

A stronger, better business



"We can respond to the specific needs of passengers as they travel around the world."

Our Brand Portfolio

We have around 550 brands in our portfolio, from well-known grab & go sandwich shops and cafés, to bespoke high end bars and restaurants, which means we can respond to the specific needs of passengers as they travel around the world.

This wide range of brands helps us win and retain contracts, as it gives clients confidence in our ability to cater for their customers with a great selection of food and drink options. We differentiate our brands between those we franchise and those we've created.

Brands we franchise

Local hero brands

Bringing in well-known local brands is one of the best ways to evoke the true atmosphere of the city that the travel hub serves.



International brands

Over many decades, we have partnered with some of the world's biggest names, which trust us to serve their customers to the highest standards.



Brands we have created

Our own brands

We have been creating and running our own brands for nearly 60 years, starting with Upper Crust, first established in the 1960s.



Bespoke concepts

We are experts at developing bespoke concepts which we have created in collaboration with clients, brand partners and leading chefs to bring a 'sense of place' to the location we serve.



Our global reach

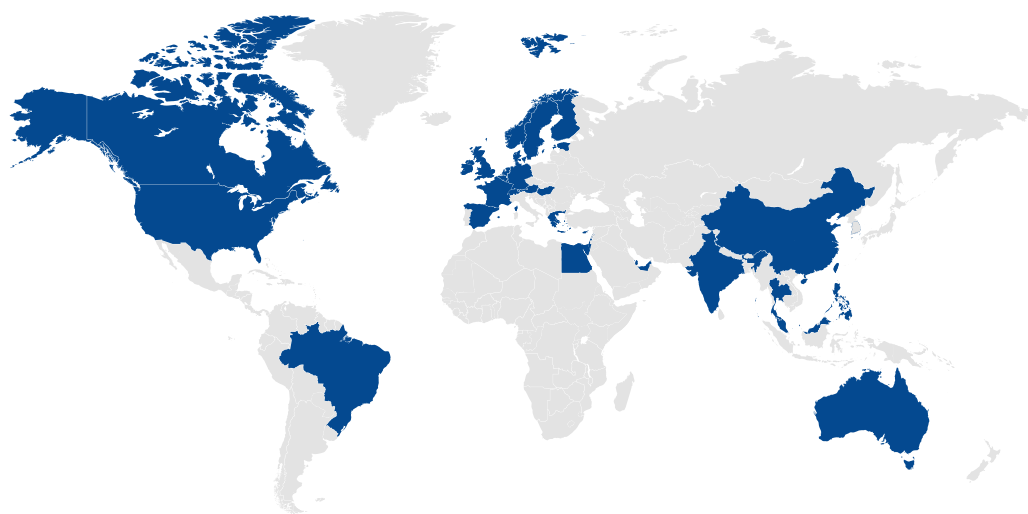
We operate across 36 countries and territories, across four key operating regions (or reportable segments):

- 1) UK (UK and the Republic of Ireland);
- 2) Continental Europe (DACH,

Frabel, Netherlands, Spain and the Nordics)

3) North America (USA, Canada and Bermuda); and

4) Rest of the World (Asia Pacific, India, Eastern Europe, Middle East and Brazil).



2021 highlights

Financial

£834.2m
Revenue

Strategic and operational

c.1,850
Units open by year end

Key facts

c.550
Brands

£309.2m
Operating loss on a reported basis under IFRS 16

115
New units won

c.23K
Colleagues

£935m
Available liquidity at year end

30%
FY sales vs 2019

c.2,700
Units

36
Countries

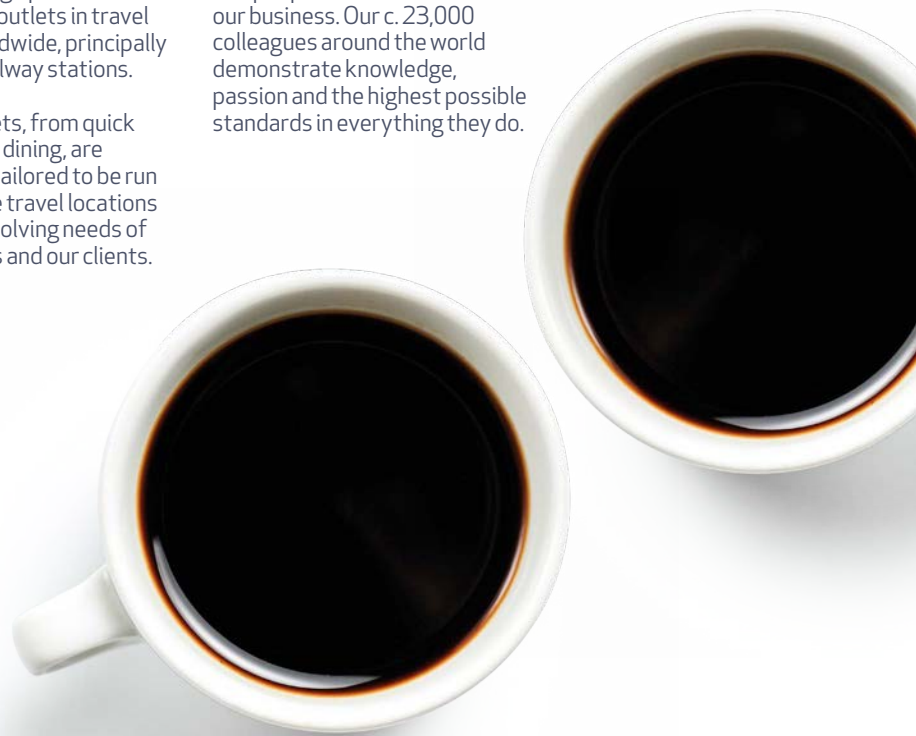


Who we are

SSP is a leading operator of food and beverage outlets in travel locations worldwide, principally airport and railway stations.

All of our outlets, from quick service to fine dining, are developed or tailored to be run in high-volume travel locations to meet the evolving needs of our customers and our clients.

Our people are the heart of our business. Our c. 23,000 colleagues around the world demonstrate knowledge, passion and the highest possible standards in everything they do.



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More information
[foodtravelexperts.com](https://www.foodtravelexperts.com)

Delivering for our stakeholders

This has been a challenging year for the business as travel restrictions significantly impacted passenger numbers at airports and railway stations. However, though trading has been difficult, we have taken the opportunity to strengthen our foundations and ensure we are in the strongest possible position to capitalise on the recovery.

Our ambition of being the number one food and beverage provider in travel locations worldwide remains unchanged and we remain fully committed to delivering sustainable growth for the benefit of all our stakeholders, notably our customers, clients, colleagues, brand partners, suppliers and shareholders.

Our customers

Our aim is to provide great food, beverage and retail offers to people on the move.

In 2021, we:

- worked with our clients to provide the right range of food, beverage and retail offers to our joint customers as they gradually and cautiously returned to travel
- re-focused ranges on best sellers and healthier and wellness options, reflecting their needs
- provided them with safer and faster service
- continued to invest in customer insights to help inform future decision making



Our clients

Our aim is to be the partner of choice for clients, delivering on our common brand, service and performance goals.

In 2021, we:

- worked with our clients to meet the service and product needs of passengers at the travel sites where we operate units
- agreed minimum guarantee concession fee waivers and flexible rent terms which, together with a simplified operating model, enabled us to keep units open despite lower passenger numbers
- reopened units as quickly as possible in line with the recovery in passenger volumes

c.1,850

Units open by the end of the year

Our colleagues

Our aim is to be a great place to work offering many and varied career opportunities for our colleagues.

In 2021, we:

- supported our colleagues working in the business and those who were on furlough
- significantly increased our communications and focus on wellbeing
- launched our new People Strategy
- invested in learning and development programmes
- undertook a Group-wide engagement survey to understand our colleagues' views

c.23,000

Colleagues



Our investors

Our aim is to provide sustainable long-term profitable growth and returns.

In 2021, we:

- optimised our financial performance against a very difficult and volatile backdrop
- recapitalised the business and strengthened the balance sheet with the support of our shareholders and lenders
- re-invested in our competitive strengths to underpin the delivery of future long-term sustainable growth

★ PRET ★

Orga

Our brand partners

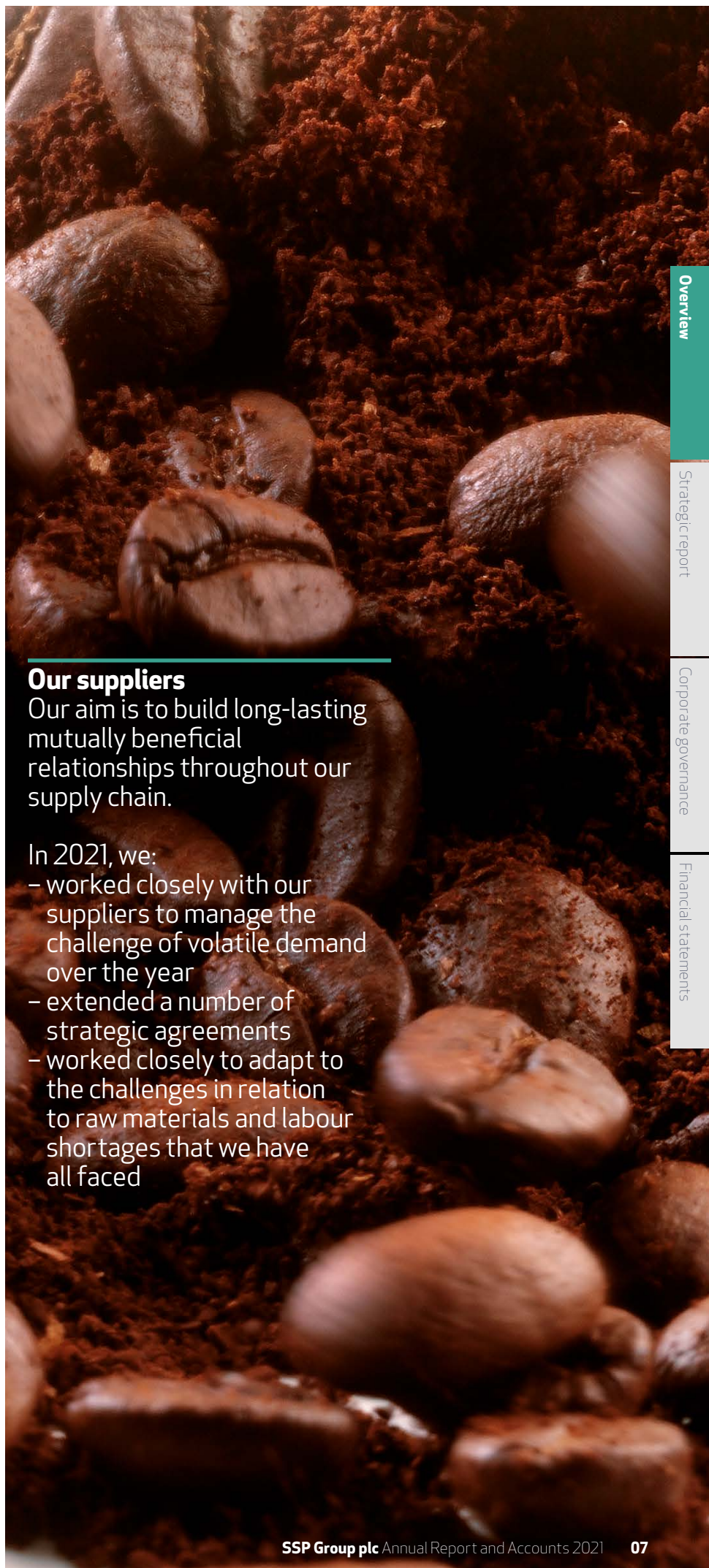
Our aim is to be the preferred partner for brands looking to enter the travel sector

In 2021, we:

- worked collaboratively to simplify supply chains and rationalise menus
- communicated transparently
- sought to identify mutually favourable solutions to allow us to continue trading

54%

proportion of our units which are franchised brands



Our suppliers

Our aim is to build long-lasting mutually beneficial relationships throughout our supply chain.

In 2021, we:

- worked closely with our suppliers to manage the challenge of volatile demand over the year
- extended a number of strategic agreements
- worked closely to adapt to the challenges in relation to raw materials and labour shortages that we have all faced



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Mike Clasper
Chair

Overview

Despite the prolonged nature of Covid-19, SSP has again risen to the challenges presented by the pandemic. With travel remaining severely restricted in the first half of the year and an encouraging recovery during the second half, SSP's response has been agile and professional as it has sought to protect its people and communities, reopen units efficiently and provide a service to the travelling public. Staying connected and working collaboratively with stakeholders throughout the crisis has deepened relationships across the business.

I am immensely proud of the dedication and professionalism shown at all levels throughout the organisation. Our teams have worked tirelessly and demonstrated great resilience: opening and closing units in line with local demand; establishing a more flexible operating model; relentlessly focusing on cash preservation; and securing the liquidity required to maintain a strong balance sheet. SSP's desire to emerge from the crisis a stronger, better business has seen it re-invest in its foundations to become even more competitive, focusing on its people, the customer offer, and in new technology. Importantly, we have begun to embed sustainability more deeply into our culture and the way we do business.

In recent months, we have seen the start of a recovery, led by domestic and leisure travel. Whilst visibility in the near term remains limited, our expectation is for travel to broadly recover by 2024. SSP is reopening its existing estate, building out its significant pipeline of new business and at the same time seeking out new business opportunities. With the progress that's been made during the crisis, the scale of the opportunity and the momentum in the business, I'm confident that SSP will emerge strongly and deliver long-term sustainable growth.

People and Culture

Our people are at the heart of our business. Our primary focus has been to keep colleagues safe and support them through the crisis. We've worked hard to increase communications across the organisation to keep people connected, informed, and engaged through extended periods of remote working and unit closures. Despite the immensely challenging trading conditions our teams have delivered an exceptional performance this year and the Board has supported appropriate rewards for this performance.

We are grateful for government wage support schemes, which have allowed us to retain colleagues whilst our units were temporarily closed because of the pandemic. We are delighted that we have now been able to welcome so many colleagues back to the business as we reopen our units, and we're grateful to them for their support and patience during those difficult times.

As a Board, we also increased our focus on workforce engagement, with Judy Vezmar, our Independent Non-Executive Director for Workforce Engagement, undertaking a range of activities throughout the year to support this programme. Against the challenging backdrop of the pandemic, we took the opportunity to review and relaunch our People Strategy which has been well received. I was particularly pleased to see the results of our global engagement survey, which allowed our teams to let us know their views on working at SSP. We had a high level of participation (72%) and were very encouraged by the positive feedback from this survey, right across the business. At the same time, we've listened to the areas we can improve on and action plans are in place. (For more information on our People Strategy, see pages 48-49).

