SSP

The Food Travel Experts

SSP GROUP PLC
Annual Report and Accounts 2017

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 2,500 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 450 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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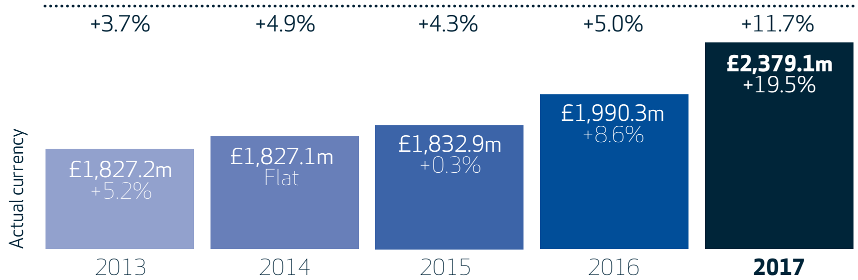
HIGHLIGHTS

Revenue

£2,379.1m +11.7%

(year-on-year at constant currency[1])

Constant currency[1] increase

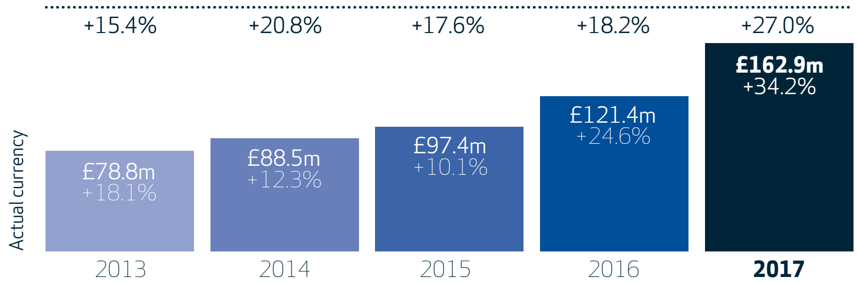


Underlying operating profit[2]

£162.9m +27.0%

(year-on-year at constant currency[1])

Constant currency[1] increase



Operating profit

£161.0m

OUR SCALE

c. **35,000** employees

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

More than **450** brands

c. **600** sites

Over **2,500** 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 which excludes the revaluation of the obligation to acquire an additional 16% ownership share of TFS by the end of calendar year 2018 and the amortisation of intangible assets arising on the acquisition of the SSP business in 2006. In the prior year the underlying basis only excluded the amortisation of intangible assets arising on the acquisition of the SSP business in 2006.

Other notes

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 and 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 and 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 contract wins in the year, developing our presence across the world, particularly in North America and Asia.

Another year of delivery in 2017

I am pleased to report that the Group has delivered another strong set of annual results, with revenue growing by 19.5% to £2,379m and underlying earnings per share increasing by 31% to 20.3 pence per share.

We have continued to deliver good like-for-like sales growth in our existing business, as well as a significant increase in 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, further extending our presence in North America and in the Rest of the World, where there are significant structural growth opportunities. Additionally, this year we have entered the Indian market through a joint venture, and the initial performance of this business has been encouraging. In 2017 we increased our capital expenditure to a record £115m, reflecting the strong increase in net contract gains. Our approach to new business is disciplined and focuses on ensuring that we generate good returns on investment. Our success is underpinned by our ability to deliver an attractive brand line-up and innovative bespoke concepts for our clients and customers. We continue to invest in our people, strengthening central, regional and local teams around the world.

Dividend

As a result of the Group's strong performance, I am pleased to announce that the Board has recommended a final dividend of 4.9 pence per share (subject to shareholder approval at the Annual General Meeting in February 2018), making a total dividend for the year of 8.1 pence per share, which is at the top end of the dividend payout ratio range we announced at the time of IPO. The Board also proposes a special dividend of approximately £100m which will be in addition to the final dividend for the year ended 30 September 2017. This reflects our confidence in the future of the business and our desire to maintain an efficient balance sheet.

Sustainability

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

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

Looking forward, we have secured some important new business wins, which means our pipeline is encouraging. Increasing passenger numbers around the world, both in the airport and rail sectors, provide significant structural growth opportunities. I am confident that SSP can continue to benefit from these trends and deliver sustainable value creation for shareholders. With this in mind, the Board looks forward to delivering another good performance in the year ahead.

Vagn Sørensen
Chairman

21 November 2017

CHIEF EXECUTIVE'S STATEMENT

Significant structural growth opportunities in our market, and our programme of strategic initiatives, leave us well placed to continue to deliver long-term sustainable value for our shareholders.

Overview

The Group delivered a good performance in the year, driven by like-for-like sales growth, new contract openings across the world and the ongoing implementation of our programme of operational improvements. We are continuing to invest in the development of the business and to bring new brands and concepts to our clients and customers. We have made further good progress in the development of the business in North America and Asia Pacific, and the first year's performance of our joint venture in India has been encouraging.

Strong financial results

The financial performance of the Group is presented on an underlying basis, for which the statutory reported results are adjusted for the impact of foreign exchange, the amortisation of intangible assets created on the acquisition of the SSP business in 2006 and the revaluation of the obligation to acquire an additional share of TFS by the end of the 2018 calendar year. The statutory reported performance of the Group is explained in the financial review, with detailed reconciliation between statutory and underlying performance provided on page 15.

The Group delivered a strong financial performance in 2017, with underlying operating profit increasing by 27.0% (on a constant currency basis) to £162.9m, and with a constant currency increase, excluding TFS, in the operating margin of 50 bps. The consolidation of TFS added a further 30 bps, bringing the Group margin to 6.8%.

Total revenue increased by 11.7% on a constant currency basis, including like-for-like sales growth of 3.1%, net contract gains of 6.0% and a negative impact of 0.3% from the additional leap year day in 2016. The TFS business contributed a further 2.9% to revenue. Like-for-like growth in the air sector has again been stronger than the rail sector, driven by increasing passenger numbers in most of our markets.

Net contract gains were 6.0% in the year, an encouraging increase from last year's gains of 1.7%. We saw very strong contributions from North America and the Rest of the World, reporting net gains of c.23% and c.18% respectively. Significant new openings at Chicago Midway and JFK T7 airports in North America, and in Hong Kong and China in the Rest of the World, have contributed to this strong performance.

We are encouraged by the pipeline of new contracts. During the year we won a number of significant new contracts, including at airports in Seattle, Los Angeles and Boston in North America, and at Cebu in the Philippines.

The strong operating margin improvement of 50 bps reflects the like-for-like sales growth and further encouraging progress on our strategic initiatives.

We delivered strong free cash flow of £89.0m, after investing £115.0m in capital expenditure (excluding capital contributions from our partners), which was a £19.1m increase on the prior year. The increase in capital expenditure reflects our net gains. Reported net debt fell from £317.4m to £262.2m. The reduction in net debt was driven by the free cash flow of £89.0m, net of the dividend payment of £29.0m. We have taken the decision to increase the ordinary dividend and pay out 40% of net income. This takes the payout ratio to the top of the range we gave at the IPO of 30-40%. Furthermore, we are proposing a special dividend of approximately £100m, accompanied by a proposed share consolidation, which reflects our confidence in the future of the business and our desire to maintain an efficient balance sheet.

Summary and outlook

The Group delivered a strong financial performance in the year with good like-for-like sales growth, very strong net gains and 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 for our customers and our shareholders.

Kate Swann
Chief Executive Officer

21 November 2017

OUR BUSINESS

Our marketplace

Our operations are managed on a regional basis and are primarily focused on the airport and railway station markets. During 2017, 61% of our revenues were generated in the air sector and 33% 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 2015[1]. 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

61%
SSP revenue generated in the air sector in 2017

According to Airport Council International (ACI)[2], air passenger numbers are expected to grow at 5.2% per annum to 2029, reaching more than double the seven billion passengers in 2015. This growth is underpinned by a number of factors, including: rising disposable incomes (particularly in developing markets, with 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. Forecasting to 2040, ACI anticipates these increases to be strongest in the Middle East and Africa (7.7%) and Asia Pacific (6.2%), with India expected to become the third largest country by total passenger traffic. Smaller increases are forecast for the more mature European (3.7%) and North American regions (2.8%)[3].

Spend per passenger is influenced by several factors: the quality of the catering proposition at airports; the rapid growth of low-cost airlines with a typically limited catering offer; and the scaling back of on-board services by major flagship carriers which all help drive spend levels.

Rail

33%
SSP revenue generated in the rail sector in 2017

Rail passengers in our key European markets (UK, France and Germany) were estimated to total 5.8 billion[4] in 2016. Passenger numbers within these countries have increased at an average annual rate ranging from 1.9% to 3.5% since 2013[4], with moderate growth forecast to continue in the medium term.

Supporting this growth is the ongoing investment in rail infrastructure by governments seeking to encourage passengers to switch from road to rail transport and to also address environmental concerns[5]. This investment has resulted in a significant expansion in track, including in the high-speed rail network, which has increased 13% since 2010 across the UK, France and Germany, with a further 40% already planned or under construction in existing projects[6]. The investment in new trains, replacement of existing fleets, and the expanded track are all set to deliver increased capacity and to support greater passenger numbers in the future.

1 Company estimate based on third party market research (March 2014) commissioned for the SSP IPO. This identified a core market of £13.8bn in 2013, which includes airports and railway stations globally but excludes rail in North America. The equivalent market in 2015 amounts to c. £14bn at average exchange rates, or c. £15bn on a constant currency basis.

2 ACI World Traffic Forecast (2016).

3 ACI World 2016 and IATA (2016).

4 ORR; Eurostat (2017).

5 OECD (2017).

6 UIC (2017); includes HS2 planned investment.

Our brands

We have over 450 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

- James Martin Kitchen
- LEON Naturally Fast Food
- Knead Bakery & Coffee Paul Hollywood
- Tai Hing
- wahlburgers
- Oberweis Luxembourg

International brands

- Starbucks
- M&S Simply Food
- Ajisen Ramen
- O'Learys Est 1988 Bar & Restaurant
- YO! Sushi
- Jamie's Deli

Our own brands

- Upper Crust
- Le Grand Comptoir
- Millie's Cookies
- panopolis
- Ritazza
- Camden food co.

Bespoke concepts

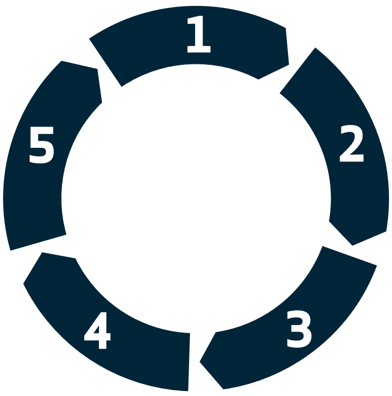
- Union Street gastropub
- LIFT Bar · Grill · View
- NZZ Café
- Wine & View
- Norge
- Fly Inn Est. 1969

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.

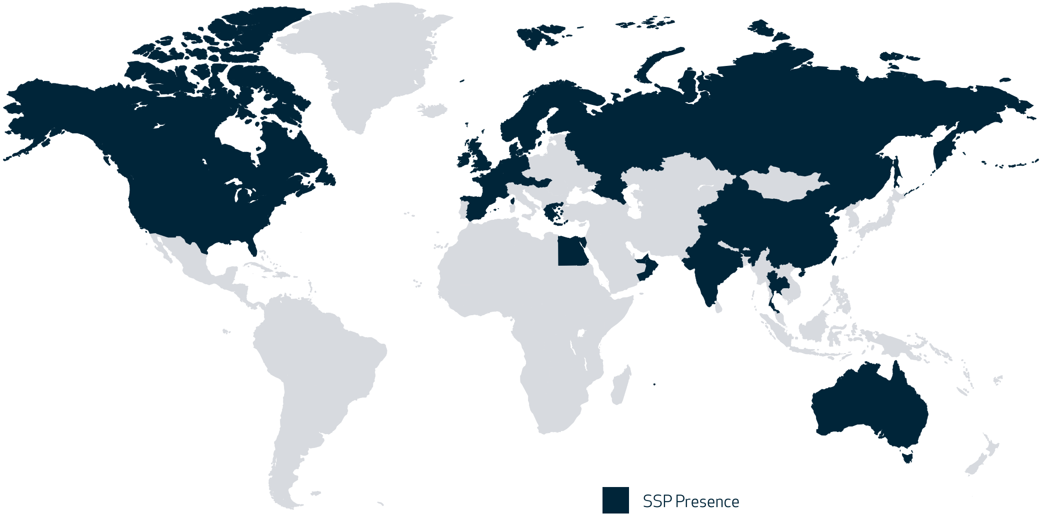
We have outlets in over 30 countries around the world with experienced and established teams in all of these countries.

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 these locations generating c.94% of our revenues in 2017. 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 long-standing 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 period:

1. Optimising our offer from the positive trends in our markets

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

Like-for-like sales growth in the year was driven by the ongoing roll-out of our retailing programmes which are delivering well. We have made further good progress on optimising our product ranges and the development of premium products to provide customers with additional choice. For example, in conjunction with celebrity chef, James Martin, we have recently introduced a new James Martin's Kitchen (JMK) premium range as part of our UK on-board rail offer. We have a new first class menu, and in standard class we now include JMK premium lines such as Hot Pots and British Ham and Barber Cheese baguettes.

2. Growing profitable new space

The travel food and beverage market in airports and railway stations is valued at approximately £14bn and is characterised by long-term structural growth. It offers excellent opportunities for us to expand our business across the globe.

Net contract gains were 6.0%, driven by new unit openings and high levels of contract retention. The higher level of net gains in the current year 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), provide attractive expansion opportunities and the pipeline of new contracts is encouraging. We have strong disciplines around the contract tendering process which support our ability to deliver attractive returns from new business investment.

Our new business growth is underpinned by our ability to deliver attractive and effective food 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, our own proprietary brands such as Upper Crust and Ritazza, and bespoke concepts and local heroes. We have opened a number of units across our range of brands in the year including a new look Ritazza at Euston station, a Camden Food Company in Dubai International Airport and an Upper Crust at Brisbane Airport. We have further expanded our relationships with high profile chefs and this year opened our first Paul Hollywood outlet, KNEAD, at Euston station, which has been well received by our customers. We have also secured a deal with Gordon Ramsay to open a new grab-and-go concept in the air sector.

A significant development for us has been our recent entry into India. India is the world's second most populous country, with over one billion inhabitants, and has seen sustained strong passenger growth in recent years, which is forecast to continue. Infrastructure growth is expected to support this and it has been reported that the government is scheduled to invest USD120bn in airport infrastructure over the next decade. We acquired 33% of TFS in India during the year and will acquire a further 16% interest by the end of calendar year 2018. TFS operates over 200 units, with operations in six of the main airports in India including Delhi and Mumbai, as well as in railway stations. TFS has delivered a strong financial performance in the ten months since acquisition and has contributed 2.9% to our revenue.

3. Optimising gross margins

Gross margin, excluding TFS, increased by 90 bps in the year at constant currency. Approximately 30 bps of this improvement is due to higher growth in the air sector, which typically has higher gross margins but higher concession fees than the rail sector. As anticipated, we have started to see some increased food inflation in the business and we expect this to continue in the new financial year.

The roll-out of gross margin initiatives is progressing well across our regions. Key areas of focus include procurement disciplines, range and recipe rationalisation and the management of waste and losses. This year we have made good progress in the introduction of equipment that automates food preparation processes in our sites. This helps to improve the product consistency, as well as driving labour efficiency and reducing waste. To support these initiatives, we continue to invest in both central and local resources.

4. Running an efficient and effective organisation

We have a multi-year programme of initiatives to improve operating efficiency, which is important to the Group given the backdrop of ongoing labour cost inflation. Labour efficiencies contributed a 20 bps improvement 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 developed a more standardised, systematised approach to labour forecasting and scheduling through a programme called Better Service Planning. We have rolled out the new system across the UK and initial results are encouraging. We are now undertaking further pilot studies across a number of other countries. We are also trialling self-scan and self-serve checkouts at a number of units, both of which can contribute to greater efficiency and the customer experience.

5. Optimising investment utilising best practice and shared resource

We have maintained our focus on generating efficiencies to optimise our investments, drive returns and use best practice and shared resources. We are continuing to look at how shared back office services can reduce cost and drive simpler, more efficient processes. We have now established two outsourced shared service centres in Pune in India and Lodz in Poland which are used by a number of SSP's countries for financial transaction processing. We continue to look for further opportunities to outsource administration and financial processes. In addition to this, we have made good progress in driving energy efficiencies in the year and have introduced a number of programmes which have helped to reduce overall energy usage.

FINANCIAL REVIEW

Group performance

We've delivered a good set of results with further strong profit growth and healthy cash generation.

Jonathan Davies, Chief Financial Officer

	2017 £m	2016 £m	Change Reported	Constant currency	LFL
Revenue	**2,379.1**	1,990.3	+19.5%	+11.7%	+3.1%
Underlying operating profit	**162.9**	121.4	+34.2%	+ 27.0%	
Underlying operating margin	**6.8%**	6.1%	+70 bps	+80 bps	
Operating profit	**161.0**	119.5	+34.7%		
Operating margin	**6.7%**	6.0%	+70 bps		

Revenue

Revenue increased by 11.7% on a constant currency basis, comprising like-for-like sales growth of 3.1%, net contract gains of 6.0% and a negative impact of 0.3% from the additional leap year day in 2016. The TFS business contributed a further 2.9% to revenue. At actual exchange rates, total revenue grew by 19.5%, to £2,379.1m.

Like-for-like sales growth was 3.1%. The growth in the air channel has again been strong, driven by increasing passenger numbers in all of our major markets. The growth in the rail channel in the UK and Continental Europe continues to be impacted by ongoing terrorist incidents, strike action in some markets and an increase in disruption due to station redevelopments, particularly in London.

Net contract gains contributed 6.0% to full year revenue growth, driven by strong contributions from North America, including at Chicago Midway, JFK T7, Tampa, Minneapolis and Montreal, and the Rest of the World, including in Hong Kong, at Beijing and Sanya in China, and at Don Mueang and Phuket in Thailand.

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 2017 compared to the 2016 average was +7.8%.

Underlying operating profit

Underlying operating profit increased by 27.0% on a constant currency basis and by 34.2% at actual exchange rates to £162.9m. The underlying operating profit margin, excluding TFS, improved by 50 bps on a constant currency basis and 40 bps at actual exchange rates. The consolidation of TFS added a further 30 bps, bringing the overall underlying operating profit margin to 6.8%. Margin growth has been delivered through a combination of the good like-for-like sales growth and the benefits from our strategic initiatives.

Gross margin increased by 110 bps year-on-year, on a constant currency basis, or 90 bps when excluding the impact of TFS. Of the 90 bps improvement, 30 bps is due to the higher sales growth in the air sector, where gross margins are typically higher than the rail sector. The remaining improvement reflects the ongoing roll-out of our strategic initiatives which have helped to reduce the impact of ongoing food cost price inflation. Key areas of focus during the year were on reinforced procurement disciplines, range and recipe rationalisation, and the strengthening of resources and technology to manage waste and losses.

Labour costs improved by 60 bps year-on-year, on a constant currency basis, with 40 bps of this improvement coming from the inclusion of India with its lower labour cost. Excluding India, the underlying improvement was 20 bps or 30 bps before absorbing the impact of additional share-based payment costs. The improvement in labour ratios benefited from the early roll-out of our Better Service Planning system, which forecasts sales and supports better labour scheduling, and helped to mitigate ongoing labour inflation.

Concession fees rose by 70 bps during the year with the stronger growth in sales in the air channel, where concession fees are typically higher, contributing 30 bps to the year-on-year increase, and the inclusion of TFS a further 10 bps increase. Without these impacts, the underlying increase in concession fees year-on-year was 30 bps.

Overheads increased slightly year-on-year with a 10 bps increase, although this is entirely due to the inclusion of the India business. Excluding India, our overheads remained flat year-on-year reflecting further good progress in overhead efficiency.

Operating profit

Operating profit was £161.0m (2016: £119.5m), reflecting an adjustment for the amortisation of acquisition-related intangible assets of £1.9m (2016: £1.9m).

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

The following shows the Group's segmental performance. For full details of our key reporting segments, refer to note 2.

UK

	2017 £m	2016 £m	Change Reported	Change Constant currency	Change LFL
Revenue*	**787.7**	749.4	+5.1%	+4.8%	+2.1%
Underlying operating profit	**82.1**	66.4	+23.6%	+23.2%	
Underlying operating margin	**10.4%**	8.9%	+160 bps	+160 bps	

* Constant currency sales growth excludes a negative impact of 0.2% from the additional leap year day in 2016.
Note – Statutory reported operating profit was £80.6m (2016: £64.9m) and operating margin was 10.2% (2016: 8.7%) reflecting an adjustment for the amortisation of acquisition related intangible assets of £1.5m (2016: £1.5m).

Revenue increased by 4.8% on a constant currency basis, comprising like-for-like growth of 2.1% and net contract gains of 2.7%. 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. Trading in the rail sector continues to be soft, impacted by ongoing disruption, due to redevelopment and terrorist incidents.

Underlying operating profit for the UK increased by 23.2% on a constant currency basis to £82.1m, and underlying operating margin increased by 160 bps to 10.4%, helped by the strong revenue growth in the air sector, gross margin optimisation initiatives and labour efficiencies driven by the roll-out of the Better Service Planning programme across the UK.

Continental Europe

	2017 £m	2016 £m	Change Reported	Change Constant currency	Change LFL
Revenue*	**910.3**	796.8	+14.2%	+3.1%	+2.7%
Underlying operating profit	**77.8**	60.1	+29.5%	+18.6%	
Underlying operating margin	**8.5%**	7.5%	+100 bps	+110 bps	

* Constant currency sales growth excludes a negative impact of 0.2% from the additional leap year day in 2016.
Note – Statutory reported operating profit was £77.4m (2016: £59.7m) and operating margin was 8.5% (2016: 7.5%) reflecting an adjustment for the amortisation of acquisition related intangible assets of £0.4m (2016: £0.4m).

Revenue increased by 3.1% on a constant currency basis, comprising like-for-like growth of 2.7% and net contract gains of 0.4%. As with the UK, like-for-like sales were stronger in air than in rail, with good growth in the air businesses particularly in Spain, which continues to benefit from tourists switching from the Middle East, and also in France and Germany.

Underlying operating profit increased by 18.6% on a constant currency basis to £77.8m. Profit growth was helped by the reversal of the profit impact of last year's terrorist attacks in France and the ongoing roll-out of strategic initiatives. The underlying operating margin improved by 110 bps, on a constant currency basis, to 8.5%.

North America

	2017 £m	2016 £m	Change Reported	Change Constant currency	Change LFL
Revenue*	**372.9**	262.7	+41.9%	+27.8%	+4.9%
Underlying operating profit	**14.3**	12.5	+14.4%	+0.8%	
Underlying operating margin	**3.8%**	4.8%	-90 bps	-100 bps	

* Constant currency sales growth excludes a negative impact of 0.4% from the additional leap year day in 2016.
Note – There are no adjustments between underlying operating profit and statutory reported operating profit.

