Company Registration No. 07555954

MOTO FINANCE PLC

Unaudited Annual Report and Financial Statements

52 weeks ended 29 December 2021

MOTO FINANCE PLC

UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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MOTO FINANCE PLC

OFFICERS AND PROFESSIONAL ADVISERS

UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

DIRECTORS

K McMeikan
C Catlin
N Tatum

COMPANY SECRETARY

A Procter (appointed on 4 August 2021)

REGISTERED OFFICE

Toddington Services Area
Junction 11-12 M1 Southbound
Toddington
Bedfordshire
LU5 6HR

BANKERS

Lloyds Bank plc
249 Silbury Boulevard
Milton Keynes MK9 1NA

LAWYERS

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

MOTO FINANCE PLC

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activity of Moto Finance Plc (the "Company") is to hold external debt financing. It will continue to do so for the foreseeable future.

BUSINESS REVIEW

Trading of the company is in line with expectations.

KPIs

Given the principal activity of the Company is to hold external debt financing, the key performance indicator in the financial statements is the level of external debt held at the balance sheet date.

At the balance sheet date, the Company held £149.6 million of external debt, as opposed to £149.1 million in 2020.

WALKER GUIDELINES

The Directors' have ensured compliance with the Walker Guidelines disclosures at the parent company level, Moto Holdings Limited.

SECTION 172(1) STATEMENT

The Directors of the Group must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the Companies Act 2006. Within Moto Holdings Limited financial statements the Directors of the Group have documented their considerations with regard to section 172(1).

GOING CONCERN

The Company has made a £nil profit/loss after tax in the period (2020: £nil) and has net assets of £50,000 (2020: £50,000) at 29 December 2021.

The Group's external debt financing was refinanced in January 2022. The external debt financing is held in Moto Investments Limited and has been lent via intercompany loan agreements to Moto Hospitality Limited, with a final repayment date of January 2034. Interest is payable on the intercompany debt at rates higher than those payable on the external debt financing in order to distribute the trading profit of Moto Hospitality Limited to the holding companies to ensure service of the external debt and to facilitate dividend payments to shareholders at the Moto Holdings Limited level.

The directors continue to monitor and respond to the impact of Covid-19 on the business and all available actions have been taken to protect both profit and cash, but also the safety of customers and colleagues.

To support the going concern assumption the Group has updated business forecasts to the end of 2026. Monthly cash flow forecasts have been prepared for the business until the end of 2022 and the forecast then assumes the business will grow in line with future UK economic forecasts. These cash flows use the available economic forecasts and historic performance of the business and show headroom each month against the covenants in place. The cash flow forecasts assume that all liabilities of the business going forward are met in accordance with contractual terms. External interest payments are hedged and the payments due under the terms of the hedge are built into the forecasts. The only sensitivity to the cashflow forecast will be as a result of significantly reduced traffic volumes of which there is a remote risk. The Group have not identified other sensitivities.

In summary, the directors have a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from signing the financial statements, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis.

STRATEGIC REPORT (CONTINUED)

KEY BUSINESS RISKS

There are no significant risks or uncertainties directly impacting the Company. A discussion of the key business risks impacting the wider Group are outlined in the immediate parent company's financial statements (Moto Ventures Limited).

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

C Catlin
Director
8 June 2022

DIRECTORS' REPORT

The directors present their unaudited annual report and the audited financial statements for the 52 weeks ended 29 December 2021.

DIVIDENDS AND TRANSFERS TO RESERVES

The result for the period is shown in the statement of comprehensive income on page 6. The directors recommend that no dividend be paid for the period (2020: £nil).

EVENTS AFTER THE REPORTING DATE

On 28 January 2022 the group refinanced its existing debt by issuing £700 million of Senior Credit Facilities with a consortium of banks, institutions and US Private Placement market. With this refinancing the group extends its debt maturity profile, with the Senior Credit Facilities due for full repayment by January 2034.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Cash flow risk

The Company's relies on other Group companies to provide cash flows, the wider Group uses interest rate swap contracts to hedge against interest rate risk.

