SSP Group Limited

Directors' report and financial statements

Registered number 05735966

30 September 2009

Contents

Directors' report

Principal activities

The Company acts as the holding company for the SSP group, which comprises subsidiaries, joint ventures and associates operating a range of catering and retail concession businesses principally in the UK, Continental Europe, Asia and the United States ("SSP Group"or "SSP").

Business review

This Business review describes the main trends and factors underlying the performance of the SSP Group during the year ended 30 September 2009, as well as those likely to affect its future development.

Principal operations, businesses and segments

SSP is the leading food and beverage travel concession business in Europe and Asia, with a growing presence in North America. It operates in excess of 2,000 catering and retail units at over 650 sites across airports, railway stations, motorway service areas and shopping centres. It holds market leading positions in the majority of the 32 countries in which it operates, including in the UK, France, Germany, the Nordic countries, and countries in Asia. SSP operates well-known, company-owned brands, such as Caffe Ritazza, Upper Crust, and Millie's Cookies, and a number of key franchised brands, including M&S Simply Food, Burger King, Caviar House & Prunier and Starbucks.

Approximately 46% of the Group's sales are generated in the Airport sector, and 45% in the Railway sector. The largest geographic market is the United Kingdom, representing approximately 38% of group sales. Other than in the United Kingdom, the business is managed and reported on by major territory, rather than by distribution channel or by brand. The rationale for this approach is the importance of language and culture on customer behaviour and therefore the operations of the business. Equally, there are benefits in the management team and client sharing the same language and culture, of sharing one local supply chain, and in the practicalities of having only one operational management team per region. Due to the size and importance of the UK business to the Group as a whole, its key segments in Air and Rail are managed and reported on separately.

History

On 15 June 2006, the Company, owned by funds advised by EQT Partners AB together with certain senior members of management, completed the acquisition of the travel concession business of Compass Group PLC for a total cost of £1,317.5m.

The former owner, Compass Group PLC, had previously built up the SSP Business through a number of acquisitions including SAS Catering in 1993 and Travellers' Fare, the UK railway catering business, in 1992. Prior to 2004, Compass was managed on a geographical basis with the travel concession businesses and the contract catering operations being controlled by the same country management teams. Recognising that the travel concession and contract catering businesses had very different operating models, Compass established SSP as a separate division in 2004. In late 2005, Compass announced its intention to focus on its core contract catering and support services operations and commenced a sale process to divest the SSP Business. EQT's subsequent acquisition of this business created the opportunity to take SSP to the next stage of its development, delivering growth in value by expanding the existing business and by establishing or acquiring new business in new territories and regions.

Following the acquisition from Compass, the Company has been very successful in the further strategic development of the SSP business, enhancing the brand portfolio through further developing internal brands and acquiring the exclusive rights to operate key third party brands, as well as both retaining existing contracts and achieving a high degree of success in tendering for new contracts. In addition, an ongoing focus on delivering improved operational efficiency has yielded significant benefits, achieved through a combination of group-wide labour productivity initiatives, improved purchasing through the implementation of best practice across the Group, and through central and regional overhead savings. Prior to the onset of the current global downturn, SSP's financial results had also been strong, with the Group delivering strong sales and profit growth, and generating positive operating cashflows, until the impact of the weaker economic environment and higher oil prices began to adversely impact trading during the second half of 2008.

Directors' report *(continued)*

Overview of the market and the implications of the current economic downturn

Impact on SSP's trading performance

The unprecedented financial events of late 2008 and the resulting global recession are having, and will continue to have, a significant impact on SSP and the travel concession catering market in which SSP operates. Following several years of strong growth, underpinned by steadily increasing passenger numbers and rising average spend per passenger, 2008/09 saw a sharp reversal of these trends, with falling passenger numbers in all travel sectors and weakening spend per passenger. In this report last year, we highlighted that our expectations were for lower growth, or indeed recession, in most of SSP's key international markets, and noted that these had been reflected in our plans for 2008/09, which assumed declining passenger numbers in the air sector, albeit offset by continued growth in the rail sector.

As events transpired, this assessment underestimated the severity of the downturn which subsequently affected our principal markets. Whilst most of SSP's airport businesses experienced declining passenger numbers during our first quarter (particularly during November and December), this trend accelerated sharply during the second quarter, and although this rate of decline stabilised somewhat during the second half of the financial year, airport passenger numbers nevertheless fell by 9% year on year across the financial year as a whole. Furthermore, our principal rail markets, which prior to Christmas had proved reasonably resilient in the face of the worsening economic environment, experienced much weaker trading from January onwards as consumer spending continued to slow down.

As a result of the rapid deterioration in market conditions during the second quarter of the financial year, and with the trading outlook for the travel concession catering market increasingly uncertain, management developed, during early February 2009, a revised business plan (the 'Medium Term Plan') comprising revised expectations for sales, profits and operating cash flow over the next three years. The Medium Term Plan was based on a view of the macro-economic environment that assumed a further deterioration of the economy during 2009, then broadly assumed that economic activity would remain weak during 2010, before recovering slowly (depending on geography) during 2011 and 2012. Given the adverse impact that the above was predicted to have on both passenger numbers and consumer spending, the business plan assumed that same-store sales, and as a consequence EBITDA, would decline during 2009 and 2010, before a progressive recovery in 2011 and 2012, driven by a return to passenger and sales growth.

Given our forecast of further deterioration in the trading environment, the Medium Term Plan sought to mitigate the impact of the lower sales both by delivering additional operational efficiencies and cost savings and by protecting cash flow and liquidity. In order to protect liquidity, targets for capital expenditure over the next three years were reduced from previously planned levels, with forecast expenditure limited to unavoidable contractual commitments, or strategically important projects.

These plans were to presented and agreed with the Board and key stakeholders, including SSP's private equity sponsor (EQT).

Financial restructuring

Notwithstanding the liquidity protection measures undertaken and incorporated into the Medium Term Plan, the very damaging effect on trading from the anticipated ongoing weakness in the economic environment resulted in operating cash flow forecasts that highlighted that the Group would generate insufficient cash to cover its debt service costs over the next three years, and accordingly would not be able to operate within its banking covenants and available liquidity headroom. As a result, the Company and EQT began discussions during late March with the Group's senior and mezzanine lenders with the objective of finding a mutually acceptable restructuring solution that would strengthen the Group's capital structure and ensure that it had sufficient liquidity and covenant headroom going forward. Following extensive negotiations throughout the summer, all parties reached an agreement during September 2009 on a consensual refinancing of the existing debt and capital structure, whereby EQT agreed to invest further equity in the business and the Group's mezzanine lenders agreed that their existing loans would be converted into equity. In addition the Group's senior lenders agreed to a repricing and retranching of their debt, resulting in significantly lower interest costs that the Board expects to be serviceable going forward. This agreement was eventually implemented by various Schemes of Arrangement, which took effect on 17 December 2009.

Directors' report *(continued)*

Financial restructuring *(continued)*

Following the successful outcome of the refinancing, we believe that we are very well placed to manage the business through this economic downturn, and that our new capital structure positions us extremely well for any challenges we may face in the future.

Objectives and strategic priorities

Despite the severity of the market downturn and the difficulties that this has presented, we nevertheless believe that our underlying business continues to prove very resilient, and accordingly our long term vision to be the number one operator of food and beverage brands in travel locations worldwide remains unchanged. Whilst in the short term we will, as described above, continue to focus on protecting profitability and cash flow, this will not necessitate a major change to our strategy which will remain:

- To consistently deliver the best experience for our customers
- To be the preferred partner for our clients
- To have the right brands in the right places
- To create engaged teams that best serve our clients and customers

Customer focus is paramount to our strategy and our day to day operations. Meeting the needs of customers is an essential element of SSP's business model, and is the key driver of client satisfaction. The Group aspires to deliver a great retail experience, every time, for customers in the travel environment, and to be the preferred partner for its clients.

During 2009 we have taken a close look at our operations, resources and strategic priorities to ensure that they are aligned towards delivering the best experience for our customers. We have supported this with a commitment to focus our people on the most important drivers of customer satisfaction, resulting in clear, measurement-based programmes within our operations to incentivise and reward our teams.

Our strategy now encompasses three key areas of focus:

- Delivering operational excellence, with a clear and unequivocal focus on delivering the brand promise to our customers whilst driving our key operational KPI's of sales, labour and gross profit efficiency and service quality consistently across the business.
- Ensuring consistency of marketing expertise throughout the business, with a focus on effective execution of local site marketing initiatives and clarity of brand standards across the portfolio.
- Attracting the very best people, training and developing them in the 'SSP way' and engaging them to ensure that they can consistently deliver the very best service to our customers.

Common to each of these strategic priorities is the objective of consistency of execution and delivery, and this is the overriding message that we are communicating to all our people across the business. Achieving consistently high standards will, when underpinned by our core values of teamwork, quality and success, ensure that we can deliver both our financial targets and our vision for the business over the coming years.

Directors' report *(continued)*

Group performance

As was the case for many consumer-facing businesses, the year to 30 September 2009 proved a challenging one for the Group. All of our divisions felt the effects of the turmoil in the global financial markets and its impact on the wider economy, which manifested in weaker passenger numbers and consumer spending across the travel sector.

The table below summarises the key performance indicators used by the Group to monitor performance against its objectives. The performance during the year ended 30 September 2009 is described in more detail in the sections on sales and profit, on cash flow and net debt, and on capital structure below.

	2009 Actual £m	2008 Actual £m
Group sales	**1,538.7**	1,426.2
Year on year sales increase/(decrease)		
– at actual exchange rates	*7.9%*	*15.4%*
– on a constant currency basis	*(0.2)%*	*8.3%*
Same store like-for-like sales (decrease)/increase	*(3.6)%*	*3.9%*
Group EBITDA*	**112.7**	133.0
Group EBITDA margin*	*7.3%*	*9.3%*
Group operating profit before goodwill amortisation*	**30.8**	70.2
Group operating cash flow	**(0.2)**	11.5
Net capital expenditure	**(78.5)**	(90.9)

*before exceptional items

Sales and profit

In the year to 30 September 2009, group sales grew to £1,538.7m, an increase of 7.9% year on year (2008: £1,426.2m). On a constant currency basis (excluding the benefit obtained from the weakening of Sterling during the year) sales declined by -0.2%, with same store like-for-like sales declining by -3.6% across the year as a whole. Offsetting this same store sales decline was additional growth from acquisitions and net contract gains, which contributed 3.4% of sales growth.