"SSP's response has been agile and professional as it has sought to protect its people and communities, reopen units efficiently and provide a service to the travelling public."

Rights Issue and Dividend

When Covid-19 first hit, we acted swiftly to secure the funding we needed. Supported by our shareholders, we raised new equity in March 2020 through a placing and accessed the UK Government's corporate loan scheme (CCFF). This provided us with the liquidity needed to trade through the early months of the pandemic when sales dropped dramatically. Another year on, with the pandemic prolonged and sales remaining at just 20% of 2019 levels, we took proactive steps to strengthen our balance sheet. Our shareholders supported a £475m equity raise through a Rights Issue, and we secured the extension of banking facilities as well as waivers and modifications of the existing covenants from all our lenders. This funding puts us in a strong position to navigate the crisis, and it also provides us with the financial flexibility to invest in the many opportunities we expect to see as the market recovers.

However, as a result of the financial position of the business and the uncertainty remaining around the pace of the recovery of the travel sector, there will be no full year dividend for the 2021 financial year.

Our Strategy

We have a proven strategy for sustainable growth which is focused on like-for-like revenue growth, business development, efficient operations, re-investment and maintaining a strong balance sheet. We've continued to invest in the business, for example on consumer insights to help shape our future food and beverage proposition and make us more competitive as well as making a step change in embedding sustainability into the business.

As we have started to reopen the business, we've held onto some important learnings from operating during the pandemic, notably around the simplification of menus and ranges, driving flexibility throughout the cost base and the value of digital technology to our customer offer. As well as allowing us to reopen the estate, the recovery in passenger traffic is also a catalyst for us to start mobilising the significant pipeline of new business which we have already won, and at the same time to start securing new business opportunities.

Sustainability

Creating and delivering a more sustainable business agenda has been a key priority for the business. Our clients, customers, colleagues and investors are increasingly seeking to work with businesses that have sustainability embedded into business strategy and culture. During the pandemic, we have made a step change in our approach. We have focused on those areas where SSP can have the greatest impact and these fall into three pillars: Supporting our people and communities; Serving our customers responsibly; and Protecting our environment. We have strengthened our commitments and set stretching targets for the business. There is much more to do, but we have made good progress and have real momentum and commitment across the business to deliver this. You can read more about it on pages 28-41.

Corporate Governance and the Board


Our strategy is underpinned by a commitment to operate to high standards of corporate governance, and the members of the Board and I are responsible for ensuring we do so. The Board brings a broad mix of skills and experience to SSP that complements the strengths of our Group Executive Committee, and I would like to thank our members for their valuable contributions throughout this particularly challenging year. In July 2021, Simon Smith informed the Board of his intention to step down from his role as Chief Executive Officer and leave the business at the end of the calendar year. I would like to thank him for his contribution during his time at SSP. We are delighted to have appointed Patrick Coveney as Group CEO, effective 31 March 2022, who joins us from Greencore Group plc, a FTSE 250 leading producer of convenience foods. Patrick will be supported by Jonathan Davies, Deputy CEO and CFO, who will continue to lead day-to-day operations once Simon leaves the business until Patrick starts. Jonathan, the Executive Committee and the Board will ensure we complete a smooth leadership transition and are very much looking forward to working together with Patrick in the future.

Additionally, Per Utnegaard took the decision to step down from the Board in February 2021, and Ian Dyson announced that he will step down at the 2022 AGM, and I thank them both for their service. We are pleased to announce the appointments of Apurvi Sheth and Kelly Kuhn as independent non-executive directors of the Company with effect from 1 January 2022. With their experience working in the food and beverage and travel sectors respectively, and extensive global expertise, they will bring additional breadth and diversity to the Board.

Outlook

The new financial year has started well. Revenues in the first quarter of the new financial year are currently averaging approximately 66% compared to 2019 levels. Whilst there remains some uncertainty in the immediate outlook over the winter months, particularly over the potential impact of the Omicron variant on travel restrictions, we are confident in our ability to continue to manage any near-term volatility, and our medium-term expectation of a return to like-for-like revenue at broadly similar levels to 2019 by 2024 remains unchanged.

SSP has an important role to play in providing food and beverage services to the travelling public, and we will continue to reopen units in response to demand, maximising the profitability of the reopening programme and rigorously controlling costs and cash. Looking further out, we firmly believe that demand for travel will return in the medium term and that the actions we have taken during the pandemic will ensure SSP is well positioned to capitalise on future market opportunities.



Mike Clasper

Chair
7 December 2021

Group Executive Committee

A leadership team with purpose

We have brought together talent from across the travel, food, retail and other complementary industries to deliver world-leading operational and business excellence. Our management team, the majority of which have been at SSP for more than seven years, comprises some of the most experienced specialists in the business; a truly international team of Food Travel Experts.

Throughout the past year, our four regional CEOs have diligently driven our unit reopening programme, executing all the necessary measures to drive profitable sales whilst supporting clients and keeping their teams engaged and our customers safe.

They have been supported by our functional Directors across HR, Legal, Procurement and Finance, and the recent appointments of the Corporate Affairs Director, Chief Digital and Technology Officer and Chief Customer Officer to the Executive Team underpin the importance of stakeholder communications, sustainability, technology and customer-centricity to our future growth.

Pictured:

1. Jonathan Davies, Deputy CEO and CFO
2. Jeremy Fennell, CEO Continental Europe
3. Mark Angela, CEO Asia Pacific and EEME
4. Michael Svagdis, CEO America
5. Richard Lewis, CEO UK and Ireland
6. Helen Byrne, General Counsel and Company Secretary
7. Sukh Tiwana, Chief Procurement Officer
8. Mark Smith, Chief Digital and Technology Officer
9. Nathan Clements, Chief People Officer
10. Sarah John, Corporate Affairs Director
11. Miles Collins, Director of Group Finance
12. Angela Moores, Chief Customer Officer (joined Group Executive Committee on 1 October 2021)







Statement from Simon Smith, Outgoing Group CEO

Despite the scale of the challenges of Covid-19, the business has made good progress. Sales recovered significantly in the second half of the year led by domestic and leisure travel. Reopening units efficiently, driving sales and tight control of costs enabled us to turn losses into profits and cash usage to cash generation. To be back in EBITDA profit (on a pre-IFRS 16 basis) in Q4 was a significant milestone. Allied to our day-to-day operations, we've continued to invest in those areas that we believe will underpin our future competitiveness: digital and technology, our customer offer, our people and sustainability. Indeed, embedding sustainability into the business is not only the right thing to do but aligns with our stakeholder priorities, and I'm pleased with the progress we've made in this area. The actions we took to significantly strengthen the balance sheet have put the business in a very strong position to take advantage of the many opportunities we expect to see as the travel market recovers. We're embarking on the first stage of that now and building out a significant pipeline of new business.

This has all been delivered through the hard work, determination, and commitment of our teams around the world. SSP colleagues have shown incredible resilience and flexibility and really lived our values during this crisis, and I would like to take this opportunity to thank everyone for their unwavering support. With travel now recovering and units reopening, it has been a pleasure to welcome colleagues back into the business, and we are grateful for the support we received from many Governments to achieve this.

Simon Smith
Outgoing Group Chief Executive Officer
7 December 2021

"The actions we took to significantly strengthen the balance sheet have put the business in a very strong position to take advantage of the many opportunities we expect as the travel market recovers."

Business Review

Throughout this challenging year, SSP has taken swift and decisive action to keep its people and customers safe, whilst at the same time protecting our business. We've been agile and flexible, opening and closing units swiftly in response to changes in travel restrictions, always with the aim of providing a great service to the travelling public. We've done this in partnership with our clients and other partners, working together to make the customer proposition and the commercial model viable.

We've sought to optimise revenues from the available passengers at our sites by providing the right range of offers and concentrating the available sales opportunities into fewer trading units. We also created a more flexible cost base by negotiating reduced rents and waivers of minimum guarantees with our clients, and by accessing government support where available, for example, to cover fixed costs and to protect jobs. All of this has enabled us to manage the business efficiently and minimise the impact of the lower sales on profitability and cash flow.

We had a strong second half performance with revenue recovering from 21% of 2019 levels at the end of H1 to 53% at the end of H2, led by a recovery in domestic and short-haul leisure traffic. This, together with the actions we've taken, enabled us to deliver positive underlying EBITDA (on a pre-IFRS 16 basis) of £2m in H2. Allied to this, we have focused on cash preservation, minimising capital expenditure and discretionary costs. Wherever possible, we've sought to defer costs until passenger volumes and sales recover. At the end of the year, we generated free cash flow of £82.8m, despite revenues being at 53% of 2019 levels. During the year our shareholders and lenders supported a major refinancing, including raising £475m in April through a Rights Issue. By the year end, we had £935m available liquidity, including the £300m CCFF loan which we will repay in February 2022.

Despite the challenges of Covid, we launched our People Strategy, focused on the areas of attraction and retention; inclusion and engagement; training and development and safety and wellbeing. As part of this, we ran a Group-wide engagement survey, including those working in the business and those who were temporarily furloughed. The response rate was very high, at 72%, and the overall feedback very positive.

We also made significant progress on our digital and technology programmes, accelerating the roll out of a number of digital ordering and payment solutions into our units and enabling better online collaboration between teams.

We renewed many contracts on better terms, including at Suvarnabhumi Airport in Bangkok, and we've won important new business, for example at Paris Charles de Gaulle and Orly airports, and airports across Malaysia.

Importantly, our teams came together to support local communities, particularly in donating food and drinks to local hospitals, food banks and charitable causes. Furthermore, we've taken the opportunity to embed our sustainability agenda into our overall business strategy and have agreed new and ambitious sustainability commitments, which can be viewed in this report.

Significant recovery in sales throughout the year

21%

Sales at end of H1 vs 2019

53%

Sales at end of H2 vs 2019

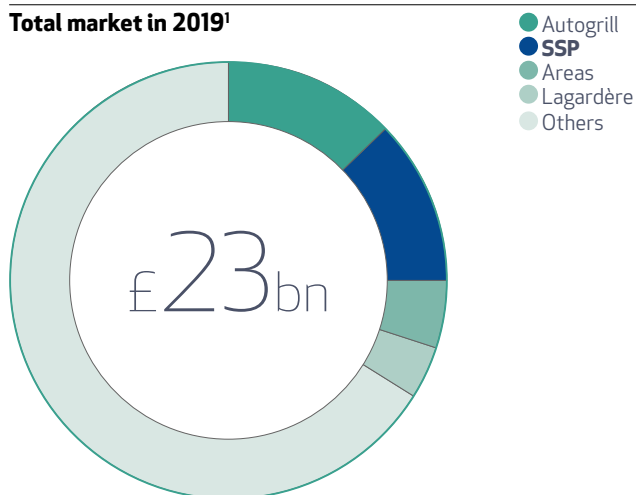
We are now commencing the mobilisation of the pipeline of new contracts that have already been secured and which is anticipated to deliver an additional 15% of net contract gains over the medium term. Furthermore, we expect to utilise our significant financial capacity and competitive strength to accelerate our new business growth and to capitalise fully on the recovery in the travel sector. Under the Base Case scenario set out in the Rights Issue, we would have up to £350m-£400m available to invest over the medium term staying within our historical leverage target (1.5-2.0x net debt: EBITDA, on a pre-IFRS 16 basis).

Looking ahead, the new financial year has started well. Revenues in the first quarter of the new financial year are currently averaging approximately 66% compared to 2019 levels. Whilst there remains some uncertainty in the immediate outlook over the winter months particularly over the potential impact of the Omicron variant on travel restrictions, we are confident in our ability to continue to manage any near-term volatility and our medium-term expectation of a return to like-for-like revenue at broadly similar levels to 2019 by 2024 remains unchanged.

For the 2022 financial year, we anticipate the drop through to operating profit on lost sales compared to 2019 to be at the upper end of a range of 25-30%. The final outcome will be impacted by a number of external factors including the trajectory of the recovery, higher input cost inflation, and lower levels of government cost support compared to 2021. Over the medium term our expectation for a recovery in EBITDA margins (on a pre-IFRS 16 basis) to broadly pre-Covid levels remains unchanged.

We continue to believe that demand for travel will return in the medium term and that the actions we have taken during the pandemic will ensure SSP is well positioned to capitalise on future market opportunities.

Total market in 2019¹



We provide catering services in travel-related locations

Our core market is the provision of catering services in travel-related locations, within the air and rail channels. In the year ended 30 September 2019 (the last full financial year prior to the Covid-19 pandemic), the percentage share of revenue was 64% from airports, 31% from railway stations and 5% from other operations. These include services in motorway service areas, in-flight air catering, CTN retail (confectionery, tobacco and news), lounges and on-board rail catering.

Despite the impact of Covid-19, we continue to believe that the markets in which we operate are fundamentally attractive and that air and rail travel markets will deliver long-term growth, albeit from a lower base, as the global economy recovers and an increasing proportion of the world's population is willing and able to travel.

We expect the growth in our markets will also be underpinned by longer-term trends that were evident prior to the pandemic, such as the trend towards increased eating out-of-home (including eating 'on the move') and investment in travel infrastructure and capacity expansion, in part supported by government policy.

Pre-pandemic our market was valued (by revenues) at approximately £23 billion (2019), of which approximately 80% represents the airport sector and 20% the rail sector. The impact of Covid-19 on the travel market has been extensive and continued across both air and rail channels, with global air passenger volumes over 50% lower during 2021 compared to 2019 and rail volumes also largely suppressed.

Our market remains very fragmented, with the top four competitors having a little over a third of the sales (see chart), and a long tail of local and single brand competitors typically competing within regional travel markets.

Travel sector recovery

The roll-out of Covid-19 vaccination programmes in key markets has led to the start of a recovery in travel, although the precise trajectory of this recovery remains uncertain. There are multiple factors that will influence the recovery, including:

- the timing and extent of Covid-19 control and suppression responses, including the speed and recovery of vaccine roll-out
- economic policy responses and their impact
- structural changes to travel demand, specifically the likely increase in working from home and the reduction in business travel as a consequence of the adoption of video meeting technologies, both of which will potentially lead to a slower return of commuter rail traffic and business air travel

6.7%

Air: historical global passenger annual growth (2009-2019)

2-3%

Rail: historical passenger annual growth from 2011 to 2019 in key European markets

2024

Global passenger levels anticipated to recover by 2024, led by domestic and leisure travel

60%

Around 60% of SSP's business is driven by domestic travel

60%

Around 60% of SSP's business is underpinned by leisure travel

Sources:

ORR, Eurostat, ACI, Airport Commercial Revenues Study (2018/19).

