

REGISTERED NUMBER 3126731

First Motorway Services Limited
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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First Motorway Services Limited

COMPANY INFORMATION

DIRECTORS

S Turl
I McKay
R Tindale
L Dafna

SECRETARY

M Hedditch

REGISTERED OFFICE

RoadChef House
Norton Canes MSA
Betty's Lane
Norton Canes
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Staffordshire
WS11 9UX

AUDITORS

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

BANKERS

Lloyds TSB plc
42 Commercial Street
Newport
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First Motorway Services Limited

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First Motorway Services Limited

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their strategic report for the year ended 31 December 2013. The comparative period was the year ended 1 January 2013.

Review of the business

Principal activity

First Motorway Services Limited (the "Company") operated 2 Motorway Service Areas on 2 sides of the motorway in the United Kingdom for the year ended 31 December 2013. We do not anticipate the principal activities of the business to change in the foreseeable future.

The results for the Company show an operating profit of £414,000 (1 January 2013: operating loss of £109,000) and a pre-tax profit of £364,000 (1 January 2013: pre-tax loss of £111,000). The board are satisfied with the results for the year.

Group reorganisation

On 25 October 2013, the Company completed the purchase of the Motorway Service Area at Annandale Water from Blue Boar Motorways Limited, a fellow subsidiary in the Roadchef group. On the same date all operations and separately identifiable assets associated with Annandale Water were transferred to First Motorways Limited.

There has been no change in the nature of operations following this reorganisation.

Business environment and strategy

The following narrative relates to the underlying trade of the Roadchef Group which the directors consider to be the primary drivers of the business. The Roadchef Group includes all companies owned directly and indirectly by Roadchef Limited.

The UK Motorway Service Area market is concentrated in the hands of three major operators and several smaller operators, of which Roadchef is the third largest with a market share of about 21% (1 January 2013: 21%).

Management believe that there are about 44 million visits to the Roadchef Group's sites in a year and 70% of these visits result in the visitor being converted to a customer. The Roadchef Group's objective is to increase the conversion rate and the amount each customer spends. Recent investment in the catering offering at key sites has proven to reduce the level of non-conversion by between 10-15%.

The Roadchef Group's strategies to achieve this objective are as follows -

- service our customers in as friendly and efficient a manner as possible,
- ensure that the brand and services that the Roadchef Group offers are what our customers want and that the standards are what they expect or better;
- ensure that products, staff and tills are available to serve customers,
- close management of key performance indicators, such as growth in amenity building sales, and
- competitively price within the motorway service industry.

Investing in brands and services aligned to customer wants

Management believes that the consistency and quality offered by well known high street brands drives sales growth.

During 2013 the Group continued with its multi-million pound development plan of the Motorway Service Areas. In addition to the four installed during 2012, the Group have installed McDonald's at five Motorway Service Areas during 2013, including Annandale Water, which has proved very successful with sales growth of up to 400% in some outlets. In addition the Group continued to invest in new seating areas and revitalising the Costa units at the same sites. Finally, the Group continues to convert existing in house branded catering outlets to the Group's new in house brand, Fresh Food Café. Fresh Food Café combines a contemporary branded food servery with the latest back of house cooking equipment, which improves food quality, speed of service and continues to deliver value to customers. The next two years should see the completion of the Group's catering upgrade, providing a much-improved offer for our customers.

Review of the business (continued)

The board monitors progress on the Company strategy and the individual strategic elements by reference to the following KPIs

	31 December 2013	1 January 2013	Definition, method of calculation and analysis
Growth in amenity building sales (%)	28.5%	80.7%	Year-on-year sales growth expressed as a percentage. Amenity building sales showed an increase of 28.5%. This includes the benefit of Annandale Water being transferred into the Company during the year. Year-on-year sales growth excluding Annandale Water is 12.8%, which reflects the benefit of a full year of trading on the McDonalds development completed in 2012.
Gross margin in the amenity building (%)	61.3%	61.6%	The amenity building gross margin is the ratio of operating profit before wages and overheads to sales expressed as a percentage. The gross margin is comparable year on year and is judged to be at a satisfactory level.
Amenity building transactions (m)	1.1	0.9	This is the actual number of transactions recorded in the main building in both the retail and catering outlets. Excluding Annandale Water, the number of transactions for the year is 1.0m. The visits this year have increased slightly and are being driven by the strength in popularity of the franchise partner offerings in place.
Spend per transaction (£)	£4.45	£4.39	This is the sales in the amenity building (excluding hotel offerings and other income) divided by the number of transactions. The directors closely monitor this at an outlet level where the labour content of each transaction can vary significantly. The spend per transaction has increased during the year and is driven by the strength in popularity of the franchise partner offerings in place.