Group EBITDA, adjusted to exclude exceptional items, was £112.7m (2008: £133.0m), a decline of -15.3% over the previous year. EBITDA margin declined by -2.0% year on year to 7.3%, due to a combination of higher labour costs (-0.7%), higher rent costs (-0.6%) and higher unit overheads (-0.6%) as a percentage of sales. Bearing in mind that there are a number of significant constraints in reducing labour costs and manhours in our business when same-store sales decline (in particular the impacts of minimum staffing levels, and minimum contractual hours, allied to minimum wage legislation in many countries) this -0.7% increase in the labour ratio represented a strong performance, underpinned by the Group's focus on its 'Perfect Site' labour productivity programme, which delivered improved labour efficiency through enhanced labour scheduling and production planning systems. The year on year increase in the rent percentage reflected the fact that, as the trading environment deteriorated, an increasing proportion of our units (particularly in the airport businesses) began to trade below the minimum guaranteed rent threshold, effectively resulting in rent becoming a fixed rather than variable cost in these locations. Finally, the increase in other unit overheads was explained by a combination of higher utility costs year on year (particularly during the first half) and an element of fixed cost (for example cleaning and repairs and maintenance) that could not easily be reduced in the face of declining sales.

Directors' report *(continued)*

***Sales and profit** (continued)*

During the year the Group successfully mobilised a number of major new airport contracts, including openings in Abu Dhabi, Geneva, Sydney, Houston, Milwaukee, Indianapolis and Vancouver. Because new contracts are typically accompanied by pre-opening and other start up expenditure in their initial year of trading, these openings also contributed to the pressure on our operating cost ratios and EBITDA margin during the year. However, we fully expect these contracts to be strong generators of profit growth as they develop and mature.

In spite of the reduction in EBITDA margin, the Group nevertheless delivered significant productivity and overhead savings during the year. Although gross margin in total was down -0.1%, this masked more significant erosion in underlying gross margins in certain parts of the business, most notably in the UK where the weakness of sterling resulted in higher cost prices for internationally sourced products. This underlying gross margin decline was offset by significant purchasing and productivity gains.

During the autumn of 2008 and in anticipation of the increasingly difficult trading environment that lay ahead, the Group embarked upon a major overhead reduction programme (Project Pyramid) aimed at streamlining the Group's central and support cost base. Key outcomes included a reduction in headcount of 212 and the closure of the Nordic regional office. Redundancy costs associated with this programme, together with other similar restructuring costs incurred elsewhere in the Group, amounted to £7.0m and have been treated as an exceptional item within group operating profit.

In line with generally accepted accounting practice and in accordance with our Group accounting policies, the carrying values of our assets are required to be tested annually for impairment. Following the deterioration of the underlying trading performance of the Group during the first two quarters of 2009, followed by the subsequent preparation of the Medium Term Plan, local management across the Group has reviewed the carrying values of fixed assets and identified impairments totalling £33.1m, principally in the UK, France, America and China. In addition, upfront amounts paid by the Group to franchise partners (in order to secure exclusivity in opening branded units in travel channels), which were previously being carried forward as prepayments and amortised in line with the revenues generated, have been impaired because the Group does not now anticipate sufficient growth in sales to justify their carrying value. Finally, Group management have concluded that, based on the trading assumptions incorporated in the Medium Term Plan, an impairment charge of £420.0m relating to goodwill arising on the acquisition of the SSP business from Compass Group PLC in 2006 is now appropriate and has recognised this accordingly. In total these assets impairments amount to £456.5m and have been recognised as exceptional items within operating profit.

Also included within operating exceptional items are certain transaction costs associated with the refinancing process (totalling £1.3m) which did not meet the requirements for capitalisation in accordance with FRS 4. The remainder of the transaction costs incurred during the year have been recorded as prepayments on the Group's balance sheet at 30 September 2009 with a view to being capitalised in accordance with FRS4 and amortised over the term of the new loan facilities.

After taking into account the various operating exceptional items (total charge of £464.8m) and after deducting goodwill amortisation of £74.0m and depreciation and losses on disposal of fixed assets of £81.9, group operating loss for the year was £508.0m (2008: profit of £1.4m).

Net finance costs, reflecting interest on the Group's third party bank debt, together with the accrued dividend and related interest on the Group's preference shares, amounted to £177.0m. Also included within this amount is an exceptional charge of £10.7m representing the accelerated write off of unamortised bank fees relating to the Group's existing financing as at the balance sheet date. The write off of these costs has been accelerated over a nine month period from March through to the effective date of the Schemes of Arrangement on 17 December 2009. The remaining unamortised balance of £4.6m will be written off during the first quarter of the 2010 financial year.

After deducting net finance costs, and adding the share of the profit from associates of £2.9m, the loss on ordinary activities before taxation amounted to £682.1m. Net of the tax charge of £7.7m and the equity minority interest of £0.9m, the Group reported a loss for the financial year of £690.7m (2008: loss of £151.8m).

Directors' report *(continued)*

Cash flow and Net Debt

Despite the net loss for the financial year, the Group's operating cashflow during the year was broadly flat (£0.2m outflow) as explained in the table below:

Operating Cash Flow	2009 £m	2008 £m
EBITDA	**112.7**	133.0
Exceptional restructuring costs	**(7.0)**	(7.5)
Exceptional refinancing costs	**(6.1)**	-
Working capital	**(17.2)**	9.0
Net capital expenditure	**(78.5)**	(90.9)
Acquisitions	**(3.6)**	(26.0)
Dividends from associates	**2.4**	2.7
Tax paid	**(2.9)**	(8.8)
Operating cash flow	**(0.2)**	11.5
Net interest paid	**(41.0)**	(72.1)
Operating cash flow after interest	**(41.2)**	(60.6)

As highlighted by the EBITDA reported in the KPI table on page 4, the Group generated £112.7m of earnings in the year. This funded £78.5m of net capital expenditure, a reduction from the £90.9m incurred during 2008, but nevertheless still high relative to earnings in the year, a reflection of the Group's success in securing a number of significant new contracts in previous financial years and the contractual commitments to future expenditure that accompany these successes. Going forward, capital expenditure is planned to fall as we focus on protecting liquidity and profitability during the economic downturn, although we will continue to seek to invest in strategically important projects as they arise, most notably to renew existing profitable contracts as they expire.

Exceptional restructuring costs relating to the Group's Project Pyramid programme totalled £7.0m, cash payments in respect of refinancing costs totalled £6.1m and tax payments amounted to £2.9m. Movements in working capital absorbed £17.2m of cash during the year, due to both the weaker sales and pressure on the Group's supplier payment terms arising from uncertainty over the outcome of the Group's refinancing negotiations. In addition to the above, business acquisitions during the year accounted for a further cash outflow of £3.6m, representing deferred consideration and earn out payments made in respect of the successful acquisition of the Go Snack business in Belgium during 2008. Dividends received from associates totalled £2.4m.

Interest paid during the year of £41.0m was lower than in 2008, principally because, with the agreement of our senior lenders, the six monthly interest payment due in July 2009 was not paid pending resolution of the refinancing. It was subsequently agreed that, under the terms of the Schemes of Arrangement, this interest would be capitalised and added to the Group's long term debt under the new capital structure. Net of interest paid, the operating cash flow outflow for the year was £41.2m.

The table below provides details of the additional non cash movements (principally resulting from the increase in the accrued preference dividend and related interest, the capitalisation of interest on the Group's mezzanine debt, and the significant impact of movements in exchange rates during the year) that gave rise to the £234.1m increase in the Group's net debt during the year, as shown in the cash flow statement on page 18.

Increase in Group Net Debt	2009 £m	2008 £m
Operating cash flow after interest	**(41.2)**	(60.6)
Capitalised interest	**(12.6)**	(4.1)
Translation differences	**(94.5)**	(63.7)
Accrued preference dividends and related interest	**(72.9)**	(59.1)
Amortisation of bank fees	**(13.3)**	(2.6)
Other	**0.4**	(1.5)
Increase in Group net debt in year	**(234.1)**	(191.6)

Directors' report *(continued)*

Financial restructuring (December 2009)

As the refinancing was not completed until 17 December 2009, these financial statements have been prepared based on the Group's capital structure as it existed at 30 September 2009. At that date, the Group was financed by a combination of sponsor equity (£417.7m, comprising £37.1m of ordinary share capital, inclusive of premium, and £380.6m of preference share capital), syndicated bank debt of £1,203.1m (comprising senior loans of £1,076.9m and mezzanine loans of £126.2m) and finance lease and sponsor loans of £21.9m. Cash balances totalled £74.4m.

As explained earlier in this report, the Group's primary objective throughout the refinancing negotiations was to find a solution that would be acceptable to both its shareholders and its creditors, and one that would ultimately strengthen its capital structure and provide sufficient liquidity and covenant headroom to ensure that it could continue to trade through a potentially prolonged economic downturn. Ultimately, the agreement that was reached has resulted in the following key changes to the Group's capital structure and financing arrangements:

- EQT have invested £100m of new equity in the form of subscription for new ordinary and preference shares in the Company.
- Management have invested £1m of new equity in the form of subscription for new ordinary and preferred ordinary shares
- Existing shareholders have had their ordinary and preference shares converted and re-designated as deferred shares, subsequent to which the shares were transferred to EQT.
- The Group's mezzanine lenders have assigned their rights under the existing loan agreements in return for approximately 15% of the new ordinary shares.
- The Group's senior lenders have not been required to write down their debt, but have agreed to certain concessions, including a re-tranching and re-pricing of the total debt outstanding to them. Under the terms of the agreement, 64.4% of the existing senior debt has been converted into a new Facility A, with the remaining 35.6% converted into a new Tranche B1.
- Facility A, which totalled at £750m and matures on 15 June 2016, accrues cash-pay interest at LIBOR or EURIBOR plus a margin of 1% per annum during the first 12 months, with the margin increasing gradually in subsequent years. Tranche B1, which totalled £388.1m (calculated according to applicable exchange rates at the effective date) and matures on 15 June 2017, accrues cash-pay interest which is capped at 2.25% per annum. Lenders in respect of Tranche B1 may also benefit from certain additional returns depending on the performance of the business and the circumstances of an eventual sale, flotation or subsequent refinancing.
- Counterparties to the Group's interest rate swaps have terminated a proportion of those agreements. Costs incurred in so terminating have been capitalised and included in the new Facility A.
- Accrued but unpaid interest (including payments due to swap counterparties) as at 31 July has been included in the new Facility A. Interest for the period from 1 August to 30 September 2009 has been calculated based on the terms of the new financing arrangements and has been capitalised and included in Tranche B1 at the effective date.
- Financial covenants were reset with headroom based on the revised financial projections included in the Medium Term Plan, adjusted for specific risks.