Revenue increased by 27.8% on a constant currency basis, comprising like-for-like growth of 4.9% and net contract gains of 22.9%. Like-for-like growth benefited from positive trends in airport passenger numbers in the North American market, although growth in the second half was impacted by changes in airline route scheduling and passenger flows at a few of our airports. Contract gains benefited from commencing operations at Chicago Midway Airport during the second half of the year, where we have been running 27 temporary units ahead of the redevelopment next year, after which we will operate 18 units, with the remaining units being subcontracted to a number of business partners. In addition to this, we opened important new business in JFK T7, Tampa, Minneapolis and Montreal in the year.

Underlying operating profit increased by £1.8m to £14.3m. Operating profit growth was impacted by higher (c.£8m at constant currency) depreciation arising from the increased capital invested in new units which opened during the year. Excluding this, we saw good growth in operating profit.

Rest of the World (excluding TFS)

	2017 £m	2016 £m	Change Reported	Change Constant currency	Change LFL
Revenue*	**243.1**	181.4	+34.0%	+25.5%	+7.4%
Underlying operating profit	**8.3**	8.6	-3.5%	+11.8%	
Underlying operating margin	**3.4%**	4.7%	-130 bps	-50 bps	

* Constant currency sales growth excludes a negative impact of 0.4% from the additional leap year day in 2016.
Note – There are no adjustments between underlying operating profit and statutory reported operating profit.

Revenue increased by 25.5% on a constant currency basis, with an increase in like-for-like sales of 7.4% and net contract gains of 18.1%. Like-for-like sales were boosted in the second half by strong passenger growth in Asia Pacific, particularly in Hong Kong and China, and growth in Egypt as passengers slowly start to return to the country, although we continue to see very few flights at Sharm el Sheikh. Net gains came primarily from new units at airports in the Asia Pacific region, including in Hong Kong, at Beijing and Sanya in China, and at Don Mueang and Phuket in Thailand. In addition to these we have won a tender to operate at Cebu airport in the Philippines, through a joint venture.

Underlying operating profit for the Rest of the World was £8.3m, an increase of 11.8% on a constant currency basis. Operating profit growth was impacted by higher (c.£4m at constant currency) depreciation arising from the increased capital invested in new openings during the year. Excluding this, we saw good growth in operating profit.

TFS joint venture performance

In October 2016, SSP announced the agreement to create a joint venture with K Hospitality Group, whereby SSP would own a 49% share in Travel Food Services Private Limited (TFS), a leading operator of food and beverage concessions in travel locations in India, through a two stage completion.

The Group owns a 33% share in TFS following the completion of the first stage of the acquisition acquired for net consideration of £35m. The Group will acquire a further 16% share by the end of the 2018 calendar year for an estimated consideration of £21m.

SSP has management and operational control of the business and hence it is consolidated into SSP's financial results. In the first ten months of ownership, revenue was £65.2m, with operating profit of £12.9m (see table below). The strong performance was driven by good sales growth and strong profit conversion, in part helped by the relatively lower labour costs in India, but also the delay in opening new units secured at Delhi airport, which will now open next year.

£m	Fully consolidated (10 months) Reported FX rates
Revenue	65.2
Operating profit	12.9
% Margin	*19.7%*
Net finance charges	(0.2)
Tax	(4.0)
%	*(31.6)%*
Profit after tax	**8.7**
Non-controlling interest*	(6.8)
%	*(78.7)%*
Net income	**1.9**

* SSP's share of the fully consolidated revenue and profit was 11% (1 December 2016 to 28 February 2017) and 26% (1 March to 30 September 2017). This equated to 21.3% in the 10 months to 30 September 2017. In H1 the non-controlling interest share of TFS's PAT was 82.9% and in H2, 77.2%.

Share of profit of associates

The Group's share of profit from associates was £3.4m (2016: £1.3m). During the year we disposed of our investment in Avecra, which contributed approximately £1m to the associate income in the year.

Net finance costs

Underlying net finance costs increased year-on-year to £17.6m, primarily due to movements in foreign exchange rates and higher interest rate swap costs. Reported net finance costs were £19.6m, the additional £2.0m being the revaluation of the financial liability to acquire a further 16% interest in TFS.

Taxation

The Group's underlying tax charge for the year was £33.8m (2016: £24.2m), equivalent to an effective tax rate of 22.7% (2016: 22.5%) of the underlying profit before tax. On a reported basis the tax charge for the year was £33.6m (2016: £23.8m).

FINANCIAL REVIEW CONTINUED

Non-controlling interests
The non-controlling interests increased year-on-year by £8.6m to £18.4m. The increase largely reflects the first time inclusion of TFS (£6.8m) and the growth in our joint venture businesses, most of which are in North America and the Rest of the World.

Earnings per share
Underlying earnings per share, which excludes exceptional items, was 20.3 pence per share (2016: 15.5 pence per share). Reported earnings per share was 19.5 pence per share (2016: 15.2 pence per share).

Dividends
In line with the Group's stated priorities for the uses of cash and after careful review of the capital expenditure requirements for the coming years, the Board is proposing to increase the dividend payout ratio for this year to 40%, the top end of the range stated in the IPO prospectus. This will equate to a final dividend of 4.9 pence per share (2016: 2.9 pence per share), 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 8.1 pence (2016: 5.4 pence).

In addition to this, the Board proposes a special dividend in the region of £100m. The Company is also proposing to undertake a share consolidation on the record date of the special dividend. Both of these will contribute to maintaining balance sheet efficiency and reflect our confidence in the business.

The final dividend will be paid, subject to shareholder approval, on 29 March 2018 to shareholders on the register on 16 March 2018. The ex-dividend date will be 15 March 2018. The special dividend is expected to be paid in April 2018.

The special dividend and share consolidation will be subject to shareholder approval at the Annual General Meeting of the Company to be held in February 2018. Further details of the special dividend and share consolidation (including the final amount to be paid, the record date and proposed payment date for the special dividend) will be set out in the notice of Annual General Meeting that will be sent to shareholders in January 2018.

Post balance sheet events
On 17 October 2017, the Group successfully agreed an 'amend and extend' of its existing debt facilities, securing an extension of the term by two years to July 2022, a slight reduction in the margin payable on the debt and an increase in its Revolving Credit Facility by £100m to £150m.

Balance sheet and net debt
The Group's balance sheet strengthened in the year, with year end net debt reducing to £262.2m (2016: £317.4m) and net assets increasing to £465.0m (2016: £382.7m).

The table below explains the reduction in net debt during the year:

	£m
Opening net debt (1 October 2016)	(317.4)
Net cash flow	67.5
Impact of foreign exchange rates	(3.4)
Acquisition of loans and other financial assets arising on business combination	(7.5)
Other	(1.4)
Closing net debt (30 September 2017)	(262.2)

The reduction in net debt of £55.2m was driven by the net cash flow generation of £67.5m offset by a foreign exchange translation impact of £3.4m arising from the weakening of Sterling during the year and the acquisition of loans and other financial assets relating to TFS.

Leverage reduced during the year, leaving net debt:EBITDA at the year end at 1.0 times, compared with 1.6 times at the end of the prior year.

Cash flow

The table below presents a summary of the Group's cash flow for 2017:

	2017 £m	2016 £m
Underlying operating profit[1]	**162.9**	121.4
Depreciation and amortisation	**95.5**	78.8
Working capital	**18.3**	3.8
Net tax	**(33.3)**	(20.0)
Other	**11.9**	4.5
Net cash flow from operating activities	**255.3**	188.5
Capital expenditure[2]	**(115.0)**	(95.9)
Sale of/(investment in) associate	**7.3**	(4.7)
Acquisition of TFS, adjusted for net debt acquired[3]	**(35.0)**	(4.7)
Net dividends to/from non-controlling interests/associates	**(9.1)**	(8.8)
Other	**–**	(0.8)
Underlying operating cash flow	**103.5**	78.3
Net finance costs	**(14.5)**	(13.3)
Underlying free cash flow	**89.0**	65.0
Dividend paid	**(29.0)**	(22.3)
Net cash flow	**60.0**	42.7

1 Excludes the amortisation of intangible assets arising on acquisition of the SSP business in 2006 and in the current year also excludes the revaluation of the obligation to acquire an additional 16% ownership of TFS in 2018.
2 Capital expenditure is net of capital contributions from non-controlling interests of £8.4m (2016: £8.4m).
3 Comprises consideration of £42.7m adjusted for cash and cash equivalents acquired (£15.2m), other financial assets acquired (£0.8m) and long and short-term borrowings acquired (£8.3m), (refer to note 9).

The Group generated net cash flow from operating activities of £255.3m (2016: £188.5m) and underlying free cash flow of £89.0m, an increase of £24.0m compared to 2016, driven by the growth in operating profit, and after increased investment in the business.

Capital expenditure increased by £19.1m to £115.0m, reflecting the increased contract wins in 2017.

The payment for the acquisition of the Group's current 33% investment in the TFS joint venture in India, after adjusting for net debt acquired, was £35.0m. Working capital generated £18.3m of cash flow during the year. The increase of £14.5m compared to last year reflected the strong sales growth and the fact that some payments at year end fell into October rather than September.

Net finance costs paid of £17.1m were higher than in 2016, primarily due to movements in foreign exchange rates and higher interest rate swap costs.

The dividend paid of £29.0m reflected the cost of the 2016 final dividend of 2.9 pence per share and the 2017 interim dividend of 3.2 pence per share. Overall, the Group generated net cash flow of £60.0m during the year.

Summary

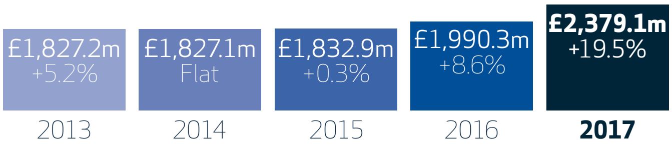
Our overall financial performance has been strong, with good progress on underlying operating margin, up 80 bps on a constant currency basis, and healthy cash generation, despite increasing investment in the business. We continue to strengthen our balance sheet, providing capacity for further growth.

Jonathan Davies
Chief Financial Officer

21 November 2017

KEY PERFORMANCE INDICATORS

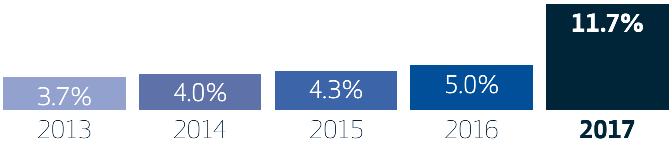
Revenue £2,379.1m
(actual currency)



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 19.5% to £2,379.1m (at actual exchange rates). The overall impact on revenue of the movement in currencies (principally the Euro, US Dollar, Swedish Krona, and Norwegian Krone) was +7.8%.

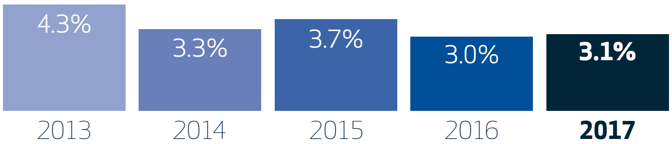
Year-on-year revenue growth 11.7%
(constant currency)



Definition – Revenue at constant currency eliminates the impact of foreign exchange rates on reported revenue. Constant currency is based on average 2016 exchange rates weighted over the financial year by 2016 results.

Comment – Revenue increased by 11.7% in 2017 on a constant currency basis, comprising like-for-like growth of 3.1%, net contract gains of 6.0%, acquisition of TFS of 2.9%, offset by a negative impact of 0.3% from the additional leap year day in 2016.

Like-for-like sales increase 3.1%

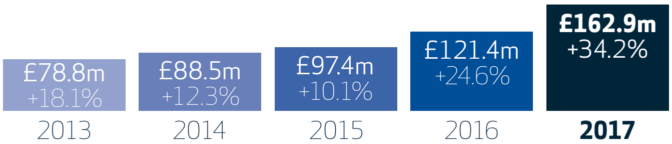


Definition – Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months.

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 was 3.1%. The growth in the air channel has again been strong, driven by increasing passenger numbers in all of our major markets. The growth in the rail channel in the UK and Continental Europe continues to be impacted by ongoing terrorist incidents, strike action in some markets and an increase in disruption due to station redevelopments, particularly in London.

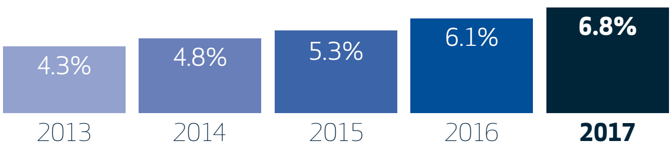
Underlying operating profit £162.9m
(actual currency)



Definition – Underlying operating profit represents revenue less operating costs excluding in the current period, the revaluation of the obligation to acquire an additional 16% ownership share of TFS by the end of calendar year 2018 and the amortisation of intangible assets arising on the acquisition of the SSP business in 2006. In the prior year the underlying basis only excluded the amortisation of intangible assets arising on the acquisition of the SSP business in 2006.

Comment – Underlying operating profit increased by 27.0% on a constant currency basis, and by 34.2% at actual exchange rates to £162.9m. Operating profit was £161.0m (2016: £119.5m), reflecting an adjustment for the amortisation of acquisition-related intangible assets of £1.9m (2016: £1.9m).

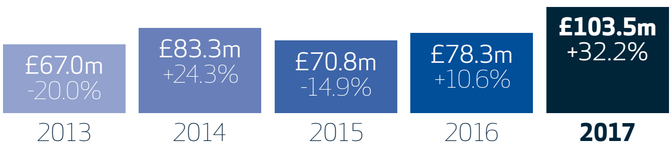
Underlying operating profit margin 6.8%
(actual currency)



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

Comment – Underlying operating profit margin improved by 80 bps on a constant currency basis and 70 bps at actual exchange rates to 6.8%, as the combination of the good like-for-like sales growth and the benefits from our strategic initiatives continue to improve our margins.

Underlying operating cash flow £103.5m
(actual currency)



Definition – Underlying operating cash flow represents net cash flow from operations after capital expenditure, tax and net cash flow to and from non-controlling interests and associates.

Comment – Underlying operating cash flow was £103.5m, an increase of £25.2m 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 (+£19.1m 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 incl TFS	Total
2017 Revenue at actual rates by segment (£m)	787.7	910.3	372.9	308.2	2,379.1
Impact of foreign exchange (£m)	(4.3)	(90.3)	(38.1)	(24.1)	(156.8)
2017 Revenue at constant currency[1] (£m)	**783.4**	**820.0**	**334.8**	**284.1**	**2,222.3**
2016 Revenue (£m)	749.4	796.8	262.7	181.4	1,990.3
Constant currency sales growth	**4.6%**	**2.9%**	**27.4%**	**56.6%**	**11.7%**
Which is made up of:					
Like-for-like sales growth[2]	2.1%	2.7%	4.9%	7.4%	3.1%
Net contract gains/(losses)[3]	2.7%	0.4%	22.9%	18.1%	6.0%
TFS joint venture acquisition[4]	–	–	–	31.5%	2.9%
Constant currency sales growth excluding the impact of the leap year	**4.8%**	**3.1%**	**27.8%**	**57.0%**	**12.0%**
Impact of additional leap year day in the prior year	(0.2)%	(0.2)%	(0.4)%	(0.4)%	(0.3)%
Total constant currency sales growth	**4.6%**	**2.9%**	**27.4%**	**56.6%**	**11.7%**

1 Constant currency is based on average 2016 exchange rates weighted over the financial year by 2016 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.
4 The impact of TFS has been presented separately from net contract gains/(losses) from existing SSP business for the current year only.

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 acquisition of the SSP business in 2006 and the revaluation of the obligation to acquire an additional 16% ownership share of TFS by the end of calendar year 2018. A reconciliation from the underlying to the statutory reported basis is presented below.

			2017			2016
	Underlying	**Adjustments**	**Total**	Underlying	Adjustments	Total
Operating profit (£m)	**162.9**	**(1.9)**	**161.0**	121.4	(1.9)	119.5
Operating margin	**6.8%**	**(0.1)%**	**6.7%**	6.1%	(0.1)%	6.0%
Profit before tax (£m)	**148.7**	**(3.9)**	**144.8**	107.5	(1.9)	105.6
Earnings per share (pence)	**20.3**	**(0.8)**	**19.5**	15.5	(0.3)	15.2

RISK MANAGEMENT AND PRINCIPAL RISKS

The Board identifies that effective risk management is key to support the Group's strategic objectives. The management of risks is delegated through the business with a variety of committees responsible for reviewing and managing the procedures.

We recognise that the procedures 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 Audit
Carries out assurance activities to help inform the Board and committees of potential risk areas and mitigating controls

Board

The Board has overall responsibility for our system of internal controls and risk management policies and is also responsible for reviewing their effectiveness through regular risk updates and reports.

Audit Committee

The Audit Committee reviews procedures that relate to risk management processes and financial controls. The assessment of controls and risk management processes provide a reasonable basis for the Board to make proper judgements on an ongoing basis as to the financial position and prospects of the Group.

The Chairman of the Audit Committee reports to the Board on any matters that have arisen from the Audit Committee's review of the way risk management and internal control processes have been applied. This includes insights from its review of the reports of the internal and external auditors.

- Supports the Board by reviewing risk management processes and financial controls

- Receives and reviews detailed risk registers and Control Self Assessment (CSA) results

Risk Committee

The Risk Committee meets quarterly and operates under the management of the Audit Committee. It is not a Board committee. It is chaired by the Chief Financial Officer and comprises the Group General Counsel, the Group Financial Controller, the Group Head of Financial Reporting, the Director of Business Controls, senior representatives from Deloitte, which acts as internal auditor to the Group, and other key colleagues where necessary.

- Reviews risk registers
- Identifies new risks for inclusion in the registers
- Takes action, as agreed and documented in the registers

- Reviews operational risks, controls and KPIs on an ongoing basis
- Reviews results of CSA process

Business Controls Team

- Coordinates the risk management process
- Holds meetings with risk owners across the business
- Coordinates and consolidates local risk registers
- Updates Group risk register, assesses risk ratings and documents mitigating controls
- Coordinates, consolidates and summarises themes from the CSA process

Regional and country management

- Considers, updates and maintains local risk registers and risk maps
- Completes annual CSA process and proposes and follows up on action points to address any control gaps

Top down
Oversight and leadership of risk management approach

Bottom up
Identification, assessment, mitigation and escalation of risk

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 2017, the Board 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 2017 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 Directors 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 Audit 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 (CSA) confirmation each year 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, governance 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;
- the Group has established and rolled out a Code of Conduct, a Whistleblowing Policy and an Anti-Bribery and Anti-Corruption Policy and training, 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; and
- the Group has implemented a review of policies and procedures to ensure the risk of facilitating tax evasion by associates is minimised.

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 2017 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 local management maintain country and regional risk registers. The regional/country registers, covering the assessment of risk (including social, environmental, governance and ethical matters) as well as current and future mitigation activities, are discussed by the Executive Committee. The Group maintains a top down consolidated risk register covering risks to the overall Group. Risks are evaluated in respect of their potential impact and likelihood. 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;
- a risk management action plan is put in place to further enhance the Group's risk management capability; and
- the management of risk and compliance with associated polices is considered as part of the Group's performance management systems.

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 and are listed in order of priority.

Two new risks have been added to the principal risks since the prior year, indicated as such in the table below.

⇧ Risk increasing ⇩ Risk decreasing ⇔ No risk movement

Risk/Risk Priority	Risk Description	Mitigating Factors
1 **Business environment** ⇔	The Group operates in the travel environment where external factors such as the general economic and geopolitical climate, 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. 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 monitors the performance of individual business units and markets regularly. The Executive Directors review detailed weekly and monthly information covering a range of KPIs, and monitors progress on key strategic projects with local senior management. Specific short and medium-term actions are taken to address any trading performance issues which are monitored on an ongoing basis. The Group also conducts extensive research to understand current levels of customer satisfaction and gathers feedback on changing requirements. The Group has business continuity plans in place including liaison with authorities and clients in key locations to ensure that contingency plans are comprehensive and complete.
2 **Retention of existing client relationships** ⇧	The Group's operations are dependent on the terms of airport and railway station concession agreements. Growth is dependent on the Group's ability to retain existing concession contracts and win new contracts from either new or existing clients. The Group's clients may turn to alternative operators, cease operations, terminate contracts with the Group or increase cost pressure on the Group.	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 an established contact strategy with key clients to establish and/or maintain ongoing relationships. 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 key locations, working in conjunction with clients.
3 **Poor execution and mobilisation of new contracts** ⇔	There is a risk that the Group may not be successful in mobilising new contracts and operating them successfully.	The Group, regional and country senior management teams review mobilisation plans to ensure that new openings are delivered on time and in line with the specific agreement or contract. The Group has strengthened the management teams in the high-growth regions of Asia Pacific, and India, especially in finance and operations.
4 **Labour laws and unions** ⇧	Approximately 46% of the Group's employees are subject to collective bargaining agreements. These are principally in France, Germany, Spain, Denmark, Finland, Norway, Sweden and the United States. 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.	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. The Group is reviewing the impact of changes in remuneration structures, including the introduction of the National Living Wage and Apprenticeship Levy in the United Kingdom and the healthcare bill in the United States and developing mitigating strategies across the Group.
5 **Implementation of efficiency programmes** ⇧	The Group is continuously seeking new programmes to improve efficiency. These change programmes could fail to deliver the desired benefits e.g. labour efficiency and improvements in waste and loss.	The Group has completed detailed evaluation, planning and partial implementation of its major change programmes, adapting and responding to feedback on an ongoing basis. Where required to aid these programmes, the Group continues to utilise specialist expertise in the business, 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.

Risk/Risk Priority	Risk Description	Mitigating Factors
6 **Changing client behaviours**	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.	The Group has in place a clear 'SSP Value Proposition' that it presents to the client to address this risk. The Group Director of Strategic Partnerships and the Group Chief Commercial Officer work closely with country management teams to enhance and clarify the Group's proposition to its clients. The Group's contact strategy with key stakeholders and clients helps to mitigate this risk. This is informed by its annual client survey, which is carried out by an independent party.
7 **Expansion into new markets**	The Group's strategy involves expanding its business in developing markets, including Asia Pacific, India, 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.	The Group has strengthened the management team in Asia Pacific, and India, especially in finance and operations where this risk is high and the Group is growing. In addition, the Group adopts a joint venture model in certain new territories to provide access to existing local infrastructure and expertise as well as to help mitigate the risk inherent on entering new territories. 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. The Group works with in-house and external advisors to ensure the risks of doing business in developing markets are identified and, where possible, mitigated before entering those markets. This includes appropriate due diligence of potential joint venture and other local partners. The Group legal team works closely with country legal and operational teams to support business development activities and ensure compliance with local requirements. The risk of working in developing markets is also monitored by the Risk Committee and the Audit Committee.
8 **Senior management capability and retention**	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, which regularly target our staff for recruitment. The Group may not have sufficient management capability at a senior level, such as country leadership, to execute the planned operational efficiency programmes and support the growth and development of the business. The Group may not have sufficient resources such as in legal, finance and IT, to meet the changing and complex needs of an international and growing business.	The Group continues to review key roles and succession plans in country and at a Group level. Senior resources have been strengthened in a number of strategically important and growing businesses. The 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 required to run the Group effectively. The Group carries out an annual talent mapping exercise to identify candidates for future roles and continues to invest in additional resource to support change initiatives and business development programmes.