Principal risks and uncertainties

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

Minimum Wage The Company employs many of its staff at wage rates that are close to the national minimum wage. In past years significant increases in the minimum wage announced by the UK Government has resulted in the Group having to award above inflation pay increases.

Legislative Change Current restrictions prevent the building of new service areas within 28 miles or 30 minutes travel time of an existing site which greatly restricts new competition. Whilst no legislative change has as of yet been effected, government is currently giving consideration to allow local authorities to make decisions regarding the building of new service areas based upon local requirements. If this ruling were to change then additional competition could enter the market. The board is however confident that the ongoing investment and development of the Company's Motorway Service Areas will help in mitigating the threat posed from an increased number of competitors.

Road Pricing There has been much discussion in the press concerning the implementation of a road pricing regime aimed at reducing the use of motor vehicles. The Company's management regard the implementation of such a UK Government policy to be remote at present, though consider it to be a potential long term issue.

Competition In the current economic climate a government programme of new road building is not on the agenda. Government policy is now leaning towards road widening and the use of the hard shoulder. As this policy will not result in additional motorway service stations being built there is not the competition risk associated with new roads.

Interest rate risk

The Company's borrowings are subject to floating rates of interest exposing the Company to cash flow interest rate risk.

On behalf of the board

L Dafna
Director

Date 11 June 2014

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The Directors present their report for the year ended 31 December 2013

Directors

Details of all the directors who have held office since 1 January 2013 are given below

S Turl
I McKay
R Tindale
L Dafna

Results and dividends

The results for the year are set out on page 6. The directors do not recommend the payment of a dividend (1 January 2013 £nil)

Disabled employees

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

Equal opportunities

The Company is an equal opportunities employer. Its policy is to ensure that recruitment, selection, training, development and promotion procedures result in no applicant or employee receiving less favourable and discriminatory treatment on the grounds of sex, age, race, nationality, creed, ethnic origin, disability, sexual orientation, marital status or by conditions or requirements which cannot be shown to be justifiable.

Employee involvement

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

Going concern

The Company's business activities, financial risk policies and exposures, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The key sensitivity is the level of trading it achieves which is dependant on a number of factors outside the its control, including fuel prices, the wider economy and also the weather. Trading is actively monitored by the board of directors through the use of daily and weekly sales statistics. This level and frequency of information ensures that the board is able to make quick short-term decisions to drive volume growth or to formulate more long-term strategic decisions.

Overall the Group meets its day-to-day working capital requirements through an overdraft facility which is renewed annually. In addition the Group has various secured and unsecured loan notes and bank debt which it uses to finance the Group's activities. The Company is party to the Group arrangements or the recipient of the on-lending of these borrowings.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group expects to operate within the level of its current facilities and to meet the required covenant tests.

The directors are of the opinion that, having regard to the funding available from MSA Acquisitions Co. Limited, the Company has sufficient funds to continue in operational existence for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors' liability insurance and indemnity

MSA Acquisitions Co. Limited, the ultimate parent company in the United Kingdom, has granted an indemnity to one or more of its directors against its liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains the same as at the date of approving the Directors' Report.

Directors' statement as to disclosure of information to the auditors

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each directors' knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- each director had taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the auditors were aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Ernst & Young LLP be reappointed auditors of the company will be put to the Annual General Meeting.

On behalf of the board

L Dafna
Director

Date 11 June 2014



**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2013**

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 FIRST MOTORWAY SERVICES LIMITED**

We have audited the financial statements of First Motorway Services Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 21. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2013 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.