¹ SSP FY2019 (excluding Other Channel); Autogrill 2019 (excluding Motorways); Areas (Elilor 2018 (excluding motorways); Lagardère Travel Retail 2019 (estimated food service revenue).



The early experience indicates that a recovery in the travel sector will be led by leisure, domestic and short-haul travel, whereby we believe we are well placed to benefit from the shape of recovery due to our exposure to each of the returning passenger segments.

Air: medium-term expectations

As we set out in the Right Issue prospectus, we expect passenger numbers for SSP's business to recover to broadly 2019 levels by 2024. We have already seen the start of a recovery in domestic and short-haul regional leisure travel in air. In the final week of the financial year, revenues from the air sector were c. 49% compared to 2019 levels. Over time, we expect that long-haul travel will recover, and that the following trends driving the growth of air travel prior to Covid will continue:

- more space in airports being dedicated to food and beverage and with greater prominence, especially post-security controls
- the increasing spending power and propensity to travel of the rapidly growing middle classes (particularly within the Asia Pacific region)
- the removal or reduction of in-flight services leading more passengers to consume more food and beverages pre-flight
- increased air-side dwell time due to increased airport security requirements and airport investments to improve speed of processing security clearance

Rail: medium-term expectations

In the Right Issue prospectus, we said that we expected rail passenger numbers for SSP to recover to around 90%-95% of 2019 levels by 2024. We have since seen a steady recovery in rail travel in both Continental Europe and in the UK, initially led by leisure travel followed by a return of commuters back to offices. In the last week of the financial year, revenues in the rail sector were c. 64% of 2019 levels.

We expect that growth will continue to be driven by the following pre-Covid factors:

- continued investment in track expansion, especially high-speed networks
- station development strategies to improve food and beverage offers
- infrastructure investments in developing countries
- governments encouraging people to switch from road to rail
- customers trading up in their food and beverage purchases



Whilst Covid-19 has increased the current prevalence of working from home, the precise impact over time is difficult to predict with accuracy as long-term company policies and employee behaviours are yet to be established. Prior to the Rights Issue, we commissioned a study which suggested that increased remote working could reduce commuter levels in France and Germany by between 3% and 7%, whilst in the UK, it could be up to 8% to 10%.

However, allied to this we are currently observing more flexible working patterns. This in turn may lead to reduced rush hour peaks and increase our opportunity to serve more travellers, at speed across the day and hence result in higher levels of penetration and sales. Furthermore, it is possible that the mix of business will also evolve with more leisure travellers using trains.

Market snapshots

Domestic travel

- UK and European Rail (mainly domestic): c.30% of Group sales
- North America Air: c.80% domestic
- India and China Air: >50% domestic

Leisure travel

- Air sector: c.70% leisure passengers
- Rail sector: c.40% leisure passengers

Short-haul and regional travel

- Over two-thirds of Air sector passengers driven by short-haul and regional travel

Delivering for our customers

Our purpose is to be the best part of a customer's journey by providing delicious and nutritious food and drink and other items for people who are on the move.

That means delivering a great offer with great service loved by customers. The scale of our business provides us with access to a wealth of consumer insights through customer feedback and other research.

By accessing our extensive portfolio of brands, to which we are constantly adding innovative concepts, we can deliver the right food, drink and retail offers to meet customers' evolving needs.

Competitive strengths

Our business model is focused on meeting the food, beverage and retail needs of our clients and customers in the complex and challenging travel environment. It combines the benefits of international scale and local expertise together with experienced management teams and a long track record of performance.

Working with our clients

Who they are:

Airports and railway station operators, primarily.

What they do:

We work in partnership with our clients, who are seeking to incorporate the right range of food, beverage, and retail brands and services at their locations to satisfy the needs of the travelling customer. Our economic goals are aligned through the payment of concession rentals which are based on the revenues generated by our units.

Leading market positions

We have leading positions in some of the most attractive sectors of the travel food and beverage market, which have a number of long-term structural growth drivers, such as increasing passenger volumes, and are supported by clients increasingly seeking to develop and commercialise their sites. We have outlets in 36 countries around the world, an extensive brand portfolio, and established teams in all of these countries.

Food travel expertise

This includes a deep understanding of what our customers are looking for and an extensive offering of concepts to meet these needs. Managing high passenger volumes and the complex logistics that characterise travel environments is an essential element of our business model.

These complexities include longer operating hours, supply chain and logistics constraints, space limitations and peaks and troughs in demand. Our understanding and ability

to manage these complexities allows us to deliver consistently high quality food and beverage offerings that fulfil the requirements of clients and customers. This expertise has allowed us to adapt to a more flexible operating model to mitigate the impact of Covid-19.

Long-term client relationships

Our principal clients are the owners and operators of airports and railway stations, but we also have a small presence in motorway service areas, hospitals and shopping centres.

We have excellent, long-standing relationships with many of our clients and have maintained high success rates in retaining our contracts.

The strong, local relationships we've established with our clients have been critical in helping us trade through the Covid-19 crisis, as we have been able to negotiate more favourable rent agreements, which in turn has allowed us to reopen more of our units and serve more customers.

Operating responsibly

We have a clear sustainability strategy and framework which we've enhanced throughout the past year to establish a set of ambitious targets around our three core pillars: Supporting our people & communities; Serving our customers responsibly; and Protecting our environment.

Through our colleagues who serve our customers

Who they are:

Local management teams, unit managers and teams.

What they do:

Source new and extend existing concessions, and provide day-to-day operations and customer service.

Working collaboratively with our brand partners and suppliers

Who they are:

International and local hero brands, and suppliers.

What they do:

Provide the brand and menu, and supply food, beverages and other consumables.

We pay our brand partners a franchise fee which is typically a percentage of revenue, plus a marketing fee.

Experienced colleague base

We have highly experienced colleagues with a broad range of expertise across the food and beverage, travel and retail industries.

We employ dedicated teams of senior managers focused on business development, sales, marketing and operations, who work closely with our clients to ensure their requirements are met. They are supported by experienced, locally-based operational teams who have a track record of delivering operational excellence and great customer service.

We have been fortunate to be able to access wage support schemes in many markets to enable us to continue to keep our colleagues employed, despite having to temporarily close units. As far as possible, we have aimed to retain our longest-serving and most highly skilled talent in anticipation of the recovery, and we have been welcoming them back to the business as passenger numbers have recovered, and we have reopened units.

Local insight and international scale

We have a deep knowledge of the individual markets in which we operate, alongside significant international scale and expertise.

A strong local presence enables us to understand local customers' tastes and needs, as well as allowing us to maintain close relationships with clients and brand partners. Operating in travel locations is logistically complex, and many brand owners do not have the expertise to do so themselves. They trust us and our in-depth knowledge of the sector to operate their brands to their (and our) high standards as well as implement the necessary measures to ensure the product offer is right for the travelling customer.

Our international reach enables us to benefit from economies of scale with regard to key suppliers, central functions and systems, as well as sharing best practice across regions, countries and sites.

This is a critical part of our overall business strategy and underpins all our operations, ensuring that as we recover and return to long-term growth we do so in a fully sustainable way.



Our strategy

Pages 20-25

Creating sustainable value

Pages 42-47

Phased response to Covid and progress towards sustainable growth

We are in stage 3 – Recovery & Rebuild – of our Covid recovery plan and are progressing well to meet our objective of reaching the last and final phase ‘Sustainable Growth’.

Covid Travel Environment

Business protection

Hibernation

Our strategy for sustainable growth

Being a leading player in the large, structurally growing, fragmented travel catering market provides SSP with the opportunity to deliver long-term sustainable growth.

Our strategy is focused around five priorities and seeks to meet the needs of our key stakeholders: customers, clients, colleagues, brand partners, suppliers and investors.

Getting it right for all these groups we believe creates momentum and drives performance in the business.

We are continuously improving the business to deliver long-term competitive advantage and our values underpin this approach.

Strategic priorities to deliver our ambition for all our key stakeholders

Our vision:

To be the leading food and beverage provider in travel locations worldwide delivering for all our stakeholders in a way that ensures long-term sustainable growth.

Our purpose:

To be the best part of a customer's journey by providing delicious and nutritious food and drink and other items for people on the move.

Our values



1. Like-for-like revenue growth

Driving like-for-like revenue growth and optimising our existing space:

- Brands, range, and menus
- Participation and spend
- Digital customer solutions

2. Business development

Business development and adding new space:

- Contract renewals and extensions
- Mobilisation of existing pipeline
- New space growth
- Disciplined M&A

3. Efficient operations

Efficient profit conversion:

- Gross margin optimisation
- Managing rent and franchise fees
- Labour and overhead efficiency
- Technology and automation

4. Reinvestment

Ongoing reinvestment to strengthen the business:

- Enhancing our customer offer
- Digital and technology
- People
- Sustainability

5. Balance sheet resilience

Maintain balance sheet resilience and efficiency and create value for shareholders:

- Capital allocation towards organic growth
- High returns on invested capital

Post-Covid Environment

Recovery

Sustainable growth

Our stakeholder goals

We are committed to actively engaging with our different stakeholder groups, so that they can better understand our business. We, in turn, can understand what is important to them and can then take their views into account when taking decisions as a business and as a Board.

Colleagues

To be a great place to work, offering many and varied career opportunities for our colleagues.

Customers

To provide great food, beverage and retail offers to people on the move.

Clients

To be the partner of choice for clients, delivering on our common service and performance goals.

Investors

To provide sustainable long-term profitable growth and returns.

Brand Partners

To be the preferred partner for brands looking to operate in the travel sector.

Suppliers

To build long-lasting mutually beneficial relationships throughout our supply chain.

Our key performance indicators
Pages 26-27



1. Like-for-like revenue growth

Key focus areas:

Driving like-for-like revenue growth and optimising our existing space

We seek to optimise the customer proposition and drive like-for-like revenues through increasing customer capture rates and spend. Our broad brand portfolio, to which we are constantly adding new and innovative concepts, enables us to meet both client and customer expectations. The scale of our business provides us with access to a wealth of consumer insight, which we use to inform our range and menu choices and to develop our customer propositions. We cater for a diverse range of customer tastes and dietary needs as well as providing healthier and more sustainable options. To better serve the needs of our customers, we are rolling out customer-facing digital technologies, such as order and payment systems, which in turn help us to optimise both customer spend and labour efficiency.

Case study: Digital technology

The pandemic has accelerated the customer adoption of technology. Our customers want to experience an easier contactless experience, and we have responded to these needs. Trials of order and/or pay technologies had already been showing promising signs and through the pandemic we've seen the positive impact it has made in terms of improved ATV, an improved customer experience and greater operational efficiency. There are now four key customer order and/or pay technology models being rolled out in all our divisions. These are: 1) Order at Table – where the customer scans a QR at the table within the unit, orders and pays through their mobile phone; 2) Virtual Kiosks – where the customer scans a QR code, typically in our takeaway units and again orders and pays through their mobile; 3) Physical Kiosks – in QSR units, such as BK, whereby customers can order and pay at kiosks instead of the counter; and 4) Self-check outs – typically in retail brands (M&S in the UK and WH Smith in the Nordics).

Priorities for 2022

- Reopen units selectively and in-line with passenger demand
- Further invest in customer research and insight to improve our customer offer

2. Business development

Key focus areas:

Business development and adding new space

We have a strong track record of delivering profitable new space and in the three years prior to Covid, we had added around 5-6% of revenue from net gains annually. Furthermore, we were on track to deliver c. 8% of net contract gains in 2020 before Covid struck. We invest in those contracts that have the right strategic fit and are expected to deliver returns in line with our criteria. Historically most of our growth has come from adding new units and new locations in the countries in which we already operate, but we also look to expand into new geographies that have the right risk and reward profile, as we have done over recent years, including in India, Brazil, the Philippines, Bahrain and Malaysia. Selective and disciplined bolt-on M&A has always been a part of our strategy and is an important element of our market entry strategy into new countries. We expect both new organic growth and acquisition opportunities will arise as we emerge from the pandemic.

Whilst our focus during Covid-19 has been on optimising our existing estate, with the start of a recovery in sight our business development priorities are:

Contract renewals and extensions

- We have maintained high retention rates on contracts during Covid-19, in line with our historical levels.
- We have also sought to extend and renew contracts on favourable terms and/or with greater downside protection on minimum guaranteed rents.

Mobilisation of the existing pipeline

- We are starting to mobilise our existing pipeline of around 200 additional units which are already secured but not yet built. These units are expected to add around c. £275m to sales (by 2024).¹
- Furthermore, we will benefit from the additional sales generated by the units which were opened just before or during Covid-19, and therefore that have not yet traded for a full year, or have only operated at very low volumes. These units are expected to add an additional c. £150m to annual revenues by 2024.
- In total the new pipeline and new units opened pre and post Covid-19 should add c. £425m to overall revenues by 2024.

New space growth

- We see many opportunities to add new space as we emerge from the pandemic. Clients' expansion projects and the development of new infrastructure were to an extent put on hold during the crisis. As the travel sector recovers, we expect this activity to recommence.
- Our strong client and consumer offer positions us well to win space in competitive tenders. We anticipate that some competitors may retreat from the travel market, at least in the near term, and we have already seen some examples of this where competitors have chosen not to reopen units.
- Our strong financial position and track record of delivery for clients put us in a very strong position to capitalise on these growth opportunities.
- The Base Case scenario as set out in the Rights Issue prospectus envisages financial headroom to invest up to £350-400m whilst remaining within our target leverage range of 1.5-2.0x net debt: EBITDA (both on a pre-IFRS 16 basis). Where we invest in new contracts our internal hurdles rates require us to achieve on average three to four year discounted cash flow payback.

¹ Excluding Extime, our recently announced joint venture with ADP which will be treated as an associate.



Business Development case study: contract extensions and new wins in Europe

In Europe, we've renewed contracts with long-standing clients, for example with Swedavia in our Swedish Airports and at Nantes Airport in France. In both cases, we've extended contracts and agreed better terms, and have a reopening plan in place as passengers return.

On new space, although there have been fewer tenders, clients are selectively continuing with expansion and development plans. For example, we've won a 10-year contract for eight units at Martinique Airport in the French West Indies which is being significantly expanded.



Business Development case study: mobilising existing contracts – Dublin Airport

Following a significant tender win in 2019 to operate 24 food and beverage outlets at Dublin Airport, we will soon be opening our first new units, including 'Tap + Brew', a craft beer and gourmet hot dog concept especially created for the airport.