The table below has been prepared in order to illustrate the effect of the refinancing on the pro-forma consolidated balance sheet of the Group, as if the refinancing had taken place on 30 September 2009.

Directors' report *(continued)*

Financial restructure (continued)

	Pre- refinancing 30 Sept 09 £m	Post- refinancing 30 Sept 09 £m
Goodwill	782.7	782.7
Tangible assets	270.5	270.5
Other net liabilities (excluding net debt)		
Current	(203.0)	(159.9)
Non - current	(19.8)	(19.8)
Pro-forma net assets (excluding net debt)	830.4	873.5
Cash	74.4	148.3
Senior loans (net of unamortised bank fees)	(1,076.9)	(1,130.4)
Mezzanine loans	(126.2)	-
Sponsor and finance lease loans	(21.9)	(4.7)
Preferences shares	(380.6)	-
Accrued preference dividends	(206.2)	-
Net debt	(1,737.4)	(986.8)
Proforma net liabilities	(907.0)	(113.3)
Capital and reserves		
Share capital	0.4	4.2
Share premium	36.7	541.4
New preference shares	-	101.0
Profit and loss account	(944.1)	(759.9)
Proforma shareholders' deficit	(907.0)	(113.3)

The key changes between the pre and post refinancing balance sheets can be summarised as follows:

- Net assets (excluding net debt) increase by £43.1m, principally because the accrued senior interest payable at 30 September 2009 has now been reclassified as long term debt.
- Pro-forma cash balances increase by £73.9m to reflect the new money invested by EQT, net of the repayment of their sponsor loan of £17.2m and the payment of £8.9m of estimated additional transaction costs payable on or shortly after completion of the refinancing.
- Senior loans increase by £53.5m, primarily to reflect the additional interest capitalised under the terms of the refinancing, together with the cost of terminating a proportion of the current interest rate swaps.
- Mezzanine loans have been written off as part of a debt for equity swap resulting in an increase in share capital and share premium.
- Preference share capital has been converted to deferred shares and therefore reclassified from debt to equity.
- The accrual for preference dividends has been reversed and reflected as a credit to profit and loss reserves.

Directors' report *(continued)*

Principal risks and uncertainties

The directors recognise that the degree of exposure to certain risks, and the Group's ability to manage those risks effectively, will influence how successful the business is. The Board therefore reviews the risks associated with the key parts of the business, and has established internal control systems that are designed to identify those risks that may restrict or seriously impact the ability of the Group to carry on its operations or may prevent it from taking advantage of opportunities for growth, or which may lead to negative sentiment or damage to its reputation. The key risks and mitigating factors are set out below:

Business strategy risk

The successful delivery of SSP'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 Group meets its overriding aim of providing a great customer experience by monitoring a range of key performance indicators.

The executive management team 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 growth information is also reviewed wherever available. Across the Group, similar KPIs are also monitored locally, with oversight from executive management.

A formal review of each operating division against its KPIs is held every month with the Group Chief Executive together with the Group Finance Director. In addition the Executive Board meets to review Group performance on a monthly basis.

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. In order to monitor progress against each of these, the Board has put in place a comprehensive planning system, with quarterly plans approved by the Board. Activities and results against these plans are reported every month to allow the directors and senior management to monitor the financial and non-financial KPIs, business activities, risks and progress towards objectives. In addition, the Group has clearly defined appraisal processes and authorisation procedures for all investment expenditure to ensure that it is consistent with the objectives set by the Board.

Financial strategy and group treasury risk

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

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

a) Currency risk

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

b) Interest rate risk

The policy of the Group is to maintain a balance of fixed and floating rate debt so that the risks associated with increases in interest rates are mitigated. It is the Group's policy to use interest rate swaps on occasion to help the Group to maintain its target level of fixed interest debt. Details of the interest rate profile of the Group are provided in note 25.

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

Financial strategy and group treasury risk (continued)

c) Liquidity risk

The Group's objective in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. In order to achieve this, the Treasury department maintain an appropriate level of funds and facilities to meet each year's planned funding requirement.

As further detailed in Note 1 to the accounts (page 21 – Basis of Preparation), these accounts have been prepared on a going concern basis, in support of which the Board have reviewed the Group's trading forecasts for the next twelve months. These forecasts, which include detailed cash flow projections, comprise detailed assumptions as to sales and profit performance by division and by month and take account of the normal seasonality profile of the business. They also take account of the Group's improved liquidity headroom, lower future debt service costs and revised financial covenants following completion of the Group's refinancing on 17 December 2009. As a result, the Directors are confident that the assumptions underlying their forecasts are reasonable and that the Group will be able to operate within its banking covenants and available liquidity headroom.

Notwithstanding the above however, given the current economic environment, there remains a risk that the effect on passenger numbers and consumer spending in the travel market may be even worse than the Board is currently envisaging. As a result, the Directors have also reviewed forecasts which include sensitivities that make allowance for this risk. Should such a scenario arise the directors are confident they have adequate liquidity and covenant head room to ensure that the Group can meet its liabilities as they fall due for the foreseeable future.

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

Proposed dividend

The directors do not recommend the payment of an ordinary dividend *(2008: £Nil)*.

Market value of land and buildings

In the opinion of the directors, there is no material difference between the market value and the book value of land and buildings at 30 September 2009.

Directors

The directors who held office during the year were as follows:

Vagn Soerensen (Chairman)
JM Barry Gibson
Lena Hofsberger
Dionysios (Dennis) Malamatinas
Jan Ståhlberg

Directors Interests

The directors do not have a significant interest in the Group at the balance sheet date.

Directors' report *(continued)*

Employees

The Group recognises that its principal asset is its employees and their commitment to the Group's service, standards and customers. Decisions are made wherever possible in consultation with divisional and regional management. Communication methods to employees vary according to need and will include but are not limited by, country and function updates, email bulletins, business briefings, podcasts, intranet, extranet, internal newsletters, direct correspondence (where appropriate), information and consultation forums, team meetings and management briefings.

The Group offers equal opportunities to all employees and applicants regardless of race, creed, sex, ethnic origin, age or disability. Disabled persons are considered for employment where they have appropriate skills and abilities to perform a job. Employees who become disabled during their working lives will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

Trade creditors

The Group does not follow any code or standard on payment practice, but agrees payment terms with its suppliers as part of its normal purchasing negotiations. Its policy is to settle within these terms where the conditions of supply have been met. At 30 September 2009, the average number of days' purchases outstanding between the Group and its trade creditors was 46 days *(2008: 61 days)*. The Company has no trade creditors.

Political and charitable contributions

The Group made no political contributions during the year. Donations to UK charities amounted to £38,312 *(2008:£33,700)*.

Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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.

By order of the board

Jonathan Davies
Secretary

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

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

KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of SSP Group Limited

We have audited the financial statements of SSP Group Limited for the year ended 30 September 2009 set out on pages 15 to 51. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This reporting is made solely to the company's members, as a body, in accordance with sections 495 and 496 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.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2009 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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

Independent auditors' report to the members of SSP Group Limited – (continued)

Matt Lewis
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

18 December 2009

Consolidated profit and loss account

For the year ended 30 September 2009

	Note	**2009 Before Exceptional Items £m**	**2009 Exceptional Items (note 3) £m**	**2009 Total £m**	2008 Before Exceptional Items £m	2008 Exceptional Items (note 3) £m	2008 Total £m
Group turnover	2	**1,538.7**	**-**	**1,538.7**	1,426.2	-	1,426.2
Cost of sales		**(1,326.5)**	**(36.5)**	**(1,363.0)**	(1,195.7)	-	(1,195.7)
Gross profit		**212.2**	**(36.5)**	**175.7**	230.5	-	230.5
Administrative expenses		**(193.4)**	**(8.3)**	**(201.7)**	(169.6)	(7.5)	(177.1)
Goodwill amortisation and impairment		**(74.0)**	**(420.0)**	**(494.0)**	(61.3)	-	(61.3)
Other operating income		**12.0**	**-**	**12.0**	9.3	-	9.3
Group operating (loss) / profit		**(43.2)**	**(464.8)**	**(508.0)**	8.9	(7.5)	1.4
Share of operating profit of associates		**2.9**	**-**	**2.9**	3.9	-	3.9
Total operating (loss) / profit		**(40.3)**	**(464.8)**	**(505.1)**	12.8	(7.5)	5.3
Interest receivable and similar income	7	**1.3**	**-**	**1.3**	2.1	-	2.1
Interest payable and similar charges	8	**(167.6)**	**(10.7)**	**(178.3)**	(146.3)	-	(146.3)
Loss on ordinary activities before taxation	4	**(206.6)**	**(475.5)**	**(682.1)**	(131.4)	(7.5)	(138.9)
Tax on loss on ordinary activities	9	**(8.2)**	**0.5**	**(7.7)**	(14.0)	1.4	(12.6)
Loss on ordinary activities after taxation		**(214.8)**	**(475.0)**	**(689.8)**	(145.4)	(6.1)	(151.5)
Minority interests	22	**(0.9)**	**-**	**(0.9)**	(0.3)	-	(0.3)
Loss for the financial period		**(215.7)**	**(475.0)**	**(690.7)**	(145.7)	(6.1)	(151.8)

The results shown above are derived wholly from continuing operations.

There is no difference between historical cost profit and losses for the year and those shown above.