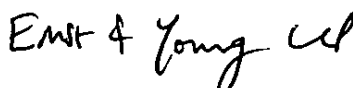
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Adrian Roberts (Senior statutory auditor)
for and on behalf of Ernst & Young LLP Statutory Auditor
Birmingham

Date 11 June 2014

First Motorway Services Limited

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Turnover			
Ongoing		6,251	4,934
Acquisitions		704	-
		<u>6,955</u>	<u>4,934</u>
Cost of sales		(2,907)	(1,748)
		<u>4,048</u>	<u>3,186</u>
Gross profit			
Administrative expenses			
Before exceptional items		(3,534)	(3 142)
Exceptional items	2	(100)	(153)
		<u>(3,634)</u>	<u>(3,295)</u>
Operating profit/ (loss)	6		
Ongoing		399	(109)
Acquisitions		15	-
		<u>414</u>	<u>(109)</u>
Loss on disposal of tangible fixed assets	6	(16)	-
Interest receivable and similar income		-	17
Interest payable and similar charges		(34)	(19)
Net finance cost	5	(34)	(2)
Profit/ (loss) on ordinary activities before taxation		<u>364</u>	<u>(111)</u>
Taxation on profit/ (loss) on ordinary activities	7	(65)	(10)
Profit/ (loss) for the financial period	15	<u>299</u>	<u>(121)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

First Motorway Services Limited

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Profit/ (loss) for the financial period	15	299	(121)
Unrealised surplus on revaluation of land and buildings	9	2,332	1,022
Total recognised gains for the period		2,631	901

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Reported profit/ (loss) on ordinary activities before taxation		364	(111)
Difference between the historical cost depreciation charge and the actual depreciation charge for the period	15	216	181
Historical cost profit on ordinary activities before taxation		580	70
Historical cost profit on ordinary activities after taxation		515	60

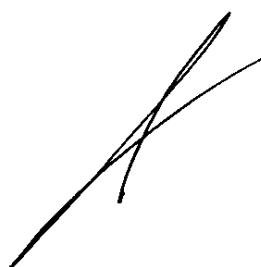
First Motorway Services Limited

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Note	31 December 2013 £'000	1 January 2013 £'000
Fixed assets			
Intangible fixed assets	8	30	-
Tangible fixed assets	9	<u>22,700</u>	<u>12,800</u>
		22,730	12,800
Current assets			
Stocks	10	191	122
Debtors amounts falling due within one year	11	20,479	13,982
Cash at bank and in hand		<u>-</u>	<u>178</u>
		20,670	14,282
Creditors amounts falling due within one year	12	(33,033)	(19,300)
Net current liabilities		(12,363)	(5,018)
Total assets less current liabilities		10,367	7,782
Provisions for liabilities and charges	13	(479)	(525)
Net assets		9,888	7,257
Capital and reserves			
Called up share capital	14	101	101
Revaluation reserve	15	8,382	6,266
Profit and loss account	15	1,405	890
Equity shareholder's funds	16	9,888	7,257

The financial statements were approved by the board and authorised for issue on 11 June 2014

L Dafna
Director



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards (UK GAAP), which have been consistently applied. The principal accounting policies are set out below.

Going concern

The Company has net current liabilities of £12,363,000 (1 January 2013: £5,018,000). The directors are of the opinion that, having regard to the funding available from other companies within MSA Acquisitions Co. Limited group, the Company has sufficient funds to continue in operational existence for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The Company qualifies under Financial Reporting Standard 1 "Cash Flow Statements", for exemption from preparing a cash flow statement as it is a wholly owned subsidiary of a UK company which publishes consolidated accounts which include the company.

Turnover

Turnover consists of the amounts receivable from customers in the UK from the Company's continuing activity, excluding Value Added Tax. Turnover on catering, retail, fuel, and hotel sales is recognised when goods or services are provided to the customer.

Interest and finance costs

Interest on loans drawn specifically for new developments, incurred up to the date of practical completion, is capitalised as part of the cost of construction. Financing costs associated with new borrowings are recognised in the profit and loss account over the term of the borrowings at a constant rate on the carrying amount. Finance costs represent the difference between the total amount of the payments that will have to be made in respect of the borrowing instrument and the fair value of the consideration received on the issue of the instrument after deduction of costs that have been incurred and which are directly associated with the issue of that instrument and which would not have arisen had the instrument not been issued.

Vendor allowances

The Company receives various types of vendor allowances. These take the form of up-front payments such as lump sum payments or prepaid amounts, rebates, in the form of cash or credits, and other forms of payments. These amounts are shown as a reduction in the cost of sales as the Company becomes entitled to them.

Development costs and pre-opening expenses

External development costs are carried forward and capitalised if and when sites are developed, and when its future recoverability can be reasonably regarded as assured. Otherwise they are written off to the profit and loss account as incurred.

Pre-opening expenses incurred prior to the opening of new Motorway Service Areas are written off in the period in which they arise.

