Company Registration No. 05687183 (England and Wales)

SELECT SERVICE PARTNER UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 SEPTEMBER 2021

SELECT SERVICE PARTNER UK LIMITED

COMPANY INFORMATION

Directors	N S Campbell M E Collins J O Davies R Geling R Lewis
Secretary	H Byrne
Company number	05687183
Registered office	Jamestown Wharf 32 Jamestown Road London NW1 7HW
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Bankers	Natwest Bank Plc 250 Bishopgate London EC2M 4AA

SELECT SERVICE PARTNER UK LIMITED

CONTENTS

The directors present the strategic report and financial statements for the 52 week period ended 29 September 2021.

Principal activities and operations

The Company is a wholly owned subsidiary of SSP Financing UK Limited, which itself is a wholly owned subsidiary within the SSP Group ("SSP Group" or "the Group"). The Group is headed by SSP Group plc and comprises subsidiaries and associates operating a range of catering and retail concession businesses in the UK, Europe, the Middle East, Asia and North and South America.

The Company is a leading operator of food and beverage travel concession businesses, principally operating catering and retail outlets in airports, railway stations and shopping centres across the UK. The Company operates well known SSP owned brands such as Cafe Ritazza, Upper Crust, Whistlestop and Millies Cookies, and a number of key franchised brands including M&S Simply Food, Starbucks and Burger King.

Business Review

The business review describes the main trends and factors underlying the performance of the Company during the 52 weeks ended 29 September 2021, as well as those factors affecting its future development.

The net asset position at year end was £391.5m (2020: £412.4m).

Businesses and segments

Approximately 65% (2020: 61%) of the Company's sales were generated from concessions at railway stations, 17% (2020: 33%) from concessions at airports with the balance being generated from sales at shopping centres, leisure parks and hospitals. These sales derive principally from one activity, being the operation of catering and retail travel concession businesses within the UK.

The Company tests assets for impairment when impairment triggers are identified. The economic impact of Covid-19 has been identified as a specific trigger for impairment, resulting in impairment charges of £0.9m (2020: £5.8m) to property, plant and equipment and £1.7m (2020: £14.7m) to right-of use assets.

Principal risks and uncertainties

The directors recognise that the degree of exposure to certain risks, and the Company's ability to manage these risks effectively, will influence how successful the business is. They therefore review the risks associated with the key parts of the business, and have established internal control systems that are designed to identify those risks that may restrict or seriously impact the ability of the Company to carry on its operations.

The Company is part of the UK and Ireland division of SSP Group. The directors of SSP Group plc manage the Group’s overall risk management strategy at a Group level, rather than on an individual Company level. For this reason, the Company’s directors believe that a discussion of the Company’s risks would not be appropriate for an understanding of the development, performance or position of this Company. The principal risks and uncertainties of SSP Group plc, which include those of the Company, are included in the strategic report section on pages 52 to 67 of SSP Group plc’s annual report and accounts which do not form part of this report. The annual report and accounts of SSP Group plc are available to the public and may be obtained via the Investors section of the SSP website: www.foodtravelexperts.com. The directors of the Company have, however, reviewed the risks that may restrict or seriously impact the ability of the Company to carry on its activities.

The key risks affecting the Company are as follows:

Financing Risk

As a guarantor of SSP Group's principal borrowing facilities, the Company is exposed to liquidity, currency and interest rate risk associated with the Group's third party debt. These risks are managed by SSP Group's treasury function as part of SSP Group's overall risk management strategy.

Coronavirus
The operations of the Company and its financial situation have been materially impacted by the Covid-19 pandemic since the spread of the virus to the UK in March 2020. The Company has continued to be intermittently affected by mini 'lockdowns' caused by further outbreaks during the financial period, however there is optimism that the Company can come out of the pandemic in a strong position with future growth expected as passenger numbers pick up both domestically and internationally. The Company has continued to take a number of actions to keep costs to a minimum in line with the sharp decline in business activity and sales. Government actions, such as allowing businesses to furlough employees and obtain support through, for example, the Job Retention Scheme have helped to improve the situation.

Brexit
Brexit has had an adverse impact on the wider economic environment in the UK and elsewhere, resulting in weaker consumer spending in the travel food and beverage markets. The impact of Brexit is continually being assessed in terms of the Company's supply chain and cost inflation.

Labour shortages and cost inflation
Covid-19 has had a near-term impact on the hospitality sector resulting in frontline staff and skilled labour shortages across the UK business. This is a result of the shift of current and potential workers to other sectors (e.g. online or service centre operations). This has resulted in high wage inflation adversely impacting margins and causing delays to unit reopening programmes. The Ukraine war may impact supply chains and cost inflation and this is being monitored by the Company.

Performance

The successful delivery of the Company's business strategy relies on meeting the needs of both customers and clients. For this reason the directors pay close attention to ensuring that the Company meets its overriding aim of providing a great customer experience by monitoring a range of key performance indicators (KPIs) and business/operational risks.

The growth strategy and achievement of financial targets relies on the delivery of a combination of organic sales growth, new business growth and efficiency savings.

The key management team of the UK and Ireland division of SSP Group, led by the division's chief executive (CEO), reviews detailed weekly and monthly information covering a range of financial and non-financial indicators, and monitors progress on key strategic projects and business development initiatives. Performance against independent market share and passenger information is also reviewed wherever available.

A formal review of each operating segment of the Company against its KPIs is held every month by the CEO together with the Finance and Operations Directors.

Key performance indicators	**2021**	2020
	£'000	£'000
Sales	**158,977**	**360,392**
Sales decline	**-55.9%**	**-50.3%**
Same store like-for-like sales growth	**-38.5%**	**-14.3%**
EBITDA	**20,844**	**(19,797)**
Operating loss	**(30,841)**	**(40,379)**
Operating profit margin	**-19.4%**	**-11.2%**
Capital expenditure on fixed assets	**5,690**	**18,261**

Revenue

Revenue decreased by 55.9%. This is in part caused by the prior period having 6 months of normal trading up to March 2020 prior to Covid-19 disruption whereas the current period has had many months with (temporary) significant unit closures throughout the period. Quarter 4 of the FY2021 financial period has seen a material uplift in sales as the vast majority of travel restriction rules were lifted and we had reopened over 300 units by this stage in the financial period.

Operating (loss)/profit

The operating loss was £30.8m for the period, in comparison to an operating loss of £40.4m last period. The operating margin declined to -19.4% (2020: -11.2%). We have continued to benefit from cost saving measures put in place during FY2020 which explains why the margin has dropped and why the operating loss has not been significantly impacted by the sales reduction. We have continued to receive rent support from landlords, and most of our leases / concessions are in the final stages of negotiations on new terms.