Sustainability will be a key feature of our new contract at Dublin Airport, with a focus on sustainable packaging, the removal of single-use plastic and the use of contactless ordering and menus at our outlets. Additionally, many local and certified ingredients will be at the heart of the menus offered in the new units. The new outlets will also leverage the latest technology, including mobile 'order at table' services to provide a smoother and quicker customer experience.

Priorities for 2022

- Mobilise our secured pipeline
- Utilise our significant financial capacity to pursue profitable new business opportunities

3. Efficient operations

Key focus areas:

Running efficient operations is one of our core competencies and deeply embedded in our culture. Optimising gross margins, leveraging the international scale of our business and running an efficient and effective business with rigorous attention to managing the key costs of food, labour, concession rentals and overheads are core to our approach.

During Covid-19, our focus was on simplifying our operations, reducing our cost base and making it more flexible. With the business now starting to rebuild, we are adding back cost in a disciplined fashion, with a focus on productivity, and we will seek to retain the key learnings from Covid-19 to help manage inflation and drive performance. The key areas that we focus on are:

Optimising gross margins

We continue to re-engineer our customer offer to optimise gross margins by keeping unnecessary complexity out of our product ranges, whilst providing the right level of customer choice to cater to a diverse range of customer preferences. Food cost will continue to be tightly managed with a focus on volume purchasing, sustainable sourcing and production efficiency, including through the use of automated technology and waste reduction.

Re-negotiating more flexible concession rents and franchise costs

We seek to minimise concession rental costs and remove minimum guarantees, or make them variable with passenger numbers, in our contracts. We are also working with our franchise brand partners to reduce costs and identify opportunities for simplification and standardisation, building on our long-standing relationships and the learnings from Covid-19.

Operating cost efficiency

We will continue to drive labour efficiency, conscious of the current pressures on labour rates and availability in certain regions, with continued focus on staff scheduling and kitchen productivity, as well as using digital order and pay technology to drive service levels and efficiency. We seek to have the right level of overhead costs in the business, focusing on taking out unproductive overhead and simplifying management processes. Allied to this, we are increasingly seeking to reduce the energy costs in units and switch to sustainably sourced alternatives and using technology to support management processes as well as outsourcing back-office activities where that makes sense.

Efficiency discipline case study: SSP America

With a focus on driving performance, we've had an opportunity to rationalise and simplify menus and deliver our service more efficiently. For example, we've reopened our Urban Crave brand with around half of the previous menu items, and by focusing on our best sellers which align with customer preferences, we are able to deliver this menu quickly and with just one chef. Having multi-unit sites also gives us the flexibility to move brands around. At Seattle, we took the opportunity to swap a local brand, Asian Box to a Mi Casa Cantina, one of our own brands, to meet customer demand. The new Mi Casa with its all-day menu offer including breakfast has delivered a double-digit sales uplift and higher margin.

Priorities for 2022

- Optimise efficiency as we reopen units aligned with passenger volumes taking advantage of our multi-units operations
- Manage input cost (food and commodity costs, energy, labour costs, etc) inflation and drive operational efficiencies
- Retain the benefits of Covid-19 learnings including simplification, lower costs and flexible rentals

4. Reinvestment

Key focus areas:

We are continuously reinvesting in our business, to build on and enhance our competitive strengths, which underpin our capability to deliver sustainable growth. The key areas in which we have looked to strengthen our business platform are:

Enhancing our customer offer

Customer research provides insights into the needs of passengers in the travel environment, which inform both our operational decision-making and brand choices. This is particularly important in the current trading environment, as we recover from the pandemic, and we seek to strengthen and evolve our brand portfolio. We have made good progress in creating new own brands to meet current market trends, such as Soul & Grain (a fresh food to go concept with artisanal coffee, due to launch in the UK early in 2022) and Juniper and Co, a bar and casual dining concept at Gatwick Airport. We are also trialling significantly enhanced product ranges at a number of our well-known existing own brands, such as Upper Crust, based on extensive research and analysis.

Digital & technology

We continue to make significant investments to improve the quality of our information systems and technology infrastructure and are recommencing work on a number of the major programmes that were slowed down or paused during the pandemic. These include projects to develop and roll-out enhanced ERP (finance, inventory and cash management and MIS) and human resources systems (including HR data, workforce scheduling, recruitment, compensation and development) to our major countries. As with all our previously successful deployments, we will pilot and roll-out one country at a time to manage costs and mitigate risks. Additionally, we have prioritised the roll-out of 'Modern Workplace' technology (Microsoft Office365) to keep our colleagues informed and connected, and to improve efficiency, during Covid-19.

People & sustainability

The past twelve months has also seen further investment to help us deliver against our sustainability commitments (see Embedding Sustainability section on pages 28-41) as well as our People Strategy. Further detail is provided in the 'Our People' section on pages 48-49.

soul + grain

COFFEE . BREAKFAST . SANDWICHES

Priorities for 2022

- Invest in organic growth, particularly in four key areas: enhancing our customer offer, digital & technology, attracting, developing and retaining our people and ensuring we deliver our sustainability commitments

5. Balance sheet resilience

Key focus areas:

Maintain a resilient balance sheet and create value for shareholders

Prior to Covid-19, our priority for the use of cash was to invest in organic growth, where this met our investment criteria, as this created the most value for our shareholders. As we emerge from the pandemic, we will continue to take advantage of the structural growth opportunities in our markets.

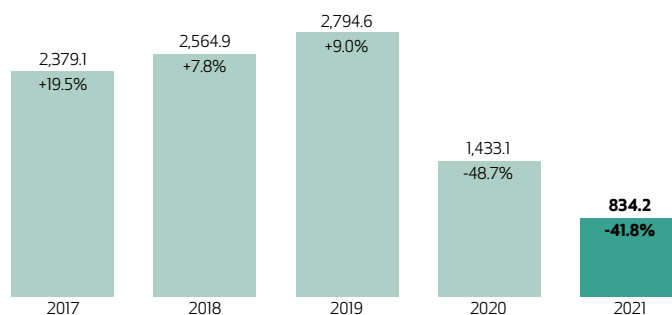
Creating shareholder value is extremely important to SSP, and prior to Covid-19 we had a long track record of delivering upper quartile total shareholder returns. Once the travel market recovers, the business is expected to be, once again, highly cash generative allowing us to de-lever the balance sheet over time. Maintaining balance sheet efficiency will continue to be an important part of our financial strategy, and we are committed to returning to our medium-term leverage target (in the range of 1.5 – 2.0x EBITDA, on a pre-IFRS 16 basis).



Financial KPIs

Revenue

(actual currency: £m)

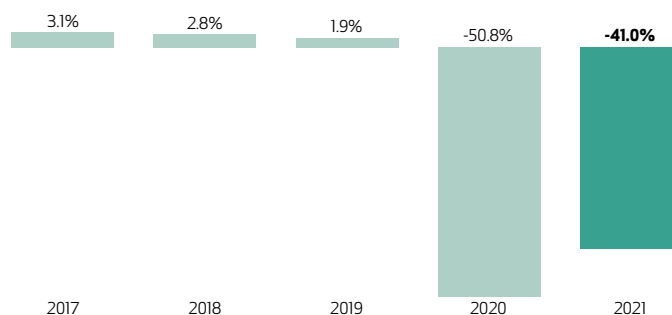


Definition – Revenue represents amounts for catering and retail goods and services sold to customers excluding value added tax and similar items.

Comment – Total revenue decreased by 41.8% to £834.2m (at actual exchange rates) following the continued significant impact of Covid-19 on passenger numbers across all of our markets during the year.

Like-for-like sales

(%)

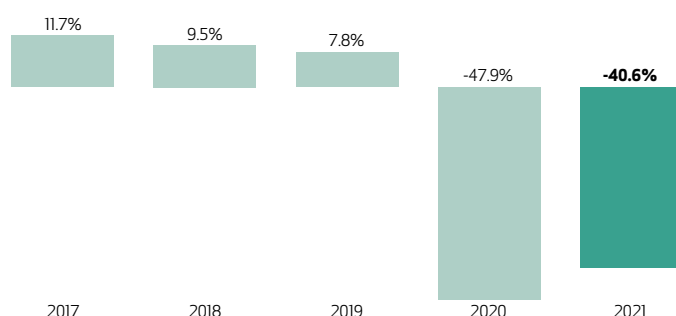


Definition – Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months. Units temporarily closed as a result of Covid-19 have not been excluded for the purposes of the like-for-like calculation.

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

Comment – Like-for-like sales fell by 41.0% over 2020 (which included five months which were substantially pre-pandemic) due to the continued impact of Covid-19. This significant year-on-year fall was particularly marked during the second quarter, reflecting the stringent lockdowns imposed from late December across many markets, notably in the UK and Continental Europe. The gradual easing of lockdown restrictions and the successful roll-out of vaccination programmes during the second half of the year resulted in increasing passenger numbers across the travel sector.

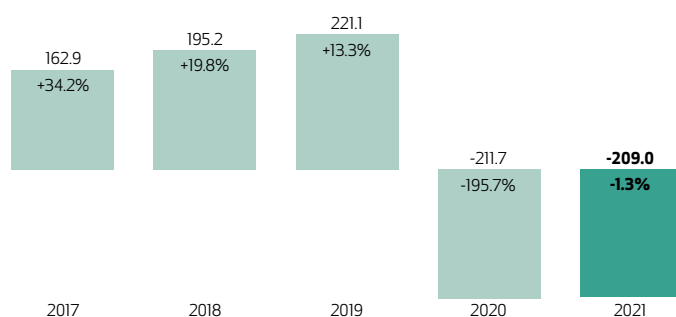
Year-on-year revenue movement (constant currency: %)



Definition – Revenue at constant currency eliminates the impact of foreign exchange rates on reported revenue. Constant currency is based on average 2020 exchange rates, weighted over the financial year by 2020 results.

Comment – Revenue decreased by 40.6% in 2021 on a constant currency basis, comprising like-for-like fall of 41.0% and net contract gains of 0.4%. The overall impact on revenue of the movement in currencies (principally the Euro, US Dollar, Swedish Krona, Norwegian Krone and Indian Rupee) was -1.2%.

Underlying operating profit/(loss)* (actual currency: £m)



* Stated on a pre-IFRS 16 underlying basis. Refer to the section on Alternate Performance Measures (APMs) on pages 77-79 for further details.

Definition – Underlying operating profit/(loss) on a pre-IFRS 16 basis represents revenue less operating costs which exclude a number of items which are not considered reflective of the normal trading performance of the business, and are considered exceptional because of their size, nature or incidence. Refer to note 6 for further details of non-underlying items.

Comment – Underlying operating loss on a pre-IFRS 16 basis was £209.0m, a decrease of 1.3% over the prior year at actual exchange rates. Statutory operating loss was £309.2m (2020: £363.9m loss), reflecting various non-underlying items of £14.1m net income (2019: £48.5m charge) which have been discussed further in note 6.

Non-financial KPIs

72%
survey response rate

Definition – Response rate to our global people engagement survey.

Comment – 72% of our colleagues chose to participate, which was consistently high across all regions and from both working and furloughed colleagues. Each year, we will undertake an engagement survey in each market, publish the headline results and use them to direct local and Group-wide action across key areas including engagement, wellbeing, inclusion, development and retention.

31%
female senior managers

Definition – Executive Committee and their Direct Reports (including CEO and Deputy CEO and CFO and their direct reports)

Comment – By 2025, 33% of our Executive Committee and their direct reports will be women.

49,053 tonnes CO₂e

Definition – Total gross Scope 1 and 2 emissions.

Comment – We have again seen a significant reduction in our overall greenhouse gas emissions over the last year as many of our units were closed for all or part of the year. By 2040, we aim to achieve net zero carbon emissions (Scopes 1, 2 and 3). In support of this, we are calculating our Scope 3 emissions and setting science-based targets in line with a 1.5-degree scenario.



“What’s important to me is that our business is sustainable in every sense, long into the future. Of course, delivering financial returns is critical. However, reducing the impact on our environment and being responsible about the food we serve, where we source it, how we package it and managing waste all need to be central to our decision-making.”

Mike Clasper, Chair

Over the past two years, we have drawn on the strength and resilience of our business, our partners and our colleagues, as our ability to deliver on our core purpose of providing delicious and nutritious food and drink for people on the move has been so severely tested. Throughout that challenge our teams have sought to do the right thing, working together as a team, feeding our customers where we have been able to do so, and protecting the safety and wellbeing of our customers and colleagues. Even as our resources and capacity have been tested, we have continued to support our customers, colleagues and partners as far as possible, acting responsibly, with care and respect, and continued to engage with our key stakeholders.

Our stakeholder expectations continue to evolve, as was the case before Covid-19. Climate change has dominated the agenda in recent years, but diversity and inclusion, food security, business ethics, transparency and human rights have become equally important, along with a renewed focus on health and wellbeing, and localisation. All of these trends have an impact on what our customers want and expect, the way we do business and the people we employ.

Embedding sustainability into our business is a critical strategic objective for SSP, and one that the Board has put in place clear strategies to achieve. We had already made good progress in recent years, and many examples of the work we had started pre-Covid-19 are evident in the case studies in this report.

While the Covid-19 pandemic tested the Group at many levels, most critically it impacted our people – our colleagues in the business and their families and communities, our customers, and our partners along our supply chain.

As we continue to recover and rebuild – with around two-thirds of all our units opening again by the end of the financial year – we have started on the pathway to sustainable growth. We are identifying market growth opportunities, building long-term competitiveness and customer relevance, and keeping teams engaged and motivated. We will further embed sustainability into the business, building on solid foundations of the past and drawing on the resilience and agility our company and colleagues have shown during the pandemic. In doing so, we are aligning better with the changing needs and desires of our customers, aligning our Group with investor sentiment and expectations; and attracting and retaining the best and loyal talent.

By operating a responsible and ethical business that creates long-term value, we recognise and accept the role we can play in mitigating climate change, in advancing diversity and inclusion, in protecting human rights, in addressing hunger and reducing food waste, and contributing to economic prosperity and physical wellbeing. These are not responsibilities that we take lightly. We recognise the importance of the UN Sustainable Development Goals (SDGs) and have indicated throughout this section where specific SDGs apply to the way we conduct our business.

Our approach

Over the past year we continued to develop our approach to sustainability. We built on our existing commitments in key areas, set new and more stretching targets to help drive our plans and actions, developed regional strategies and plans, and implemented measures to monitor and evaluate our progress. At the same time, we have engaged further with key internal and external stakeholders to understand their expectations and get their support.