Intangible fixed assets

Intangible fixed assets are stated at cost less any accumulated amortisation and any provision for impairment, and are written off over their expected useful lives on a straight line basis as follows:

Licences	Over the period of the licence
----------	--------------------------------

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment, and are written off over their expected useful lives on the following basis:

Long leasehold buildings	50 years
Long leasehold land	Over the term of the lease
Short leasehold land and buildings	Over the term of the lease on a straight line basis

The cost of other tangible fixed assets comprises fixtures, fittings, and computer equipment and is written off over their expected useful lives on a straight line basis as follows:

Fixtures and fittings	5 - 25 years
Computer equipment	3 - 5 years

Assets in the course of construction are not depreciated and are transferred to their appropriate categories once completed.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

1 Accounting policies (continued)

Revaluation of properties

Individual long leasehold and short leasehold properties are professionally valued at least every five years. The surplus or deficit on book value is transferred to the revaluation reserve except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such deficit is charged (or credited) to the profit and loss account.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a transfer of reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Impairment of intangible and tangible fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the impairment is calculated as the difference between the carrying value and the recoverable value of income-generating units. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. For properties that have been previously revalued, any impairment is initially recognised through the revaluation reserve with any excess impairment over previous increases in valuation being taken to the profit and loss account. For other fixed assets if incurred, impairment is recognised immediately within the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. There is no inclusion of overheads in stocks.

Deferred tax

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement asset is sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Loans and borrowings

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Pensions

The amount charged to the profit and loss account in respect of personal money purchase pension schemes 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.

Exceptional items

Exceptional items comprise events or transactions which by virtue of their size and incidence the directors consider to be exceptional in nature and have been disclosed separately, in order to improve a reader's understanding of the financial statements.

Leases

Rentals paid under operating leases are charged in the profit and loss account on a straight line basis over each lease term.

Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" from the requirement to disclose transactions with other wholly owned subsidiaries of Delek Group Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

2 Exceptional items

	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Pre-opening expenses	-	136
Exceptional VAT	54	-
Other	46	17
	100	153

Prior year pre-opening expenses relate to costs associated with McDonald's openings

The other items relate to exceptional write offs

Exceptional VAT

During the period ended 1 January 2013 the Company received refunds, net of third party professional fees, totalling £54,000 from HMRC. This followed hearings involving The Rank Group plc which concluded that there had been a breach of fiscal neutrality in the treatment of gaming machine income as liable to VAT. HMRC appealed the decision and issued protective assessments to recover the repayment in the event of a successful appeal. On 30 October 2013 the Court of Appeal found in favour of HMRC. Whilst The Rank Group plc has applied for leave to appeal to the Supreme Court, HMRC is enforcing the protective assessments and recovering the VAT with interest. As a result an exceptional operating charge of £54,000 and associated finance costs of £17,000 (note 5) have been recognised in the period ended 31 December 2013. The net refund of £54,000 was recognised in turnover in the period ended 1 January 2013.

The tax impact of these items has been to reduce the current tax charge by £23,000 (1 January 2013: £37,000)

3 Employee costs

	Year ended 31 December 2013 Number	Year ended 1 January 2013 Number
Operational	112	74
Management and administration	20	12
	132	86

	£'000	£'000
Their payroll costs comprised		
Wages and salaries	1,429	1,189
Social security costs	73	66
Other pension costs	9	7
	1,511	1,262

4 Directors' remuneration

	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Aggregate emoluments in respect of qualifying services	102	66
Aggregate of company contributions paid in respect of money purchase schemes	12	9
Number of directors accruing benefits under money purchase schemes	4	4

There were no directors (1 January 2013: none) who were members of a defined benefit pension scheme

First Motorway Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

5 Net finance cost

	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Interest receivable		
Other interest receivable	-	17
Interest payable and similar charges		
Bank loans and overdrafts	(10)	(19)
Interest on exceptional VAT (note 2)	(17)	-
Other interest	(7)	-
	(34)	(19)
Net finance costs	(34)	(2)

6 Operating profit/ (loss)

	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
<i>Operating profit/ (loss) is stated after charging</i>		
Depreciation of tangible fixed assets		
- owned assets	261	574
- leased assets	499	346
Amortisation of intangible fixed assets	3	-
Operating lease rentals		
- land and buildings	14	48
- plant and machinery	23	2
Auditors' remuneration - audit of the financial statements	10	10

