

SSP GROUP PLC

Annual Report & Accounts 2016



SSP AT A GLANCE

SSP is a leading operator of food and beverage outlets in travel locations in over 30 countries in the United Kingdom, Europe, North America, Asia Pacific and the Middle East. As 'The Food Travel Experts' we operate over 2,000 outlets from quick service to fine dining, and serve, on average, one million customers each day.

We have a deep understanding of the diverse needs of travellers and operate a broad portfolio of more than 400 brands and concepts, including coffee shops, sandwich bars, bakeries, casual and fine-dining restaurants, as well as convenience and retail outlets. These include international and local high street brands, through to our own proprietary brands and bespoke restaurant concepts.

All of our brands are developed or tailored to be run in operationally demanding, high-volume travel locations, in order to meet the specific needs of our clients and customers in the travel sector.



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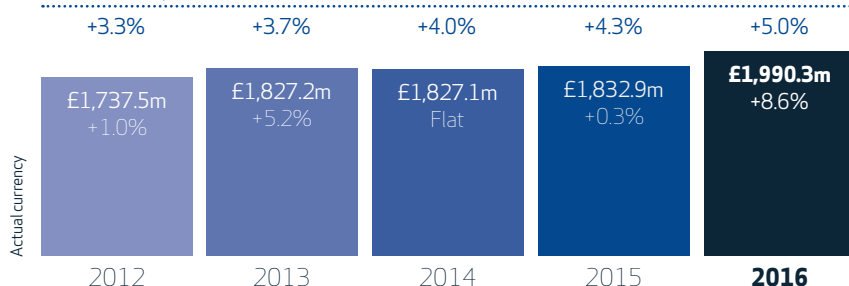
HIGHLIGHTS

Revenue

£1,990.3m +5.0%

(year on year at constant currency¹)

Constant currency¹ increase

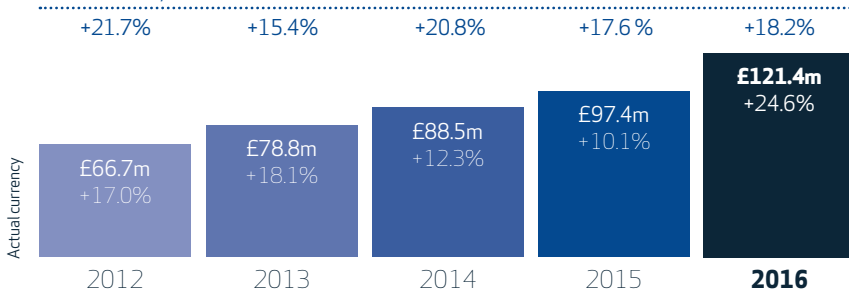


Underlying operating profit²

£121.4m +18.2%

(year on year at constant currency¹)

Constant currency¹ increase



Operating profit

Year	Operating profit	YoY % Change
2012	£52.1m	+0.9%
2013	£67.2m	+29.0%
2014	£40.0m	-40.5%
2015	£92.2m	+130.1%
2016	£119.5m	+29.6%

Operating profit

£119.5m

OUR SCALE

c. **30,000** employees

c. **1,000,000** customers daily

More than **400** brands

c. **600** sites

Over **2,000** units

Over **30** countries

¹ Constant currency is based on weighted average exchange rates during the previous financial year.

² Stated on an underlying basis excluding exceptional items and amortisation of intangible assets arising on the acquisition of the SSP business in 2006. Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months. Like-for-like sales are presented on a constant currency basis.

Net contract gains/(losses) represent the net year on year revenue impact from new outlets opened and existing units closed in the past 12 months. Net contract gains/(losses) are presented on a constant currency basis.

Free cash flow represents the net cash flows from operating activities less capital expenditure, net cash flows to and from associates/non-controlling interests, acquisition and financing costs.

Please refer to page 15 for supporting reconciliations from SSP Group plc's statutory reported results to these performance measures.

CHAIRMAN'S STATEMENT



We announced a number of important business development wins in the year, which will extend our presence in the growing North American and Asia Pacific markets.

Another year of delivery in 2016

I am pleased to report that the Group has delivered another strong set of annual results, with revenue growing by 8.6% to £1,990m and earnings per share increasing by 36% to 15.2 pence per share.

We continued to deliver good like-for-like sales growth in our existing business, as well as increasing net contract gains, which are strengthening our presence across the world. Allied to this, our strategic initiatives have delivered further operational improvements and margin growth.

We announced a number of important contract wins in the year, which will extend our presence in the growing North American and Asia Pacific markets. In October 2016, we announced our entry into the fast growing Indian travel market, with our agreement to create a joint venture in Travel Food Services, a leading operator of food and beverage concessions in travel locations in India.

In 2016, we invested a further £96m into the business, which will support the delivery of sustainable future growth. Our investment programme is building an increasingly attractive portfolio of brands and concepts for our customers. We are also investing in our people, strengthening central, regional and local teams around the world. At the same time, the cash generative nature of our business, together with strict financial controls, has enabled us to further reduce net debt, facilitating continuing growth in the years to come.

Looking forward, in addition to our recent contract wins and a healthy pipeline of opportunities, increasing passenger numbers around the world, both in the airport and rail sectors, give us confidence in the long-term outlook in our principal markets.

Dividend

As a result of the Group's strong performance, and in line with the progressive policy outlined at the time of our IPO, I am pleased to announce that the Board has recommended a final dividend of 2.9 pence per share (subject to shareholder approval at the Annual General Meeting on 13 March 2017), making a total dividend for the year of 5.4 pence per share.

Sustainability

SSP continues to be committed to operating sustainably in its markets and to responsibly managing those environmental and social issues which have been identified as material to our business. Our progress during 2016 in the main areas we have identified is set out on pages 23 to 25. We have made further good progress in the year.

Our employees and stakeholders

The strength of the Group is principally due to our employees' skills, experience and dedication. On behalf of the Board, I would like to thank all of our employees for their contribution during the year.

Outlook

I am confident that SSP is well placed to benefit from the underlying positive trends in our markets and deliver further revenue growth and margin improvement, as well as continued returns to shareholders. With this in mind, the Board looks forward to delivering another good performance in the year ahead.

Vagn Sørensen

Chairman

28 November 2016

CHIEF EXECUTIVE'S STATEMENT



Significant structural growth opportunities and our programme to deliver operational excellence leave us well placed to continue to deliver both to our customers and shareholders.

Overview

The Group delivered a good performance, driven by another year of like-for-like sales growth, new contract openings across the world and the continued successful implementation of our programme of strategic initiatives. We are continuing to invest in the growth and development of the business and to bring exciting new brands and concepts to our clients and customers. We are particularly pleased by the pace of development in North America and Asia Pacific, and the good progress of our strategic initiatives in the UK. Whilst the picture in Continental Europe remains mixed, we have managed the cost base effectively and are encouraged by the improved operational performance in many of our larger countries.

Strong financial results

The financial performance of the Group is explained on an underlying basis, which is based on the statutory reported results adjusted for the effects of foreign exchange and excluding the amortisation of intangible assets created on the acquisition of the SSP business in 2006. The statutory reported performance of the Group is explained in the financial review, with a detailed reconciliation between statutory and underlying performance provided on page 15.

The Group delivered a strong financial performance in 2016, with underlying operating profit increasing by 18.2% (on a constant currency basis) to £121.4m, and with an increase in the operating margin of 70 bps to 6.1%.

Total revenue increased by 5.0% (on a constant currency basis), including like-for-like sales growth of 3.0%, net contract gains of 1.7% and a further 0.3% arising from the additional leap year day. Overall, like-for-like sales in the air sector grew more strongly than in rail, driven by the continued increase in passenger numbers throughout the year. Following the terrorist incidents in France and Brussels in the first half, trading across our UK and Continental European rail operations remained slightly softer, particularly in the major capital cities.

Overall net contract gains were up 1.7% in the full year, a significant increase from last year's growth of 0.6%. Over the year we saw very strong contributions from North America and the Rest of the World, reporting net gains of c.1.3% and 1.4% respectively, including from new outlets at airports in Houston, Orlando and Montreal in North America, and in Dubai, Beijing and Bangkok in the Rest of the World. We continue to focus on retaining profitable contracts and our contract renewal rate in 2016 was in line with our plans and slightly ahead of the historical average.

The pipeline of new contracts is encouraging and during the year we won a number of significant new contracts, including at airports in Newark, Los Angeles, Vancouver, Helsinki, Frankfurt, Düsseldorf, Shanghai, Bangkok, Hong Kong and Phuket. We expect to begin operating these contracts progressively over the next three years.

The strong profit and margin growth reflects the like-for-like sales growth and further encouraging progress on our strategic programmes. We have made good progress on our gross margin initiatives across the regions, as well as in our multi-year programme to improve operating efficiency, with further advances in our management of labour and overheads.

We delivered strong free cash flow of £65.0m, after investing £95.9m in capital expenditure, which was a £15.2m increase on the prior year. The increase in capital expenditure reflects the higher number of new units opening in the year. The reduction in reported net debt of £2.4m to £317.4m masked a good underlying performance with net debt reducing by £41.5m on a constant currency basis.

Summary and outlook

The Group delivered a strong financial performance in the year with good like-for-like sales growth, higher net contract gains and an improvement in operating margin. The new financial year has started in line with our expectations and the pipeline of new contracts is encouraging. Looking forward we face a higher level of general economic uncertainty, but the significant structural growth opportunities and our programme to deliver operational excellence leave us well placed to continue to deliver both to our customers and our shareholders.

Kate Swann
Chief Executive Officer
28 November 2016

OUR BUSINESS

Our Marketplace

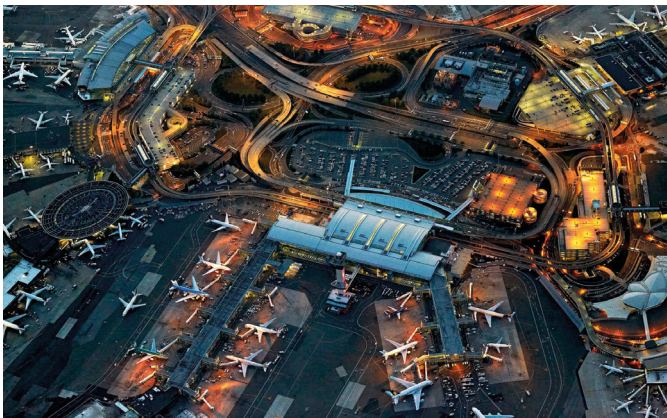
Our operations are managed on a regional basis and are primarily focused on the airport and railway station markets. During 2016, 56% of our revenues were generated in the air sector and 38% in the rail sector.

We estimate that our core market, comprising food and beverage sales in airports and railway stations, was valued at approximately £14bn in 2015¹. The travel food and beverage market is highly fragmented with the top three players, of which we are one, accounting for approximately a third of the global market on the basis of this valuation.

Our market benefits from a number of long-term structural growth drivers:

- the increasing propensity to travel, driven by rising GDP and disposable incomes;
- the ongoing trends towards eating out of home and eating on the move; and
- investment in travel infrastructure, with increasing focus on the provision of food and beverage offerings in travel hubs to drive additional commercial revenue streams.

Air



56%

SSP revenue generated in the air sector in 2016

According to Airport Council International (ACI)², air passenger numbers surpassed the 7bn passenger mark in 2015 and are expected to double by 2029 based on a projected growth rate of 5.2% per annum. This growth is underpinned by a number of factors, including: rising disposable incomes (particularly in the developing markets, driven by the emergence of a more affluent middle class); the increasing globalisation of business; investment in airline capacity, in particular by low-cost carriers which have driven prices down and stimulated demand; and investment in airport infrastructure, most notably in developing markets.

As a consequence, further growth in passenger numbers is forecast over the medium-term in all our geographic markets. From 2015 to 2040 ACI anticipates these increases to be strongest in the Middle East and Africa (7.7%) and Asia Pacific (6.2%), with smaller increases in Europe (3.7%) and in North America (2.8%).

Furthermore, spend per passenger has been boosted by a number of specific factors, including the rapid development of the low-cost airlines, which have limited provision of food and beverage for passengers, and the scaling back of on-board catering services by the major flagship carriers.

Rail



38%

SSP revenue generated in the rail sector in 2016

Rail passenger numbers in the European market were estimated to be approximately 10.7bn³ in 2013 and have increased at an average annual rate ranging from 1.7% to 3.6% in the decade to 2013 in our key European rail markets (i.e. UK, France, Germany and Sweden). Growth in passenger numbers is forecast to continue in the medium term, rising at between 1.6% and 1.8% in these markets.

The key driver of this growth is expected to be further investment in rail infrastructure by European governments, alongside various policies to encourage passengers to switch from road transport to rail in order to reduce road congestion and to address environmental concerns. As a consequence, significant expansion of rail track is planned across Europe, including the completion of major high speed rail lines which are expected to increase capacity to 16,000km by 2020 (an additional 5,000km compared with 2011). In addition, investment in new train capacity and the replacement of existing train fleets is planned, which is expected to drive an increase in passenger numbers.

¹ Company estimate based on third party market research commissioned for the SSP IPO (March 2014) and management estimates. On a constant currency basis with the previous stated estimate (£13.8bn in 2013) the figure would equate to approximately £15bn. The core market includes airports and railway stations around the world but excludes rail in North America.

² World Bank Development Indicators (WDI) and ACI Traffic Forecast.

³ Euromonitor, 2010-2020 CAGR based on EU Energy Trends Report.

Our Brands

We have over 400 brands in our portfolio, which means we can respond to the specific needs of passengers as they travel around the world. We make sure that each brand is ideally suited to each location. International and local proprietary brands are tailored specifically to the travel environment, as are bespoke concepts which we have created in collaboration with clients, brand partners and leading chefs.



Local Hero Brands



International Brands



Our Own Brands



Bespoke Concepts

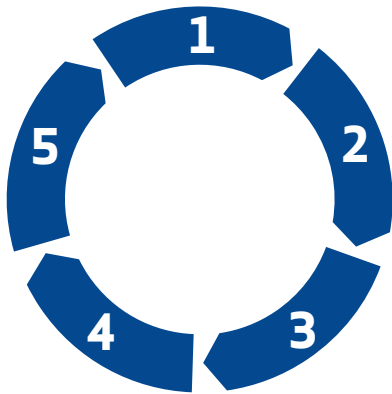


OUR BUSINESS MODEL

Our business model is focused on meeting the food and beverage needs of our clients and customers in the complex and challenging travel environment. We are able to achieve this through a combination of international scale and local expertise.

Our proposition to clients is 'The Food Travel Experts'. This has helped us achieve our leading market position and retain our clients over the long term. It will also provide a strong platform for profitable growth in the future.

This business model is founded on five key elements:



1

Leading market positions

We have leading positions in some of the most attractive sectors and regions of the travel food and drink market.

These sectors have a number of long-term structural growth drivers, such as increasing passenger volumes and rising spend per passenger, and are supported by clients increasingly seeking to develop and commercialise their sites.

We have outlets in over 30 countries around the world and experienced and established teams in all of these countries.



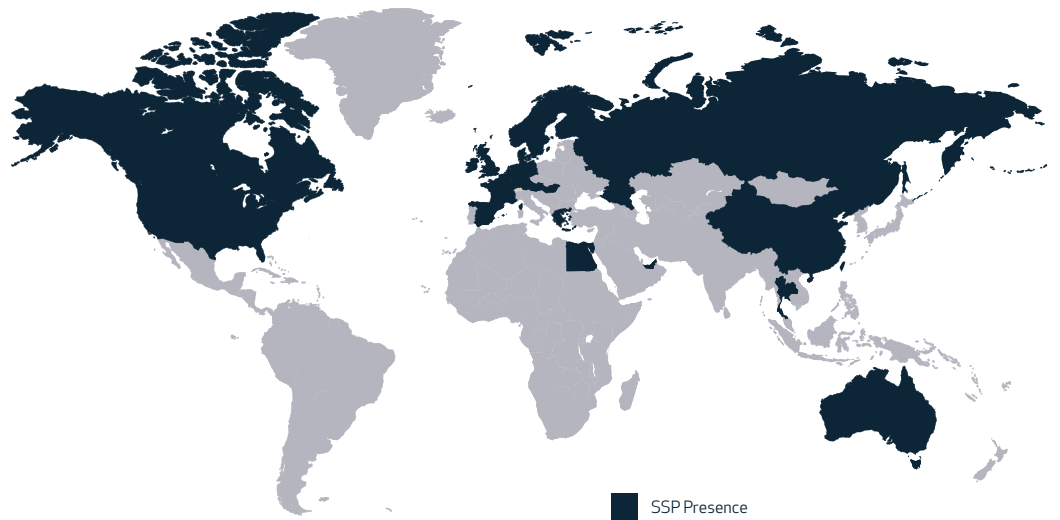
2

Local insight and international scale

We combine local insight into markets and customers with international scale and expertise. A strong local presence enables us to understand local customers' tastes and needs, as well as allowing us to maintain close relationships with clients and brand partners.

Our international reach enables us to benefit from economies of scale, such as in procurement and corporate functions and systems, as well as being able to share best practice across regions, countries and sites.





3

Food travel expertise

We provide a compelling proposition for both clients and customers based on our **food travel expertise**, which includes a deep understanding of customers' food and beverage needs, an extensive range of brands and concepts, a track record of innovation, and operational expertise in logistically demanding travel environments.



4

Long-term client relationships

Our principal clients are the owners and operators of airports and railway stations, with airport and railway station locations generating c.94% of our revenues in 2016. Other locations we operate in include motorway service areas, hospitals, sports stadia and shopping areas.

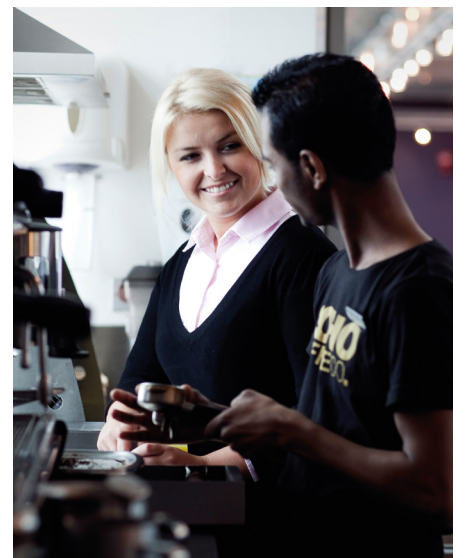
We have demonstrated an ability to win, build and maintain strong, profitable client relationships. We have longstanding relationships with many of our clients, and have maintained high success rates in retaining our contracts.



5

Experienced management team

Our senior management team has deep experience and is supported by **high-quality local management**. They have substantial expertise within the travel food and beverage market and broader retail industry.



OUR STRATEGY

Our strategy is focused on creating long-term sustainable value for our shareholders, delivered through five key levers. We made further progress on each of these levers in the year.

1. Optimising our offer

We are focused on the food and beverage markets in travel locations, which benefit from long-term structural growth. We aim to use our retail skills and broad portfolio of brands to drive profitable like-for-like sales, ensuring that we benefit from the positive trends in these markets. We also continue to explore and develop new sales channels.

We have delivered another year of strong like-for-like sales growth in 2016. We continue to make good progress in rolling out our retailing programmes, which are increasingly gaining traction and supporting growth in like-for-like sales. We have made further good progress on ranging improvements, in particular launching a number of premium ranges in our in-house brands in order to extend and enhance their customer offer, such as our premium 'Fine Foods' range in our Ritazza brand.

2. Growing profitable new space

The travel food and beverage market in airports and railway stations is significant and characterised by long-term structural growth. It offers excellent opportunities for SSP to expand its business across the globe.

Net contract gains were 1.7%, driven by new unit openings and high levels of contract retention. Furthermore, the pipeline of new contracts is encouraging. The growth in net gains was driven by strong performances in North America and the Rest of the World. These large and growing markets, where we still have a relatively small share, represent attractive growth opportunities. We have strong disciplines around the contract tendering process which support our ability to deliver attractive returns from new business.

Our new business growth is underpinned by our ability to deliver attractive and effective food retail solutions at travel locations internationally. An important element of this is the brand line up we can offer. Our brands include both international brands which we franchise, such as Burger King and Starbucks, and also our own proprietary brands, such as Upper Crust and Ritazza, as well as local heroes and bespoke concepts. Our unique brand mix was an important element in many of the new contracts that we won or opened during the year, including those at Hong Kong and Montreal airports.

3. Optimising gross margins

We increased gross margin by 70 bps in the year. We continue to make good progress on our margin initiatives across the regions.

Procurement disciplines are becoming increasingly embedded into the business. Recipe rationalisation and improvement is progressing well and we continue to eliminate unnecessary duplication of products and ingredients in our supply chain. We have also brought significantly more focus to waste and loss management. To support these initiatives, we have invested in central and local resource, including strengthening our purchasing teams, and recruiting central waste and loss specialists.

4. Running an efficient and effective organisation

We have made good progress in our multi-year programme to improve operating efficiency. Labour efficiencies (including central labour) contributed 30 bps to our operating margin.

We continue to develop systems to better align labour to sales allowing us to optimise service levels and labour costs. We have started to develop a more standardised, systematised process to ensure labour forecasting and scheduling becomes a core competence, through a programme called Better Service Planning. This year we have completed the development of a new forecasting tool which in trials delivered a significant improvement in the accuracy of sales forecasting. Having successfully piloted this, together with a new scheduling tool in the UK, we are now planning further roll-out across the Group.

We also delivered efficiencies in our management of overheads, which contributed a further 10 bps improvement to our operating margin.

5. Optimising investment and using best practice and shared resources

We continue to focus on optimising our investments, driving returns and using best practice and shared resources.

We have further strengthened the business development teams in North America and the Rest of the World and have invested in dedicated teams to oversee capital projects and concept design.

We have continued to strengthen our teams dedicated to category management, labour scheduling and the management of waste and loss.

In addition to this we are increasingly looking at how shared back office services can drive simpler, more efficient processes. During the year we have successfully outsourced some of our financial transactional processes from a number of countries to offshore shared service centres in India and Poland.

FINANCIAL REVIEW



Our financial performance has been strong, with good progress on operating margin and healthy cash generation.

Jonathan Davies, Chief Financial Officer

Group performance

	2016 £m	2015 £m	Change		
			Reported	Constant currency	LFL
Revenue	1,990.3	1,832.9	+8.6%	+5.0%	+3.0%
Underlying operating profit	121.4	97.4	+24.6%	+18.2%	
Underlying operating margin	6.1%	5.3%	+0.8%	+0.7%	
Operating profit	119.5	92.2	+29.6%		
Operating margin	6.0%	5.0%	+1.0%		

Revenue

Revenue increased by 5.0% on a constant currency basis, comprising like-for-like sales growth of 3.0%, net contract gains of 1.7% and a further 0.3% from the additional leap year day. At actual exchange rates total revenue grew by 8.6%, to £1,990.3m.

Like-for-like sales growth of 3.0% benefited from the continued growth in passenger travel, particularly in the air channel, and the positive impact of rolling out our strategic initiatives. This growth remained robust throughout the year despite the headwinds faced, most notably the impact of geopolitical events in Egypt and France, and a slowing of growth in China.

Net gains contributed 1.7% to full year revenue growth, driven by strong contributions from North America and the Rest of the World region. Net gains during the second half of the year were slightly softer at 1.4%, as we saw the impact of our business at Charles de Gaulle Airport in Paris being transferred into a joint venture with Aéroports de Paris.

Trading results from outside the UK are converted into sterling at the average exchange rates for the year. The overall impact on revenue of the movement of foreign currencies (principally the Euro, US Dollar, Swedish Krona and Norwegian Krone) in 2016 compared to the 2015 average was +3.6%. If the current spot rates were to continue through 2017, we would expect a further positive currency impact on revenue of around 6% compared to the average rates used for 2016. However this is a translational impact only.

Underlying operating profit

Underlying operating profit increased by 18.2% on a constant currency basis, and by 24.6% at actual exchange rates to £121.4m. The underlying operating profit margin improved by 70 bps on a constant currency basis and 80 bps at actual exchange rates to 6.1%, reflecting good like-for-like sales growth and further encouraging progress on our strategic programmes.

Gross margin increased by 70 bps year on year on a constant currency basis, or 50 bps when adjusted for the higher sales growth in the air sector compared with the rail sector. The additional 20 bps margin growth arises because air sales typically have higher gross margins, but also higher concession fees and labour ratios relative to rail sales. The strong underlying performance was driven by the ongoing roll-out of our strategic initiatives, including improved ranging and mix management, food procurement, and waste and loss reduction.

Labour costs improved by 30 bps year on year on a constant currency basis, or 40 bps before absorbing the impact of additional share-based payment costs. The improvement in labour ratios was driven by ongoing cost efficiencies.

Concession fees rose by 50 bps, with the stronger growth in air sales contributing approximately 10 bps to the year on year increase. The underlying increase in concession fees of 40 bps is a continuation of the historic trend.

We made further good progress in overhead efficiency which improved by 10 bps year on year.

Operating profit

Operating profit was £119.5m (2015: £92.2m), reflecting an adjustment for the amortisation of acquisition-related intangible assets of £1.9m (2015: £5.2m).

Please refer to page 15 for supporting reconciliations from our statutory reported results to the alternative performance measures referred to in the financial review.

FINANCIAL REVIEW CONTINUED

Regional performance

UK

	2016 £m	2015 £m	Change		
			Reported	Constant currency	LFL
Revenue	749.4	727.2	+3.1%	+2.9%	+3.1%
Underlying operating profit ¹	66.4	52.7	+26.0%	+25.8%	
Underlying operating margin ¹	8.9%	7.2%	+1.7%	+1.7%	

¹ Statutory reported operating profit was £64.9m and operating margin was 8.7% reflecting an adjustment for the amortisation of acquisition related intangible assets of £1.5m.

Revenue increased by 2.9% on a constant currency basis, comprising like-for-like growth of 3.1% and net contract losses of 0.5%. The impact of the additional leap year day added an additional 0.3% to the year's revenue growth. Like-for-like growth was particularly strong in the air sector, driven by continued growth in UK airport passenger numbers and increased spend per passenger. The rail sector saw weaker trading, with lower passenger numbers and dwell times, notably in London stations. This was particularly marked following the Paris attacks in mid-November.

Underlying operating profit for the UK increased by 25.8% on a constant currency basis to £66.4m, while underlying operating margin increased by 170 bps to 8.9%, benefiting from good like-for-like sales growth in the air sector, and from the implementation of our strategic initiatives, particularly gross margin optimisation, where the UK continues to lead the roll-out of many of our retailing and procurement programmes.

Continental Europe

	2016 £m	2015 £m	Change		
			Reported	Constant currency	LFL
Revenue	796.8	749.7	+6.3%	+1.4%	+2.8%
Underlying operating profit ²	60.1	53.5	+12.3%	+3.9%	
Underlying operating margin ²	7.5%	7.1%	+0.4%	+0.2%	

² Statutory reported operating profit was £59.7m and operating margin was 7.5% reflecting an adjustment for the amortisation of acquisition related intangible assets of £0.4m.

Revenue increased by 1.4% on a constant currency basis, comprising like-for-like growth of 2.8% and net contract losses of 1.7%. The impact of the additional leap year day added an additional 0.3% to the year's revenue growth. Similar to the UK, like-for-like sales were much stronger in air than in rail, with good growth in the air businesses in the Nordic region and in Spain, which has benefited from the transfer of tourism from the Eastern Mediterranean and the Middle East. This contrasted with more difficult trading conditions in the rail businesses, particularly in France and Belgium, both of which were impacted by terrorist incidents.

Underlying operating profit increased by 3.9% on a constant currency basis to £60.1m. Growth was driven by like-for-like sales in the air sector and improvements in the operating performance. The underlying operating margin increased by 20 bps on a constant currency basis to 7.5%, benefiting from the ongoing roll-out of our strategic initiatives and the action taken to reduce the cost base in the aftermath of the sharp fall in sales in France and Belgium following the terrorist incidents.

North America

	2016 £m	2015 £m	Change		
			Reported	Constant currency	LFL
Revenue	262.7	201.6	+30.3%	+20.9%	+7.5%
Underlying operating profit ³	12.5	3.5	+257.1%	+231.4%	
Underlying operating margin ³	4.8%	1.7%	+3.1%	+3.1%	

³ There are no adjustments between underlying operating profit and statutory reported operating profit.

Revenue increased by 20.9% on a constant currency basis, comprising like-for-like growth of 7.5% and net contract gains of 13.1%. The impact of the additional leap year day added a further 0.3% to the year's revenue growth. Like-for-like growth benefited from positive trends in airport passenger numbers in the North American market, as well as the transfer of additional Delta passengers into Terminal 4 at New York's JFK Airport, the anniversary of which we passed during the second quarter. Net contract gains were driven principally by new outlets at a number of airports, including Houston, Orlando, Montreal and Toronto.

Underlying operating profit increased by £9.0m to £12.5m, and underlying operating margin made excellent progress, increasing from 1.7% to 4.8%, driven by the benefit of increased sales and good progress on a number of the Group's productivity initiatives. This included a particularly strong contribution from our procurement initiatives, and was achieved despite the pre-opening costs associated with the ongoing opening programme.

Rest of the World

	2016 £m	2015 £m	Change		
			Reported	Constant currency	LFL
Revenue	181.4	154.4	+17.5%	+12.3%	-2.1%
Underlying operating profit ⁴	8.6	14.6	-41.1%	-44.5%	
Underlying operating margin ⁴	4.7%	9.5%	-4.8%	-4.8%	

⁴ There are no adjustments between underlying operating profit and statutory reported operating profit.

Revenue increased by 12.3% on a constant currency basis, with a reduction in like-for-like sales of 2.1% offset by net contract gains of 14.1%. The impact of the additional leap year day added a further 0.3% to revenue. The fall in like-for-like sales reflected the sharp drop in passenger numbers across Egypt following the Sharm-el-Sheikh bombing in late October. Excluding this, we have seen good growth in the other regions, although we have also seen a slowing of growth in China, particularly during the second half, which has impacted a number of countries across the Asia Pacific region. Net contract gains included new openings in Dubai Airport, in Don Mueang Airport in Thailand and in Beijing Airport in China, as well as outlets opened in the prior year at a number of locations across the region.

Underlying operating profit for the Rest of the World was £8.6m, a reduction of 44.5% on a constant currency basis. The underlying operating margin reduced by 480 bps to 4.7% which was largely a consequence of the terrorist incident in Egypt, where sales fell by over 50% year on year. In addition, the region was impacted by significant pre-opening costs, particularly in Dubai and Beijing airports during the first half, and by higher depreciation charges associated with new contracts.

Share of profit of associates

The Group's share of profit of associates was £1.3m (2015: £1.6m).

Net finance costs

Net finance costs were £15.2m, a reduction of £1.8m compared to 2015, due to lower average levels of net debt and a reduction in margin following the 'amend and extend' on our debt facilities, completed in July 2015.

Taxation

The Group's tax charge for the year was £23.8m (2015: £16.5m), equivalent to an effective tax rate of 22.5% on the reported profit before tax.

Non-controlling interests

The non-controlling interests' share of after-tax profits increased year on year by £2.9m to £9.8m. This increase primarily reflected the growth and improved profitability of our North America business, where our business partners often have a minority interest in individual contracts.

Earnings per share

Underlying earnings per share, which excludes the impact of exceptional items and the amortisation of intangible assets arising on the acquisition of the SSP business, was 15.5 pence per share (2015: 12.3 pence per share).

Reported earnings per share was 15.2 pence per share (2015: 11.2 pence per share).

Dividends

The Directors are proposing a final dividend of 2.9 pence per share (2015: 2.2 pence), which is subject to shareholder approval at the Annual General Meeting. If approved, this will result in a total dividend per share for the year of 5.4 pence (2015: 4.3 pence), consistent with the Board's intentions as stated in the IPO prospectus for a payout ratio of approximately 30 to 40% of annual underlying profit.

The final dividend will be paid, subject to shareholder approval, on 31 March 2017 to shareholders on the register on 3 March 2017. The ex-dividend date will be 2 March 2017.