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

Risk/Risk Priority	Risk Description	Mitigating Factors
9 **Intensified competition** ⇧	Competition intensifies as the Group's competitors become more sophisticated and direct more resources to the preparation of tenders and take a more aggressive position on commercial terms when tendering for contracts. This could put pressure on the Group's profitability and reduce the availability and attractiveness of contracts.	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. The Group's strengthened business development team utilises the feedback from regular client satisfaction surveys when developing new tenders to ensure they remain competitive to clients. 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. The Group continues to extend its brand portfolio, including via partnerships with celebrity chefs, to provide breadth and depth as part of a tender process.
10 Impact of Brexit NEW RISK	There may be a potential impact from Brexit on consumer spending, cost inflation and the mobility of EU labour in the UK.	The Group carefully monitors the ongoing negotiations of the UK's exit from the EU and as further impacts of Brexit develop and crystallise, the Executive Directors and senior management will consider and implement additional mitigating actions. The Group maintains a global portfolio and regularly monitors the impact of foreign exchange fluctuations on its cash flows, mitigating the impact from exchange risk. The Group's pricing and range initiatives are driven by continuous monitoring of consumer spend benchmarks. Various gross margin initiatives including recipe re-engineering and procurement rationalisation continue to be pursued, in order to mitigate the impact of cost inflation. The Group continues to develop its UK recruitment strategy to ensure SSP is positioned as an attractive employer in the UK.
11 **Insufficient business development capability and investment** ⇩	The Group may not be successful in winning new contracts on commercially acceptable terms. The Group may not have the capability to enter new markets and capitalise on the business development opportunities these provide.	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. The Group has strengthened the management team in Asia Pacific and India, especially in finance and operations.

Risk/Risk Priority	Risk Description	Mitigating Factors
12 **Compliance Risk** NEW RISK	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. With a UK parent company, the Group is required to comply with the provisions of the UK Bribery Act and the new legislation aimed at preventing the facilitation of tax evasion, as well as the local equivalent laws in the territories in which the Group operates. The Group is required to comply with current data privacy laws, in many of the jurisdictions in which it operates. In the EU, the Company will be subject to the new General Data Protection Regulation (GDPR) from May 2018. This requires the adoption of stricter data management processes in order to address greater rights for individuals, mandatory breach reporting and more rigorous compliance obligations. There is a risk that the Group fails to comply with the new rules or to implement adequate processes to safeguard personal data. This could give rise to larger fines, penalties and civil action from individuals. The preparation of food and 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.	The Group has processes in place to ensure compliance with local laws and regulations. The Group may obtain external advice to supplement the in-house legal and compliance team. The Group has a Code of Conduct and Anti-Bribery and Anti-Corruption Policy and 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. The Group has conducted a risk assessment regarding the new UK tax legislation and is reviewing its policies and procedures in this regard. The Group has established a GDPR working group with representatives from each key division to assess and ensure the Group is able to manage GDPR compliance risk. Local champions have been identified and the Group is making progress to ensure it is compliant with the new rules. 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. Training sessions are also held in country to ensure compliance with these procedures.
13 **Execution of 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 continues to utilise specialist resources in the business to manage implementation and transition projects and to use external advisors to provide input into the management of risks on such projects. Performance feedback is reported to the Executive Committee on a regular basis and the Risk Committee periodically. The Group has included the outsourcing centres in its Internal Audit review scope. The outsourcing partners are highly reputable and were selected after a rigorous tender process and extensive due diligence.
14 **Maintenance/ development of brand portfolio**	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.	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. The Group continues to strengthen 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.
15 **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. The Group's segmental business model and IT systems structure help to ensure that potential cyber attacks are likely to remain isolated locally rather than impacting the whole Group.
16 **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.

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

Viability statement

As detailed on page 8, the Group's strategy is focused on creating long-term sustainable value for its shareholders. Taking this into account and in accordance with the provisions of the UK Corporate Governance Code, the Directors have assessed the prospects and viability of the Group for a period longer than the 12 months required by the going concern statement.

The Directors have carried out a robust assessment with reference to the Group's current position and performance, the Board's risk appetite, the Group's principal risks and impact on the current business model, future prospects, and solvency and liquidity.

The viability period has been considered by the Directors and it was concluded that a three-year period remains appropriate. This is consistent with the period covered by the Medium Term Plan which is approved by the Board annually, most recently in July 2017. The Board consider the Group strategy and principal risks of each business unit when approving the plan. It 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 Medium Term Plan review is supported by regular Board briefings provided by the regional and country management, which considers 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.

As set out on pages 18 to 21, the Board has identified the Group's principal risks to delivering the Group's strategy. Using these risks, a range of reasonable but severe scenarios which could impact the future prospects and performance of the Group were applied to the plan. This includes: 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; one that envisages an external event that has a significant impact on the travel sector for a number of months; and one that considers the impact of a combined short-term decrease in sales and longer-term sustained decline in like-for-like sales.

Based on the assessment and considering the mitigating controls the Group has in place in case these extreme scenarios occur, 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 2020.

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 55 for further details.

SUSTAINABILITY REPORT

Our sustainability strategy is focused on responsibly managing those environmental and social issues which have been identified as material to our business. We seek to do this in a way which also supports the Group's commercial strategy by improving our risk management or supporting operational efficiencies.

A named member of the Executive Committee is responsible for each of the four elements of our programme: Marketplace; People; Environment; and Community. Day-to-day accountability for sustainability is integrated into our core management structures and systems. The Board regularly reviews progress of 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 the supply chain behind them.

Our customers
Customer focus is one of our core business values and our colleagues seek to empathise with our customers' needs, making their satisfaction our priority. We encourage customers to give us feedback on how we are performing and where we can improve using our global digital platform 'Eat on the Move'.

We regularly review our menus to ensure we are offering our customers choice, and including healthier options. We focus this work around 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 our Spanish business, for example, our ranges include low-cholesterol options, freshly made fruit pots or quinoa salads and low-fat dairy products, as well as muffins, cookies and cakes which are low in fat and sugar. In the UK, we have reviewed our ranges and increased the healthy snacking lines on offer in our coffee and bakery brands by 27% year-on-year. In Scotland, we have carried out a full review of our food and beverage ranges on offer in hospitals, with over 70% of our products now meeting the NHS healthy eating criteria.

Sustainable and ethical sourcing
It is a priority for us that the products we sell should come from sustainably managed sources and that the people working within our supply chain should be 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 in term of labour standards. Our global purchasing teams contact our key suppliers to confirm their compliance with the code and our suppliers are also required to share their ethical audit data with us via the Supplier Ethical Data Exchange (SEDEX). In the year ahead, we plan to use the SEDEX audit data to strengthen our understanding of ethical trade risks within our largest suppliers.

In addition to this work, and in line with the requirements of the 2015 Modern Slavery Act, we operate a due diligence process to ensure that modern slavery risks are closely monitored within our business and supply chain. Further detail on our approach is provided in our separate Modern Slavery statement, available at www.foodtravelexperts.com.

When sourcing ingredients for our products, we require that our purchasing and menu development teams across the world follow the standards outlined in our Responsible Sourcing Policy. Coffee and tea are a core part of our product offer, and we work hard to ensure that the majority of the coffees and teas are produced in accordance with ethical and sustainable standards, such as the Fairtrade or Rainforest Alliance certification schemes. Animal welfare is another focus, and this year we have carried out a review of our egg sourcing strategy. Following this review, we are now working towards targets for all of the eggs used within our proprietary brands operating in the UK to be sourced from cage-free hens. Our objective is for whole eggs to be from cage-free sources by 2020 and to reach the same standards for egg ingredients by 2025. We will work with our suppliers over the coming year to implement any changes.

SUSTAINABILITY REPORT CONTINUED

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 provide 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. In the UK, we have conducted employee engagement surveys in a number of our M&S units, with managers then working to respond to the feedback given as part of the survey.

Learning and development
Our learning and development strategy is focused on growing talent from within. We achieve this through a range of bespoke learning and development programmes, each tailored to meet the needs of individuals, teams and the operating business. Our online training tool, Academy Live, has been relaunched this year, and now offers training to every new colleague in the UK. From their first day in the business, they can access a range of training to help them get up to speed in their new role as well as learning valuable skills that can help them to develop personally. We have commenced a roll-out to launch the Academy in all our other markets. This will enable us to provide the same level of training and opportunities across all our markets.

We offer apprenticeship qualifications in a number of our European operations, such as Germany, Norway and the UK, and these programmes seek to give our team members the opportunity to develop their careers into junior managerial roles. 127 of our UK colleagues completed apprenticeship qualifications during the year, across our eight different qualifications. This includes Team Member colleagues achieving a food and beverage apprenticeship, Team Leaders achieving a supervisory apprenticeship and front-line managers completing a management skill qualification. All these programmes support individuals to develop their personal skills and support career progression.

Across our operations, we have many partnerships at a local level to offer career opportunities to people from deprived communities. In America, for example, SSP partners with Job-Corp, a no-cost education and career technical centre training programme that helps young people aged 16-24 to improve their lives through career, technical and academic training. SSP colleagues take part in mock interviews, and SSP also hosts job fairs and offers employment to qualified individuals.

Equal opportunities and diversity
Our Equality Policy 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.

We have a number of partnerships which promote a more diverse workforce. SSP Hong Kong is developing a partnership with a local NGO to help the recruitment of more minority groups to help grow diversity amongst our unit employees. SSP America works with Refugee Focus to mentor and coach refugees and help them to gain employment. In Sweden's Arlanda Airport, we are working with Samhall, an NGO providing job opportunities for people with disabilities.

Employees by gender

	Male	Female
Board of Directors	86% (6)	14% (1)
Senior management	78% (98)	22% (27)
All employees	**47% (16,036)**	**53% (18,333)**

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 training on health and safety, and we monitor performance against key safety performance indicators.

Environment

Reducing the environmental impacts of our operations also make them more efficient, so makes good business sense. We focus our efforts on improving energy efficiency and reducing waste. 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

	2016/17		2015/16
	Tonnes of CO_2e	Percentage of carbon footprint	Tonnes of CO_2e
Scope 1 emissions Combustion of fuel and operation of facilities	8,300	8%	6,056
Scope 2 emissions Electricity, heat, steam and cooling purchased for own use	95,992	92%	80,693
Total	**104,292**	**100%**	**86,749**
Intensity measurement Total emissions reported above normalised per £ of turnover	**45.55**		**41.15 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

We are committed to reducing our carbon footprint through a programme of improved energy management. Savings are being achieved through the installation of business management systems and LED lighting systems, both of which are enabling us to deliver material savings in energy consumption and carbon emissions. During the year, these systems have been rolled out to our M&S stores in the UK and Ireland and Spar Express stores in Germany. We have also installed half hour meters across a number of our European sites, which allow us to check how much energy is being used at all times of the day, and new software which switches off non-essential refrigeration cases on store closing.

Where applicable, we have also installed a last person out switch linked into the system to shut down non-essential supplies on store closing. We are already seeing efficiencies of over 7% in an average unit. In the year ahead, we are looking to extend these initiatives across all UK and German sites as well as in France, Hong Kong and Belgium.

Reducing our waste to landfill

Reducing food waste is a priority for our business. A detailed review of the food production processes across our global operations has enabled us to identify opportunities to reduce waste. This has been achieved by making small changes to the way we prepare core ingredients such as fish or vegetables, which reduces the overall amount of food that is wasted in our kitchens. Volumes of unsold food are also being reduced through improved forecasting of customer demand cycles to ensure we have the right volumes of product available at the right times.

Our units across the world have developed partnerships with local charities to donate unsold food. SSP America, for example, works in partnership with Food Donation Connection, a company that assists restaurants and food service companies with the development and implementation of programmes designed to prevent the discarding of surplus food that is consumable. SSP Spain has a partnership with the Red Cross to donate unsold food to those most in need in communities including Malaga, Granada and Tenerife.

Community

Our units support a wide range of local charities, usually nominated by our colleagues or our clients. This year SSP America has provided extensive support to charities working with communities affected by the Houston flooding. 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 other causes, and also supports employee-nominated charities in the communities where SSP operates.

During 2017, the Foundation made grants to 60 charities nominated by our colleagues. It also partnered with UK registered charity, the Children's Food Trust, to fund Let's Get Cooking Clubs in 30 schools and further education colleges near to Leeds and Stansted airports and in Greater London. The clubs have offered students the opportunity to learn how to cook simple and healthy meals, how to budget for food, and how to use up leftovers and avoid waste. In the year ahead, our UK colleagues will be actively involved in determining the Foundation's charitable strategy by voting for a Charity of the Year.

Kate Swann
Chief Executive Officer

21 November 2017

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 from 1984 to 2001. Other previous roles include serving as the Chairman of the Association of European Airlines and of British Midland Airways, as a director of Lufthansa Cargo, 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, Air Canada and FLSmidth & Co. A/S, and a board member of Royal Caribbean Cruises Limited, VFS Global, Braganza AS, Nordic Aviation Capital A/S, TIA Technology A/S, ZEBRA A/S, JP/Politikens Hus A/S, CP Dyvig & Co A/S and Unilode Aviation Solutions. 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 in 1997, 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. Kate also served as a Non-Executive Director of Babcock International Group plc.

Current external appointments:
Kate has been a Non-Executive Director of England Hockey since 2016 and is also a Non-Executive Director of Independent Vetcare Limited.

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.

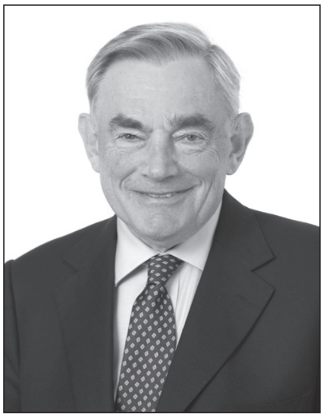
Jonathan Davies
Chief Financial Officer

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 in 1984, 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 the senior 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 Next plc, Cable & Wireless Worldwide plc, Brit Insurance Holdings plc, Wellington Underwriting plc, and Catlin Group Underwriting. 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 has been Chairman of easyJet PLC since 2013 and is a Non-Executive 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:
Ian was formerly Chief Executive Officer (and then Non-Executive Director) of Punch Taverns plc, Chief Executive Officer of Spirit Pub Company 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 International Co. He joined Hilton from Le Meridien, a division of Forte Group plc, where he had been Finance Director. Ian has also been a Non-Executive Director of Misys plc.

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 a Non-Executive Director of Intercontinental Hotels Group 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.

Per has also been the Group President and the CEO of Swissport International Ltd and the Chairman of the Executive Board of Bilfinger SE.

Current external appointments:
Per has been the Vice Chairman of Swissport International Ltd since 2015. Since April 2017 he has also been a Board Member of Xouis Holding AG.

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 until 2010. He has also served as Chairman and Chief Executive Officer of Accor S.A., the worldwide hotel group, and as a director of E-house Concept Limited, Cojean Limited and the John Lewis Partnership plc.

Current external appointments:
Denis has been a Non-Executive Director of Eurostar International Limited since 2012. His other directorships include The Green Jersey Limited and Bakkavor Group Limited. He is also a partner at French Food Capital.

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 April 2016 (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 37 to 51, describes how the Board has applied the main principles of good governance set out in the Code during the year under review. The Company also has an Audit Committee which functions as an internal control and risk management system for the Company, as more fully set out on page 31.

Compliance statement

It is the Board's view that for the year ended 30 September 2017 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 both 30 September 2017 and 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 the Non-Executive Directors bring their own senior level of experience, gained in 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 37 to 51.

The Board meets regularly during the year, as well as on an ad hoc basis, as required by business need. The Board met seven times between 1 October 2016 and 30 September 2017 and attendance at these meetings is shown in the table on page 30. Each Director is also proposing to attend the 2018 Annual General Meeting (the 2018 AGM) to answer shareholder questions.

The Company also has an Executive Committee, composed of the Executive Directors and senior management, which meets regularly to discuss the business and strategy of the Company.

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 overall responsibility for the Group's systems of risk management and internal control and for reviewing the effectiveness of such systems. The Audit Committee oversees the risk management process and provides oversight of internal controls on the Board's behalf. Details of the Group's systems of risk management and internal control (including financial controls, controls in respect of the financial reporting process and operational and compliance controls) can be found in the Audit Committee report on pages 33 to 36.

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. This is supported by regular legal, compliance and governance updates to the Board by the Group General Counsel.

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 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 (AGM), 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 AGM after their appointment. 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. The Board may then invite Non-Executive Directors to serve for a further additional period.

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 (including environmental, social and governance 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 continue to consider that each of the Chairman and Chief Executive Officer is 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.

This year, the Board carried out a formal evaluation in July and August 2017. The evaluation was conducted externally by EquityCommunications, which provides board evaluation services and has no other connection with the Company. The evaluation was conducted by means of individual interviews with each Director and the Company Secretary. The scope of the evaluation was broad and included Board effectiveness, Board structure and diversity, decision-making processes, corporate strategy and business model, risk, succession planning, values and culture, and Board Committees. The findings of EquityCommunications were presented to the Board in September 2017. The Board considered the results of the assessment and agreed that it confirmed strong leadership and management, which were key to the success of the Board's effectiveness, as well as a sound governance framework and practices compliant with the Code. Following this review, the Board also agreed to work on putting together an action plan for the year ending 30 September 2018, which would include ensuring continued focus on succession planning and considering the format and delivery of the strategy Board meeting.

In light of this review, the Board confirms that it 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(s) on a non-competitor board, for which they may retain 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 Companies Act 2006 to avoid a 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. 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 2017 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 and also on the Company's website. The Terms of Reference are reviewed regularly and updated where necessary. Membership and details of the principal committees are shown on pages 30 to 32. The General Counsel and Company Secretary acts as Secretary to all Board committees.

CORPORATE GOVERNANCE REPORT CONTINUED

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 2017:

Name	Board	Audit Committee	Nomination Committee	Remuneration Committee
John Barton	7 of 7	3 of 3	2 of 2	4 of 4
Jonathan Davies	7 of 7	–	–	–
Ian Dyson	7 of 7	3 of 3	2 of 2	4 of 4
Denis Hennequin	7 of 7	3 of 3	2 of 2	4 of 4
Vagn Sørensen	7of 7	–	2 of 2	–
Kate Swann	7 of 7	–	–	–
Per Utnegaard	7 of 7	3 of 3	–	4 of 4

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.

Nomination Committee

The following sections constitute the Directors' Nomination Committee report.

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. In addition, following a review of its Terms of Reference during the year (see further below), the Nomination Committee advises the Board on significant developments in the law and practice of corporate governance.

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.

As noted in the Sustainability report on pages 23 to 25, the Group is committed to equal opportunities and non-discrimination throughout the business, which includes its approach to its Board members. The Group believes that diversity, including gender and race diversity, but also diversity of experience and backgrounds, is important not only in the business generally, but also with respect to each Board member. In order to help ensure the Board has the appropriate balance of skills and attributes required for effective decision making and strategy, Board appointments are made purely on merit – regardless of a person's gender, age, disability, race or religion. The Company (and therefore the Nomination Committee) does not therefore have set targets for the composition of the Board, so that all employees have an equal chance of progressing their careers within the Company and so that the most appropriate people are appointed to the Board.

Membership as at 30 September 2017
John Barton (Chairman)
Ian Dyson
Denis Hennequin
Vagn Sørensen

Meetings held in 2017 financial year: two

Activities of the Nomination Committee
Matters the Nomination Committee considered during the year include:

- assessing the composition of the Board and its committees;
- succession planning and executive talent review and management; and
- carrying out the annual review of its Terms of Reference.

Following the review of its Terms of Reference during the year, the Nomination Committee recommended, and the Board approved, the expansion of the remit of the Nomination Committee to cover corporate governance. The duties of the Nomination Committee were extended to include advising the Board on significant developments in the law and practice of corporate governance, including the Company's compliance with the Code and making recommendations to the Board regarding any changes to the Company's corporate governance practices. The updated Terms of Reference are available on the Company's website at http://investors.foodtravelexperts.com/investors/corporate-governance.aspx.

The Chairman of the Nomination Committee will attend the 2018 AGM to respond to any shareholder questions that might be raised on the Nomination Committee's activities.

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 on remuneration policy for the Chairman, Executive Directors and senior management.

Membership as at 30 September 2017
John Barton (Chairman)
Ian Dyson
Denis Hennequin
Per Utnegaard

Meetings held in 2017 financial year: four

The Directors' Remuneration Report is set out on pages 38 to 51 and includes details of the Remuneration Committee's activities during the year and the Company's revised policy on remuneration. The Chairman of the Remuneration Committee will attend the 2018 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, the independence of the external auditors 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 2017
Ian Dyson (Chairman)
John Barton
Denis Hennequin
Per Utnegaard

Meetings held in 2017 financial year: three

The Audit Committee's report is set out on pages 33 to 36 and includes details of the Audit Committee's responsibilities and activities during the year. The Chairman of the Audit Committee will attend the 2018 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.

CORPORATE GOVERNANCE REPORT CONTINUED

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.

Disclosure Committee

Following the implementation of the new EU Market Abuse Regulation (MAR), the Board established a Disclosure Committee, which is responsible for ensuring compliance with the Company's disclosure obligations under MAR. The Committee is not a Board committee and is made up of the Chief Executive Officer, the Chief Financial Officer and the Company Secretary. It meets on an ad hoc basis and reports to the Board.

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 shareholders are encouraged to attend and to raise any questions at the meeting or in advance of the 2018 AGM (using the email address shown in the Notice of AGM).

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 2017 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 announcements 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 insofar as they relate to separate issues. 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 Chairmen 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 AGM.

AUDIT COMMITTEE REPORT

Dear Shareholder

On behalf of the Audit Committee (the Committee), I am pleased to present its report for the year ended 30 September 2017.

Throughout the year, the Committee continued to play a key oversight role for the Group. We focused 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 maintaining processes to oversee business conduct and ethics, including anti-bribery and anti-corruption and whistleblowing arrangements. As part of our meetings, we continued our focus on the review of the Group's outsourcing projects and the threat of cyber security. This year, we also discussed the appropriate accounting treatment for the Group's acquisition of our interest in Travel Food Services Private Limited (our Indian joint venture) and the significant impact of the new lease accounting standard (IFRS 16).

Membership

The Committee held three meetings during the year and comprises myself and three other independent Non-Executive Directors: John Barton, Denis Hennequin and Per Utnegaard. Attendance at these meetings is shown on page 30. As Chairman, I have recent and relevant financial experience through my past roles as a Chief Executive Officer and Chief Financial Officer of publicly quoted companies. The expertise and experience of the members of the 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 and Business Controls Departments 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 is 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 the internal and external auditors. I provide regular updates to the Board on the key issues discussed at the Committee's meetings.

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 which meets quarterly.

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.