Capital expenditure

There was a reduction in capex in the current period in line with the reduced operation and output in FY2021, as well as several projects being put on hold to conserve cash and focus on key areas where expenditure was required. There will be significant expenditure in FY2022 and beyond as we re-emerge from the pandemic and look to improve both current units as well as explore new opportunities.

Objectives and strategy

The Company's strategy has been focused on creating long term sustainable value for SSP Group plc's shareholders. In the 6 months to the end of March 2021 the key focus was to control costs as the UK experienced waves of Covid outbreaks and travel restrictions. In the second half of the period we had to allocate resources to reopening units quickly, to take advantage of growing demand going into the final quarter of FY2021. The focus in FY2022 will be to continue growth and have resources available to match the increased demand as both domestic and international travel get back to pre-Covid levels.

Retune
This phase will focus on ensuring that penetration and like-for-like (LFL) sales are maximised as demand begins to return. This will be done by ensuring that we match staffing levels to demand through the use of our labour scheduling tool, driving digital adoption through our pay at table app, and digital screens and add sales through our partnership with Deliveroo on brands such as Burger King and Millie's Cookies. We expect to use customer and client insight data to improve penetration, and to optimise the brand portfolio for the travel market.

Invest to grow
At the same time as going through the above phases, the Company will continue to invest in the existing portfolio to maximise space and category penetration by location. In addition, we will identify and invest in new brands and space where returns can be optimised. We expect to have opportunities to trade units vacated by competitors, and these opportunities where commercially viable will be explored.

Developing our people and culture
We will be consolidating the work on the new vison and values and embedding these into the Company culture. We will be rolling out new customer service training for all frontline staff. A new annual engagement survey was launched in 2021 which we have continued to monitor and apply changes to employee development.

Sustainability
Having taken the opportunity to engage with our stakeholders during the Covid-19 crisis to understand how their priorities have changed, we are even more committed to our CSR agenda. Health and well-being, diversity and inclusion have become increasingly important in these challenging times along with sustainable packaging, food waste and responsible sourcing.

Market overview and future outlook

There is optimism heading into FY2022 as the company continues to see strong growth in sales as well as the significantly increased passenger numbers (PAX). The key for the business is to make use of the increased demand by having both units open as well as ensuring that they are well staffed to capitalise on the new market conditions. The expected increase in demand and the tight cost controls that have been brought in during the pandemic should enable the business to return to profitability despite growing concerns around cost inflation.

In the medium to long term Rail traffic is anticipated to be impacted by changes to working patterns as a result of the pandemic. Home working for some portion of the work week is likely to become standard practice, reducing levels of commuters. In Air, strong demand is expected as restrictions to contain the spread of the virus ease, but recovery to normal market levels is anticipated to be several years away by most commentators.

The market shock of COVID-19 has driven some of SSP’s competitors to give up prime space and forced others into administration. The strength of the business model, our portfolio of long-term contracts and attractive brands, the quality of our people and ability to adapt leave SSP well placed to capitalize on the recovery.

Section 172 Statement

Each director considers that during the period under review, they have appropriately discharged their duties under the Companies Act, including their duty to act in a way which they considered, in good faith, was most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so they had regard (among other matters and as appropriate) to:

a. the likely consequences of any decision in the long term;
b. the interests of the Company's employees;
c. the need to foster the Company's business relationships with suppliers, customers, clients and others;
d. the impact of the Company's operations on the community and the environment;
e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
f. the need to act fairly as between members of the Company.

The Company is a wholly owned subsidiary of SSP Group plc, which is listed on the London Stock Exchange and subject to the 2018 UK Corporate Governance Code. The SSP Group plc section 172(1) statement can be found on pages 42 of its Annual Report and Accounts for the 2020/21 financial period.

SSP Group's governance structure is such that Board of SSP Group plc and its committees have the decision-making authority for a number of reserved matters. These include setting the Group's strategy, purpose and values, and reviewing and approving the Group's policies and procedures, amongst others. The Company is then responsible for adopting and implementing such matters in respect of its business.

The directors of the Company confirm that they considered their duties under section 172 of the Companies Act in implementing such Group Board led decisions in the respect of the Company. In particular, the directors considered the need to maintain a reputation for high standards of business conduct and the likely consequences of decisions in the long term by ensuring effective and appropriate adoption of the Group strategy, policies, and procedures.

Section 172 statement (continued)

Examples of key decisions made by the Board of the Company are set out below.

Debt amendments / guarantees:
In December 2020, SSP Financing Limited (the group's main financing company and the Company's intermediate holding company) agreed certain amendments to its bank facilities and US Private Placement Notes, including a further waiver and amendment of the original financial covenants well as the introduction of new waiver period covenants.

In March 2021, SSP Financing Limited agreed further amendments to its financing arrangements, including a tenor extension of 18 months to 15 January 2024 for its bank facilities, and a further waiver and amendment of the financial covenants under both the bank facilities and US Private Placement Notes. These amendments completed at the same time as the £475m rights issue carried out by SSP Group plc in April 2021.

As part of these amendment processes, the Company was asked to re-issue its guarantee of the financing documents. In considering whether this was in the best interests of the Company, the board looked to the short- and long-term benefit that the Company would receive from having the amended financing arrangements in place, including the positive impact on employees and other stakeholders, including SSP Group plc, from the increased financial security provided by such amendments.

Adoption of governance code:
During the period, the Company considered the adoption of a corporate governance code. In choosing the appropriate code for the Company, the board sought to reflect the interconnection between the governance of the Company as a subsidiary of SSP Group plc and the policies and decisions taken at a Group level. The directors agreed it was appropriate for the Company to adopt its own Subsidiary Code, building upon the core principles contained within The Wates Corporate Governance Principles For Large Private Companies.

M&S Franchise agreement:
During the year, the Company successfully renegotiated franchise agreements with one of its key brand partners, Marks and Spencer (**M&S**), (the '**Franchise Agreements**'). In considering the Franchise Agreements, the directors considered the benefit to the Company, including retaining profitable trading units and maintaining a reputation for high standards of business conduct. The board also considered the long-term benefit of entering into the Franchise Agreements, noting that the revised terms secure a new multi-year relationship with M&S, benefiting numerous stakeholders of the Company including employees, landlords and customers.