FINANCIAL REVIEW CONTINUED

Cash flow

The table below presents a summary of the Group's cash flow for 2016:

	2016 £m	2015 £m
Underlying operating profit ¹	121.4	97.4
Depreciation and amortisation	78.8	72.9
Working capital	3.8	5.3
Net tax	(20.0)	(17.3)
Other	4.5	1.0
Net cash flow from operating activities	188.5	159.3
Capital expenditure ²	(95.9)	(80.7)
Investment in associate	(4.7)	-
Net dividends to/from minorities/associates	(8.8)	(5.5)
Other	(0.8)	(2.3)
Underlying operating cash flow	78.3	70.8
Net finance costs	(13.3)	(16.1)
Underlying free cash flow	65.0	54.7
Exceptional costs	-	(12.0)
Dividend paid	(22.3)	(10.0)
Other	-	(1.0)
Net cash flow	42.7	31.7

¹ Excludes the amortisation of intangible assets arising on acquisition of the SSP business in 2006.

² Capital expenditure is net of capital contributions from non-controlling interests of £8.4m (2015: £1.1m).

The Group generated net cash flow from operating activities of £188.5m (2015: £159.3m) and free cash flow of £65.0m, an increase of £10.3m compared to 2015, driven by the growth in operating profit, and after increased investment in the business. Capital expenditure increased by £15.2m to £95.9m, reflecting the larger new opening programme in 2016, as well as the impact of the weakening of Sterling during the year. The investment in the associate of £4.7m comprised the initial capitalisation of our new joint venture with Aéroports de Paris, which commenced trading in February.

Working capital generated £3.8m of cash flow during the year, consistent with the growth in the business. Cash dividends to minorities, net of dividends received from associates, increased to £8.8m (2015: £5.5m) primarily reflecting growth in the North America business, while taxes paid increased by £2.7m to £20.0m.

Net finance costs paid of £13.3m were lower than in 2015, reflecting the lower average levels of net debt and a reduction in margin following the 'amend and extend' on our borrowing facilities in July 2015.

The dividend paid of £22.3m reflected the cost of the 2015 final dividend of 2.2 pence per share and the 2016 interim dividend of 2.5p per share.

Overall, the Group generated net cash flow of £42.7m during the year.

Balance sheet and net debt

The Group's balance sheet strengthened in the year, with year end net debt reducing to £317.4m (2015: £319.8m) and net assets increasing to £382.7m (2015: £291.7m).

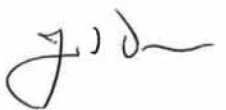
	£m
Opening net debt (1 October 2015)	(319.8)
Net cash flow	42.7
Impact of foreign exchange rates	(39.1)
Other	(1.2)
Closing net debt (30 September 2016)	(317.4)

The reduction in net debt of £2.4m was driven by the net cash flow generation of £42.7m, offset by a foreign exchange translation impact of £39.1m arising from the weakening of Sterling during the year.

Leverage reduced during the year, leaving Net debt: EBITDA at the year end at 1.6 times, compared with 1.9 times at the end of the prior year.

Summary

Our overall financial performance has been strong, with good progress on operating margin, up 70 bps on a constant currency basis, and healthy cash generation, despite increasing investment in the business. We continue to strengthen our balance sheet, providing capacity for further growth.


Jonathan Davies

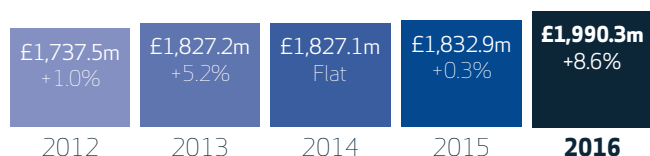
Chief Financial Officer

28 November 2016

KEY PERFORMANCE INDICATORS

Revenue (actual currency)

£1,990.3m

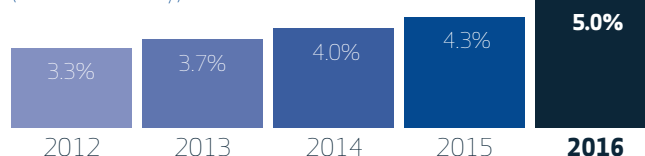


Definition – Revenue represents amounts for catering and retail goods and services sold to customers excluding value added tax and similar items.

Comment – Total revenue grew by 8.6% to £1,990.3m (at actual exchange rates). The overall impact on revenue of the movement in currencies (primarily the Euro, Norwegian Krone and Swedish Krona) was +3.6%.

Year on year revenue growth (constant currency)

5.0%

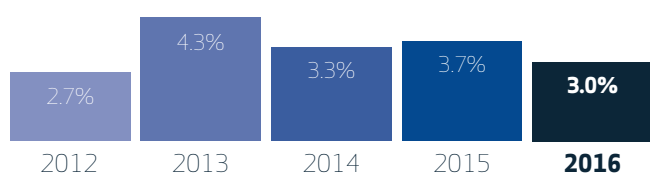


Definition – Revenue at constant currency eliminates the impact of foreign exchange rates on reported revenue. Constant currency is based on average 2015 exchange rates weighted over the financial year by 2015 results.

Comment – Revenue increased by 5.0% in 2016 on a constant currency basis, comprising like-for-like growth of 3.0% and net contract gains of 1.7%, together with 0.3% from the additional leap year day.

Like-for-like sales increase

3.0%



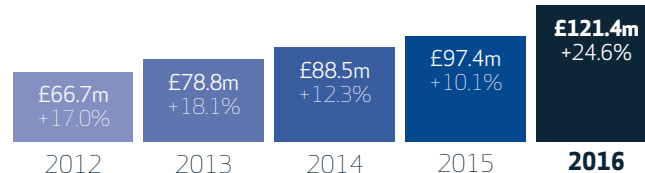
Definition – Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months.

Revenue in outlets which have been open for less than 12 months are excluded from like-for-like sales and classified as contract gains. Prior period revenues in respect of closed outlets are excluded from like-for-like sales and classified as contract losses.

Comment – Like-for-like sales growth of 3.0% reflected strong growth in most regions, notably in the airport business, driven by increasing passenger numbers in most territories. Growth remained robust despite the headwinds faced, notably the impact of geopolitical events in Egypt and in France, and a slowing of growth in China.

Underlying operating profit (actual currency)

£121.4m

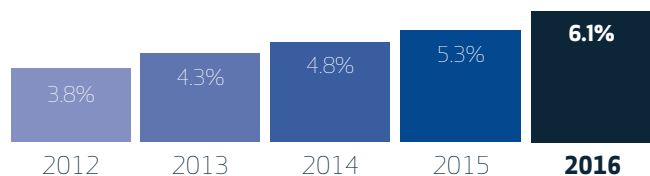


Definition – Underlying operating profit represents revenue less operating costs excluding exceptional items and amortisation of acquisition-related intangible assets.

Comment – Underlying operating profit increased by 18.2% on a constant currency basis and by 24.6% at actual exchange rates. Operating profit was £119.5m (2015: £92.2m), reflecting an adjustment for the amortisation of acquisition-related intangibles of £1.9m (2015: £5.2m).

Underlying operating profit margin (actual currency)

6.1%



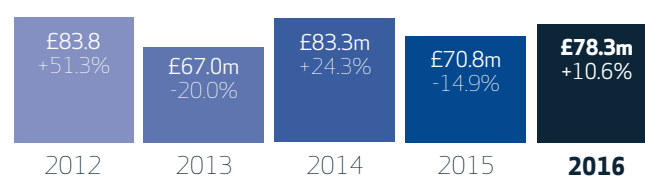
Definition – Underlying operating profit margin represents underlying operating profit as a percentage of revenue.

Comment – Underlying operating profit margin increased by 80 bps to 6.1% (70 bps at constant currency) reflecting good like-for-like sales growth and further encouraging progress on our strategic programmes.

Operating profit margin was 6.0% (2015: 5.0%), reflecting an adjustment for the amortisation of acquisition-related intangibles.

Underlying operating cash flow (actual currency)

£78.3m



Definition – Underlying operating cash flow represents net cash flow from operations after capital expenditure, tax and net cash flow to and from minorities and associates. It excludes exceptional costs.

Comment – Underlying operating cash flow was £78.3m, an increase of £7.5m compared to the prior year. The year on year improvement was driven by strong growth in underlying trading profits, and was after a higher level of capital investment (+£15.2m year on year).

Alternative Performance Measures

The Directors use alternative measures for performance analysis as these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are not defined by IFRS and therefore may not be directly comparable with other companies' performance measures. They are not intended to be a substitute for IFRS measures.

Revenue growth

As the Group operates in over 30 countries, it is exposed to translation risk on fluctuations in foreign exchange rates which impact the Group's reported revenue and operating profit. The Group presents its financial results on a constant currency basis to eliminate the effect of foreign exchange rates and to evaluate the underlying performance. The table below reconciles reported revenue to constant currency sales growth, like-for-like sales growth and net contract gains/(losses).

	UK	Continental Europe	North America	RoW	Total
2016 Revenue at actual rates by segment (£m)	749.4	796.8	262.7	181.4	1,990.3
Impact of foreign exchange (£m)	(1.3)	(36.6)	(19.0)	(8.0)	(64.9)
2016 Revenue at constant currency ¹ (£m)	748.1	760.2	243.7	173.4	1,925.4
2015 Revenue (£m)	727.2	749.7	201.6	154.4	1,832.9
Constant currency sales growth (%)	2.9%	1.4%	20.9%	12.3%	5.0%
Which is made up of:					
Like-for-like sales growth ²	3.1%	2.8%	7.5%	(2.1%)	3.0%
Net contract gains/(losses) ³	(0.5%)	(1.7%)	13.1%	14.1%	1.7%
Constant currency sales growth excluding the impact of the leap year	2.6%	1.1%	20.6%	12.0%	4.7%
Impact of additional leap year day	0.3%	0.3%	0.3%	0.3%	0.3%
Total constant currency sales growth	2.9%	1.4%	20.9%	12.3%	5.0%

¹ Constant currency is based on average 2015 exchange rates weighted over the financial year by 2015 results.

² Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months.

Like-for-like sales are presented on a constant currency basis.

³ Revenue in outlets which have been open for less than 12 months are excluded from like-for-like sales and classified as contract gains. Prior period revenues in respect of closed outlets are excluded from like-for-like sales and classified as contract losses. Net contract gains/(losses) are presented on a constant currency basis.

Underlying profit measures

The Group presents underlying profit measures, including operating profit, profit before tax and earnings per share, which exclude amortisation of intangible assets arising on the 2006 acquisition of the SSP business. A reconciliation from the underlying to the statutory reported basis is presented below.

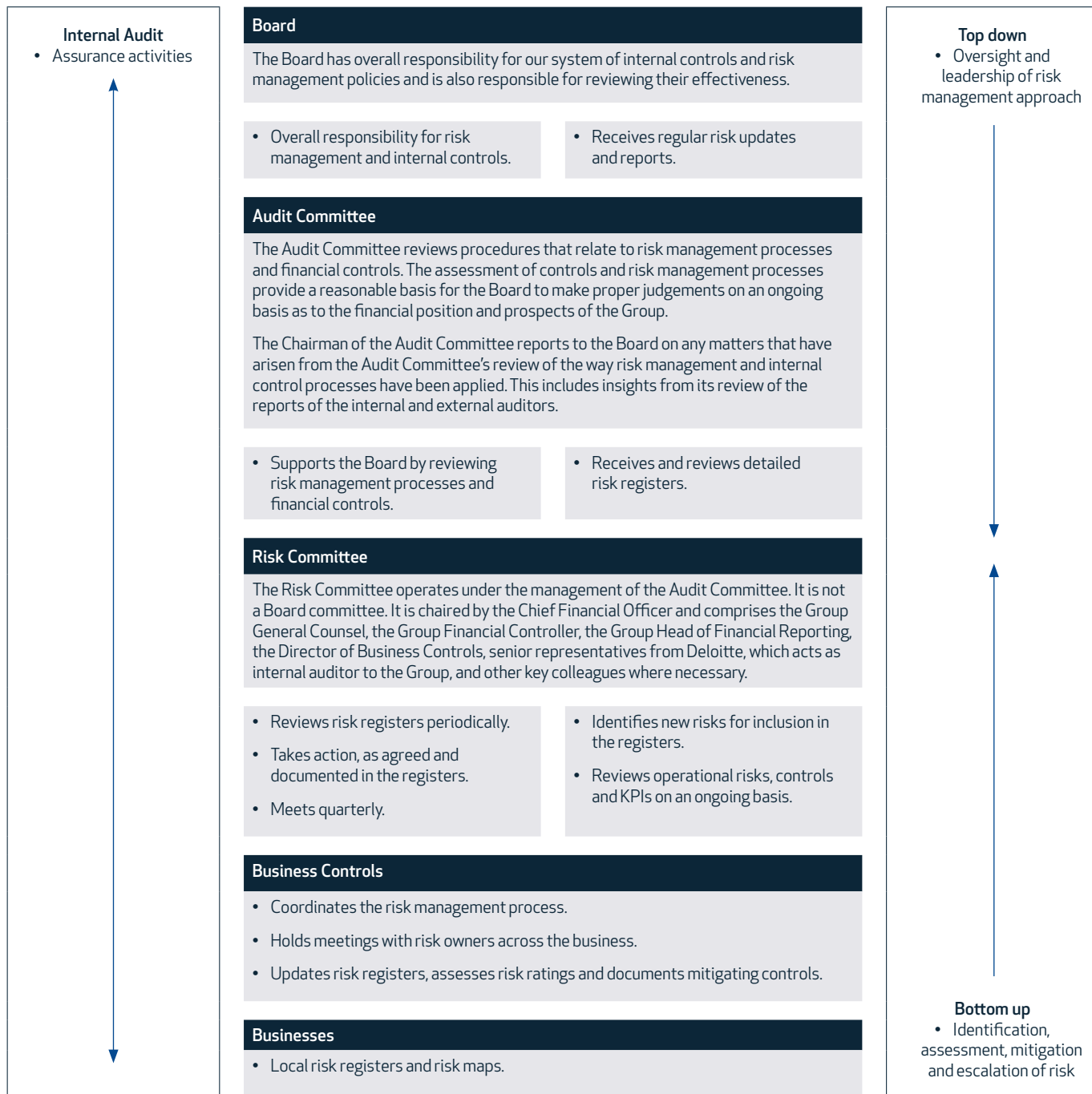
	2016			2015		
	Underlying	Adjustments	Total	Underlying	Adjustments	Total
Operating profit (£m)	121.4	(1.9)	119.5	97.4	(5.2)	92.2
Operating margin (%)	6.1%	(0.1%)	6.0%	5.3%	(0.3%)	5.0%
Profit before tax (£m)	107.5	(1.9)	105.6	82.0	(5.2)	76.8
Earnings per share (pence)	15.5	(0.3)	15.2	12.3	(1.1)	11.2

RISK MANAGEMENT AND PRINCIPAL RISKS

The management of risks is delegated through the business with a variety of committees responsible for reviewing and managing the procedures. We recognise that they are designed to manage rather than eliminate the risk of failure to achieve business objectives.

They can only provide reasonable and not absolute assurance against material errors, losses, fraud or breaches of law and regulations.

The Group's risk management framework



Internal controls framework

Regional and country management are responsible for implementing internal control and risk management practices within their own businesses and for ensuring compliance with the Group's policies and procedures.

During 2016, the Directors reviewed the effectiveness of the Group's system of controls, risk management and high-level internal control processes. These reviews included an assessment of internal controls, in particular operational and compliance controls and their effectiveness, supported by reports from the internal auditor, as well as the external auditor on matters identified in the course of its statutory audit work.

The Audit Committee supports the Board by regularly reviewing the effectiveness of the Group's system of internal control.

There were no changes to the Group's internal control over financial reporting that occurred during the year ended 30 September 2016 that have materially affected, or are reasonably likely to materially affect, the Group's reported financial position.

The key elements of the internal control environment in relation to the financial reporting process are as follows:

- review of the Group's strategic plans and objectives by the Board on an annual basis;
- a detailed budget is produced annually in accordance with the Group's financial processes and is reviewed and approved by the Board. Operational reports are provided to Executive Management on a weekly and monthly basis and performance against the budget is kept under regular review in accordance with the Group's financial procedures manual. The Chief Executive Officer reports to the Board on performance and key issues as they arise;
- the Audit Committee assists the Board in the discharge of its duties regarding the Group's financial statements, accounting policies and maintenance of proper internal business, operational and financial controls. The Committee provides a direct link between the Board and the internal and external auditors through regular meetings;
- the Board has formal procedures in place for approval of client contracts, capital investment and acquisition projects, with clearly designated levels of authority, supported by post investment review processes for selected acquisitions and capital expenditure;

- each country is required to submit a Controls Self-Assessment confirmation to verify its compliance with the controls set over core processes. This must be signed off by senior management before being submitted to Group;
- the Board considers social, environmental and ethical matters in relation to the Group's business and assesses these when reviewing the risks faced by the Group; further information regarding environmental and ethical matters is available on pages 23 to 25; and
- the Group has established and rolled out a Code of Conduct, a Whistleblowing Policy and an Anti-Bribery and Anti-Corruption Policy, all of which are refreshed on an ongoing basis. Training has been provided to the Board and to the senior management covering the obligations and behaviours of the UK listed company, including those on compliance, insider dealing and market abuse. Anti-Bribery and Anti-Corruption training for all applicable staff levels has been rolled out.

Risk management framework

The Group's risk management framework is designed to ensure that material business risks throughout the business are identified and effectively managed on an ongoing basis.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group.

This process was in place throughout 2016 and up to the date of approval of this annual report and meets the requirements of the guidance produced by the Financial Reporting Council. The Audit Committee has kept under review the effectiveness of the system of internal control and has reported regularly to the Board.

The key features of the risk management process are as follows:

- the Group conducts an annual risk assessment and maintains country and regional risk registers. A top down Group risk register is maintained covering risks to the overall Group. Risks are evaluated in respect of their potential impact and likelihood. The regional/country registers, covering the assessment of risk as well as current and future mitigation activities, are discussed by the Executive Committee and key risks are presented to the Risk Committee and the Audit Committee;
- the Board discusses and agrees the principal risks that are included in the annual report; and
- a risk management action plan is put in place to further enhance the Group's risk management capability.

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

The following table summarises the principal risks and uncertainties to which the Group is exposed, and the actions taken to mitigate those risks and uncertainties. Risks are identified as principal based on the likelihood of occurrence and the potential impact on the Group. Two risks (labour laws and unions, outsourcing) have been added as principal risks since the prior year.

Risks	Mitigating Factors
<p>Strategic development</p>	<p>The Group's strategy involves expanding its business in developing markets, including Asia Pacific and Eastern Europe and the Middle East.</p> <p>The Group may not be successful in winning new contracts on commercially acceptable terms, or may win new contracts but fail to mobilise and operate them successfully in these territories.</p> <p>The Group may not have the capability to enter new markets and capitalise on the business development opportunities these provide.</p> <p>The Group prioritises its investment in new contracts as part of the ongoing review of its global pipeline, and the prioritisation of its capital investment and resources.</p> <p>The Group has strengthened the management team in Asia Pacific, USA and Eastern Europe and the Middle East, especially in business development and operations.</p> <p>The executive management team reviews mobilisation plans to ensure that new openings are delivered on time.</p> <p>The Group adopts a joint venture model in certain new territories to provide access to existing local infrastructure and expertise.</p>
<p>Client relationships</p>	<p>The Group's operations are dependent on the terms of airport and railway station concession agreements and on its ability to retain existing concession contracts and win new contracts from either its existing or new clients. The Group's clients may turn to alternative operators, cease operations, terminate contracts with the Group or increase pricing pressure on the Group.</p> <p>The Group's local management structures in all its major geographies allow it to maintain strong relationships with its clients and monitor performance in close partnership with its clients' management teams. The Group has now established a 'contact strategy' with key stakeholders at clients to establish and/or maintain ongoing relationships.</p> <p>The Group also has an annual online and interview-based client survey to ensure any concerns are being addressed. Furthermore, the Group proactively seeks to invest in, extend and enhance its offers in its key locations, working in conjunction with its clients.</p>
<p>Senior management capability and retention</p>	<p>The performance of the Group depends on its ability to attract, motivate and retain key employees. The skills developed in our business are highly attractive to other companies, who regularly target them for recruitment.</p> <p>The Group may not have sufficient management capability at a senior level (e.g. country leadership) to execute the planned operational efficiency programmes and support the growth and development of the business.</p> <p>The Group may not have sufficient resources to meet the changing and complex needs of an international and growing business (e.g. Legal, Finance, IT).</p> <p>The Group continues to review key roles and succession plans in country and at the centre. Senior resources have been strengthened in a number of strategically important and growing businesses.</p> <p>The Group carries out an annual talent mapping exercise to identify candidates for future roles.</p> <p>The Group Remuneration Committee monitors the levels of remuneration for senior management and seeks to ensure that they are designed to attract, retain and motivate the key personnel to run the Group effectively.</p> <p>The Group has invested in additional resource to support change initiatives and business development programmes.</p>
<p>Business environment</p>	<p>The Group operates in the travel environment where external factors such as the general economic and geopolitical climate (including the impact of Brexit and sustained terrorist attacks impacting key markets), levels of disposable income, weather, changing demographics and travel patterns could all impact both passenger numbers and consumer spending. There is a risk that the Group is unable to or poorly placed to respond to these external events.</p> <p>The Group monitors the performance of individual business units and markets regularly. The executive management team reviews detailed weekly and monthly information covering a range of KPIs, and monitors progress on key strategic projects. Specific short and medium-term actions are taken to address any trading performance issues which are monitored on an ongoing basis.</p> <p>The Group also conducts extensive customer research to understand current levels of customer satisfaction and gathers feedback on changing consumer requirements.</p>
<p>Changing business model</p>	<p>Changing client requirements, such as splitting tenders across two or more providers, partnering with operators in joint ventures, developing third party purchasing models and favouring local brand operators or partnering directly with brand owners, may adversely affect the Group's business.</p> <p>The Group has in place a clear 'SSP Value Proposition' that it presents to the client to address this risk.</p> <p>The Group's Director of Strategic Partnerships and the Group Chief Commercial Officer work closely with the country management teams to enhance and clarify the Group's proposition to its clients.</p> <p>The Group's 'contact strategy' with key stakeholders and its clients helps to mitigate this risk. This is informed by its annual client survey, which is carried out by an independent party.</p>

	Risks	Mitigating Factors
<p>Brand portfolio</p>	<p>The Group's success is largely dependent upon its ability to maintain its portfolio of proprietary brands as well as the brands of its franchisors, and the appeal of those brands for clients and customers. The loss of any significant partner brands, the inability to obtain rights to new brands over time or the diminution in the appeal of partner brands or the Group's proprietary brands could impair the Group's ability to compete effectively in tender processes and ultimately have a material adverse effect on the Group's business.</p>	<p>The Group carries out extensive customer research into passengers' needs and continually analyses market trends in order to enhance its brand and concept portfolio on an ongoing basis.</p> <p>The Group has strengthened its dedicated brands team to work closely with its partner brands and to enable greater capacity to attract and manage a broader portfolio of external brands. The Group has extended its brand portfolio to provide additional breadth and depth of brand partners.</p>
<p>Intensified competition</p>	<p>Competition intensifies as the Group's competitors become more sophisticated and direct more resources to the preparation of bids and take a more aggressive position on commercial terms when bidding for contracts. This could put pressure on the Group's profitability and reduce the availability and attractiveness of contracts.</p>	<p>The Group has clear internal benchmarking and investment appraisal processes to evaluate tender proposals and to ensure that the Group is able to make a competitive offer, as well as meet its investment criteria.</p> <p>The Group has developed high-quality 'business-to-business' marketing collateral to clearly lay out the benefits of working with SSP, which it shares with the clients to help them better understand the Group's proposition from both quantitative and qualitative aspects.</p> <p>The Group's strengthened business development team utilise the feedback from regular client satisfaction surveys when developing new bids.</p>
<p>Expansion in developing markets</p>	<p>The Group operates business directly in a number of developing markets, including Asia Pacific and Eastern Europe and the Middle East. Political, economic and legal systems and conditions in these countries are generally less predictable than in countries with more developed institutional structures, subjecting the Group to additional commercial, reputational, legal and compliance risks.</p>	<p>The Group has clearly defined authorisation procedures for all contract investment to ensure that it is consistent with the objectives set by the Board, and fully considers and evaluates the risks inherent in expansion into new locations and territories.</p> <p>The Group works with in-house and external advisors to ensure risks of doing business in developing markets are identified and where possible mitigated before entering those markets.</p> <p>The Group has strengthened its legal teams to support business development activities and ensure compliance with local requirements.</p> <p>The risk of working in developing markets is also monitored by the Group Risk Committee and the Group Audit Committee.</p>
<p>Implementation of efficiency programmes</p>	<p>The change programmes fail to deliver benefits e.g. labour efficiency and improvements in wastage and loss.</p>	<p>The Group has completed detailed evaluation and planning for its major change programmes. Specialist expertise has been recruited into the business where required, both at a Group and a country level. The Group provides central support with regional CEOs and CFOs to facilitate appropriate country actions based on key performance indicators linked to margin management. Group IT also provides support for project management and implementation using agreed standard business processes and controls.</p>
<p>Labour laws and unions</p>	<p>Approximately 35% of the Group's employees are subject to collective bargaining agreements, principally in France, Germany, Spain, Denmark, Finland, Norway, Sweden and the United States.</p> <p>The Group is also subject to minimum wage requirements and mandatory healthcare subsidisation in some of the jurisdictions in which it operates, notably North America, the United Kingdom and China.</p>	<p>The Group works proactively with all of its unions to ensure that the various collective bargaining agreements are appropriate for the Group and minimise commercial risks.</p> <p>The Group is reviewing the impact of changes in remuneration structures, including the introduction of the national living wage and apprenticeship levy in the UK and the Healthcare bill in the US and developing mitigating strategies across the Group.</p>

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

	Risks	Mitigating Factors
Outsourcing programmes	The Group fails to execute outsourcing projects effectively resulting in the business as usual being disrupted and the introduction of new third party risks.	The Group has recruited specialist resources into the business to manage implementation and transition projects and has used external advisors to provide input into the management of risks on such projects. The outsourcing partners are highly reputable and have been selected after a rigorous tender process and extensive due diligence.
Cyber threats	The Group becomes exposed to information security and cyber threats e.g. Payment Card Industry Data Security Standards (PCIDSS).	The Group continually reviews its business continuity plans for its supply chain, IT disaster recovery and information security policies and practices to ensure that these meet the changing landscape.
Tax strategy	Risk that reputation is damaged if customers, clients and / or suppliers believe that the Group is engaged in aggressive or abusive tax avoidance.	The Group has a tax management policy which is based on Board guidance to adopt a low risk tax strategy.

Operational

Business interruption	The travel environment is vulnerable to acts of terrorism or war, an outbreak of pandemic disease, or a major and extreme weather event or natural disaster which could reduce the number of passengers in travel locations.	The Group has business continuity plans in place including liaison with authorities and clients in key locations to ensure that contingency plans are in place. The Group also has comprehensive insurance at both global and local levels with leading insurers to cover, among other things, property damage, business interruption, public and product liability, employer's liability, workers' compensation, Directors' and Officers' liability, motor and other cover as required by local laws and regulations. This cover is reviewed on an annual basis.
Supply chain	The interruption or loss of supply of core category products from a key supplier to our units may affect our ability to trade, whilst quality of supply issues may also impact the Group's reputation and its ability to trade.	The Group conducts risk assessments of all of its key suppliers to identify alternatives and develop contingency plans in the event that any of these key suppliers fail. The Group has contractual and other relationships with numerous third parties in support of its business activities. None of these arrangements are individually considered to be essential to the business continuity of the Group, as most of the Group's purchasing is managed at a local level.
Food commodity price inflation	A substantial element of the Group's cost base comprises food and drink products and raw materials. As such, the profitability of the Group's contracts will depend on its management of its cost of goods, which also determines its ability to offer competitive pricing to its customers while maintaining sufficient margins.	The Group seeks to manage cost inflation through: pricing reviews; menu management to substitute ingredients in response to any forecast shortages and cost increases; and continuing to drive greater purchasing efficiencies through supplier negotiations, rationalisation and compliance. The Group is monitoring the impact of Brexit on food commodity prices in the UK and taking appropriate actions where possible.
Technology and infrastructure systems	The failure of key operational IT systems could cause interruption to the trading of the business. Advances in technologies or alternative methods of delivery, including advances in vending technology, mobile payments, digital marketing and customer loyalty programmes, could have a negative effect on the Group's business if the Group is not able to respond adequately to these technological challenges.	All IT programmes of any significance are authorised and overseen by the Chief Information Officer and project managed using well-recognised development methodologies and protocols.

	Risks	Mitigating Factors
Financial		
Interest rate risk	The Group is exposed to fluctuations in interest rates on its loan balances.	The Group maintains a balance of fixed and floating rate debt so that the risks associated with increases in interest rates are mitigated through the use of interest rate swaps.
Currency risk	Although the functional currency of the Group is Sterling, the Group's operating cash flows are transacted in a number of different currencies. The Group's principal currencies of operation are Sterling, the Euro, the US Dollar, the Swedish Krona and the Norwegian Krone. The Group is subject to currency exchange risk including translation risk and economic risk.	The Group's policy in managing this financial currency risk is to use foreign currency denominated borrowings to ensure interest costs arise in currencies which reflect the operating cash flows, thereby minimising net cash flows in foreign currencies.
Liquidity and debt covenants	<p>The Group needs continuous access to funding in order to meet its trading obligations and to support investments. There is a risk that the Group may be unable to obtain the necessary funds when required or that such funds will only be available on unfavourable terms.</p> <p>The Group's borrowing facilities include a requirement to comply with certain specified covenants in relation to the level of net debt and interest cover. A breach of these covenants could result in the Group's borrowings becoming repayable immediately.</p>	<p>The Group has put in place long-term borrowings in various currencies to meet its demand for funds. In addition, the Group has access to a revolving credit facility should such demands arise at short notice. The Group's treasury department maintains an appropriate level of funds and facilities to meet each year's planned funding requirement.</p> <p>Compliance with the Group's biannual debt covenant is monitored on a monthly basis based on the management accounts. Sensitivity analysis using various scenarios is applied to forecasts to assess their impact on covenants.</p>
Legal and regulatory		
Compliance	<p>The laws and regulations governing the Group's industry have become increasingly complex across a number of jurisdictions and a wide variety of areas, including, among others, food safety, labour, employment, immigration, security and safety, health and safety, competition and antitrust, consumer protection (including data protection), environment, licensing requirements and related compliance. The Group is also required to comply with applicable data protection laws and regulations in many of the jurisdictions in which it operates.</p> <p>With a UK parent company, the Group is required to comply with the provisions of the UK Bribery Act, as well as the local anti-bribery and anti-corruption laws in the territories in which the Group operates.</p>	<p>The Group has processes in place to ensure compliance with local laws and regulations. Depending on the nature of complexity in a country, the Group may obtain external advice to supplement the in-house legal and compliance team.</p> <p>The Group has a Code of Conduct and Anti-Bribery and Anti-Corruption Policy in place and Anti-Bribery and Anti-Corruption training has been rolled out internationally. The Group's procedures under the policy include regular reporting by the businesses into the Risk Committee. Compliance is monitored by Internal Audit and the Risk Committee on an ongoing basis and all alleged breaches of the Code of Conduct and policy are investigated.</p>
Food safety	The preparation of food and the maintenance of the Group's supply chain require a base level of hygiene, temperature maintenance and traceability, and expose the Group to possible food safety liability claims and issues, such as the risk of food poisoning.	<p>The Group has food safety controls and procedures in place that are embedded in the Group's operations. These are monitored by country management teams on a regular basis and appropriate action is taken if any issues are identified.</p> <p>Training sessions are also held in country to ensure compliance with these procedures.</p>

The risks listed on pages 18 to 21 do not comprise all those associated with SSP Group plc and the order of risks presented does not denote an order of priority. Additional risks and uncertainties not presently known to management, or currently deemed to be less material, may also have an adverse effect on the business. These less material risks are kept in view in case their likelihood or impact should show signs of increasing.

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

Viability statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the prospects and the longer-term viability of the Group. The Directors' assessment has been made with reference to the Group's current position and prospects, the Group's strategy, the Board's risk appetite and the Group's principal risks and how these are managed, as detailed in the Strategic report. In particular, the Directors have carried out a robust assessment of the Group's principal risks and those that would threaten the Group's business model, future performance, solvency and liquidity. The Directors have determined that three years is an appropriate period over which to provide its viability statement, as this is consistent with the Group's Medium Term Plan, which was approved by the Board in July 2016. The Medium Term Plan, which reflects the strategy and associated principal risks of the various business units across the Group, is underpinned by a detailed financial model which is based on a variety of assumptions about the key drivers of revenue, profit, capital expenditure and cash flow.