Overview of the year

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 2017, areas of particular focus included the Group's ongoing outsourcing projects (including the transition of certain finance processes to a shared service centre model), the Group's management of the risks relating to information security, IT disaster recovery and cyber security, including General Data Protection Regulation (GDPR), and the Group's Corporate Tax Strategy;
- 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 including the Control Self-Assessment results and risk management processes within the business units;
- agreed the scope of both the external and internal annual audit programmes and reviewed the output, and monitored the effectiveness of the internal and external 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 reappointment, 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 in this report. I will be available at the 2018 Annual General Meeting (AGM) to answer any shareholder questions about the work of the Committee.

AUDIT COMMITTEE REPORT CONTINUED

Terms of reference

The terms of reference of the Committee were reviewed and updated during the year and the latest version 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; this is overseen by the Committee 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, but 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 re-forecasts 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 (refer to page 31 for members) 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. The Committee reviewed this process and a summary of the risk registers during the year.

Following this process, a summary of 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 results of the Control Self-Assessment confirmations and scope of work and reports of the internal and external auditors during the year.

Internal audit

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 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.

Internal audit is in regular dialogue with the regional Chief Financial Officers and the Group Chief Financial Officer to discuss the output from the assurance work and gain an update on the business risks across the Group. Where control deficiencies are noted through the assurance work performed, 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 2017 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 2017, 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 business controls, legal and tax departments. The survey covered areas such as their organisation, purpose and remit, process management, people and knowledge, 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.

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 Committee monitors this policy and reviews annually the number of matters reported and the outcome of any investigations.

The Committee will periodically review the Group's policies and procedures for preventing and detecting fraud, its systems, controls and policies for preventing bribery and for preventing the facilitation of tax evasion, 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 updated its training on anti-bribery and anti-corruption.

External audit

The effectiveness and the independence of KPMG LLP (KPMG), the Group's external auditor, is 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 2017 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 UK Corporate Governance Code, the Group is required to put its external audit process out to tender again in 2025. The Committee confirms it is in compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation Order 2014.

Auditor independence and non-audit services policy

The 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 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. 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 76. In 2017, non-audit fees represented approximately 20% of the audit fee. KPMG have provided tax compliance services to certain Group companies in 2017 and the non-audit fees in 2017 included £0.1m of tax compliance fees where local regulations require these to be performed by the local auditor. In response to the new regulations SSP has transitioned all other areas of tax 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 plc. 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. Further goodwill and intangible assets balance includes that which was recognised on acquisition of the Indian business during the current financial year (refer to the point below).

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

AUDIT COMMITTEE REPORT CONTINUED

The carrying value of goodwill is subject to impairment testing, at least on an annual basis. The carrying values of goodwill and intangible assets are reviewed for 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.

- **Acquisition of subsidiary**

In October 2016, the Group announced the agreement to create a joint venture, whereby SSP would ultimately own a 49% interest in Travel Food Services Private Limited (TFS). As at 30 September 2017, SSP owned a 33% share of the business. The Group's full year consolidated results include ten months of TFS results. In addition, the balance sheet as at 30 September 2017 includes SSP's share of the net assets acquired and goodwill and intangible assets recognised on acquisition.

The Committee recognises that there were multiple accounting judgements to consider including: treatment of the acquisition as a subsidiary; identification and valuation of intangible assets; and recognition and measurement of the financial liability to acquire a further 16% share in 2018. The goodwill recognised on acquisition was also subject to impairment review, and this was included in the Group annual impairment review as part of the Asia Pacific cash-generating unit.

After reviewing reports from management, the Committee agreed that the Group has control over the relevant activities of TFS including establishing budgets and operating plans, appointing key management personnel and ongoing review of performance and reporting procedures and therefore agreed with the treatment of the acquisition as a subsidiary. The Committee also reviewed management's and the external auditor's conclusions on the accounting treatment of the goodwill, intangible assets and financial liability in respect of the TFS acquisition and agreed with the treatment.

- **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 2018

In 2018, 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 2017, 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

21 November 2017

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 2017, which comprises this statement, the Annual report on remuneration on pages 38 to 44 and the Directors' remuneration policy on pages 45 to 51.

Our current 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 2017 financial year. The three-year life of the current policy will expire at our AGM in February 2018. We will therefore put forward a revised remuneration policy to a binding vote at that meeting. This is set out on pages 45 to 51.

Key decisions and pay outcomes for the year ended 30 September 2017
The Group's performance in 2017 exceeded expectations with excellent top and bottom line growth. Organic like-for-like sales were strong, helped by passenger growth in the air sector, and the year saw the highest level of net gains since IPO at 6.0%, with gains of over 20% in North America and 18% in Rest of World. The strategic initiatives continued to drive margin improvement across all cost lines and coupled with the sales growth resulted in Group operating profit increasing 27% year-on-year and exceeding the budget target by 11.8%. As at 30 September 2017, the TSR for the Group stood at 169% since the IPO compared to the top quartile peer group performance of 70%. Further information regarding the Group's performance can be found in the Strategic report on pages 1 to 25.

In this context, 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 39.

The first PSP awards since IPO, granted in 2014, are due to vest in February 2018. This is the first year for which we are required to include an estimated value of vested PSP awards in the single total figure of remuneration table on page 38. No PSP awards vested in previous years, so the single figure for the year has been increased by the inclusion of these awards for the first time. Subject to meeting certain performance criteria, as set out on page 40, the 2014 PSP awards that were made to Kate Swann were 741,384 shares and to Jonathan Davies were 247,127 shares (including accrued dividend equivalents to 30 September 2017). The estimated value of the awards shown is based on the EPS performance to 30 September 2017 and an estimate of relative TSR performance as described above. Any amendments required to these estimates to reflect the actual outcome of the awards will be shown in the Director's remuneration report for the year ended 30 September 2018.

Following a review during the year, our Executive Directors' base salaries were increased by 2% effective 1 June 2017, in line with the average salary increases awarded to UK employees who are paid on a monthly basis. This resulted in base salaries of £795,906 for Kate Swann and £424,483 for Jonathan Davies.

Proposed policy and remuneration for the year ending 30 September 2018
The Committee intends to apply the revised remuneration policy during the year ending 30 September 2018, subject to shareholder approval.

- The current salaries of Executive Directors will continue to apply from 1 October 2017. We will review the salaries during the year with any changes effective from 1 June 2018, in line with our usual timetable.
- The annual bonus plan will operate on the same basis as in 2017. Awards will be primarily based on underlying Group operating profit.
- The Performance Share Plan will operate on the same basis as in 2017. We are intending to grant PSP awards in November 2017 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 2020. The performance measures will continue to be 75% EPS growth and 25% relative TSR performance. The targets for these awards are set out on page 43.
- Our Executive Directors have very significant shareholdings. We believe this provides strong alignment to our other shareholders. The Committee did consider bonus deferral and additional holding periods for PSP awards, however, given the level of alignment provided by these shareholdings it was not considered that the additional complexity of these features would be appropriate.
- Under the proposed remuneration policy, the only change that is proposed is that the maximum pension contribution (or cash payment in lieu of pension) for new Executive Directors has been reduced from 35% to 20% of salary.

What is included in this report
The remainder of the remuneration report is split into two sections in line with legislative reporting regulations.

- The Annual report on remuneration – contains details of pay received by Directors for the whole of the year ended 30 September 2017. We have also explained how we intend to implement our pay model during the year ended 30 September 2018. The Annual report on remuneration will be subject to an advisory vote at the AGM in February 2018.
- The Directors' remuneration policy – contains details of our revised policy setting out various elements of our approach to Directors' remuneration. The Directors' remuneration policy will be subject to a binding shareholder vote at the AGM in February 2018 and, if approved by a majority of our shareholders, will apply from that date.

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 37 to 51 was approved by the Board and signed on its behalf by:

John Barton

John Barton
Chairman, Remuneration Committee

21 November 2017

ANNUAL REPORT ON REMUNERATION

Audited information

The information presented in this report up until the end of page 40 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 2017. All figures are for the full financial year.

	Salary and fees[a]		Benefits[b]		Pension[c]		Annual bonus[d]		Long-term incentives[e]		Other[f]		Total	
All figures shown in £000	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Executive Directors														
Kate Swann	**746**	750	**66**	57	**275**	270	**1,561**	1,530	**3,829**	–	**1**	1	**6,478**	2,608
Jonathan Davies	**413**	411	**15**	15	**88**	86	**416**	408	**1,276**	–	**1**	1	**2,209**	921
Non-Executive Directors[g]														
Vagn Sørensen	**185**	178	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**185**	178
John Barton	**68**	66	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**68**	66
Ian Dyson	**58**	56	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**58**	56
Denis Hennequin	**48**	46	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**48**	46
Per Utnegaard	**48**	46	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**48**	46
	1,566	1,553	**81**	72	**363**	356	**1,977**	1,938	**5,105**	–	**2**	2	**9,094**	3,921

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 £39k for Kate Swann and £6k for Jonathan Davies in relation to salary sacrificed for annual leave (2016: Kate Swann – £21k and Jonathan Davies – £0k).

(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).

(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 2017 financial year are set out on page 39.

(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, 2016 or 2017 financial years as no performance cycles ended in those financial years. The value for 2017 represents the assumed vesting of awards granted in 2014 and accrued dividend equivalents (including associated tax credits where appropriate), which are due to vest in early 2018 following the end of the relevant performance period as the performance conditions have been substantially met. The value shown is based on a preliminary assessment of performance achieved to 30 September 2017 (100% of maximum under the EPS element and 100% of maximum under the relative TSR element). In accordance with UK regulations, the share price is assumed to be the average market price for the fourth quarter of 2017 (£5.1567). The value will be updated in the 2018 annual report once the final vesting outcome is known.

(f) Other – this column shows the face value (at the date of issue) of Matching Shares and Dividend Reinvestment 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 2017 financial year, the fees remained unchanged. We expect the next review to take place in the 2018 financial year.

Additional disclosures in respect of the single figure table

Base salary

The base salaries of the Executive Directors are:

	From 1 June 2017	From 1 June 2016	Change
Kate Swann	£795,906 per annum	£780,300 per annum	2%
Jonathan Davies	£424,483 per annum	£416,160 per annum	2%

Annual bonus

The bonus for the 2017 financial year was primarily based on underlying Group operating profit performance.

For Kate Swann, any bonus is based on underlying Group operating profit. For Jonathan Davies, any bonus is based on a combination of underlying Group operating profit performance and his personal performance. 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 2017 financial year*			2017 financial year
	Threshold	Budget	Maximum	Group Performance
Underlying Group operating profit	Budget -3.0%	£136.1m	Budget +7.0%	+11.8%

* Budget target adjusted for the acquisition of Travel Food Services Private Limited.

Underlying Group operating profit performance in the year, at constant currency, exceeded budget by 11.8%.

In considering Jonathan Davies' personal performance during the year, the Committee took into account a range of objectives including his strong contribution to the successful creation of a joint venture with Travel Food Services Private Limited in India and the management of the ongoing outsourcing of the Group's finance and accounting functions.

In determining these bonus outcomes, the Board has considered the sustainability report which includes environmental, social and governance issues within which these results were delivered, and has concluded that these bonus outcomes were appropriate.

Based on this performance, Kate Swann earned a bonus of £1,560,600 (200% of salary) and Jonathan Davies earned a bonus of £416,160 (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 30 November 2016.

				Face value for minimum performance		
	Type of award	Number of awards granted	Face value (£) at date of grant	(% of salary)	Percentage award	End of performance period
Kate Swann	Nil Cost Options	420,646	£1,560,600	200%	25%	30 September 2019
Jonathan Davies		140,215	£520,200	125%		30 September 2019

The closing price on the day before grant was used to calculate the number of awards (£3.71 on 29 November 2016).

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 40.

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 2017. 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 2016	Partnership Shares purchased[(a)]	Matching Shares awarded[(b)]	Dividend Shares purchased[(c)]	Total SIP shares held at 30 September 2017
Kate Swann	1,522	361	176	25	2,084
Jonathan Davies	1,522	361	176	26	2,085

(a) Partnership Shares purchased during the 2017 financial year at a price of between £3.224 and £5.290 per share.

(b) Matching Shares awarded during the 2017 financial year at nil consideration.

(c) Dividend Shares purchased during the 2017 financial year from the proceeds of dividends payable on the UK SIP Partnership Shares, Matching Shares and previously purchased Dividend 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 2017 financial year (2016: £nil).

ANNUAL REPORT ON REMUNERATION CONTINUED

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 2017.

Director	Shareholding guidelines as a % of salary/fees	Shareholding as a % of salary/fee achieved[a]	Shares owned outright at 30 September 2017[b]	Interests in unvested PSP awards at 30 September 2017[c][d]
Kate Swann	200%	3097%	4,603,884	1,677,355
Jonathan Davies	125%	1652%	1,310,249	559,115
Vagn Sørensen	100%	1427%	493,147	–
John Barton	100%	450%	57,142	–
Ian Dyson	100%	175%	18,928	–
Denis Hennequin	100%	211%	18,928	–
Per Utnegaard	100%	–	–	–

Notes:

(a) For the purposes of determining Executive Director shareholding requirements, the individual's salary/fee at 30 September 2017 and the share price at 29 September 2017 (535.5 pence) have been used. Further, the total shareholding used to calculate the shareholding percentage excludes Matching Shares issued under the UK Share Incentive Plan (842 for each Executive Director as at 30 September 2017).

(b) 'Shares owned outright at 30 September 2017' 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, November 2015 and November 2016. The performance conditions for each award are described in (i), (ii) and (iii) 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% per annum over the period, 25% will vest for 7% per annum and 100% will vest for EPS growth of 12% per annum, 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 July 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% per annum over the period, 25% will vest for 7% per annum and 100% will vest for EPS growth of 12% per annum, 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.

(iii) 2016 PSP awards: 75% of these awards may vest based on EPS growth over the three-year period from 1 October 2016 to 30 September 2019. 0% of this element will vest if compound EPS growth is less than 7% per annum over the period, 25% will vest for 7% per annum and 100% will vest for EPS growth of 12% per annum, 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 2016 to 30 September 2019. 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 2016 Annual report on remuneration.

(d) 'Interests in unvested PSP awards' includes dividend equivalents (including associated tax credits where applicable) payable in shares that have accrued on the Performance Share Plan awards since they were granted in July 2014, November 2015 and November 2016 respectively. Dividend equivalents (including associated tax credits where applicable) payable in shares will continue to accrue (on a cumulative basis) until the vesting dates of these awards, subject to and in accordance with the rules of the Performance Share Plan.

(e) 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 21 November 2017, 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 21 November 2017	Shares owned outright at 30 September 2017	Change
Kate Swann	4,603,949	4,603,884	65
Jonathan Davies	1,310,314	1,310,249	65

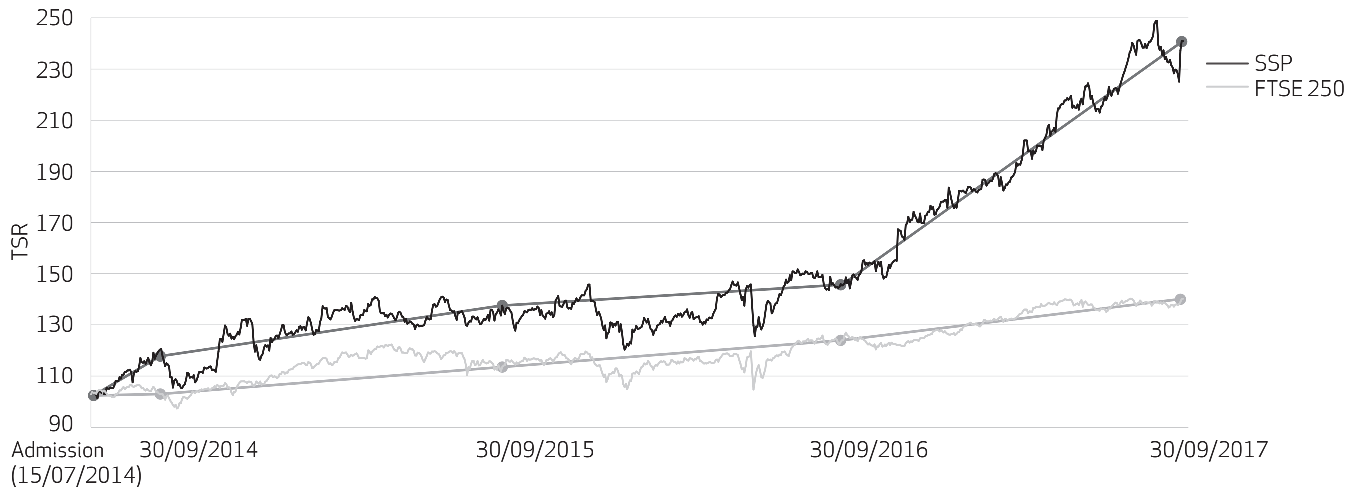
Note: 'Shares owned outright' includes shares held by persons connected with a Director. It also includes Partnership Shares purchased, Matching Shares awarded and Dividend Shares purchased, under the UK Share Incentive Plan.

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

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 period from admission on 15 July 2014 to 30 September 2017.

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	**2017**
Single figure of remuneration	£4.5m	£2.5m	£2.6m	**£6.5m**
Annual bonus payable (as a % of maximum opportunity)	100%	100%	100%	**100%**
Long-term incentive vesting out-turn (as a % of maximum opportunity)	n/a	n/a	n/a	**100%**

No long-term incentive plan awards vested in 2014, 2015 or 2016. The first award which was granted on IPO in 2014 will vest, subject to the achievement of performance targets, in late February 2018. An estimate of the value of this award on vesting is included in 2017 remuneration. See note (e) of the Single total figure of remuneration table (page 38) for further information in this regard.

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

On the annual salary review date of 1 June 2017, 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 arrangement 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 2016 and 2017 financial years and the total expenditure on dividends.

	2017	2016	Percentage change
Total staff costs	**£687.2m**	£581.6m	18.2%
Dividends	**£29.0m**	£22.3m	30.0%

ANNUAL REPORT ON REMUNERATION CONTINUED

Fees from external directorships

Kate Swann was a Non-Executive Director of England Hockey during the 2017 financial year, but did not receive a fee in respect of that directorship for the year ended 30 September 2017. Kate Swann became a Non-Executive Director of Independent Vetcare Limited on 1 September 2017 and retained a fee of £3,750 in respect of that directorship for the part of the 2017 financial year that she was a Non-Executive Director.

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 remuneration policy in the year ended 30 September 2018

This section provides an overview of how the Committee is proposing to implement the Group's remuneration policy in the year ending 30 September 2018.

Base salary
The table below shows base salaries at 1 October 2017.

	Base salary at 1 October 2017
Kate Swann	£795,906
Jonathan Davies	£424,483

The Remuneration Committee will review salaries with effect from 1 June 2018, 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 2018.

	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 2018 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 2018 will use underlying Group operating profit as the financial target. Jonathan Davies' bonus will also be determined by reference to his personal performance. 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 2018 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	£1,591,812	200%	30 September 2020
Jonathan Davies	£530,603	125%	30 September 2020

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

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 2017 to 30 September 2020.

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 2017 to 30 September 2020.

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 now consists of 38 companies as a result of the Home Retail Group take-over by J Sainsbury and is set out below.

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

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 2017, the fees from 1 July 2017 will remain unchanged and be as set out below. The Company will continue to review these fees in accordance with the terms of the Non-Executive Director contracts.

	2017 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**

* In addition to any additional fee for acting as the Senior Independent Director.

ANNUAL REPORT ON REMUNERATION CONTINUED

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, Group HR Director and 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 2017, the Committee received independent advice on executive remuneration matters from Deloitte. Deloitte received £49,380 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, forensic 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 2017 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 2017 AGM	367,089,631	93.50%	25,527,611	6.50 %	392,617,242	82.62%	12,343,278
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 Directors' remuneration report sets out the revised Directors' remuneration policy as determined by the Remuneration Committee (the Committee). In accordance with Section 439A of the Companies Act 2006, a binding shareholder resolution to approve this policy will be proposed at the Annual General Meeting of the Company to be held in February 2018 (the 2018 AGM). The policy will apply to payments made to Directors after the 2018 AGM, subject to shareholder approval of the policy.

A copy of the first shareholder-approved policy is set out in the Annual Report and Accounts 2014 which is available at www.foodtravelexperts.com. The only change proposed under the revised Policy is that the maximum pension contribution (or cash in lieu of pension) for newly appointed Executive Directors is reduced from 35% to 20% of salary.

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.	Normally reviewed annually. The Remuneration Committee may however award an out-of-cycle increase if it considers it appropriate. Base salaries are set by the Committee taking into account a number of internal and external factors including: • 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.	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. The circumstances may include but are not limited to: • 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; and • Where a salary has fallen significantly below market positioning. There is no maximum increase or opportunity.	None
Pension			
To provide an income following retirement and assist the Executive Director in building wealth for their future.	The Company operates an approved defined contribution pension arrangement, to which the Company may make contributions. A cash allowance may be provided in lieu of pension contributions.	Company contributions or cash allowance of up to 35% of base salary may be paid in respect of each financial year of the Company to each of the current Executive Directors. Company contributions or cash allowance of up to 20% of base salary may be paid in respect of each financial year of the Company to any new Executive Director that may be appointed from time to time.	None

DIRECTORS' REMUNERATION POLICY CONTINUED

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.	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. 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. 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. 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. 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.	Car allowance of up to £13,000 per annum. 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.	None
Annual bonus			
To reward performance on an annual basis against key annual objectives.	Performance objectives will be determined by the Committee at the beginning of the financial year. The Committee will assess performance against these objectives following the end of the relevant financial year. Awards are delivered wholly in cash, and are paid once the results for the year have been audited. The Committee may clawback 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 which results in overpayment.	The maximum annual bonus opportunity is 200% of base salary per annum. For 2017/18 maximum annual opportunities are: • Chief Executive Officer, Kate Swann – 200% of salary per annum. • Chief Financial Officer, Jonathan Davies – 125% of salary per annum.	Performance is measured relative to targets in key financial, operational and/or strategic objectives over the financial year. The measures selected and their weightings may vary each year according to the strategic priorities. Entitlement to bonus only starts to accrue at a minimum threshold level of performance. Below this level, no bonus will be paid. To earn a maximum bonus there must be outperformance against stretching objectives.