On behalf of the board

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R Geling
Director

29 June 2022

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 SEPTEMBER 2021

The directors present their annual report and financial statements for the 52 week period ended 29 September 2021.

Results and dividends
The results for the period are set out on page 14.

The directors do not propose the payment of a final dividend (2020: £nil).

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

N S Campbell	
M E Collins	
J O Davies	
R Geling	(Appointed 29 September 2021)
R Lewis	
S Smith	(Resigned on 12 August 2021)
R A Worrell	(Resigned on 29 October 2021)

Qualifying third party indemnity provisions
The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the reporting date.

Political and charitable donations
The Company made no political contributions during the period.

Employees
The Company recognises that its principal asset is its employees and their commitment to the Company's service standards and customers. Unfortunately, the Company had to reduce its headcount during the period in order to keep costs down in line with reduced sales due to the impact of the Covid-19 pandemic, and accordingly a significant proportion of the Company’s workforce left service during the current period.

The Company believes in creating a culture that is free from discrimination and harassment and will not permit or tolerate discrimination in any form. The Company gives full and fair consideration to applications for employment when they are received from disabled people and employs disabled people whenever suitable vacancies arise. Should an employee become disabled when working for the Company, they will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

Further details on the Company’s engagement with employees is included in the Section 172 Statement on page 4.

Business relationships
Details of the Company’s business relationships are included in the Section 172 Statement on page 4 and corporate governance on page 9.

Going concern
The financial statements have been prepared on the going concern basis as the directors are confident that the Company has sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, through accessing the Company’s cash held on deposit with its intermediate parent Company, SSP Financing Limited. The directors are satisfied, based on reasons detailed in note 1, that the Company will continue as a going concern.

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor are unaware; and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Corporate governance arrangements

In compliance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by The Companies (Miscellaneous Reporting) Regulations 2018, the Company hereby discloses its Statement of Corporate Governance Arrangements.

During the period the Company adopted the 'SSP Subsidiary Governance Code' (the Subsidiary Code), which defines the specific governance arrangements adopted by the Company. The principles of the Subsidiary Code, and how the Company has applied them during the financial period ended 30 September 2021, are detailed below.

Principle		Application in 2021
Purpose and Leadership	The board should promote the purpose of the Company, and ensure that its values, strategy and culture align with that of SSP Group plc.	In accordance with their duties as directors of the Company, during the period the directors continued to promote the purpose of the Company and ensured that its values, strategy and culture aligned to those of the SSP Group.
Board Composition	The board should be chaired effectively and should have a balance of skills, backgrounds, experience and knowledge. Individual directors should have sufficient capacity to make a valuable contribution.	The Board is formed of senior management across both the Group and UK teams. Together, the directors have the right balance of skills, backgrounds, experience and knowledge to lead the Company in fulfilling its purpose.
Director Responsibilities	The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's procedures should support effective decision-making and independent challenge.	The directors have a clear understanding of their accountability and responsibilities. Board procedures were supported by the SSP Group Secretariat.
Opportunity And Risk	The board should promote the long-term sustainable success of the Company by identifying opportunities to create and preserve value. The board should adhere to SSP Group plc's internal policies for the identification and mitigation of risks and should review and consider reports from the UK Risk Committee.	Throughout the period, the Board sought opportunities to create and preserve value. The Board adhered to SSP Group's internal policies for the identification and mitigation of risks throughout the period, including as part of ongoing consideration of emerging risks and the review of the Company's principal risks.
Remuneration	The board should ensure that executive remuneration structures align to the remuneration policies of SSP Group plc, it being noted that such polices shall be set by the SSP Group plc Remuneration Committee, which in turn has responsibility for reviewing remuneration across the Group.	All directors of the Company were paid (either by the Company or by SSP Group plc) in-line with SSP Group remuneration policies. The SSP Group plc Remuneration Committee were responsible for reviewing remuneration across the Group during the period.
Stakeholder Relationships and Engagement	The board should encourage the Company to foster effective stakeholder relationships aligned to the purpose of the Company and the purpose of SSP Group plc. The board is responsible for having regard to the views of stakeholders, including the workforce, when taking decisions.	During the period, the directors ensured the Company fostered effective stakeholder relationships aligned to the purpose of both the Company and SSP Group. Further information of how the directors considered stakeholders in the decision-making processes of the Company can be found in the S172 statement on page 4 of this report.

Stakeholder engagement
As a member of the SSP Group, the Company has a wide and diverse group of stakeholders, on whom we rely for our success. We define our stakeholders as those whom we affect and those who affect us.

We are committed to engaging with our different stakeholder groups, so that they can better understand our business, and we, in turn, can understand what is important to them and can then take their views and expectations into account when taking business decisions. This has been especially important this period as we have navigated through the Covid-19 crisis and recovery.

Set out below is a summary of our key stakeholder groups and how we have engaged with them throughout the period.

Our colleagues – the Board and management regularly receives updates from the Human Resources function on employee engagement which increased following the onset of the Covid-19 Pandemic. The company held periodic town hall meetings, conferences, and team briefings and has carried out employee surveys to understand views of [illegible]

Our customers – we receive feedback from customers in a number of ways, including through our customer care line and online review sites.

Our clients – we maintain regular contact with our clients through our business development team, as well as through CEO level meetings. The importance of maintaining these relationships has been seen throughout the pandemic and our continuing recovery, where the company has worked closely with its clients to rapidly close and subsequently re-open units.

Our brand partners and suppliers – we hold regular meetings and maintain an open dialogue with our brand partners and suppliers, relationships which have proved critical to successfully navigating the Covid-19 Pandemic and the ongoing recovery, as with clients noted above. This has included working with our partners to adapt menus, unit layouts and ways of working in small kitchen spaces.

Our shareholders — the Company is a wholly owned subsidiary of SSP Group plc. Certain directors are also directors or senior employees of SSP Group plc and they bring an understanding of the group's aims and objectives and share those with the other members of the Board.

Our communities – we are committed to making the communities in which we work a better place to live and do business. The SSP Foundation, a UK registered charity, supports this aim including by making donations to charities nominated by the Company's employees.

NGOs – we maintain continuous formal and informal correspondence with various non-governmental organisations who provide guidance on key areas of our sustainability strategy.

Government and regulators – we hold regular meetings with regulators, as well as maintaining other channels of correspondence.

