

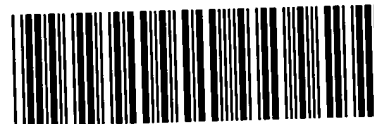
Company Registration No. 07555954

MOTO FINANCE PLC

Annual Report and Financial Statements

53 weeks ended 30 December 2020

SATURDAY



AA6HWBUG

A16

12/06/2021

#48

COMPANIES HOUSE

MOTO FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent Auditor's report	7
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16

MOTO FINANCE PLC

OFFICERS AND PROFESSIONAL ADVISERS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

DIRECTORS

K McMeikan
C Catlin (appointed 15 May 2020)
N Tatum (appointed 5 October 2020)
R Prynn (resigned 15 May 2020)

COMPANY SECRETARY

J Elson

REGISTERED OFFICE

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

AUDITOR

Deloitte LLP, Statutory Auditor
Birmingham, United Kingdom

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 £149.1 million of external debt, as opposed to £148.6 million in 2019.

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 a result after tax in the period of £nil (2019: £nil) and has net assets of £50,000 (2019: £50,000) at 30 December 2020. The directors have been supplied with a letter of support from Moto Holdings Limited, which will ensure any necessary financial support is provided within twelve months from the date of these financial statements. The directors have satisfied themselves that Moto Holdings Limited has the necessary financial resources to provide this support during this period, should it be required.

The Group’s external debt financing is held within Moto Finance Plc and Moto Investments Limited which was refinanced in March 2017. The external debt financing is held in Group companies and has been lent via intercompany loan agreements to Moto Ventures Limited, Moto Investments Limited and Moto Hospitality Limited, with a final repayment date of 31 December 2031. 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. The impact of the current restrictions is less than that experienced during the first lockdown. The continuing rollout of the Government’s vaccination programme and the Governments “roadmap out of lockdown” provide optimism for the continued increase in the number of vehicles travelling on the UK’s strategic road network during 2021. The Group continues to take advantage of the Coronavirus Job Retention Scheme, the business rates holiday, and deferred VAT tax payments. Restructuring initiative savings amounting to £14m have been implemented, and certain investment capital planned for 2021 has been delayed into 2022. During 2020, the Group raised an additional incremental revolving facility of £50 million from its existing lenders, to date this remains unutilised. In early 2021 the Group has agreed an extension of the debt facilities to 30 September 2022 and the waiver of all existing financial covenants, being replaced with a monthly liquidity covenant.

The Group has not experienced any significant negative impacts resulting from Brexit. The directors remain confident that the Group’s operations are robust enough to deal with any further challenges Brexit could bring.

To support the going concern assumption the Group has updated business forecasts to the end of 2025. 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 liquidity covenant 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.

MOTO FINANCE PLC

STRATEGIC REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

The group have also modelled reasonable downside scenarios and considered how poor performance would need to be to cause the Group to breach the liquidity test in the next 12 months. Testing of the Groups forecast cash flows indicates that the Group has sufficient liquidity for at least the next 12 months. The continuing rollout of vaccinations make further national lockdowns less likely. In the potential scenario that subsequent waves of Covid-19 require the introduction of further regional travel restrictions, leading to further operational disruption and a slowdown in the planned recovery of the business, it is anticipated there will be sufficient headroom under the new liquidity covenants over at least the next 12 months. The reverse stress test shows a return to a similar situation as to the first lockdown would be required for a breach of the covenant to occur and given the roll out of the vaccine in the UK the Group have deemed there to be a remote risk of a breach of covenant.

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, and there are no material uncertainties. Therefore, the financial statements have been prepared on the going concern basis.

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
27 April 2021

MOTO FINANCE PLC

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 30 December 2020.

DIVIDENDS AND TRANSFERS TO RESERVES

The result for the period is shown in the statement of comprehensive income on page 13. The directors recommend that no dividend be paid for the period (2019: £nil).

EVENTS AFTER THE REPORTING DATE

On 4 January 2021 the Prime Minister announced a third national lockdown and instructed people to stay at home to control the spread of the Covid-19 virus. On the 22 February 2021 the Prime Minister announced the roadmap out of lockdown, with the ending of all restrictions expected on 21 June 2021. The Company itself is not directly impacted, however details of the impact on the wider group have been considered at the parent company level, Moto Ventures Limited.

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.