Consolidated balance sheet
At 30 September 2009

	Note	2009		2008	
		£m	**£m**	£m	£m
Fixed assets					
Intangible assets	*11*	**782.7**		1,154.0	
Tangible assets	*12*	**270.5**		282.4	
Investments in associates and joint ventures	*13*	**4.1**		3.8	
Other investments	*13*	**2.1**		3.4	
			1,059.4		1,443.6
Current assets					
Stocks	*14*	**22.9**		21.3	
Debtors (including £13.3m (2008: £16.7m) due after more than one year)	*15*	**109.1**		104.9	
Cash at bank and in hand		**74.4**		50.7	
		206.4		176.9	
Creditors: amounts falling due within one year	*16*	**(1,749.1)**		(499.2)	
Net current liabilities			**(1,542.7)**		(322.3)
Total assets less current liabilities			**(483.3)**		1,121.3
Creditors: amounts falling due after more than one year	*17*		**(387.6)**		(1,338.2)
Provisions for liabilities	*18*		**(28.9)**		(22.9)
Equity minority interests	*22*		**(7.2)**		(4.9)
Net liabilities			**(907.0)**		(244.7)
Capital and reserves					
Called up share capital	*20*		**0.4**		0.4
Share premium account	*21*		**36.7**		36.4
Profit and loss account	*21*		**(944.1)**		(281.5)
Shareholders' deficit			**(907.0)**		(244.7)

These financial statements were approved by the board of directors on 18 December 2009 and were signed on its behalf by:

Vagn Soerensen
Director

Date 18.12.2009

Company balance sheet
At 30 September 2009

	Note	2009 £m	2009 £m	2008 £m	2008 £m
Fixed assets					
Tangible assets	*12*	0.3		0.4	
Investments	*13*	-		417.8	
			0.3		418.2
Debtors	15	0.8		-	
Creditors: amounts falling due within one year	*16*	(222.0)		(144.4)	
Net current liabilities			(221.2)		(144.4)
Total assets less current liabilities			(220.9)		273.8
Creditors: amounts falling due after more than one year	*17*		(380.6)		(380.6)
Net liabilities			(601.5)		(106.8)
Capital and reserves					
Called up share capital	*20*		0.4		0.4
Share premium account	*21*		36.7		36.4
Profit and loss account	*21*		(638.6)		(143.6)
Shareholders' deficit			(601.5)		(106.8)

These financial statements were approved by the board of directors on 18 December 2009 and were signed on its behalf by:

Vagn Soerensen
Director

Date 18.12.2009

Consolidated cash flow statement

For the year ended 30 September 2009

	Note	2009 £m	2008 £m
Cash flow from operating activities	*26*	**87.2**	134.5
Dividends from associated undertakings		**2.4**	2.7
Returns on investments and servicing of finance	*27*	**(45.8)**	(72.1)
Taxation		**(2.9)**	(8.8)
Capital expenditure and financial investment	*27*	**(78.5)**	(90.9)
Acquisitions	*27*	**(3.6)**	(26.0)
Cash outflow before financing		**(41.2)**	(60.6)
Cash flow from financing	*27*	**59.0**	66.1
Increase in cash in the year		**17.8**	5.5

Reconciliation of net cash flow to movement in net debt *28*

	2009 £m	2008 £m
Increase in cash in the year	**17.8**	5.5
Cash inflow from increase in debt and lease financing	**(57.6)**	(66.2)
Change in net debt resulting from cash flows	**(39.8)**	(60.7)
New finance leases	**(1.0)**	(1.4)
Increase in accrued preference dividends	**(72.9)**	(59.1)
Translation differences	**(94.5)**	(63.7)
Other non-cash changes	**(25.9)**	(6.7)
Increase in net debt in the year	**(234.1)**	(191.6)
Net debt at the start of the year	**(1,503.3)**	(1,311.7)
Net debt at the end of the year	**(1,737.4)**	(1,503.3)

Consolidated statement of total recognised gains and losses

For the year ended 30 September 2009

	2009 £m	2008 £m
Loss for the financial year		
Group	**(692.9)**	(154.7)
Share of associates	**2.2**	2.9
	(690.7)	(151.8)
Actuarial loss arising in group pension schemes	**(5.1)**	(0.6)
Increase in deferred tax asset arising on pension scheme liabilities	**-**	0.2
Net exchange gain on the retranslation of net investments and related borrowings	**33.2**	19.2
Total recognised losses relating to the financial year	**(662.6)**	(133.0)

Reconciliations of movements in shareholders' funds
For the year ended 30 September 2009

	Group 2009 £m	Company 2009 £m	Group 2008 £m	Company 2008 £m
Loss for the financial year	**(690.7)**	**(495.0)**	(151.8)	(67.4)
Retained loss for the year	**(690.7)**	**(495.0)**	(151.8)	(67.4)
Other recognised gains and losses relating to the year	**28.1**	**-**	18.8	-
New share capital subscribed	**0.3**	**0.3**	-	-
Net reduction in shareholders' funds	**(662.3)**	**(494.7)**	(133.0)	(67.4)
Shareholders' funds at beginning of year	**(244.7)**	**(106.8)**	(111.7)	(39.4)
Shareholders' funds at end of year	**(907.0)**	**(601.5)**	(244.7)	(106.8)

Notes to the consolidated financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost accounting rules. As highlighted in the Directors' Report on page 10, they have been prepared on a going concern basis, in support of which the Board has reviewed the Group's trading forecasts for the next twelve months. These forecasts, which include detailed cash flow projections, comprise detailed assumptions as to sales and profit performance by division and by month and take account of the normal seasonality profile of the business. They also take account of the Group's improved liquidity headroom, lower future debt service costs and revised financial covenants following completion of the Group's refinancing on 17 December 2009. As a result, the Directors are confident that the assumptions underlying their forecasts are reasonable and that the Group will be able to operate within its banking covenants and available liquidity headroom. Further details of the Group's refinancing are provided on pages 2, 7 and 8 of the Directors' Report.

Notwithstanding the above however, given the current economic environment, there remains a risk that the effect on passenger numbers and consumer spending in the travel market may be even worse than the Board is currently envisaging. As a result, the Directors have also reviewed forecasts which include sensitivities that make allowance for this risk. Should such a scenario arise the directors are confident they have adequate liquidity and covenant head room to ensure that the Group can meet its liabilities as they fall due for the foreseeable future.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary and associated undertakings made up to 30 September 2009. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence and can participate in financial and operating policies decisions. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account, and its interest in their net assets is included in investments in the consolidated balance sheet.

Under section 408(4) of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 20 years. Any impairment charge is included within operating profits.

Goodwill is subject to an impairment review at the end of the first full financial year following an acquisition and at any time in the event the directors believe that impairment may have occurred. Any impairment is charged to the profit and loss account in the period in which it arises.

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

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

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings and associated undertakings are re-translated at the exchange rates prevailing at the balance sheet date. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post retirement benefits

The Group operates various defined contribution pension scheme. The assets of the schemes are held separately from those of the Group in independently administered funds. The amounts charged to the profit and loss account represent the contributions payable to the schemes in respect of the accounting period.

The Group also operates a number of pension schemes providing benefits based on final pensionable pay. The assets of these schemes are also held separately from those of the Group.

The Group's liabilities in respect of defined benefit schemes are calculated for each scheme individually, by deducting the value of the scheme's assets from its obligations. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Stocks

Stocks comprise goods purchased for resale and consumable stores and are stated at the lower of cost and net realisable value.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Tax is recognised in the profit and loss account except where it relates to items taken directly to equity, in which case it is recognised in equity.

Deferred tax is recognised in respect of all timing differences between the treatment of items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. The Group has not adopted a policy of discounting deferred tax balances as permitted by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Tax charges or credits arising on retranslation of foreign currency borrowings used to finance and provide a hedge against equity investments in foreign enterprises are taken to the Statement of Total Recognised Gains and Losses together with the exchange differences on the borrowings themselves.

Both current and deferred taxes are provided using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision for an onerous contract is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. When material, provisions are discounted to present value.

Turnover

Turnover represents amounts for retail goods and catering services supplied to third parties excluding value added tax and similar sales taxes. Turnover is recognised on sale of retail goods or in the period in which services are provided.

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 or cost of assets acquired.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand, cash at point of sale terminals and deposits repayable on demand, less overdrafts payable on demand.

Financial instruments

Premiums, discounts and front-end fees on financial assets and liabilities are amortised through the profit and loss account over the life of the related asset or liability.

Interest rate swaps are not revalued to fair value or shown on the balance sheet. Income and expenses arising from interest rate swaps are matched against the interest costs arising on the borrowings for which they are providing a hedge.

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments issued by the Company or Group

In accordance with FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company or Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company or Group; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes *(continued)*

2 Segmental information

The turnover, (loss) / profit on ordinary activities before taxation and net assets derive from principally one activity, being the operation of catering and retail concession businesses.

Geographical analysis by origin is as follows:

2009	**Turnover £m**	**Profit/(loss) on ordinary activities before taxation £m**	**Net assets/ (liabilities) £m**
United Kingdom	**584.7**	**(82.8)**	**228.6**
Europe	**738.6**	**(348.2)**	**484.8**
Rest of the World	**215.4**	**(77.0)**	**112.9**
Group	**1,538.7**	**(508.0)**	**826.3**
Associates and joint ventures	**52.3**	**2.9**	**4.1**
Central items:			
Net interest and net debt	**-**	**(177.0)**	**(1,737.4)**
Total	**1,591.0**	**(682.1)**	**(907.0)**

2008	Turnover £m	Profit/(loss) on ordinary activities before taxation £m	Net assets/ (liabilities) £m
United Kingdom	605.2	13.4	369.0
Europe	670.0	(4.7)	733.1
Rest of the World	151.0	(7.3)	152.7
Group	1,426.2	1.4	1,254.8
Associates and joint ventures	48.9	3.9	3.8
Central items:			
Net interest and net debt	-	(144.2)	(1,503.3)
Total	1,475.1	(138.9)	(244.7)

Notes *(continued)*

3 Exceptional items

	2009	2008
	£m	£m
Operating exceptional items:		
Goodwill impairments (Note 11)	**(420.0)**	-
Tangible fixed asset impairments	**(33.1)**	-
Other asset impairments	**(3.4)**	-
2009 refinancing costs	**(1.3)**	-
Redundancy and other restructuring costs	**(7.0)**	(7.5)
Non-operating exceptional items:		
Accelerated write off of unamortised bank fees	**(10.7)**	-
Total exceptional items before tax	**(475.5)**	(7.5)
Tax credit on above	**0.5**	1.4
Total exceptional items	**(475.0)**	(6.1)

In accordance with the Group accounting policies and in line with generally accepted accounting practice, the carrying values of our assets are required to be tested annually for impairment. If these tests indicate the value in use (as measured by discounted cash flows) or the market values of individual assets, or appropriate groups of assets, fall below their carrying value, then an impairment provision is required.