The plan is stress tested to provide the Board with assurance as to the Group's viability under a number of scenarios, for example in the event of a severe downturn in trading. These stress tests include one that uses as its reference point the 2008/09 financial crisis, when global economic conditions adversely impacted both passenger volumes and the spending habits of customers, leading to a rapid and unprecedented drop in like-for-like sales, and one that envisages an external event that has a significant impact on the travel sector for a number of months. The Medium Term Plan review is supported by regular Board briefings provided by the business unit heads, which consider both the market opportunity and the associated risks and mitigating factors. These risks are also reviewed as part of the Board's annual risk assessment process.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to September 2019.

Going concern

In addition, based on the detailed cash flow projections discussed above, as well as the stress-tested scenarios considered, the Directors are confident that the Group will be able to operate within its banking covenants and has sufficient liquidity levels for the next 12 months from the date of this report. Accordingly, the Directors believe it is appropriate to prepare the Annual Report and Accounts on a going concern basis. See page 54 for further detail.

SUSTAINABILITY REPORT

We believe that a commitment to sustainability makes good business sense. We aim to responsibly manage those environmental and social issues which have been identified as material to our business, and to do this in a way which supports the Group’s commercial strategy.

Accountability for sustainability is integrated into our management structures, with a named member of the Executive Committee responsible for each of the four elements of our programme; Marketplace, People, Environment and Community. The Group Board regularly reviews progress on the implementation of our strategy. This report provides a summary of our sustainability activity. More detail, together with relevant policies, is available at www.foodtravelexperts.com.

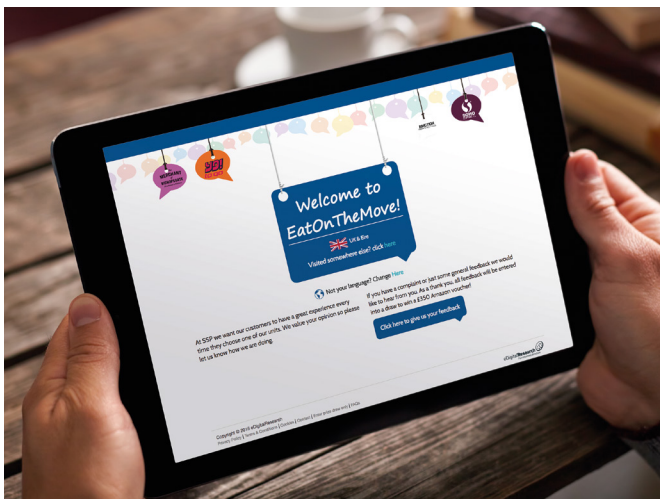
Marketplace

We are committed to providing quality products and services to our customers, and to ensuring the safety and sustainability of those products, and of the supply chain behind them.

Our customers

Customer satisfaction is a priority for our employees and one of our core business values. We monitor customer feedback via our global digital platform ‘Eat on the Move’. This enables customers to give feedback via smart phones or other devices to let us see what we’re doing well and where we can improve.

We regularly review our menus to ensure we are offering our customers choice and including healthier options. We focus on SSP’s own brands, where we have control over product ranges and customer messaging. Low fat and low carbohydrate options are available on many of our menus around the world. In the UK, the business carried out a review of children’s menus to include more healthy options. We have introduced superfood salads within our casual dining menus, as well as giving customers the opportunity to ‘swap’ for a healthy option (for example, swapping chips for salad). We also review the nutritional properties of the core ingredients we use, for example, in Spain we use low fat spreads, mayonnaise and cheeses as standard in our food production.



Sustainable and ethical sourcing

We are committed to ensuring that the products we sell are from sustainably managed sources and that the people producing these goods are fairly treated.

Our responsible sourcing policy defines the standards which we expect our purchasing and menu development teams across the world to meet when sourcing ingredients. We train our global purchasing teams on these standards and review their performance on a regular basis. Animal welfare is a key area of focus for us. We endorse the ‘Five Freedoms’ concept proposed by the Farm Animal Welfare Council and require that our suppliers meet or exceed this standard. We buy eggs which meet or exceed the British Lion Standard requirements and we are working towards a target for all of the whole eggs used within our proprietary brands operating in the UK to be from cage-free sources by 2025. The majority of the coffees and teas we purchase have been produced in accordance with ethical and sustainable standards, for example, under the Fairtrade or Rainforest Alliance certification schemes.



We are committed to ensuring the people in our supply chain are fairly treated. Our Supplier Code of Conduct, which is aligned to the Ethical Trading Initiative’s Base Code, outlines the standards we expect our suppliers to work towards. We train our global purchasing teams on the role they have to play in identifying and addressing any ethical trade concerns within our supply chain.

During the year, we have carried out a review of modern slavery risks within our business and supply chain, updating our due diligence processes as required. In line with the requirements of the 2015 Modern Slavery Act, we have provided a separate Modern Slavery statement, available at www.foodtravelexperts.com.

People

Our employees are core to our business success. We invest in our people to enable them to reach their full potential, as well as providing a positive, non-discriminatory and safe working environment.

Employee engagement and recognition

It is important to us that our employees are fully engaged with the business strategy and objectives. We achieve this through a regular programme of briefings, huddles, employee conferences and updates via our enterprise social network, SSP Connections. Employees in the UK have the opportunity to recognise excellent performance from their colleagues using the Celebrate! online recognition tool.

Learning and development

We continue to grow talent from within through a range of learning and development opportunities. We offer bespoke learning and development programmes, tailored to meet the needs of individuals, teams and the operating business. Some of our training programmes for Unit Managers and above are aligned to universities in the UK, giving our employees the opportunity to achieve an externally recognised qualification at the end of their training.

We also offer a range of apprenticeship qualifications, suitable for our frontline team members and those wishing to develop their careers into junior managerial roles. In the UK, eight different apprenticeships are offered, and last year, 223 colleagues commenced an apprenticeship and 150 completed their qualification. There are a further 303 colleagues currently in apprenticeship schemes. Apprenticeship schemes are also offered in other European SSP operations, including Germany and Norway.

Many country Human Resources teams have partnerships with local organisations to offer career opportunities to people from deprived communities. In Singapore, we work with the Corporation of Rehabilitative Enterprises and aim to provide permanent employment opportunities to 40 ex-prisoners each year to help them reintegrate into society. Our Singapore units also provide on the job training for students with disabilities. At Phoenix Airport, SSP partners with St. Joseph the Worker, a local charity which helps homeless people get back into the workforce.

Our UK business continues to work with the Launch Group to offer young and disadvantaged people a two week 'into work' programme. The programme was completed by 78 people this year, with 29 offered permanent employment, many of whom are now working towards their apprenticeship qualification.

Equal opportunities and diversity

We have a comprehensive Equality and Diversity Policy, which outlines our expectation that all our employees should be treated with respect and be able to work in an environment in which they can realise their potential, free of harassment and discrimination in any form. We provide training and guidance to all employees to ensure they understand and comply with this policy. In addition, we also seek to support minority groups within our business, for example, through SSP America's partnership with www.diversityjobs.com, which has led to a measurable increase in the number of applicants from minority groups, particularly at management level.

Disabled persons

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 Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees by gender

	Male	Female
Board of Directors	86% (6)	14% (1)
Senior management	77% (91)	23% (23)
All employees	43% (12,279)	57% (15,994)

Health and safety

We are committed to maintaining high standards of health and safety for our employees and our customers at all times. All employees complete regular training on health and safety, and we monitor performance against key safety performance indicators.

Environment

We are working hard to reduce the environmental impacts of our operations, recognising that greater environmental efficiency also makes good business sense. In the majority of our locations, we do not purchase utilities or services ourselves, so we continue to work with our clients to improve the quality of environmental impact data and look for ways to improve.

Global Greenhouse Gas Emissions Data

	2015/16		2014/15
	Tonnes of CO ₂ e	Percentage of carbon footprint	Tonnes of CO ₂ e
Scope 1 emissions Combustion of fuel and operation of facilities	6,056	7%	6,572
Scope 2 emissions Electricity, heat, steam and cooling purchased for own use	80,693	93%	76,069
Total	86,749	100%	82,641
Intensity measurement Total emissions reported above normalised per £ of turnover	41.15 grams/£		45.09 grams/£

Scope and methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. These sources fall within our consolidated financial statements. This data covers the continuing activities undertaken by our retailing operations worldwide.

The methodology applied to data gathering and analysis is consistent with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard for Scope 1 and Scope 2 emissions and the DEFRA Environmental Reporting Guidelines, including mandatory greenhouse gas emissions reporting guidance.

A full documentation of the methodology used, including collection of data from worldwide operations, exclusions of any non-material emission sources, emission factors used and assumptions made is available upon request.

Reducing our carbon footprint

The electricity and gas used to power our units continues to make up the largest part of our carbon footprint. Our energy efficiency initiatives focus on our most energy-intensive units, within the UK and internationally. LED lighting replacement programmes are being rolled out across our international operations and are helping to reduce emissions as well as operating costs.

Following a successful UK trial, energy efficiency best practice measures are being rolled out to our German Spar and Burger King units, with the potential to reduce energy consumption in a typical unit by around 20%. We are now looking at opportunities elsewhere in other countries and regions within the Group.

Reducing our waste to landfill

Reducing waste is a priority for our business. Across our global operations, we have systems in place to recycle packaging and waste cooking oil. Another waste reduction initiative has been the introduction of napkin dispensers, delivering more than a 30% reduction in the number of free napkins given out to customers. This initiative is now being rolled out across our European business.

We are working to reduce food waste wherever we can. This is a complex area but we have a number of trials underway to reduce the amount of food that is thrown away.

We are reviewing the food production processes across our global operations to look at opportunities to reduce waste. As part of this work, we have been able to align our production to the peaks and troughs of the business. In the Nordic region, for example, this has enabled us to reduce the amount of sandwiches being wasted by almost 30%. Where possible, SSP units partner with local charities to donate unsold food. In Hong Kong, over a tonne of food was donated to the Food Angel charity in the last year, and, in France, unsold food is donated to the Restos du Coeur charity.

Community

Our community investment focuses on projects to promote healthy eating. Our main partnership is with the Children's Food Trust, a UK registered charity that aims to improve the food our children eat, with funding for its Let's Get Cooking Clubs for teenagers.

During 2016, SSP funded the clubs in 10 further education colleges in the Greater London area. In each college, 16-18 year olds attended four sessions, learning how to cook simple and healthy meals, how to budget for food, and how to use up leftovers and avoid waste. Following positive feedback from the trial, we are working with the SSP Foundation to extend the project to a further 20 colleges, with the aim of reaching over 4,000 students over the next two years.



Our units support a wide range of local charities, usually nominated by our colleagues or our clients.

This year charity projects have ranged from SSP Spain's support for the Association Against Childhood Cancer, to SSP America's fundraising for a Phoenix children's hospital. In the UK, the SSP Foundation (registered charity no. 1163717) is the focus for our fundraising activity. The Foundation works with partner charities on projects to promote healthy eating and supports employee-nominated charities in the communities where SSP operates.

Approved by the Board and signed on its behalf by:

Kate Swann
Chief Executive Officer
28 November 2016



BOARD OF DIRECTORS



Vagn Sørensen
Chairman

Vagn joined the SSP Board as Chairman in June 2006.

Board Committees:
Member: Nomination Committee

Previous experience:
Vagn was the President and Chief Executive Officer of Austrian Airlines Group from 2001 to 2006 and held various senior commercial positions and served as Deputy Chief Executive Officer with SAS Scandinavian Airlines System. He has served as the Chairman of the Association of European Airlines and as a member of the Board of Governors of the International Air Transport Association.

Current external appointments:
Vagn is a Senior Industrial and Investment Advisor to EQT Partners. He is Chairman of Scandic Hotels AB, Automic Software GmbH and a board member of Air Canada, Royal Caribbean Cruises Limited, VFS Global, Braganza AS, F L Smidth & Co A/S, Nordic Aviation Capital A/S, TDC A/S, TIA Technology A/S, ZEBRA A/S and JP/Politikens Hus A/S. In addition, Vagn is a consultant Senior Advisor to Morgan Stanley in the Nordic region.

He has an MSc in Economics and Business Administration from Aarhus Business School in Denmark.



Kate Swann
Chief Executive Officer

Kate joined SSP as Chief Executive Officer in September 2013.

Board Committees:
None

Previous experience:
Kate began her retail career with Tesco plc before working with some of the UK's best-known companies, including Homepride Foods, Coca-Cola Schweppes and Dixons Retail plc. She then joined Homebase (part of the Home Retail Group), ultimately in the role of Managing Director, and in 2000 was made Managing Director of Argos. Kate joined WH Smith plc as Chief Executive Officer in 2003. In 2012 she received both The Daily Telegraph award for Business Leader of the Decade at the National Business Awards and the Institute for Turnaround Chairman's Special Award for exceptional and extraordinary performance in the transformation of WH Smith.

Current external appointments:
Kate has been a Non-Executive Director of England Hockey since June 2016.

Kate graduated from the University of Bradford in 1986 with a BSc in Business Management and received an honorary doctorate from the university in 2007 where she is now Chancellor.



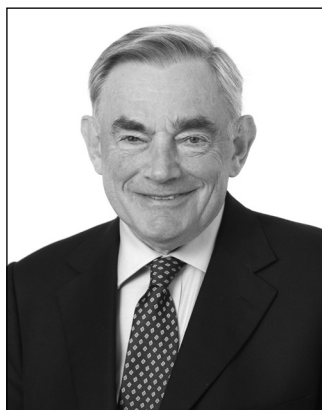
Jonathan Davies
Chief Financial Officer

Jonathan has been the Chief Financial Officer of SSP since its formation within Compass Group in 2004.

Board Committees:
None

Previous experience:
Jonathan began his career in the food industry with Unilever plc, before joining OC&C, the strategic management consultancy, in 1987. Over the following eight years he was part of its rapid growth and development from a start-up to becoming a leading international consulting firm. In 1995 Jonathan joined Safeway plc, where he was responsible for strategy and planning, before becoming Finance Director on the Executive Board between 1999 and 2004.

He has a degree in Chemistry from Oxford University and an MBA from INSEAD Business School, France.



John Barton
Senior Independent
Non-Executive Director

John joined the SSP Board as an independent Non-Executive Director in April 2014.

Board Committees:

Chairman: Nomination Committee, Remuneration Committee
Member: Audit Committee

Previous experience:

John has served as Chairman of Cable & Wireless Worldwide plc, Brit Insurance Holdings plc, Wellington Underwriting plc and Catlin Group Limited. He was previously Senior Independent Director of WH Smith plc and Hammerson plc.

He was also the Chief Executive of insurance broker JIB Group plc from 1984 to 1997. After JIB's merger with Lloyd Thomson in 1997, he became Chairman of the combined group, Jardine Lloyd Thompson Group plc, until 2001.

Current external appointments:

John was appointed to the Board of easyJet as Chairman in May 2013 and is also Chairman of Next plc. He is also a director of Matheson & Co, Limited and Luceco plc.

John is a qualified chartered accountant and received an MBA from Strathclyde University.



Ian Dyson
Independent
Non-Executive Director

Ian joined the SSP Board as an independent Non-Executive Director in April 2014.

Board Committees:

Chairman: Audit Committee
Member: Nomination Committee, Remuneration Committee

Previous experience:

He was formerly Chief Executive Officer of Punch Taverns plc, Group Finance & Operations Director at Marks & Spencer Group plc and Finance Director of The Rank Group plc. Prior to this he was Group Financial Controller of Hilton Group plc. He joined Hilton from Le Meridien, a division of Forte Group plc, where he had been Finance Director. Ian was a Non-Executive Director of Misy's plc until September 2005.

His early career was spent with Arthur Andersen, where he qualified as a chartered accountant in 1986 and was promoted to a Partner of the firm in 1994.

Current external appointments:

Ian is Senior Independent Director of Paddy Power Betfair plc and ASOS plc and Non-Executive Director of Intercontinental Hotels Group plc and (until January 2017) Punch Taverns plc.



Per Utnegaard
Independent
Non-Executive Director

Per joined the SSP Board as an independent Non-Executive Director in July 2015.

Board Committees:

Member: Remuneration Committee, Audit Committee

Previous experience:

Per's previous roles include Group Wholesale Director and a member of the Group Board at Alliance UniChem plc, Senior Vice President, Corporate Business Development at Danzas Holding Ltd (a subsidiary of Deutsche Post AG) and various senior positions at TNT Post Group.

Between 2004 and 2013 he was also a Non-Executive Director at Berendsen plc.

Per was also a Board Member of Envirotainer AB until January 2016, Chairman of the Executive Board of Bilfinger SE from June 2015 to April 2016 and Non-Executive Director of Palletways Group Ltd until June 2016.

Current external appointments:

Per has been a member of the Board of Swissport International Ltd since 2007. He has been its Non-Executive Chairman since July 2015 and was previously its Group President and CEO.



Denis Hennequin
Independent
Non-Executive Director

Denis joined the SSP Board as an independent Non-Executive Director in February 2014.

Board Committees:

Member: Nomination Committee, Remuneration Committee, Audit Committee

Previous experience:

Denis began his career at The McDonald's Corporation, becoming President of McDonald's Europe in 2005 where he was responsible for 6,600 restaurants in 40 countries. He was Chairman and Chief Executive Officer of Accor S.A., the worldwide hotel group, until 2013.

Current external appointments:

Denis is currently a Non-Executive Director of Eurostar International Limited and the John Lewis Partnership. His other directorships include EIL Hospitality Ltd, The Green Jersey Limited and Cojean Limited.

CORPORATE GOVERNANCE REPORT

UK Corporate Governance Code compliance

Responsibility for good governance lies with the Board. The Board is accountable to shareholders and is committed to the highest standards of corporate governance as set out in the UK Corporate Governance Code published in September 2014 (the 'Code'). The Code can be found on the Financial Reporting Council website at www.frc.org.uk. This corporate governance report, together with the Directors' remuneration report set out on pages 36 to 50, describes how the Board has applied the main principles of good governance set out in the Code during the year under review.

Compliance statement

It is the Board's view that for the year ended 30 September 2016 the Company has complied with all of the principles set out in the Code applicable to this reporting period.

How we govern the Company

Our governance structure comprises the Board and various committees (detailed below), supported by the Group's standards, policies and controls, which are described in more detail in this report.

The Board

Composition

As at 30 September 2016, and as at the date of this report, the Board of Directors was made up of seven members, comprising the Chairman, two Executive Directors and four Non-Executive Directors.

John Barton, Ian Dyson, Denis Hennequin and Per Utnegaard are considered by the Board to be independent of management and free of any relationship which could materially interfere with the exercise of their independent judgement. The Board considers that each of the Non-Executive Directors brings their own senior level of experience, gained in each of their own fields.

Biographical details of each of the Directors currently in office are shown on pages 26 and 27. The Company's policy relating to the terms of appointment and the remuneration of both Executive and Non-Executive Directors is detailed in the Directors' remuneration report which is on pages 36 to 50.

The Board meets regularly during the year, as well as on an ad hoc basis, as required by business need. The Board met eight times between 1 October 2015 and 30 September 2016 and attendance at these meetings is shown in the table on page 29. Each Director is also proposing to attend the AGM to answer shareholder questions.

Responsibilities

The Board manages the business of the Company and may, subject to the Articles of Association and applicable legislation, borrow money, guarantee, indemnify, mortgage or charge the business, property and assets (present and future) and issue debentures and other securities and give security, whether outright or as a collateral security, for any debt, liability or obligation of the Company or of any third party. The Board has a formal schedule of matters reserved for its decision, although its primary role is to direct the strategic development of the Group. In addition, the Board sets the Group's values and standards and ensures that it acts ethically and that its obligations to its shareholders are understood and met. The Board may delegate any of its powers to any committee consisting of one or more Directors.

The Board has established a procedure for Directors, if deemed necessary, to take independent professional advice at the Company's expense in the furtherance of their duties. Every Director also has access to the General Counsel and Company Secretary, who is charged with ensuring that Board procedures are followed and that good corporate governance and compliance are implemented throughout the Group. Together with the Chief Executive Officer and the General Counsel and Company Secretary, the Chairman ensures that the Board is kept properly informed and is consulted on all issues reserved to it. Board papers and other information are distributed at times to allow Directors to be properly briefed in advance of meetings.

The roles of Chairman and Chief Executive Officer are separate and clearly defined in accordance with the division of responsibilities set out in writing and agreed by the Board.

Director effectiveness and training

In accordance with best practice, the Chairman addresses the developmental needs of the Board as a whole, with a view to further developing its effectiveness as a team, and ensures that each Director refreshes and updates his or her individual skills, knowledge and expertise.

Meetings between the Non-Executive Directors, both with and without the presence of the Chief Executive Officer, are scheduled in the Board's annual programme. Board meetings are also held at Group business locations to help all Board members to gain a deeper understanding of the business. This also provides senior managers from across the Group with the opportunity to present to the Board, as well as to meet the Directors on more informal occasions.

Succession planning is a matter for the whole Board, rather than for a committee. The Company's Articles of Association provide that at every Annual General Meeting, each Director shall retire and seek re-election. New Directors may be appointed by the Board, but are subject to election by shareholders at the first opportunity after their appointment, as is the case with all Directors. The Articles of Association limit the number of Directors to not less than two save where shareholders decide otherwise. Non-Executive Directors are normally appointed for an initial term of three years which is reviewed and may be extended for a further three years.

A formal, comprehensive and tailored induction is given to all Non-Executive Directors following their appointment, including visits to key locations within the Group and meetings with members of the Executive Board and other key senior executives. The induction also covers a review of the Group's governance policies, structures and business, including details of the risks and operating issues facing the Group.

John Barton is the Company's Senior Independent Director. His role includes providing a sounding board for the Chairman and acting as an intermediary for the Non-Executive Directors, where necessary. The Board believes that John Barton continues to have the appropriate experience, knowledge and independence to continue in this role.

The Chairman ensures that the Board maintains an appropriate dialogue with shareholders.

A performance evaluation of each of the Chairman and Chief Executive Officer was separately carried out by the Non-Executive Directors (without the Chairman being present for the Chairman's evaluation and without the Chief Executive Officer being present for the Chief Executive Officer's evaluation) as part of the September Board meeting. As a result of the evaluation, overall, the Non-Executive Directors consider each of the Chairman and Chief Executive Officer to be effective and more particularly that the Chairman continues to provide effective leadership of the Board and to exert the required levels of governance and control and that the Chief Executive Officer continues to provide effective management of the business. To this extent, the Chairman and Chief Executive Officer both continue to have the full support of the Non-Executive Directors. The Non-Executive Directors will continue to review the roles of the Chairman and Chief Executive Officer in the year ahead.

Board effectiveness

A performance evaluation of the Board and of its committees is carried out annually to ensure that they continue to be effective and that each of the Directors demonstrates commitment to his or her respective role and has sufficient time to meet his or her commitment to the Company.

Overall, the Board considers each Director to be effective and that both the Board and its committees continue to provide effective leadership and exert the required levels of governance and control. The Board will continue to review its procedures, effectiveness and development in the year ahead.

Conflicts of interest

As part of their ongoing development, the Chief Executive Officer may seek two, and the Chief Financial Officer may seek one, external non-executive role on a non-competitor board, for which they may retain the remuneration in respect of the appointment. In order to avoid any conflict of interest, all appointments are subject to the Board's approval and the Board monitors the extent of Directors' other interests to ensure that its effectiveness is not compromised.

Each Director has a duty under the Act to avoid a situation in which he or she has or can have a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company. This duty is in addition to the obligation that he or she owes to the Company to disclose to the Board his or her interest in any transaction or arrangement under consideration by the Company. The Company's Articles of Association authorise the Directors to approve such situations and to include other provisions to allow conflicts of interest to be dealt with. The Board follows an established procedure when deciding whether to authorise an actual or potential conflict of interest. Only independent Directors (i.e. those who have no interest in the matter under consideration) will be able to take the relevant decision, and in taking the decision the Directors must act in good faith and in a way they consider will be most likely to promote the Company's success. Furthermore, the Directors may, if appropriate, impose limits or conditions when granting authorisation.

Any authorities are reviewed at least every 12 months. The Board considered and authorised each Director's reported actual and potential conflicts of interest at its September 2016 Board meeting.

Committees of the Board

The Board has established a number of committees to assist in the discharge of its duties and the formal Terms of Reference for the principal committees, approved by the Board and complying with the Code, are available from the General Counsel and Company Secretary. The Terms of Reference are reviewed annually and updated where necessary. Membership and details of the principal committees are shown on pages 30 to 31. The General Counsel and Company Secretary acts as Secretary to all Board committees.

Meeting attendance

The following table shows the attendance of Directors at meetings of the Board, Audit, Nomination and Remuneration Committees in the year ended 30 September 2016:

Name	Board	Audit Committee	Nomination Committee	Remuneration Committee
John Barton	8 of 8	3 of 3	2 of 2	3 of 3
Jonathan Davies	8 of 8	-	-	-
Ian Dyson	8 of 8	3 of 3	2 of 2	3 of 3
Denis Hennequin	8 of 8	3 of 3	2 of 2	3 of 3
Vagn Sørensen	8 of 8	-	2 of 2	-
Kate Swann	8 of 8	-	-	-
Per Utnegaard	8 of 8	3 of 3	-	3 of 3

The table shows the number of meetings attended out of the number of meetings that each Director was eligible to attend. Directors who are not members of individual Board committees have also been invited to attend one or more meetings of those committees during the year.

CORPORATE GOVERNANCE REPORT CONTINUED

Nomination Committee

Key responsibilities

The Nomination Committee reviews the structure, size and composition of the Board and its committees and makes recommendations with regard to any changes considered necessary in the identification and nomination of new Directors, the reappointment of existing Directors and appointment of members to the Board's committees. It also assesses the roles of the existing Directors in office to ensure that there continues to be a balanced Board in terms of skills, knowledge, experience and diversity. The Nomination Committee reviews the senior leadership needs of the Group to enable it to compete effectively in the marketplace. The Nomination Committee also advises the Board on succession planning for Executive Director appointments, although the Board itself is responsible for succession generally.

The Nomination Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities.

Membership as at 30 September 2016

John Barton (Chairman)

Ian Dyson

Denis Hennequin

Vagn Sørensen

Meetings held in 2016 financial year: two

Board appointment process

The Company adopts a formal, rigorous and transparent procedure for the appointment of new Directors and senior executives with due regard to diversity and gender. Prior to making an appointment, the Nomination Committee will evaluate the balance of skills, knowledge, independence, experience and diversity on the Board and, in the light of this evaluation, will prepare a description of the role and capabilities required, with a view to appointing the best placed individual for the role.

In identifying suitable candidates, the Nomination Committee:

- uses open advertising or the services of external advisors to facilitate the search;
- considers candidates from different genders and a wide range of backgrounds; and
- considers candidates on merit and against objective criteria ensuring that appointees have sufficient time to devote to the position, in light of other significant commitments.

In the year ahead, the Nomination Committee will continue to assess the Board's composition and how it may be enhanced and will consider diversity (gender and experience) and geographic representation and use independent consultants as appropriate to ensure a broad search for suitable candidates.

Remuneration Committee

Key responsibilities

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policy for the Chairman, Executive Directors and senior management.

Membership as at 30 September 2016

John Barton (Chairman)

Ian Dyson

Denis Hennequin

Per Utnegaard

Meetings held in 2016 financial year: three

The Directors' remuneration report is set out on pages 36 to 50 and includes details of the Remuneration Committee's activities during the year and the Company remuneration policy. The Chairman of the Remuneration Committee will attend the AGM to respond to any shareholder questions that might be raised on the Remuneration Committee's activities.

Audit Committee

Key responsibilities

The Audit Committee is responsible for assisting the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual and half-year financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group.

Membership as at 30 September 2016

Ian Dyson (Chairman)
 John Barton
 Denis Hennequin
 Per Utnegaard

Meetings held in 2016 financial year: three

The Audit Committee's report is set out on pages 32 to 35 and includes details of the Audit Committee's responsibilities and activities during the year. The Chairman of the Audit Committee will attend the AGM to respond to any shareholder questions that might be raised on the Audit Committee's activities.

Other Committees**Executive Committee**

The Executive Committee is not a Board committee but is the key management committee for the Group and is made up of the Executive Directors and senior management.

The Executive Committee meets regularly and is responsible for developing the Group's strategy and capital expenditure and investment budgets and reporting on those areas to the Board for approval, implementing Group policy, monitoring financial, operational and quality of customer service performance, health and safety, purchasing and supply chain issues, succession planning and day-to-day management of the Group.

Risk Committee

The Risk Committee is responsible for risk management. It is not a Board committee and is made up of the Chief Financial Officer, Senior Management and representatives from Deloitte, the Group's internal auditor. It meets quarterly and reports to the Audit Committee. Further details of the Risk Committee are set out in the Strategic report on pages 16 and 17.

Communicating with shareholders

The Company places considerable importance on communication with its shareholders, including its private shareholders. The Chief Executive Officer and the Chief Financial Officer are closely involved in investor relations supported by the Group's investor relations function, which has primary responsibility for day-to-day communication with investors. The views of the Company's major shareholders are reported to the Board by the Chief Executive Officer and the Chief Financial Officer, as well as by the Chairman, and are discussed at its meetings.

The Board recognises the importance of promoting mutual understanding between the Company and its shareholders through a programme of engagement. This includes the maintenance of a regular dialogue between the Board and senior management and major shareholders. The AGM provides an opportunity for all shareholders to meet the Board and to hear more about the strategy and performance of the Group. Shareholders are encouraged to attend the AGM and to raise any questions at the meeting or in advance, using the email address shown in the AGM pack which is made available to shareholders.

The primary method of communication with shareholders is by electronic means, helping to make the Company more environmentally friendly by reducing waste and pollution associated with the printing and posting of its annual report. The SSP Group Annual Report and Accounts 2016 is available to all shareholders and can be accessed via the Company's website at www.foodtravelexperts.com. The Group's annual and interim results are also published on the Company's website, together with other announcements and documents issued to the market, such as trading updates and presentations. Enquiries from shareholders may also be addressed to the Group's investor relations function through the contacts provided on the Group's website.

The Notice of AGM is circulated to shareholders at least 20 working days prior to the AGM and it is Company policy not to combine resolutions to be proposed at general meetings. All shareholders are invited to the Company's AGM, at which they have the opportunity to put questions to the Board, and it is standard practice to have the Chairman of the Audit, Nomination and Remuneration Committees available to answer questions. The results of proxy voting for and against each resolution, as well as abstentions, are announced to the London Stock Exchange and are published on the Company's website shortly after the meeting.

AUDIT COMMITTEE REPORT

Dear Shareholder

On behalf of the Audit Committee, I am pleased to present its report for the year ended 30 September 2016.

The Audit Committee held three meetings during the year. The Committee comprises myself and three other independent Non-Executive Directors – John Barton, Denis Hennequin and Per Utnegaard. As Chairman, I have recent and relevant financial experience through my past roles as a CEO and CFO of publicly quoted companies. The expertise and experience of the members of the Audit Committee is summarised on pages 26 and 27. Helen Byrne (Company Secretary) acts as Secretary to the Committee.

At the Committee's request, the Chairman of the Board, the Chief Financial Officer and senior members of the SSP Group Finance Department attend meetings of the Committee, together with senior representatives from the internal and external auditors. From time to time, the Committee reserves time for discussions without invitees being present. Senior management from the wider business are invited to present such reports as are required for the Committee to discharge its duties. The Committee holds private sessions with the external and internal auditors without management being present, and I meet privately with both internal and external auditors. I provide regular updates to the Board on the key issues discussed at the Committee's meetings.

Throughout the year, the Committee continued to focus on monitoring the integrity of the Group's financial reporting, internal control and risk management systems; reviewing the effectiveness of key audit and risk programmes; and establishing and maintaining processes to oversee business conduct and ethics, including anti-bribery and anti-corruption and whistleblowing arrangements.

The Committee seeks to balance independent oversight of the matters within its remit with providing support and guidance to management. I am confident that the Committee, supported by members of senior management and the internal and external auditors, has carried out its duties effectively and to a high standard during the year.

The Committee receives independent assurance from the Group's internal audit function, which is outsourced to Deloitte, and also receives updates from the external auditors across a wide range of issues in support of their respective oversight responsibilities. The Committee is further supported by the Risk Committee.