MOTO FINANCE PLC

DIRECTORS' REPORT

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



C Catlin
Director
27 April 2021

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 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), 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO FINANCE PLC

1. Opinion

In our opinion the financial statements of Moto Finance plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was recoverability of receivables from group undertakings.
Materiality	The materiality that we used in the current year was £1,493,000 which was determined on the basis of 1% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There have been no significant changes in our approach from the prior year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO FINANCE PLC (CONTINUED)

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included :

- We obtained an understanding of the relevant controls over the going concern assessment process;
- We evaluated the directors' plans for future actions in relation to the going concern assessment including reliance on a letter of support from the Group for the company;
- We assessed the cash flow forecasts of the Group produced by management and challenged the underlying data and key assumptions such as the expected relaxation of travel restrictions in the UK and the rate at which revenue and PBITDA recovers to pre-pandemic levels. This has been assessed by comparing assumptions with available external market predictions and considering the impact of COVID 19;
- We assessed management's reasonable downside scenario and assessed how poor performance would need to be for the Group to breach liquidity tests in the next 12 months; and
- We assessed the appropriateness of management's disclosure in the financial statements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Recoverability of debtors from group undertakings

Key audit matter description	Receivables from group undertakings are stated in the balance sheet at £149,444,000 (2019: £148,843,000).
	<p>There is judgement involved in determining the recoverability of these receivables from group undertakings based on the financial position and future prospects of the group undertakings. This takes into consideration a range of factors including the expected trading performance of the group undertakings as set out in forecasts prepared by management.</p> <p>Further details surrounding the uncertainty of trading performance are included within the Strategic Report on page 2 and the critical accounting estimates and judgements note in note 2 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of relevant controls related to the recoverability of receivables from group undertakings.</p> <p>We challenged the directors' judgements regarding the appropriateness of the carrying value through obtaining a copy of the latest audited financial statements of the counterparty.</p> <p>We also assessed the future trading performance of the group undertakings and their ability to repay these amounts. This future trading is underpinned by management forecasts and we also assessed the historical accuracy of those forecasts by comparing the actual results to forecasts.</p>
Key observations	<p>Based on the work performed we concluded that debtors from group undertakings are appropriately stated.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO FINANCE PLC (CONTINUED)

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£1,493,000 (2019: £1,500,000)
Basis for determining materiality	1% of total assets (2019: 1% of total assets)
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- our risk assessment, including our assessment of the company's overall control environment; and
- our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £30,000 (2019: £30,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the company and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO FINANCE PLC (CONTINUED)

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO FINANCE PLC (CONTINUED)

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of the directors and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that we would consider to be unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTO FINANCE PLC (CONTINUED)

11.2 Audit response to risks identified (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

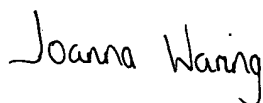
13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

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.



Joanna Waring FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

27 April 2021

MOTO FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME For the 53 weeks ended 30 December 2020

	Note	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Interest receivable and similar income - group		7,419	7,303
Interest payable and similar charges	5	<u>(7,419)</u>	<u>(7,303)</u>
RESULT BEFORE TAXATION	4	-	-
Tax on result	6	<u>-</u>	<u>-</u>
RESULT AFTER TAXATION AND COMPREHENSIVE RESULT		<u>-</u>	<u>-</u>

All results derive from continuing operations.

MOTO FINANCE PLC

BALANCE SHEET

As at 30 December 2020

	Note	30 December 2020 £'000	25 December 2019 £'000
CURRENT ASSETS			
Debtors	7	149,444	148,843
CREDITORS: amounts falling due within one year	8	(282)	(188)
NET CURRENT ASSETS		149,162	148,655
TOTAL ASSETS LESS CURRENT LIABILITIES		149,162	148,655
CREDITORS: amounts falling due after more than one year	9	(149,112)	(148,605)
NET ASSETS		50	50
CAPITAL AND RESERVES			
Called-up share capital	10	50	50
Profit and loss account	10	-	-
TOTAL SHAREHOLDERS' FUNDS		50	50

The company registration number is 07555954.

These financial statements were approved by the Board of Directors and authorised for issue on 27 April 2021.

Signed on behalf of the Board of Directors



C Catlin
Director

MOTO FINANCE PLC

STATEMENT OF CHANGES IN EQUITY For the 53 weeks ended 30 December 2020

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 26 December 2018	50	-	50
Result for the financial period and total comprehensive result	-	-	-
At 25 December 2019	50	-	50
Result for the financial period and total comprehensive result	-	-	-
At 30 December 2020	50	-	50

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS For the 53 weeks ended 30 December 2020

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 a result after tax in the period of £nil (2019: £nil) and has net assets of £50,000 (2019: £50,000) at 30 December 2020. The directors have been supplied with a letter of support from Moto Holdings Limited, which will ensure any necessary financial support is provided within twelve months from the date of these financial statements. The directors have satisfied themselves that Moto Holdings Limited has the necessary financial resources to provide this support during this period, should it be required.