On behalf of the board

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R Geling
Director

29 June 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SELECT SERVICE PARTNER UK LIMITED

Opinion

We have audited the financial statements of Select Service Partner Limited ("the Company") for the period ended 29 September 2021 which comprise the profit and loss account, balance sheet, statement of changes in equity, and 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 Company's affairs as at 29 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework;* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

- The Company's capacity as a guarantor of borrowings made by SSP Group plc under various third party debt facilities;
- The ability of the intermediate parent company, SSP Financing Limited, to return centrally held cash deposited by the Company;
- The recovery of UK passenger footfall; and
- The Company's ability to negotiate lease concessions.

We also considered less predictable but realistic second order impacts, such as supply chain disruption and changes in consumer travel patterns, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Performing walkthroughs and obtaining an understanding of key processes.
- Review of internal audit reports.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as the recoverability of site assets.

On this audit we do not believe there is a fraud risk related to revenue recognition based on the following assessment:

- The accounting for sales transactions is non-complex, with a strong correlation to cash receipts and limited opportunities for manual intervention in the sales process to fraudulently manipulate revenue.
- There is limited judgement in the accounting for sales which further limit's management's opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries posted by unusual or unidentified users, those posted to unexpected account combinations and those with unusual posting descriptions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: consumer product laws such as product safety, quality standards and communication of allergens; employee health and safety and employment; data protection and anti-bribery, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SELECT SERVICE PARTNER UK LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for 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 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 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 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 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.

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

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.

Gemma Buschor (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

29 June 2022

SELECT SERVICE PARTNER UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 SEPTEMBER 2021

	Notes	2021 £000	Restated 2020 £000
Turnover	**2**	158,977	360,392
Cost of sales		(193,047)	(366,679)
Impairment	**12/13**	(2,623)	(20,521)
Gross loss		(36,693)	(26,808)
Administrative expenses		(18,549)	(51,908)
Other operating income	**4**	24,401	38,337
Operating loss	**3**	(30,841)	(40,379)
Interest receivable from group undertakings	**7**	186	1,985
Other interest receivable and similar income	**7**	2	114
Interest payable and similar charges	**8**	(4,256)	(5,902)
Loss before taxation		(34,909)	(44,182)
Tax on loss	**9**	13,799	13,375
Loss for the financial period	**24**	(21,110)	(30,807)

The profit and loss account has been prepared on the basis that all operations are continuing operations. The Company has no other comprehensive income or expenses in the current or preceding year other than the amounts disclosed above and therefore no separate statement of other comprehensive income has been presented.

The presentation of the profit and loss account for 2020 has been restated as per note 4. There has been no impact to the Operating loss or Loss for the financial period.

The accompanying notes form part of these financial statements.

SELECT SERVICE PARTNER UK LIMITED

BALANCE SHEET

AS AT 29 SEPTEMBER 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Intangible assets - goodwill	**11**	132,883	132,883
Other intangible assets	**11**	587	401
Tangible fixed assets	**12**	50,963	45,295
Right-of-use assets	**13**	131,519	193,403
		315,952	371,982
Current assets			
Deferred tax	**18**	23,958	11,777
Stocks	**14**	5,333	3,789
Debtors	**15**	304,860	308,285
Cash at bank and in hand		4,671	2,870
		338,822	326,721
Creditors: amounts falling due within one year			
Creditors	**16**	95,040	75,162
Lease liabilities	**17**	44,266	52,584
		139,306	127,746
Net current assets		199,516	198,975
Total assets less current liabilities		515,468	570,957
Creditors: amounts falling due after more than one year			
Lease liabilities	**17**	110,206	155,588
Provisions for liabilities			
Other provisions	**19**	13,781	3,014
Net assets		391,481	412,355

SELECT SERVICE PARTNER UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 29 SEPTEMBER 2021

	Notes	2021 £000	2020 £000
Capital and reserves			
Called up share capital	**22**	10,100	10,100
Share premium account	**23**	328,473	328,473
Profit and loss account	**24**	52,908	73,782
Equity shareholders' funds		391,481	412,355

The financial statements were approved by the board of directors on 29 June 2022 and are signed on its behalf by:

....

R Geling

Director

Company Registration No. 05687183

SELECT SERVICE PARTNER UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 29 SEPTEMBER 2021

	Notes	Share capital £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 25 September 2019		10,100	328,473	114,381	452,954
Period ended 30 September 2020:					
Loss and total comprehensive loss for the period		-	-	(30,807)	(30,807)
Dividends	**10**	-	-	(10,000)	(10,000)
Credit to equity for equity settled share-based payments	**24**	-	-	291	291
Tax on share-based payment transactions		-	-	(83)	(83)
Balance at 30 September 2020		10,100	328,473	73,782	412,355
Period ended 29 September 2021:					
Loss and total comprehensive loss for the period		-	-	(21,110)	(21,110)
Credit to equity for equity settled share-based payments	**24**	-	-	282	282
Tax on share-based payment transactions		-	-	(46)	(46)
Balance at 29 September 2021		10,100	328,473	52,908	391,481

1 Accounting policies

Company information

Select Service Partner UK Limited is a private Company limited by shares incorporated in England and Wales. The registered office is Jamestown Wharf, 32 Jamestown Road, London, NW1 7HW.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on the historical cost basis. The principal accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions:

- the cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of financial instruments;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet adopted IFRSs; and
- disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

As the consolidated financial statements of SSP Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 Fair Value Measurement; and
- disclosures required by IFRS 7 Financial Instrument Disclosures.

Accounting judgement and estimates

Impairment of assets in CGUs

The Company is required to test the assets (both tangible fixed assets and right-of-use assets) within a cash-generating unit (CGU) for impairment annually if there is a trigger for impairment. The economic impact of Covid-19 has been identified as a specific trigger for impairment and as such all CGUs within the Company have been tested for impairment. The recoverable amount of a CGU is determined from value in use calculations. The key assumptions for these calculations are cash flow forecasts. The cash flow forecast period is based on length of the lease term of contracts held within a site. 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. Note 12 provides further details of impairment reviews performed and associated sensitivities.

1 Accounting policies

New accounting standards applicable

The following amended standards and interpretations have been adopted by the Company in the current period

- Amendments to IAS 1 and IAS 8 'Definition of Material'
- Amendments to IFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021

There is no significant impact of adopting these new standards on the Company's financial statements.

Covid-19-related rent concessions

The Company has adopted Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16 issued on 31 March 2021 in the period. The Company applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. The Amendment extends the date a lessee is permitted to apply the practical expedient by a year, from payments due on or before 30 June 2021 to payments due on or before 30 June 2022. The amendment has been applied retrospectively, however this had no impact on the prior period accounts.