Following the deterioration of the underlying trading performance of the Group during the first two quarters of 2009, and the subsequent preparation of the Medium Term Plan, management have reviewed the carrying values of tangible fixed assets and identified impairments totalling £33.1m, principally in the UK, France, America and China. In addition, upfront amounts paid by the Group to franchise partners (in order to secure exclusivity in opening branded units in travel channels), which were previously being carried forward as assets and amortised in line with the revenues generated, have been impaired by £3.4m because the Group does not now anticipate sufficient growth in sales to justify their carrying values. Group management have also concluded that, based on the trading assumptions incorporated in the Medium Term Plan, an impairment charge of £420.0m relating to goodwill arising on the acquisition of the SSP Business from Compass Group PLC in 2006 is now appropriate and have recognised this accordingly. The Directors have reviewed the assumptions underlying these impairment calculations and are satisfied that they are reasonable.

Certain transaction costs associated with the refinancing process, which did not meet the requirements for capitalisation in accordance with FRS 4, have also been treated as operating exceptional items. The remainder of the costs incurred during the year have been recorded as assets on the Group's balance sheet at 30 September 2009 with a view to being capitalised in accordance with FRS4 and amortised over the term of the new loan facilities.

During the year, a number of significant organisational changes were made as part of the group-wide Project Pyramid review aimed at streamlining the Group's central and support cost base. Redundancy costs associated with this programme, together with other related restructuring costs, have also been classified as an exceptional item above.

Finally, in view of the refinancing agreement which has now been concluded with our shareholders and banking syndicates, the Group has recognised a non-operating exceptional charge of £10.7m, which represents the accelerated write off of unamortised bank fees relating to the Group's financing arrangements at the balance sheet date. The write off of these costs has been accelerated over a nine month period from March until the effective date of the Schemes of Arrangement in December 2009. The remaining unamortised balance of £4.6m will be written off during the year ended 30 September 2010.

Notes *(continued)*

4 Notes to the profit and loss account

	2009	2008
Loss on ordinary activities before taxation is stated after charging	**£m**	£m
Depreciation of tangible fixed assets:		
Owned	**77.7**	61.4
Leased	**1.7**	1.4
Loss on disposal of fixed assets	**2.5**	-
Amortisation of goodwill	**74.0**	61.3
Rentals payable under operating leases	**243.0**	211.9

	2009	2008
Auditors' remuneration:	**£m**	£m
Audit of these financial statements	**0.1**	0.1
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**0.6**	0.6
Other services relating to taxation	**0.1**	0.1
All other services	**0.2**	0.4

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

5 Remuneration of directors

	2009	2008
	£'000	£'000
Directors' emoluments	**107**	97

The Directors are not members of any Group pension schemes.

Notes *(continued)*

6 Staff numbers and costs

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

	Number of employees		Number of employees	
	Group 2009	**Company 2009**	Group 2008	Company 2008
Operations	**28,634**	-	28,202	-
Sales and Marketing	**99**	-	134	-
Administration	**1,316**	**7**	1,468	7
	30,049	**7**	29,804	7

The aggregate payroll costs of the Group were as follows:

	2009 £m	2008 £m
Wages and salaries	**428.2**	379.0
Social security costs	**52.6**	41.3
Other pension costs	**6.1**	2.9
	486.9	423.2

7 Interest receivable and similar income

	2009 £m	2008 £m
Bank interest receivable	**0.7**	1.1
Expected return on scheme assets net of interest on pension scheme liabilities	**0.2**	0.7
Other income	**0.4**	0.3
	1.3	2.1

8 Interest payable and similar charges

	2009 £m	2008 £m
On bank loans	**(102.6)**	(84.2)
Finance costs on preference shares classified as liabilities	**(72.9)**	(59.1)
Unwind of discount on long term provisions	**(1.9)**	(1.9)
Other	**(0.9)**	(1.1)
	(178.3)	(146.3)

Included in interest payable on bank loans is an amount of £10.7m relating to the accelerated amortisation of bank fees applicable to the Group's financing arrangements at the balance sheet date. This cost has been treated as an exceptional item, as highlighted in note 3.

Notes *(continued)*

9 Taxation

Analysis of charge in year

	2009	2008
	£m	£m
UK corporation tax		
Current tax on income for the year	**-**	-
Foreign tax		
Current tax on income for the year	**6.7**	6.4
	6.7	6.4
Share of associates' and joint ventures' current tax	**0.7**	1.0
Adjustments in respect of prior years	**(2.5)**	(1.2)
Total current tax	**4.9**	6.2
Deferred tax		
UK deferred tax	**-**	0.1
Foreign deferred tax	**0.2**	1.2
Adjustments in respect of prior year pension liability	**1.2**	-
Other adjustments in respect of prior years	**1.4**	5.1
Total deferred tax	**2.8**	6.4
Tax on loss on ordinary activities	**7.7**	12.6

Factors affecting the tax charge for the current year

The tax charge for the year is higher *(2008: higher)* than the standard rate of corporation tax in the UK of 28% *(2008: 29%)*. The differences are explained below.

	2009	2008
	£m	£m
Tax reconciliation		
Loss on ordinary activities before tax	**(682.1)**	(138.9)
Tax at 28 % *(2008 - 29 %)*	**(191.0)**	(40.3)
Effects of:		
Goodwill amortisation and impairments not deductible for tax	**138.3**	17.9
Preference dividend and related interest not deductible for tax	**20.7**	17.1
Fixed assets impairments not deductible for tax	**9.3**	-
Other exceptional costs treated as permanent differences	**4.8**	-
Tax losses not utilised	**18.6**	12.1
Adjustments in respect of prior years	**(2.5)**	(1.2)
Depreciation in excess of capital allowance on qualifying assets	**9.9**	0.3
Other	**(3.2)**	0.3
Current tax charge (see above)	**4.9**	6.2

Notes *(continued)*

9 Taxation *(continued)*

The tax charge for the year is higher than the standard rate of corporation tax in the UK due principally to the fact that goodwill amortisation, goodwill and fixed asset impairments and preference dividends are not deductible for tax purposes. In addition, there are losses in various financing companies which cannot be used.

The same factors that effect the current year tax charge will affect future tax charges except that losses in the financing companies may, at a future date, be available for offset against profits in operating companies in the same jurisdiction.

10 Profit of the parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The Company's loss for the year to 30 September 2009 was £495.0m.

11 Intangible assets – Goodwill

Group

	£m
Cost	
At beginning of year	1,303.3
Adjustment to purchase consideration for the SSP Business	(1.3)
Increase in goodwill arising on acquisitions - note 19	3.2
Currency adjustment	133.8
At end of year	**1,439.0**
Amortisation	
At beginning of year	(149.3)
Charge for the year	(74.0)
Impairment for the year	(420.0)
Currency adjustment	(13.0)
At end of year	**(656.3)**
Net book value	
At 30 September 2009	**782.7**
At 30 September 2008	1,154.0

The acquisition of the SSP Business in June 2006 was effected through the purchase of various Compass Group PLC subsidiaries by various subsidiaries of SSP Group Limited. In instances where the acquired subsidiary has a functional currency other than sterling, the retranslation of the goodwill arising on these purchases at 30 September 2009 has given rise to a net exchange gain during the year ended 30 September 2009 of £120.8m as shown above.

The increase in goodwill of £3.2m comprises an increase in the purchase consideration of £0.7m and further fair value adjustments of £2.5m relating to the acquisitions of the Go Snack and LAG businesses during the previous financial year.

In line with generally accepted accounting practice and in accordance with our Group accounting policies, the carrying values of our assets are required to be tested annually for impairment. If these tests indicate the value in use (as measured by discounted cash flows) or the market values of individual assets, or appropriate groups of assets, fall below their carrying value, then an impairment provision is required.

Notes *(continued)*

11 Intangible assets – Goodwill (continued)

The tests and judgements required in performing them are both complex and, because of the high carrying value of the Group's assets, highly significant to the financial statements. The Directors consider all relevant factors, both internal and external, in order to determine if there are circumstances in which impairment might exist. The value in use methodology adopted by the Directors takes into account the Group's Medium Term Plan cashflow forecasts for the next four years, with a steady rate of growth of 2% per annum assumed thereafter. The discount rate used for the impairment test is the Group's average post tax cost of capital of 11.6%. The Directors have reviewed and performed sensitivity analysis on the key assumptions, being the Medium Term Plan forecasts and the discount rate and are satisfied that they are reasonable. There is no change in the useful life of the goodwill following the impairment tests.

12 Tangible fixed assets

Group	Land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Total £m
Cost				
At beginning of year	101.6	263.9	244.9	**610.4**
Additions	5.9	32.2	40.4	**78.5**
Disposals	(2.1)	(25.4)	(36.5)	**(64.0)**
Currency adjustment	12.3	27.4	13.9	**53.6**
Reclassifications	(1.9)	2.2	2.9	**3.2**
At end of year	**115.8**	**300.3**	**265.6**	**681.7**
Depreciation				
At beginning of year	56.1	152.2	119.7	**328.0**
Charge for year	12.4	27.6	39.4	**79.4**
Impairments	6.0	10.9	16.2	**33.1**
Disposals	(2.1)	(24.5)	(34.9)	**(61.5)**
Currency adjustment	6.4	17.1	8.5	**32.0**
Reclassifications	(2.7)	0.9	2.0	**0.2**
At end of year	**76.1**	**184.2**	**150.9**	**411.2**
Net book value				
At 30 September 2009	**39.7**	**116.1**	**114.7**	**270.5**
At 30 September 2008	45.5	111.7	125.2	**282.4**

Included in the total net book value of plant and machinery is £4.2m (2008: £3.1m) in respect of assets held under finance leases. Depreciation for the year on these assets was £1.7m (2008: £1.4m).

The Company has reported an amount of £0.3m (2008: £0.4m) relating to fixtures, fittings and equipment.

The net book value of land and buildings comprises:

Group	2009 £m	2008 £m
Freehold	**1.8**	2.1
Long leasehold	**6.0**	6.4
Short leasehold	**31.9**	37.0
	39.7	45.5

Notes *(continued)*

12 Tangible fixed assets *(Continued)*

In line with generally accepted accounting practice and in accordance with our Group accounting policies, the carrying values of our assets are required to be tested annually for impairment. If these tests indicate the value in use (as measured by discounted cash flows) or the market values of individual assets, or appropriate groups of assets, fall below their carrying value, then an impairment provision is required. The discount rate used for the impairment test is the Group's average post tax cost of capital of 11.6%.