The company holds interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

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

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the wider Company relies on fellow group companies to hold cash reserves, a mixture of long-term and short-term debt finance.

DIRECTORS

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

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

C Catlin
Director
8 June 2022

MOTO FINANCE PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 29 December 2021

	Note	52 weeks ended 29 December 2021 £'000	53 weeks ended 30 December 2020 £'000
Interest receivable and similar income - group		7,305	7,419
Interest payable and similar charges	5	(7,305)	(7,419)
RESULT BEFORE TAXATION	4	-	-
Tax on result	6	-	-
RESULT AFTER TAXATION AND COMPREHENSIVE RESULT		-	-

All results derive from continuing operations.

MOTO FINANCE PLC

BALANCE SHEET
As at 29 December 2021

	Note	29 December 2021 £'000	30 December 2020 £'000
CURRENT ASSETS			
Debtors	7	149,932	149,444
CREDITORS: amounts falling due within one year	8	(149,882)	(282)
NET CURRENT ASSETS		50	149,162
TOTAL ASSETS LESS CURRENT LIABILITIES		50	149,162
CREDITORS: amounts falling due after more than one year	9	-	(149,112)
NET ASSETS		50	50
CAPITAL AND RESERVES			
Called-up share capital	10	50	50
Profit and loss account	10	-	-
TOTAL SHAREHOLDERS' FUNDS		50	50

For the period ending 29 December 2021 the company was entitled to exemption from audit under sections 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The company registration number is 07555954.

These financial statements were approved by the Board of Directors and authorised for issue on 8 June 2022.

Signed on behalf of the Board of Directors

C Catlin
Director

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 29 December 2021

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 25 December 2019	50	-	50
Result for the financial period and total comprehensive result	-	-	-
At 30 December 2020	50	-	50
Result for the financial period and total comprehensive result	-	-	-
At 29 December 2021	50	-	50

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 29 December 2021

1. ACCOUNTING POLICIES

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

General information and basis of accounting

Moto Finance Plc is a private company limited by shares incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Moto Finance Plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Moto Finance Plc meets the definition of a qualifying entity under FRS 102. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going Concern

The Company has made a £nil profit/loss after tax in the period (2020: £nil) and has net assets of £50,000 (2020: £50,000) at 29 December 2021.

The Group's external debt financing was refinanced in January 2022. The external debt financing is held in Moto Investments Limited and has been lent via intercompany loan agreements to Moto Hospitality Limited, with a final repayment date of January 2034. Interest is payable on the intercompany debt at rates higher than those payable on the external debt financing in order to distribute the trading profit of Moto Hospitality Limited to the holding companies to ensure service of the external debt and to facilitate dividend payments to shareholders at the Moto Holdings Limited level.

The directors continue to monitor and respond to the impact of Covid-19 on the business and all available actions have been taken to protect both profit and cash, but also the safety of customers and colleagues.

To support the going concern assumption the Group has updated business forecasts to the end of 2026. Monthly cash flow forecasts have been prepared for the business until the end of 2022 and the forecast then assumes the business will grow in line with future UK economic forecasts. These cash flows use the available economic forecasts and historic performance of the business and show headroom each month against the covenants in place. The cash flow forecasts assume that all liabilities of the business going forward are met in accordance with contractual terms. External interest payments are hedged and the payments due under the terms of the hedge are built into the forecasts. The only sensitivity to the cashflow forecast will be as a result of significantly reduced traffic volumes of which there is a remote risk. The Group have not identified other sensitivities.

In summary, the directors have a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from signing the financial statements, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

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

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

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

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

Financial instruments

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

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

Financial assets and liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 29 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

Impairment of assets

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

(i) Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 29 December 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There are no critical accounting judgements.

Key source of estimation uncertainty

Recoverability of amounts owed by fellow group undertakings

Determining the recoverability of these amounts involves a judgement based on the financial position and future prospects of the group undertakings. Management believe that given the counterparty has a net assets position reported in its latest audited financial statements, these amounts are appropriately stated.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees, other than the directors (2020: none).