During the year the Committee:

- reviewed the Group's risk assessment, with particular focus on the risks which were deemed to have increased, either in likelihood or impact, along with the supporting action plans to mitigate the risks. In 2016, areas of particular focus included the Group's outsourcing projects (including the transition of certain finance processes to a shared service centre model) and the Group's management of the risks relating to information security, IT disaster recovery and cyber security;
- reviewed and evaluated the Group's internal financial control and risk management systems, whistleblowing arrangements and other audit and risk-related arrangements to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems. It also reviewed a number of detailed reports on the internal controls and risk management processes within the business units;
- agreed the scope of both the external and internal annual audit programme and reviewed the output, and monitored the effectiveness of the external and internal auditors;
- reviewed and monitored the external auditor's independence and objectivity, and approved the policy on the engagement of the external auditor to supply non-audit services;
- oversaw the relationship with the external auditor and made recommendations to the Board in relation to their appointment, remuneration and terms of engagement;
- monitored the integrity of the Group's financial statements and continued to challenge the assumptions and judgements made by management in determining the financial results of the Group, including ensuring that the disclosures in the financial statements were appropriate;
- oversaw the process for determining whether the Annual Report and Accounts presented a fair, balanced and understandable assessment of the Group's position and performance, business model and strategy; and
- evaluated and approved the going concern assumption and longer-term viability statements.

A fuller description of the operation of the Committee during the year is set out below. I will be available at the AGM to answer any shareholder questions about the work of the Committee.

Terms of reference

The terms of reference of the Committee can be found at www.foodtravelexperts.com.

Risk management and internal control

The Board has overall responsibility for risk management and the system of internal control, and for reviewing their effectiveness. The Committee oversees the risk management process and provides oversight of internal controls on the Board's behalf. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has established a clear organisational structure with defined authority levels. The day-to-day running of the Group's business is delegated to the Executive Directors of the Group. The Executive Directors meet with both operational and financial management on a weekly and monthly basis. Key financial and operational measures are reported on a weekly and monthly basis and are measured against both budget and reforecasts in these meetings.

The Group maintains Group and regional/country level risk registers which outline the key risks faced by the Group including their impacts and likelihood along with relevant mitigating controls and actions. On an annual basis, regional and country management teams are required to update local risk registers and risk maps to ensure that the key strategic, operational and financial risks in each location are captured and prioritised according to likelihood and impact and to identify the risk management activities for each risk. The regional and country risk registers are used in conjunction with input from the Executive Committee to update the Group risk register. The Risk Committee and Executive Committee review the assessment of risk, as well as current and future mitigation activities, at both Group and regional/country level. A summary of this review is presented to the Committee annually.

The principal risks and uncertainties which are currently judged to have the most significant impact on the Group's long-term performance are set out on pages 18 to 21.

The Committee reviewed the effectiveness of the Group's financial controls and system of internal control by reviewing the scope of work and reports of the internal and external auditors during the year. The Committee also reviewed the risk assessment process and Group, regional and country risk registers during the year.

Internal audit

Internal audit plays an important role in assessing the effectiveness of internal controls through a programme of reviews based on a continuing assessment of business risk across the Group. Deloitte acts as internal auditor to the Company and the partner responsible is a permanent member of the Risk Committee and reports directly to the Audit Committee. Internal audit is in regular dialogue with the regional chief financial officers. Where control deficiencies are noted, Deloitte will perform follow-up reviews and visits.

The Committee meets regularly with Deloitte to review and progress the Group's internal audit plan. The relevant audit plan and procedures are aimed at addressing risk management objectives and providing coverage of the risks identified in the regional and country risk registers. The internal audit plans have been prepared in accordance with standards promoted by the Chartered Institute of Internal Auditors. The Committee continues to monitor the effectiveness of internal audit plans in accordance with the Group's ongoing requirements.

The Committee considered the output from the 2016 annual internal audit programme of assurance work, reviewed management's responses to the matters raised and ensured that any action was timely and commensurate with its level of risk, whether real or perceived.

There were no significant weaknesses identified in the year that would materially impact the Group as a whole, but a number of recommendations were acted upon within the Group to strengthen controls or develop action plans to mitigate risk. The Committee remains satisfied that the Group's system of internal controls works well.

The Committee determines the adequacy of the performance of the internal auditor through the quality and depth of findings and recommendations. During 2016, the Committee also carried out an assessment of Deloitte using questionnaires completed by senior finance personnel both at Group and in country, along with key members of the legal and tax departments. The survey covered areas such as their position and organisation, purpose and remit, process management, people and knowledge and performance and communication. The survey indicated overall satisfaction with Deloitte's interaction with local teams and their understanding of the business and the issues it faces. The Committee was satisfied with Deloitte's responses to the points raised in the survey.

AUDIT COMMITTEE REPORT CONTINUED

Anti-Bribery and Anti-Corruption and whistleblowing

SSP has a Group-wide Anti-Bribery and Anti-Corruption Policy to comply with the Bribery Act 2010 and it periodically reviews its procedures to ensure continued effective compliance in its businesses around the world.

The Group's Whistleblowing Policy provides the framework to encourage and give all employees confidence to 'blow the whistle' and report irregularities. Employees are encouraged to raise concerns with designated individuals, including the Executive Directors or the Chairman of the Audit Committee. The Audit Committee monitors this policy and reviews annually the number of matters reported and the outcome of any investigations.

The Audit Committee will periodically review the Group's policies and procedures for preventing and detecting fraud, its systems, controls and policies for preventing bribery, its code of corporate conduct and business ethics and its policies for ensuring that the Group complies with relevant regulatory and legal requirements. The Committee receives updates on bribery and fraud trends and activity in the business, if any, at least twice a year, with individual updates being given to the Committee, as needed, in more serious cases of alleged bribery, fraud or related activities. During the year, the Group's policies and procedures for preventing bribery were updated as a result of the review into the effectiveness of the Group's implementation of its Anti-Bribery and Anti-Corruption policy carried out during 2015.

External audit

The effectiveness and the independence of KPMG, the Group's external auditor, are key to ensuring the integrity of the Group's published financial information. Prior to the commencement of the audit, the Committee reviewed and approved the audit plan to gauge whether it was appropriately focused. KPMG presented to the Committee its proposed plan of work which was designed to ensure there are no material misstatements in the financial statements. The Committee considered the accounting, financial control and audit issues reported by the external auditor that flowed from the audit work.

During the 2016 financial year, the Committee carried out an assessment of KPMG. This was supported by the results of discussions with individual Committee members and questionnaires completed by senior finance personnel both at Group and in country, along with key members of the legal and tax departments.

The survey covered areas such as communication, the audit approach and scope, the calibre of the audit teams, technical expertise and independence. The survey indicated overall satisfaction with the services provided by KPMG and the Committee was satisfied with KPMG's responses to the points raised in the survey.

In 2015, the Group tendered its external audit appointment and, as a result, KPMG was reappointed as external auditor. Under the terms of the new legislation and in line with the Code, the Group is required to put its external audit process out to tender again in 2025. In 2016, KPMG rotated the Group audit partner in accordance with mandatory partner rotation requirements.

Auditor independence and non-audit services policy

The Audit Committee has adopted a formal policy governing the engagement of the external auditor to provide non-audit services, taking into account the relevant ethical guidance on the matter. This policy is reviewed annually by the Committee. The review in 2016 took into consideration the new EU regulations on non-audit services. The policy describes the circumstances in which the auditor may be engaged to undertake non-audit work for the Group. The Committee oversees compliance with the policy and considers and approves requests to use the auditor for non-audit work.

Recognising that the auditor is best placed to undertake certain work of a non-audit nature, the engagements for non-audit services that are not prohibited are subject to formal review by the Committee based on the level of fees involved, with reference to the 70% cap that applies from 2017 onwards. Non-audit services that are pre-approved are either routine in nature with a fee that is not significant in the context of the audit, or are audit-related services.

Details of fees payable to the external auditor are set out in note 5 on page 73. In 2016, non-audit fees represented 20% of the audit fee. KPMG have provided tax compliance and advisory services to the Group in 2016 and the non-audit fees in 2016 included £0.1m of tax compliance and advisory fees. In response to the new regulations SSP has transitioned these areas of work to other advisors.

The external auditor reported to the Committee on its independence from the Group and confirmed it had complied with the independence requirements as set out by the APB Ethical Standards for Reporting Accountants. The Committee is satisfied that KPMG has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained.

Financial reporting

As part of our work to ensure the integrity of the financial reporting, the Committee focused on the following during the year:

- **Goodwill and intangible assets**

The Group has a significant goodwill balance, representing consideration paid in excess of the fair value of the identified net assets acquired relating to the 2006 acquisition of the SSP business through the purchase of various Compass Group plc subsidiaries by various subsidiaries of SSP Group. The net assets acquired include intangible assets relating to the Group's own brands and franchise rights in respect of third party brands which were determined at the date of acquisition.

The Committee recognises that there is a risk that a business can become impaired, for example, due to market changes. As a result the Group monitors carrying values of goodwill and intangibles to ensure that they are recoverable and any specific indicators of goodwill or intangible impairment are discussed by the Executive Directors with both operational and financial management.

The carrying value of goodwill is subject to impairment testing, on an annual basis. The carrying values of goodwill and intangible assets are reviewed on the identification of a possible indicator of impairment, to ensure that the carrying values are recoverable. This testing, including the key assumptions and sensitivity analysis, is reviewed by the Chief Financial Officer and the Group Financial Controller.

After reviewing reports from management and consulting, where necessary, with the external auditor, the Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates, both in respect to the amounts reported and the disclosures provided. The Committee agrees with management that no impairment needs to be recognised.

- **Taxation**

The Group operates in and is subject to income taxes in a number of jurisdictions. Management is required to make judgements and estimates in determining the provisions for income taxes and the amount of deferred tax assets and liabilities recognised in the consolidated financial statements.

The Committee recognises that management judgement is required in determining the amount and timing of recognition of tax benefits and an assessment of the requirement for provisions against the recognition of such benefits.

The Committee reviewed the Group's tax strategy and received reports and presentations from the Head of Tax highlighting the principal tax risks that the Group faces, the tax strategy and the judgements underpinning the provisions for potential tax liabilities. The Committee also reviewed the results of the external auditor's assessment of provisions for income taxes and deferred tax assets and liabilities and, having done so, was satisfied with the key judgements made by management.

- **Viability statement**

The Committee agreed the parameters and the supporting analysis for the viability statement as presented on page 22 of the strategic report.

- **Fair, balanced and understandable financial statements**

An intrinsic requirement of a group's financial statements is for the Annual Report and Accounts to be fair, balanced and understandable. The co-ordination and review of the Group-wide input into the Annual Report is a sizeable exercise performed within an exacting timeframe, which runs alongside the formal audit process undertaken by the external auditor.

The process to ensure that the Committee, and then the Board, are satisfied with the overall fairness, balance and clarity of the document has been underpinned by:

- guidance issued to contributors at an operational level;
- a verification process dealing with the factual content of the reports; and
- comprehensive review by the Directors and the senior management team.

Priorities for 2017

In 2017, the Committee will continue to focus on key areas of judgement, risk management, audit and internal controls to ensure the management of risks to strategic objectives and the integrity of financial reporting. As in 2016, areas of focus will include review of: the Group's risk assessment; the effectiveness and output of the work of the internal and external auditor; and the financial statements, disclosure and associated judgements.



Ian Dyson

Chairman, Audit Committee

28 November 2016

STATEMENT BY THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholder

I am delighted to present our Directors' remuneration report for the financial year ended 30 September 2016, which comprises this statement and the Annual Report on Remuneration on pages 37 to 43.

Our Remuneration Policy was approved by shareholders at our 2015 AGM. The Remuneration Committee (the 'Committee') has continued to operate in accordance with that Policy during the 2016 financial year. The Committee is satisfied that the Policy remains appropriate, and no changes are proposed for 2017. The Policy is provided on pages 44 to 50 for information only.

Key decisions and pay outcomes for the year ended 30 September 2016

Following a review during the year, our Executive Directors' base salaries were increased by 2% effective 1 June 2016, in line with the average salary increases awarded to UK employees who are paid on a monthly basis. This resulted in base salaries of £780,300 for Kate Swann and £416,160 for Jonathan Davies.

The Group delivered a strong financial performance in the year with good like-for-like sales, net gains and improvement in operating margin. There was continued progress against the Group's strategic objectives, with new contract openings across the globe and the continued successful implementation of the programmes of operational improvements. Further information regarding the Group's performance during the year can be found in the Strategic Report on pages 1 to 25.

In this context, based on a combination of the financial performance of the business and personal performance achieved in the financial year, the Committee awarded an annual bonus of 200% of salary to Kate Swann and 100% of salary to Jonathan Davies. Further details of performance achieved and the bonus targets set are shown on page 38.

As a reminder, no awards under long-term incentive awards were due to vest during the 2016 financial year.

Remuneration for the year ending 30 September 2017

The Committee will continue to apply the current remuneration framework during the year ending 30 September 2017.

- The current salaries of Executive Directors will continue to apply from 1 October 2016. We will review the salaries during the year with any changes effective from 1 June 2017, in line with our usual timetable.
- The annual bonus plan will operate on the same basis as in 2016. Awards will be primarily based on underlying Group operating profit, and will be subject to a multiplier based on individual performance.
- The Performance Share Plan will operate on the same basis as in 2016. We will grant PSP awards in November 2016 equal to 200% of salary to Kate Swann and 125% of salary to Jonathan Davies. These awards will be subject to performance over the three financial years to 30 September 2019. The performance measures will continue to be 75% EPS growth and 25% relative TSR performance. The targets for these awards are set out on pages 41 to 42.
- Our Executive Directors have very significant shareholdings. We believe this provides strong alignment to our other shareholders.
- As the current Remuneration Policy is due to expire at the 2018 AGM, the Committee will review the policy during the 2017 financial year and will present a new policy for shareholder approval at the 2018 AGM.

I hope very much that shareholders will support the Committee's continuing overall approach to remuneration and, on behalf of the Committee, I recommend our report to you.

The Directors' Remuneration Report as set out on pages 36 to 50 was approved by the Board and signed on its behalf by:



John Barton

Chairman of the Remuneration Committee

28 November 2016

ANNUAL REPORT ON REMUNERATION

Audited information

The information presented in this report up until the end of page 39 is the audited section.

Single total figure of remuneration

The following table sets out the total remuneration for Executive Directors and Non-Executive Directors for the year ended 30 September 2016. All figures are for the full financial year.

All figures shown in £000	Salary and fees ^(a)		Benefits ^(b)		Pension ^(c)		Annual bonus ^(d)		Long-term incentives ^(e)		Other ^(f)		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Executive Directors														
Kate Swann	750	735	57	47	270	264	1,530	1,500	-	-	1	1	2,608	2,547
Jonathan Davies	411	395	15	15	86	85	408	400	-	-	1	1	921	896
Non-Executive Directors^(g)														
Vagn Sørensen	178	175	-	-	-	-	-	-	-	-	-	-	178	175
John Barton	66	65	-	-	-	-	-	-	-	-	-	-	66	65
Ian Dyson	56	55	-	-	-	-	-	-	-	-	-	-	56	55
Denis Hennequin	46	45	-	-	-	-	-	-	-	-	-	-	46	45
Per Utnegaard	46	11	-	-	-	-	-	-	-	-	-	-	46	11
	1,553	1,481	72	62	356	349	1,938	1,900	-	-	2	2	3,921	3,794

Notes to the table

- (a) Salary and fees – this represents the base salary or fees paid in respect of the relevant financial year. These figures are net of £21k for Kate Swann in relation to salary sacrificed for annual leave (2015: Kate Swann – £20k and Jonathan Davies – £8k).
- (b) Benefits – this represents the taxable value of all benefits paid in respect of the relevant financial year. Executive Directors' benefits may include private healthcare (for the Director and their family), car allowance or a company car, company fuel card and travel to and from work (including associated tax paid). 2015 benefits updated to reflect final amounts received.
- (c) Pension – Executive Directors receive a cash allowance in lieu of pension contributions. Kate Swann received a cash allowance of 35% of salary per annum and Jonathan Davies received a cash allowance of 21% of salary per annum. No Director accrues retirement benefits under money purchase or defined benefit schemes.
- (d) Annual bonus – this represents the annual bonus payable for the financial year. Further details on the performance assessment for the 2016 financial year is set out on page 38.
- (e) Long-term incentives – this represents the value of any long-term incentive awards with a performance period ending in the relevant year. No long-term incentive plan awards vested in the 2015 or 2016 financial years.
- (f) Other – this column shows the face value (at the date of issue) of Matching Shares provided to the Executive Directors under the UK Share Incentive Plan.
- (g) Non-Executive Directors – following a review of the Non-Executive Directors' fee arrangements during the year, the Chairman's fee increased from £175,000 per annum to £185,000 per annum, with effect from 1 July 2016. The basic fee for other Non-Executive Directors increased from £45,000 per annum to £48,000 per annum, with effect from 1 July 2016. The Senior Independent Director, Chairman of the Audit Committee and Chairman of the Remuneration Committee each receive an additional £10,000 per annum per appointment.

Additional disclosures in respect of the single figure table

Base salary

The base salaries of the Executive Directors are:

	From 1 June 2016	From 1 June 2015	Change
Kate Swann	£780,300 per annum	£765,000 per annum	2%
Jonathan Davies	£416,160 per annum	£408,000 per annum	2%

ANNUAL REPORT ON REMUNERATION CONTINUED

Annual bonus

The bonus for the 2016 financial year was primarily based on underlying Group operating profit performance. Any bonus earned in respect of underlying Group operating profit performance was subject to a multiplier based on an assessment of individual performance (including financial, personal and/or strategic objectives). If the individual performance rating is significantly below expectations, the Committee could decide not to award a bonus. Under this framework Kate Swann had the opportunity to receive an annual bonus up to a maximum of 200% of her base salary and Jonathan Davies had the opportunity to receive up to 125% of his base salary.

The underlying Group operating profit targets and Group performance for the year are set out in the table below.

	Targets set at the start of the 2016 financial year			2016 financial year
	Threshold	Budget	Maximum	Group performance
Underlying Group operating profit	Budget -3.0%	£108m	Budget +7.0%	+7.1%

Underlying Group operating profit performance in the year, at constant currency, exceeded budget by 7.1%. Based on this performance and the Committee's assessment of individual performance during the year, Kate Swann earned a bonus of £1,530,000 (200% of salary) and Jonathan Davies earned a bonus of £408,000 (100% of salary).

Scheme interests awarded during the financial year

SSP Performance Share Plan awards

The following PSP awards were made to the Executive Directors on 27 November 2015.

	Type of award	Number of awards granted	Face value (£) at date of grant	Face value (% of salary)	Percentage award receivable for minimum performance	End of performance period
Kate Swann	Nil Cost	492,912	£1,530,000	200%	25%	30 September 2018
Jonathan Davies	Options	164,304	£510,000	125%		30 September 2018

The closing price on the day before grant was used to calculate the number of awards (£3.104 on 26 November 2015).

Awards will vest subject to the achievement of the performance conditions which will be measured at the time the Group publishes its full year financial results for the relevant financial year. The awards will vest subject to achieving two performance measures, namely earnings per share ('EPS') (75% weighting) and relative total shareholder return ('Relative TSR') targets (25% weighting). The performance targets for these awards granted are summarised on page 39.

Share Incentive Plan awards

Executive Directors were eligible to participate in the UK SIP on the same basis as other eligible employees.

The table below provides details of Partnership Shares purchased by and Matching Shares awarded to the Executive Directors under the UK SIP during the year ended 30 September 2016. In addition, it shows any Dividend Shares purchased under the UK SIP from any dividends declared on the Partnership Shares or Matching Shares.

	Total SIP shares held at 1 October 2015	Partnership Shares purchased ^(a)	Matching Shares awarded ^(b)	Dividend Shares purchased ^(c)	Total SIP shares held at 30 September 2016
Kate Swann	678	497	328	21	1,524
Jonathan Davies	678	497	328	21	1,524

(a) Partnership Shares purchased during the 2016 financial year at a price of between £2.76 and £3.28 per share.

(b) Matching Shares awarded during the 2016 financial year at nil consideration.

(c) Dividend Shares purchased during the 2016 financial year from the proceeds of dividends payable on SIP Partnership and Matching Shares.

Payments for loss of office and payments to past Directors

There have been no payments to Directors for loss of office or payments to past Directors in the 2016 financial year (2015: £nil).

Statement of Directors' shareholding and share interests

Shareholding guidelines require Executive Directors to build up over time a personal shareholding in the Company equivalent in value to 200% of salary for the CEO and 125% of salary for the CFO. Executive Directors are encouraged to retain vested shares earned under the Company's incentive plans until the shareholding guidelines have been met. The Chairman and each Independent Non-Executive Director are expected to build and then maintain a shareholding in the Company equivalent in value to 100% of their annual gross fee.

The period over which the minimum shareholding must be built up is a three-year period, either from the date of admission (15 July 2014), or from the date of appointment if later. The table below shows details of the Directors' shareholdings as at 30 September 2016.

Director	Shareholding requirement as a % of salary/fees	Shareholding as a % of salary/fee achieved ^(a)	Shares owned outright at 30 September 2016 ^(b)	Interests in unvested PSP awards at 30 September 2016 ^{(c)(d)}
Kate Swann	200%	1,887%	4,603,322	1,207,198
Jonathan Davies	125%	1,006%	1,309,686	402,400
Vagn Sørensen	100%	853%	493,147	-
John Barton	100%	269%	57,142	-
Ian Dyson	100%	104%	18,928	-
Denis Hennequin	100%	126%	18,928	-
Per Utnegaard	100%	-	-	-

Notes:

- (a) For the purposes of determining Executive Director shareholding requirements, the individual's salary/fee at 30 September 2016 and the share price at 30 September 2016 (319.90 pence) have been used. Further, the total shareholding used to calculate the shareholding percentage excludes Matching Shares issued under the UK Share Incentive Plan (666 for each Executive Director as at 30 September 2016).
- (b) 'Shares owned outright at 30 September 2016' includes shares held by persons connected with a Director. It also includes Partnership Shares purchased, Matching Shares awarded and Dividend Shares purchased, under the UK Share Incentive Plan.
- (c) 'Interests in unvested PSP awards' refers to Performance Share Plan awards granted in July 2014 and November 2015. The performance conditions for each award are described in (i) and (ii) below.
- (i) 2014 PSP awards: 75% of these awards may vest based on EPS growth over the three-year period from 1 October 2014 to 30 September 2017. 0% of this element will vest if compound EPS growth is less than 7% p.a. over the period, 25% will vest for 7% p.a. and 100% will vest for EPS growth of 12% p.a., with vesting on a straight-line basis between these points. 25% of these awards may vest based on Relative TSR performance. SSP's TSR will be calculated using the IPO offer price of 210 pence as the starting value. For constituents of the comparator group a three-month average from 16 June 2014 will be used. TSR performance will be measured to the three months after the announcement of results for the financial year ending 30 September 2017. 25% of this element will vest for median performance and 100% will vest for upper-quartile performance, with vesting on a straight-line basis between these points. The TSR comparator group was disclosed in full in the 2014 annual report on remuneration.
- (ii) 2015 PSP awards: 75% of these awards may vest based on EPS growth over the three-year period from 1 October 2015 to 30 September 2018. 0% of this element will vest if compound EPS growth is less than 7% p.a. over the period, 25% will vest for 7% p.a. and 100% will vest for EPS growth of 12% p.a., with vesting on a straight-line basis between these points. 25% of these awards may vest based on Relative TSR performance. TSR for SSP and the constituents of the comparator group will be measured over the three-year period from 1 October 2015 to 30 September 2018. A three-month average share price prior to the start and end of the performance period will be used to calculate TSR. 25% of this element will vest for median performance and 100% will vest for upper-quartile performance, with vesting on a straight-line basis between these points. The TSR comparator group was disclosed in full in the 2015 annual report on remuneration and is the same as the one shown on page 42 for the 2016 PSP awards.
- (d) Unvested awards under the Company's share plans will be satisfied by the transfer of existing shares held by the Company's employee benefit trust (EBT), market purchased shares (which will be held by the EBT) or the issue of new shares within limits agreed by shareholders when the plans were approved. These limits comply with the Investment Association's guidelines which require that no more than 10% of a company's issued share capital be issued in accordance with all employee share plans in any 10-year period, with no more than 5% issued in accordance with discretionary employee share plans.

At 28 November 2016, other than as set out below, there had been no movement in Directors' shareholdings and share interests from 30 September 2016.

Director	Shares owned outright at 28 November 2016	Shares owned outright at 30 September 2016	Change
Kate Swann	4,603,435	4,603,322	113
Jonathan Davies	1,309,799	1,309,686	113

Note: 'Shares owned outright' includes shares held by persons connected with a Director. It also includes Partnership Shares purchased, Matching Shares awarded and Dividend Shares purchased, under the UK Share Incentive Plan.

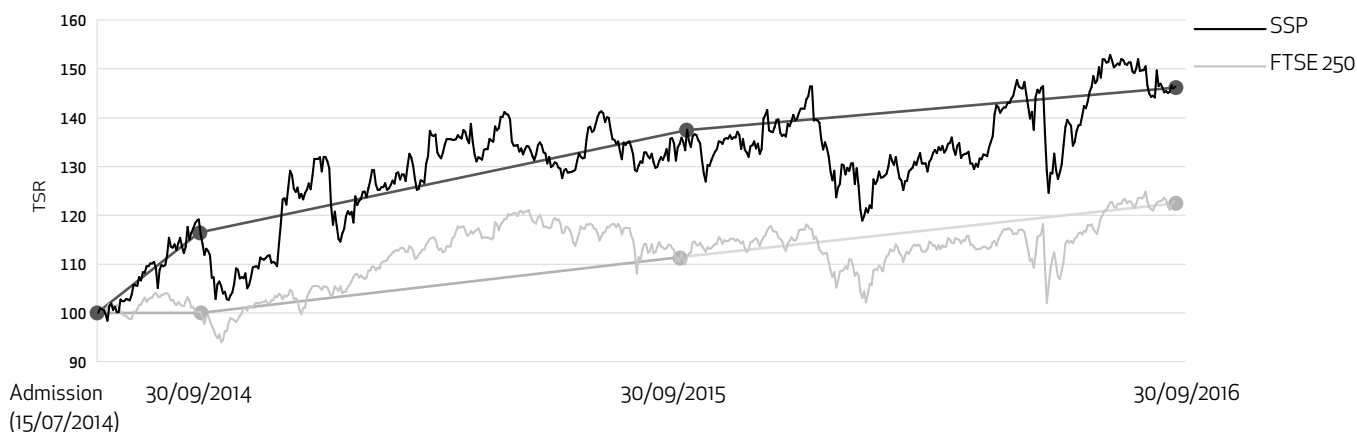
This is the end of the audited section of the annual report on remuneration.

ANNUAL REPORT ON REMUNERATION CONTINUED

Historical TSR performance

As the Company is a constituent of the FTSE 250, the FTSE 250 Index provides an appropriate indication of market movements against which to benchmark the Company's performance. The chart below summarises the Company's TSR performance against the FTSE 250 Index over the 115-week period from admission on 15 July 2014 to 30 September 2016.

TSR performance since admission



Chief Executive Officer remuneration outcomes

The table below summarises the Chief Executive Officer single figure for total remuneration, and the annual bonus payable and long-term incentive plan vesting levels as percentages of maximum opportunity for completed financial years following Admission.

Chief Executive Officer	2014	2015	2016
Single figure of remuneration (£m)	£4.5m	£2.5m	£2.6m
Annual bonus payable (as a % of maximum opportunity)	100%	100%	100%
Long-term incentive vesting out-turn (as a % of maximum opportunity)	n/a	n/a	n/a

No long-term incentive plan awards vested in 2015 or 2016. The first award which was granted on IPO in 2014 will vest, subject to the achievement of performance targets, at the start of the 2018 calendar year.

Total remuneration for 2014 includes additional awards of cash and shares made on IPO by the Company and the previous majority shareholder.

Percentage change in remuneration of the Chief Executive Officer and other employees

On the annual salary review date of 1 June 2016, the Chief Executive Officer's base salary increased by 2%, compared with the average annual salary increase of 2% awarded to UK employees who are paid on a monthly basis. This population was chosen as a suitable comparator group because it is considered to be the most relevant in terms of employment location and remuneration structure.

In addition, there were no material changes made to the provision of benefits or changes made to the bonus arrangements provided to the Chief Executive Officer, or the UK monthly paid employees in the year.

Relative importance of the spend on pay

The table below shows the total spend on employee pay in the 2015 and 2016 financial years, and the total expenditure on dividends.

	2016	2015	Percentage change
Total staff costs	£581.6m	£541.7m	7%
Dividends	£22.3m	£10.0m	123%

Fees from external directorships

Kate Swann was a Non-Executive Director of Babcock International Group plc during the 2016 financial year until 31 December 2015 and retained a fee of £44,000 in respect of that directorship for the part of the 2016 financial year that she was a Non-Executive Director. Kate Swann became a Non-Executive Director of England Hockey in June 2016 but did not receive a fee in respect of that directorship for the year ended 30 September 2016.

Jonathan Davies did not receive any fees from external directorships during the year.

All external directorships are approved in advance by the Board.

Implementation of the remuneration policy in the year ending 30 September 2016

This section provides an overview of how the Committee is proposing to implement the Group's remuneration policy in the year ending 30 September 2017.

Base salary

The table below shows base salaries at 1 October 2016.

	Base salary at 1 October 2016
Kate Swann	£780,300
Jonathan Davies	£416,160

The Remuneration Committee will review salaries with effect from 1 June 2017, in line with the Group's usual timetable.

Benefits

The benefits received by each Executive Director will continue to include private healthcare (for the executive and their family), life insurance, car allowance or a company car, company fuel card and travel to and from work (including associated tax paid).

Pension allowance

The current Executive Directors will receive a cash allowance in lieu of pension. The table below shows the expected cash allowances for the year ending 30 September 2017.

	Cash allowance in lieu of pension (% of salary)
Kate Swann	35%
Jonathan Davies	21%

Annual bonus

The maximum annual bonus opportunity for Executive Directors for the year ending 30 September 2017 will remain 200% of base salary for the Chief Executive Officer and 125% of salary for the Chief Financial Officer.

The structure of the annual bonus performance measures will remain unchanged. Bonuses for the year ending 30 September 2017 will use underlying Group operating profit as the primary financial target, with a multiplier based on the individual performance assessment. The Group operating profit targets are considered commercially sensitive so have not been disclosed. The Company will disclose the targets retrospectively when they are considered no longer commercially sensitive.

Performance Share Plan

The Committee is intending to make PSP awards in the 2017 financial year to Kate Swann and Jonathan Davies in respect of ordinary shares with a value set out below:

	Face value (£)	Face value (% of salary)	End of performance period
Kate Swann	£1,560,600	200%	30 September 2019
Jonathan Davies	£520,200	125%	30 September 2019

The number of shares subject to an award will be calculated using the closing share price on the day before the award date.

ANNUAL REPORT ON REMUNERATION CONTINUED

The Remuneration Committee has determined that the vesting of these awards will be subject to two types of performance conditions as detailed below.

75% of the award – Earnings Per Share (EPS) growth over the three-year period from 1 October 2016 to 30 September 2019.

EPS – compound annual growth	Percentage of the award vesting
Less than 7% per annum	0%
7% per annum	25%
12% per annum or more	100%

Straight-line vesting operates between these points.

EPS growth will normally be calculated using actual foreign exchange rates. However, given the international nature of SSP's business, in order to ensure that management performance during the performance period is appropriately rewarded, the Committee may make an adjustment upwards or downwards where there have been exceptional movements in foreign exchange rates during the performance period.

25% of the award – relative Total Shareholder Return (TSR) performance against a comparator group of companies over the three-year period from 1 October 2016 to 30 September 2019.

Relative TSR performance	Percentage of the award vesting
Below median	0%
Median	25%
Upper quartile	100%

Straight-line vesting operates between these points.

The relative TSR comparator group will be consistent with that used for awards made in November 2015 and is set out below.