Element and link to strategy	Operation	Maximum potential value	Performance metrics
Performance Share Plan (PSP)			
The PSP rewards the delivery of Company performance and shareholder value over the longer term. The awards are share based to align the interests of Executive Directors with those of shareholders.	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. 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. 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. 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. The Committee may clawback 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 which results in overpayment.	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.	It is currently anticipated that for PSP awards performance will be based on: • 25% on relative Total Shareholder Return (TSR) • 75% on Earnings per Share (EPS) If the minimum level of performance is not achieved then none of the award will vest and the award will lapse. For performance at the threshold levels 25% of the award will vest. The whole award will vest if the maximum level of performance, or above, is achieved. Long-term incentive performance conditions are reviewed on an annual basis, and may vary to ensure that they are aligned with the corporate strategy. The Committee would seek to consult with its major shareholders as appropriate on any proposed material changes.
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.	The Chairman's fees are determined by the Committee. The Non-Executive Directors' fees are determined by the Board. The total fees for Non-Executive Directors, including the Chairman, will not exceed the maximum stated in the Company's Articles of Association. The level of fees takes into account the time commitment, responsibilities, market levels and the skills and experience required. 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. Additional fees may be paid to Non-Executive Directors on a per diem basis to reflect increased time commitment in certain limited circumstances. 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. Non-Executive Directors may be provided with benefits to enable them to undertake their duties.		None

DIRECTORS' REMUNERATION POLICY CONTINUED

Notes to the tables on pages 45 to 47
The Company also operates a shareholding policy – details can be found on page 40 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 that the Committee may adjust awards (as it reasonably considers appropriate) 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 and clawbacks apply 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 AGM on 3 March 2015 (the date the Company's first shareholder-approved Directors' remuneration policy came into effect);

(ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved remuneration policy in force at the time they were agreed; or

(iii) 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 to be made in November 2017, the measures were selected taking into account that:

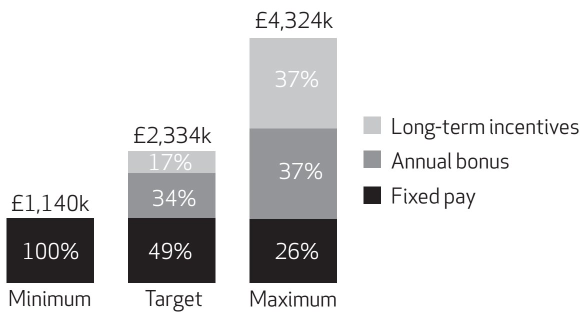
- Earnings per Share is considered by the Company to be the best indicator of long-term performance.
- Total Shareholder Return is a key objective of most of our shareholders.

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 where they operate.

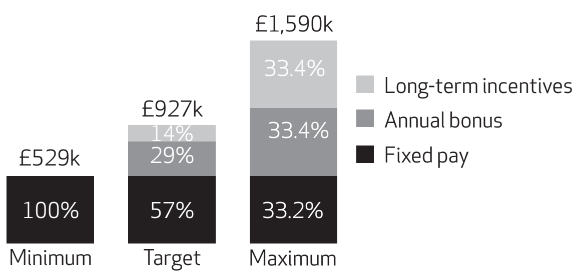
Illustrative scenario analysis

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 49).

CEO: Kate Swann



CFO: Jonathan Davies



Component		'Minimum'	'Target'	'Maximum'
Fixed remuneration	Base salary	Annual base salary for the 2018 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 2017		
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 2017.

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 45 to 47.
- 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 47. 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' 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.

DIRECTORS' REMUNERATION POLICY CONTINUED

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 2020
John Barton	15 July 2014	14 July 2020
Ian Dyson	15 July 2014	14 July 2020
Denis Hennequin	15 July 2014	14 July 2020
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.
Performance Share Plan awards	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. 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. 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.
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 Directors' 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

The Committee consulted with the Group's largest shareholders when developing the above policy. 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 2006 (the Act), the UK Corporate Governance Code (the Code), the Disclosure Guidance and Transparency Rules (the DTRs) and the Listing Rules (the LRs) 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 32;
- The Audit Committee report on pages 33 to 36;
- The Directors' remuneration report on pages 37 to 51;
- Post balance sheet events on page 99; and
- The Company's subsidiaries outside the United Kingdom on pages 105 to 111.

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 2017, 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'.

Dividends

The Directors declared an interim dividend of 3.2 pence per share in the 2017 financial year amounting to £15.2m (2016: £11.8m). In addition, the Directors are recommending a final dividend of 4.9 pence per share amounting to £23.3m which will result in a total dividend per share of 8.1 pence for the year amounting to £38.5m (2016: £25.6m). The final dividend will be paid on 29 March 2018 to shareholders on the register of members as at the close of business on 16 March 2018, subject to approval of shareholders at the 2018 AGM to be held on 27 February 2018. The ex-dividend date will be15 March 2018.

The Directors are also proposing a special dividend in the region of £100m, which is expected to be paid in April 2018. Further details of the special dividend will be set out in the notice of the 2018 AGM (2018 Notice of AGM).

Share capital

At 30 September 2017 there were 475,226,453 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 pages 89 to 91.

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 2017 AGM:

Issuing Shares
The Directors were granted authority to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

(a) up to a nominal amount of £1,584,029; and

(b) comprising equity securities up to a nominal amount of £3,168,058 (such amount to be reduced by any allotments made under (a)) in connection with an offer by way of a rights issue.

The authorities conferred on the Directors to allot securities under paragraphs (a) and (b) will expire on the date of the 2018 AGM or close of business on 13 June 2018, whichever is sooner, (the Expiry Date). The Directors will be seeking a new authority at the 2018 AGM for the Directors to allot shares and to grant subscription and conversion rights to ensure that the Directors continue to have the flexibility to act in the best interests of shareholders when opportunities arise by issuing new shares or granting such rights.

The Directors were also given authority to allot equity securities for cash or to sell ordinary shares as treasury shares for cash subject to certain limitations, such authority to apply until the Expiry Date. The Directors will seek to renew this authority at the 2018 AGM.

To date, neither authority has been exercised. During the 2017 financial year, 27,390 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 Act.

Buyback of shares

The Directors were granted authority to make market purchases of its own shares, up to a maximum of approximately 10% of the Company's issued share capital. This standard authority is renewable annually and the Directors will seek to renew this authority at the 2018 AGM.

To date, this authority has not been exercised.

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 below.

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 or by proxy 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 LRs, the City Code on Takeovers and Mergers or any other regulations.

Dealings subject to Market Abuse Regulation

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 over shares held by relevant participants under the Company's various share plans carry no rights until the shares are issued to participants or their nominee.

The Trustees of each of the Company's employee benefit trusts are entitled to vote on unallocated shares held in the trust fund from time to time but they may consider, in their absolute discretion, any recommendations made to them by the Company before doing so. In respect of allocated shares held by the Trustees as nominee (including the Trustees of the Company's Share Incentive Plan), they must seek instructions from participants on how they should exercise their voting rights before doing so on their behalf.

Notification of major shareholdings

Information provided to the Company pursuant to the DTRs is published on a Regulatory Information Service and on the Company's website. As at 30 September 2017, the following notifications of major shareholdings of 3% or more have been received by the Company under DTR 5.

Name	No. of ordinary shares and voting rights notified	% of voting rights as at the 30 September 2017
Norges Bank	14,293,152	3.01%
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.	41,563,029	8.75%
Old Mutual Plc	57,022,310	12.00%

DIRECTORS' REPORT CONTINUED

The following notification was received after 30 September 2017 and before 21 November 2017:

Name	No. of ordinary shares and voting rights notified	% of voting rights as at the date of this report
Old Mutual Plc	48,983,472	10.31%

So far as the Company is aware, no other person held a notifiable interest in the ordinary share capital of the Company.

The holdings shown above 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.

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 LRs and related legislation. In accordance with the Code, all Directors stand for election at the Annual General Meeting (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 40. 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 2017 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 2017 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 the Group's employee share schemes and awards made during the year and held by Executive Directors as at 30 September 2017 are set out in the Annual report on remuneration on pages 38 to 44.

Details of awards made during the year and held by employees as at 30 September 2017 under the Performance Share Plan are disclosed in note 22 to the consolidated financial statements on page 92.

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 LRs 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 2017, 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 AGM 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 2018 AGM will be held on 27 February 2018. 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 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.

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 employee 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 2017, 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 the 2018 AGM that a precautionary authority be granted up to £25,000 in aggregate. Details are included in the 2018 Notice of AGM.

Environmental, social and governance risks

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 in note 24 to the consolidated financial statements on pages 93 to 97.

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, 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 LLP, has indicated its willingness to continue in office, and a resolution that it will be re-appointed will be proposed at the 2018 AGM.

DIRECTORS' REPORT CONTINUED

Statement of disclosure of information to auditors

In 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 contain 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 this annual report 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:

K. H. Byrne

Helen Byrne
General Counsel and Company Secretary

21 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES 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 International Financial Reporting Standards as adopted by the European Union (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, relevant, reliable 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;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 and Directors' report include 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.

K Swann

Kate Swann
Chief Executive Officer

21 November 2017

Jodi

Jonathan Davies
Chief Financial Officer

21 November 2017

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

1. Our opinion is unmodified

We have audited the financial statements of SSP Group plc for the year ended 30 September 2017 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement, and the related notes, including the accounting policies in note 1.

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 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the Directors on 20 September 2006. The period of total uninterrupted engagement is the 11 years ended 30 September 2017. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole		£10.5m (2016: £10.0m) 0.4% (2016: 0.5%) of Group revenue
Coverage		80% (2016: 84%) of Group revenue
Risks of material misstatement		**vs 2016**
Recurring risks	Recoverability of goodwill and indefinite life intangible assets and of parent's investment in subsidiary undertakings	◀▶
	Completeness, existence and accuracy of current and deferred tax	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2016), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Recoverability of goodwill and indefinite life intangible assets and of parent's investment in subsidiary undertakings (Goodwill and indefinite life intangible assets 2017: £688.5m; 2016: £676.1m; investment in subsidiaries 2017: £932.1m, 2016: £925.8m) Refer to page 35 (Audit Committee Report), page 70 and 101 (note 1 – accounting policies) and page 80 and 102 (financial disclosures).	**Forecast-based valuation** The carrying amount of the Group's goodwill and indefinite life assets, and the parent company's cost of investment in subsidiaries, is significant, representing 50.7% of total Group assets and 100% of total Company assets respectively. Whilst the estimate of the recoverability of both of these amounts, being based on forecast future cash flows, is inherently subjective and is affected by general economic and political trends such as levels of discretionary travel and consumer spending, there has historically been a sufficient level of headroom in the Directors' impairment calculations and we did not identify any indicators which would have resulted in the recoverability of these balances being subject to high risk of material misstatement. However, due to their materiality in the context of the relevant financial statements, they are considered to be two of the areas that had the greatest effect on our overall audit of the Group and the parent company.	Our procedures included: • **Benchmarking assumptions:** 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. • **Our valuation expertise:** Our valuation specialists assisted us in assessing the appropriateness of the methodology and assumptions used by the Group, including discount rates and growth rates. • **Sensitivity analysis:** We applied sensitivities to key assumptions to assess their impact on the recoverability of the assets. • **Historical comparisons**: We evaluated the historical accuracy of the Group's forecasts by comparing actual to budgeted results. • **Our sector experience:** We corroborated our understanding of any changes in the business with the Group's forecasts and considered whether or not these had been appropriately captured in the impairment models. • **Comparing valuations:** 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. • **Assessing transparency:** 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. **Our results** We found the resulting estimates of the following to be acceptable: • recoverable amount of goodwill and indefinite life intangible assets in the Group's financial statements; and • recoverable amount of investment in parent company's financial statements.

	The risk	Our response
Completeness, existence and accuracy of current and deferred tax. (net current tax liability £22.0m; 2016: £19.5m, and net deferred tax asset: £9.0m; 2016: £6.0m) Refer to page 36 (Audit Committee Report), page 72 (note 1 – accounting policies) and page 78 and 82 (financial disclosures).	**Subjective estimate** 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.	Our procedures included: • **Our tax expertise:** 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 whether the tax provisions made by the Group and the underlying assumptions are appropriate. • **Our sector experience:** 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 the Directors in order to determine whether the tax provisions made by the Group were reasonable. • **Comparing assumptions:** 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. • **Assessing transparency:** We also assessed the adequacy of the Group's disclosures in respect of current and deferred taxes. **Our results** • We found the level of tax provisioning to be acceptable, and the level of deferred tax assets recognised to be recoverable.

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

Materiality for the group financial statements as a whole was set at £10.5m, determined with reference to a benchmark of Group revenue of £2,379.1m (2016: £1,990.3m), of which it represents 0.4% (2016: 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.

Materiality for the parent company financial statements as a whole was set at £8.4m (2016: £8.0m), determined with reference to a benchmark of company total assets, of which it represents 1% (2016: 1%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.5m (2016: £0.5m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 15 (2016: 15) reporting components, we subjected 9 (2016: 9) to full scope audits for group purposes.

The components within the scope of our work accounted for the percentages illustrated opposite. Two reporting components subjected to reviews in 2016 were not included for review in the current year as they were not individually financially significant so as to require a full scope audit for group purposes, and no specific individual risks that needed to be addressed had arisen from our previous reviews.

The remaining 20% of total Group revenue, 9% of group profit before tax and 16% of total Group assets is represented by six reporting components, none of which individually represented more than 4% of any of total Group revenue, Group profit before tax or total group assets. For these residual 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.

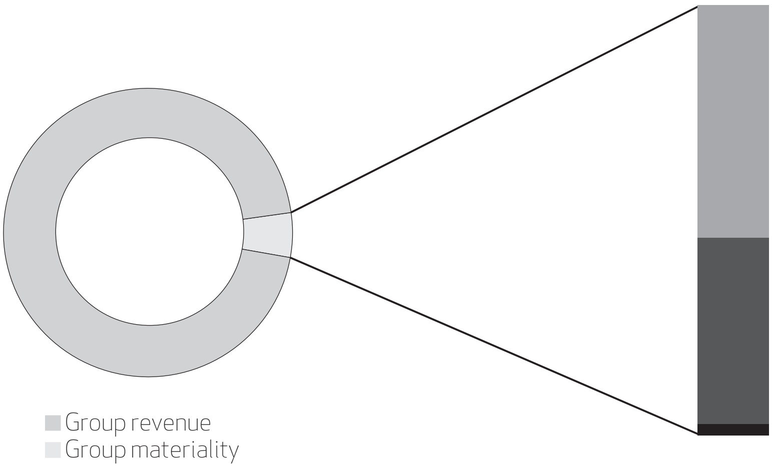
The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materialities, which ranged from £0.1m to £8.4m (2016: £0.2m to £8m), having regard to the mix of size and risk profile of the Group across the components. The work on nine of the Group's 15 components was performed by component auditors and the rest by the Group audit team.

In 2017, the Group audit team visited three of the 15 (2016: five) 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.

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

Group revenue
£2,379.1m (2016: £1,990.3m)

Group materiality
£10.5m (2016: £10.0m)

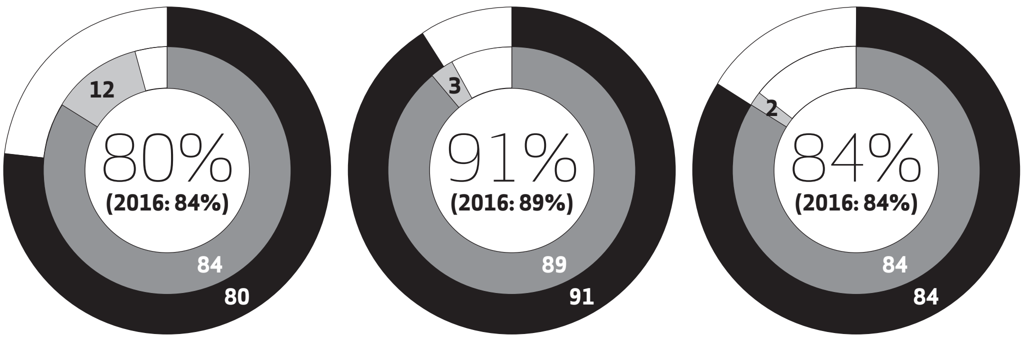


£10.5m
Whole financial statements materiality (2016: £10.0m)

£8.4m
Range of materiality at nine components (£0.1m to £8.4m) (2016: £0.2m to £8.0m)

£0.5m
Misstatements reported to the Audit Committee (2016: £0.5m)

Group revenue **Group profit before tax** **Group total assets**



■ Full scope for Group audit purposes 2017 ■ Full scope for Group audit purposes 2016
■ Review procedures 2016 (none in 2017) □ Residual components

4. We have nothing to report on going concern

We are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least 12 months from the date of approval of the financial statements; or
- if the related statement under the Listing Rules set out on page 55 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

5. We have nothing to report on the other information in the annual report

The Directors are responsible for the other information presented in the annual report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

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

- the Directors' confirmation within the viability statement on page 22 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the principal risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the viability statement. We have nothing to report in this respect.

Corporate Governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements 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 section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance statement does not properly disclose a departure from the 11 provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

Based solely on our work on the other information described above:

- with respect to the Corporate Governance report disclosures about internal control and risk management systems in relation to financial reporting processes and about share capital structures:
  - we have not identified material misstatements therein; and
  - the information therein is consistent with the financial statements; and
- in our opinion, the Corporate Governance report has been prepared in accordance with relevant rules of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

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

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.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 57, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities, or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Cain
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

21 November 2017

CONSOLIDATED INCOME STATEMENT

for the year ended 30 September 2017

	Notes	2017 Underlying* £m	2017 Adjustments £m	2017 Total £m	2016 Underlying* £m	2016 Adjustments £m	2016 Total £m
Revenue	3	2,379.1	–	2,379.1	1,990.3	–	1,990.3
Operating costs	5	(2,216.2)	(1.9)	(2,218.1)	(1,868.9)	(1.9)	(1,870.8)
Operating profit		162.9	(1.9)	161.0	121.4	(1.9)	119.5
Share of profit of associates	12	3.4	–	3.4	1.3	–	1.3
Finance income	7	0.9	–	0.9	0.5	–	0.5
Finance expense	7	(18.5)	(2.0)	(20.5)	(15.7)	–	(15.7)
Profit before tax		148.7	(3.9)	144.8	107.5	(1.9)	105.6
Taxation	8	(33.8)	0.2	(33.6)	(24.2)	0.4	(23.8)
Profit for the year		114.9	(3.7)	111.2	83.3	(1.5)	81.8
Profit attributable to:							
Equity holders of the parent		96.5	(3.7)	92.8	73.5	(1.5)	72.0
Non-controlling interests	21	18.4	–	18.4	9.8	–	9.8
Profit for the year		114.9	(3.7)	111.2	83.3	(1.5)	81.8
Earnings per share (pence):							
– Basic	4	20.3		19.5	15.5		15.2
– Diluted	4	20.0		19.2	15.4		15.0

* Presented on an underlying basis, refer to page 15 for details.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2017

	Notes	2017 £m	2016 £m
Other comprehensive income/(expense)			
Items that will never be reclassified to the income statement:			
Remeasurements on defined benefit pension schemes	19	6.1	(4.1)
Income tax (charge)/credit relating to items that will not be reclassified		(0.9)	1.7
Items that are or may be reclassified subsequently to the income statement:			
Net loss on hedge of net investment in foreign operations		(1.5)	(48.5)
Other foreign exchange translation differences		(20.1)	83.2
Effective portion of changes in fair value of cash flow hedges		1.2	(6.7)
Cash flow hedges – reclassified to profit and loss		4.0	2.7
Income tax (charge)/credit relating to items that are or may be reclassified		(0.4)	1.1
Other comprehensive (expense)/income for the year		(11.6)	29.4
Profit for the year		111.2	81.8
Total comprehensive income for the year		99.6	111.2
Total comprehensive income attributable to:			
Equity holders of the parent		83.9	97.4
Non-controlling interests	21	15.7	13.8
Total comprehensive income for the year		99.6	111.2

CONSOLIDATED BALANCE SHEET

as at 30 September 2017

	Notes	2017 £m	2016 £m
Non-current assets			
Property, plant and equipment	10	**304.5**	272.0
Goodwill and intangible assets	11	**714.2**	701.3
Investments in associates	12	**6.8**	9.3
Deferred tax assets	13	**21.3**	18.1
Other receivables	15	**40.5**	37.3
Other financial assets	24	**10.3**	–
		1,097.6	1,038.0
Current assets			
Inventories	14	**32.6**	29.2
Tax receivable		**0.1**	4.3
Trade and other receivables	15	**135.4**	118.1
Cash and cash equivalents	16	**178.1**	155.8
		346.2	307.4
Total assets		**1,443.8**	1,345.4
Current liabilities			
Short-term borrowings	17	**(31.4)**	(30.7)
Trade and other payables	18	**(419.9)**	(404.1)
Tax payable		**(22.1)**	(23.8)
Provisions	20	**(3.7)**	(2.3)
		(477.1)	(460.9)
Non-current liabilities			
Long-term borrowings	17	**(419.2)**	(442.5)
Post-employment benefit obligations	19	**(13.9)**	(19.2)
Provisions	20	**(26.4)**	(13.8)
Derivative financial liabilities		**(9.0)**	(14.2)
Deferred tax liabilities	13	**(12.3)**	(12.1)
Obligation to acquire additional share of subsidiary undertaking	28	**(20.9)**	–
		(501.7)	(501.8)
Total liabilities		**(978.8)**	(962.7)
Net assets		**465.0**	382.7
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	**(11.5)**	21.5
Retained earnings		**(55.3)**	(138.0)
Total equity shareholders' funds		**400.3**	350.6
Non-controlling interests	21	**64.7**	32.1
Total equity		**465.0**	382.7

These financial statements were approved by the Board of Directors on 21 November 2017 and were signed on its behalf by:

Jonathan Davies
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2017

	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 1 October 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
Profit for the year	–	–	–	–	92.8	92.8	18.4	111.2
Other comprehensive income/(expense) for the year	–	–	–	(14.1)	5.2	(8.9)	(2.7)	(11.6)
Non-controlling interest arising on acquisition (note 28)	–	–	–	–	–	–	21.4	21.4
Obligation to acquire non-controlling interest (note 28)	–	–	–	(18.9)	–	(18.9)	–	(18.9)
Capital contributions from non-controlling interests	–	–	–	–	–	–	8.4	8.4
Dividends paid to equity shareholders (note 9)	–	–	–	–	(29.0)	(29.0)	–	(29.0)
Dividends paid to non-controlling interests (note 21)	–	–	–	–	–	–	(12.9)	(12.9)
Share-based payments (note 22)	–	–	–	–	11.9	11.9	–	11.9
Deferred tax on share schemes	–	–	–	–	1.8	1.8	–	1.8
At 30 September 2017	4.7	461.2	1.2	(11.5)	(55.3)	400.3	64.7	465.0

[1] The decrease of £33.0m in other reserves (2016: increase of £27.8m) comprises a decrease to the translation reserve of £19.0m (2016: increase of £31.6m), an increase to the cash flow hedging reserve of £4.9m (2016: decrease of £3.8m) and the creation of the obligation to acquire an additional share of a non-controlling interest in TFS of £18.9m (2016: £nil).