We are at the beginning of our sustainability reporting journey. As our sustainability strategy develops, we will review current goals and targets, ensuring that they are measurable and consider a medium and longer-term timeframe.

Understanding what matters

We recognise that we need to focus our action in areas that matter the most to our business and to our stakeholders. In developing our sustainability strategy, we were informed by global and industry trends, our Board-led risk management process, a benchmarking exercise of peer disclosure and reporting, supported by feedback from our ongoing stakeholder engagement and investor feedback and ratings. We considered the principles and approach advocated by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) in developing both our strategy and this report. We are adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and will continue to do so over the coming year.



“As we have sought to further build on our strategy, the Group has really come together with the shared agenda of making SSP a more sustainable business, setting stretching targets to reflect this ambition.”

Sarah John, Corporate Affairs Director

Our sustainability strategy and framework

We further refined our sustainability strategy and framework over the last year as our commitments and targets evolved. Our strategy, framework and targets have been approved by our Group Executive Committee and the Board.

Our ambitions

Our three priority ambitions are:

Supporting and protecting our colleagues and communities:

We seek to engage all of our people, so they feel valued and motivated to develop with us; we champion diversity, promote inclusion and ensure equality; we respect and protect human rights and prevent discrimination; and we positively impact our communities.

Serving our customers responsibly:

We strive to meet the needs of our customers by offering a range of high-quality products that are appealing, nutritious and which are sustainably and ethically sourced. We help our customers make healthier lifestyle choices and satisfy a range of dietary needs and preferences, and offer the information they need to make informed choices.

Protecting our environment:

We are committed to managing the environmental impact of our business by reducing the greenhouse gas emissions from our operations and wider value chain, by reducing and recycling the packaging and materials in our packaging stream, and reducing the waste we generate.

These ambitions are interdependent: success can only be achieved by advancing in all three areas, rather than on a single dimension.

Governance of sustainability at all levels of the organisation, across all disciplines and business units, is central to achieving our ambitions and the commitments we make. It underpins all that we do.

Setting targets for action

We have developed targets that drive our actions to achieve our commitments, and which are in turn used as a basis for engaging teams across the business in developing and implementing action plans, and in monitoring and measuring our progress. Our key targets are outlined on the following page and further goals and sub-targets are included in the text of the following sections. We engaged key individuals and groups across the business to ensure our targets are relevant for our different and varied markets, and that they are achievable but stretching. The speed and ease at which our targets can be achieved differs across markets, as reflected in the detail of our targets.

Our targets generally focus on aspects and entities within our direct control, namely our own brands, which made up around a third of our business. We do not have direct control over some of the supply chains our brand partners select, or the facilities or impacts within our client premises (such as energy and waste arrangements). However, we will work with our brand partners and clients to align our sustainability approach, on target-setting, and on monitoring and compliance. As our approach continues to evolve, the scope of our targets will also expand to cover a wider boundary.



Our commitments and targets



Supporting and protecting our colleagues and communities

- Treating all our colleagues with care and respect
- Promoting and protecting safety and wellbeing
- Embracing diversity and upholding human rights
- Supporting our communities



Serving our customers responsibly

- Offering healthier lifestyle choices and satisfying dietary needs
- Sourcing our ingredients and products responsibly and sustainably
- Supporting animal welfare



Protecting our environment

- Pursuing net zero carbon emissions
- Reducing, reusing and recycling our packaging
- Reducing food waste

Our commitments

Our key targets

Treating all our colleagues with care and respect We value and respect our colleagues, and create an environment where all colleagues feel informed and engaged.	NEW Each year, undertake an engagement survey in each market, publish the headline results and use them to direct local and Group-wide action across key areas including engagement, wellbeing, inclusion, development and retention.
Promoting and protecting safety and wellbeing We protect the safety of our colleagues and customers, and promote our colleagues' wellbeing.	NEW By 2022, building on our current wellbeing activities, develop a holistic strategy including action to support colleagues' physical, mental and financial wellbeing (including action to support colleagues post-Covid-19).
Embracing diversity, protecting human rights We promote an inclusive culture, reflecting the diversity of our local communities and the customers we serve. We respect and protect human rights in our business and supply chain.	NEW By 2025, have an inclusive and diverse Board and senior leadership team. NEW By 2022, 100% of senior managers who have completed their induction to have received modern slavery training.
Supporting our communities We support the communities in which we operate through partnerships with charitable and other local organisations, particularly in alleviating food poverty.	EXPANDED By 2025, all divisions globally to have partnerships with food poverty charities and local charities.
Offering healthier lifestyle choices and satisfying dietary needs We support informed customer decisions by making healthier lifestyle choices available, and satisfying a range of customers' dietary needs and preferences.	EXPANDED By 2025, introduce food and drink items that support healthier lifestyle choices including wellness brands; lower-calorie, plant-based and/or vegetarian meal options; and non-dairy milk alternatives.
Sourcing our ingredients and products responsibly and sustainably We source our products and ingredients with due care for the environment and the people involved in their production and manufacture.	EXPANDED By 2025, take proactive steps to ensure suppliers are operating in line with our sourcing standards and that key ingredients are sourced from certified sustainable sources.
Supporting animal welfare We work with our suppliers to maintain high standards of animal welfare across our global supply chain.	By 2025, ensure key suppliers are operating in line with our animal welfare standards and that eggs and chicken, by 2026, are sourced in line with our responsible sourcing standards.
Pursuing net zero carbon emissions We reduce our operational emissions by introducing lower energy equipment and increasing our use of renewable energy; and emissions in our value chain by adapting our menus to provide more plant-based meals.	NEW By 2040, achieve net zero carbon emissions (Scopes 1, 2 and 3). In support of this, we are setting science-based targets in line with a 1.5-degree scenario within the next year.
Reducing, reusing and recycling our packaging We eliminate unnecessary single-use plastic and move our own brand packaging to be recyclable, reusable or compostable.	EXPANDED By 2025, remove unnecessary single-use plastic packaging and move all packaging of own brand products to be recyclable, reusable or compostable.
Reducing food waste We reduce food waste at all stages of our business and ensure that unsold food is donated to those who need it.	EXPANDED By 2025, all divisions to have programmes to target food waste through reduction, recycling, anti-food waste partnerships, charitable donations and landfill diversion.

References to a year in targets e.g. 'by 2022' means by the end of that financial year unless noted otherwise.

Accountability for sustainability

Corporate governance is dealt with in detail in the Corporate Governance Report (see pages 82 to 95). Sustainability has been identified as a key opportunity and risk priority for the Group, for which the Group CEO has oversight. A high-level overview of the governance structures and policies that are particularly relevant to sustainability are depicted below.

Governance Committees

Board of Directors

Responsible for challenging our approach and performance, including considering the impacts of sustainability and ESG risk. The Board has been closely involved in the development and approval of our new strategy, commitments and targets, and sustainability is a key item on the Board's agenda. See further detail in the Key Board Activities section on pages 93 to 95.

Group Executive Committee

The Group Executive Committee takes on the shared ownership and responsibility for the implementation and delivery of the sustainability strategy. Sustainability is a regular item on the Executive Committee agenda and as part of this, issues are discussed and best practice shared.

Risk Committee

Current and emerging sustainability and ESG risk is considered as part of the business risk process and covered on the Risk Committee's agenda. This year our response to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) has been a key agenda item. See pages 54 to 55.

Accountable leaders

Group Chief Executive Officer

Takes overall responsibility for sustainability. One of the measures in his strategic objectives relates to the progress of our sustainability strategy.

Corporate Affairs Director

Responsible for the development of our sustainability strategy ensuring an appropriate level of ambition that addresses key stakeholder priorities. Leads our sustainability programme day-to-day, coordinating activity, monitoring performance and communicating effectively with stakeholders.

Divisional CEOs

Responsible for developing and implementing plans in their market across the breadth of topics we cover as well as for roadmaps to achieve our sustainability targets. These roadmaps and progress updates are presented at Group Executive Committee meetings.

Issue owners

The key issues within our sustainability framework have an assigned Executive Committee owner. They are accountable for setting direction on the relevant topic, and working with the business to progress action and monitor performance against our targets.

Sustainability advocates in the business

Over the year we have expanded our central sustainability resource to continue to develop and progress our approach. They help provide technical support and engage key stakeholders on sustainability issues to help drive forward our progress.

Policies

We have a range of policies covering sustainability issues (available on our website www.foodtravelxperts.com/international/sustainability/policies), which are communicated where relevant to colleagues internally through training, communications and our internal Sharepoint, and to suppliers through our contractual and communication mechanisms. We reviewed our sustainability-related policies this year, and will do again as required and at least every two years. Chief Executive Officer has overall responsibility for these policies.

Targets and performance monitoring

We monitor our performance against our targets internally on a six-monthly basis. We are developing reporting criteria and methodologies to ensure consistent, accurate and complete reporting across our markets. The data is provided by local teams largely across our people, procurement and commercial functions, and aggregated and checked centrally. This feeds into our performance dashboards. We will report on our progress each year.

Supporting and protecting our colleagues and communities



Our ambition

We engage our people, to feel valued and to develop with us; we champion diversity, promote inclusion and ensure equity; we respect and protect human rights and prevent discrimination; and we positively impact our communities.

Our people and our diverse teams – made up of more than 23,000 colleagues in 36 countries – are at the heart of everything we do. We recognise that each and every colleague has been impacted by the Covid-19 pandemic, directly and indirectly and, while we address issues relating to Covid-19 throughout this report, we have reported in more detail below on the impact on our colleagues, and what we have done to minimise and mitigate this impact.

Minimising and mitigating the impact of Covid-19 on our colleagues

Covid-19 has presented SSP with significant challenges. We have supported our colleagues, working to keep them safe, and minimise and mitigate the impact of the pandemic on their health, mental health and economic security and wellbeing.

Protecting our colleagues

We provided our front-line colleagues with protective equipment, installing transparent screens, moving to digital payment solutions and put in place strict protocols for containing the spread of Covid-19 if colleagues experienced any symptoms. For those working from our offices, we aligned with local medical/governmental guidance, which meant that we either closed these offices and supported colleagues to work from home through investments in modern workplace technology, or put measures in place to make our offices 'Covid-secure' (such as limiting the number of colleagues in offices, extra sanitising supplies, temperature checks).

Supporting our colleagues through furlough and redundancy

Like many other companies in our sector, we had to take difficult measures to reorganise our business to be able to trade through the pandemic. This had an impact on many colleagues, whether they were made redundant or placed into job support schemes such as the Coronavirus Job Retention Scheme (CJRS) in the UK, depending on the support available from local governments. We are grateful for these schemes, which have allowed us to retain colleagues whilst our units were temporarily closed because of the pandemic. We are delighted that we have been able to retain so many colleagues as a result of government job support schemes, and especially pleased that in the UK (our largest single market), when the scheme came to an end, we were able to offer jobs to all those colleagues who were on furlough at that time.

In many countries SSP provided practical advice and guidance to those colleagues not in work and where possible colleagues were given financial support or a top up to furlough wages. For our colleagues who were made redundant, we supported them in finding new roles via the creation of a package of digital tools (such as managing change and wellbeing, marketing yourself, and CV improvements). This was available even after they left the business.

For furloughed colleagues, depending on the support schemes available, we protected benefits and/or 'topped up' furlough payments, and in some markets where there was no government wage assistance scheme, we created our own. We also developed bespoke programmes to reintroduce colleagues to the business once their furlough periods ended.

Focus on communication

Whether colleagues were furloughed, working remotely or in units, we placed a significant focus on two-way communications, specifically keeping teams connected and engaged through increased internal communications with our online channels and encouraging all to participate in our relaunched engagement survey. We increased learning and development content and organised a number of physical and mental wellbeing and virtual social events. Our Group and Regional CEOs have led regular leadership updates to our teams, across both our management and operations populations.

Treating all our colleagues with care and respect



Our commitment:

We value and respect our colleagues and create an environment where all colleagues feel informed and engaged.

Living our values

Our values are integral to our business and underpin everything we do. They were developed in consultation with our teams across the world, and help us drive the right culture, make the right decisions, and act in the best interests of our stakeholders, the environment, and our business.

We have continued to communicate and advocate our values during the year, through workshops, our values toolkit, which includes posters, stickers, and information cards to help raise their visibility, as well as through recognition schemes.

Our Board and Group Executive Committee place a great deal of emphasis on instilling our values-based culture within the Group, and on ensuring that we effectively engage with our colleagues. Our CEO reports monthly to the Board on key people-related matters, including our values roll-out. Our designated Non-Executive Director for Workforce Engagement ('ENED') ensures that our engagement with colleagues is effective, that their views are shared and listened to, and that we understand the issues of importance to them and our business when making key strategic decisions. For more information on ENED activities, see page 50.

We want to ensure our people understand our business strategy and the part they play in helping to deliver this, along with our objectives and the factors affecting the business and their own performance. We will continue to ensure colleagues are aware of this, including ensuring new starters receive training on our purpose and values.

Our values



Launching a new Group People Strategy

Our Group People Strategy was launched in 2021 (see pages 48-49). It focuses on attraction and retention, inclusion and engagement, training and development and wellbeing and will further help us drive and monitor the right culture, values and behaviours. We created a framework from which regional people plans were developed, including core foundational elements and elements specific to local priorities. We have quarterly check-ins with regional teams on the progress of their people plans, aligned with the Group People Strategy, and to gather and share good practice from across the Group.

Global People survey

This year an additional channel to gather feedback was our first global online people survey, across all our markets in 24 languages. Gathering this feedback was particularly important this year, given the challenges Covid-19 posed to our business. This feedback is helping us take action to do more of what our people value, and work on areas where we can do better. 72% of our colleagues chose to participate, which was consistently high across all regions and from both working and furloughed colleagues. The survey measured retention, engagement, safety and wellbeing, development and enablement. Overall the scores were positive across all regions in all pillars with the majority of colleagues agreeing with the statements in the survey. This was very positive given the context of the last year and the impact of Covid-19 on the business.

We have developed local and Group actions plans to address the feedback we received from both the survey and from listening groups across the business. Given the importance of listening to our teams and acting on their feedback, the finalised local plans were shared regionally and then submitted to Group for visibility, challenge and final approval by the Group Executive Committee. The insights from these were then extracted as a key input to develop the latest People Strategy as presented to the Board in November 2021. Progress and performance against these action plans will be used as part of our ongoing assessment of company culture and engagement.

We plan to run engagement surveys and associated listening groups annually to build insight around local and Group-wide action plans.



“There is now momentum and a real sense amongst our colleagues that we are doing the right thing and implementing initiatives that are not only important to the business, the environment and our communities but aligned to their own personal values as well.”

