	(227,730)	177,145
Other operating income	292,388	141,309	433,697
	<hr/>	<hr/>	<hr/>
Operating profit/(loss)	697,263	(86,421)	610,842
	<hr/>	<hr/>	<hr/>

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

3 Prior year adjustment

During the year, management has reconsidered the appropriate classification of retrospective rebates within the profit and loss account. The prior year has been restated to reflect these reallocations which management consider to be more appropriate. The effect on the prior year was to reduce other income by £121,327 and decrease cost of sales by the same amount. The overall profit of the company was not affected.

4 Turnover

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

5 Operating profit/(loss)

	2010 £	2009 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	357,559	334,297
Reversal of previous impairment losses	-	(6,101)
Profit on disposal of tangible fixed assets	(9,727)	-
Hire of other assets - operating leases	160,420	187,202
Auditors' remuneration		
Audit services	8,500	15,500
Taxation services	1,350	5,000
Other services	900	-
	<u> </u>	<u> </u>

6 Employees

Staff costs (including directors) consist of

	2010 £	2009 £
Wages and salaries	1,225,516	1,673,565
Social security costs	82,008	100,157
Other pension costs	48,630	51,394
	<u> </u>	<u> </u>
	<u>1,356,154</u>	<u>1,825,116</u>

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

6 Employees (*continued*)

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

	2010 Number	2009 Number
Retail and services	76	153
Administration	12	14
	<u>88</u>	<u>167</u>

7 Directors' remuneration

	2010 £	2009 £
Directors' emoluments	193,231	259,625
Company contributions to money purchase pension schemes	39,817	42,664
	<u>233,048</u>	<u>302,289</u>

There were 3 directors in the company's defined contribution pension scheme during the year (2009 - 3)

In 2009 the total amount payable to the highest paid director in respect of emoluments was £124,623 and company pension contributions of £27,793 were made to a money purchase scheme on their behalf

8 Interest payable and similar charges

	2010 £	2009 £
All other loans	76,754	310,240
	<u>76,754</u>	<u>310,240</u>

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

9 Taxation on profit on ordinary activities

	2010 £	2009 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	117,936	125,000
Adjustment in respect of previous periods	(1,979)	(45)
	<hr/>	<hr/>
Total current tax	115,957	124,955
<i>Deferred tax</i>		
Origination and reversal of timing differences	(22,687)	(15,805)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	<u>93,270</u>	<u>109,150</u>

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:

	2010 £	2009 £
Profit on ordinary activities before tax	<u>226,952</u>	<u>325,009</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	63,547	91,003
Effect of:		
Expenses not deductible for tax purposes	49,472	35,661
Depreciation for period in excess of capital allowances	22,687	15,805
Adjustment to tax charge in respect of previous periods	(1,979)	(45)
Small companies rate of taxation relief	(17,768)	(17,469)
Other adjustments	(2)	-
	<hr/>	<hr/>
Current tax charge for the year	<u>115,957</u>	<u>124,955</u>

10 Dividends

	2010 £	2009 £
Ordinary shares		
Interim paid of £3.10 (2009 - £2.60) per share	<u>310,000</u>	<u>260,000</u>

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

11 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 2009	1	11,187,515	2,417,470	75,271	13,680,257
Additions	-	6,579	41,108	326	48,013
Disposals	-	(2,185,517)	(817,645)	-	(3,003,162)
At 31 March 2010	1	9,008,577	1,640,933	75,597	10,725,108
<i>Depreciation</i>					
At 1 April 2009	-	623,418	2,023,763	70,367	2,717,548
Provided for the year	-	320,352	36,476	731	357,559
Disposals	-	(626,919)	(735,970)	-	(1,362,889)
At 31 March 2010	-	316,851	1,324,269	71,098	1,712,218
<i>Net book value</i>					
At 31 March 2010	1	8,691,726	316,664	4,499	9,012,890
At 31 March 2009	1	10,564,097	393,707	4,904	10,962,709

The historical cost of leasehold property is

	2010 £	2009 £
Cost	5,507,649	7,693,166
Accumulated depreciation based on historical cost	853,108	1,297,364
Historical cost net book value	4,654,541	6,395,802

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 RCIS 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 2010 (*continued*)

12 Fixed asset investments

	Group undertakings £
<i>Cost or valuation</i>	
At 1 April 2009	1,000
Investment written off	(1,000)
	<hr/>
At 31 March 2010	-
	<hr/>

13 Stocks

	2010 £	2009 £
Finished goods and goods for resale	181,842	239,520
	<hr/>	<hr/>

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

14 Debtors

	2010 £	2009 £
Trade debtors	71,669	162,291
Prepayments and accrued income	39,345	79,655
	<hr/>	<hr/>
	111,014	241,946
	<hr/>	<hr/>