1 Accounting policies

1.2 Going concern

These financial statements have been prepared on the going concern basis which the directors consider appropriate for the following reasons.

The directors have prepared a going concern assessment for the Company for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of the Covid-19 pandemic, the Company will have sufficient funds, through the return of cash deposited with its intermediate parent Company, SSP Financing Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on SSP Financing Limited providing the cash (and any additional financial support) during that period. SSP Financing Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

However, the ability of SSP Financing Limited to continue to provide this support is dependent on the ability of its ultimate parent Company, SSP Group plc, and the wider SSP Group to continue as a going concern.

The Board of SSP Group plc has reviewed the Group's trading forecasts, incorporating the impact on SSP of Covid-19, as part of the Group's adoption of the going concern basis for its interim financial statements for the 6 months ended 31 March 2022, in which context the Board reviewed cash flow forecasts prepared for a period of 16 months from the date of approval (23 May 2022) of those financial statements, with a number of different scenarios considered. Having carefully reviewed those forecasts, the Board concluded that it was appropriate to adopt the going concern basis of accounting in preparing those financial statements for the reasons set out below.

Since the start of the pandemic, the Group has taken rapid and decisive action to protect its people and the business, generating significant liquidity, reducing costs and minimising cash usage. Nevertheless, against a backdrop of ongoing uncertainty around the short and medium term trading outlook for the Group, and having considered a number of different scenarios and financing alternatives, the Board took proactive action in March 2021 to strengthen the Group's balance sheet, announcing a Rights Issue to raise gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, SSP Financing Limited secured the extension to January 2024 of its main bank facilities that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants under those bank facilities and its US private placement notes.

As at 31 March 2022, the Group had available liquidity of £606.9m, including cash of £445.8m and a committed undrawn revolving credit facility of £150.0m, as well as smaller undrawn local facilities totalling £11.1m.
In making the going concern assessment, the Directors have considered forecast cash flows and the liquidity available over the going concern period. In doing so they assessed a number of scenarios, including a base case scenario and a severe but plausible downside scenario. The base case scenario reflects an expectation of a slow but steady recovery in passenger numbers in most of the key markets during the forecast period, with Group sales reaching approximately 80% of 2019 levels by September 2022, approximately 95% by March 2023 and approximately 105% by September 2023.

1 Accounting policies

With some uncertainty surrounding the economic and geo-political environment over the next eighteen months, as well as the ongoing impact from Covid-19, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a very pessimistic view of the travel markets for the remainder of the current financial year, assuming sales that are around 10% lower compared to 2019 levels than in the base case scenario, thereby reaching only 70% of 2019 levels by September 2022. That slower recovery profile compared to the base case scenario is then assumed to continue throughout the 2023 financial year, with sales by September 2023 reaching 95% of 2019 levels.

Following its Rights Issue in 2021, the Group must comply with certain leverage and interest cover monthly covenants. The Group will next be tested on its leverage and interest cover covenants at March 2023. The leverage covenant is then tested again at June 2023 and at September 2023. The interest cover covenant will also be tested again at September 2023. In both its base case and its severe but plausible downside case scenarios, the Group would have headroom against all of these covenant tests at all testing dates during the going concern period.

The ongoing impact of the Covid-19 pandemic cannot be accurately predicted, and it is not possible to assess all possible future implications for the Group. Nevertheless, based on the scenarios modelled, as well as the additional sensitivity analysis outlined above, the Board of SSP Group plc is confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least 16 months from the date of approval of the interim financial statements. The Board of SSP Group plc has therefore deemed it appropriate to prepare the SSP Group Plc financial statements for the six months ended 31 March 2022 on a going concern basis.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Turnover

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 that control of the good is passed to the customer. This is deemed to be at the point of sale of food, beverage and retail goods.

Accounting policies

1.4 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Goodwill arising on acquisitions before the date of transition to FRS 101 has been retained at the previous UK GAAP amount subject to being tested for impairment at that date.

1.5 Intangible assets other than goodwill

Trademarks and licences

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives.

Computer software and development

In accordance with FRS 101, software developments costs (including website development costs) are capitalised as Intangible Assets if the technical and commercial feasibility of the project has been demonstrated, the future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. Costs that do not meet these criteria are expensed as incurred. Software development costs are stated at historic cost, less accumulated amortisation.

Software development costs are all amortised over three periods and the amortisation charge is included within net operating expenses in the profit and loss account.

1 Accounting policies

1.6 Tangible fixed assets

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	8% to 33% per annum or lease rental contract
Fixtures, fittings and equipment	8% to 33% per annum or lease rental contract
Assets in the course of construction	See note below

Assets in the course of construction are not depreciated until the moment when the relevant trading units are brought into use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Impairment of tangible and intangible assets

The Company reviews the carrying amounts of its tangible and intangible assets 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generate income largely independent of the income streams from other assets or group of assets.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless arising on a previously revalued asset. An impairment loss on a revalued asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments on revalued assets are recognised in the profit and loss account until the carrying amount reaches the asset's depreciated historical cost.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.
For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairments

Where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any depreciation or amortisation, if no impairment loss had been recognised.

1 Accounting policies

1.8 Stocks

Stocks 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.

1.9 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.11 Financial assets

Non derivative financial assets compromise of trade and other receivables and cash and cash equivalents.

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 and doubtful debts. The allowance for doubtful debts is recognised based on an expected loss model which is a probability weighted estimate of credit losses.

1.12 Financial liabilities

Non derivative financial liabilities compromise of trade and other payables.

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.

1.13 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.14 Taxation

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

Current tax

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 the tax payable in respect of previous periods.

1 Accounting policies

Deferred tax

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; and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination. 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.

1.15 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

All eligible employees are entitled to join the SSP Group Pension Plan, a defined contribution scheme. Those employees not eligible to join the SSP Group Pension Plan are automatically enrolled in a defined contribution scheme operated by the National Employment Savings Trust (NEST) with an option to opt out. The charge to profit and loss account for both schemes represents the amounts payable by the Company to the schemes in respect of the period.

1.18 Share-based payments

SSP Group plc issues equity-settled share awards to employees of the Company. The Company recognises a charge for the equity-settled share options issued. A corresponding increase in equity is recognised as a capital contribution from SSP Group plc.

Equity-settled share-based payments to employees are measured at fair value at the 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. A corresponding adjustment is made to equity.

1 Accounting policies

1.19 Government grants

Government grants are credited to the profit and loss account over the periods in which the related costs for which the grants are intended to compensate are recognised as expenses. Amounts recognised in the profit and loss are presented under the heading “Other operating income”.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.21 Purchasing rebates and other amounts received from suppliers

Rebates and other amounts received from suppliers are treated as a deduction from the related operating cost and are accounted for on an accrual basis.