Autogrill	Dunelm Group	Inchcape	Millennium & Copthorne Hotels	Stagecoach Group
Booker Group	Elior	InterContinental Hotels Group	Mitchells & Butlers	Tesco
	Enterprise Inns	JD Sports Fashion	N Brown Group	Thomas Cook Group
Compass Group	First Group	J D Wetherspoon	National Express	TUI Travel
Debenhams	Go-Ahead Group	J Sainsbury	Next	UDG Healthcare
Dignity	Greene King	Kingfisher	Ocado Group	WHSmith
Dixons Carphone	Halfords Group	Marks and Spencer Group	The Restaurant Group	Whitbread
Domino's Pizza Group	Home Retail Group	Marston's	Sports Direct International	Wm Morrison Supermarkets

Share Incentive Plan Awards

Executive Directors will be eligible to participate in the UK SIP on the same basis as other eligible employees.

Non-Executive Director remuneration

Following the review of Non-Executive Director fees during the year ended 30 September 2016, the fees from 1 July 2016 will be as set out below. The Company will continue to review these fees in accordance with the terms of the Non-Executive Director contracts.

	2016 fees
Chairman of the Board	£185,000
Board member	£48,000
Additional fee for Senior Independent Director	£10,000
Additional fee for Chairman of Audit/Remuneration Committee	£10,000

Consideration by the Directors of matters relating to Directors' remuneration

The Board entrusts the Remuneration Committee with the responsibility for setting the remuneration policy in respect of Executive Directors and senior executives and ensuring its ongoing appropriateness and relevance. In setting the remuneration for these groups, the Committee considers the pay and conditions of the wider workforce and roles in relevant geographies.

Internal advice

The Chief Executive Officer, Chief Financial Officer, the Group HR Director and the Company Secretary attend Committee meetings by invitation, other than when their personal remuneration is being discussed. The Company Secretary acted as secretary to the Committee.

External advice

During the year ended 30 September 2016, the Committee received independent advice on executive remuneration matters from Deloitte. Deloitte received £34,450 in fees for these services. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. During the year, Deloitte also provided the Company with internal audit services, consulting services, tax services and transaction-related services.

The Committee appointed Deloitte to the role of independent advisor to the Committee. The Committee has reviewed the advice provided by Deloitte during the year and is comfortable that it has been objective and independent. The Committee has reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflict.

Statement of shareholder voting

Votes cast at the AGM in March 2016 in respect of the approval of the Directors' remuneration report and at the AGM in March 2015 in respect of the approval of the Directors' remuneration policy are given below:

Resolution	Meeting	Votes for	% for	Votes against	% against	Total shares voted	% of issued share capital voted	Votes withheld
To approve the Directors' remuneration report	March 2016 AGM	369,713,524	97.57%	9,215,498	2.43%	378,929,022	79.75%	8,034,666
To approve the Directors' remuneration policy	March 2015 AGM	342,937,941	98.04%	6,867,652	1.96%	349,805,593	73.64%	8,662,050

Where shareholders voted against our policy, the Committee has sought to engage with them to understand their concerns as part of determining future policy.

DIRECTORS' REMUNERATION POLICY

This part of the report sets out the Directors' remuneration policy as determined by the Remuneration Committee ('the Committee') and approved by shareholders at the 2015 Annual General Meeting. The scenario charts have been updated to reflect the application of the policy for the 2017 financial year, references to prior financial years have been updated to aid understanding and the list of Non-Executive Directors has been updated to reflect changes since the policy's adoption. A copy of the shareholder-approved policy, including the scenario charts for the 2015 financial year, is in the Annual Report and Accounts 2014 which is available at www.foodtravelexperts.com in the Investors section. The scenario charts for the 2016 financial year are in the Annual Report and Accounts 2015 which is also available at www.foodtravelexperts.com in the Investors section.

Key principles of remuneration policy

The remuneration policy for the Directors of the Company is intended to help recruit and retain executives who can execute SSP's strategy by rewarding them with appropriate compensation and benefit packages. The policy seeks to align the interests of Executive Directors with the performance of the Company and the interests of its shareholders.

Our incentive arrangements are designed to reward performance against key financial and strategic performance objectives. Our aim is to reward management for delivering sustainable long-term performance and support the retention of critical talent.

Future policy table

The table below describes the policy in relation to the components of remuneration for Executive Directors and, at the bottom of the table, the policy for the Non-Executive Directors.

Element and link to strategy	Operation	Maximum potential value	Performance metrics
Executive Directors			
Base salary			
A core element of the remuneration package used to recruit, reward and retain Executive Directors who can deliver our strategic objectives.	<p>Normally reviewed annually. The Remuneration Committee may, however, award an out-of-cycle increase if it considers it appropriate.</p> <p>Base salaries are set by the Committee taking into account a number of internal and external factors, including:</p> <ul style="list-style-type: none"> the individual's skills, experience and performance; the size and scope of the Executive Director's role and responsibilities; market positioning and inflation; and pay and conditions elsewhere in the Group. 	<p>Salary increases in percentage terms will normally be in line with increases awarded to other head office employees in the relevant geography, but may be higher in certain circumstances.</p> <p>The circumstances may include but are not limited to:</p> <ul style="list-style-type: none"> where a new Executive Director has been appointed at a lower salary, higher increases may be awarded over an initial period as the Executive Director gains experience in the role; where there has been an increase in the scope or responsibility of an Executive Director's role; where a salary has fallen significantly below market positioning. <p>There is no maximum increase or opportunity.</p>	None.
Pension			
To provide an income following retirement and assist the Executive Director in building wealth for their future.	<p>The Company operates an approved defined contribution pension arrangement, to which the Company may make contributions.</p> <p>A cash allowance may be provided in lieu of pension contributions.</p>	Company contributions or cash allowance of up to 35% of base salary may be paid in respect of each financial year of the Company.	None.

Element and link to strategy	Operation	Maximum potential value	Performance metrics
Other benefits			
To provide appropriate benefits as part of a remuneration package that assists in recruiting, rewarding and retaining Executive Directors.	<p>Each Executive Director receives a tailored benefits package including (but not limited to) private health insurance for themselves, their spouse and dependent children, annual health screening, smartphone (or similar devices), life assurance, business travel and permanent health insurance.</p> <p>Travel benefits, including car allowance, company car, driver, the cost of fuel for private mileage, insurance, maintenance and servicing and travel to and from work (including any associated tax and social security charges) may also be provided.</p> <p>In the event that an Executive Director is required by the Group to relocate, other benefits may include, but are not limited to, the costs of relocation, housing, travel and education allowances and subsistence costs.</p> <p>Expenses incurred in the performance of duties for the Group may be reimbursed or paid for directly by the Company, as appropriate, including any tax or social security charges due on the expenses.</p> <p>The Executive Directors are eligible to receive other benefits (such as a colleague discount card) on the same terms as other eligible employees of the Group.</p>	<p>Car allowance of up to £13,000 per annum.</p> <p>The cost of insured benefits may vary from year to year depending on the individual's circumstances, and therefore the Committee has not imposed any overall maximum value on the benefit.</p>	None.
Annual bonus			
To reward performance on an annual basis against key annual objectives.	<p>Performance objectives will be determined by the Committee at the beginning of the financial year.</p> <p>The Committee will assess performance against these objectives following the end of the relevant financial year.</p> <p>Awards are delivered wholly in cash, and are paid once the results for the year have been audited.</p> <p>The Committee may claw back awards up to three years after vesting if the Group's accounts have been materially misstated or there has been an error in the calculation of any performance conditions that results in overpayment.</p>	<p>The maximum annual bonus opportunity is 200% of base salary per annum.</p> <p>For the 2017 financial year the maximum annual opportunities are:</p> <ul style="list-style-type: none"> Chief Executive Officer, Kate Swann – 200% of salary per annum. Chief Financial Officer, Jonathan Davies – 125% of salary per annum. 	<p>Performance is measured relative to targets in key financial, operational and/or strategic objectives over the financial year.</p> <p>The measures selected and their weightings may vary each year according to the strategic priorities.</p> <p>Entitlement to bonus only starts to accrue at a minimum threshold level of financial and individual performance. Below this level, no bonus will be paid.</p> <p>To earn a maximum bonus there must be outperformance against stretching objectives.</p>

DIRECTORS' REMUNERATION POLICY CONTINUED

Element and link to strategy	Operation	Maximum potential value	Performance metrics
Performance Share Plan ('PSP')			
<p>The PSP rewards the delivery of Company performance and shareholder value over the longer term.</p> <p>The awards are share-based to align the interests of Executive Directors with those of shareholders.</p>	<p>Awards may be made to Executive Directors at the discretion of the Committee in the form of conditional share awards, nil-cost options, forfeitable shares or equivalent rights.</p> <p>Awards will normally be subject to performance conditions set by the Committee measured over a period of at least three years. Awards will vest following the end of the performance period.</p> <p>Awards (other than forfeitable shares) may incorporate the right to receive (in cash or shares) the value of dividends that would have been paid on the award shares that vest between the grant and vesting of awards, which will, unless the Committee determines otherwise, assume the reinvestment of those dividends in the Company's shares on a cumulative basis.</p> <p>The Committee has the discretion to reduce the number of shares subject to unvested awards if, prior to vesting, there is a material misstatement in the Company's annual financial statements, or a material failure of risk management, or serious reputational damage to a member of the Group or relevant business unit.</p> <p>The Committee may claw back awards up to three years after vesting if the Group's accounts have been materially misstated or there has been an error in the calculation of any performance conditions that results in overpayment.</p>	<p>The maximum award that may be made is up to 200% of salary per annum under the rules of the plan in respect of any financial year of the Company.</p>	<p>It is currently anticipated that for PSP awards performance will be based on:</p> <ul style="list-style-type: none"> • 25% on relative Total Shareholder Return (TSR) • 75% on Earnings per Share ('EPS') <p>If the minimum level of performance is not achieved then none of the award will vest and the award will lapse.</p> <p>For performance at the threshold levels 25% of the award will vest.</p> <p>The whole award will vest if the maximum level of performance, or above, is achieved.</p> <p>Long-term incentive performance conditions are reviewed on an annual basis, and may vary to ensure that they are aligned with the corporate strategy.</p> <p>The Committee would seek to consult with its major shareholders as appropriate on any proposed material changes.</p>
All-employee share plans	Executive Directors may participate on the same basis as other employees.	Participants can contribute up to the relevant limits set out in the country plan.	None.
Non-Executive Directors			
Fees			
To attract and retain Non-Executive Directors of the calibre required to oversee the development and execution of the Company's strategy.	<p>The Chairman's fees are determined by the Committee.</p> <p>The Non-Executive Directors' fees are determined by the Board.</p> <p>The total fees for Non-Executive Directors, including the Chairman, will not exceed the maximum stated in the Company's Articles of Association.</p> <p>The level of fees takes into account the time commitment, responsibilities, market levels and the skills and experience required.</p> <p>Non-Executive Directors normally receive a basic fee and an additional fee for specific Board responsibilities, including chairmanship or membership of Board committees or acting as the Senior Independent Director.</p> <p>Additional fees may be paid to Non-Executive Directors on a per diem basis to reflect increased time commitment in certain limited circumstances.</p> <p>Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax and social security due on the expenses.</p> <p>Non-Executive Directors may be provided with benefits to enable them to undertake their duties.</p>	None.	

Notes to the tables on pages 44 to 46

The Company also operates a shareholding policy – details can be found on page 39 of the Annual Report on Remuneration.

The PSP will be operated in accordance with the plan rules. In accordance with the rules of the PSP, any performance condition may be substituted or varied if the Committee considers it appropriate, provided that the amended performance condition is in its opinion reasonable and not materially less difficult to satisfy. The plan rules also provide for the adjustment of awards in the event of any variation of the Company’s share capital, capital distribution, demerger, special dividend or other event having a material impact on the value of shares.

Malus applies where stated in the above table. Other elements of remuneration are not subject to recovery provisions. Under Kate Swann’s service contract, if her employment is terminated by the Company making a payment in lieu of notice and the Company subsequently discovers that there were grounds for her summary dismissal, Kate Swann may be required to make a repayment equal to the net of tax value of any payments, benefits or shares received under any relevant bonus or incentive plan.

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the policy set out above where the terms of the payment were agreed:

- (i) before the policy came into effect (including payments relating to the admission); or
- (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes, ‘payments’ include the Committee satisfying awards of variable remuneration and an award over shares is ‘agreed’ at the time the award is granted.

Performance measures and targets

Annual bonus

Annual bonus metrics and targets are selected to incentivise Directors to meet objectives for the year and are chosen in line with the following principles:

- The targets set for financial measures should be incentivising and appropriately stretching. Targets may be adjusted by the Committee to take into account significant capital transactions during the year.
- There should be flexibility to change the measures and weightings year on year in line with the needs of the business.

PSP

Performance conditions and targets are determined by the Committee to reflect the Group’s strategy and having regard to market practice within the Company’s business sector. For the awards made in July 2014, November 2015 and November 2016, the measures were selected taking into account that:

- Earnings per Share is considered by the Company to be the best indicator of long-term performance.
- Total Shareholder Return is a key objective of most of our shareholders.

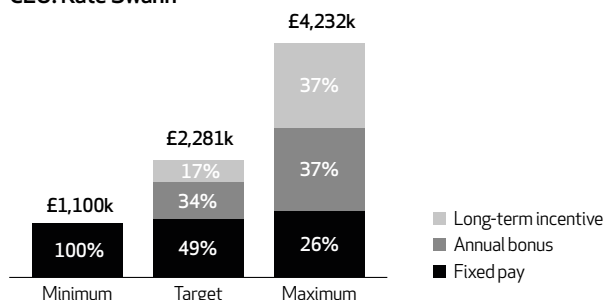
Remuneration arrangements throughout the Group

Differences in the policies for Executive Directors and other employees in the Group generally reflect differences in market practice taking into account role and seniority. The remuneration policies for Executive Directors and the senior executive team are generally consistent in terms of structure and the performance measures used. All eligible employees may participate in the Company’s all-employee share plans in the relevant territory.

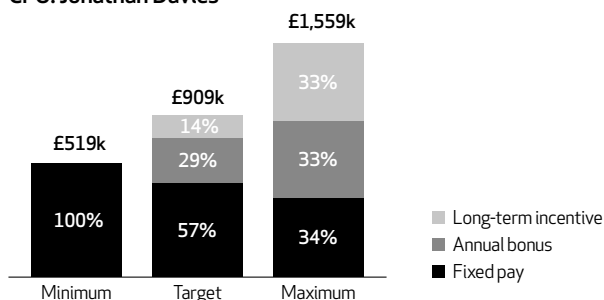
Illustrative scenario analysis

The following charts show the potential split between the different elements of the Executive Directors’ remuneration under three different performance scenarios: ‘Minimum’, ‘Target’ and ‘Maximum’ (see table on top of page 48).

CEO: Kate Swann



CFO: Jonathan Davies



DIRECTORS' REMUNERATION POLICY CONTINUED

Component		'Minimum'	'Target'	'Maximum'
Fixed remuneration	Base salary	Annual base salary for the 2017 financial year**		
	Pension	Chief Executive Officer: 35% of salary; Chief Financial Officer: 21% of salary		
	Benefits	Taxable value of annual benefits provided in the year ended 30 September 2016		
Annual bonus	Maximum opportunity	Chief Executive Officer: 200% of salary; Chief Financial Officer: 125% of salary		
	Vesting	0% of maximum opportunity	50% of maximum opportunity	100% of maximum opportunity
Performance Share Plan*	Maximum opportunity	Chief Executive Officer: 200% of salary; Chief Financial Officer: 125% of salary		
	Vesting	0% vesting	25% vesting	100% vesting

*Excludes share price and growth dividends

** Based on salary as at 1 October 2016

Approach to recruitment remuneration

In the event that the Group appointed a new Executive Director, remuneration would be determined in line with the following principles:

- The Committee will take into account all relevant factors, including the calibre and experience of the individual and the market from which they are recruited, while being mindful of the best interests of the Group and its shareholders and seeking not to pay more than is necessary.
- So far as practical the Committee will look to align the remuneration package for any new appointment with the remuneration policy set out in the table on pages 44 to 46.
- Salaries may be higher or lower than the previous incumbent, but will be set taking into account the review principles set out in the policy table. Where appropriate the salaries may be set at an initially lower level, with the intention of increasing salary at a higher than usual rate as the Executive Director gains experience in the role. For interim positions a cash supplement may be paid rather than salary (for example a Non-Executive Director taking on an executive function on a short-term basis).
- To facilitate recruitment the Committee may need to 'buy-out' terms or remuneration arrangements forfeited on joining the Company. Any buy-out would take into account the terms of the arrangements, in particular, any performance conditions and the time over which they would vest. The overriding principle would be that the value of any replacement buy-out awards should be no more than the commercial value of awards that have been forfeited. The form of any award would be determined at the time and the Committee may make buy-out awards under LR 9.4.2 of the Listing Rules (for buy-out awards only).
- The maximum variable pay opportunity in respect of recruitment (excluding buy-outs) comprises a maximum annual bonus of 200% of annual salary and a maximum PSP grant of 200% of annual salary, as stated in the policy table on pages 45 to 46. The Committee retains the flexibility to determine that, for the first year of appointment, any annual incentive award within this maximum will be subject to such terms as it may determine.

Where an Executive Director is appointed from within the Company or following corporate activity/reorganisation (for example, merger with another company), the normal policy would be to honour any legacy arrangements in line with the original terms and conditions.

Where the recruitment requires relocation of the individual, the Committee may provide for additional costs and benefits.

On the appointment of a new Chairman or Non-Executive Director, the remuneration package will be consistent with the policy set out above.

Details of Directors' service contracts

Executive Directors

Executive Directors have rolling service contracts. None of the existing service contracts for Executive Directors makes any provision for termination payments, other than for payment in lieu of notice.

Kate Swann's payment in lieu of notice would be calculated by reference to the base salary and pension contributions (or equivalent allowance) in respect of any unexpired portion of the notice period. This payment can be made in instalments over the notice period and can be reduced where alternative employment is commenced during the notice period. Any such payment to Kate Swann would be repayable (net of tax) if it was subsequently discovered that the Company would have been permitted to dismiss her summarily.

Jonathan Davies's payment in lieu of notice would be calculated by reference to the base salary in respect of any unexpired portion of the notice period. This payment can be made in instalments over the notice period and can be reduced where alternative employment is commenced during the notice period.

The Executive Directors' service contracts contain provisions relating to salary, car allowance, pension arrangements, medical insurance, life insurance, business travel insurance, company car, holiday and sick pay, and the reimbursement of reasonable out of pocket expenses incurred by the Executive Directors while on company business.

Kate Swann's service contract includes the provision that she is entitled to participate in the annual bonus scheme. For any new Executive Directors appointed their participation in the Company's incentive plans will be at the discretion of the Remuneration Committee.

The following service contracts in respect of Executive Directors who were in office during the year are rolling service contracts and therefore have no end date:

	Date of commencement of contract	Notice period for Director	Notice period for Company
Kate Swann	15 July 2014	9 months	12 months
Jonathan Davies	15 July 2014	9 months	12 months

Service contracts for new Executive Directors will be limited to nine months' notice for the Director and 12 months' notice for the Company.

Chairman

The terms of the Chairman's appointment broadly reflect the terms of the three-year appointments of the Non-Executive Directors. The Chairman's appointment can be terminated at any time upon written notice, resignation or in accordance with the articles of association of the Company.

The Chairman receives no benefits from the office other than fees and reimbursement of expenses incurred in performance of his duties, including any tax due on the expenses. He is not eligible to participate in Group pension arrangements.

Non-Executive Directors

All Non-Executive Directors have been appointed on an initial term of three years, subject to renewal thereafter. All are subject to annual re-election by shareholders.

The Non-Executive Directors have letters of appointment which can be terminated at any time upon written notice, resignation or in accordance with the articles of association of the Company. Non-Executive Directors receive no benefits from their office other than fees and reimbursement of expenses incurred in performance of their duties, including any tax due on the expenses. They are not eligible to participate in Group pension arrangements.

	Effective date of appointment letter	Current term expires
Vagn Sørensen	15 July 2014	14 July 2017
John Barton	15 July 2014	14 July 2017
Ian Dyson	15 July 2014	14 July 2017
Denis Hennequin	15 July 2014	14 July 2017
Per Utnegaard	1 July 2015	30 June 2018

Directors' service contracts are kept for inspection by shareholders at the Company's registered office.

Payments to departing Directors

In the event that the employment of an Executive Director is terminated, any compensation payable will be determined by reference to the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. The Committee may structure any compensation payments in such a way as it deems appropriate, taking into account the circumstances of departure. In the event of the Company terminating an Executive Director's contract, the level of compensation would be subject to mitigation if considered appropriate.

Payment in lieu of notice	In the event of termination by the Company of an Executive Director's employment, a payment in lieu of notice may be paid. This payment would be equal to a maximum of annual base salary and cash allowance in lieu of pension in respect of any unexpired portion of the notice period. This payment can be made in instalments over the notice period and can be reduced where alternative employment is commenced during the notice period.
Annual bonus	Executive Directors may, at the determination of the Committee, remain eligible to receive an annual bonus for the financial year in which they ceased employment. Any such bonus will be determined by the Committee, taking into account time in employment and performance.

DIRECTORS' REMUNERATION POLICY CONTINUED

Performance Share Plan awards	<p>On cessation of employment, any outstanding unvested awards will lapse unless the participant dies or is deemed to be a 'good leaver' by the Committee in its discretion.</p> <p>Where the participant is deemed to be a 'good leaver', any outstanding unvested awards will normally continue and will vest at the normal vesting date to the extent the original performance conditions have been satisfied. Awards will normally, unless the Committee determines that an alternative proportion of the awards should vest, be pro-rated for the portion of the vesting period completed in employment.</p> <p>The Committee may, in exceptional circumstances, or if the participant dies, decide to allow awards to vest on cessation of employment subject to the Committee's assessment of performance against the original performance conditions at that time or the Committee's assessment of the likely achievement of the performance conditions over the original performance period. Awards will normally, unless the Committee determines that an alternative proportion of the awards should vest, be pro-rated for the portion of the vesting period completed in employment.</p>
Payments in relation to statutory rights	The Company may pay an amount considered reasonable by the Remuneration Committee in respect of an Executive Director's statutory rights.
Payments required by law	The Company may pay damages, awards, fines or other compensation awarded to an Executive Director by any competent court or tribunal or other payments required to be made on termination of employment under applicable law.
Professional fees	The Company may pay an amount considered reasonable by the Remuneration Committee in respect of fees for legal and tax advice, and outplacement support for the departing Executive Director.

Award under LR 9.4.2

Were an award to be made under LR 9.4.2 then the leaver provisions would be determined at the time of award.

Takeovers and other corporate events

Under the PSP, on a takeover or voluntary winding-up of the Company, PSP awards will vest in accordance with the rules of the plan. Vesting would be determined by the Committee based on the proportion of the vesting period that has elapsed and the extent to which the performance conditions have been satisfied, although the Committee has the discretion to determine that such greater proportion as it considers appropriate of the awards should vest, including where it considers the level of shareholder returns is at a superior level.

In the event of a variation of share capital, demerger, capital distribution or any other event having a material impact on the value of the shares, the Committee may determine that outstanding PSP awards shall vest on the same basis as set out above for a takeover. Alternatively the Committee may (with the consent of the acquiring company) decide that PSP awards will not vest on a corporate event but will be replaced by new awards over shares in the new acquiring company or another company determined by the acquiring company.

Bonuses may be paid in respect of the year in which the change of control or winding up of the Company occurs, if the Committee considers this appropriate. The Committee may determine the level of bonus taking into account any factors it considers appropriate.

Amendments

The Committee may make amendments to the terms of the Company's incentive plans in accordance with the rules of those plans (which were summarised for shareholders in the Company's IPO prospectus). The Committee may make minor amendments to the policy set out above (for regulatory, exchange control, tax, administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Consideration of conditions elsewhere in the Group

In making remuneration decisions, the Committee also considers the pay and employment conditions elsewhere in the Group. When reviewing and setting Executive Director remuneration, the Committee takes into account the pay and employment conditions of Group employees. The Group-wide pay review budget is one of the key factors when reviewing the salaries of the Executive Directors. Although the Group has not carried out a formal employee consultation regarding Board remuneration, it does comply with local regulations and practices regarding employee consultation more broadly.

Consideration of shareholder views

In reviewing and setting remuneration, including that of Executive Directors, the Committee receives updates on investors' views, and may from time to time engage directly with investors and/or investor representative organisations on remuneration topics as appropriate. These lines of communication ensure that emerging best practice principles are factored into the Committee's decision-making.

DIRECTORS' REPORT

This section of the annual report includes additional information required to be disclosed under the Companies Act (the 'Act'), the UK Corporate Governance Code (the 'Code'), the Disclosure Guidance and Transparency Rules (the 'DTRs') and the Listing Rules of the Financial Conduct Authority.

Certain information required to be included in the Directors' report is included in other sections of this annual report, including:

- The strategic report on pages 1 to 25;
- The corporate governance report on pages 28 to 31;
- The Audit Committee report on pages 32 to 35; and
- The Directors' remuneration report on pages 36 to 50.

The sections referred to above provide an overview of the strategy, development and performance of the Company's business in the year ended and as at 30 September 2016, together with information on the approach of the Company to corporate governance and the constitution, work and effectiveness of the Board and its principal committees. These sections are incorporated by reference into the Directors' report.

Corporate information and Listing on the London Stock Exchange

The Company was incorporated and registered in England and Wales on 9 March 2006 as a private company limited by shares under the Companies Act 1985 with the registered number 5735966. On 4 July 2014, the Company was re-registered as a public limited company. The Company's registered office and principal place of business is at 169 Euston Road, London NW1 2AE.

On 15 July 2014, the entire issued ordinary share capital of the Company was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to unconditional trading on the London Stock Exchange plc's main market for listed securities under the ticker 'SSPG' (Admission).

Dividends

The Directors declared an interim dividend of 2.5 pence per share in the 2016 financial year amounting to £11.8m (2015: £10m). In addition, the Directors are recommending a final dividend of 2.9 pence per share amounting to £13.8m which will result in a total dividend per share of 5.4 pence for the year amounting to £25.6m (2015: £20.5m). The final dividend will be paid on 31 March 2017 to shareholders on the register of members as at the close of business on 3 March 2017, subject to approval of shareholders at the AGM to be held on 13 March 2017. The ex-dividend date will be 2 March 2017.

Share capital

At 30 September 2016 there were 475,199,063 ordinary shares of 1 pence in issue, which are fully paid up and are quoted on the London Stock Exchange. Further information regarding the Company's issued share capital and movements in the financial year can be found in note 21 to the financial statements on page 86.

Powers conferred on the Directors in relation to issuing or buying back shares

Subject to applicable law and the Company's articles of association, the Directors may exercise all powers of the Company, including the power to authorise the issue and/or market purchase of the Company's shares (subject to an appropriate authority being given to the Directors by shareholders in general meeting and any conditions attaching to such authority). The shareholders delegated the following powers in relation to the issuing or market purchase by the Company of its shares at the Company's 2016 Annual General Meeting:

- authority to allow shares for cash and/or sell treasury shares without having to offer such shares to existing shareholders in connection with a rights issue or with a nominal value of up to approximately 10% of the Company's issued share capital; and
- authority to make market purchases of its own shares, up to a maximum of approximately 10% of the Company's issued share capital.

These standard authorities will expire on 31 March 2017, or at the conclusion of the AGM in 2017, whichever is the earlier. The Directors will seek to renew the authorities at the 2017 AGM in accordance with the latest Pre-Emption Group Statement of Principles. To date, neither authority has been exercised.

During the 2016 financial year, 85,709 ordinary shares in the Company were issued to satisfy Matching Share awards under the Company's UK SIP. However, these do not count against the authorities granted by shareholders in accordance with the Companies Act 2006.

Rights and restrictions on shares and transfers of shares

Certain restrictions, which are customary for a listed company, apply to the rights and transfers of ordinary shares in the Company. The rights and obligations attaching to the Company's ordinary shares, in addition to those conferred on their holders by law, are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary. The key points are summarised on the next page.

DIRECTORS' REPORT CONTINUED

Ordinary shares

Notice of meetings must be given to every shareholder and to any person entitled to a share unless the Articles of Association or the rights of the shares say they are not entitled to receive them from the Company. The Board can decide that only people who are entered on the register of members at the close of business on a particular day are entitled to receive the notice. On a show of hands at a general meeting every member present in person shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for every ordinary share held. No shareholder holds ordinary shares which carry special rights relating to the control of the Company.

Dividends and distributions on winding up to shareholders

Holders of ordinary shares may receive interim dividends approved by Directors and dividends declared in general meetings. On a liquidation and subject to a special resolution of the Company, the liquidator may divide among members in specie the whole or any part of the assets of the Company and may, for such purpose, value any assets and may determine how such division shall be carried out.

Transfers of ordinary shares

The Articles of Association place no restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them except: (i) in very limited circumstances (such as a transfer to more than four persons) and (ii) where the Company has exercised its rights to suspend their voting rights or to prohibit their transfer following the omission by their holder or any person interested in them to provide the Company with information requested by it in accordance with Part 22 of the Act. Restrictions on transfers may apply where the holder is precluded from exercising rights by the Listing Rules, the City Code on Takeovers and Mergers or any other regulations.

Dealings subject to the Market Abuse Regulation (EU) No 596/2014

Pursuant to the Market Abuse Regulation and the Group's share dealing policy, Directors, other persons discharging managerial responsibilities and certain employees require the approval of the Company to deal in the ordinary shares of the Company.

Exercise of rights of shares in employee share schemes

Awards held by relevant participants under the Company's various share plans carry no rights until the shares are issued. The Trustee of the Performance Share Plan does not seek to exercise voting rights on existing shares held in the employee trust.

Notification of major shareholdings

Information provided to the Company pursuant to the Disclosure Guidance and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the Company's website. As at 25 November 2016, being the last practical date before the signing of these accounts, the following notifications of major shareholdings of 3% or more have been received by the Company under DTR5. The holdings shown below are correct at the date of notification. It should be noted that these holdings may have changed since the Company was notified as notification of any change is not required until the next notifiable threshold is crossed.

Name	No. of ordinary shares and voting rights notified	% of voting rights as at the date of this report
Norges Bank	14,293,152	3.01%
Royal London Asset Management Limited	14,729,717	3.10%
GIC Private Limited	15,000,000	3.16%
JP Morgan Asset Management (UK) Limited and JP Morgan Investment Management Inc	17,000,000	3.58%
Legal & General Group plc (L&G)	23,554,235	4.96%
Schroders plc	23,720,071	4.99%
Marathon Asset Management LLP	28,119,834	5.92%
APG Asset Management N.V.	33,613,765	7.07%
Artemis Investment Management LLP	35,067,425	7.38%
BlackRock, Inc.	36,488,965	7.68%
Old Mutual Plc	64,109,433	13.49%

Directors

Particulars of the Directors in office at the date of this report are listed on pages 26 and 27. Each of the Directors held office throughout the year.

Appointment and removal of Directors

The Company may, by ordinary resolution of the shareholders of the Company at a general meeting, remove any Director from office and elect another person in place of a Director so removed from office following recommendation by the Nomination Committee in accordance with its terms of reference for approval by the Board.

The processes for the appointment and replacement of Directors are governed by the Company's Articles of Association, the Code, the Act, the Listing Rules and related legislation. In accordance with the Code, all Directors stand for election at the AGM following their appointment, and stand for re-election on an annual basis.

Powers of the Directors

Subject to the Articles of Association, the Act and related legislation, any directions given by special resolution and any relevant statutes and regulations, the business of the Company will be managed by the Board who may exercise all the powers of the Company.

Directors' interests

The Directors' interests in shares and options over ordinary shares in the Company are shown in the Directors' remuneration report on page 39. In line with the requirements of the Act, each Director has notified the Company of any situation in which he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a situational conflict). These were considered and approved by the Board in accordance with the Company's Articles of Association in September 2016 and each Director was informed of the authorisation and any terms on which it was given. The Board has formal procedures to deal with Directors' conflicts of interest. The Board reviews and, where appropriate, approves certain situational conflicts of interest that are reported to it by Directors, and a register of those situational conflicts is maintained and will be reviewed by the Board going forward.

Directors' indemnities

The Company has made qualifying indemnity provisions, as defined by section 236 of the Act, of which the Directors had the benefit of during the financial year ended 30 September 2016 and which remain in force at the date of this report. In addition, directors and officers of the Company and its subsidiaries are covered by Directors' and Officers' liability insurance.

Awards under employee share schemes

Details of employee share schemes and awards made during the year and held by Executive Directors as at 30 September 2016 are set out in the Annual Report on Remuneration on pages 37 to 43.