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2017

	Notes	2017 £m	2016 £m
Cash flows from operating activities			
Cash flow from operations	23	280.2	208.5
Tax paid		(33.3)	(20.0)
Net cash flows from operating activities		246.9	188.5
Cash flows from investing activities			
Investment in associate	12	–	(4.7)
Dividends received from associates	12	3.8	2.3
Interest received		0.9	0.4
Purchase of property, plant and equipment	10	(107.4)	(97.6)
Purchase of other intangible assets	11	(7.6)	(6.7)
Acquisition of TFS, net of cash and cash equivalents acquired	28	(27.5)	–
Disposal of associate	12	7.3	–
Net cash flows from investing activities		(130.5)	(106.3)
Cash flows from financing activities			
Repayment of borrowings		(31.6)	(30.8)
Repayment of finance leases and other loans		(1.7)	(0.2)
Investment in other financial assets		(9.5)	–
Interest paid		(15.4)	(13.7)
Dividends paid to equity shareholders	9	(29.0)	(22.3)
Dividends paid to non-controlling interests	21	(12.9)	(11.1)
Acquisition of increased share in subsidiary		–	(0.8)
Capital contribution from non-controlling interests	21	8.4	8.4
Net cash flows from financing activities		(91.7)	(70.5)
Net increase in cash and cash equivalents		24.7	11.7
Cash and cash equivalents at beginning of the year		155.8	134.7
Effect of exchange rate fluctuations on cash and cash equivalents		(2.4)	9.4
Cash and cash equivalents at end of the year		178.1	155.8

	Notes	2017 £m	2016 £m
Reconciliation of net cash flow to movement in net debt			
Net increase in cash in the year		24.7	11.7
Cash outflow from decrease in debt and finance leases		33.3	31.0
Cash outflow from investment in other financial assets		9.5	–
Change in net debt resulting from cash flows		67.5	42.7
Translation differences		(3.4)	(39.1)
Other non-cash changes		(1.4)	(1.2)
Loans and other financial assets acquired through business combination		(7.5)	–
Decrease in net debt in the year		55.2	2.4
Net debt at beginning of the year		(317.4)	(319.8)
Net debt at end of the year	24	(262.2)	(317.4)

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.

Other financial assets

Other financial assets comprise long-term cash deposits with a maturity of more than three months on inception and money market funds that are not readily convertible to cash. These are held on the balance sheet at amortised cost.

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.

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 — 50 years
- Leasehold land and buildings — the life of the lease
- Plant and machinery — 3 to 13 years
- Fixtures, fittings, tools and equipment — 3 to 13 years

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. The consideration transferred in the acquisition is measured at fair value as are the identifiable assets and liabilities acquired. The excess of the fair value of consideration transferred over the fair value of net assets acquired is accounted for as goodwill. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred.

Non-controlling interests arising from acquisition are accounted for based on the proportionate share of the fair value of identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where the Group recognises a non-controlling interest in a subsidiary, based on the rights the non-controlling interest have to their share of the returns of such subsidiaries, the Group recognises obligations to acquire additional shares in these subsidiary undertakings as a liability in the consolidated balance sheet at the present value of the estimated exercise price of the forward contract. The present value of the forward contracts is estimated based on expected earnings in Board-approved forecasts and the choice of a suitable discount rate. Upon initial recognition a corresponding entry is made to other equity. For subsequent changes in the measurement of the liability the corresponding entry is made to the consolidated income statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. Accounting policies continued

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 (CGUs) and is not amortised but is tested annually for impairment. Goodwill is stated at cost less any accumulated impairment losses.

Other intangible assets

Indefinite-life intangible assets relate to brands recognised on acquisition of the SSP business in 2006. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date.

Other intangible assets, consisting mainly of brands, franchise agreements and software, that are acquired/purchased by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets (between nine and 14 years) unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use.

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 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 an appropriate rate.

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 'Operational segments', 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 benefit from promotional activity and volume growth. Supplier incentives, rebates and discounts are recognised within cost of sales as they are earned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. Accounting policies continued

1.19 Underlying items

Underlying 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.

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.

The following standards, issued by the IASB and endorsed by the EU, have not yet been adopted and unless otherwise stated are not expected to have a material impact on the Group:

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial instruments – Recognition and Measurement'. The standard (effective for the year ending 30 September 2019) covers the classification, measurement, impairment and de-recognition of financial assets and liabilities and provides new hedge accounting requirements. The Group continues to assess the impact this standard would have on its consolidated results and financial position.

IFRS 15 'Revenue from Contracts with Customers' (effective for the year ending 30 September 2019) is based on the principle that revenue is recognised when control of goods or services is transferred to the customer. The standard provides a single, principles-based five-step model to be applied to all contracts with customers to determine whether, how much and when revenue is recognised. IFRS 15 replaces the separate models for goods, services and construction contracts under IAS 11 'Construction Contracts' and IAS 18 'Revenue'. The Group continues to assess the impact of the new standard, but based on a preliminary assessment, the Group believes that IFRS 15 will not have a significant impact on the timing and recognition of revenue.

IFRS 16 'Leases' (effective for the year ending 30 September 2020) requires lessees to recognise operating leases on the Group's balance sheet, unless the lease term is 12 months or less or the underlying asset has a low value. The standard, which replaces IAS 17 'Leases', will give rise to the recognition of an asset representing the right-of-use of the leased item and a related liability being the future lease payment obligations. Costs currently classified as operating lease costs will be reclassified and split between the depreciation of the asset, on a straight-line basis, and interest on the lease liability. This reclassification will increase EBITDA with corresponding increases in the depreciation charge and interest expense. Interest expense will also be higher in the early stages of a lease and reduce over the term.

IFRS 16 can either be applied on a fully retrospective basis, which will require the restatement of comparative prior periods, or the cumulative retrospective impact can be applied as an adjustment to equity on the date of adoption of the standard.

The Group is reviewing the standard in more detail to ensure it prepares itself for inception and expects that IFRS 16 will have a material impact on the Group's consolidated results and associated impact on both assets and liabilities.

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 advisors, and uses previous experience to inform its judgements. 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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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, Asia Pacific and India. 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.

2017	UK £m	Continental Europe £m	North America £m	RoW £m	Non-attributable £m	Total £m
Revenue	**787.7**	**910.3**	**372.9**	**308.2**	**–**	**2,379.1**
Underlying operating profit/(loss)	**82.1**	**77.8**	**14.3**	**21.2**	**(32.5)**	**162.9**
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

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:

Turnover	2017 £m	2016 £m
Air	**1,460.1**	1,121.0
Rail	**790.2**	747.9
Other	**128.8**	121.4
	2,379.1	1,990.3

The following amounts are included in underlying operating profit:

2017	UK £m	Continental Europe £m	North America £m	RoW £m	Non-attributable £m	Total £m
Depreciation and amortisation[1]	**(12.2)**	**(32.4)**	**(28.5)**	**(17.4)**	**(5.0)**	**(95.5)**
2016						
Depreciation and amortisation[1]	(14.2)	(34.9)	(18.0)	(9.9)	(1.8)	(78.8)

[1] Excludes amortisation of acquisition-related intangible assets.

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

	2017 £m	2016 £m
Underlying operating profit	**162.9**	121.4
Adjustments to operating costs	**(1.9)**	(1.9)
Share of profit from associates	**3.4**	1.3
Finance income	**0.9**	0.5
Finance expense	**(20.5)**	(15.7)
Profit before tax	**144.8**	105.6
Taxation	**(33.6)**	(23.8)
Profit after tax	**111.2**	81.8

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:

	2017 £m	2016 £m
Profit attributable to ordinary shareholders	**92.8**	72.0
Adjustments:		
Amortisation of acquisition-related intangibles	**1.9**	1.9
Unwind of discount on obligation to acquire a non-controlling interest	**2.0**	–
Tax effect of adjustments	**(0.2)**	(0.4)
Underlying profit attributable to ordinary shareholders	**96.5**	73.5
Basic weighted average number of shares	**475,214,310**	475,169,510
Dilutive potential ordinary shares	**7,487,883**	3,579,804
Diluted weighted average number of shares	**482,702,193**	478,749,314
Earnings per share (pence):		
– Basic	**19.5**	15.2
– Diluted	**19.2**	15.0
Underlying earnings per share (pence):		
– Basic	**20.3**	15.5
– Diluted	**20.0**	15.4

The number of ordinary shares in issue as at 30 September 2017 was 475,226,453 (2016: 475,199,063).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5. Operating costs

	2017 £m	2016 £m
Cost of food and materials:		
Cost of inventories consumed in the period	**(727.0)**	(636.5)
Labour cost:		
Employee remuneration	**(687.2)**	(581.6)
Overheads:		
Depreciation of property, plant and equipment	**(89.3)**	(74.2)
Amortisation of intangible assets – software	**(6.2)**	(4.6)
Amortisation of acquisition-related intangible assets	**(1.9)**	(1.9)
Rentals payable under operating leases	**(438.0)**	(349.6)
Other overheads	**(268.5)**	(222.4)
	(2,218.1)	(1,870.8)

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 £240.3m (2016: £234.5m).

Adjustments to operating costs

	2017 £m	2016 £m
Amortisation of intangible assets arising on acquisition	**(1.9)**	(1.9)

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:

	2017 £m	2016 £m
Audit of these financial statements	**0.1**	0.2
Audit of financial statements of subsidiaries pursuant to legislation	**0.7**	0.6
Tax compliance services	**0.1**	0.1
Other non-audit services	**0.1**	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.

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:

	2017	2016
	Number of employers	
Operations	**34,538**	28,528
Sales and marketing	**165**	140
Administration	**2,080**	1,274
	36,783	29,942

The aggregate payroll costs of the Group were as follows:

	2017 £m	2016 £m
Wages and salaries	**(588.1)**	(506.9)
Social security costs	**(75.3)**	(60.5)
Other pension costs	**(11.9)**	(9.7)
Share-based payments (note 22)	**(11.9)**	(4.5)
	(687.2)	(581.6)

7. Finance income and expense

	2017 £m	2016 £m
Finance income:		
Interest income	**0.9**	0.4
Net foreign exchange gains	**–**	0.1
Total finance income	**0.9**	0.5
Finance expense:		
Total interest expense on financial liabilities measured at amortised cost	**(11.2)**	(10.5)
Net change in fair value of cash flow hedges utilised in the year	**(4.0)**	(2.7)
Unwind of discount on provisions	**(0.5)**	(0.6)
Net interest expense on defined benefit pension obligations	**(0.3)**	(0.4)
Net revaluation of TFS financial liability	**(2.0)**	–
Other	**(2.3)**	(1.5)
Net foreign exchange losses	**(0.2)**	–
Total finance expense	**(20.5)**	(15.7)

Adjustments to finance expense

The adjustments to finance expense comprise adjustments to the financial liability recognised in respect of the obligation to acquire an additional 16% ownership share of TFS in 2018.

	2017 £m	2016 £m
Unwind of discount on obligation to acquire additional share of subsidiary undertaking	**(0.4)**	–
Foreign exchange gains on revaluation of obligation to acquire additional share of subsidiary undertaking	**0.8**	–
Revaluation of obligation to acquire additional share of subsidiary undertaking	**(2.4)**	–
Net revaluation of TFS financial liability	**(2.0)**	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. Taxation

	2017 £m	2016 £m
Current tax expense:		
Current year	(39.0)	(25.6)
Adjustments for prior years	2.8	(0.2)
	(36.2)	(25.8)
Deferred tax expense:		
Origination and reversal of temporary differences	0.1	(2.1)
Recognition of deferred tax assets not previously recognised	–	2.1
Changes in tax rates	–	0.8
Adjustments for prior years	2.5	1.2
	2.6	2.0
Total tax expense	(33.6)	(23.8)
Tax rate	23.2%	22.5%

Reconciliation of effective tax rate

The tax expense for the year is different to the standard rate of corporation tax in the UK of 19.5% (2016: 20.0%) applied to the profit before tax for the year. The differences are explained below:

	2017 £m	2016 £m
Profit before tax	144.8	105.6
Tax charge using the UK corporation tax rate of 19.5% (2016: 20.0%)	(28.2)	(21.1)
Non-deductible expenses	(4.5)	(1.2)
Effect of tax rates in foreign jurisdictions	(4.1)	(2.1)
Withholding taxes	(0.7)	(0.1)
Secondary and irrecoverable taxes	(2.3)	(1.9)
Changes in tax rates	–	0.8
Temporary differences for which no deferred tax was recognised	0.9	(1.3)
Recognition of deferred tax assets not previously recognised	–	2.1
Adjustments for prior years	5.3	1.0
Total tax expense	(33.6)	(23.8)

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 2016 benefited from the recognition of previously unrecognised deferred tax assets.

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 20% to 19% in April 2017, and will be reduced to 17% in April 2020.

9. Dividends

	2017 £m	2016 £m
Interim dividend paid in the year of 3.2p per share (2016: 2.5p)	(15.2)	(11.8)
Prior year final dividend of 2.9p per share paid in the year (2016: 2.2p)	(13.8)	(10.5)
	(29.0)	(22.3)

The proposed dividend of 4.9 pence per share, amounting to a final dividend of £23.3m, is not included as a liability in these financial statements and, subject to shareholder approval, will be paid on 29 March 2018 to shareholders on the register on 16 March 2018.

10. Property, plant and equipment

	Land, buildings and leasehold improvements £m	Equipment, fixtures and fittings £m	Total £m
Cost			
At 1 October 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**
Additions	**28.1**	**79.3**	**107.4**
Disposals	**(9.8)**	**(52.5)**	**(62.3)**
Acquisition from business combinations (see note 28)	**9.4**	**5.2**	**14.6**
Effects of movements in foreign exchange	**(5.1)**	**(9.1)**	**(14.2)**
Other movements[1]	**8.4**	**–**	**8.4**
At 30 September 2017	**210.6**	**703.8**	**914.4**
Depreciation			
At 1 October 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)**
Charge for the year	**(26.4)**	**(62.9)**	**(89.3)**
Disposals	**9.8**	**52.5**	**62.3**
Effects of movements in foreign exchange	**2.5**	**3.1**	**5.6**
At 30 September 2017	**(111.2)**	**(498.7)**	**(609.9)**
Net book value			
At 30 September 2017	**99.4**	**205.1**	**304.5**
At 30 September 2016	82.5	189.5	272.0

[1] Included in other movements in 2017 is £8.4m (2016: £2.0m) in respect of increases to the restoration costs provision (see note 20).

At 30 September 2017, the net carrying amount of equipment, fixtures and fittings held under finance leases was £0.6m (2016: £0.6m). Depreciation for the year on these assets was £0.5m (2016: £0.4m). The leased equipment secures lease obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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 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**
Additions	**–**	**–**	**–**	**7.6**	**7.6**
Disposals	**(5.6)**	**–**	**–**	**(0.4)**	**(6.0)**
Effects of movement in foreign exchange	**(15.2)**	**–**	**(0.1)**	**(0.5)**	**(15.8)**
Acquisition from business combinations (see note 28)	**33.2**	**–**	**1.5**	**–**	**34.7**
At 30 September 2017	**630.5**	**58.0**	**65.9**	**52.6**	**807.0**
Amortisation					
At 1 October 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)**
Charge for the year	**–**	**–**	**(2.7)**	**(5.4)**	**(8.1)**
Disposals	**–**	**–**	**–**	**0.4**	**0.4**
Effect of movements in foreign exchange	**–**	**–**	**–**	**0.1**	**0.1**
At 30 September 2017	**–**	**–**	**(52.8)**	**(40.0)**	**(92.8)**
Net book value					
At 30 September 2017	**630.5**	**58.0**	**13.1**	**12.6**	**714.2**
At 30 September 2016	618.1	58.0	14.4	10.8	701.3

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

	Goodwill		Indefinite life intangible assets	
	2017 £m	2016 £m	**2017 £m**	2016 £m
UK and Ireland	**104.0**	104.0	**55.5**	55.5
Rail Gourmet	**59.5**	65.0	**–**	–
France, Belgium, Netherlands and Luxembourg	**71.1**	69.8	**2.5**	2.5
Germany, Switzerland and Austria	**72.3**	73.0	**–**	–
Spain	**46.9**	46.0	**–**	–
Norway, Sweden, Denmark and Finland	**174.0**	174.3	**–**	–
North America	**14.2**	14.6	**–**	–
Eastern Europe and Middle East	**18.9**	32.2	**–**	–
Asia Pacific	**69.6**	39.2	**–**	–
	630.5	618.1	**58.0**	58.0

Acquisition amounts of £34.7m during 2017 relate to the Group's purchase of Travel Food Services Private Limited (see note 28 for further details).

A £5.6m write-off of goodwill was incurred upon the disposal of an associate (see note 12 for further details).

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 (2016: £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:

	2017		2016	
	Growth rate	**Discount rate[1]**	Growth rate	Discount rate[1]
UK and Ireland	**2.0%**	**7.2%**	2.0%	6.6%
Rail Gourmet	**2.3%**	**7.1%**	2.3%	6.5%
France, Belgium, Netherlands and Luxembourg	**2.3%**	**6.6%**	2.3%	6.1%
Germany, Switzerland and Austria	**2.3% to 3.0%**	**6.6% to 7.2%**	2.3% to 3.0%	6.0% to 6.2%
Spain	**2.3%**	**9.0%**	2.3%	7.3%
Norway, Sweden, Denmark and Finland	**3.0%**	**6.7% to 7.2%**	3.0%	6.2% to 6.9%
North America	**2.0%**	**6.5%**	2.0%	5.8%
Eastern Europe and Middle East	**5.0%**	**12.2%**	5.0%	11.1%
Asia Pacific	**5.0%**	**9.2%**	5.0%	7.6%

[1] The discount rates presented are post-tax discount rates.

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 uses the equity accounting method to account for its associates, the carrying value of which was £6.8m as at 30 September 2017 (2016: £9.3m). 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:

	2017 £m	2016 £m
Assets	**19.1**	16.4
Liabilities	**(12.4)**	(9.5)
Revenue	**62.2**	42.8

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

	2017 £m	2016 £m
At 1 October 2016	**9.3**	5.4
Additions	**–**	4.7
Disposals[1]	**(1.8)**	–
Profits for the year	**3.4**	1.3
Dividends received	**(3.8)**	(2.3)
Other	**(0.2)**	(0.8)
Currency adjustment	**(0.1)**	1.0
At 30 September 2017	**6.8**	9.3

[1] During 2017, the Group disposed of its investment in Avecra (carrying value at time of disposal £1.8m) for cash consideration of £7.3m.

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 40.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2017 £m	2016 £m	2017 £m	2016 £m
Intangible assets	–	–	(8.5)	(8.2)
Property, plant and equipment	10.2	9.8	(2.0)	(3.2)
Provisions	5.2	5.5	(0.1)	(0.1)
Tax loss carry forwards	2.0	2.7	–	–
Pensions	0.9	1.8	–	–
Other	5.9	1.5	(4.6)	(3.8)
Deferred tax assets/(liabilities)	24.2	21.3	(15.2)	(15.3)
Set-off	(2.9)	(3.2)	2.9	3.2
Deferred tax assets/(liabilities)	21.3	18.1	(12.3)	(12.1)

Movement in net deferred tax during the year:	1 October 2016 £m	Acquisition from business combination (see note 28) £m	Recognised in income statement £m	Recognised in reserves £m	Currency adjustment £m	30 September 2017 £m
Intangible assets	(8.2)	–	–	–	(0.3)	(8.5)
Property, plant and equipment	6.6	–	1.8	–	(0.2)	8.2
Provisions	5.5	–	(0.1)	(0.3)	–	5.1
Tax loss carry forwards	2.7	–	(0.5)	–	(0.2)	2.0
Pensions	1.8	–	–	(0.9)	–	0.9
Other	(2.4)	0.5	1.4	1.9	(0.1)	1.3
	6.0	0.5	2.6	0.7	(0.8)	9.0

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	
	2017 £m	2017 £m	2016 £m	2017 £m	2016 £m
Property, plant and equipment	16.7	1.3	10.8	–	–
Tax losses	255.5	75.3	65.8	–	–
Provisions and other temporary differences	36.4	10.8	6.5	–	–
	308.6	87.4	83.1	–	–

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 in ownership rules.

£12.4m 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 making tax losses for some time. Profitability forecasts are reviewed carefully and used as the basis for considering the recognition of deferred tax assets although initial recognition of a deferred tax asset is not made until an entity is making taxable profits.

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

	2017 £m	2016 £m
Food and beverages	**26.5**	25.2
Other	**6.1**	4.0
	32.6	29.2

15. Trade and other receivables

	2017 £m	2016 £m
Trade receivables	**59.8**	43.9
Other receivables[1]	**70.7**	59.1
Prepayments and accrued income	**45.4**	52.4
	175.9	155.4
Of which:		
Non-current (other receivables)	**40.5**	37.3
Current	**135.4**	118.1

[1] Other receivables include long-term security deposits of £13.7m (2016: £33.4m) relating to some of the Group's concession agreements.

16. Cash and cash equivalents

	2017 £m	2016 £m
Cash at bank and in hand	**107.4**	83.6
Short-term bank deposits	**70.7**	72.2
	178.1	155.8

17. Short-term and long-term borrowings

	2017 £m	2016 £m
Current liabilities		
Bank loans	**(31.1)**	(30.3)
Finance leases	**(0.3)**	(0.4)
	(31.4)	(30.7)
Non-current liabilities		
Bank loans	**(417.7)**	(441.4)
Finance leases	**(1.5)**	(1.1)
	(419.2)	(442.5)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

17. Short-term and long-term borrowings continued

Bank loan

- As at 30 September 2017, the Group had Facility A borrowings of £175.8m. This debt matures on 15 July 2020 and accrues cash-pay interest at LIBOR (or equivalent benchmark rate) plus a margin of 1.25% per annum as at 30 September 2017. In accordance with the facility agreement, during the year the margin decreased by 0.25%. Facility A debt requires a mandatory payment of 11.7% of the debt annually in July.
- As at 30 September 2017, the Group had Facility B borrowings of £270.8m. This debt matures on 15 July 2020 and accrues cash-pay interest at LIBOR (or equivalent benchmark rate) plus a margin of 1.50% per annum as at 30 September 2017. In accordance with the facility agreement, during the year the margin decreased by 0.25%.
- As at 30 September 2017, the Group had a committed Revolving Credit Facility of £50m. This committed facility matures on 15 July 2020. At the year ended 30 September 2017 this facility was undrawn. 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 2017, 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.
- Refer to note 29 detailing the post balance sheet event in relation to the Group's short and long-term borrowings.

Bank loans are shown net of unamortised arrangement fees totalling £3.6m at 30 September 2017 (2016: £5.0m).

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2017 £m	2016 £m
Less than 1 year	(0.3)	(0.4)
Between 1 and 5 years	(1.5)	(1.0)
More than 5 years	–	(0.1)
	(1.8)	(1.5)

18. Trade and other payables

	2017 £m	2016 £m
Trade payables	(99.8)	(104.4)
Other payables	(138.6)	(133.0)
Other taxation and social security	(27.5)	(14.8)
Accruals and deferred income	(154.0)	(151.9)
	(419.9)	(404.1)

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 £11.1m (2016: £9.0m) 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 operates a combination of funded and unfunded defined benefit schemes across Europe, the respective net plan liabilities of which are presented below:

	2017 £m	2016 £m
Funded schemes (see (a) below)	(3.5)	(8.4)
Unfunded schemes (see (b) below)	(10.4)	(10.8)
	(13.9)	(19.2)

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 £1.0m in contributions to its defined benefit plans in 2018. As at 30 September 2017, the weighted average duration of the defined benefit obligation was 18.2 years (2016: 19.9 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.

The RG scheme was subject to its last full actuarial valuation by a qualified actuary as at 31 December 2016. These results have been used by a qualified independent actuary in the valuation of the scheme as at 30 September 2017 for the purposes of IAS 19 'Employee Benefits'. The amounts shown for the prior year were based on a valuation of the scheme for the purposes of IAS 19 as prepared by an independent actuary using the full actuarial valuation as at 31 December 2013.