13 Fixed asset investments

Group	Interests in associated undertakings £m	Other investments £m	Total £m
Cost			
At beginning of year	2.2	3.4	**5.6**
Reclassification	-	(1.7)	**(1.7)**
Currency adjustment	0.4	0.4	**0.8**
At end of year	**2.6**	**2.1**	**4.7**
Share of post acquisition reserves			
At beginning of year	1.6	-	**1.6**
Profits for the year	2.2	-	**2.2**
Dividends received	(2.4)	-	**(2.4)**
Currency adjustment	0.1	-	**0.1**
At end of year	**1.5**	-	**1.5**
Net book value			
At 30 September 2009	**4.1**	**2.1**	**6.2**
At 30 September 2008	3.8	3.4	7.2

Other investments comprise an investment in Spanish government treasury bonds held by the Group's Spanish subsidiary, Select Service Partner SAU.

Notes *(continued)*

13 Fixed asset investments *(Continued)*

The total of the Group's profit before taxation from interests in associates and joint ventures was £2.9m.

Company	**Shares in group undertaking** **£m**
Cost	
At beginning and end of year	417.8
Provisions	
At the beginning of the year	-
Impairment charge for the year	(417.8)
At the end of the year	(417.8)
Net book value	
At 30 September 2009	-
At 30 September 2008	417.8

The principal undertakings in which the Group's interest at the year end is more than 20% are as follows:

	Country of incorporation	**Principal activity** **(Catering and retail concessions operator unless otherwise stated)**	**Class and percentage of shares held** **(100% ordinary shares unless otherwise stated)**
Subsidiary undertakings			
SSP Group Holdings Limited	England & Wales	Holding company	*
SSP Financing Limited	England & Wales	Holding company	
Select Service Partner UK Limited	England & Wales		
Harry Ramsden's Limited	England & Wales		
Rail Gourmet UK Limited	England & Wales		
Select Service Partner Ireland Limited	Republic of Ireland		
Select Service Partner Denmark A/S	Denmark		
Monarch A/S	Denmark		
SSP Egypt JSC	Egypt		
Select Service Partner Finland OY	Finland		97.9%
Select Service Partner SAS	France		
Les Boutiques Bonne Journee SA	France		
SSP Deutschland GmbH	Germany		
SSP Airport Gastronomiegesellschaft mbH	Germany		
Select Service Partner Hong Kong Limited	Hong Kong		
Select Service Partner AS	Norway		
Select Service Partner SAU	Spain		
Scandinavian Service Partner AB	Sweden		
Select Service Partner (Schweiz) AG	Switzerland		
SSP America Inc	United States		
Associates and joint ventures			
Avecra Oy	Finland		40%
Momentum Services Limited	England & Wales		49%
Railrest SA	Belgium		49%
Cyprus Airports (F&B) Limited	Cyprus		49.98%

* Holding held directly by the Company

Notes *(continued)*

14 Stocks

Group	2009 £m	2008 £m
Food & beverages	**20.3**	18.6
Other consumables	**2.6**	2.7
	22.9	21.3

15 Debtors

Group	2009 £m	2008 £m
Trade debtors	**32.3**	38.0
Other debtors	**35.6**	32.1
Prepayments and accrued income	**40.2**	33.5
Current tax receivable	**0.8**	-
Deferred tax	**0.2**	1.3
	109.1	104.9

Total debtors include prepayments and accrued income of £8.0m *(2008: £10.1m)* and other debtors of £5.3m *(2008: £6.6m)* due after more than one year. The Company has reported an amount of £0.8 in other debtors *(2008: nil)*

The elements of deferred taxation are as follows:

	2009 £m	2008 £m
Difference between accumulated depreciation and amortisation and capital allowances	**(0.2)**	(1.4)
Other timing differences	**0.4**	2.7
Deferred tax asset	**0.2**	1.3

The deferred tax balance recognised above excludes an unprovided deferred tax asset of approximately £55m in relation to unrelieved tax losses in certain subsidiary companies, where those losses may be available to reduce income for tax purposes in future years, and approximately £27m in relation to fixed asset timing differences. The most significant losses are in the UK (£25m), France (£46m), US (£25m) and Germany (£64m). These have not been recognised due to the uncertainty over the future profitability of the companies.

Notes *(continued)*

16 Creditors: amounts falling due within one year

	Group 2009 £m	Company 2009 £m	Group 2008 £m	Company 2008 £m
Bank Loans	**1,203.1**	-	86.8	-
Other Loans	**17.7**	**0.4**	0.4	0.4
Obligations under finance leases	**0.4**	-	0.3	-
Payments received on account	**0.4**	-	0.3	-
Trade creditors	**71.4**	-	93.9	-
Corporation tax	**7.0**	-	4.5	-
Other taxation and social security	**24.2**	-	19.8	-
Other creditors	**78.6**	-	78.2	-
Amounts due to group undertakings	-	**15.3**	-	10.7
Accruals and deferred income	**138.1**	**0.1**	79.5	-
Accrued preference share dividends	**206.2**	**206.2**	133.3	133.3
Deferred consideration payable	**2.0**	-	2.2	-
	1,749.1	**222.0**	499.2	144.4

17 Creditors: amounts falling due after more than one year

	Group 2009 £m	Company 2009 £m	Group 2008 £m	Company 2008 £m
Preference shares classified as liabilities	**380.6**	**380.6**	380.6	380.6
Bank loans	-	-	949.8	-
Obligations under finance leases and hire purchase contracts	**3.8**	-	2.8	-
Deferred consideration payable	**1.9**	-	2.4	-
Other	**1.3**	-	2.6	-
	387.6	**380.6**	1,338.2	380.6

The holders of preference shares are entitled to a fixed cumulative dividend at a rate of £0.135 per share per annum, payable half yearly on each 31 December and 30 June. Amounts shown within creditors in respect of preference shares reconcile to the called up preference share capital set out in note 20 as follows:

	Group 2009 £m	Company 2009 £m	Group 2008 £m	Company 2008 £m
Preference shares classified as liabilities:				
380,570,250 cumulative redeemable preference shares	**380.6**	**380.6**	380.6	380.6
Accrued preference share dividend	**206.2**	**206.2**	133.3	133.3
	586.8	**586.8**	513.9	513.9

Details of the Group's gross and net debt at 30 September 2009, together with its maturity profile, is provided in note 25.

Notes *(continued)*

17 Creditors: amounts falling due after more than one year *(continued)*

The maturity of obligations under finance leases and hire purchase contracts is as follows:

Group	2009 £m	2008 £m
Within one year	**0.5**	0.3
In the second to fifth years	**3.9**	3.0
	4.4	3.3
Less future finance charges	**(0.2)**	(0.2)
	4.2	3.1

18 Provisions for liabilities

Group	Onerous contracts £m	Pensions (note 24) £m	Other £m	Total £m
At beginning of year	9.8	6.9	6.2	**22.9**
Adjustment for prior year acquisitions	0.8	-	-	**0.8**
Expenditure in year	(0.7)	(0.9)	(0.9)	**(2.5)**
Charge/(credit) to the profit and loss for the year:				
- unwind of discount	0.6	-	0.6	**1.2**
- utilised in the year	(2.8)	0.8	(0.1)	**(2.1)**
Charge directly to profit and loss reserves	-	5.1	-	**5.1**
Reversal of deferred tax asset	-	1.2	-	**1.2**
Reclassifications	0.7	-	-	**0.7**
Currency adjustment	0.7	0.9	-	**1.6**
At end of year	**9.1**	**14.0**	**5.8**	**28.9**

Provision for onerous contracts is made when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. As part of the exercise to assess the fair value of assets and liabilities acquired with the SSP Business in June 2006, a review of contracts was undertaken and provision made for a number of contracts acquired. A similar exercise was undertaken for the acquisitions completed during the year ended 30 September 2008. The projected shortfall in benefits compared with unavoidable costs over the life of such contracts has been discounted to present value using the Group's average post tax cost of capital of 11.6%.

Other provisions represent estimates of expected costs to be incurred in restoring a site to its original condition when it is vacated at the end of the lease term. These costs have been also discounted at the Group's average post tax cost of capital of 11.6%.

Notes *(continued)*

19 Acquisitions

There were no acquisitions during the 2009 financial year. During the 2008 financial year the group completed a number of acquisitions as described below.

Monarch A/S, a motorway service area operator in Denmark, was acquired for a consideration of £11.0m in November 2007. The fair value of the net assets acquired was £0.5m, resulting in goodwill of £10.5m. In February 2008, Go Snack, the leading bakery operator in the Belgium rail sector through its exclusive franchise arrangement with the Panos brand, was acquired for a discounted consideration of £7.0m of which £2.0m was paid in 2008 and £3.3m in 2009. The fair value of the net liabilities acquired was £0.8 resulting in goodwill of £7.8m. Finally in July 2008, SSP Airport Gastronomiegesellschaft mbH ('LAG'), the airport concession business of Lufthansa, was acquired for a consideration of £12.7m. The fair value of the net liabilities acquired was £2.2m resulting in goodwill of £14.9m. The Group acquired 100% of the equity in the above companies.

In addition to the above the Group increased its equity holding in Foodlasa, S.L. in Spain from 50% to 100% in November 2007 for a consideration of £2.6m resulting in goodwill of £1.7m. The Group also increased its equity holding in O'Leary's Trademark AB in Sweden from 51% to 95% in June 2008 for a consideration of £0.7m resulting in goodwill of £0.6m. Foodlasa and O'Learys were treated as associated and fully consolidated entities respectively in the previous financial year (2007).