Mark Angela, CEO SSP Asia Pacific and EEME

Raising concerns

We have a number of avenues for colleagues to raise concerns, including colleague forums or work councils in many of our markets. Our European Work Council covers transnational issues and creates an opportunity to provide key timely information and to consult on issues to enhance our dialogue with colleagues.



“We value and respect all of our colleagues and create an environment through local leadership where all colleagues feel informed, engaged and listened to.”

Nathan Clements, Chief People Officer

Whistleblowing

Our Group Whistleblowing Policy encourages colleagues, contractors and consultants to report any suspected wrongdoing. This can be done through a number of channels, from contacting HR or country designated Whistleblowing Officers, to reporting via our multi-lingual, third-party Whistleblowing Helpline. Matters reported are treated seriously, investigated and acted upon following our prescribed process. Reports can be made confidentially, and reporters can remain anonymous. Colleagues can report in good faith any suspected wrongdoing without fear of reprisal. Our Whistleblowing Policy and related reporting is the responsibility of our Deputy CEO and CFO who monitors results and actions taken, along with the Risk Committee, reporting to the Audit Committee and Board.

Building a skilled, trained and fulfilled workforce

Training and development has always been important but is now an area of increased focus as one of the four pillars in our People Strategy launched earlier this year, see pages 48 to 49.

While the Covid-19 pandemic was enormously challenging for the business and our people, it accelerated the adoption of modern workplace technology so that our business transitioned seamlessly to a virtual way of working, and at the same time keeping individuals, teams and business units connected to the wider organisation. This technology will continue to form a core part of our work environment, and will be further rolled-out through all levels of the organisation.

Other initiatives currently underway, detailed in Our People section on pages 48 to 49, include the roll-out of our Senior Leadership Programme, the creation of a new leadership training programme called Leading in a Changing World for line managers and an updated induction programme to welcome colleagues back from furlough. Looking ahead, we will be focusing on succession planning, particularly at a senior management level, with specific support to high potential colleagues. We will continue the roll-out and drive awareness of online training for managers including compliance, inclusive leadership and business skills content.



Promoting and protecting the safety and wellbeing of our colleagues



Our commitment:

We protect the safety of our colleagues and customers, and promote our colleagues' wellbeing.

Safety has always been of paramount importance at SSP and this has been even more so during the Covid-19 pandemic.

Safety and health across the Group is guided by our Safety Policy. Through our Group Safety programme we drive and monitor safety practices and incidents in all regions against a set of key safety performance indicators, covering health and safety, food and fire safety, and including all colleagues, temporary and agency workers.

Global Safety Standards

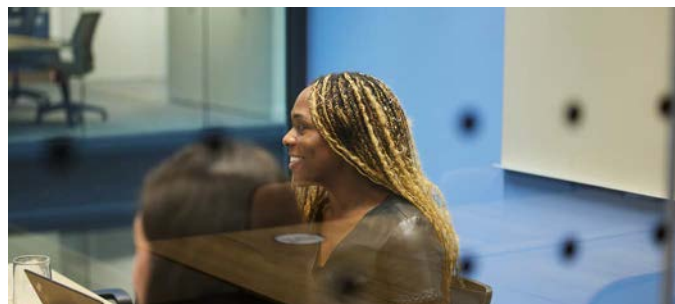
Our Global Safety Standards, a framework of minimum technical safety standards and arrangements for implementation at country operational level, must be implemented across all regions, in addition to any local legal, brand or client requirements. They include self-audit and actions templates, quarterly safety statistic reports and an escalation process for serious safety incidents. Global Safety responsibilities are defined at country, regional and Group level to ensure effective implementation, support and monitoring of the Global Safety Standards. To drive continued improvement, safety data is reported by country and reviewed by the Group Risk Committee and Group Board.

During the Covid-19 pandemic, our health and safety procedures were strengthened further with additional safety measures put in place and increased reporting to our Group Executive Committee and Board. We have also appointed a new Group Head of Health, Food & Fire Safety.

Colleague Wellbeing

The importance of supporting our colleagues' physical, mental and financial wellbeing has only increased during the pandemic. Our markets have been running activities and initiatives to promote wellbeing, such as cycle-to-work schemes, exercise and healthy eating workshops, online resources, interactive sessions, a wellbeing week of support, and mental health training.

We will further develop our wellbeing programme, which is integrated within our Group People Strategy, in 2022. Building on our current approach, we will develop a holistic wellbeing strategy and increase the number of wellbeing activities across our regions, raising awareness and taking action across physical, mental and financial wellbeing.



Embracing diversity, protecting human rights



Our commitment:

We promote an inclusive culture, reflecting the diversity of our local communities and the customers we serve. We respect and protect human rights in our business and supply chain.

Promoting diversity

Our approach to diversity and inclusion encompasses gender and ethnicity, as well as supporting minority groupings, those who are disabled and embracing our Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) community. We have made significant progress in setting concrete goals and actions in respect of Board diversity (see page 36 for more information), as well as in our organisation and supply chain, and appointed a new Group Head of Talent Acquisition & Inclusion in November 2021.

This past year, we published two new policies:

- Our Board Diversity Policy specifies the purpose, beliefs, objectives, and associated monitoring, reporting and review of Board diversity and outlines the Board's role in supporting and monitoring plans for diversity of senior management and its pipeline.
- Our Diversity, Equity and Inclusion Policy sets out a statement of intent about how we will achieve success on this agenda, creating the framework for local, national and regional good practice, and is intended to complement all applicable guidance, regulation and legislation.

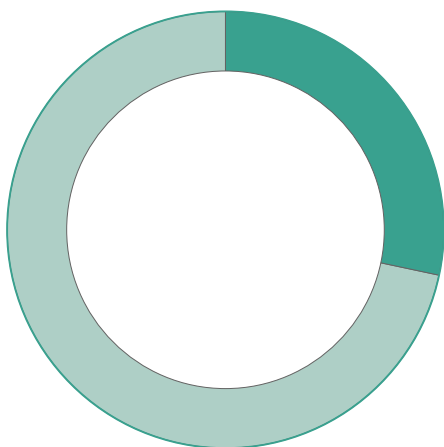
Looking ahead, we will establish a Global Inclusion Council in 2022, to be co-chaired by members of the Group Executive Committee. The Council will meet quarterly, and actions will be reported to the Group Executive Committee. The Council will be responsible for ensuring the development, promotion and advocacy of the organisation's Diversity, Equity and Inclusion agenda. We will further integrate diversity, equity and inclusion insights into our Group People Strategy, specifically for our key UK and US markets.

We are developing training on inclusion, and the required values-linked behaviours to create an inclusive culture and workplace. By the end of 2023, all line managers will be required to complete this bi-annually.

Gender information*

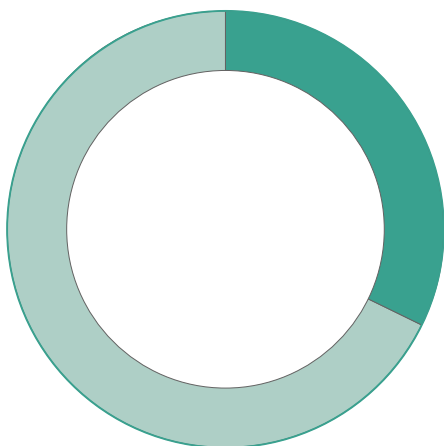
PLC Board

● Women **2** (29%)
● Men **5** (71%)



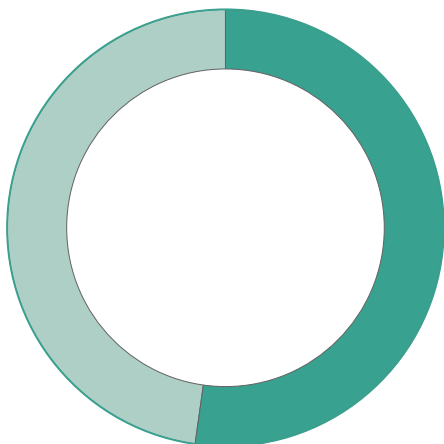
Group Executive & direct reports (Excluding CEO and Deputy CEO and CFO)

● Women **22** (32%)
● Men **46** (68%)



All Colleagues (Excluding above)

● Women **12,064** (53%)
● Men **10,917** (47%)



“Embracing sustainability initiatives improves our operations and inspires our team while we exercise care for the planet’s resources.”

Michael Svagdis, CEO SSP America

We are committed to broadening the diversity of the Group and have set targets to increase the diversity of our senior leadership, and to closing the gender pay gap. Our new targets include:

- By 2021 calendar year end, for the Board:
 - 33% to be female (the Board is currently at 29%, but will be 50% once the recently announced board changes take effect)
- By 2022, for the Board:
 - At least one person of colour represented (the Board currently has none, but will have one once the recently announced board changes take effect)
 - Have geographical representation (currently one non-UK NED, but will be three once the recently announced Board changes take effect)
- By 2025, 33% of our Executive Committee and their Direct Reports will be women (currently 32%, which excludes CEO and Deputy CEO and CFO and includes their direct reports).

See the Corporate Governance Report and Nomination Committee Report for more detail on diversity and inclusion at Board level on pages 82 to 101. Our (UK) 2020 [Gender pay gap report](#) can be found on our website.

Our regions additionally have a range of people-related policies covering issues such as equal opportunities and discrimination to ensure we treat everyone fairly and without bias.

We support colleagues who are disabled. Across the Group, full and fair consideration is given to applications for employment by people with disabilities. We are committed to supporting disabled employees, including employees who become disabled during the course of their employment with the Group, with regards to training, career development and promotion.

Our markets have progressed further initiatives and activities to embrace diversity and help drive an inclusive business for our colleagues and customers. Examples include supporting local Pride events, learning sign language to support hearing impaired colleagues and customers, and helping minority businesses through offering business support.

Protecting human rights and preventing modern slavery

Our [Ethical Trade Code of Conduct](#) and [Human Rights Policy](#) sets out our expectations for the business in respect of a variety of issues including human rights, ethical conduct, safety and environmental issues.

* As of 31 October 2021 as per our reporting obligations under the FTSE Women Leaders (previously Hampton Alexander).

Details of our approach to prevent modern slavery from occurring in our business or supply chains can be found in our most recent [modern slavery statement](#) which is prepared in accordance with the Modern Slavery Act 2015. Our approach is risk-based (including consideration of supplier location and category) and is integrated as part of our wider sustainability programme, including policies, due diligence, training in local languages and monitoring. By 2022, 100% of senior managers (who have completed their induction) will have completed modern slavery training.

Supporting our communities



Our commitment:

We support the communities in which we operate through partnerships with charitable and other local organisations, particularly in alleviating food poverty.

Our [Community Engagement Policy](#) sets out our intent to make the communities in which we work better places to live and do business, seeks to be sensitive to the local community's culture and social and economic needs, and encourages our colleagues to be involved with local communities to their mutual benefit. Our community engagement programme is overseen by our CEO who keeps the Board updated on performance.

As a food business, we are well-placed to understand and address food poverty, although we do also address other causes that are important to our colleagues and customers. It is for this reason that we have decided that all global divisions will be partnered with food poverty and local charities by 2025. This builds on the community activities already undertaken in many of our divisions such as charity partnerships, fundraising, volunteering, cause-related marketing or donations.

The SSP Foundation is a UK-registered charity which makes grants to support colleague-nominated charities in the communities in which SSP operates. The SSP Foundation objectives include supporting charities which promote employability and skills development in young people. The Foundation matches fundraising by, and makes donations to, charities nominated by SSP UK colleagues. Funds are raised from collection boxes at SSP sites across the UK (effectively most major train stations and airports).

During the year, the Foundation made over 50 grants with a total value of approximately £90,000* to a range of both local and national charities. This was substantially less than the last full year prior to Covid-19, as the pandemic impacted the Foundation's income due to the closure of units and thus its grant making. In 2021, Richard Lewis, CEO, UK & Ireland, became Chair of the Foundation, and he and the Trustees are currently developing plans to increase the impact of the Foundation on the local communities that SSP UK serves throughout the coming year and beyond. As the travel market recovers, the Foundation expects to have more opportunities to increase funds again.

* All SSP Foundation data from its financial year ended 30 June 2021.



Supporting local communities

We support our local communities through volunteering, fundraising and product donations to help tackle food poverty and support other local charities our colleagues are passionate about. This year we have again supported charities and people in need due to Covid-19.

Recognising the impact that Covid-19 was having on India, we ran a series of fundraising events across our regions and worked with our suppliers to secure product donations. Including a grant from the SSP Foundation, we raised £39,000 for the Covid India Campaign.

Our India team also supported Action Against Hunger, a project aiming to improve the health and nutrition of pregnant women and children under five. Collection boxes at tills and restaurant counters raised over £4,200 to help fund Covid-19 awareness sessions for caregivers, pregnant women and front-line workers as well as funding malnutrition screening and an organic kitchen garden.

We also have charity partnerships in place in different regions. In the UK this is with Macmillan Cancer Support where we have donated c. £137,000 (including a grant from the SSP Foundation) in the 2021 calendar year, SSP America with Meals on Wheels where we have committed to donate £75,000 (\$100,000) annually and in our Nordics region with SOS Children's Villages where a programme of activities is arranged for each market.



"We are proud of our ongoing UK partnership with Macmillan Cancer Support, which our colleagues are passionate about. We are committed to continuing to support the local communities in which we operate."

Richard Lewis, CEO SSP UK and Ireland

Serving our customers responsibly



Our ambition:

We meet the needs of our customers by offering a range of products of a high quality, that are nutritious and sustainably and ethically sourced. We help our customers make healthier lifestyle choices and satisfy a range of dietary needs and preferences, and offer the information they need to make informed choices.

Offering healthier lifestyle choices and satisfying dietary needs



Our commitment:

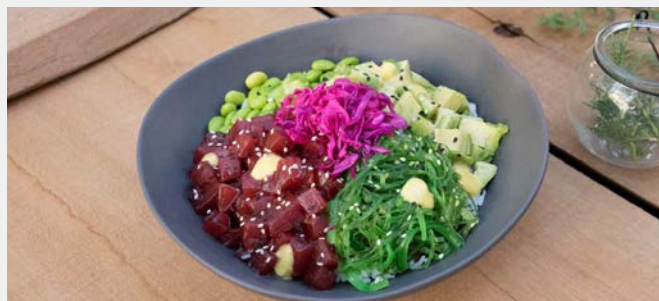
We support informed customer decisions by making healthier lifestyle choices available, and satisfying a range of customers' dietary needs and preferences.