1.22 IFRS16 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred and any lease payments made at or before the lease commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset in a similar economic environment with similar terms and conditions. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate or a change in the Company’s assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset. Variable lease payments are recognised as an expense in the income statement in the period they are incurred. For short-term leases and low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

2 Turnover

Turnover derives from principally one activity, being the operation of catering and retail travel concession businesses within the UK. Turnover is recognised at the point of sale, net of taxes.

	2021	2020
	£000	£000
Turnover		
Food and drink revenue	157,885	358,861
Leisure revenue	62	571
Vending revenue	10	81
Other revenue	1,020	879
	158,977	360,392

3 Operating loss

	2021 £000	2020 £000
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	208	(344)
Fees payable to the Company's auditor for the audit of the Company's financial statements	250	252
Depreciation of tangible fixed assets	11,306	20,382
Profit on disposal of tangible fixed assets	-	(3)
Profit on disposal of right-of-use asset	(8,454)	-
Depreciation of right-of-use asset	40,218	59,515
Amortisation of intangible assets	161	199
Restructuring costs	-	5,858
Rentals payable under leases	23,656	33,261
IFRS16 rent credit	(22,581)	(24,461)
Share-based payments	282	291

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, 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 in the consolidated financial statements of the Company's ultimate parent company, SSP Group plc.

The Company’s rentals payable consists of fixed and variable elements depending on the nature of the contract and the levels of revenue earned from the respective sites. £11,787k of the expense relates to variable elements, and the remaining £11,869k relates to rent in respect of short-term leases. These payments are not capitalised under IFRS 16.

4 Other operating income

The business received support from the government through various schemes in the period which have been disclosed below

	2021	Restated 2020
Government grants	24,401	38,337
	24,401	38,337

In the current year, the directors have reassessed the presentation requirements of FRS 101.AG1(r). Under this standard, receipts are presented on a gross basis within other income, rather than net against the associated costs. The 2020 accounts which presented the net cost basis have been restated to reflect the required presentation, cost of sales are increased by £38.3m which is offset by the increase in other operating income of £38.3m. There is no impact on the operating loss and the loss for the period ended 30 September 2020.

Other operating income includes furlough payments from the Government of £20.4m (2020: £38.3m). There were also other receipts from local councils within which the business operates relating to grants for which the Company was eligible after re-opening units. These grants amount to £3.9m (2020: £nil). The claims made under both schemes were based on the directors being satisfied that the Company met the qualifying criteria.

5 Employees

The average monthly number of persons (including directors) employed by the Company during the period was:

	2021 Number	2020 Number
Operations	3,762	7,507
Administration	140	145
	3,902	7,652

Their aggregate remuneration comprised:

	2021 £000	Restated 2020 £000
Wages and salaries	63,292	111,522
Social security costs	4,645	7,244
Pension costs	2,052	2,574
	69,989	121,340

Note 4 details the nature of the restatement relating to the 2020 costs.

6 Directors' remuneration

	2021 £000	2020 £000
Remuneration for qualifying services	929	936
Company pension contributions to defined contribution schemes	24	26
	953	962

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £000	2020 £000
Remuneration for qualifying services	393	404
Company pension contributions to defined contribution schemes	5	4

The directors' emoluments of three directors who served throughout the period (three directors in the prior period) were borne by the Company's ultimate parent Company, SSP Group plc. Their emoluments in respect of qualifying services to Select Service Partner UK Limited have not been allocated to the Company as the services are considered nominal. The other directors were remunerated by the Company.

No directors exercised share options (over shares in SSP Group plc) in the period and three directors provided qualifying services to the Company as a result of which they have been granted PSP awards (nil cost options) which should vest (subject to meeting performance criteria) in the next 3 years.

7 Interest receivable and similar income

	2021 £000	2020 £000
Interest income		
Interest receivable from group companies	186	1,985
Other interest income	2	114
Total interest income	188	2,099

8 Interest payable and similar expenses

	2021 £000	2020 £000
Interest on financial liabilities:		
Interest payable to group undertakings	342	1,090
Lease interest expense	3,737	4,602
Other interest payable	-	174
	4,079	5,866
Other interest costs:		
Unwinding of discount on provisions	177	36
Total interest costs	4,256	5,902

9 Income tax credit

	2021 £000	2020 £000
Current tax		
UK corporation tax on loss for the current period	(380)	(6,304)
Adjustments in respect of prior periods	(1,192)	(5,472)
Total UK current tax	(1,572)	(11,776)
Deferred tax		
Origination and reversal of temporary differences	(6,101)	(853)
Adjustment due to change in rate	(5,730)	-
Adjustment in respect of prior periods	(396)	(746)
	(12,227)	(1,599)
Total tax credit	(13,799)	(13,375)

The tax credit for the period differs from the standard rate of corporation tax applicable for the period in the UK of 19% (2020: 19%) applied to the loss before tax for the period. The differences are explained below.

9 Income tax credit

The tax credit for the period can be reconciled to the loss before taxation per the profit and loss account as follows:

	2021 £000	2020 £000
Loss before taxation	(34,909)	(44,182)
Expected tax credit based on a corporation tax rate of 19% (2020: 19%)	(6,633)	(8,395)
Expenses not deductible in determining taxable profit	(215)	402
Depreciation on assets not qualifying for tax allowances	384	993
Share based payment charge/(credit)	6	(129)
Movement in provision for onerous contracts	-	(5)
Previously unrecognised deferred tax	(23)	(23)
Adjustment due to change in tax rate	(5,730)	-
Adjustment in respect of prior periods	(1,588)	(6,218)
Tax credit for the period	(13,799)	(13,375)

In addition to the amount credited to the profit and loss account and other comprehensive income, the following amounts relating to tax have been recognised directly in equity:

	2021 £000	2020 £000
Deferred tax:		
Tax on share-based payments	46	83

The Company expects the tax rate in the future to be affected by receipt of tax losses where available from other UK group companies for no consideration.

Under existing legislation, the main rate of corporation tax in the UK is 19%; however, this will increase to 25% from 1 April 2023 following legislation enacted in May 2021. While this will result in an increase to the Company's effective tax rate in future years, the effect in the current year was a one-off credit of £5.7m (2020: £nil) on remeasurement of deferred tax assets.