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. At the most recent funding valuation of the RG scheme as at 31 December 2016 showed a funding level of 103.6%. Accordingly the contributions that are being paid by the employing company are in respect of future service of current members.

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

	2017	2016
Discount rate applied to scheme liabilities	2.5%	2.2%
Rate of increase in salaries	2.9%	3.0%
Rate of increase in pensions in payment	1.5%	1.8%
Inflation assumption	2.7%	2.9%

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

	2017	2016
Male pensioner now aged 65	20.5	20.0
Female pensioner now aged 65	22.6	21.8
Male pensioner now aged 45	23.4	24.0
Female pensioner now aged 45	25.7	26.1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. Post-employment benefit obligations continued

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:

	Defined benefit obligation	
As at 30 September 2017	**Increase £m**	**Decrease £m**
Discount rate applied to scheme liabilities	5.7	(7.8)
Rate of increase in salaries	(1.9)	1.3
Rate of increase in pensions in payment	(0.9)	0.0
Inflation assumption	(3.4)	3.0
Mortality rates (change of 1 year)	(1.1)	0.9

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:

	2017	2016
Equities, of which:	**33.0%**	39.1%
– *actively traded*	***94.2%***	*95.1%*
Property and infrastructure	**12.5%**	12.5%
Fixed interest investments	**54.5%**	48.3%
Cash	**0.0%**	0.2%
Total assets related to:		
– RG scheme	**83.1%**	82.0%
– Norway	**16.9%**	16.2%

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

	2017 £m	2016 £m
Fair value of scheme assets	**39.1**	37.7
Present value of funded liabilities	**(42.6)**	(46.1)
Net pension liability	**(3.5)**	(8.4)

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

	2017 £m	2016 £m
Current service cost (reported in employee remuneration)	**(0.6)**	(0.5)
Settlement (reported in employee remuneration)	**–**	0.2
Net interest on pension scheme liabilities (reported in finance income and expense)	**(0.2)**	(0.2)
Total amount charged	**(0.8)**	(0.5)

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

	2017 £m	2016 £m
Scheme liabilities at 1 October 2016	**(46.1)**	(38.0)
Current service cost	**(0.6)**	(0.5)
Settlement	**–**	0.6
Employee contributions	**(0.1)**	(0.1)
Interest on pension scheme liabilities	**(1.0)**	(1.3)
Remeasurements:	**–**	
– arising from changes in financial assumptions	**2.1**	(8.8)
– arising from changes in experience adjustments	**1.6**	1.8
Benefits paid	**1.6**	1.4
Currency adjustment	**(0.1)**	(1.2)
Scheme liabilities at 30 September 2017	**(42.6)**	(46.1)

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

	2017 £m	2016 £m
Scheme assets at 1 October 2016	**37.7**	32.8
Interest income	**0.8**	1.1
Employer contributions	**0.4**	0.6
Employee contributions	**0.1**	0.1
Remeasurement: return on plan assets excluding interest income	**1.9**	3.9
Benefits paid	**(1.6)**	(1.4)
Settlement	**–**	(0.4)
Currency adjustment	**(0.2)**	1.0
Scheme assets at 30 September 2017	**39.1**	37.7

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

	2017 £m	2016 £m
Remeasurements	**5.6**	(3.1)

(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 and have been updated for the period ended 30 September 2017 by a qualified independent actuary. The major assumptions (on a weighted average basis) used in these valuations were:

	2017	2016
Rate of increase in salaries	**1.9%**	2.2%
Rate of increase in pensions in payment and deferred pensions	**1.0%**	1.0%
Discount rate applied to scheme liabilities	**1.6%**	1.0%
Inflation assumption	**1.7%**	1.6%

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

	2017	2016
Pensioner now aged 65	**22.0**	21.9
Pensioner now aged 40	**23.6**	23.6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. Post-employment benefit obligations continued

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:

	Defined benefit obligation	
As at 30 September 2017	**Increase £m**	**Decrease £m**
Discount rate applied to scheme liabilities	1.0	(1.1)
Rate of increase in salaries	(0.4)	0.3
Rate of increase in pensions in payment	(0.7)	0.6
Inflation assumption	(1.0)	0.9
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:

	2017 £m	2016 £m
Net pension liability	(10.4)	(10.8)

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

	2017 £m	2016 £m
Deficit in the schemes at 1 October 2016	(10.8)	(8.5)
Current service cost	(0.3)	(0.2)
Contributions	0.5	0.5
Interest on pension scheme liabilities	(0.1)	(0.2)
Remeasurements:		
– arising from changes in financial assumptions	0.6	(0.9)
– arising from changes in experience adjustments	(0.1)	(0.1)
Currency adjustment	(0.2)	(1.4)
Deficit in the schemes at 30 September 2017	(10.4)	(10.8)

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

	2017 £m	2016 £m
Current service cost (reported in employee remuneration)	(0.3)	(0.2)
Interest on pension scheme liabilities (reported in finance income and expense)	(0.1)	(0.2)
Total amount charged	(0.4)	(0.4)

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

	2017 £m	2016 £m
Remeasurements	0.5	(1.0)

20. Provisions

	Onerous contracts £m	Restoration costs £m	Other £m	Total £m
At 1 October 2016	(7.7)	(8.4)	–	**(16.1)**
Reclassification	2.3	–	(5.8)	**(3.5)**
Created in the year	(3.2)	(8.4)	(3.7)	**(15.3)**
Unwind of discount	(0.2)	(0.3)	–	**(0.5)**
Released/utilised in the year	2.6	2.3	0.4	**5.3**
At 30 September 2017	**(6.2)**	**(14.8)**	**(9.1)**	**(30.1)**
Represented by:				
Current	(2.1)	(1.5)	(0.1)	**(3.7)**
Non-current	(4.1)	(13.3)	(9.0)	**(26.4)**
	(6.2)	**(14.8)**	**(9.1)**	**(30.1)**

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 ten 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 ten years in length.

Other provisions include the estimated cost of an ongoing free travel provision provided to employees of Travellers Fare Limited, a historic acquisition (now part of Select Service Partner UK Limited). The benefit is a lifetime benefit and has been calculated using life expectancies and discounted to a prevent value using a suitable discount rate. The remaining amount represents probable expected costs in several commercially sensitive areas.

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	475,199,063	4.7	461.2
At 30 September 2016	475,199,063	4.7	461.2
Ordinary shares issued in the year	27,390	–	–
At 30 September 2017	**475,226,453**	**4.7**	**461.2**
Comprised of:			
Issued, called up and fully paid:			
Ordinary shares of £0.01 each	**475,226,453**	**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 SSP Group Employee Benefit Trust (EBT) was established in 2006 and now operates in connection with the Company's share option plan. The SSP Group plc Share Incentive Plan was established in 2014 in connection with the Company's UK Share Incentive Plan (UK Trust). Details of the Company's share plans are set out in the Directors' remuneration report on pages 37 to 51.

As at 30 September, the Trustees of the EBT and the UK Trust respectively held 28,909 (2016: 28,909) and 271 (2016: 44) ordinary shares of the Company with a combined value of £0.2m (2016: £0.1m).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21. Capital and reserves continued

Reserves

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

	Capital redemption reserve £m	Translation reserve £m	Cash flow hedging reserve £m	Other £m	Total £m
At 1 October 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 loss 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 gains 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
Net loss on hedge of net investments in foreign operations	–	(1.5)	–	–	(1.5)
Current tax credit on loss on hedge of net investment in foreign operations	–	0.3	–	–	0.3
Other foreign exchange translation differences	–	(17.4)	–	–	(17.4)
Current tax charge on losses arising on exchange translation differences	–	(0.4)	–	–	(0.4)
Effective portion of changes in fair value of cash flow hedges	–	–	1.2	–	1.2
Cash flow hedges – reclassified to profit and loss	–	–	4.0	–	4.0
Tax charge on cash flow hedges	–	–	(0.3)	–	(0.3)
Obligation to acquire non-controlling interest	–	–	–	(18.9)	(18.9)
At 30 September 2017	**1.2**	**14.8**	**(7.4)**	**(18.9)**	**(10.3)**

Capital redemption reserve

The capital redemption reserve relates to the cancellation of the deferred ordinary shares in 2015.

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.

Other reserve

The other reserve consists of the initial recognition of a financial liability to purchase a further 16% of TFS.

Non-controlling interests

	2017 £m	2016 £m
At 1 October 2016	**32.1**	21.5
Share of profit for the year	**18.4**	9.8
Dividends paid to non-controlling interests	**(12.9)**	(11.1)
Capital contribution from interests	**8.4**	8.4
Non-controlling interest arising on acquisition[1]	**21.4**	–
Acquisition of additional share in subsidiary	**–**	(0.5)
Currency adjustment	**(2.7)**	4.0
At 30 September 2017	**64.7**	32.1

[1] On 13 December 2016, the Group acquired 15.1% of the issued share capital of TFS with a further 17.9% of the issued share capital acquired on 3 March 2017, bringing the total shareholding to 33%. See note 28 for further details.

The Group's only subsidiary with a material non-controlling interest is Travel Food Services Private Limited, whose country of incorporation and operation is India.

Summarised financial information, before inter-company eliminations, for Travel Food Services Private Limited is as follows:

	2017 £m
Income statement	
Revenue	**8.9**
Profit for the year	**0.5**
Other comprehensive income	**(0.4)**
Total comprehensive income	**0.1**
Attributable to non-controlling interests:	**0.1**
Balance sheet	
Non-current assets	**14.4**
Current assets	**7.8**
Non-current liabilities	**(2.0)**
Current liabilities	**(0.2)**
Net assets attributable to non-controlling interests:	**13.4**
Cash flow	
Net cash inflow from operating activities	**1.2**
Net cash outflow from investing activities	**(10.0)**
Net cash inflow from financing activities	**9.1**
Net increase in cash and cash equivalents	**0.3**
Dividends paid to non-controlling interests	**–**

All of the Group's other non-controlling interests, including those in the remaining TFS Group companies, are immaterial individually. Details of the Group's subsidiaries that have non-controlling interests are shown in note 40.

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 37 to 51.

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 £11.6m in 2017 (2016: £4.2m) in respect of the PSP.

	2017 Number of shares	2016 Number of shares
Outstanding at 1 October 2016	**7,597,296**	4,504,528
Granted during the year	**3,510,060**	3,348,438
Lapsed during the year	**(416,399)**	(255,670)
Outstanding at 30 September 2017[1]	**10,690,957**	7,597,296
Exercisable at 30 September 2017	**–**	–
Weighted average remaining contracted life (years)	**1.2**	1.5
Weighted average fair value of awards granted (£)	**3.48**	2.69

[1] This includes the dividend equivalent shares which have been awarded in line with the terms of the rules of the PSP.

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:

	2017
Weighted average share price at grant (£)	**3.71**
Weighted average exercise price	**–**
Expected volatility	**24%**
Expected life (years)	**3.0**
Vesting period (years)	**3.0**
Expected correlation between the share price of TSR comparators	**29%**

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

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 since December 2014 onwards.

For the period from January 2017 to December 2017, the actual entitlement to matching shares was fixed at one matching share for every two partnership shares purchased. For the period from January 2016 to December 2016, the actual entitlement was also fixed at one matching share for every two partnership shares purchased. The Group incurred a charge of £0.1m in respect of the matching element of the UK SIP in 2017 (2016: £0.2m).

International Share Incentive Plan

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 from November 2016 to October 2017, the actual entitlement to matching shares was fixed at one matching share for every two partnership shares purchased. For the period from 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 £0.2m in respect of the matching element of the International SIP in 2017 (2016: £0.1m).

23. Cash flow from operations

	Note	2017 £m	2016 £m
Profit for the year		**111.2**	81.8
Adjustments for:			
Depreciation	10	**89.3**	74.2
Amortisation	11	**8.1**	6.5
Share-based payments	6	**11.9**	4.5
Finance income	7	**(0.9)**	(0.5)
Finance expense	7	**20.5**	15.7
Share of profit of associates	12	**(3.4)**	(1.3)
Taxation	8	**33.6**	23.8
		270.3	204.7
Decrease/(increase) in trade and other receivables		**3.9**	(18.7)
Increase in inventories		**(2.4)**	(0.1)
Increase in trade and other payables (including provisions)		**8.4**	22.6
Cash flow from operations		**280.2**	208.5

24. Financial instruments

(a) Financial assets and liabilities by category

	2017 £m	2016 £m
Financial assets		
Other financial assets	**10.3**	–
Trade and other receivables (excluding prepayments and accrued income)	**130.5**	103.0
Cash and cash equivalents	**178.1**	155.8
	318.9	258.8
Financial liabilities		
Bank loans	**(448.8)**	(471.7)
Finance leases	**(1.8)**	(1.5)
Derivative financial instruments	**(9.0)**	(14.2)
Trade and other payables (excluding other taxation and social security)	**(392.4)**	(389.3)
	(852.0)	(876.7)

(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 2017 £m	Fair value 2017 £m	Carrying amount 2016 £m	Fair value 2016 £m
Loans and receivables				
Cash and cash equivalents	**178.1**	**178.1**	155.8	155.8
Trade and other receivables	**130.5**	**129.5**	103.0	103.0
Other financial assets	**10.3**	**10.3**	–	–
Total loans and receivables	**318.9**	**317.9**	258.8	258.8
Non-derivative financial liabilities measured at amortised cost				
Bank loans	**(448.8)**	**(452.4)**	(471.7)	(476.7)
Finance lease liabilities	**(1.8)**	**(1.8)**	(1.5)	(1.5)
Trade and other payables	**(392.4)**	**(392.4)**	(389.3)	(389.3)
Total financial liabilities measured at amortised cost	**(843.0)**	**(846.6)**	(862.5)	(867.5)
Derivative financial liabilities				
Interest rate swaps	**(9.0)**	**(9.0)**	(14.2)	(14.2)
Total derivative financial liabilities	**(9.0)**	**(9.0)**	(14.2)	(14.2)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24. Financial instruments continued

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:

	2017 £m	2016 £m
Total trade receivables	62.2	45.5
Less: impairment provision for trade receivables	(2.4)	(1.6)
	59.8	43.9
Of which:		
Not yet due	41.4	29.9
Overdue, between 0 and 6 months	16.5	11.5
Overdue, more than 6 months	4.3	4.1
Impairment provision for trade receivables	(2.4)	(1.6)
	59.8	43.9

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

	2017 £m	2016 £m
At 1 October 2016	(1.6)	(1.3)
Charged in the year	(0.9)	(0.5)
Utilised in the year	0.2	0.3
Currency adjustment	(0.1)	(0.1)
At 30 September 2017	(2.4)	(1.6)

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:

	2017 £m	2016 £m
High grade	57.4	75.7
Upper medium grade	74.1	54.0
Medium grade	7.4	1.2
Non-investment grade	5.2	2.4
Unrated	7.1	1.2
	151.2	134.5
Cash in hand and in transit	26.9	21.3
	178.1	155.8

(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.

		2017				
	Carrying amount £m	**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	**(448.8)**	**(502.5)**	**(44.4)**	**(44.3)**	**(413.8)**	**–**
Finance lease liabilities	**(1.8)**	**(2.8)**	**(1.3)**	**(0.7)**	**(0.8)**	**–**
Trade and other payables	**(392.4)**	**(392.4)**	**(392.4)**	**–**	**–**	**–**
Derivative financial liabilities						
Interest rate swaps used for hedging	**(9.0)**	**(8.6)**	**(4.7)**	**(3.9)**	**–**	**–**
	(852.0)	**(906.3)**	**(442.8)**	**(48.9)**	**(414.6)**	**–**

		2016				
	Carrying amount £m	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)

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 2017 was as follows:

Cash at bank and in hand	**2017 £m**	2016 £m
Sterling	**51.2**	82.0
Other currencies	**126.9**	73.8
	178.1	155.8

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 £285.3m as at 30 September 2017 (2016: £304.0m). 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24. Financial instruments continued

(e) Financial risk management continued

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 2017, after taking into account interest rate swaps and before adjustment for unamortised bank fees of 3.6m (2016: £5.0m), was as follows:

	Floating-rate liabilities		Fixed-rate liabilities		Total	
	2017 £m	2016 £m	**2017 £m**	2016 £m	**2017 £m**	2016 £m
Currency						
Sterling	**(45.4)**	(43.2)	**(136.3)**	(129.5)	**(181.7)**	(172.7)
Euro	**(40.3)**	(47.9)	**(121.0)**	(143.4)	**(161.3)**	(191.3)
US Dollar	**(7.7)**	(8.5)	**(23.1)**	(25.5)	**(30.8)**	(34.0)
Swedish Krona	**(7.6)**	(7.9)	**(22.7)**	(23.9)	**(30.3)**	(31.8)
Norwegian Krone	**(10.6)**	(11.7)	**(31.9)**	(35.2)	**(42.5)**	(46.9)
India Rupee	**(5.5)**	–	**(0.3)**	–	**(5.8)**	–
	(117.1)	(119.2)	**(335.3)**	(357.5)	**(452.4)**	(476.7)

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 £9.0m as at 30 September 2017 (2016: £14.2m).

In 2017, credit of £1.2m (2016: debit of £6.7m) 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 2017, a credit of £4.0m (2016: credit of £2.7m) 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 2017, 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.

	2017 £m	2016 £m
Equity		
Increase	**2.9**	4.9
Decrease	**(2.9)**	(5.0)

(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 2017, the Group had a leverage of 1.1x underlying LTM (last 12 months) EBITDA (2016: 1.6x).

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	155.8	24.7	–	(2.4)	**178.1**
Debt due within one year:					
Bank loans	(30.3)	33.2	(34.0)	–	**(31.1)**
Finance leases	(0.4)	0.1	–	–	**(0.3)**
Other financial assets	–	9.5	0.8	–	**10.3**
Debt due after one year:					
Bank loans	(441.4)	–	24.7	(1.0)	**(417.7)**
Finance leases	(1.1)	–	(0.4)	–	**(1.5)**
Total	**(317.4)**	**67.5**	**(8.9)**	**(3.4)**	**(262.2)**

There were no changes to the Group's approach to capital management during the year.

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:

	2017 £m	2016 £m
Less than 1 year	**307.5**	273.7
Between 1 and 5 years	**764.9**	756.1
More than 5 years	**352.1**	362.9
	1,424.5	1,392.7

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:

	2017 £m	2016 £m
Contracted for but not provided	**30.7**	43.4

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 this note. Sales and purchases with related parties are made at normal market prices.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

27. Related parties continued

Associates

Significant transactions with associated undertakings during the year, other than those included in note 12, are included in the table below.

	2017 £m	2016 £m
Purchases from related parties[1]	(5.4)	(4.8)
Management fee income	2.5	1.6
Other income	1.5	0.9
Other expenses[2]	(6.5)	(0.2)
Amounts owed by related parties at the end of the year	4.2	0.7
Amounts owed to related parties at the end of the year	(0.8)	(4.9)

1 The majority of purchases from related parties relates to purchases from The Minor Food Group PCL (£4.8m; 2016: £4.8m) which owns 51% of Select Service Partner Co. Limited.
2 The majority of other costs relate to £5.3m concession fees charged by Mumbai Airport Private Limited, which owns 14.7% of Mumbai Airport Lounge Services Private Limited.

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 wholly owned subsidiaries.

Remuneration of key management personnel

The remuneration of 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, Chief Financial Officer and Non-Executive Directors.

	2017 £m	2016 £m
Short-term employee benefits	(4.1)	(4.0)
Post-employment benefits	(0.4)	(0.4)
Share-based payments	(2.3)	(1.3)
	(6.8)	(5.7)

28. Business combinations

The Group has created a joint venture with K Hospitality Group, whereby SSP will ultimately own a 49% share in Travel Food Services Private Limited (TFS).

On 13 December 2016, the Group acquired 15.1% of the issued share capital of TFS, a leading operator of food and beverage concessions in travel locations in India. A further 17.9% of the issued share capital was acquired on 3 March 2017 bringing the total shareholding to 33%. As part of the acquisition the Group agreed to acquire a further 16% shareholding by the end of calendar year 2018.

The acquisition provides an entry point for the Group into the Indian market and the Group expects to benefit from TFS' established strong local presence. By virtue of the agreement with the other shareholders, the Group has control over TFS' relevant activities including establishing budgets and operating plans, appointment of key management personnel and ongoing review of performance and reporting procedures and as such is consolidating TFS and its group companies.

The goodwill calculation is summarised below:

Fair value of assets acquired	Book value £m	Measurement adjustment £m	Fair value £m
Property, plant and equipment	14.6	–	14.6
Intangible assets	–	1.5	1.5
Other financial assets	0.8	–	0.8
Inventories	1.2	–	1.2
Cash and cash equivalents	15.2	–	15.2
Trade and other receivables[1]	21.2	–	21.2
Trade and other payables	(15.8)	–	(15.8)
Long and short-term borrowings	(8.3)	–	(8.3)
Deferred tax assets/(liabilities)	1.0	(0.5)	0.5
Net identifiable assets	29.9	1.0	30.9
Non-controlling interest	(21.0)	(0.4)	(21.4)
Goodwill on acquisition			33.2
Cash consideration			42.7

1 All acquired receivables held at fair value, which is equivalent to the gross contractual amount receivable. All contractual cash flows are expected to be collected.

Reconciliation of consideration to cash flow statement

	2017 £m
Cash consideration	42.7
Less: cash and cash equivalents acquired	(15.2)
Acquisition of investment in TFS, net of cash and cash equivalents acquired	27.5
Less: other financial assets acquired	(0.8)
Add: long and short-term borrowings acquired	8.3
Acquisition of TFS, adjusted for net debt acquired	35.0

The intangible assets acquired represent the fair value of the brand names acquired, namely Caféccino, Idli.com, Flying Bites and Curry Kitchen. The Board believe that the excess of consideration paid over the fair value of the net identifiable assets is best considered as goodwill on acquisition representing relationships with airports, extensive knowledge of the Indian travel catering market and future operating synergies.

Included in the 12 month period to 30 September 2017 is revenue of £65.2m and an operating profit of £12.9m in respect of TFS.

If the acquisition of TFS had been made at the beginning of the financial year, the estimated contribution to the results of the Group for the year ended 30 September 2017 would have been £78.0m to revenue and £15.1m to operating profit.

Obligation to acquire additional share of subsidiary undertaking
The consideration payable for the additional 16% is based on a multiple of TFS' 2018 Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and has been valued with reference to most recent financial statements and internal budgets and forecasts, discounted with a suitable discount rate and subject to a cap of £21.4m (undiscounted at 30 September 2017 exchange rates).

The discount rate is pre-tax and reflects the current market assessments of the time value of money and a specific risk premium relevant to the TFS business. This discount rate is considered to be equivalent to the rate a market participant would use.

On acquisition, the Group recognised a financial liability of £18.9m in respect of its obligation to acquire a further 16% of TFS in 2018. As at 30 September 2017 the financial liability was £20.9m. This reflects the TFS updated assumptions on the forecasted 2018 EBITDA due to the business exceeding expectations compared to the time of the original acquisition, adjustments for the subsequent foreign exchange revaluation and the unwind of discounting.