The Company's audit fee of £10 000 (1 January 2013: £10,000) was borne by Roadchef Motorways Limited, a fellow group company in the United Kingdom, and recharged to the Company

Fees paid to the Company's auditor for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of MSA Acquisitions Co. Limited, an intermediate parent company, are required to disclose non-audit fees on a consolidated basis

	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
In line with FRS 3 the following item has been charged after operating profit		
Loss on disposal of tangible fixed assets	16	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

7 Taxation

	Year ended 31 December 2013 £'000	Year ended 1 January 2013 £'000
Corporation tax		
Group relief payable	185	162
Adjustments in respect of prior periods	(74)	(5)
Total current tax	111	157
Deferred tax		
Origination and reversal of timing differences	9	(99)
Adjustments in respect of prior years	17	-
Effect of decreased tax rate on deferred tax balance	(72)	(48)
Taxation on loss on ordinary activities	65	10
The total current tax charge is different to the standard rate of corporation tax in the United Kingdom of 23.25% (1 January 2013 24.5%). The material differences are reconciled below:		
Profit/ (loss) on ordinary activities before taxation	364	(111)
Profit/ (loss) on ordinary activities before taxation multiplied by the UK tax rate of 23.25% (1 January 2013 24.5%)		
	85	(27)
Capital allowances in excess of depreciation	(9)	141
Expenses not deductible for tax purposes	109	93
Utilisation of tax losses	-	(45)
Adjustments in relation to prior periods	(74)	(5)
Current tax charge	111	157

The Company has claimed group relief relating to the current and prior period from other group companies for £111,000 (1 January 2013 £157,000) consideration

Factors that may affect future tax charges

Decreases in the rate of UK corporation tax to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015, were substantively enacted during 2013 and therefore have been reflected in the Company's financial statements

	31 December 2013		1 January 2013	
	Amount provided £'000	Not provided £'000	Amount provided £'000	Not provided £'000
Deferred taxation				
Accelerated capital allowances	479	-	525	-
Tax losses	-	(49)	-	(56)
Property revaluations	-	1,850	-	1,500
	479	1,801	525	1,444

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

8 Intangible fixed assets

	Licences £'000
Cost	
At 2 January 2013	-
Additions	33
At 31 December 2013	33
Amortisation	
At 2 January 2013	-
Charge for year	3
At 31 December 2013	3
Net book value	
At 31 December 2013	30
At 1 January 2013	-

The Company has made upfront payments to purchase licences relevant to the operation activities of the Company. Licences have been granted for a period of 5 years, and this has been used as the expected useful life for the purpose of amortisation.

9 Tangible fixed assets

	Long leasehold land and buildings £'000	Short leasehold land and buildings £'000	Fixtures fittings and equipment £'000	Total £'000
Cost or valuation				
At 2 January 2013	-	11,134	3,708	14,842
Additions	181	-	150	331
Disposals	-	-	(1,628)	(1,628)
Acquisitions from group companies	6,937	-	1,076	8,013
Revaluation adjustment	851	1,073	-	1,924
At 31 December 2013	7,969	12,207	3,306	23,482
Depreciation				
At 2 January 2013	-	-	2,042	2,042
Charge for year	27	381	352	760
Disposals	-	-	(1,612)	(1,612)
Revaluation adjustment	(27)	(381)	-	(408)
At 31 December 2013	-	-	782	782
Net book value				
At 31 December 2013	7,969	12,207	2,524	22,700
At 1 January 2013	-	11,134	1,666	12,800

Fixtures, fittings and equipment includes assets with a cost of £800,000 (1 January 2013: £400,000) and accumulated depreciation of £139,000 (1 January 2013: £48,000) subject to finance leases. The finance lease under which these amounts are leased is held in Roadchef Motorways Limited.

The short leasehold land and buildings were professionally valued by external valuers DTZ Debenham Tie Leung, as at 31 December 2013 on an open market for existing use basis, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation manual.

First Motorway Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

10 Stocks

	31 December 2013 £'000	1 January 2013 £'000
Raw materials and consumables	52	33
Goods for resale	139	89
	<u>191</u>	<u>122</u>

The replacement value of stock is not materially different than cost.