The directors received no remuneration with regard to their services to the company (2020: £nil).

4. RESULT BEFORE TAXATION

The audit fee paid by other group companies in respect of this company's annual audit was £2,000 (2020: £2,000). There were no non-audit fees in the period (2020: £nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 29 December 2021 £'000	53 weeks ended 30 December 2020 £'000
Amounts payable on loan notes	7,305	7,419

Amounts payable on loan notes includes £507,000 (2020: £507,000) relating to amortisation of debt issue costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 29 December 2021

6. TAXATION

	52 weeks ended 29 December 2021 £'000	53 weeks ended 30 December 2020 £'000
Total current tax	-	-
Total deferred tax	-	-
Total tax charge	-	-

Reconciliation of the total tax charge

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

	52 weeks ended 29 December 2021 £'000	53 weeks ended 30 December 2020 £'000
Tax charge on result at the UK statutory rate of 19% (2020: 19%)	-	-
Total tax charge for the period	-	-

Factors affecting future tax charge

On 3 March 2021 the Chancellor of the Exchequer announced that the corporation tax rate will increase from 19% to 25% from 1 April 2023.

7. DEBTORS

	29 December 2021 £'000	30 December 2020 £'000
Amounts owed by fellow group undertakings	149,932	149,444

There are no fixed repayment dates for intercompany debtors and as such the amounts are presented as due within one year. The interest rate has been set to match the fixed rate on the Loan Notes and is charged at 4.5%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 29 December 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 December 2021 £'000	30 December 2020 £'000
Other creditors	262	282
Loan notes	150,000	
Capitalised debt issue costs	(380)	
	149,882	282

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

	29 December 2021 £'000	30 December 2020 £'000
Loan notes	-	150,000
Capitalised debt issue costs	-	(888)
	-	149,112

The Loan Notes carry interest at a fixed rate of 4.50% on the principal amount of £150 million and were repaid on 28 January 2022. The Loan Notes were listed on the International Stock Exchange (TISE) in Guernsey. The lender held security over the shares and assets of Moto Finance Plc, Moto Investments Limited and Moto Ventures Limited.

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

Costs incurred of £2,790,000 in the setting up of the loan notes have been capitalised and are being amortised over the period of the loan. See note 5 for details of the charge to the profit and loss account.

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

	29 December 2021 £'000	30 December 2020 £'000
Loan Notes		
Within one year	150,000	-
In more than one year but not more than five years.	-	150,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 29 December 2021

10. CALLED-UP SHARE CAPITAL

	29 December 2021 £'000	30 December 2020 £'000
Allotted, called-up and fully paid		
50,000 (2020: 50,000) ordinary shares of £1 each	50	50

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

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Section 33 of FRS 102 whereby wholly-owned subsidiaries are not required to disclose intra group transactions and balances.

12. FINANCIAL INSTRUMENTS

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

	29 December 2021 £'000	30 December 2020 £'000
Financial assets that are debt instruments measured at amortised cost		
Amounts owed by fellow group undertakings	149,932	149,444
	149,932	149,444
Financial liabilities measured at amortised cost		
Loan Notes	149,620	149,112
Other creditors	262	282
	149,882	149,394

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

	29 December 2021 £'000	30 December 2020 £'000
Interest income and (expense)		
Total interest income for financial assets at amortised cost	7,305	7,419
Total interest expense for financial liabilities at amortised cost	(7,305)	(7,419)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 weeks ended 29 December 2021

13. ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is Moto Ventures Limited, a company incorporated in England and Wales. The company's ultimate parent company is Everest UK TopCo Limited, a company incorporated in Jersey. The directors regard Universities Superannuation Scheme Ltd as the ultimate controlling party.

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

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

14. SUBSEQUENT EVENTS

On 28 January 2022 the group refinanced its existing debt by issuing £700 million of Senior Credit Facilities with a consortium of banks, institutions and the US Private Placement market. With this refinancing the group extends its debt maturity profile, with the Senior Credit Facilities due for full repayment by January 2034.