29. Post balance sheet event

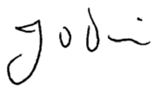
On 17 October 2017 the Group completed an 'amend and extend' of its existing debt facilities to: extend the final maturity date by two years from July 2020 to July 2022; reduce the margin on the debt and the Revolving Credit Facility by 25 basis points; and increase the size of the Revolving Credit Facility by £100m to £150m.

COMPANY BALANCE SHEET

As at 30 September 2017

	Notes	2017 £m	2016 £m
Fixed assets			
Investments	31	**932.1**	925.8
		932.1	925.8
Current assets			
Debtors due within one year	32	**36.4**	76.9
Liabilities falling due within one year			
Creditors	33	**(11.9)**	(8.7)
Net current assets		**24.5**	68.2
Net assets		**956.6**	994.0
Capital and reserves			
Called up share capital	34	**4.7**	4.7
Share premium account	34	**461.2**	461.2
Capital redemption reserve	34	**1.2**	1.2
Profit and loss account	34	**489.5**	526.9
Total equity shareholders' funds		**956.6**	994.0

These financial statements were approved by the Board of Directors on 21 November 2017 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 2017

	Share capital £m	Share premium £m	Capital redemption reserve £m	Profit and loss account £m	Total equity £m
At 1 October 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	–	–	–	(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**
Loss for the year	–	–	–	**(17.6)**	**(17.6)**
Dividends paid to equity shareholders (note 34)	–	–	–	**(29.0)**	**(29.0)**
Share-based payments	–	–	–	**9.2**	**9.2**
At 30 September 2017	**4.7**	**461.2**	**1.2**	**489.5**	**956.6**

NOTES TO COMPANY FINANCIAL STATEMENTS

30. 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.

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;
- disclosures required by IFRS 13 'Fair Value Measurement' and IFRS 7 'Financial Instrument Disclosures'; and
- the effects of new but not yet adopted IFRSs.

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 income statement. The loss for the financial year (2016: loss) is disclosed in note 34 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 55 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.

NOTES TO COMPANY FINANCIAL STATEMENTS CONTINUED

31. Investments in subsidiary undertakings

	Shares in Group undertaking £m
Cost	
At 1 October 2016	925.8
Additions	**6.3**
At 30 September 2017	**932.1**
Net book value	
At 30 September 2017	**932.1**
At 30 September 2016	925.8

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 8.4% and 14.9%. 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 2017 or 2016.

32. Debtors

Due within one year	**2017 £m**	2016 £m
Amount receivable from Group undertakings	**36.0**	76.3
Other debtors	**0.2**	0.4
Deferred taxation	**0.2**	0.2
	36.4	76.9

33. Creditors

Due within one year	**2017 £m**	2016 £m
Accruals and deferred income	**(7.8)**	(5.6)
Trade and other payables	**(0.6)**	(0.3)
Other taxation and social security	**(3.5)**	(2.8)
	(11.9)	(8.7)

34. 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	475,199,063	4.7	461.2
At 30 September 2016	475,199,063	4.7	461.2
Ordinary shares issued in the year	27,390	–	–
At 30 September 2017	**475,226,453**	**4.7**	**461.2**
Comprised of:			
Issued, called up and fully paid:			
Ordinary shares of £0.01 each	**475,226,453**	**4.7**	**461.2**

Reserves

	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 October 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**
Loss for the year	–	**(17.6)**	**(17.6)**
Dividends paid to equity shareholders	–	**(29.0)**	**(29.0)**
Share-based payments	–	**9.2**	**9.2**
At 30 September 2017	**1.2**	**489.5**	**490.7**

Profit and loss account

The Company's loss for the financial year was £17.6m (2016: loss of £13.0m).

Dividends

	2017 £m	2016 £m
Interim dividend paid in the year of 3.2p (2016: 2.5p)	**(15.2)**	(11.8)
Prior year final dividend of 2.9p paid per share (2016: 2.2p)	**(13.8)**	(10.5)
	(29.0)	(22.3)

The proposed dividend of 4.9 pence per share, amounting to a final dividend of £23.3m, is not included as a liability in these financial statements, and, subject to shareholder approval, will be paid on 29 March 2018 to shareholders on the register on 16 March 2018.

NOTES TO COMPANY FINANCIAL STATEMENTS CONTINUED

35. 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 37 to 51.

PSP

	2017 Number of shares	2016 Number of shares
Outstanding at 1 October 2016	2,253,794	1,352,693
Granted during the year	1,007,262	1,011,837
Lapsed during the year	(40,432)	(110,736)
Outstanding at 30 September 2017	3,220,624	2,253,794
Exercisable at 30 September 2017	–	–
Weighted average remaining contracted life (years)	1.1	1.6
Weighted average fair value of awards granted in the year (£)	3.43	2.73
Expense recognised for the year (£m)	3.7	1.9

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 2017.

36. 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 37 to 51.

37. 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 has no transactions with or amounts owed to or from subsidiary undertakings that are not 100% owned either directly by the Company or by its subsidiaries.

38. 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 2017 was approximately £6.6m (2016: £5.8m).

In addition, the Company is a guarantor on Group borrowing facilities. The borrowings under the facility at 30 September 2017 were £446.6m (2016: £476.7m).

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.

39. Other information

The fee for the audit of the Company's annual financial statements was £0.1m (2016: £0.2m).

The average number of persons employed by the Company (including Directors) during the year was 54 (2016: 44).

Total staff costs (excluding charges for share-based payments) were £10.8m (2016: £9.6m).

40. 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 Mussafah, MBZ, SH 11 – Plot No. 85, Mezzanine floor, Hamed Al-Kurby Building, Abu Dhabi, United Arab Emirates P.O. Box 133357	Abu Dhabi		49%[1]
SSP Australia Catering Pty Limited Level 3, 69 Christie Street, St Leonards, NSW 2020, Australia	Australia		
SSP Österreich GmbH Office Park 3/Top 144, 1300 Wien-Flughafen, Austria	Austria		
Rail Gourmet Belgium NV Prins Bisschopssingel, 36-3 B-3500, Belgium	Belgium	Inactive company	
Rail Gourmet Services Belgium NV Prins Bisschopssingel, 36-3 B-3500, Belgium	Belgium	Inactive company	
SSP Belgium SPRL Korte Ambachtstraat 4, 9860, Oosterzele, Belgium	Belgium		
Select Service Partner (Cambodia) Limited No 4B, Street Ang Tamign, Sangkat Kakab, Khan Poh Sen Chey, Phnom Penh, Cambodia	Cambodia	Inactive company	49%[1,7]
SSP Canada Airport Services Inc. 30th Floor, 360 Main Street, Winnipeg MB R3C 4G1, Canada	Canada		
SSP Canada Food Services Inc. McLachlan Brown Anderson Solicitors, 938 Howe Street, 10th Floor, Vancouver BC V6Z 1N9, Canada	Canada		
SSP Québec Food Services Inc. 2200-1010 rue Sherbrooke O Montréal (Québec) H3A2R7 Canada	Canada		
Select Service Partner Hainan Co. Limited[6] 2/F,Departure Halls, Passenger Terminal Building, Haikou Meilan International Airport, Hainan, Haikou571126, China	China		
SSP Shanghai Co. Limited[6] Intl Airside and Intl Departure Area Landside, 3/F, Pudong Int'l Airport Terminal, No.6000. Yingbin Road, Pudong New District, Shanghai, China	China		
SSP Catering Cyprus Limited Vision Tower 1st Floor, 67 Limassol Avenue, 2121 Aglantzia, Nicosia, Cyprus	Cyprus	Holding and Management Services company	
SSP Louis Airports Restaurants Limited Vision Tower 1st Floor, 67 Limassol Avenue, 2121 Aglantzia, Nicosia, Cyprus	Cyprus	Holding company	60%
Monarch A/S Lufthavnsboulevarden 14, 1. sal , 2770 Kastrup , Kastrup, Denmark	Denmark		
Select Service Partner Denmark A/S Lufthavnsboulevarden 14, 1. sal , 2770 Kastrup , Kastrup, Denmark	Denmark		
SSP Denmark Financing ApS Lufthavnsboulevarden 14, 1. sal , 2770 Kastrup , Kastrup, Denmark	Denmark	Holding company	
SSP Egypt JSC Cairo International Airport, Airmall, Cairo, Egypt	Egypt		
Select Service Partner Eesti A/S Endla 45, 10142 Tallinn, Estonia	Estonia		
Select Service Partner Finland Oy Helsinki Airport, Vantaa, FI-01530, Finland	Finland		
Bars et Restaurants Aéroport Lyon Saint Exupéry SAS Immeuble l'Arc, BP 197, Lyon Saint Exupery Aeroport, 69125, Lyon, France	France		
Les Buffets Boutiques et Services des Autoroutes de France SNC 5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville , France	France		
Select Service Partner SAS 5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville , France	France		

NOTES TO COMPANY FINANCIAL STATEMENTS CONTINUED

40. 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)
Société D'Exploitation du Chalet de la Porte Jaune SASU Avenue de Nogent, Bois de Vincennes, 75012, Paris, France	France		
SSP France Financing SAS Immeuble Le Grand Pavois, 322 avenue du Prado, 13008 Marseille, France	France	Holding company	
SSP Orly SASU 5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville , France	France		
SSP Paris SASU 5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville , France	France		
SSP Province SAS 5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville , France	France		
SSP Roissy 2 SASU 5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville , France	France		
Mitropa GmbH Ginnheimer Strasse 4-6, 65760, Eschborn, Germany	Germany	Inactive company	
SSP Deutschland GmbH Ginnheimer Strasse 4-6, 65760, Eschborn, Germany	Germany		
SSP Financing Germany GmbH Ginnheimer Strasse 4-6, 65760, Eschborn, Germany	Germany	Holding company	
SSP Premium Gastronomie GmbH Ginnheimer Strasse 4-6, 65760, Eschborn, Germany	Germany		
Select Service Partner Restaurants Hellas SA Athens International Airport, Building 17 Office 2/06-01, 190 19 Spata, Greece	Greece		
Select Service Partner Asia Pacific Limited Unit 1702-05, Wing On Kowloon Center, 345 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Hong Kong	Holding and Management Services company	
Select Service Partner Hong Kong Limited Unit 1702-05, Wing On Kowloon Center, 345 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Hong Kong		
SSP China Development Limited[6] Unit 1702-05, Wing On Kowloon Center, 345 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Hong Kong	Holding company	[3]
SSP Hungary Catering Kft Liszt Ferenc Nemzetkozi Repuloter 2B, Budapest, 1185, Hungary	Hungary		
Mumbai Airport Lounge Services Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, Mumbai, 400 018, India	India		14.652%[1,9]
Travel Food Services Chennai Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, 400 018, India	India		33%[1,10]
Travel Food Services Delhi Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, 400 018, India	India		33%[1,10]
Travel Food Services (Delhi Terminal 3) Private Ltd New Udaan Bhawan, Opposite Terminal 3, IGI Airport, New Delhi, 110 037, India	India		19.8%[1,11]
Travel Food Services Kolkata Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, 400 018, India	India		33%[1,10]
Travel Food Services Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, 400 018, India	India		33%[1,17]
Travel Retail Services Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, 400 018, India	India		32.34%[1,13]
Travel Food Works Private Ltd 1B Rashid Mansion, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai, 400 018, India	India		33%[1]

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 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland	Ireland	Inactive company	
Select Service Partner Ireland Limited 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland	Ireland		
SSP Investment Financing Ireland Unlimited Company 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland	Ireland	Financing company	[3]
Select Service Partner Israel Ltd Derech Menachem Begin 132, Azrieli One Center, Round Building, 6701101, Tel Aviv, Israel	Israel	Inactive company	
SSP Luxembourg SA Aeroport de Luxembourg, L-1110 Luxembourg, L-1110, Luxembourg	Luxembourg		
Travel Food Services Global Private Ltd Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius, Mauritius	Mauritius	Holding company	33%[1,10]
Rail Gourmet Netherlands BV Schipholboulevard 231, 1118, Amsterdam Schiphol, Netherlands	Netherlands	Holding company	
SSP Nederland BV Schipholboulevard 231, 1118, Amsterdam Schiphol, Netherlands	Netherlands		
Rail Gourmet Togservice Norge AS[6] Tøyenbekken 21, Oslo, 0188, Oslo, Norway	Norway		50%[1]
Select Service Partner AS Henrik Ibsens veg 7, 2060 Gardermoen 0235 Ullensaker, Norway	Norway		
SSP Norway Financing AS Henrik Ibsens veg 7, 2060 Gardermoen 0235 Ullensaker, Norway	Norway	Holding company	
Gourmet Foods LLC PO Box 3340, Ruwi, Sultanate of Oman, 112, Oman	Oman		16.17%[1,12]
Select Service Partner Russia LLC[6] 141400, Moscow region, Khimki, Sheremetyevo Airport, Premises 3, Russia	Russia		
Select Service Partner (Singapore) Pte Limited 112 Robinson Road, #05-01, 068902, Singapore	Singapore		
Foodlasa, SL Camino de la Zarzuela, 19-21, 2 plta., 28023, Aravaca, Spain	Spain		
Select Service Partner SAU Camino de la Zarzuela, 19-21, 2 plta., 28023, Aravaca, Spain	Spain		
Select Service Partner Spain Financing SLU Camino de la Zarzuela, 19-21, 2 plta., 28023, Aravaca, Spain	Spain	Holding company	
SSP Airports Restaurants, SL C/Valentín Sanz, 13 38002 – Santa Cruz de Tenerife, Spain	Spain		
Scandinavian Service Partner AB Arlanda Airport, P.O Box 67, S-19045, Stockholm-Arlanda, Sweden	Sweden		
SSP Newco AB Arlanda Airport, P.O Box 67, S-19045, Stockholm-Arlanda, Sweden	Sweden	Inactive company	
SSP Sweden Financing AB Arlanda Airport, P.O Box 67, S-19045, Stockholm-Arlanda, Sweden	Sweden	Holding company	
Rail Gourmet Holding AG Zeughausgasse 9a, CH-6301, Zug, Switzerland	Switzerland	Holding company	
Select Service Partner (Schweiz) AG Shopping centre/Bahnhofterminal, Postfach 2472, Zurich-Flughafen, 8058, Zurich, Switzerland	Switzerland		
SSP Taiwan Limited 1F, No.13, Ln. 84, He 1st Rd, Keelung City, Jhongjheng District, 202, Taiwan, Republic of China	Taiwan		
Select Service Partner Co. Limited[6] 99 Berli Jucker Building, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok, Thailand	Thailand		49%[1]
Belleview Holdings Limited 169 Euston Road, London, NW1 2AE, United Kingdom **('SSP Group Head Office')**	UK	Dormant company	

NOTES TO COMPANY FINANCIAL STATEMENTS CONTINUED

40. 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)
Belleview Limited SSP Group Head Office	UK	Dormant company	
Cretegame Limited SSP Group Head Office	UK	Agency company	
Millie's Cookies (Franchise) Limited SSP Group Head Office	UK	Dormant company	
Millie's Cookies Limited SSP Group Head Office	UK	Agency company	
Millie's Cookies (Retail) Limited SSP Group Head Office	UK	Agency company	
Millies Limited SSP Group Head Office	UK	Dormant company	
Rail Gourmet Group Limited SSP Group Head Office	UK	Holding company	
Rail Gourmet UK Holdings Limited SSP Group Head Office	UK	Holding and Management Services company	
Rail Gourmet UK Limited SSP Group Head Office	UK		
Select Service Partner Limited SSP Group Head Office	UK	Agency company	
Select Service Partner Retail Catering Limited SSP Group Head Office	UK	Dormant company	
Select Service Partner UK Limited SSP Group Head Office	UK		
SSP Air Limited SSP Group Head Office	UK	Agency company	
SSP Asia Pacific Holdings Limited SSP Group Head Office	UK	Holding company	
SSP Euro Holdings Limited SSP Group Head Office	UK	Holding company	
SSP Financing Limited SSP Group Head Office	UK	Holding and Treasury company	
SSP Financing No. 2 Limited SSP Group Head Office	UK	Financing company	[3]
SSP Financing UK Limited SSP Group Head Office	UK	Holding and Management Services company	
SSP Group Holdings Limited SSP Group Head Office	UK	Holding company	[4]
Whistlestop Airports Limited SSP Group Head Office	UK	Dormant company	
Whistlestop Foods Limited SSP Group Head Office	UK	Agency company	
Whistlestop Operators Limited SSP Group Head Office	UK	Dormant company	
ATL Dine and Fly, LLC 19465 Deerfield Avenue, Suite 105, Lansdowne, VA, 20176, United States	US	Inactive company	
Creative PTI, LLC CT Corporation System, 160 Mine Lake Court, Suite 200, Raleigh NC 27615-6417, United States	US	Inactive company	62.8%[14]
Flavor of ATL, LLC CT Corporation System, 289 S Culver Street, Gwinnett, Lawrenceville GA 30046, United States	US	Inactive company	
Harry's Airport[16] 111 Monument Circle, Suite 2700, Indianapolis, IN 46204, United States	US		51%
Select Service Partner LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US	Inactive company	

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 America BOS, LLC CT Corporation System, 155 Federal Street, Ste 700, Boston MA 02110, United States	US		70%
SSP America CID, LLC CT Corporation System, 400 E Court Ave, Des Moines IA 50309, United States	US		90%
SSP America DEN, LLC The Corporation Company, 1675 Broadway – Suite 1200, Denver CO 80202, United States	US	Inactive company	
SSP America DFW, LLC CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States	US	Inactive company	
SSP America DFWI, LLC CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States	US		90%
SSP America EWR, LLC Corporation Trust Centre, 1029 Orange Street, Wilmington, New Castle 19801, United States	US		60%
SSP America Gladco,Inc CT Corporation System, 600 N 2nd Street, Suite 401, Harrisburg, PA 17101-1071, United States	US		
SSP America Houston, LLC CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States	US	Inactive company	
SSP America IAH [16] CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States	US		70.7%
SSP America, Inc. CT Corporation, 4701 Cox Road, Suite 301, Glen Allen VA 23060-6802, United States	US		
SSP America JFK, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US		82%
SSP America KCGI JFK T7, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US		55%
SSP America LAX, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US		
SSP America MCO, LLC CT Corporation System, 515 East Park Avenue, Tallahassee, FL 32301, United States	US		65%
SSP America MDW, LLC CT Corporation System, 208 SO Lasalle Street, Suite 814, Chicago, IL 60604, United States	US		51%
SSP America Milwaukee, LLC CT Corporation System 301 S. Bedford Street, Suite 1, Madison WI 53703, United States	US		61.5%
SSP America Minneapolis, LLC 19465 Deerfield Avenue, Suite 105, Lansdowne VA, United States	US		51%
SSP America MSN, LLC CT Corporation System 301 S. Bedford Street, Suite 1, Madison WI 53703, United States	US		90%
SSP America MSP, LLC 1010 Dale Street N, St Paul, MN 55117-5603, United States	US		80%
SSP America MSY, LLC 100 South Fifth Street, Suite 1075, Minneapolis 55402, United States	US	Inactive company	
SSP America PDX, LLC CT Corporation System, 780 Commercial Street SE, Suite 100, Salem OR 97301, United States	US		

NOTES TO COMPANY FINANCIAL STATEMENTS CONTINUED

40. 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 America PHX, LLC CT Corporation System, 780 Commercial Street SE, Suite 100, Salem OR 97301, United States	US		77.65%
SSP America RDU, LLC CT Corporation System, 160 Mine Lake Court, Suite 200, Raleigh NC 27615-6417, United States	US		62.8%
SSP America SAN, LLC CT Corporation System, 818 W 7th Street, Ste 930 Los Angeles CA 90017, United States	US		70%
SSP America SEA, LLC CT Corporation System, 711 Capitol Way S, Ste 204, Olympia, WA 98501-1267, United States	US		60%
SSP America SFO, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US		
SSP America SFO II, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US	Inactive company	
SSP America SMF, LLC CT Corporation System, 818 W 7th Street, Ste 930 Los Angeles CA 90017, United States	US		
SSP America Tampa, LLC CT Corporation System,1200 S Pine Island Road, #250, Plantation FL 33324, United States	US		52%
SSP America Texas, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US	Holding company	
SSP America Texas, Inc. CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States	US		
SSP America (USA), LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US	Holding company	[3]
SSP Four Peaks PHX, LLC CT Corporation System, 3800 N Central Avenue, Suite 460, Phoenix AZ 85012, United States	US		69.885%[15]

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[6] Rue De France 95, Be-1070 Brussels, Belgium	Belgium		49%
Cyprus Airports (F&B) Limited Larnaca International Airport, 6650, Larnaca, Cyprus	Cyprus		29.988%[8]
Motorvejscenterselskabet af 1990 A/S Lufthavnsboulevarden 14, 1. sal , 2770 Kastrup , Kastrup, Denmark	Denmark		50%
Epigo SAS Continental Square I, Batiment Uranus, 3 place de Londres, Aeroport Paris-Charles de Gaulle, 93290, Tremblay-en-France, France	France		50%
Epigo Présidence Sarl Continental Square I, Batiment Uranus, 3 place de Londres, Aeroport Paris-Charles de Gaulle, 93290, Tremblay-en-France, France	France	Management Services company	50%
Qatar Airways SSP LLC[5] P.O.Box: 22553, Doha, Qatar	Qatar		49%
Aero Service Partners LLC 5800 Fleur Drive / 4225 Fleur Drive, #106, Des Moines, IA 50321, United States	US	Inactive company	49%
Midway Partnership, LLC CT Corporation System, 208 SO Lasalle Street, Suite 814, Chicago, IL 60604, United States	US		50%[18]
SSP America BTR, LLC[2] Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE DE19801, United States	US		51%

* Ordinary shares includes references to equivalent in other jurisdictions
1 SSP has control as defined by IFRS 10 'Consolidated Financial Statements'
2 SSP does not have control as defined by IFRS 10 'Consolidated Financial Statements'
3 Includes 100% of preference shares
4 Holding held directly by the Company
5 This undertaking has a 31 March year end
6 These undertakings have a 31 December year end
7 100% of the shares are held by Select Service Partner Co. Limited (Thailand)
8 49.98% of the shares are held by SSP Louis Airports Restaurants Limited
9 44.4% of the shares are held by Travel Food Services Private Ltd
10 100% of the shares are held by Travel Food Services Private Ltd
11 60% of the shares are held by Travel Food Services Private Ltd
12 49% of the shares are held by Travel Food Services Global Private Ltd
13 98% of the shares are held by Travel Food Works Private Ltd
14 100% of the shares are held by SSP America RDU, LLC.
15 90% of the shares are held by SSP America PHX, LLC.
16 The principal place of business of the unincorporated entities listed above is 19465 Deerfield Avenue, Suite 105, Landsdowne, VA 20176 USA
17 SSP holds 50% of the voting rights on the Board of Directors and has control as defined by IFRS 10 Consolidated Financial Statements
18 50% of the Class A shares are held by SSP America, Inc.

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 2017.

COMPANY INFORMATION

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