The aggregate net liabilities acquired in these transactions and the goodwill arising were as follows:

	Book Value £m	Accounting policy alignment £m	Other adjustments £m	Fair Value £m
Fixed assets (Tangible)	**8.0**	**(3.4)**	-	**4.6**
Current assets				
Stock	0.9	-	-	0.9
Debtors	2.5	-	-	2.5
Deferred tax	0.8	-	(0.8)	-
Cash	4.4	-	-	4.4
	8.6	-	**(0.8)**	**7.8**
Current liabilities	**(10.2)**	-	**(0.6)**	**(10.8)**
Provisions (Onerous contracts)	-	-	**(3.1)**	**(3.1)**
Net assets/(liabilities)	**6.4**	**(3.4)**	**(4.5)**	**(1.5)**
Goodwill arising				**35.5**
Purchase consideration and costs of acquisitions				**34.0**
Satisfied by:				
Cash consideration paid on date of completion				**28.3**
Deferred consideration payable				**5.0**
Transaction expenses and fees				**0.7**
				34.0

Notes *(continued)*

19 Acquisitions *(continued)*

Cash outflows in the year in respect of the acquisitions:

	2009 £m	2008 £m
Cash consideration and costs paid on completion	-	28.3
Cash acquired	-	(4.4)
Deferred consideration	3.3	-
Transaction expenses and fees paid in the year	0.3	0.4
	3.6	24.3

Accounting policy adjustments reflect the alignment of depreciation policies in the acquired entities with those of the Group. Other adjustments comprise the write off of a deferred tax asset acquired but not considered recoverable, the inclusion of additional accruals and other liabilities identified, and provisions for onerous contracts assessed as part of the acquisition fair value exercise. The 2008 financial statements disclosed provisional fair values that have been re-assessed during the year ended 30 September 2009 as follows:

	Provisional 2008 £m	Re-assessment during 2009 £m	Final 2009 £m
Fixed assets (Tangible)	**6.0**	**(1.4)**	**4.6**
Current assets			
Stock	0.9	-	0.9
Debtors	2.5	-	2.5
Cash	4.4	-	4.4
	7.8	-	**7.8**
Current liabilities	**(10.5)**	**(0.3)**	**(10.8)**
Provisions (Onerous contracts)	**(2.3)**	**(0.8)**	**(3.1)**
Net assets/(liabilities)	**1.0**	**(2.5)**	**(1.5)**
Cost of acquisitions and Goodwill arising	**32.3**	**3.2**	**35.5**
Purchase consideration and costs of acquisitions	**33.3**	**0.7**	**34.0**
Satisfied by:			
Cash consideration paid on date of completion	**28.3**	-	**28.3**
Deferred consideration payable	**4.6**	**0.4**	**5.0**
Transaction expenses and fees	**0.4**	**0.3**	**0.7**
	33.3	**0.7**	**34.0**

The carrying value of goodwill arising on acquisition has been reviewed as part of the Group's assessment of goodwill impairment, further details of which are provided in note 11. The remaining goodwill at the year end is being amortised over 20 years being the directors' best estimate of the period over which the cost of the acquired net assets will be recovered.

Notes *(continued)*

20 Called up share capital

	2009 £m	2008 £m
Authorised, Called Up & Allotted		
37,176,750 Ordinary shares of £0.01 each	**0.4**	0.4
380,570,250 Cumulative redeemable preference shares of £0.01 each	**3.8**	3.8
	4.2	4.2
Issued, called up and fully paid		
37,099,750 Ordinary shares of £0.01 each	**0.4**	0.4
380,570,250 Cumulative redeemable preference shares of £0.01 each	**3.8**	3.8
	4.2	4.2
Shares classified as liabilities	**3.8**	3.8
Shares classified in shareholders' funds	**0.4**	0.4
	4.2	4.2

The holders of preference shares are entitled to a fixed cumulative dividend at a rate of £0.135 per share per annum, payable half yearly on each 31 December and 30 June. Unpaid dividends (for example, where the company has insufficient profits available for distribution) accrue interest at a rate of 13.5%, also compounded half yearly.

The preference shares are redeemable at the option of the holders in certain circumstances, including in the event that the Group ceases to carry on or disposes of its business or a substantial part of its business, or upon on a listing of the Company or business. The preference shares are redeemable by the Company at any time. The price payable on redemption is £1 per share plus any accrued and/or unpaid dividends and interest thereon.

The preference shares carry no voting rights.

During the year the Company issued 365,000 ordinary shares of £0.01 each for consideration of £1 per share.

Notes *(continued)*

21 Share premium and reserves

Group	Share premium account		Profit and loss account	
	2009	2008	**2009**	2008
	£m	£m	**£m**	£m
At beginning of the year	**36.4**	36.4	**(281.5)**	(148.5)
Loss for the year	**-**	-	**(690.7)**	(151.8)
Actuarial loss arising in group pension schemes	**-**	-	**(5.1)**	(0.6)
Increase in deferred tax on pension liabilities	**-**	-	**-**	0.2
Premium on share issues	**0.3**	-	**-**	-
Currency adjustment	**-**	-	**33.2**	19.2
At end of the year	**36.7**	36.4	**(944.1)**	(281.5)

Company	Share premium account		Profit and loss account	
	2009	2008	**2009**	2008
	£m	£m	**£m**	£m
At beginning of the year	**36.4**	36.4	**(143.6)**	(76.2)
Loss for the year	**-**	-	**(495.0)**	(67.4)
Premium on shares issued	**0.3**	-	**-**	-
At end of the year	**36.7**	36.4	**(638.6)**	(143.6)

22 Equity minority interests

	Group	Group
	2009	2008
	£m	£m
At beginning of the year	**(4.9)**	(4.1)
Share of profit for the year	**(0.9)**	(0.3)
Dividends paid to minority shareholders	**1.8**	0.7
New equity issued to minority shareholders	**(3.5)**	(0.6)
Equity repaid to minority shareholders	**0.6**	-
Currency adjustment	**(0.3)**	(0.6)
At end of the year	**(7.2)**	(4.9)

Notes *(continued)*

23 Commitments

(a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	Group 2009 £m	**Company 2009 £m**	Group 2008 £m	Company 2008 £m
Contracted for but not provided	**22.5**	**-**	31.2	-

(b) Annual commitments under non-cancellable operating leases are as follows:

	2009		2008	
	Land and Buildings	**Other**	Land and buildings	Other
Group	**£m**	**£m**	£m	£m
Operating leases which expire:				
Within one year	**31.7**	**0.2**	18.1	0.1
In the second to fifth years inclusive	**98.6**	**0.3**	75.0	0.3
Over five years	**55.3**	**-**	45.8	0.1
	185.6	**0.5**	138.9	0.5

Notes *(continued)*

24 Pension schemes

Group

The Group operates a number of pension arrangements - both defined contribution and defined benefit schemes. In respect of the defined contribution scheme, amounts paid during the year were £6.1m across the Group. There are no contributions outstanding at the balance sheet date. The principal defined contribution scheme is called the SSP Group Pension Scheme and the main defined benefit scheme is called the Rail Gourmet UK Limited Shared Cost Section (of the Railways Pension Scheme). In addition there are a number of other defined benefit schemes within Europe.

Information is provided below for the Rail Gourmet UK Scheme separately and the other European defined benefit schemes in aggregate.

The total net deficit, net of deferred tax balances, both at 30 September 2009 and at 30 September 2008, in respect of the Group's defined benefit schemes comprises:

	2009	2008
	£m	£m
The Rail Gourmet UK Scheme (see a below)	**(3.8)**	-
European schemes (see b below)	**(10.2)**	(6.9)
	(14.0)	(6.9)

a) The Rail Gourmet UK Limited Shared Cost Section (of the Railways Pension Scheme)

The Scheme covers permanent managerial, administrative and sales staff of Rail Gourmet UK Limited. On 3 October 1995 the scheme was closed to new members and up to the date of acquisition by SSP Group Ltd all new employees joined the Compass Group pension scheme.

Since the formation of the SSP Group, in 2006, shortly prior to its acquisition by the company from the Compass Group, employees became eligible to join the SSP Group Pension Scheme, a defined contribution scheme. This scheme is available to all eligible employees joining the Group after that date and will provide benefits based on the employees' and Group's contributions.

In June 2009 it was agreed with the Trustees that from 1 July 2009, company contributions would increase from 9% of pensionable pay (with members paying 6%) to 10.5% (with members paying 7%) until 1 July 2010. From that date company contributions will increase to 12% of pensionable pay (with employees paying 8%) until 1 July 2011 and from that date company contributions will increase to 13.5% (with employees paying 9%) at least until the results of the next formal actuarial review are known. The total payments made during the year were £95,000.

The Scheme was subject to its last full actuarial valuation by a qualified independent actuary as at 31 December 2007. This valuation has been updated for FRS 17 purposes for the years to 30 September 2008 and 30 September 2009 by a qualified independent actuary, using the major assumptions set out below:

	2009	2008
Discount rate applied to scheme liabilities	**5.60%**	7.05%
Rate of increase in salaries	**4.00%**	4.40%
Rate of increase in pensions in payment	**3.00%**	3.25%
Expected return on scheme assets	**6.86%**	8.90%
Inflation assumption	**2.90%**	3.40%

Notes *(continued)*

24 Pension schemes *(continued)*

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

	2009	2008
Male pensioner now aged 60	**21.5**	21.5
Female pensioner now aged 60	**22.7**	22.7
Male pensioner now aged 40	**23.7**	23.7
Female pensioner now aged 40	**24.2**	24.2

The major categories of assets in the Scheme, their percentage of the total Scheme assets and the expected rate of return as at 30 September 2009 were:

	2009		2008	
	Expected rate of return (% p.a.)	**% of total scheme assets**	Expected rate of return (% p.a.)	% of total scheme assets
Equities	**7.45%**	**66%**	10.01%	63%
Property	**7.70%**	**9%**	9.01%	11%
Fixed interest investments	**5.60%**	**15%**	7.05%	15%
Cash	**4.15%**	**10%**	5.00%	11%

The fair value of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the Scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2009 £m	2008 £m
Fair value of scheme assets	**22.3**	24.5
Present value of funded liabilities	**(26.1)**	(20.5)
(Deficit) / Surplus in Scheme	**(3.8)**	4.0
Adjustment to FRS 17 surplus	**-**	(4.0)
Net pension liability	**(3.8)**	-

Notes *(continued)*

24 Pensions schemes *(continued)*

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

	2009	2008
	£m	£m
Current service cost	**(0.4)**	(0.3)
Interest on pension Scheme liabilities	**(1.5)**	(1.3)
Expected return on pension Scheme assets	**2.1**	2.2
Total amount credited	**0.2**	0.6

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

	2009	2008
	£m	£m
Scheme liabilities at beginning of the year	**(20.5)**	(22.6)
Current service cost	**(0.4)**	(0.3)
Employee contributions	**(0.1)**	(0.1)
Interest on pension Scheme liabilities	**(1.5)**	(1.3)
Actuarial losses / (gains)	**(4.8)**	2.9
Benefits paid	**1.2**	0.9
Scheme liabilities at end of the year	**(26.1)**	(20.5)