Details of awards made during the year and held by employees as at 30 September 2016 under the Performance Share Plan are disclosed in note 22 to the consolidated financial statements on page 88.

Controlling shareholders

Any person who exercises or controls on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of a company are known as 'controlling shareholders'. The Financial Conduct Authority Listing Rules require companies with controlling shareholders to enter into a written and legally binding agreement, which is intended to ensure that the controlling shareholder complies with certain independence provisions.

As at 30 September 2016, the Company had no controlling shareholders.

Annual General Meeting

All holders of ordinary shares are entitled to attend the Company's AGM and all holders of ordinary shares on the register at the relevant record date are entitled to receive the Notice of AGM, which will be posted at least 20 working days before the AGM. They are also entitled to speak at general meetings of the Company, to appoint one or more proxies or, if they are corporations, corporate representatives, and to exercise voting rights. Shareholders may vote and appoint proxies electronically. The notice of meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be put to the AGM.

The AGM will be held on 13 March 2017. The results of the voting on resolutions will be made available to shareholders on the Group's website after the meeting. At the meeting, the Group Chief Executive Officer and the Chairmen of the Board Committees will also be present to answer questions on any matters relating to the Group's business. Shareholders will also have an opportunity to meet Directors informally after the meeting.

DIRECTORS' REPORT CONTINUED

Change of control

Contracts

There are a number of contracts that allow the counterparties to alter or terminate those arrangements in the event of a change of control of the Company. These arrangements are commercially sensitive and confidential and their disclosure could be seriously prejudicial to the Group.

Other agreements

The Company does not have agreements with any Director or Officer that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover.

The Company's main credit facilities, being the committed bank facilities dated 16 June 2014 (as amended from time to time), contain a provision such that in the event of a change of control, if a lender so requires and has notified the agent within 10 business days of the agent notifying the lenders of the event, the commitment of that lender will be cancelled and all outstanding amounts, together with accrued interest under that commitment, will become repayable, on the date notified in writing by the agent that the relevant commitment has been cancelled (where such date must be not fewer than 10 business days after the date of the notice).

Articles of Association

The Articles of Association of the Company may be amended by special resolution of the shareholders.

Political donations

The Company's policy is not to make political donations. Neither the Company nor its subsidiaries, during the financial year ended 30 September 2016, made any political donation to a political party, other political organisation or independent election candidate, or incurred any political expenditure or made any contribution to a non-EU political party. The Company will propose to shareholders at this year's AGM that a precautionary authority be granted up to £25,000 in aggregate. Details are included in the Notice of AGM.

Greenhouse gas emissions

The Board has identified and assessed the significant environmental, social and governance risks to the Company's short and long-term value, as well as the opportunities to enhance value that may arise from improving its environmental performance. The sustainability report on pages 23 to 25 reports on environmental matters, including the impact of the Group's businesses on the environment, the Group's annual quantity of greenhouse emissions in tonnes of carbon dioxide, the Group's employees, and on social and community issues.

Treasury and risk management

The Group's financial risk management objectives and policies, including its hedging policy, and the main risks arising from the Group's financial assets and liabilities are summarised on pages 16 to 21 and in note 24 to the consolidated financial statements on pages 89 to 93.

Going concern

The financial information has been prepared on a going concern basis, in support of which, the Board has reviewed the Group's trading forecasts for the next 12 months. These forecasts, which include detailed cash flow projections, comprise assumptions as to sales and profit performance by segment and by month and take account of the normal seasonality profile of the business. As a result, the Directors are confident that the assumptions underlying their forecasts are reasonable and that the Group will be able to operate within its banking covenants and available liquidity headroom.

Notwithstanding the above however, there remains a risk that a downturn in the global economy could result in passenger numbers and consumer spending in the travel market which are worse than the Board is currently envisaging. As a result, the Directors have also reviewed forecasts which include sensitivities that make allowance for this risk. Should such a scenario arise, the Directors are confident they have adequate liquidity and covenant headroom to ensure that the Group can meet its liabilities as they fall due for the foreseeable future.

Accordingly, the Directors believe that it is appropriate to prepare this financial information on a going concern basis.

In addition, in accordance with the UK Corporate Governance Code, the Directors have assessed the prospects and viability of the Group over a longer period than the 12 months required by the Going Concern provision on page 22 of the Strategic report.

Auditor

The auditor, KPMG, has indicated its willingness to continue in office and a resolution that it will be re-appointed will be proposed at the AGM.

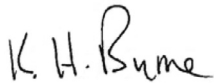
Statement of disclosure of information to auditor

So far as each Director in office on the date of this report is aware, there is no relevant audit information of which the Company's external auditor is unaware and the Directors have taken all the steps which they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's external auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Act.

Forward-looking statements

These reports and financial statements contains certain forward-looking statements which are subject to assumptions, risks and uncertainties; actual future results may differ materially from those expressed in or implied in such statements. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. The forward-looking statements reflect the knowledge and information available at the date of preparation of this annual report, and will not be updated during the year. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these Reports and Financial Statements and include statements regarding the current intentions, beliefs or expectations of the Directors, the Company or the Group concerning, among other things, the results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Company and the industry in which it operates. In particular, the statements regarding the Group's strategy and other future events or prospects are forward-looking statements. Nothing in this annual report should be construed as a profit forecast.

Approved by the Board and signed on its behalf by:



Helen Byrne
General Counsel and Company Secretary

28 November 2016

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards including FRS 101 Reduced Disclosure Framework.

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 Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report/directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

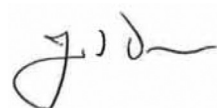
We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board:



Kate Swann
Chief Executive Officer

28 November 2016



Jonathan Davies
Chief Financial Officer

28 November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP GROUP PLC ONLY

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of SSP Group plc for the year ended 30 September 2016 set out on pages 60 to 104.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2016 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were unchanged from the prior year and were as follows:

a) Valuation of goodwill and indefinite life intangible assets (£676.1m, 2015: £609.7m)

Risk vs 2015: <=>

Refer to Audit Committee report on page 35, notes 1 and 2 on pages 67 and 70 and note 11 on pages 77 and 78.

The risk

- The Group carries significant goodwill and indefinite life intangible assets resulting from acquisitions of businesses in a wide range of geographical locations. The Group's business is impacted by economic trends such as levels of discretionary travel and consumer spending. There is a risk that the Group's goodwill balance may not be recoverable due to economic and political uncertainty and poor trading conditions. The Group's assessment of impairment of goodwill and indefinite life intangible assets is based on discounted future cash flow analysis. Due to the inherent uncertainty involved in preparing cash flow projections, including the subjectivity in determining the underlying assumptions, this is one of the most judgemental areas of the audit.

Our response

In this area our audit procedures were as follows:

- We challenged the assumptions for key inputs used by the Group in their forecasts, such as projected market growth, future capital expenditure levels, revenue growth rates, cost projections and inflation, by comparing them to external data, industry norms and our expectations based on our knowledge and experience of the Group. Additionally, our valuation specialists assisted us in assessing the appropriateness of the methodology and assumptions used by the Group. We applied sensitivities to key assumptions to assess their impact on the recoverability of the assets.
- We evaluated the historical accuracy of the Group's forecasts by comparing actual to budgeted results.
- We corroborated our understanding of any adverse changes in the business, such as anticipated decline in trading, with the Group's forecasts and considered whether or not such events had been appropriately captured in the impairment models.
- We compared the results of the discounted cash flows against the Group's market capitalisation, after adjusting for its debt to determine if there were any significant differences requiring further investigation.
- We also considered the adequacy of the Group's disclosure of the key risks and whether that disclosure reflected the risks inherent in the valuation of goodwill and indefinite life intangible assets.

b) Completeness, existence and accuracy of current and deferred tax (net current tax liability: £19.5m, 2015: £13.9m, net deferred tax asset: £6.0m, 2015: £1.9m)

Risk vs 2015: <=>

Refer to the Audit Committee report on page 35, notes 1 and 2 on page 70, note 8 on page 75 and note 13 on page 79.

The risk

The Group operates in numerous tax jurisdictions. The interpretation of tax law can be complex and judgemental. Differences in tax laws may have a significant impact on how the Group calculates its current and deferred tax liabilities. Additionally, the outcomes of tax audits and related tax provisions may be different to those anticipated by the Group. The amount and timing of recognition of deferred tax assets involves judgement, as it is based on specific considerations, such as the future profitability of the business in various jurisdictions, local tax law and availability of temporary differences, such as an excess of capital allowances over depreciation or tax losses. During the current year, the Group has continued to demonstrate tax profits following a history of tax losses in some jurisdictions indicating that deferred tax assets in the relevant jurisdictions can be recovered. Therefore this is one of the key judgement areas on which our audit is focused.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP GROUP PLC ONLY CONTINUED

Our response

In this area, our audit procedures were as follows:

- We used our own tax specialists to assist us in assessing and challenging the assumptions and judgements made by the Group. We considered all significant differences between the statutory and effective rates in each jurisdiction and assessed whether adjustments from accounting profit to taxable profit are in accordance with local laws.
- We considered the tax provisions made by the Group and the underlying assumptions.
- In assessing the Group's calculations, we have used our knowledge of recent tax cases and our awareness of the pattern of recent tax settlements. We have also considered developments in the attitudes of tax authorities globally and discussed issues with management in order to determine whether the tax provisions made by the Group were reasonable.
- In assessing the level of deferred tax asset balances recognised in the consolidated balance sheet, we compared the assumptions used in respect of future taxable income to the Group's long-term forecasts and budget for the relevant jurisdictions.
- We considered whether the improving performance in certain jurisdictions, where there were unrecognised deferred tax assets, amounted to convincing evidence sufficient to support the recognition of deferred tax assets. In addition to profitability, we also considered other factors, such as the expected timing of reversal of temporary differences, any restrictions in accessing such temporary differences, and other qualitative factors specific to each of the jurisdictions in question.
- We also assessed the adequacy of the Group's disclosures in respect of current and deferred taxes.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £10.0m, determined with reference to a benchmark of Group revenue of £1,990.3m (2015: £1,832.9m) of which it represents 0.5% (2015: 0.5%). We consider revenue to be the most appropriate benchmark as it provides a more stable measure year on year than Group profit before tax.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.5m (2015: £0.5m) in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 15 (2015: 15) reporting components, nine were subject to an audit for Group reporting purposes and two to reviews (unchanged from prior year). The latter were not individually financially significant enough to require an audit for Group reporting purposes, but did present specific individual risks that needed to be addressed. Together, the audits cover 84% (2015: 84%) of Group revenue, 89% (2015: 81%) of Group profit before tax and 84% (2015: 86%) of Group total assets. Including the components subject to review, total coverage was 85% (2015: 85%) of Group revenue, 92% (2015: 86%) of Group profit before tax and 86% (2015: 87%) of Group total assets. The 2015 total assets and profit before tax percentages have been re-presented to more accurately reflect the coverage of our procedures. For the remaining components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materialities, which ranged from £0.2m to £8m (2015: £0.2m to £8m), having regard to the mix of size and risk profile of the Group across the components. The work on 11 of the Group's 15 components was performed by component auditors and the rest by the Group audit team.

In 2016, the Group audit team visited five of the 15 (2015: 15) component locations. Video and telephone conference meetings were also held with these component auditors and the majority of the others that were not physically visited. At these visits and meetings, the findings reported to the Group audit team were discussed in more detail.

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.

5. We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' statement on page 22, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Group's continuing in operation over the three years to September 2019; or
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

6. We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the Audit Committee report on pages 32 to 35 does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required 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 parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Under the Listing Rules, we are required to review:

- the Directors' statements, set out on pages 22 and 54, in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement on pages 26 to 55 of the Annual Report and Accounts relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 56, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

**John Cain**

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

28 November 2016

CONSOLIDATED INCOME STATEMENT

for the year ended 30 September 2016

	Notes	2016 Underlying* £m	2016 Adjustments £m	2016 Total £m	2015 Underlying* £m	2015 Adjustments £m	2015 Total £m
Revenue	3	1,990.3	-	1,990.3	1,832.9	-	1,832.9
Operating costs	5	(1,868.9)	(1.9)	(1,870.8)	(1,735.5)	(5.2)	(1,740.7)
Operating profit		121.4	(1.9)	119.5	97.4	(5.2)	92.2
Share of profit of associates	12	1.3	-	1.3	1.6	-	1.6
Finance income	7	0.5	-	0.5	0.7	-	0.7
Finance expense	7	(15.7)	-	(15.7)	(17.7)	-	(17.7)
Profit before tax		107.5	(1.9)	105.6	82.0	(5.2)	76.8
Taxation	8	(24.2)	0.4	(23.8)	(16.9)	0.4	(16.5)
Profit for the year		83.3	(1.5)	81.8	65.1	(4.8)	60.3
Profit attributable to:							
Equity holders of the parent		73.5	(1.5)	72.0	58.2	(4.8)	53.4
Non-controlling interests	21	9.8	-	9.8	6.9	-	6.9
Profit for the year		83.3	(1.5)	81.8	65.1	(4.8)	60.3
Earnings per share (pence):							
- Basic	4	15.5		15.2	12.3		11.2
- Diluted	4	15.4		15.0	12.2		11.2

* Underlying operating profit and underlying profit exclude non-cash accounting adjustments relating to amortisation of intangible assets arising on acquisition of the SSP business in 2006.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2016

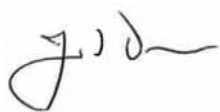
	Notes	2016 £m	2015 £m
Other comprehensive income/(expense)			
<i>Items that will never be reclassified to the income statement:</i>			
Remeasurements on defined benefit pension schemes	19	(4.1)	3.6
Income tax credit relating to items that will not be reclassified		1.7	-
<i>Items that are or may be reclassified subsequently to the income statement:</i>			
Net (loss)/gain on hedge of net investment in foreign operations		(48.5)	21.5
Other foreign exchange translation differences		83.2	(25.3)
Effective portion of changes in fair value of cash flow hedges		(6.7)	(9.2)
Cash flow hedges – reclassified to profit and loss		2.7	0.9
Income tax credit relating to items that are or may be reclassified		1.1	1.0
Other comprehensive income/(expense) for the year		29.4	(7.5)
Profit for the year		81.8	60.3
Total comprehensive income for the year		111.2	52.8
Total comprehensive income attributable to:			
Equity holders of the parent		97.4	45.1
Non-controlling interests	21	13.8	7.7
Total comprehensive income for the year		111.2	52.8

CONSOLIDATED BALANCE SHEET

as at 30 September 2016

	Notes	2016 £m	2015 £m
Non-current assets			
Property, plant and equipment	10	272.0	212.7
Goodwill and intangible assets	11	701.3	632.1
Investments in associates	12	9.3	5.4
Deferred tax assets	13	18.1	11.4
Other receivables	15	37.3	26.6
		1,038.0	888.2
Current assets			
Inventories	14	29.2	26.0
Tax receivable		4.3	0.7
Trade and other receivables	15	118.1	89.5
Cash and cash equivalents	16	155.8	134.7
		307.4	250.9
Total assets		1,345.4	1,139.1
Current liabilities			
Short-term borrowings	17	(30.7)	(27.7)
Trade and other payables	18	(404.1)	(329.3)
Tax payable		(23.8)	(14.6)
Provisions	20	(2.3)	-
		(460.9)	(371.6)
Non-current liabilities			
Long-term borrowings	17	(442.5)	(426.8)
Post-employment benefit obligations	19	(19.2)	(13.7)
Provisions	20	(13.8)	(16.0)
Derivative financial liabilities		(14.2)	(9.8)
Deferred tax liabilities	13	(12.1)	(9.5)
		(501.8)	(475.8)
Total liabilities		(962.7)	(847.4)
Net assets		382.7	291.7
Equity			
Share capital	21	4.7	4.7
Share premium	21	461.2	461.2
Capital redemption reserve	21	1.2	1.2
Other reserves	21	21.5	(6.3)
Retained earnings		(138.0)	(190.6)
Total equity shareholders' funds		350.6	270.2
Non-controlling interests	21	32.1	21.5
Total equity		382.7	291.7

These financial statements were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:



Jonathan Davies
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2016

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves ¹ £m	Retained earnings £m	Total parent equity £m	Non-controlling interests £m	Total equity £m
At 30 September 2014	5.9	461.2	-	5.6	(241.4)	231.3	19.1	250.4
Profit for the year	-	-	-	-	53.4	53.4	6.9	60.3
Other comprehensive (expense)/income for the year	-	-	-	(11.9)	3.6	(8.3)	0.8	(7.5)
Cancellation of deferred shares	(1.2)	-	1.2	-	-	-	-	-
Capital contributions from non-controlling interests	-	-	-	-	-	-	1.1	1.1
Dividends paid to equity shareholders	-	-	-	-	(10.0)	(10.0)	-	(10.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(6.4)	(6.4)
Share-based payments	-	-	-	-	3.8	3.8	-	3.8
At 30 September 2015	4.7	461.2	1.2	(6.3)	(190.6)	270.2	21.5	291.7
Profit for the year	-	-	-	-	72.0	72.0	9.8	81.8
Other comprehensive income/(expense) for the year	-	-	-	27.8	(2.4)	25.4	4.0	29.4
Acquisition of additional share in subsidiary	-	-	-	-	0.4	0.4	(0.5)	(0.1)
Capital contributions from non-controlling interests	-	-	-	-	-	-	8.4	8.4
Dividends paid to equity shareholders (note 9)	-	-	-	-	(22.3)	(22.3)	-	(22.3)
Dividends paid to non-controlling interests (note 21)	-	-	-	-	-	-	(11.1)	(11.1)
Share-based payments (note 22)	-	-	-	-	4.5	4.5	-	4.5
Deferred tax on share schemes	-	-	-	-	0.4	0.4	-	0.4
At 30 September 2016	4.7	461.2	1.2	21.5	(138.0)	350.6	32.1	382.7

¹The increase of £27.8m (2015: decrease of £11.9m) comprises an increase to the translation reserve of £31.6m (2015: decrease of £4.3m) and a decrease to the cash flow hedging reserve of £3.8m (2015: decrease of £7.6m). See note 21 for further details.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2016

	Notes	2016 £m	2015 £m
Cash flows from operating activities			
Cash flow from operations	23	208.5	179.4
Exceptional redundancy and restructuring costs		-	(2.8)
Tax paid		(20.0)	(17.3)
Net cash flows from operating activities		188.5	159.3
Cash flows from investing activities			
Investment in associate	12	(4.7)	-
Dividends received from associates	12	2.3	0.9
Interest received		0.4	0.7
Purchase of property, plant and equipment	10	(97.6)	(78.1)
Purchase of other intangible assets	11	(6.7)	(3.7)
Acquisition of business		-	(5.1)
Net cash flows from investing activities		(106.3)	(85.3)
Cash flows from financing activities			
Repayment of borrowings		(30.8)	(27.9)
Repayment of finance leases and other loans		(0.2)	(1.2)
Refinancing fee paid in the year		-	(1.0)
Interest paid		(13.7)	(16.8)
Dividends paid to equity shareholders	9	(22.3)	(10.0)
Dividends paid to non-controlling interests	21	(11.1)	(6.4)
Acquisition of increased share in subsidiary		(0.8)	-
Capital contribution from non-controlling interests	21	8.4	1.1
Exceptional IPO related transaction costs		-	(9.2)
Net cash flows from financing activities		(70.5)	(71.4)
Net increase in cash and cash equivalents		11.7	2.6
Cash and cash equivalents at beginning of the year		134.7	133.3
Effect of exchange rate fluctuations on cash and cash equivalents		9.4	(1.2)
Cash and cash equivalents at end of the year		155.8	134.7
Reconciliation of net cash flow to movement in net debt			
Net increase in cash in the year		11.7	2.6
Cash outflow from decrease in debt and finance leases		31.0	29.1
Change in net debt resulting from cash flows		42.7	31.7
Translation differences		(39.1)	20.3
Other non-cash changes		(1.2)	(0.7)
Decrease in net debt in the year		2.4	51.3
Net debt at beginning of the year		(319.8)	(371.1)
Net debt at end of the year	24	(317.4)	(319.8)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

1.1 Basis of preparation

SSP Group plc (the 'Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group') and equity-account the Group's interest in associates. These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are presented in Sterling, which is the Company's functional currency. All information is given to the nearest £0.1m.

The financial statements are prepared on the historical cost basis, except in respect of the derivative financial instruments that are stated at their fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

These financial statements have been prepared on a going concern basis. The Board has reviewed the Group's trading forecasts for the next 12 months. These forecasts, which include detailed cash flow projections, comprise assumptions as to sales and profit performance by segment and by month and take account of the normal seasonality profile of the business. As a result, the Directors are confident that the assumptions underlying their forecasts are reasonable and that the Group will be able to operate within its banking covenants and available liquidity headroom.

Notwithstanding the above, however, there remains a risk that a downturn in the global economy could result in passenger numbers and consumer spending in the travel market that are worse than the Board is currently envisaging. As a result, the Directors have also reviewed forecasts that include sensitivities that make allowance for this risk. Should such a scenario arise, the Directors are confident they have adequate liquidity and covenant headroom to ensure that the Group can meet its liabilities as they fall due for the foreseeable future.

Accordingly, the Directors believe that it is appropriate to prepare these financial statements on a going concern basis.

In addition, in accordance with the UK Corporate Governance Code, the Directors have assessed the prospects and viability of the Group over a longer period than the 12 months required by the Going Concern provision. Further details of this assessment are provided on page 22 of the Strategic Report.

1.3 Basis of consolidation

The financial statements of the Group consolidate the results of the Company and its subsidiary entities, together with the Group's attributable share of the results of associates. All intercompany balances and transactions, including unrealised profits and losses arising from intragroup transactions, have been eliminated in full.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is the power to direct the relevant activities of the subsidiary that significantly affect the subsidiary's return so as to have rights to the variable return from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Associates and jointly controlled entities

An associate is an undertaking in which the Group has a long-term equity interest and over which it has the power to exercise significant influence.

Associates are accounted for using the equity method and are initially recognised at cost (including transaction costs). The Group's interest in the net assets of associates is reported as an investment on the consolidated balance sheet and its interest in their results is included in the consolidated income statement below the Group's operating profit. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity-accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the Group's investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Investments in associates are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment review compares the net carrying value with the recoverable amount, where the recoverable amount is the higher of the value in use calculated as the present value of the Group's share of the associates' future cash flows and its fair value less costs to sell.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. Accounting policies continued

1.4 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentation currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as appropriate. When a foreign operation is disposed of, such that control, joint control or significant influence is lost, the entire accumulated amount in the foreign currency translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to the income statement.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign currency differences arising on the retranslation of a hedge of a net investment in a foreign operation are recognised directly in equity, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of the associated cumulative amount in equity is recycled to the income statement as an adjustment to the profit or loss on disposal.

1.5 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

1.7 Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged, on the following page.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the cash flow hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are recycled into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when interest income or expense is recognised.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement.

The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings 2% per annum
- Leasehold land and buildings the life of the lease
- Plant and machinery 8% to 33% per annum
- Fixtures, fittings, tools and equipment 8% to 33% per annum

1.9 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date at which control is transferred to the Group.

1.10 Acquisitions and disposals of non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and, therefore, no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent company.

1.11 Goodwill and intangible assets**Goodwill**

Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. Goodwill is stated at cost less any accumulated impairment losses.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets (between 7% and 11% per annum) unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. Accounting policies continued

1.12 Inventories

Inventories comprise goods purchased for resale and consumable stores and are stated at the lower of cost and net realisable value. Cost is calculated using the first in first out method.

1.13 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired (with a charge to the income statement) if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit (or 'CGU') is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting the amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense and other expenses related to defined plans are recognised in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the employing company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under a short-term cash bonus if the employing company has a present

legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of service and non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding adjustment to equity reserves, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of service and non-market-based vesting conditions. The impact of changes to the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

1.15 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects risks specific to the liability.

1.16 Segment information

Segment information is provided based on the geographical segments that are reviewed by the chief operating decision maker. In accordance with the provisions of IFRS 8, the Group's chief operating decision maker is the Board of Directors. The operating segments are aggregated if they meet certain criteria. Segment results include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, finance income, finance charges and income tax. No disclosure is made for net assets/liabilities as these are not reported by segment to the chief operating decision maker.

1.17 Revenue

Revenue represents amounts for retail goods and catering services supplied to third party customers (predominantly passengers) excluding discounts, value-added tax and similar sales taxes.

Sale of goods

Revenue is recognised at the point of sale of food, beverage and retail goods.

Provision of catering services

Revenue is recognised in the period in which services are provided.

1.18 Supplier income

The Group enters into agreements with suppliers to share the costs and benefits of promotional activity and volume growth. Supplier incentives, rebates and discounts are recognised within cost of sales as they are earned.

1.19 Exceptional items

Exceptional items are those that, in management's judgement, need to be disclosed by virtue of their size, nature or incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group more accurately. Such items are included within the income statement caption to which they relate, and are separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

1.20 Lease payments

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Contingent rent which is dependent on variable factors, such as unit sales, is recognised in the period in which it is incurred. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.21 Finance income and expense

Finance income comprises interest receivable on funds invested, dividend income and net foreign exchange gains. Finance expense comprises interest payable, finance charges on shares classified as liabilities, finance lease charges recognised in the income statement using the effective interest method, the unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement.

Interest income and interest expense are recognised in the income statement as they accrue, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payment is established. Foreign currency gains and losses are reported on a net basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. Accounting policies continued

1.22 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No provision is made for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the temporary difference can be utilised.

1.23 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous year.

There are no EU-endorsed IFRS, IFRS Interpretations Committee interpretations or amendments that have been issued but are not yet effective that would be expected to have a material impact on the Group.

IFRS 16, Leases, issued in January 2016, with an effective date of 1 January 2019 is not yet EU endorsed. Management is in the process of reviewing the impact that this will have on the Group.

2. Significant accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make estimates, judgements and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

Goodwill and intangible assets

The Group recognises goodwill and intangible assets that have arisen through acquisitions. These assets are subject to impairment reviews to ensure that the assets are not carried above their recoverable amounts. For goodwill and indefinite life intangible assets, reviews are performed annually. For other intangible assets, reviews are performed if events or circumstances indicate that this is necessary.

The recoverable amounts of CGUs or groups of CGUs have been determined based on value in use calculations. These calculations require the use of estimates and assumptions consistent with the most up-to-date budgets and plans that have been formally approved by the Board. The key assumptions used for the value in use calculations are set out in note 11 to these financial statements.

Current and deferred tax

The Group is required to determine the corporate tax provision in each of the many jurisdictions in which it operates. During the ordinary course of business, there are transactions and calculations for which the ultimate determination is uncertain. As a result the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The recognition of tax benefits and assessment of provisions against tax benefits requires management judgement. In particular the Group is routinely subject to tax audits in many jurisdictions, which by their nature are often complex and can take several years to resolve. Provisions are based on management's interpretation of country specific tax law and the likelihood of settlement, and have been calculated using the single best estimate of likely outcome approach. Management takes advice from in-house tax specialists and professional tax advisers, and uses previous experience to inform its judgments. To the extent that the outcome differs from the estimates made, tax adjustments may be required in future periods.

The evaluation of recoverability of deferred tax assets requires judgements to be made regarding the availability of future taxable income. Management therefore recognises deferred tax assets only where it believes it is probable that such assets will be realised, taking account of current levels of profitability and forecasts prepared for budgets and the Group's Medium Term Plan (as referred to in the Viability Statement in the Risk Management section of the Strategic Report).

3. Segmental reporting

SSP operates in the food and beverage travel sector, mainly at airports and railway stations.

Management monitors the performance and strategic priorities of the business from a geographic perspective, and in this regard has identified the following four key 'reportable segments': the UK, Continental Europe, North America and the Rest of the World ('RoW'). The UK includes operations in the United Kingdom and the Republic of Ireland; Continental Europe includes operations in the Nordic countries, France, Belgium, the Netherlands, Luxembourg, Germany, Switzerland, Austria and Spain; North America includes operations in the United States and Canada; and RoW includes operations in Eastern Europe, the Middle East and Asia Pacific. These segments comprise countries which are at similar stages of development and demonstrate similar economic characteristics.

The Group's management assesses the performance of the operating segments based on revenue and underlying operating profit. Interest income and expenditure are not allocated to segments, as they are managed by a central treasury function, which oversees the debt and liquidity position of the Group. The non-attributable segment comprises costs associated with the Group's head office function and depreciation of central assets. Revenue is measured in a manner consistent with that in the income statement.

	UK £m	Continental Europe £m	North America £m	RoW £m	Non- attributable £m	Total £m
2016						
Revenue	749.4	796.8	262.7	181.4	-	1,990.3
Underlying operating profit/(loss)	66.4	60.1	12.5	8.6	(26.2)	121.4
2015						
Revenue	727.2	749.7	201.6	154.4	-	1,832.9
Underlying operating profit/(loss)	52.7	53.5	3.5	14.6	(26.9)	97.4

Disclosure in relation to net assets and liabilities for each reportable segment is not provided as these are only reported on and reviewed by management in aggregate for the Group as a whole.

Additional information

Although the Group's operations are managed on a geographical basis, we provide additional information in relation to revenue, based on the type of travel locations as follows:

	2016 £m	2015 £m
Turnover		
Air	1,121.0	989.9
Rail	747.9	723.5
Other	121.4	119.5
	1,990.3	1,832.9

The following amounts are included in underlying operating profit:

	UK £m	Continental Europe £m	North America £m	RoW £m	Non- attributable £m	Total £m
2016						
Depreciation and amortisation*	(14.2)	(34.9)	(18.0)	(9.9)	(1.8)	(78.8)
2015						
Depreciation and amortisation*	(16.5)	(31.0)	(15.7)	(4.8)	(4.9)	(72.9)

* Excludes amortisation of acquisition-related intangible assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. Segmental reporting continued

A reconciliation of underlying operating profit to profit before and after tax is provided as follows:

	2016 £m	2015 £m
Underlying operating profit	121.4	97.4
Adjustments to operating costs	(1.9)	(5.2)
Share of profit from associates	1.3	1.6
Finance income	0.5	0.7
Finance expense	(15.7)	(17.7)
Profit before tax	105.6	76.8
Taxation	(23.8)	(16.5)
Profit after tax	81.8	60.3

The Group's customer base primarily represents individuals or groups of individuals travelling through airports and railway stations. It does not rely on a single major customer; therefore additional segmental information by customer is not provided.

4. Earnings per share

Basic earnings per share is calculated by dividing the result for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the result for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted by potentially dilutive outstanding share options.

Underlying earnings per share is calculated the same way except that the result for the year attributable to ordinary shareholders is adjusted for specific items as detailed below:

	2016 £m	2015 £m
Profit attributable to ordinary shareholders	72.0	53.4
<i>Adjustments:</i>		
Amortisation of acquisition-related intangibles	1.9	5.2
Tax effect of adjustments	(0.4)	(0.4)
Underlying profit attributable to ordinary shareholders	73.5	58.2
Basic weighted average number of shares	475,169,510	475,040,543
Dilutive potential ordinary shares	3,579,804	1,137,801
Diluted weighted average number of shares	478,749,314	476,178,344
Earnings per share (pence):		
– Basic	15.2	11.2
– Diluted	15.0	11.2
Underlying earnings per share (pence):		
– Basic	15.5	12.3
– Diluted	15.4	12.2

5. Operating costs

	2016 £m	2015 £m
<i>Cost of food and materials:</i>		
Cost of inventories consumed in the period	(636.5)	(604.3)
<i>Labour cost:</i>		
Employee remuneration	(581.6)	(541.7)
<i>Overheads:</i>		
Depreciation of property, plant and equipment	(74.2)	(68.0)
Amortisation of intangible assets – software	(4.6)	(4.9)
Amortisation of acquisition-related intangible assets	(1.9)	(5.2)
Rentals payable under operating leases	(349.6)	(311.6)
Other overheads	(222.4)	(205.0)
	(1,870.8)	(1,740.7)

The Group's rentals payable consist of fixed and variable elements depending on the levels of revenue earned from the respective sites. The fixed element of rent during the year was £234.5m (2015: £207.6m).

Adjustments to operating costs

	2016 £m	2015 £m
Amortisation of intangible assets arising on acquisition	(1.9)	(5.2)

Underlying operating profit excludes non-cash accounting adjustments relating to the amortisation of intangible assets arising on acquisition of the SSP business in 2006.