11 Debtors amounts falling due within one year

	31 December 2013 £'000	1 January 2013 £'000
Amounts owed by group companies	20,428	13,942
Prepayments and accrued income	51	40
	<u>20,479</u>	<u>13,982</u>

12 Creditors amounts falling due within one year

	31 December 2013 £'000	1 January 2013 £'000
Bank overdraft	28	-
Amounts owed to group companies	32,428	18,926
Other taxes and social security	223	147
Other creditors	4	-
Accruals	350	227
	<u>33,033</u>	<u>19,300</u>

13 Provisions for liabilities

		Deferred taxation £'000
At 1 January 2013		525
Credited to profit and loss account		(46)
At 31 December 2013		<u>479</u>
Deferred taxation	31 December 2013 £'000	1 January 2013 £'000
Accelerated capital allowances	479	525
	<u>479</u>	<u>525</u>

First Motorway Services Limited

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

14 Share capital

	31 December 2013 £'000	1 January 2013 £'000
Allotted, called up and fully paid		
2 special ordinary shares of £1 each	-	-
100,000 ordinary share of £1 each	100	100
50,000 'B' ordinary shares of £0.01 each	1	1
	101	101

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 rights 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

15 Reserves

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 2 January 2013	6,266	890	7,156
Profit for the financial year	-	299	299
Revaluation of tangible fixed assets	2,332	-	2,332
Reserve transfer	(216)	216	-
At 31 December 2013	8,382	1,405	9,787

16 Reconciliation of movement in shareholder's funds

	31 December 2013 £'000	1 January 2013 £'000
At 2 January 2013	7,257	6,356
Profit/ (loss) for the financial period	299	(121)
Revaluation of tangible fixed assets	2,332	1,022
At 31 December 2013	9,888	7,257

17 Pension schemes

The Company operates a defined contribution pension scheme. The assets of that scheme are held separately from those of the Company in an independently administered fund. The pension charge for the period amounted to £9,000 (1 January 2013 £7,000). An amount of £nil (1 January 2013 £nil) is owed to the pension schemes at the period end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

18 Acquisitions

On 25 October 2013 the directors completed the purchase of the Motorway Service Area at Annandale Water ("Annandale Water") from Blue Boar Motorways Limited, a fellow subsidiary company. On the same date all operations and separately identifiable net assets associated with Annandale Water were transferred to First Motorways Limited. The net assets acquired were transferred at fair value. The consideration of £8,000,000 in respect of the purchase of Annandale Water was satisfied in cash. The consideration of £73,000 in respect of net assets associated with Annandale Water was satisfied against inter-company amounts owed.

The book and fair values of the net assets at date of acquisition were as follows:

	Book value £'000	Revaluation of fixed assets £'000	Fair value £'000
Tangible assets	7,574	426	8,000
Stocks	88	-	88
Cash	13	-	13
Creditors due within one year	(28)	-	(28)
Net assets	<u>7,647</u>	<u>426</u>	<u>8,073</u>
			£'000
Consideration			8,073
Net assets acquired			<u>8,073</u>
Goodwill arising on acquisition			<u>-</u>

From the date of acquisition to 31 December 2013, Annandale Water contributed revenues of £704,000 to the Company and a profit after tax of £15,000.

The results of Annandale Water prior to the acquisition were as follows:

Profit and loss account	Current period up to acquisition £'000	Year ended 1 January 2013 £'000
Turnover	3,698	3,350
Profit after tax for the period	<u>380</u>	<u>508</u>

Cash flows

The net outflow of cash arising from the acquisition of Annandale Water was as follows:

	£'000
Cash consideration, as above	8,000
Cash acquired	(13)
Net outflow of cash	<u>7,987</u>

19 Financial commitments

The Company had annual commitments in respect of land and buildings under non-cancellable operating leases as follows:

	31 December 2013 £'000	1 January 2013 £'000
Expiry date		
Within one year	-	12
After more than five years	-	-
	<u>-</u>	<u>12</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

20 Contingent liabilities

There are fixed and floating charges over the assets of the Company to secure bank loans held by a fellow group company amounting to £14,445,000 (1 January 2013: £8,145,000)

21 Control

The immediate parent company is Roadchef Limited, a company registered in England and Wales. Copies of these financial statements can be obtained from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.

As at 31 December 2013, Delek Group Limited was considered to be the ultimate parent undertaking. Yitzhak Tshuva has a controlling shareholding in Delek Group Limited.

The largest group for which group results are drawn up is that headed by Delek Group Limited, and the smallest is that headed by Roadchef Limited.

The registered office of Delek Group Limited is 8464 Bet Adar Building 7, Givorei Israel Street, Netanya South, 42504, Israel.