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

	2009	2008
	£m	£m
Scheme assets at beginning of the year	**24.5**	29.6
Expected return	**2.1**	2.2
Employer contributions	**0.1**	0.1
Employee contributions	**0.1**	0.1
Actuarial losses	**(3.3)**	(6.6)
Benefits paid	**(1.2)**	(0.9)
Scheme assets at end of the year	**22.3**	24.5
Actual return on Scheme assets (expected return and actuarial losses)	**(1.2)**	(4.2)

Notes *(continued)*

24 Pension Schemes *(continued)*

The following amounts have been recognised in the statements of recognised gains and losses:

	2009 £m	2008 £m
Actual return less expected return on Scheme assets	**(3.3)**	(6.4)
Experience gains and losses arising on Scheme liabilities	**1.4**	0.2
Changes in assumptions underlying the present value of Scheme liabilities	**(6.2)**	2.5
Actuarial loss	**(8.1)**	(3.7)
Reversal of provision against pension surplus	**4.0**	3.0
	(4.1)	(0.7)

History of Scheme Experience

	2009 £m	2008 £m	2007 £m
Present value of Scheme liabilities	**(26.1)**	(20.5)	(22.6)
Fair value of the Scheme assets	**22.3**	24.5	29.6
(Deficit) / surplus in the Scheme	**(3.8)**	4.0	7.0

Experience gains on Scheme liabilities:

Amount	£1.4m	£0.2m	-
Percentage of Scheme liabilities	5.4%	0.9%	0.0%

Difference between the expected and actual return on Scheme assets:

Amount	(£3.3m)	(£6.4m)	(£2.0m)
Percentage of Scheme assets	14.8%	27.5%	8.4%

Total amount recognised in statement of total recognised gains and losses:

Amount	(£4.1m)	(£0.7m)	(£0.6m)
Percentage of Scheme liabilities	31.0%	3.4%	2.7%

Notes *(Continued)*

24 Pensions Schemes – *(continued)*

b) European schemes

The most significant of these schemes, in Germany, Norway and France, were subject to full actuarial valuations by qualified independent actuaries as at 30 September 2009. The smaller schemes are in Spain and Ireland. The major assumptions used in these valuations were:

	2009	2008
Rate of increase in salaries	**2.9%**	3.3%
Rate of increase in pensions in payment and deferred pensions	**1.4%**	1.7%
Discount rate applied to scheme liabilities	**5.0%**	5.5%
Inflation assumption	**2.0%**	2.8%

	2009 £m	2008 £m
Total market value of assets	**5.7**	5.0
Present value of scheme liabilities	**(15.9)**	(13.1)
Deficit in the schemes' pension liability	**(10.2)**	(8.1)
Related deferred tax asset	**-**	1.2
Net pension liability	**(10.2)**	(6.9)

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

	2009 £m	2008 £m
Deficit in the schemes at the start of the year	**(6.9)**	(6.4)
Current service cost	**(0.6)**	(0.5)
Contributions	**0.8**	0.3
Interest on pension scheme liabilities	**(0.4)**	(0.2)
Actuarial (loss) / gain	**(1.0)**	0.1
Adjustment to deferred tax asset on pension liabilities	**(1.2)**	0.2
Currency adjustment	**(0.9)**	(0.4)
Deficit in the schemes at the end of the year	**(10.2)**	(6.9)

Notes *(continued)*

24 Pension scheme *(continued)*

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

	2009 £m	2008 £m
Current service cost	**(0.6)**	(0.5)
Interest on pension scheme liabilities	**(0.4)**	(0.2)
	(1.0)	(0.7)

The following amounts have been recognised directly to profit and loss account reserves:

	2009 £m	2008 £m
Experience gains/(losses) arising on scheme liabilities	**(1.0)**	0.1
Increase in deferred tax asset on scheme liabilities	**-**	0.2
	(1.0)	0.3

Notes *(Continued)*

25 Financial instruments

The interest rate and currency profile of financial assets of the Group at 30 September 2009 was as follows:

	Cash at bank and in hand £m
Sterling	13.8
Other currencies	60.6
	74.4

Cash at bank and in hand represents amounts held with banks on short term deposit at floating interests rates or cash in transit.

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

The interest rate and currency profile of the Group's bank loans at 30 September 2009, after taking into account interest rate swaps and before adjustment for unamortised bank fees of £4.6m, was as follows:

	Floating rate liabilities £m	Fixed rate liabilities £m	Total £m
Currency			
Sterling	101.3	293.0	**394.3**
Euro	109.2	397.7	**506.9**
US Dollar	12.5	110.0	**122.5**
Canadian Dollar	8.7	-	**8.7**
Swedish Krone	7.1	65.3	**72.4**
Norwegian Krone	10.8	92.1	**102.9**
	249.6	**958.1**	**1,207.7**

	Fixed rate financial liabilities	
	Weighted average interest rate %	Weighted average time for which rate is fixed in years
Currency		
Sterling	9.1	2.6
Euro	7.1	2.5
US Dollar	8.8	2.5
Swedish Krone	7.5	3.3
Norwegian Krone	8.2	3.3
	8.1	**2.7**

Notes *(continued)*

25 Financial instruments *(continued)*

A summary of the Group's gross and net debt at 30 September 2009, analysed between finance leases, committed bank facilities, accrued preference dividends and other loans, and indicating the maturity profile of each, is provided below:

	Bank loans £m	Finance leases £m	Accrued preference dividends £m	Other Loans £m	Total £m
Due within one year	(1,203.1)	(0.4)	(206.2)	(17.7)	**(1,427.4)**
Due within one to two years	-	(3.8)	-	-	**(3.8)**
Due after five years	-	-	-	(380.6)	**(380.6)**
Gross debt	**(1,203.1)**	**(4.2)**	**(206.2)**	**(398.3)**	**(1,811.8)**
Cash at bank and in hand					**74.4**
Net debt					**(1,737.4)**

Bank loans are shown net of unamortised bank fees totalling £4.6m.

26 Reconciliation of operating (loss) / profit to net cash inflow from operating activities

	2009 £m	2008 £m
Group operating (loss) / profit	**(508.0)**	1.4
Depreciation and goodwill amortisation	**153.4**	124.1
Fixed asset and other asset impairments	**36.5**	-
Goodwill impairments	**420.0**	-
Loss on disposal of fixed assets	**2.5**	-
Decrease/(Increase) in stocks	**0.2**	(4.0)
Decrease/(Increase) in debtors	**9.6**	(15.6)
(Decrease)/Increase in creditors	**(27.0)**	28.6
Net cash inflow from operating activities	**87.2**	134.5

Notes *(continued)*

27 Analysis of cash flows

	Notes	2009 £m	2009 £m	2008 £m	2008 £m
Returns on investment and servicing of finance					
Interest received		**1.1**		1.6	
Interest paid		**(42.1)**		(73.7)	
Payment of transaction fees on refinancing		**(4.8)**		-	
			(45.8)		(72.1)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	12	**(78.5)**		(90.9)	
			(78.5)		(90.9)
Acquisitions and disposals					
Purchase of subsidiary undertakings	19	**(3.6)**		(24.3)	
Purchase of equity interests	13	**-**		(1.7)	
			(3.6)		(26.0)
Financing					
Issue of ordinary share capital	21	**0.3**		-	
New equity issued to minority shareholders	22	**3.5**		0.6	
Equity repaid to minority shareholders	22	**(0.6)**		-	
Dividends paid to minority shareholders	22	**(1.8)**		(0.7)	
Increase/(reduction) in debt due within one year:					
Bank loans	28	**40.2**		66.6	
Finance lease obligations	28	**(0.4)**		(0.4)	
Other loans	28	**17.8**		-	
Increase/(reduction) in debt due after more than one year:					
Bank loans	28	**-**		-	
Finance lease obligations	28	**-**		-	
Other loans	28	**-**		-	
			59.0		66.1

Notes *(continued)*

28 Analysis of debt

	At beginning of year £m	Cash flow £m	Non cash changes £m	Translation differences £m	At end of year £m
Cash in hand and at bank	**50.7**	17.8	-	5.9	**74.4**
Overdrafts	-	-	-	-	-
Net cash	**50.7**	17.8	-	5.9	**74.4**
Debt due within one year:					
Bank loans	**(86.8)**	(40.2)	(975.7)	(100.4)	**(1,203.1)**
Other loans	**(0.4)**	(17.8)	-	0.5	**(17.7)**
Accrued preference dividends	**(133.3)**	-	(72.9)	-	**(206.2)**
Finance leases	**(0.3)**	0.4	(0.5)	-	**(0.4)**
Debt due after one year:					
Bank loans	**(949.8)**	-	949.8	-	-
Preference shares classified as liabilities	**(380.6)**	-	-	-	**(380.6)**
Finance leases	**(2.8)**	-	(0.5)	(0.5)	**(3.8)**
Total	**(1,503.3)**	(39.8)	(99.8)	(94.5)	**(1,737.4)**

29 Ultimate parent company

The Company's ultimate controlling undertaking is EQT IV Limited, a company registered in Guernsey, which acts as General Partner of the General Partner to the funds which have a controlling interest in the Company.

30 Post balance sheet events

As explained in the Directors' report on page 2, the Group began discussions during late March with its principal shareholder, EQT, and its senior and mezzanine banking syndicates with the objective of finding a mutually acceptable refinancing solution that would strengthen the Group's capital structure and ensure that it had sufficient liquidity and covenant headroom for the foreseeable future. Following extensive negotiations throughout the summer, all parties reached an agreement during September 2009 on a consensual refinancing of the existing debt and capital structure, whereby EQT agreed to invest further equity in the business and the Group's mezzanine lenders agreed that their existing loans would be converted into equity. In addition, the Group's senior lenders agreed to a re-pricing and re-tranching of their debt, resulting in interest costs that the Board expects to be serviceable going forward. This latter agreement was eventually implemented by various Schemes of Arrangement, which took effect on 17 December 2009.

Further details of the principal terms of the refinancing, including a pro-forma Group balance sheet prepared as if the refinancing had been completed at 30 September 2009, are included on pages 7 and 8 of the Directors' report.

31 Contingent liabilities

The Company is a member of a VAT group and consequently is jointly liable for the VAT group's liability. The Company's contingent liability at 30 September 2009 was approximately £2.0m (30 September 2008: £3.2m)