Auditor's remuneration:

	2016 £m	2015 £m
Audit of these financial statements	0.2	0.2
Audit of financial statements of subsidiaries pursuant to legislation	0.6	0.6
Tax compliance services	0.1	0.2
Other non-audit services	0.1	-
	1.0	1.0

Amounts paid to the Company's auditor and its associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Operations	28,528	28,828
Sales and marketing	140	127
Administration	1,274	1,257
	29,942	30,212

The aggregate payroll costs of the Group were as follows:

	2016 £m	2015 £m
Wages and salaries	(506.9)	(470.3)
Social security costs	(60.5)	(57.5)
Other pension costs	(9.7)	(10.1)
Share-based payments (note 22)	(4.5)	(3.8)
	(581.6)	(541.7)

7. Finance income and expense

	2016 £m	2015 £m
<i>Finance income:</i>		
Interest income	0.4	0.7
Net foreign exchange gains	0.1	-
Total finance income	0.5	0.7
<i>Finance expense:</i>		
Total interest expense on financial liabilities measured at amortised cost	(10.5)	(13.9)
Net change in fair value of cash flow hedges utilised in the year	(2.7)	(0.9)
Unwind of discount on provisions	(0.6)	(1.3)
Net interest expense on defined benefit pension obligations	(0.4)	(0.5)
Other	(1.5)	(1.1)
Total finance expense	(15.7)	(17.7)

8. Taxation

	2016 £m	2015 £m
<i>Current tax expense:</i>		
Current year	(25.6)	(22.3)
Adjustments for prior years	(0.2)	(1.4)
	(25.8)	(23.7)
<i>Deferred tax expense:</i>		
Origination and reversal of temporary differences	(2.1)	(1.2)
Recognition of deferred tax assets not previously recognised	2.1	7.2
Changes in tax rates	0.8	-
Adjustments for prior years	1.2	1.2
	2.0	7.2
Total tax expense	(23.8)	(16.5)
<i>Tax rate</i>	22.5%	21.5%

Reconciliation of effective tax rate

The tax expense for the year is different to the standard rate of corporation tax in the UK of 20.0% (2015: 20.5%) applied to the profit before tax for the year. The differences are explained below:

	2016 £m	2015 £m
Profit before tax	105.6	76.8
Tax charge using the UK corporation tax rate of 20.0% (2015: 20.5%)	(21.1)	(15.7)
Non-deductible expenses	(1.2)	(0.3)
Effect of tax rates in foreign jurisdictions	(2.1)	(1.4)
Withholding taxes	(0.1)	(0.5)
Secondary and irrecoverable taxes	(1.9)	(2.0)
Changes in tax rates	0.8	-
Temporary differences for which no deferred tax was recognised	(1.3)	(3.6)
Recognition of deferred tax assets not previously recognised	2.1	7.2
Adjustments for prior years	1.0	(0.2)
Total tax expense	(23.8)	(16.5)

The Group's tax rate is sensitive to the geographic mix of profits and reflects a combination of higher rates in certain jurisdictions. The tax rate for the year benefited from the recognition of previously unrecognised deferred tax assets, although the benefit in 2015 was greater.

Factors that may affect future tax charges

The Group expects the tax rate in the future to be affected by the geographical mix of profits and the different tax rates that will apply to those profits.

The main rate of corporation tax in the UK was reduced from 21% to 20% in April 2015, and will be reduced to 19% in April 2017 and to 17% in April 2020.

9. Dividends

	2016 £m	2015 £m
Interim dividend paid in the year of 2.5p per share (2015: 2.1p)	(11.8)	(10.0)
Prior year final dividend of 2.2p per share paid in the year	(10.5)	-
	(22.3)	(10.0)

The proposed dividend of 2.9 pence per share, amounting to a final dividend of £13.8m, is not included as a liability in these financial statements and, subject to shareholder approval, will be paid on 31 March 2017 to shareholders on the register on 3 March 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. Property, plant and equipment

	Land, buildings and leasehold improvements £m	Equipment, fixtures and fittings £m	Total £m
Cost			
At 1 October 2014	114.3	593.1	707.4
Additions	17.7	60.4	78.1
Disposals	(12.3)	(43.5)	(55.8)
Business acquisition	-	1.2	1.2
Effects of movements in foreign exchange	2.6	(17.8)	(15.2)
Other movements ¹	3.6	(1.5)	2.1
At 30 September 2015	125.9	591.9	717.8
Additions	32.7	64.9	97.6
Disposals	(6.8)	(37.3)	(44.1)
Effects of movements in foreign exchange	24.0	63.2	87.2
Other movements ¹	3.8	(1.8)	2.0
At 30 September 2016	179.6	680.9	860.5
Depreciation			
At 1 October 2014	(72.6)	(432.9)	(505.5)
Charge for the year	(12.7)	(55.3)	(68.0)
Disposals	12.3	43.5	55.8
Effects of movements in foreign exchange	(1.1)	13.2	12.1
Other movements	-	0.5	0.5
At 30 September 2015	(74.1)	(431.0)	(505.1)
Charge for the year	(16.8)	(57.4)	(74.2)
Disposals	6.8	37.3	44.1
Effects of movements in foreign exchange	(13.0)	(40.3)	(53.3)
At 30 September 2016	(97.1)	(491.4)	(588.5)
Net book value			
At 30 September 2016	82.5	189.5	272.0
At 30 September 2015	51.8	160.9	212.7
At 1 October 2014	41.7	160.2	201.9

¹ Included in other movements in 2016 is £2.0m (2015: £2.7m) in respect of increases to the restoration costs provision (see note 20).

At 30 September 2016 the net carrying amount of equipment, fixtures and fittings held under finance leases was £0.6m (2015: £0.9m). Depreciation for the year on these assets was £0.4m (2015: £1.1m). The leased equipment secures lease obligations.

11. Goodwill and intangible assets

	Goodwill £m	Indefinite life intangible assets £m	Definite life intangible assets £m	Software £m	Total £m
Cost					
At 1 October 2014	576.8	57.7	58.3	32.8	725.6
Additions	-	-	-	3.7	3.7
Business acquisition	-	-	4.3	-	4.3
Effects of movement in foreign exchange	(24.7)	(0.1)	(0.3)	(0.4)	(25.5)
Other movements	-	-	-	0.6	0.6
At 30 September 2015	552.1	57.6	62.3	36.7	708.7
Additions	-	-	-	6.7	6.7
Disposals	-	-	-	(0.3)	(0.3)
Effects of movement in foreign exchange	66.0	0.4	2.2	2.8	71.4
At 30 September 2016	618.1	58.0	64.5	45.9	786.5
Amortisation					
At 1 October 2014	-	-	(42.0)	(24.6)	(66.6)
Charge for the year	-	-	(5.2)	(4.9)	(10.1)
Effect of movements in foreign exchange	-	-	0.2	0.4	0.6
Other movements	-	-	-	(0.5)	(0.5)
At 30 September 2015	-	-	(47.0)	(29.6)	(76.6)
Charge for the year	-	-	(2.4)	(4.1)	(6.5)
Disposals	-	-	-	0.3	0.3
Effect of movements in foreign exchange	-	-	(0.7)	(1.7)	(2.4)
At 30 September 2016	-	-	(50.1)	(35.1)	(85.2)
Net book value					
At 30 September 2016	618.1	58.0	14.4	10.8	701.3
At 30 September 2015	552.1	57.6	15.3	7.1	632.1
At 1 October 2014	576.8	57.7	16.3	8.2	659.0

Goodwill and indefinite life intangibles relate to the following groups of cash generating units (CGUs):

	Goodwill		Indefinite life intangible assets	
	2016 £m	2015 £m	2016 £m	2015 £m
UK	104.0	104.0	55.5	55.5
Rail Gourmet	65.0	65.0	-	-
France, Belgium, Netherlands and Luxembourg	69.8	59.2	2.5	2.1
Germany, Switzerland and Austria	73.0	62.1	-	-
Spain	46.0	39.3	-	-
Norway, Sweden, Denmark and Finland	174.3	146.3	-	-
North America	14.6	12.5	-	-
Eastern Europe and Middle East	32.2	30.5	-	-
Asia Pacific	39.2	33.2	-	-
	618.1	552.1	58.0	57.6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

11. Goodwill and intangible assets continued

Impairment tests for goodwill and indefinite life intangible assets

The Group tests annually for impairment, or more frequently if there are indicators that goodwill might be impaired. This did not result in any impairment in the year (2015: £nil).

The recoverable amount of a CGU is determined from value in use calculations. The key assumptions for these calculations are long-term growth rates and pre-tax discount rates and cash flow forecasts from the most recent financial budgets and three-year medium-term plan approved by management. The cash flow forecast period is five years, which is based on management's budgets and three-year plan, a further year of assumed growth, followed by a final year showing a terminal value based on expectations of growth thereafter.

The key assumptions for these calculations are shown below:

	2016		2015	
	Growth rate	Discount rate	Growth rate	Discount rate
UK	2.0%	6.6%	2.0%	7.0%
Rail Gourmet	2.3%	6.5%	2.3%	7.0%
France, Belgium, Netherlands and Luxembourg	2.3%	6.1%	2.3%	7.6%
Germany, Switzerland and Austria	2.3% to 3.0%	6.0% to 6.2%	2.3% to 3.0%	7.0%
Spain	2.3%	7.3%	2.3%	9.9%
Norway, Sweden, Denmark and Finland	3.0%	6.2% to 6.9%	3.0%	7.0%
North America	2.0%	5.8%	2.0%	7.0%
Eastern Europe and Middle East	5.0%	11.1%	5.0%	10.5%
Asia Pacific	5.0%	7.6%	5.0%	9.1%

The values applied to the key assumptions in the value in use calculations are derived from a combination of internal and external factors, based on past experience together with management's future expectations about business performance. The pre-tax discount rates are based on the Group's weighted average cost of capital adjusted for specific risks relating to the country in which the CGU operates.

Sensitivity analysis

Whilst management believe the assumptions are realistic, it is possible that an impairment would be identified if any of the above sensitivities were changed significantly. A sensitivity analysis has been performed on each of these key assumptions with the other variables held constant. For each CGU, an increase of 0.5% in the discount rate or a decrease of 0.5% in the growth rate would not result in the carrying value for any CGU or any group of CGUs exceeding its recoverable amount.

12. Investments in associates

The Group's share of the results of its associates, all of which are unlisted, and its share of the aggregated assets and liabilities, are as follows:

	2016 £m	2015 £m
Assets	16.4	13.4
Liabilities	(9.5)	(10.0)
Revenue	42.8	38.7

The following table summarises the movement in investments in associates during the year:

	2016 £m	2015 £m
At beginning of the year	5.4	4.6
Additions	4.7	-
Profits for the year	1.3	1.6
Dividends received	(2.3)	(0.9)
Other ¹	(0.8)	-
Currency adjustment	1.0	0.1
At end of the year	9.3	5.4

¹ During 2016, the Group purchased an additional 51% holding in JDDA SSP, bringing its total holding to 100% for a cash consideration of £0.7m.

The financial information of the Group's associates included in their own financial statements required by IFRS 12 Disclosure of Interests in Other Entities has not been presented as all the Group's associates are immaterial individually and in aggregate. Details of the Group's interests in associates are shown in note 39.

13. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2016 £m	2015 £m	2016 £m	2015 £m
Intangible assets	-	-	(8.2)	(8.2)
Property, plant and equipment	9.8	7.0	(3.2)	(2.1)
Provisions	5.5	4.3	(0.1)	(0.1)
Tax loss carry forwards	2.7	2.5	-	-
Pensions	1.8	-	-	-
Other	1.5	1.5	(3.8)	(3.0)
Deferred tax assets/(liabilities)	21.3	15.3	(15.3)	(13.4)
Set-off	(3.2)	(3.9)	3.2	3.9
Deferred tax assets/(liabilities)	18.1	11.4	(12.1)	(9.5)

	1 October 2015 £m	Recognised in income statement £m	Recognised in reserves £m	Currency adjustment £m	30 September 2016 £m
Movement in net deferred tax during the year:					
Intangible assets	(8.2)	0.2	-	(0.2)	(8.2)
Property, plant and equipment	4.9	1.5	-	0.2	6.6
Provisions	4.2	1.0	0.2	0.1	5.5
Tax loss carry forwards	2.5	(0.1)	-	0.3	2.7
Pensions	-	0.1	1.7	-	1.8
Other	(1.5)	(0.7)	0.4	(0.6)	(2.4)
	1.9	2.0	2.3	(0.2)	6.0

Unrecognised deferred tax assets and liabilities

Unrecognised deferred tax assets and liabilities in these financial statements are attributable to the following:

	Gross value of temporary differences	Assets		Liabilities	
	2016 £m	2016 £m	2015 £m	2016 £m	2015 £m
Property, plant and equipment	53.9	10.8	18.6	-	-
Tax losses	227.0	65.8	77.0	-	-
Provisions and other temporary differences	21.0	6.5	6.9	-	-
	301.9	83.1	102.5	-	-

The above deferred tax assets have not been recognised either because of uncertainty over the future profitability of the relevant companies within the Group to which the deferred tax assets relate, or because the deferred tax assets relate to tax losses which are subject to restrictions on use or forfeiture, due, for example, to time restrictions, or change of ownership rules.

£15.7m of the Group's unrecognised deferred tax assets relate to the UK, with the balance relating to unrecognised deferred tax assets in overseas jurisdictions, mainly the US and certain countries in Europe. The largest proportion of the unrecognised deferred tax assets relate to brought forward losses in territories where operations have been loss-making for some time. Profitability forecasts for these territories are reviewed carefully and used as the basis for considering the recognition of deferred tax assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. Deferred tax assets and liabilities continued

No deferred tax liability has been recognised on the unremitted earnings of overseas subsidiaries and associates based on the current repatriation policy of the Group and the fact that, given the current tax regimes in the countries in which the Group operates, no withholding or other tax should arise should the Group choose to remit the earnings of those subsidiaries, or should associates choose to remit their earnings. As such, no deferred tax liability has been recognised in respect of undistributed earnings.

14. Inventories

	2016 £m	2015 £m
Food and beverages	25.2	21.6
Other	4.0	4.4
	29.2	26.0

15. Trade and other receivables

	2016 £m	2015 £m
Trade receivables	43.9	34.5
Other receivables ¹	59.1	32.0
Prepayments and accrued income	52.4	49.6
	155.4	116.1
Of which:		
Non-current (other receivables)	37.3	26.6
Current	118.1	89.5

¹Other receivables include long-term security deposits of £33.4m (2015: £21.4m) relating to some of the Group's concession agreements.

16. Cash and cash equivalents

	2016 £m	2015 £m
Cash at bank and in hand	83.6	88.0
Short-term bank deposits	72.2	46.7
	155.8	134.7

17. Short-term and long-term borrowings

	2016 £m	2015 £m
Current liabilities		
Bank loans	(30.3)	(27.2)
Finance leases	(0.4)	(0.5)
	(30.7)	(27.7)
Non-current liabilities		
Bank loans	(441.4)	(425.6)
Finance leases	(1.1)	(1.2)
	(442.5)	(426.8)

Bank loans

- On 18 January 2016, the Group's leverage met criteria required within its facility agreement to reduce the margin payable on debt in each of Facility A and Facility B by 0.25% per annum.
- On 15 July 2015, the Group completed an amend and extend of its debt facilities, resulting in a 0.50% per annum reduction in the margin payable on all drawn facilities and the debt was extended by an additional year. Furthermore, the Revolving Credit Facility was reduced from £75m to £50m. Arrangement fees associated with the amend and extend amounted to £1.0m. These costs were capitalised and offset against the amount of the bank loan in the year. The amend and extend was a renegotiation of existing debt and did not constitute a substantial modification as defined by IAS 39 Financial Instruments: Recognition and Measurement.
- As at 30 September 2016, the Group had Facility A borrowings of £206.8m. This debt matures on 15 July 2020 and accrues cash-pay interest at LIBOR (or equivalent benchmark rate) plus a margin of 1.5% per annum as at 30 September 2016. During the year, the margin was approximately 1.57% per annum. Facility A debt requires a mandatory payment of 11.7% of the debt annually in July. In accordance with the facility agreement, the margin can fall in increments of 0.25% per annum to no lower than 1.25% per annum, should the Group meet the required criteria.
- As at 30 September 2016, the Group had Facility B borrowings of £269.9m. This debt matures on 15 July 2020 and accrues cash-pay interest at LIBOR (or equivalent benchmark rate) plus a margin of 1.75% per annum as at 30 September 2016. During the year, the margin was approximately 1.82% per annum. In accordance with the facility agreement, the margin can fall in increments of 0.25% per annum to no lower than 1.50% per annum, should the Group meet the required criteria.
- As at 30 September 2016, the Group had a committed Revolving Credit Facility of £50m. This committed facility matures on 15 July 2020. This facility was undrawn throughout the financial year ended 30 September 2016. A commitment fee also applies to the facility. In accordance with the facility agreement, if drawn, the margin can fall in increments of 0.25% per annum to no lower than 1.00% per annum, should the Group meet the required criteria.
- As at 30 September 2016, the Group had interest rate swap contracts to hedge 75% of its floating interest rate exposure. These contracts will remain in place until July 2019 (see note 24 for details of the Group's interest rate profile).
- Under the financing agreement, the Group has to comply with covenants relating to Net Debt cover and Interest cover. These covenants are tested bi-annually.

Bank loans are shown net of unamortised arrangement fees totalling £5.0m at 30 September 2016 (2015: £6.2m).

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2016 £m	2015 £m
Less than 1 year	(0.4)	(0.5)
Between 1 and 5 years	(1.0)	(0.9)
More than 5 years	(0.1)	(0.3)
	(1.5)	(1.7)

18. Trade and other payables

	2016 £m	2015 £m
Trade payables	(104.4)	(89.4)
Other payables	(133.0)	(104.2)
Other taxation and social security	(14.8)	(14.7)
Accruals and deferred income	(151.9)	(121.0)
	(404.1)	(329.3)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. Post-employment benefit obligations

Group

The Group operates a number of post-employment benefit schemes including both defined contribution and defined benefit schemes. In respect of the defined contribution schemes, amounts paid during the year were £9.0m (2015: £9.5m) across the Group. There are no contributions outstanding at the balance sheet date. The principal defined contribution scheme is called the SSP Group Pension Scheme.

The Group also operates a combination of funded and unfunded defined benefit schemes across Europe, the respective net plan liabilities of which are presented below:

	2016 £m	2015 £m
Funded schemes (see (a) below)	(8.4)	(5.2)
Unfunded schemes (see (b) below)	(10.8)	(8.5)
	(19.2)	(13.7)

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The plans are administered by pension funds that are legally separate from the Group and are required to act in the best interests of the plan participants. The Group expects to pay £1.3m in contributions to its defined benefit plans in 2017. As at 30 September 2016, the weighted average duration of the defined benefit obligation was 19.9 years (2015: 20.7 years).

Information disclosed below is aggregated by funded and unfunded schemes.

(a) Funded schemes

The Group operates funded schemes in the UK and Norway. In the UK, the Group participates in the Railways Pension Scheme (RPS) via the Rail Gourmet UK Limited Shared Cost Section ('RG section'), which is a final salary scheme and provides benefits linked to salary at retirement or earlier date of leaving service. The RG section covers permanent managerial, administrative and operational staff of Rail Gourmet UK Limited and is closed to new entrants.

In 2016, it was agreed with the Trustees of the RPS that, from 1 January 2016, the employing company contributions would be 18.3% of pensionable pay (with members paying 12.2%).

In addition, it was agreed that from 1 January 2016 the employing company would make monthly lump sum contributions of £2,700.

The RG scheme was subject to its last full actuarial valuation by a qualified actuary as at 31 December 2013. These results have been used by a qualified independent actuary in the valuation of the scheme as at 30 September 2016 for the purposes of IAS 19 (revised).

Major assumptions used in the valuation of the funded schemes on a weighted average basis are set out below:

	2016	2015
Discount rate applied to scheme liabilities	2.2%	3.4%
Rate of increase in salaries	3.0%	2.8%
Rate of increase in pensions in payment	1.8%	1.5%
Inflation assumption	2.9%	2.8%

At the balance sheet date, scheme members were assumed to have the following life expectancies at age 60:

	2016	2015
Male pensioner now aged 60	26.4	26.4
Female pensioner now aged 60	29.0	29.0
Male pensioner now aged 40	27.1	26.6
Female pensioner now aged 40	30.1	29.6

Sensitivity analysis

Changes at the reporting date to one of the relevant actuarial assumptions by 1%, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As at 30 September 2016	Defined benefit obligation	
	Increase £m	Decrease £m
Discount rate applied to scheme liabilities	7.0	(8.9)
Rate of increase in salaries	(1.9)	0.1
Rate of increase in pensions in payment	(5.2)	4.1
Inflation assumption	0.1	(1.7)
Mortality rates (change of 1 year)	(1.4)	1.4

Although the analysis does not take account of the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity.

The major categories of assets in the funded schemes and their percentage of the total scheme assets were:

	2016	2015
Equities, of which:	39.1%	33.7%
– actively traded	95.1%	73.1%
Property and infrastructure	12.5%	14.6%
Fixed interest investments	48.3%	39.1%
Cash	0.2%	12.6%
Total assets related to:		
– RG scheme	82.0%	83.6%
– Norway	16.2%	16.4%

The fair value of the scheme assets and the present value of the scheme liabilities of the funded schemes were:

	2016 £m	2015 £m
Fair value of scheme assets	37.7	32.8
Present value of funded liabilities	(46.1)	(38.0)
Net pension liability	(8.4)	(5.2)

The following amounts have been charged or credited in arriving at the profit for the year:

	2016 £m	2015 £m
Current service cost (reported in employee remuneration)	(0.5)	(0.5)
Settlement (reported in employee remuneration)	0.2	–
Net interest on pension scheme liabilities (reported in finance income and expense)	(0.2)	(0.3)
Total amount charged	(0.5)	(0.8)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. Post-employment benefit obligations continued

Changes in the present value of the scheme liabilities are as follows:

	2016 £m	2015 £m
Scheme liabilities at beginning of the year	(38.0)	(43.7)
Current service cost	(0.5)	(0.5)
Settlement	0.6	-
Employee contributions	(0.1)	(0.1)
Interest on pension scheme liabilities	(1.3)	(1.5)
Remeasurements:		
– arising from changes in financial assumptions	(8.8)	(1.5)
– arising from changes in experience adjustments	1.8	4.4
Benefits paid	1.4	3.4
Currency adjustment	(1.2)	1.5
Scheme liabilities at end of the year	(46.1)	(38.0)

Changes in the fair value of the scheme assets are as follows:

	2016 £m	2015 £m
Scheme assets at beginning of the year	32.8	34.6
Interest income	1.1	1.2
Employer contributions	0.6	0.6
Employee contributions	0.1	0.1
Remeasurement: return on plan assets excluding interest income	3.9	0.9
Benefits paid	(1.4)	(3.4)
Settlement	(0.4)	-
Currency adjustment	1.0	(1.2)
Scheme assets at end of the year	37.7	32.8

The following amounts have been recognised directly in other comprehensive income:

	2016 £m	2015 £m
Remeasurements	(3.1)	3.8

(b) Unfunded schemes

The principal unfunded scheme of the Group operates in Germany. To be eligible for the general plan, employees must complete five years of service and the normal retirement age for this plan is 65. Employees in Germany are also provided with a long service ('Jubilee') award, which provides a month's gross salary after the employee has worked a certain number of years of service. All unfunded schemes are valued in accordance with IAS 19 (revised) and have been updated for the period ended 30 September 2016 by a qualified independent actuary. The major assumptions (on a weighted average basis) used in these valuations were:

	2016	2015
Rate of increase in salaries	2.2%	2.2%
Rate of increase in pensions in payment and deferred pensions	1.0%	1.6%
Discount rate applied to scheme liabilities	1.0%	2.1%
Inflation assumption	1.6%	1.8%

At the balance sheet date, scheme members were assumed to have the following life expectancies at age 65:

	2016	2015
Pensioner now aged 65	21.9	24.8
Pensioner now aged 40	23.6	25.9

Sensitivity analysis

Changes at the reporting date to one of the relevant actuarial assumptions by 1%, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As at 30 September 2016	Defined benefit obligation	
	Increase £m	Decrease £m
Discount rate applied to scheme liabilities	0.9	(1.1)
Rate of increase in salaries	(0.4)	0.4
Rate of increase in pensions in payment	(0.8)	0.7
Inflation assumption	(1.2)	1.0
Mortality rates (change by 1 year)	(0.3)	0.3

Although the analysis does not take account of the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity.

The present value of the scheme liabilities of the unfunded schemes was:

	2016 £m	2015 £m
Net pension liability	(10.8)	(8.5)

The movement in the liability during the year was as follows:

	2016 £m	2015 £m
Deficit in the schemes at start of the year	(8.5)	(8.8)
Current service cost	(0.2)	(0.1)
Contributions	0.5	0.4
Interest on pension scheme liabilities	(0.2)	(0.2)
Remeasurements:		
– arising from changes in financial assumptions	(0.9)	–
– arising from changes in experience adjustments	(0.1)	(0.2)
Currency adjustment	(1.4)	0.4
Deficit in the schemes at end of the year	(10.8)	(8.5)

The following amounts have been charged in arriving at profit for the year in respect of these schemes:

	2016 £m	2015 £m
Current service cost (reported in employee remuneration)	(0.2)	(0.1)
Interest on pension scheme liabilities (reported in finance income and expense)	(0.2)	(0.2)
Total amount charged	(0.4)	(0.3)

The following amounts have been recognised directly in other comprehensive income:

	2016 £m	2015 £m
Remeasurements	(1.0)	(0.2)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

20. Provisions

	Onerous contracts £m	Restoration costs £m	Total £m
At 1 October 2015	(7.8)	(8.2)	(16.0)
Created in the year	(1.4)	(2.0)	(3.4)
Unwind of discount	(0.2)	(0.4)	(0.6)
Utilised in the year	1.7	2.2	3.9
At 30 September 2016	(7.7)	(8.4)	(16.1)
Represented by:			
Current	(1.3)	(1.0)	(2.3)
Non-current	(6.4)	(7.4)	(13.8)
	(7.7)	(8.4)	(16.1)

Provision for onerous contracts is made when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The timing of the utilisation of these provisions is variable, dependent on the contract expiry dates, which vary between one and 10 years.

Provision for restoration costs represents estimates of expected costs to be incurred in restoring a site to its original condition when it is vacated at the end of the lease term. These provisions will be utilised at the end of the lease terms, which vary between one and 10 years in length.

21. Capital and reserves

Share capital and share premium

	Number of shares	Share capital £m	Share premium £m
Issued, called up and fully paid:			
Ordinary shares of £0.01 each	475,113,354	4.7	461.2
At 30 September 2015	475,113,354	4.7	461.2
Ordinary shares issued in the year	85,709	-	-
At 30 September 2016	475,199,063	4.7	461.2
Comprised of:			
Issued, called up and fully paid:			
Ordinary shares of £0.01 each	475,199,063	4.7	461.2

Ordinary shares

The ordinary shareholders are entitled to receive notice of, attend, and speak at and vote at general meetings of the Company. Ordinary shareholders have one vote for each ordinary share held by them.

Employee benefit trust

The Group has an Employee Benefit Trust (EBT) to administer the share plans and to acquire and hold Company shares to meet commitments to Group employees.

At 30 September 2016, the EBT held 28,909 (2015: 29,061) ordinary shares of £0.01 each on its own account, with a market value of £0.1m (2015: £0.1m).

Reserves

Details of reserves (other than retained earnings) are set out below:

	Capital redemption reserve £m	Translation reserve £m	Cash flow hedging reserve £m	Total £m
At 1 October 2014	-	6.5	(0.9)	5.6
Net gain on hedge of net investments in foreign operations	-	21.5	-	21.5
Current tax charge on gain on hedge of net investment in foreign operations	-	(4.4)	-	(4.4)
Other foreign exchange translation differences	-	(26.1)	-	(26.1)
Current tax credit on losses arising on exchange translation differences	-	4.7	-	4.7
Effective portion of changes in fair value of cash flow hedges	-	-	(9.2)	(9.2)
Cash flow hedges – reclassified to profit and loss	-	-	0.9	0.9
Tax credit on cash flow hedges	-	-	0.7	0.7
Increase of capital redemption reserve (resulting from cancellation of shares) (see below)	1.2	-	-	1.2
At 30 September 2015	1.2	2.2	(8.5)	(5.1)
Net loss on hedge of net investments in foreign operations	-	(48.5)	-	(48.5)
Current tax credit on gain on hedge of net investment in foreign operations	-	9.7	-	9.7
Other foreign exchange translation differences	-	79.2	-	79.2
Current tax charge on losses arising on exchange translation differences	-	(8.8)	-	(8.8)
Effective portion of changes in fair value of cash flow hedges	-	-	(6.7)	(6.7)
Cash flow hedges – reclassified to profit and loss	-	-	2.7	2.7
Tax credit on cash flow hedges	-	-	0.2	0.2
At 30 September 2016	1.2	33.8	(12.3)	22.7

Capital redemption reserve

The cancellation of the deferred ordinary shares in 2015 resulted in an increase to the capital redemption reserve of £1.2m.

Translation reserve

The translation reserve comprises all foreign exchange differences arising since 1 October 2010, the transition date to IFRS, from the translation of the financial statements of subsidiaries with non-Sterling functional currency, as well as from the translation of liabilities that hedge the Group's net investment in foreign subsidiaries.

Cash flow hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of the Group's interest rate swaps.

Non-controlling interests

	2016 £m	2015 £m
At beginning of the year	21.5	19.1
Share of profit for the year	9.8	6.9
Dividends paid to non-controlling interests	(11.1)	(6.4)
Capital contribution from interests	8.4	1.1
Acquisition of additional share in subsidiary ¹	(0.5)	-
Currency adjustment	4.0	0.8
At end of the year	32.1	21.5

¹In 2016, the Group increased its shareholding in SSP America IAH from 68% to 72.64% for a cash consideration of £0.1m.

The financial information of the interests that individual non-controlling interests have in the group's activities and cash flows as required by IFRS 12 Disclosure of Interests in Other Entities has not been presented as all of the Group's non-controlling interests are immaterial individually. Details of the Group's subsidiaries that have non-controlling interests are shown in note 39.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. Share-based payments

The Group has granted equity-settled share awards to its employees under the Performance Share Plan ('PSP'), the UK Share Incentive Plan ('UK SIP') and the International Share Incentive Plan ('International SIP').

Details of the terms and conditions of each share-based payment plan and of the Group's TSR comparator group are given in the Directors' remuneration report on pages 36 to 50.

Performance Share Plan

The PSP awards are based on two independent performance conditions, which apply to separate numbers of shares under the award and are assessed independently. 25% of the award is based on SSP's Total Shareholder Return ('TSR') relative to a comparator group and 75% of the award is based on an Earnings Per Share ('EPS') performance condition.

Expense in the year

The Group incurred a charge of £4.2m in 2016 (2015: £3.7m) in respect of the PSP.

	2016 Number of shares	2015 Number of shares
Outstanding at beginning of the year	4,504,528	4,559,220
Granted during the year	3,348,438	291,653
Lapsed during the year	(255,670)	(346,345)
Outstanding at end of the year	7,597,296	4,504,528
Exercisable at end of the year	-	-
Weighted average remaining contracted life (years)	1.5	2.1
Weighted average fair value of awards granted (£)	2.69	1.90

The exercise price for the PSP awards is £nil.

Details of awards granted in the year

The fair value of equity-settled awards granted in the year with the TSR performance condition was determined using an option pricing model (based on similar principles to a Monte Carlo model). The following inputs were used for the option pricing model:

	2016
Weighted average share price at grant (£)	3.10
Weighted average exercise price	-
Expected volatility	25%
Expected life (years)	3.0
Vesting period (years)	3.0
Expected correlation between the share price of TSR comparators	22%

Expected volatility was determined with reference to the historic volatility for the constituents of the Group's TSR comparator group over a period commensurate with the expected life of the awards.

Awards subject to EPS performance criteria have been valued with reference to the share price at the date of the award.

UK Share Incentive Plan (UK SIP)

The UK SIP is a share matching scheme which entitles participating employees to be given up to two free ordinary shares ('Matching Shares') for each SSP Group plc ordinary share purchased ('Partnership Shares'). Both the Partnership and Matching Shares are placed in trust for a three-year period. The UK SIP has been in place from December 2014 onwards.