10 **Dividends**	**2021 Pence per share**	**2020 Pence per share**	**2021 £000**	**2020 £000**
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Final dividend paid	-	9.90	-	10,000

11 Intangible fixed assets

	Goodwill £000	**Software £000**	**Trademarks £000**	**Total £000**
Cost				
At 30 September 2020	284,656	12,684	300	297,640
Additions	-	347	-	347
Disposals	-	(4)	-	(4)
At 29 September 2021	284,656	13,027	300	297,983
Amortisation and impairment				
At 30 September 2020	151,773	12,283	300	164,356
Charge for the period	-	161	-	161
Disposals	-	(4)	-	(4)
At 29 September 2021	151,773	12,440	300	164,513
Carrying amount				
At 29 September 2021	132,883	587	-	133,470
At 30 September 2020	132,883	401	-	133,284

Impairment of Goodwill

Goodwill is allocated to a single cash generating unit for the UK business as a whole. An impairment assessment is performed on Goodwill when there is a trigger or activity which would indicate a potential impairment. Covid-19 was classed as an impairment trigger for which an impairment assessment was performed against Goodwill in the current period. The recoverable amount was determined based on value in use calculations. The 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 assessment indicated there was no impairment required within this asset class and there are no reasonably possible changes to assumptions used in that assessment which would result in an impairment.

12 Tangible fixed assets

	Short term leasehold property	Assets under construction	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
Cost				
At 30 September 2020	155,563	3,701	70,059	229,323
Additions	3,020	(151)	2,821	5,690
Disposals	(8,549)	-	(2,588)	(11,137)
Transfer between classes	3,106	(2,087)	263	1,282
Other movements	-	-	12,190	12,190
At 29 September 2021	153,140	1,463	82,745	237,348
Accumulated depreciation and impairment				
At 30 September 2020	123,953	1,312	58,763	184,028
Charge for the period	6,774	-	4,532	11,306
Impairments	314	-	592	906
Disposals	(8,549)	-	(2,588)	(11,137)
Transfer between classes	1,211	-	71	1,282
At 29 September 2021	123,703	1,312	61,370	186,385
Carrying amount				
At 29 September 2021	29,437	151	21,375	50,963
At 30 September 2020	31,610	2,389	11,296	45,295

Other movements include the effects of increases to the restoration cost provision (see note 19).

Impairment of property, plant and equipment and right-of-use assets
The Company tests assets for impairment when impairment triggers are identified. The economic impact of Covid-19 has been identified as a specific trigger for impairment, resulting in impairment charges of £906k to property, plant and equipment and £1,717k to right-of use assets.

The Company has identified each operating site, such as an airport or rail station, as a cash-generating unit (CGU) for the purpose of the impairment review, on the basis that within one site the units are interdependent because the market dynamics (and thus cash inflow and outflows) in one unit could impact other units.

The recoverable amount of a CGU is determined from value in use calculations. The key assumptions for these calculations are discount rates and cash flow forecasts. The cash flow forecast period is based on length of the lease term of contracts held within a site. 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 used reflect the time value of money and are based on the Company's weighted average cost of capital.

Sensitivity analysis
A sensitivity analysis has been performed on each of these key assumptions with the other variables held constant. An increase in the discount rate by 1% would not result in any additional impairment in property, plant and equipment or right-of-use assets. A reduction in EBITDA of 10% in each forecast year would result in additional impairments of £3k and £14k in property, plant and equipment and right-of-use assets respectively.

13 Right of Use Asset

	Concession contracts £000	Short term leasehold property £000	Total £000
Balance as at 30 September 2020	184,162	9,241	193,403
Additions	1,105	-	1,105
Remeasurement adjustments	(22,090)	1,036	(21,054)
Depreciation charge	(38,905)	(1,313)	(40,218)
Impairment charge	(1,717)	-	(1,717)
As at 29 September 2021	122,555	8,964	131,519

The majority of the right-of-use assets are associated with leased concession units, which are predominantly located in train stations and airports. The remaining right-of-use assets relate to land and buildings in the form of offices.

Impairment of right-of-use assets
Details of the impairment methodology for right-of-use assets are provided in note 12.

14 Stocks

	2021 £000	2020 £000
Food and beverages	4,093	2,463
Other consumables	1,240	1,326
	5,333	3,789

Food and Beverages and other consumables recognised as cost of sales in the period amounted to £72.2m (2020: £166.9m). There were write downs of stock amounting to £2.7m in the current period (2020: £2.4m) and no reversal of write downs from prior periods (2020: £nil).

15 Debtors

	2021 £000	2020 £000
Trade debtors	1,955	1,433
Amounts due from group undertakings	294,011	302,196
Prepayments and accrued income	4,500	111
Current tax recoverable	4,394	4,545
	304,860	308,285

Amounts due from group undertakings are repayable on demand. £294.0m (2020: £297.5m) of the balance has been deposited with SSP Financing Limited (which operates as the group treasury function).

16 Creditors

	Due within one year 2021 £000	2020 £000
Trade creditors	28,913	18,792
Taxation and social security	4,285	6,084
Accruals and deferred income	60,736	50,286
Amounts due to group undertakings	1,106	-
	95,040	75,162

17 Lease Liabilities

Amounts payable under lease agreements:	2021 £000	2020 £000
Opening balance	208,172	-
Lease liability on transition	-	255,441
Additions	1,105	65,921
Acquisitions	-	830
Interest charge in period	3,737	4,602
Payment of lease liabilities	(6,602)	(37,940)
Remeasurement adjustment	(51,940)	(80,682)
	154,472	208,172

Adoption of IFRS 16 'Leases'

The Company adopted IFRS 16 'Leases' with effect from 1 October 2019 using the modified retrospective approach to transition. The lease liability balance is split below:

	2021 £000	2020 £000
Current liabilities	44,266	52,584
Non-current liabilities	110,206	155,588
	154,472	208,172

17 Lease Liabilities (continued)

Covid-19 practical expedient

The Company has applied Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16 issued on 31 March 2021. This practical expedient allows the impact on lease liabilities of temporary rent reductions/waivers affecting rent payments due on or before June 2022, to be recognised in the income statement in the period they are received, rather than as lease modifications, which would require the remeasurement of the lease liability using a revised discount rate with a corresponding adjustment to the right-of-use asset.

The Company has applied this practical expedient to all Covid-19 rent reductions/waivers that meet the requirements of the amendment. This has resulted in a credit in the profit and loss account of £22.5m for the period ended 29 September 2021 (2020: £24.4m). This is also reflected in the remeasurement adjustment line in the movement of the lease liability above.