As we offer such a diverse range of brands and products, we are well-positioned to meet the dietary needs and preferences of a wide range of customers. Our actions can help our customers make healthier lifestyle choices, not only through the menus we provide, but also through information that helps our customers to make informed choices. We recognise, however, that customers have a right to make these choices.

We are designing menus and increasing our offering to include healthier options and meet lifestyle choices, such as vegetarian or plant-based options. We have expanded our targets so that by 2025, all key sites globally will offer a lower calorie meal option; at least 30% of meals offered by SSP own brands will be plant-based and/or vegetarian; and all sites with an own brand unit that serve meals will offer at least one plant-based meal option. Also, by 2025, 100% of all own brand units in the UK, North America and Continental Europe that serve coffee will offer non-dairy milk alternatives (40% in the Rest of the World).

As well as individual menu items, we will continue to introduce wellness brands as part of our portfolio in key regions. These are brands (such as Pret, Leon, Haven and Exki) that demonstrate responsible action across a range of areas and products to benefit the health of our customers, typically through using natural ingredients, minimising sugar, salt and saturated fat, and offering vegetarian or plant-based options.

With passenger numbers at very low levels during the pandemic, we took action to simplify our operations including our menus and ranges. As passenger volumes start to recover, we expect to expand our ranges again, keeping in mind the objectives of simplicity of offer and adding in more items with health and wellness attributes. We are exploring improved labelling options for our menus and products to help signpost where products are free from certain ingredients or hold attributes such as gluten-free, lower calorie or vegetarian and plant-based.



Offering healthier choices to our customers

SSP operates more than 30 different wellness brands across the Group and well over 100 units including both our own brands developed to deliver fresh, well-balanced menu options to customers, as well as partnerships with established third-parties.

Own brand units include Haven in the Nordics and Ida & Freida in DACH. Our Nordics region have rolled out the 'A Better Choice' range, which highlights healthier options along with vegan, vegetarian, plant-based products on menus and at point of sale. In our O'Learys units across Sweden, we launched a new menu where customers have the option of switching to a plant-based burger. We have seen growth in vegetarian patties of 242% (also including increased overall sales) and increased popularity of plant-based options.

We are also expanding the number of franchise brands we partner with, which focus on health and wellness. These currently include Freshii, in Canada, a fast-food restaurant that offers nutritious food on the go, with a focus on vegetables, wholegrains, extensive vegetarian options and healthy juices and smoothies. In Australia, our LivEat units in Hobart and Gold Coast airport offer a wide range of salads, including vegan and vegetation options, as well as health pots, hot food and smoothies.

Sourcing our ingredients and products responsibly and sustainably



Our commitment:

We source our products and ingredients with due care for the environment and the people involved in their production and manufacture.

Three policies drive our efforts in responsible sourcing:

- Our Ethical Trade Code of Conduct and Human Rights Policy sets out our commitments towards, and expectations for, our supply chains. It covers human rights issues and is based on the Ethical Trading Initiative Base Code. It requires suppliers and any subcontractors to uphold relevant laws, comply with modern slavery requirements, environmental standards, and audit requests. We expect all of our contracted suppliers* across our global business to meet these requirements.
- Our Responsible Sourcing Policy outlines the standards we have set for sourcing ingredients for our own brands. This includes, as a minimum, compliance with local laws, safety standards and codes of practice, as well as additional criteria to ensure our products are sourced with consideration to fair treatment of animals, people and the environment.

* Contracted suppliers: vendors which are engaged via SSP purchasing teams, have contracts in place and SSP controls the spend for the provision of goods or services.

- Our [Environmental Policy](#) sets out our commitment to responsibly manage all our environment impacts. This includes alignment with environmental legislation and collaboration with brand partners and clients, to manage our greenhouse gas emissions, waste, materials, packaging, natural resources, water, supply chain and transportation impacts.

Each of the above policies can be found on our website. Our Group CEO has overall accountability for implementing, managing and monitoring these policies, and advising the Board on compliance. Our purchasing teams are trained on these requirements, which are also being embedded within our standard supplier terms and conditions.

We have expanded our targets so that by 2025, all contracted suppliers will be expected to sign SSP's Ethical Trade Code of Conduct and Human Rights Policy, Responsible Sourcing Policy and Environmental Policy or to provide their own of equal or better standard.

We have identified a number of key ingredients on which we are heavily reliant, and with which there are associated sustainability issues. These include palm oil, tea, coffee, cocoa and fish. We aim to increase the percentage of the ingredients which have been sustainably sourced to 100% certified palm oil for the top 50 products in each market by 2022; and 100% certified tea, coffee, hot chocolate and fish by 2025. We also plan to add further categories over time. Our Responsible Sourcing Policy provides further details of our standards, preferred certification schemes and additional good practice preferences outside of these targeted ingredients.

Through our due diligence programme, we monitor our suppliers' compliance with these policy requirements. We target key higher risk suppliers and use information from resources such as the Supplier Ethical Data Exchange (SEDEX) to assess compliance. We work collaboratively with our suppliers to take corrective action where needed. Each year, we will assess 10 contracted suppliers in higher risk categories in Europe, Americas and Australia and 15 in the Middle East and Far East on ethical trade risks, and agree a time-bound plan to address any issues.

We continue to raise the issues of responsible and environmentally sound sourcing with our suppliers and to improve our monitoring of their adherence to our standards, to work with our suppliers to ensure sustainable supplies of key ingredients, and to analyse our supply chains for ingredients such as palm oil, beef and dairy to further target action in responsible sourcing.



“We are committed to responsibly and sustainably sourcing our products and ingredients, with due care for the environment and people involved, and to maintaining high standards of animal welfare.”

Sukh Tiwana, Chief Procurement Officer

Supporting animal welfare



Our commitment:

We work with our suppliers to maintain high standards of animal welfare across our global supply chain.

Our Responsible Sourcing Policy sets out our general expectations for animal welfare by our suppliers.

We endorse and expect alignment with the Five Freedoms of the Farm Animal Welfare Council (FAWC), in addition to relevant compliance requirements. Our [Farm Animal Welfare Policy](#) sets the additional standards for all European and UK suppliers of meat, dairy and egg products. By 2025, all contracted suppliers to UK, Ireland and Continental Europe will be expected to sign SSP's Farm Animal Welfare Policy or provide their own of equal or better standard. We will discuss any key non-compliance we become aware of with our suppliers. Our CEO has overall accountability for overseeing this policy, its implementation and management. Our purchasing teams are responsible for the day-to-day engagement with suppliers.

As chicken and eggs are two of our key ingredients, we make two additional commitments around our sourcing of these:

- We will only use shell and liquid eggs from cage-free sources across our own brands by 2025, although we expect that a number of our markets will be able to meet this commitment sooner. Currently, around 28% of suppliers (by spend) meet this requirement, based on an analysis of shell and liquid eggs, egg products, mayonnaise and the top five manufactured products that include egg as part of the ingredient. While we had planned that our UK business would meet this requirement by the end of 2020, this was delayed due to Covid-19 related issues.
- Our purchasing teams are working with our suppliers to map out plans to meet the standards of the EU Chicken Commitment. We expect that suppliers to our own brands in the UK and EU will achieve this by 2026. This Commitment aims to improve the conditions of broiler chickens through transition to breeds with better welfare outcomes, increased living space, greater environmental enrichment, and more humane stunning methods.

We are improving our monitoring of supplier compliance through appropriate monitoring and due diligence mechanisms. We continue to participate in the Business Benchmark on Farm Animal Welfare (BBFAW), which helps to measure corporate action on the topic.



Protecting our environment



Our ambition

We manage the environmental impact of our business by reducing the greenhouse gas emissions from our operations and wider value chain, by reducing the packaging which protects the food we serve, and reducing the waste we generate.

Pursuing net zero carbon emissions



Our commitment:

We reduce our operational emissions by introducing lower energy equipment and increasing our use of renewable energy; and we reduce emissions in our value chain by adapting our menus to provide more plant-based meals.

We recognise the significance of climate change on our business, our people, customers and communities. We are committed to reducing our greenhouse gas emissions and playing our part in tackling the global climate crisis.

We have signed a Letter of Commitment to the Science Based Targets Initiative (SBTi) Business Ambition for 1.5°C. We aim to reach

net zero across our Scope 1, 2 and 3 emissions by 2040 in order to help limit global warming to 1.5°C. We are currently working with specialists to improve the accuracy of our Scope 1 and 2 footprint and to calculate our Scope 3 footprint (which we expect to be significantly higher); to set science-based targets in line with a 1.5-degree scenario within the next year; and develop a roadmap of how we will reach these.

We continue to further build our understanding of climate change risk as part of our enhanced sustainability risk assessment. This includes developing a climate change strategy, including scenario analysis, and adoption of the TCFD recommendations. See the Risk section for further details of our actions taken to date (pages 54 to 55).

We have identified and embarked on a number of initiatives to reduce our energy consumption and change our energy mix, such as investing in LED lighting, building management controls and equipment upgrades. As part of the development of our roadmap we will be considering additional measures, including:

- increasing our use of renewable energy
- upgrading equipment for more efficient, less carbon-intensive alternatives
- using building materials with a lower carbon footprint
- encouraging good energy management practices and behaviours
- working with our key suppliers to reduce the impact of the goods and services we purchase
- reducing single-use plastics and packaging and
- exploring carbon compensation and neutralisation.

By reducing food waste, recycling and introducing more vegetarian or plant-based meals on our menus, we will be able to reduce emissions in our value chain. See targets on pages 38 and 41.

Global GHG emissions and energy use data for period 1 October 2020 to 30 September 2021

SSP is required to report its global and UK energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data detailed in these tables represent emissions and energy use for which the Company is responsible and is incorporated by reference in the Directors' Report.

Methodology: We have followed the Greenhouse Gas Reporting Protocol – Corporate Standard (2015 revised edition) and our reporting is consistent with the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019). We include our global electricity, natural gas, owned transport and refrigerant use (where data is available) and associated emissions. We are committed to continuing to improve the accuracy of our reporting.

	Current reporting year 2020-21		Comparison reporting year 2019-2020		Comparison reporting year 2018-2019	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Global GHG emissions and energy use data						
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1) (tCO ₂ e)	528	6,194	1,311	8,326	2,012	11,241
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location-based) (tCO ₂ e)	4,835	37,496	8,999	62,553	12,732	89,400
Total gross Scope 1 and Scope 2 emissions (tCO ₂ e)	5,363	43,690	10,310	70,879	14,744	100,641
Energy consumption used to calculate above emissions (kWh)	25,258,064	131,870,447	40,877,177	244,298,845	58,557,607	291,388,109
Intensity measurement						
Total emissions reported above normalised grams per £ of turnover	33	66	28	66	20	52

Efficiency measures: We have again seen a significant reduction in our overall greenhouse gas emissions over the last year as many of our units were closed for all or part of the year. Although our operational energy demand declined, critical aspects such as security lighting, alarms and refrigeration facilities required power. This ongoing baseline energy requirement meant that our emissions per pound of sales have increased on pre-Covid-19 levels. Prior year data has been restated to include refrigerants.

Reducing, reusing and recycling our packaging



Our commitment:

We eliminate unnecessary single-use plastic and move our own brand packaging to be recyclable, reusable or compostable.

By focusing on reducing items in our packaging stream, promoting recycling and switching to more sustainable alternatives, we can significantly reduce our waste and that of our customers. We have identified and begun removing key single-use plastics from our packaging streams, either removing them altogether or switching to non-single use plastic or sustainable alternatives.

The Covid-19 pandemic delayed some of our efforts: in ensuring our health, safety and hygiene standards were maintained single-use plastics needed to be used, and plans to run down stock of single use plastic items were somewhat delayed.

We are in the process of replacing plastic drinking straws and cutlery with wood, bamboo or compostable alternatives and to replace PET containers with recycled PET. We have new targets to remove all unnecessary single-use own brand plastic packaging and to move our own brand product packaging to be recyclable, reusable or compostable by 2025.

Our sites promote reusable cups and some offer discounts where customers use their own cups to incentivise this action. Our target is to offer cup recycling facilities in all of our sites where landlord facilities exist by 2022.

Reducing food waste



Commitment:

We reduce food waste at all stages of our business and work to ensure that unsold food is donated to those who need it.

Reducing food waste not only improves efficiencies and reduces costs, but it reduces the impact of our business on the environment and has a direct social benefit. An analysis of key food waste areas and the options available to tackle them has focused our attention on recycling cooking oil, composting coffee grounds and recycling coffee cups.

We are tackling food waste through a hierarchy of actions:

Prevent:	We continue to prioritise efficient ordering, production and display to prevent the opportunity for food waste.
Reduce:	Working with surplus food app providers enables us to offer discounted food towards the end of the day to prevent waste of unsold products. By 2022, all of our divisions will work with one or more partners (such as Too Good To Go or similar), to reduce food waste in rail units. Currently ten markets have partnerships in place. If food is still unsold, we work with charity partners to arrange collections to ensure the food goes to those who need it. By 2025, all divisions globally will have programmes to donate unsold food to charity.
Reuse:	Our waste coffee ground composting and cooking oil recycling prevents these items from ending up as waste and gives them another life, including as biofuels. By 2022, 80% of our own brand units will recycle waste cooking oil, and 50% will reuse or compost waste coffee grounds.
Recover:	By 2025, where unsold food is not discounted or donated, it should be diverted from landfill.

We will undertake a further analysis of key food waste areas in the year ahead to identify more opportunities for reuse and recycling.

Reducing food waste – Too Good to Go

Too Good To Go is a free app that enables surplus food to be sold at discounted prices to save it from going to waste. Surplus food is bundled into 'Magic Bags' of food that is bought through the app by local users who collect at a time convenient to the unit.

This year, our 279 units in 10 countries using Too Good to Go have sold over 56,000 bags which has resulted in over 56 tonnes of food being saved from disposal and a saving of more than 142 tonnes of CO₂e. Since the first SSP unit in Norway started using Too Good to Go in 2016, 166 tonnes of food has been saved, resulting in saving 415 CO₂e (to 30 September 2021) – the equivalent of 466 flights from London to New York!

SSP units this year have been saved as a favourite location by over 122,000 users across the 10 countries and over 987,000 users have viewed the offers available in SSP locations, demonstrating the popularity of the app and the potential such apps have to divert food from disposal.



“Nordic countries are often regarded as leaders in sustainability and, within SSP, the region was the first to develop ‘Better Choice’ menus and promote the Too Good to Go app. It’s a win-win-win: your surplus gets eaten instead of wasted, the planet has less food waste on its plate, and the user gets delicious food for a great price.”