For the period January 2016 to December 2016 the actual entitlement to matching shares was fixed at 1 Matching Share for every two Partnership shares purchased. For the period from January 2015 to December 2015 the actual entitlement was fixed at 1 Matching Share for each Partnership Share purchased. The Group incurred a charge of £0.2m in respect of the matching element of the UK SIP in 2016 (2015: £0.1m).

International Share Incentive Plan (International SIP)

In September 2015, the Company issued the first invitations to eligible employees under the International SIP, which is an all-employee share ownership plan. The International SIP is a share matching scheme which entitles participating employees to be given up to two free ordinary shares ('Matching Shares') for each SSP Group plc ordinary share purchased ('Partnership Shares'). Both the Partnership and Matching Shares are placed in trust for a three-year period.

For the period November 2015 to October 2016 the actual entitlement to Matching Shares was fixed at one Matching Share for each Partnership Share purchased. The Group incurred a charge of £0.1m in respect of the matching element of the International SIP in 2016.

23. Cash flow from operations

	Notes	2016 £m	2015 £m
Profit for the year		81.8	60.3
<i>Adjustments for:</i>			
Depreciation	10	74.2	68.0
Amortisation	11	6.5	10.1
Share-based payments	6	4.5	3.8
Finance income	7	(0.5)	(0.7)
Finance expense	7	15.7	17.7
Share of profit of associates	12	(1.3)	(1.6)
Taxation	8	23.8	16.5
		204.7	174.1
(Increase)/decrease in trade and other receivables		(18.7)	1.2
Increase in inventories		(0.1)	(1.4)
Increase in trade and other payables, and in provisions		22.6	5.5
Cash flow from operations		208.5	179.4

24. Financial instruments

(a) Financial assets and liabilities by category

	2016 £m	2015 £m
Financial assets		
Trade and other receivables (excluding prepayments and accrued income)	103.0	66.5
Cash and cash equivalents	155.8	134.7
	258.8	201.2
Financial liabilities		
Bank loans	(471.7)	(452.8)
Finance leases	(1.5)	(1.7)
Derivative financial instruments	(14.2)	(9.8)
Trade and other payables (excluding other taxation and social security)	(389.3)	(314.6)
	(876.7)	(778.9)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24. Financial instruments continued

(b) Fair values of financial assets and liabilities

The fair values of all financial assets and financial liabilities by class, together with their carrying amounts shown in the balance sheet, are as follows:

	Carrying amount 2016 £m	Fair value 2016 £m	Carrying amount 2015 £m	Fair value 2015 £m
Loans and receivables				
Cash and cash equivalents	155.8	155.8	134.7	134.7
Trade and other receivables	103.0	103.0	66.5	66.5
Total loans and receivables	258.8	258.8	201.2	201.2
Non-derivative financial liabilities measured at amortised cost				
Bank loans	(471.7)	(476.7)	(452.8)	(459.0)
Finance lease liabilities	(1.5)	(1.5)	(1.7)	(1.7)
Trade and other payables	(389.3)	(389.3)	(314.6)	(314.6)
Total financial liabilities measured at amortised cost	(862.5)	(867.5)	(769.1)	(775.3)
Derivative financial liabilities				
Interest rate swaps	(14.2)	(14.2)	(9.8)	(9.8)
Total derivative financial liabilities	(14.2)	(14.2)	(9.8)	(9.8)

Bank loans

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. Bank loans are categorised as Level 2 financial liabilities, whereby inputs which are used in the valuation of these financial liabilities and have a significant effect on the fair value are observable, either directly or indirectly.

Finance lease liabilities

Fair value is based on the present value of the future lease payments, discounted at the rate implicit in the lease.

Other non-derivative financial instruments (excluding bank loans)

Due to the short-term nature of non-derivative financial instruments (excluding bank loans), the fair value is approximate to the carrying value.

Derivative financial instruments

Derivative financial instruments relate to interest rate swaps and are valued using relevant yield curves and exchange rates as at the balance sheet date.

Fair value hierarchy

All derivative financial liabilities are categorised as Level 2 under which the fair value is measured using the inputs other than quoted prices observable for the liability, either directly or indirectly.

(c) Credit risk

The Group's concentration of credit risk in relation to trade receivables is not considered material. The balances relate to a number of customers for whom there is no recent history of default. The ageing of trade receivables at the balance sheet date was as follows:

	2016 £m	2015 £m
Total trade receivables	45.5	35.8
Less: impairment provision for trade receivables	(1.6)	(1.3)
	43.9	34.5
Of which:		
Not yet due	29.9	20.4
Overdue, between 0 and 6 months	11.5	12.8
Overdue, more than 6 months	4.1	2.6
Impairment provision for trade receivables	(1.6)	(1.3)
	43.9	34.5

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2016 £m	2015 £m
At beginning of the year	(1.3)	(1.0)
Charged in the year	(0.5)	(0.4)
Utilised in the year	0.3	0.1
Currency adjustment	(0.1)	-
At end of the year	(1.6)	(1.3)

Other classes of assets in trade and other receivables do not include any impaired assets.

(d) Credit quality of cash at bank and short-term deposits

The credit quality of cash at bank and short-term deposits has been assessed by reference to Moody's external ratings as follows:

	2016 £m	2015 £m
High grade	75.7	24.2
Upper medium grade	54.0	86.4
Medium grade	1.2	2.8
Non-investment grade	2.4	1.5
Unrated	1.2	1.3
	134.5	116.2
Cash in hand and in transit	21.3	18.5
	155.8	134.7

(e) Financial risk management

The main financial risks of the Group relate to the availability of funds to meet business needs, the risk of default by counterparties to financial transactions, and fluctuations in interest and foreign exchange rates. In this regard, the Treasury function is mandated by the Board to manage the financial risks that arise in relation to underlying business needs. The function has clear policies and operating parameters, and its activities are regularly reviewed by the Board to ensure compliance. The function does not operate as a profit centre and speculative transactions are not permitted.

Financial instruments, including derivatives, are used on occasion to manage the main financial risks arising during the course of business. These risks are liquidity risk and market risk and are discussed further below:

Liquidity risk

The Group's objective in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due.

In order to achieve this, the Treasury department maintains an appropriate level of funds and facilities to meet each year's planned funding requirement.

	Carrying amount £m	2016				
		Contractual cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	>5 years £m
Non-derivative financial liabilities						
Bank loans	(471.7)	(489.2)	(44.4)	(44.4)	(400.4)	-
Finance lease liabilities	(1.5)	(2.6)	(1.2)	(0.5)	(0.7)	(0.2)
Trade and other payables	(389.3)	(389.3)	(389.3)	-	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	(14.2)	(13.6)	(4.1)	(5.1)	(4.4)	-
	(876.7)	(894.7)	(439.0)	(50.0)	(405.5)	(0.2)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24. Financial instruments continued

(e) Financial risk management continued

Liquidity risk continued

	Carrying amount £m	2015				
		Contractual cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	>5 years £m
Non-derivative financial liabilities						
Bank loans	(452.8)	(516.0)	(40.6)	(39.9)	(435.5)	-
Finance lease liabilities	(1.7)	(2.0)	(0.6)	(0.4)	(0.6)	(0.4)
Trade and other payables	(314.6)	(314.6)	(314.6)	-	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	(9.8)	(9.7)	(2.2)	(2.6)	(4.9)	-
	(778.9)	(842.3)	(358.0)	(42.9)	(441.0)	(0.4)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. These are discussed further below.

Currency risk

Although the functional currency of the Group is Sterling, the Group's operating cash flows are transacted in a number of different currencies. The Group's policy in managing this financial currency risk is to use foreign currency denominated borrowings to ensure that interest costs arise in currencies that reflect the operating cash flows, thereby minimising net cash flows in foreign currencies. As the mix of foreign currency cash flows generated by the business changes over time, there may be a requirement to restructure borrowings (via financial instruments or other treasury products) to maintain this hedge. The Board reviews financial currency risk at least once a year.

The currency profile of the cash balances of the Group at 30 September 2016 was as follows:

	2016 £m	2015 £m
Cash at bank and in hand		
Sterling	82.0	57.8
Other currencies	73.8	76.9
	155.8	134.7

The Group applies hedge accounting to cover the risk of foreign exchange differences arising between the functional currency of the foreign operation and the Group's functional currency, i.e. Sterling. The designated exchange risk is the spot foreign exchange risk because the hedging instruments are not derivatives, but foreign currency-denominated bank loans. The fair value of the bank loans used as hedging instruments was £304.0m as at 30 September 2016 (2015: £274.8m). There was no ineffectiveness recognised in the income statement arising from hedges of net investments in foreign operations.

No sensitivity analysis is provided in respect of currency risk as the Group's currency exposure mainly relates to translation risk as discussed above.

Interest rate risk

The Group has entered into a series of interest rate swaps in order to hedge its interest rate exposure from its variable rate term loan facilities. The impact of all of these transactions is reflected in the table below.

The interest rate and currency profile of the Group's bank loans at 30 September 2016, after taking into account interest rate swaps and before adjustment for unamortised bank fees of £5.0m (2015: £6.2m), was as follows:

	Floating-rate liabilities		Fixed-rate liabilities		Total	
	2016 £m	2015 £m	2016 £m	2015 £m	2016 £m	2015 £m
Currency						
Sterling	(43.2)	(18.4)	(129.5)	(165.7)	(172.7)	(184.1)
Euro	(47.9)	(17.4)	(143.4)	(156.6)	(191.3)	(174.0)
US Dollar	(8.5)	(3.1)	(25.5)	(28.0)	(34.0)	(31.1)
Swedish Krona	(7.9)	(3.0)	(23.9)	(26.7)	(31.8)	(29.7)
Norwegian Krone	(11.7)	(4.0)	(35.2)	(36.1)	(46.9)	(40.1)
	(119.2)	(45.9)	(357.5)	(413.1)	(476.7)	(459.0)

Interest rate swaps

All interest rate swap contracts exchanging floating-rate interest amounts for fixed interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to the income statement over the period that the floating rate interest payments on debt affect the income statement.

The fair value of the interest rate swaps was £14.2m as at 30 September 2016 (2015: £9.8m).

In 2016, a debit of £6.7m (2015: debit of £9.2m) was recognised in other comprehensive income representing the effective portion of changes in the fair value of the interest rate swaps in the year. There was no ineffectiveness recognised in the income statement in either year.

In 2016, a credit of £2.7m (2015: credit of £0.9m) in other comprehensive income arose on the reclassification of the cumulative changes in fair value of the interest rate swaps to the income statement (see note 7).

Sensitivity analysis

A change of 50 basis points in interest rates at the balance sheet date would have increased/(decreased) equity by the amounts in the table below. This is driven by changes in the carrying value of derivative financial instruments. At 30 September 2016, these were in fully effective hedge relationships and the movement would have had no impact on the income statement.

This calculation assumes that the change occurred at the balance sheet date and has been applied to risk exposures existing at that date. In addition, all other variables, in particular, foreign currency rates, have been assumed to remain constant.

	2016 £m	2015 £m
Equity		
Increase	4.9	6.4
Decrease	(5.0)	(4.2)

(f) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development. The Group's capital is represented by the share capital and reserves (as set out in note 21), retained earnings, and net debt (see below). The funding requirements of the Group are met by a mix of medium-term borrowings, short-term borrowings (under its RCF) and available cash (as detailed in the table below). During the year, the Group continued to monitor covenant compliance and has passed comfortably the requirements in its borrowing facilities. As part of its banking arrangement, the Group has to comply with the financial covenants relating to Net Debt Cover and Interest Cover. These covenants are tested bi-annually.

As at 30 September 2016, the Group had a leverage of 1.6x underlying LTM (last 12 months) EBITDA (2015: 1.9x).

The following table shows the movement in net debt of the Group during the year:

	At beginning of the year £m	Cash flow £m	Non-cash changes £m	Translation differences £m	At end of the year £m
Cash and cash equivalents	134.7	11.7	-	9.4	155.8
Debt due within one year:					
Bank loans	(27.2)	30.8	(30.3)	(3.6)	(30.3)
Finance leases	(0.5)	0.2	(0.1)	-	(0.4)
Debt due after one year:					
Bank loans	(425.6)	-	29.1	(44.9)	(441.4)
Finance leases	(1.2)	-	0.1	-	(1.1)
Total	(319.8)	42.7	(1.2)	(39.1)	(317.4)

There were no changes to the Group's approach to capital management during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

25. Operating leases

The Group leases a number of operating units under non-cancellable operating lease agreements. The leases have variable terms, escalation clauses and renewal rights.

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £m	2015 £m
Less than 1 year	273.7	227.1
Between 1 and 5 years	756.1	651.9
More than 5 years	362.9	300.3
	1,392.7	1,179.3

These commitments represent only the fixed guaranteed amount of rent payable. Any variable rent payable is dependent on future revenues, and is not a commitment as at this balance sheet date and is therefore not part of the disclosure above.

26. Commitments

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2016 £m	2015 £m
Contracted for but not provided	43.4	53.8

27. Related parties

Related party relationships exist with the Group's subsidiaries, associates (note 12), key management personnel, pension schemes (note 19) and employee benefit trust (note 21).

Subsidiaries

Transactions between the Company and its subsidiaries, and transactions between subsidiaries, have been eliminated on consolidation and are not disclosed in this note. Where the Group does not own 100% of its subsidiary, significant transactions with the other investors in the jointly owned subsidiary ('JV partner'), other than those listed in note 21, are disclosed in the table below. Sales and purchases with related parties are made at normal market prices.

Associates

Significant transactions with associated undertakings during the year, other than those included in note 12, are included in the table below.

	2016 £m	2015 £m
Purchases from related parties ¹	(4.8)	(3.9)
Management fee income	1.6	0.7
Other income	1.1	0.5
Amounts owed by related parties at the end of the year	0.7	0.1
Amounts owed to related parties at the end of the year ²	(4.9)	(0.2)

¹ All purchases are from The Minor Food Group PCL ('MFG') which owns 51% of Select Service Partner Co. Limited.

² Included in the amounts owed to related parties at the end of the year above is £1.1m (2015: £nil) owed to Epigo SAS ('Epigo') and £3.8m (2015: £0.2m) owed to MFG.

The Group has provided a number of guarantees to third parties in respect of obligations of its associates, relating to, for example, concession agreements, franchise agreements and financing facilities. In addition, certain subsidiaries benefit from guarantees provided by the Group's JV Partners to similar third parties (in respect of obligations of the subsidiaries). These guarantees are consistent with those provided in the normal course of business in respect of the Group's 100% owned subsidiaries.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. The Group considers key management personnel to be the Chief Executive Officer, the Chief Financial Officer and the Non-Executive Directors.

	2016 £m	2015 £m
Short-term employee benefits	(4.0)	(4.0)
Post-employment benefits	(0.4)	(0.4)
Share-based payments	(1.3)	(0.8)
	(5.7)	(5.2)

28. Post balance sheet event

On 20 October 2016, the Group announced the creation of a joint venture with K Hospitality Group, whereby SSP will own a 49% share in Travel Food Services Private Limited ('TFS'), a leading operator of food and beverage concessions in travel locations in India. This partnership provides an entry point into the Indian market and the Group expects to benefit from TFS' established strong local presence.

SSP is acquiring 49% of TFS for an expected net consideration of £57.9m. The acquisition will take place in two stages. The first stage is to acquire a 33% stake for an estimated net consideration of £39.0m. This stage is expected to be fully completed by the end of February 2017. The second stage, to acquire a further 16%, is expected to take place by the end of 2018, for a net consideration of approximately £18.9m, contingent upon the performance of the business.

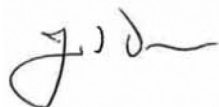
The Group will have control over TFS' relevant activities which affect its returns and as such will consolidate TFS and its group companies.

COMPANY BALANCE SHEET

As at 30 September 2016

	Notes	2016 £m	2015 £m
Fixed assets			
Investments	30	925.8	920.9
		925.8	920.9
Current assets			
Debtors due within one year	31	76.9	109.3
Liabilities falling due within one year			
Creditors	32	(8.7)	(5.4)
Net current assets		68.2	103.9
Net assets		994.0	1,024.8
Capital and reserves			
Called up share capital	33	4.7	4.7
Share premium account	33	461.2	461.2
Capital redemption reserve	33	1.2	1.2
Profit and loss account	33	526.9	557.7
Total equity shareholders' funds		994.0	1,024.8

These financial statements were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:



Jonathan Davies
Chief Financial Officer

Registered number: 5735966

COMPANY STATEMENT OF CHANGES IN EQUITY

As at 30 September 2016

	Share capital £m	Share premium £m	Capital redemption reserve £m	Profit and loss account £m	Total equity £m
At 1 October 2014	5.9	461.2	-	572.9	1,040.0
Loss for the year	-	-	-	(9.0)	(9.0)
Cancellation of deferred shares	(1.2)	-	1.2	-	-
Dividends paid to equity shareholders	-	-	-	(10.0)	(10.0)
Share-based payments	-	-	-	3.8	3.8
At 30 September 2015	4.7	461.2	1.2	557.7	1,024.8
Loss for the year	-	-	-	(13.0)	(13.0)
Dividends paid to equity shareholders (note 33)	-	-	-	(22.3)	(22.3)
Share-based payments	-	-	-	4.5	4.5
At 30 September 2016	4.7	461.2	1.2	526.9	994.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS

29. Accounting policies

SSP Group plc (the 'Company') is a company incorporated in the UK.

These financial statements present information about the Company as an individual undertaking and not about its Group. The separate financial statements are presented as required by the Companies Act 2006.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS101') under the historical cost accounting rules.

First time adoption of FRS101

In the year ended 30 September 2016 the Company changed its accounting framework from UK GAAP to FRS 101. This change in the basis of preparation has not altered the recognition and measurement requirements previously applied in accordance with UK GAAP and as such the Company has not presented a restated balance sheet or a reconciliation of equity on transition to FRS 101.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions:

- the cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet adopted IFRSs; and
- an additional balance sheet for the transition to FRS101.

Where relevant, equivalent disclosures have been given in the consolidated financial statements. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's balance sheet and related notes.

The Company uses Sterling as its presentational and functional currency and all values have been rounded to the nearest £0.1m unless otherwise stated.

Under section s408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The loss for the financial year (2015: loss) is disclosed in note 33 to these accounts. The Company has no other recognised gains or losses in the current or preceding year and, therefore, no statement of comprehensive income is presented.

Going concern

SSP Group plc is the ultimate parent company of the SSP Group. The Company balance sheet has been prepared on a going concern basis, having regard to SSP Group's trading forecasts for the next 12 months. See page 54 for consideration of the Group's going concern basis.

Investments

Investments in subsidiaries are stated at cost less provision for impairment losses.

Impairment

The carrying values of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. When a subsequent event or change in circumstances causes the recoverable amount of an asset to increase, the decrease in impairment loss is reversed through the income statement.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Tax is recognised in the profit and loss account except where it relates to items taken directly to equity, in which case it is recognised in equity. Deferred tax is recognised in respect of all temporary differences between the treatment of items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 101.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Share-based payment compensation

The Company has granted equity-settled share awards to Group employees. Equity-settled awards are measured at fair value at grant date. The fair value of awards granted to employees of the Company is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will actually vest. The cost of awards to employees of subsidiary undertakings is accounted for as an additional investment in the employing subsidiary.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

30. Investments in subsidiary undertakings

	Shares in Group undertakings £m
Cost	
At 1 October 2015	920.9
Additions	4.9
At 30 September 2016	925.8
Net book value	
At 30 September 2016	925.8
At 30 September 2015	920.9

Impairment

The Directors have assessed whether the Company's fixed asset investments require impairment under the accounting principles set out in FRS101.

In order to make this assessment, future cash flows were forecast for the next five years with growth rates of between 2% and 5% per annum thereafter. These cash flows were discounted by applying discount rates of between 5.8% and 11.1%. The values applied to the key assumptions are derived from a combination of external and internal factors based on past experience together with management's future expectations about business performance.

This assessment did not result in any impairment in 2016 or 2015.

31. Debtors

	2016 £m	2015 £m
Due within one year		
Amount receivable from Group undertakings	76.9	109.3

32. Creditors

	2016 £m	2015 £m
Due within one year		
Accruals and deferred income	(8.7)	(5.4)

33. Capital and reserves

Share capital and share premium

	Number of shares	Share capital £m	Share premium £m
Issued, called up and fully paid:			
Ordinary shares of £0.01 each	475,113,354	4.7	461.2
At 30 September 2015	475,113,354	4.7	461.2
Ordinary shares issued in the year	85,709	-	-
At 30 September 2016	475,199,063	4.7	461.2
Comprised of:			
Issued, called up and fully paid:			
Ordinary shares of £0.01 each	475,199,063	4.7	461.2

Reserves

	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 October 2014	-	572.9	572.9
Loss for the year	-	(9.0)	(9.0)
Cancellation of deferred shares	1.2	-	1.2
Dividends paid to equity shareholders	-	(10.0)	(10.0)
Share-based payments	-	3.8	3.8
At 30 September 2015	1.2	557.7	558.9
Loss for the year	-	(13.0)	(13.0)
Dividends paid to equity shareholders	-	(22.3)	(22.3)
Share-based payments	-	4.5	4.5
At 30 September 2016	1.2	526.9	528.1

Capital redemption reserve

The cancellation of the deferred ordinary shares in 2015 resulted in an increase to the capital redemption reserve of £1.2m.

Profit and loss account

The Company's loss for the financial year was £13.0m (2015: loss of £9.0m).

Dividends

	2016 £m	2015 £m
Interim dividend paid in the year of 2.5p (2015: 2.1p)	(11.8)	(10.0)
Prior year final dividend of 2.2p paid in the year	(10.5)	-
	(22.3)	(10.0)

The proposed dividend of 2.9 pence per share, amounting to a final dividend of £13.8m, is not included as a liability in these financial statements, and, subject to shareholder approval, will be paid on 31 March 2017 to shareholders on the register on 3 March 2017.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

34. Employee share plans

Awards over shares of the Company have been granted to employees of the Company under the Performance Share Plan ('PSP') and the UK Share Incentive Plan ('UK SIP').

Details of the terms and conditions of each share-based payment plan and of the Group's TSR comparator group are given in the Directors' remuneration report on pages 36 to 50.

PSP

	2016 Number of shares	2015 Number of shares
Outstanding at the beginning of the year	1,352,693	1,269,901
Granted during the year	1,011,837	82,792
Lapsed during the year	(110,736)	-
Outstanding at the end of the year	2,253,794	1,352,693
Exercisable at the end of the year	-	-
Weighted average remaining contracted life (years)	1.6	2.1
Weighted average fair value of awards granted in the year (£)	2.73	1.89
Expense recognised for the year (£m)	1.9	1.1

The exercise price for the PSP is £nil.

Information on awards granted in the year can be found in note 22 to the Group accounts.

UK SIP

See note 22 to the Group accounts for information on awards granted under the UK SIP in 2016.

35. Directors' remuneration

The remuneration of the Directors of the Company is disclosed in note 27 to the Group accounts and the Directors' remuneration report on pages 36 to 50.

36. Related parties

The Company has identified the Directors of the Company as related parties for the purpose of FRS101. Details of the relevant relationships with these related parties are disclosed in the Directors' remuneration report and note 27 to the Group accounts.

The Company makes charges for management services to its subsidiaries. Amounts owed to related parties are shown in note 31.

37. Contingent liabilities

The Company is a member of a VAT group and consequently is jointly liable for the VAT group's liability. The Company's contingent liability at 30 September 2016 was approximately £5.8m (2015: £5.5m).

In addition, the Company is a guarantor on Group borrowing facilities. The borrowings under the facility at 30 September 2016 were £476.7m (2015: £459.0m).

The Company has also provided guarantees in relation to certain operating liabilities of operating subsidiaries. All such liabilities are expected to be paid by the relevant subsidiary in the normal course of business.

38. Other information

The fee for the audit of the Company's annual financial statements was £0.2m (2015: £0.2m).

The average number of persons employed by the Company (including Directors) during the year was 44 (2015: 33).

Total staff costs (excluding charges for share-based payments) were £9.6m (2015: £8.7m).

39. Group companies

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries, associates and other investments (held directly and indirectly by the Company) at the year end are as disclosed below.

Name	Country of incorporation	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Subsidiaries (all of which are included in the Group consolidation):			
SSP Emirates LLC	Abu Dhabi		49% ¹
SSP Australia Catering Pty Limited	Australia		
SSP Österreich GmbH	Austria		
SSP Belgium SPRL	Belgium		
Rail Gourmet Belgium NV	Belgium	Inactive company	
Rail Gourmet Services Belgium NV	Belgium	Inactive company	
Select Service Partner (Cambodia) Limited	Cambodia	Inactive company	49% ^{1,2}
SSP Canada Airport Services Inc.	Canada		
SSP Canada Food Services Inc.	Canada		
SSP Québec Food Services Inc.	Canada		
Select Service Partner Hainan Co. Limited ⁸	China		
SSP Shanghai Co. Limited ⁸	China		
SSP Catering Cyprus Limited	Cyprus	Holding and Management Services company	
SSP Louis Airports Restaurants Limited	Cyprus	Holding company	60%
Monarch A/S	Denmark		
Select Service Partner Denmark A/S	Denmark		
SSP Denmark Financing ApS	Denmark	Holding company	
SSP Egypt JSC	Egypt		
Select Service Partner Eesti A/S	Estonia		
Select Service Partner Finland Oy	Finland		
SSSP Finland Financing Oy	Finland	Inactive company	
Bars et Restaurants Aéroport Lyon Saint Exupéry SAS	France		
Les Buffets Boutiques et Services des Autoroutes de France SNC	France		
Select Service Partner SAS	France		
Société D'Exploitation du Chalet de la Porte Jaune SASU	France		
SSP France Financing SAS	France	Holding company	
SSP Orly SASU	France		
SSP Paris SASU	France		
SSP Province SAS	France		
SSP Roissy 2 SASU	France		
Mitropa GmbH	Germany	Inactive company	
SSP Deutschland GmbH	Germany		
SSP Financing Germany GmbH	Germany	Holding company	
SSP Premium Gastronomie GmbH	Germany		
Select Service Partner Restaurants Hellas SA	Greece		
Select Service Partner Asia Pacific Limited	Hong Kong	Holding and Management Services company	
Select Service Partner Hong Kong Limited	Hong Kong		
SSP China Development Limited ⁸	Hong Kong	Holding company	³
SSP Hungary Catering Kft	Hungary		

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

39. Group companies continued

Name	Country of incorporation	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
RG Onboard Services (Ireland) Limited	Ireland		
Select Service Partner Ireland Limited	Ireland		
SSP Investment Financing Ireland Unlimited Company	Ireland	Financing company	³
SSP Luxembourg SA	Luxembourg		
Rail Gourmet Netherlands BV	Netherlands	Holding company	
SSP Nederland BV	Netherlands		
Rail Gourmet Togservise Norge AS ⁸	Norway		50% ¹
Select Service Partner AS	Norway		
SSP Norway Financing AS	Norway	Holding company	
Select Service Partner Russia LLC ⁸	Russia		
Select Service Partner (Singapore) Pte Limited	Singapore		
Foodlasa, SL	Spain		
Select Service Partner SAU	Spain		
Select Service Partner Spain Financing SLU	Spain	Holding company	
SSP Airports Restaurants, SL	Spain		
Scandinavian Service Partner AB	Sweden		
SSP Newco AB	Sweden	Inactive company	
SSP Sweden Financing AB	Sweden	Holding company	
Rail Gourmet Holding AG	Switzerland	Holding company	
Select Service Partner (Schweiz) AG	Switzerland		
SSP Taiwan Limited	Taiwan		
Select Service Partner Co. Limited ⁸	Thailand		49% ¹
Belleview Holdings Limited	UK	Dormant company	
Belleview Limited	UK	Dormant company	
Cretegame Limited	UK	Agency company	
Millie's Cookies (Franchise) Limited	UK	Dormant company	
Millie's Cookies Limited	UK	Agency company	
Millie's Cookies (Retail) Limited	UK	Agency company	
Millies Limited	UK	Dormant company	
Rail Gourmet Group Limited	UK	Holding company	
Rail Gourmet UK Holdings Limited	UK	Holding and Management Services company	
Rail Gourmet UK Limited	UK		
Select Service Partner Limited	UK	Agency company	
Select Service Partner Retail Catering Limited	UK	Dormant company	
Select Service Partner UK Limited	UK		
SSP Air Limited	UK	Agency company	
SSP Asia Pacific Holdings Limited	UK	Holding company	
SSP Euro Holdings Limited	UK	Holding company	
SSP Financing Limited	UK	Holding and Treasury company	
SSP Financing No. 2 Limited	UK	Financing company	³
SSP Financing UK Limited	UK	Holding and Management Services company	

39. Group companies continued

Name	Country of incorporation	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
SSP Group Holdings Limited	UK	Holding company	⁴
Whistlestop Airports Limited	UK	Dormant company	
Whistlestop Foods Limited	UK	Agency company	
Whistlestop Operators Limited	UK	Agency company	
ATL Resurgens Joint Partners LLC	US	Inactive company	
Busy Bee Hartsfield-Jackson Concessions, LLC	US	Inactive company	
Creative PTI, LLC	US	Inactive company	62.8% ⁵
Flavour of ATL, LLC	US	Inactive company	
Harry's Airport ⁶	US		51%
Midway Partnership, LLC	US	Inactive company	
Select Service Partner LLC	US	Inactive company	
SSP America BOS, LLC	US		70%
SSP America DFWI, LLC	US		90%
SSP America EWR, LLC	US	Inactive company	
SSP America Gladco, Inc	US	Inactive company	
SSP America Houston, LLC	US	Inactive company	
SSP America IAH ⁶	US		72.64%
SSP America, Inc.	US		
SSP America Investments, LLC	US	Inactive company	
SSP America JFK, LLC	US		82%
SSP America LAX, LLC	US	Inactive company	
SSP America MCO, LLC	US		65%
SSP America MDW, LLC	US	Inactive company	
SSP America Milwaukee, LLC	US		61.5%
SSP America Minneapolis, LLC	US		51%
SSP America MSN, LLC	US		90%
SSP America MSP, LLC	US		80%
SSP America MSY, LLC	US	Inactive company	
SSP America PDX, LLC	US	Inactive company	
SSP America PHX, LLC	US		77.65%
SSP America RDU, LLC	US		62.8%
SSP America SAN, LLC	US		70%
SSP America SEA, LLC	US	Inactive company	
SSP America SFO, LLC	US		60%
SSP America SMF, LLC	US		60%
SSP America Tampa, LLC	US		52%
SSP America Texas, LLC	US	Holding company	
SSP America Texas, Inc.	US		
SSP America (USA), LLC	US	Holding company	³
SSP Financing US, LLC	US	Financing company	³
SSP Four Peaks PHX, LLC	US		69.885% ⁷

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

39. Group companies continued

Name	Country of incorporation	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Associates:			
Railrest SA ⁸	Belgium		49%
Cyprus Airports (F&B) Limited	Cyprus		29.988% ⁹
MCS A/S	Denmark		50%
Avecra Oy ⁸	Finland		40%
Epigo SAS	France		50%
Epigo Présidence Sarl	France	Management Services company	50%
Qatar Airways SSP LLC ¹⁰	Qatar		49%
Aero Service Partners LLC	US	Inactive company	49%
SSP America BTR, LLC ¹¹	US		51%

* Ordinary shares includes references to equivalent in other jurisdictions.

1 SSP has control as defined by IFRS 10 Consolidated Financial Statements.

2 100% of the shares are held by Select Service Partner Co. Limited (Thailand).

3 Includes 100% of preference shares.

4 Holding held directly by the Company.

5 100% of the shares are held by SSP America RDU, LLC.

6 The principal place of business of the unincorporated entities listed above is 19465 Deerfield Avenue, Suite 105, Landsdowne, VA 20176 USA.

7 90% of the shares are held by SSP America PHX, LLC.

8 These undertakings have a 31 December year end.

9 49.98% of the shares are held by SSP Louis Airports Restaurants Limited.

10 This undertaking has a 31 March year end.

11 SSP does not have control as defined by IFRS 10 Consolidated Financial Statements.

Subsidiaries exempt from audit

The UK subsidiaries shown as dormant or as an agency company in the table in this note will take advantage of the audit exemption in Section 479 of the Companies Act 2006 for the year ended 30 September 2016.

COMPANY INFORMATION

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