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

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

15 Creditors amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts (secured) (see note 16)	342,000	414,994
Trade creditors	174,406	372,715
Amounts owed to group undertakings	1,000	1,000
Corporation tax	117,936	125,000
Other taxation and social security	85,059	160,411
Other creditors	29,482	29,175
Accruals and deferred income	153,236	209,700
	<u>903,119</u>	<u>1,312,995</u>

16 Creditors amounts falling due after more than one year

	2010 £	2009 £
Bank loans (secured)	3,802,046	5,290,000
	<u> </u>	<u> </u>
Matunty of debt		
	Loans and overdrafts 2010 £	Loans and overdrafts 2009 £
In one year or less, or on demand	342,000	414,994
	<u> </u>	<u> </u>
In more than one year but not more than two years	342,000	422,000
In more than two years but not more than five years	1,026,000	1,300,000
In more than five years	2,434,046	3,568,000
	<u>3,802,046</u>	<u>5,290,000</u>

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

	2010 £	2009 £
Loans	2,434,046	3,568,000
	<u> </u>	<u> </u>

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

16 Creditors: amounts falling due after more than one year (*continued*)

The bank loans are secured by 1st legal charge over the company's property assets

Interest on bank loans is charged at 1.25% above base rate

17 Provisions for liabilities

	Deferred taxation £	
At 1 April 2009	845,622	
Credited to profit and loss account	(22,687)	
	<hr/>	
At 31 March 2010	822,935	
	<hr/>	
<i>Deferred taxation</i>		
	2010 £	2009 £
Accelerated capital allowances	822,935	845,622
	<hr/>	<hr/>

As at 31 March 2010 the company had unprovided deferred taxation on revaluation gains of £978,419 (2009 - £978,419)

18 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 £48,630 (2009 - £51,394).

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

19 Share capital

	2010 £	2009 £
<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
	<hr/>	<hr/>
	100,502	100,502
	<hr/>	<hr/>

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

20 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2009	3,448,947	1,241,310
Profit for the year	-	133,682
Dividends	-	(310,000)
Revaluation surplus released to profit and loss	(125,009)	125,009
	<hr/>	<hr/>
At 31 March 2010	3,323,938	1,190,001
	<hr/>	<hr/>

The historic cost net book value of the leasehold property in Note 11 is £4,654,541 (2009 £6,395,802). 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 2010 (*continued*)

21 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the year	133,682	215,859
Dividends	(310,000)	(260,000)
	<hr/>	<hr/>
Other net recognised gains and losses relating to the year	(176,318)	(44,141)
	-	828,570
	<hr/>	<hr/>
Net (deductions from)/additions to shareholders' funds	(176,318)	784,429
Opening shareholders' funds	4,790,759	4,006,330
	<hr/>	<hr/>
Closing shareholders' funds	4,614,441	4,790,759
	<hr/>	<hr/>

22 Discontinued operations

On 18 June 2009 the company disposed of their operation in Bolton

The profit on disposal of their operation in Bolton has been calculated as follows

	£	£
Cash proceeds		1,650,000
Net assets disposed of		
Tangible fixed assets	1,640,273	
	<hr/>	
		1,640,273
		<hr/>
Profit on disposal		9,727
		<hr/>

The net inflow of cash in respect of the sale of their operation in Bolton is as follows

	£
Cash consideration	1,650,000
	<hr/>
Net inflow of cash	1,650,000
	<hr/>

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

23 Commitments under operating leases

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

	Land and buildings 2010 £	Other 2010 £	Land and buildings 2009 £	Other 2009 £
Operating leases which expire				
Within one year	-	12,420	-	-
After five years	50,000	-	218,000	-
	<u>50,000</u>	<u>12,420</u>	<u>218,000</u>	<u>-</u>

24 Related party disclosures

Controlling parties

There are no controlling parties of the company

25 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2010 £	2009 £
Operating profit/(loss)	303,065	610,842
Investment write off	1,000	-
Depreciation of tangible fixed assets	357,559	334,297
Profit on sale of tangible fixed assets	(9,727)	-
Reversal of impairment loss	-	(6,101)
Decrease in stocks	57,678	56,215
Decrease in debtors	130,932	2,006
Decrease in creditors	(329,818)	(424,796)
	<u>510,689</u>	<u>572,463</u>
Net cash inflow from operating activities	510,689	572,463

First Motorway Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2010 *(continued)*

26 Reconciliation of net cash flow to movement in net debt

	2010 £	2009 £
Increase/(decrease) in cash	42,594	(561,310)
Cash inflow from changes in debt	1,560,948	331,746
Movement in net debt	1,603,542	(229,564)
Opening net debt	(4,910,795)	(4,681,231)
Closing net debt	(3,307,253)	(4,910,795)

27 Analysis of net debt

	At 1 April 2009 £	Cash flow £	At 31 March 2010 £
Cash at bank and in hand	794,199	42,594	836,793
Debt due within one year	(414,994)	72,994	(342,000)
Debt due after one year	(5,290,000)	1,487,954	(3,802,046)
Total	(4,910,795)	1,603,542	(3,307,253)