The Group's external debt financing is held within Moto Finance Plc and Moto Investments Limited which was refinanced in March 2017. The external debt financing is held in Group companies and has been lent via intercompany loan agreements to Moto Ventures Limited, Moto Investments Limited and Moto Hospitality Limited, with a final repayment date of 31 December 2031. 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. The impact of the current restrictions is less than that experienced during the first lockdown. The continuing rollout of the Government's vaccination programme and the Government's "roadmap out of lockdown" provide optimism for the continued increase in the number of vehicles travelling on the UK's strategic road network during 2021. The Group continues to take advantage of the Coronavirus Job Retention Scheme, the business rates holiday, and deferred VAT tax payments. Restructuring initiative savings amounting to £14m have been implemented, and certain investment capital planned for 2021 has been delayed into 2022. During 2020, the Group raised an additional incremental revolving facility of £50 million from its existing lenders, to date this remains unutilised. In early 2021 the Group has agreed an extension of the debt facilities to 30 September 2022 and the waiver of all existing financial covenants, being replaced with a monthly liquidity covenant.

The Group has not experienced any significant negative impacts resulting from Brexit. The directors remain confident that the Group's operations are robust enough to deal with any further challenges Brexit could bring.

To support the going concern assumption the Group has updated business forecasts to the end of 2025. 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 liquidity covenant 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The group have also modelled reasonable downside scenarios and considered how poor performance would need to be to cause the Group to breach the liquidity test in the next 12 months. Testing of the Groups forecast cash flows indicates that the Group has sufficient liquidity for at least the next 12 months.

The continuing rollout of vaccinations make further national lockdowns less likely. In the potential scenario that subsequent waves of Covid-19 require the introduction of further regional travel restrictions, leading to further operational disruption and a slowdown in the planned recovery of the business, it is anticipated there will be sufficient headroom under the new liquidity covenants over at least the next 12 months. The reverse stress test shows a return to a similar situation as to the first lockdown would be required for a breach of the covenant to occur and given the roll out of the vaccine in the UK the Group have deemed there to be a remote risk of a breach of covenant.

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, 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.

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.

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the 53 weeks ended 30 December 2020**

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 53 weeks ended 30 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

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.

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 (2019: none).

The directors received no remuneration with regard to their services to the company (2019: £nil).

4. RESULT BEFORE TAXATION

The audit fee paid by other group companies in respect of this company's annual audit was £2,000 (2019: £2,000). There were no non-audit fees in the period (2019: £nil).

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the 53 weeks ended 30 December 2020**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Amounts payable on loan notes	<u>7,419</u>	<u>7,303</u>

Amounts payable on loan notes includes £507,000 (2019: £507,000) relating to amortisation of debt issue costs.

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the 53 weeks ended 30 December 2020

6. TAXATION

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'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.

	53 weeks ended 30 December 2020 £'000	52 weeks ended 25 December 2019 £'000
Tax charge on result at the UK statutory rate of 19% (2019: 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, deferred tax calculations have not been updated as this change was not substantively enacted before the balance sheet date.

7. DEBTORS

	30 December 2020 £'000	25 December 2019 £'000
Amounts owed by fellow group undertakings	149,444	148,843

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%.

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the 53 weeks ended 30 December 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 December 2020 £'000	25 December 2019 £'000
Other creditors	282	188

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

	30 December 2020 £'000	25 December 2019 £'000
Loan notes	150,000	150,000
Capitalised debt issue costs	(888)	(1,395)
	149,112	148,605

The Loan Notes carry interest at a fixed rate of 4.5% on the principal amount of £150 million, and mature in more than one year but not more than five years, in October 2022. The Loan Notes are listed on the International Stock Exchange (TISE) in Guernsey. The lender holds 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:

	30 December 2020 £'000	25 December 2019 £'000
Loan Notes		
In more than one year but not more than five years.	150,000	150,000

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the 53 weeks ended 30 December 2020

10. CALLED-UP SHARE CAPITAL

	30 December 2020 £'000	25 December 2019 £'000
Allotted, called-up and fully paid		
50,000 (2019: 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:

	30 December 2020 £'000	25 December 2019 £'000
Financial assets that are debt instruments measured at amortised cost		
Amounts owed by fellow group undertakings	149,444	148,843
	<u>149,444</u>	<u>148,843</u>
Financial liabilities measured at amortised cost		
Loan Notes	149,112	148,605
Other creditors	282	188
	<u>149,394</u>	<u>148,793</u>

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

	30 December 2020 £'000	25 December 2019 £'000
Interest income and (expense)		
Total interest income for financial assets at amortised cost	7,419	7,303
Total interest expense for financial liabilities at amortised cost	<u>(7,419)</u>	<u>(7,303)</u>

MOTO FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 53 weeks ended 30 December 2020

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 4 January 2021 the Prime Minister announced a third national lockdown and instructed people to stay at home to control the spread of the Covid-19 virus. On the 22 February 2021 the Prime Minister announced the roadmap out of lockdown, with the ending of all restrictions expected on 21 June 2021. The Company itself is not directly impacted, however details of the impact on the wider group have been considered at the parent company level, Moto Ventures Limited.