The table below represents a maturity analysis of the undiscounted payments due over the remaining lease term for these liabilities

Detail	Carrying amount £000	Contractual cashflows £000	1 year or less £000	1 to < 2 years £000	2 to <5 years £000	>5 years £000
Lease liability	154,472	167,636	44,604	29,408	52,175	41,449

The payment of lease liabilities for the year was £6.6m (2020: £37.9m). There was an immaterial cash outflow for low-value leases.

At 29 September 2021, the Company had no leases which had been committed to but not yet started.

The following table summarises the impact that a reasonable possible change in IBR would have had on the lease liability additions and modifications recognised during the year:

	Increase/(decrease) in lease liability recognised £m
Increase in IBR of 1%	(0.5)
Decrease in IBR of 1%	0.5

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Capital allowances £000	Tax Losses £000	Other £000	Total £000
Deferred tax asset at 25 September 2019	8,244	-	2,183	10,427
Deferred tax movements in prior period				
Credit/(Debit) to profit or loss	1,693	-	(94)	1,599
Recognised in equity	-	-	(249)	(249)
Deferred tax asset at 30 September 2020	9,937	-	1,840	11,777
Deferred tax movements in current period				
Credit/(Debit) to profit or loss	5,536	6,664	27	12,227
Recognised in equity	-	-	(46)	(46)
Deferred tax asset at 29 September 2021	15,473	6,664	1,821	23,958

The other category includes provisions £1.6m (2020:£1.6m) and Share based payments £0.2m (2020:£0.2m)

	2021 £000	2020 £000
Deferred tax assets	23,958	11,777

Deferred tax assets in respect of accelerated capital allowances and other temporary differences have been recognised in these financial statements to the extent they are likely to be recovered in the medium term. These are detailed above. The remaining deferred tax assets not recognised are disclosed below.

Deferred tax assets have not been recognised in respect of the following items:

Provisions £608k (2020: £485k), other £1,096k (2020: £486k), total £1,704k (2020: £971k).

19 Provisions for liabilities

Movements on provisions:	**Restoration costs £000**	**Other £000**	**Total £000**
At 30 September 2020	-	3,014	3,014
Additional provisions in the period	12,188	1,057	13,245
Utilised during the period	(1,761)	-	(1,761)
Amounts reversed	-	(894)	(894)
Interest on discount unwinding	177	-	177
At 29 September 2021	10,604	3,177	13,781

Provision for restoration costs represents estimates of the expected cost of restoring sites to their original condition when vacating at the end of the lease term. The estimate of these costs is based on management's historic experience of similar leases and the likely expenditure the business would incur over an average lease life. These provisions will be utilised at the end of the lease term which ranges from 1 to 35 years, and include £8.8m of provisions relating to historic leases.

Other provisions are made up of expected legal and other costs in various sensitive commercial areas.

20 Retirement benefit schemes

Defined contribution schemes
The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to the income statement in respect of defined contribution plans is £2,052k (2020: £2,573k).

21 Share-based payment transactions

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

Restricted Share Plan
The RSP awards are subject to performance underpins. Should any of the underpins not be met, the Remuneration Committee would consider whether a discretionary reduction in the number of shares vesting was required.

Performance Share Plan
The PSP awards are based on two independent performance conditions, which 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 earnings per share (EPS) performance condition.

More details of the terms and conditions of the PSP and the Group's TSR comparator group are given in the Directors' annual report on remuneration in the SSP Group plc Annual Report and Accounts 2021.

21 Share-based payment transactions

Details of the movement in awards in the period are set out below:

	Number of share options	
	2021	**2020**
Outstanding at 30 September 2020	1,035,019	970,228
Granted during the period	494,328	352,358
Lapsed during the period	(493,331)	(15,461)
Exercised during the period	(42,389)	(272,106)
Outstanding at 29 September 2021	993,627	1,035,019
Exercisable at 29 September 2021	88,786	117,698
Weighted average remaining contractual life (years)	1.4	1.2
Weighted average fair value of awards granted (£)	5.11	6.62
Expense recognised in the period (£)	324,979	332,068

The exercise price for the PSP is £nil.

Details of awards granted in the period
The PSPs and RSPs granted during the period have been valued with reference to the share price at the date of the award. Equity-settled awards are measured at fair value at grant date. The fair value of awards granted 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.

No PSP awards were granted during the period. For the PSP awards granted in the prior periods, the TSR performance condition was determined using an option pricing model (based on similar principles to a Monte Carlo model). 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.

21 Share-based payment transactions

The following inputs were used for the option pricing model in the prior period:

	2020
Weighted average share price at grant (£)	6.52
Weighted average exercise price	-
Expected volatility (%)	23
Expected life (years)	3.00
Vesting period (years)	3.00
Expected correlation between the share price of TSR comparators (%)	28

UK Share Incentive Plan

The UK Share Incentive Plan ('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.

For each 12-month plan period from January 2016 to December 2021, the actual entitlement to matching shares was fixed at one matching share for every two partnership shares purchased. For the period from January 2015 to December 2015, the actual entitlement was fixed at one matching share for every one partnership share purchased. The Company incurred a charge of £0.1m in respect of the matching element of the UK SIP in 2021 (2020: £0.1m).

22 Share capital

	2021	**2020**
	£000	**£000**
Ordinary share capital		
Issued, called up and fully paid		
101,000,100 Ordinary shares of 10p each	10,100	10,100

23 Share premium account

	2021	**2020**
	£000	**£000**
At 30 September 2020 and 29 September 2021	328,473	328,473

24 Profit and loss reserves

	2021 £000	2020 £000
At 30 September 2020	73,782	114,381
Loss for the period	(21,110)	(30,807)
Dividend paid	-	(10,000)
Share based payment transactions	282	291
Deferred tax on share-based payment transactions	(46)	(83)
At 29 September 2021	52,908	73,782

25 Contingent liabilities

The Company, together with certain other group companies, is a guarantor of borrowings made by SSP Financing Limited under various borrowing facilities. The borrowings under the facilities at the balance sheet date were £1,003.3 million (2020: £885.4 million).

26 Parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is SSP Financing UK Limited, a Company incorporated in England and Wales.

SSP Group plc is the Company's ultimate parent undertaking and ultimate controlling party, and it is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and in respect of which the Company is a member. SSP Group plc registered office is Jamestown Wharf, 32 Jamestown Road, London, NW1 7HW.

The consolidated accounts of SSP Group plc are available to the public and may be obtained via the Investors section of the SSP website: www.foodtravelexperts.com.