Jeremy Fennell, CEO Continental Europe

Section 172

Each Director of the Board confirms that during the year under review, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so, has had regard (amongst other matters) to:

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

The principles underpinning Section 172 of the Companies Act 2006 (the 'Act') are embedded in the Board's decision making and the Board recognises the importance of understanding the views of the Group's key stakeholders and having regard to those views in its discussions and decision-making processes. See pages 94 to 95 for examples of how stakeholder interests and the matters set out in Section 172 of the Act were considered in key Board discussions and decision-making in the 2021 financial year.

As a global business with operations in 36 countries, SSP has a wide and diverse group of stakeholders, on whom we rely for our success. We define our stakeholders as those whom we affect and those who affect us. We have identified nine stakeholder groups: colleagues, customers, clients, shareholders & lenders, brand partners, suppliers, communities, non-governmental organisations, and government & regulators. We review these stakeholder groups on a regular basis.

We are committed to actively engaging with our different stakeholder groups, so that they can better understand our business, and we, in turn, can understand what is important to them and can then take their views and expectations into account when taking decisions as a business and as a Board. During the year, the Board undertook a review of the effectiveness of our engagement with stakeholders. It was noted that the Board has a well-established programme of engaging with a wide variety of stakeholders who are key to the successful delivery of the Group's strategy. It was agreed however, that the Board should further review stakeholder reaction to, and feedback on, the engagement undertaken to ensure it remains effective in light of the activity undertaken as we reopen more of our units.

The following pages give a summary of our stakeholder groups, their expectations or material concerns, and how we have engaged with them throughout the year and the key outcomes following that engagement. Compared to last year, we have added lenders, due to their role in the balance sheet activity over the year, and separated out suppliers and brand partners due to the differing nature of our interaction as the market recovers.



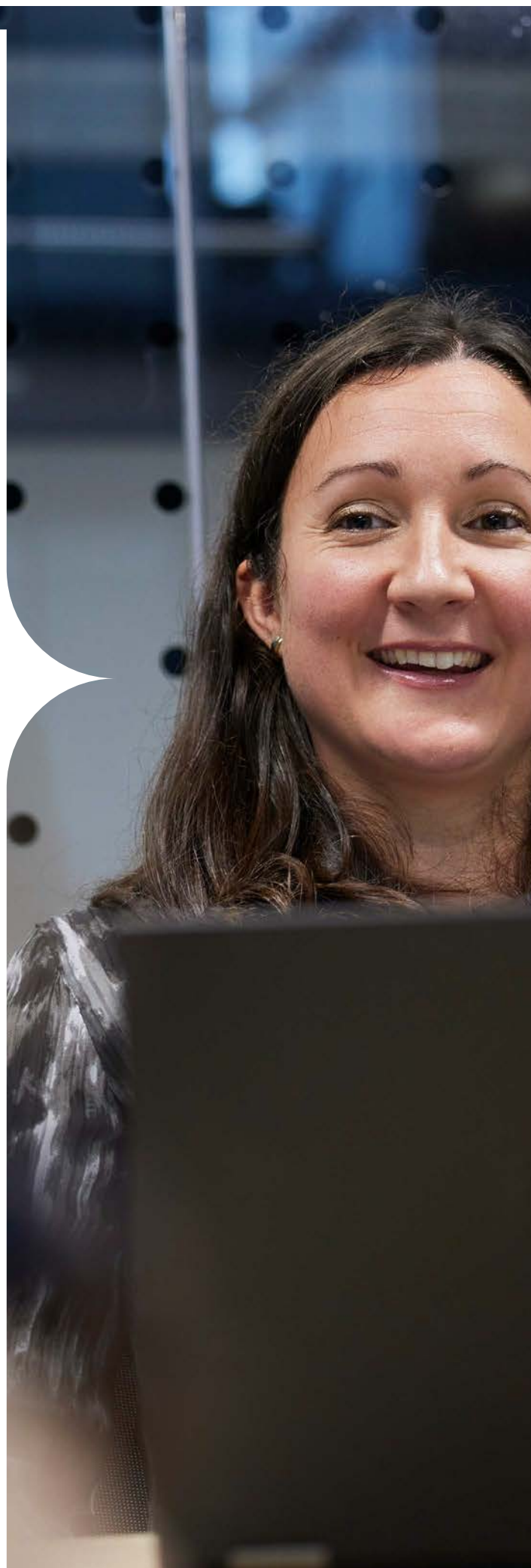
More information on our key stakeholder groups can be found on pages 2 to 7 at the beginning of the Annual Report.

<div>  <h2>Colleagues</h2> </div>	
Who they are	The people who work at SSP
What value we create for them	<ul style="list-style-type: none"> – Diverse, inclusive and global community – Dynamic and rewarding career path – Opportunities to progress – Reward and recognition
Why we engage	<p>As a service provider, we are a people business and our teams represent the Group in their interactions with our stakeholders</p> <p>We want to ensure they are treated fairly, have the training and development they need to excel in what they do and that they feel engaged in the business so they are clear in the role they play in delivering our strategy</p>
How we engage as a business	<ul style="list-style-type: none"> – Significantly increased internal and leadership communication through Group and regional Town Hall meetings, briefings, works councils and new Group intranet platform – Global engagement survey to get colleague views and communicated the results and plans to address the issues back to colleagues – Operation of share incentive plans which includes sending out annual invites to eligible employees and promoting participation through posters and introductory emails
How we engage at a Board level	<ul style="list-style-type: none"> – Updates from the Non-Executive Director for Workforce Engagement (ENED) are received by the Board – People updates (including engagement survey results) including our communication with teams are part of the regular CEO update to the Board – People Strategy is presented annually – The Board receives dashboard of workforce related matters – The Board meets colleagues in the business as part of Board presentations as well as site visits
Key actions and outcomes in FY21	<ul style="list-style-type: none"> – Supported colleagues, including those on furlough, through the challenges introduced by Covid-19, including through new flexible working arrangements, updated technology systems and an increased focus on safety and wellbeing – Increased focus on development opportunities and planning including mentoring, leadership training and further investment in our online training platform SSP Academy
More information	<ul style="list-style-type: none"> – Embedding sustainability – Pages 28-41 – Our People – Pages 48-49 – Q&A with our designated Non-Executive for Workforce Engagement – Page 50 – Corporate Governance Report – Pages 83 and 91 – Key Board activities – Pages 93-95



Customers

Who they are	The people to whom we serve food and drink at our outlets
What value we create for them	<ul style="list-style-type: none"> – Wide range of food and drink items as well as convenience/retail stores to support their needs when travelling – Efficient and safe ordering technology – Focus on sustainability
Why we engage	<p>Understanding customer needs and trends enables us to provide the food and beverage choices they want</p> <p>Their views also help us ensure our teams are delivering the quality and service they expect</p>
How we engage as a business	<ul style="list-style-type: none"> – Customer surveys and comments cards to identify where we deliver a great experience and where we need to focus to improve – Captured and responded to feedback on our customer care line to address any breakdowns in service expectations
How we engage at a Board level	<ul style="list-style-type: none"> – The Board receives regular updates on customers from the Executive Directors and Group Executive Committee as appropriate – The Board is informed of sales performance, customer and market insights, including evolving needs and trends. This assists its understanding of our customers as well as potential issues and opportunities. – The Board meets customers as part of site visits
Key actions and outcomes in FY21	<ul style="list-style-type: none"> – Creation of new Chief Customer Officer role on Executive Committee – Continued investment in customer insights data to better understand our customers' attitudes to strengthening trends such as digital and wellness – Development of new brands and product ranges within existing brands to meet emerging and existing trends – Invested in a feedback platform to improve our customer experience performance and launched a new customer service training programme
More information	<ul style="list-style-type: none"> – Our brands – Inside cover – Our strategy – Pages 20-25 – Embedding sustainability – Pages 28-41





Clients

Who they are	The people who run the travel locations where our units are located
What value we create for them	<ul style="list-style-type: none"> – Broad brand portfolio and ability to create bespoke innovative solutions which meet evolving customer needs – Operational excellence and concession rentals – Supporting their sustainability aims through our own programme of activities – Increased use of technology supporting the customer proposition
Why we engage	<p>Our business success is dependent on retaining the space we have and winning new space in travel locations worldwide</p> <p>By understanding our clients' requirements, we can offer them tailored solutions which drive revenue and ensure we remain the operator of choice</p>
How we engage as a business	<ul style="list-style-type: none"> – Continuous contact and discussion at all levels to develop and maintain strong relationships with our clients – Two-way discussions to optimise the consumer offer and our clients' needs – Independent client surveys which measure satisfaction levels (paused during Covid but due to resume in FY22)
How we engage at a Board level	<ul style="list-style-type: none"> – The Board receives updates on clients from the Executive Directors and Group Executive Committee (including as part of the regular CEO update) – The Board is regularly informed of the pipeline of business including any renewals, new wins or losses and any client or country specific issues or opportunities – The Board agrees tenders of a certain size – The Board meets client representatives as part of site visits when available
Key actions and outcomes in FY21	<ul style="list-style-type: none"> – Ongoing dialogue with clients to agree more flexible approach to rents and operations allowing us to reopen more units – Successful renegotiation of agreements, removing minimum guarantees, agreeing variable rents, and extending tenure – New business opportunities secured with new and existing clients
More information	– Our strategy – Pages 20-25



Investors

Who they are	Individuals or institutions that own shares in SSP Group plc and lend money to the Group
What value we create for them	<ul style="list-style-type: none"> – We provide the opportunity to generate attractive returns on their investment (capital/share price gains plus dividends) – Regular interest payments to Lenders
Why we engage	<p>To support our goal of attracting and retaining a high quality stable investor register</p> <p>To keep them informed on performance, strategy and governance</p> <p>To understand and address any challenges or concerns they have on our performance and strategy, including in relation to our Environmental, Social and Governance (ESG) agenda</p>
How we engage as a business	<ul style="list-style-type: none"> – Led by the CEO and Deputy CEO and CFO, one-to-one and group calls and meetings, presentations (including after the preliminary and interim results) – The Chair and other Board members also engage with our shareholders on other matters, such as ESG topics – CFO calls with lender groups on quarterly basis – Consultation as part of the Rights Issue and debt amendment process
How we engage at a Board level	<ul style="list-style-type: none"> – Updates on shareholder and lender activity from the Executive Directors and members of the Group Executive Committee – Consultation on relevant issues, for example the revised Remuneration Policy and new share plan – Investor meetings and presentations – Direct calls in response to specific queries – Roadshows post financial results and Rights Issue launch – Receipt of shareholder analysis report
Key actions and outcomes in FY21	<ul style="list-style-type: none"> – All resolutions passed at AGM, including support for new Remuneration Policy and new share plan – Successfully raised £475m through a Rights Issue – Agreed covenant waivers and extensions to debt facilities to ensure a strong balance sheet
More information	<ul style="list-style-type: none"> – Corporate Governance Report – Page 83 and 91 – Key Board Activities – Page 94 – Remuneration Report – Pages 108-110 and 123



Brand partners

Who they are	The people who trust us to operate their brands under franchise in the travel locations we serve
What value we create for them	<ul style="list-style-type: none"> – Presence in high profile travel locations, thereby increasing brand awareness – Ability to 'travelise' high street brands – Franchise fees
Why we engage	<p>Within our broad portfolio, it's important that we can deliver local, national and international brands that our customers and clients want and expect</p> <p>We work with our partners to optimise the brand offer both for the travel environment and to ensure its alignment with our quality, performance and sustainability standards</p>
How we engage as a business	<ul style="list-style-type: none"> – Regular communication at Group and local levels to foster effective partnerships with brands – Negotiation and extension of key brand agreements ensuring contract terms are suited to the travel sector – Relationships at an international level managed by dedicated Head of Brand Portfolio
How we engage at a Board level	<ul style="list-style-type: none"> – The Board receives updates on brand partners from the Executive Directors and Group Executive Committee (including as part of the regular CEO update) – The Board is kept informed of key changes to brand partner relationships
Key actions and outcomes in FY21	<ul style="list-style-type: none"> – Ongoing dialogue with our brand partners to simplify supply chain and agree changes to operating standards, including agreement to sell reduced ranges in line with lower passenger levels – Reduced franchise fees agreed – Renewal and extension of key brand agreements
More information	<ul style="list-style-type: none"> – Our brands – Inside cover – Our strategy – Pages 20-25



Suppliers

Who they are	Our trusted partners who supply and deliver products and services
What value we create for them	<ul style="list-style-type: none"> – As well as providing volume, we collaborate on new product development and consumer insights, provide forecasts to aid planning and production
Why we engage	<p>Maintaining regular communication with our suppliers is key to a successful operation, particularly in terms of ensuring product availability and understanding consumer trends. We communicate our supply chain and food safety standards and policies</p> <p>In addition, we share our strategic agenda on areas such as our values and sustainability</p>
How we engage as a business	<ul style="list-style-type: none"> – We undertake regular communications with our suppliers from scheduled meetings to annual conferences which relate to performance reviews as well as sharing industry insights, trends and strategy
How we engage at a Board level	<ul style="list-style-type: none"> – The Board receives updates on suppliers from the Executive Directors and Group Executive Committee (including as part of the regular CEO update) – The Board is kept informed of key changes to supplier relationships, supply chain logistics and opportunities for value creation in the supply chain – Modern slavery compliance process is signed off by the Board
Key actions and outcomes in FY21	<ul style="list-style-type: none"> – Our key focus during the pandemic has been to reinforce our supplier relationships – We have extended a number of strategic agreements and worked very closely with our suppliers by adapting to the challenges in relation to raw materials and labour shortages that we have all faced
More information	<ul style="list-style-type: none"> – Embedding sustainability – Pages 28-41



Communities

Who they are The people who live in the areas where we operate

What value we create for them

- Fundraising activities throughout the year
- Food to those in need
- Local job opportunities

Why we engage Many of those in our communities are our customers and our colleagues. Engagement is part of being a good employer and a responsible business

How we engage as a business

- Charity partnerships
- Programmes to get disadvantaged people into work
- Food and drink donations
- Financial donations, fundraising and volunteering time

How we engage at a Board level

- Continued development of our sustainability strategy, including setting of targets
- Bi-annual sustainability update – which covers the Group's activities with its communities and environment
- Updates through the Group and Regional CEOs
- Updates on the work of the SSP Foundation

Key actions and outcomes in FY21

- Support for charity partners through fundraising and cause related marketing
- Continued donations of unsold products to those in need, through charitable and other organisations

More information – Embedding Sustainability – Pages 28-41



NGOs

Who they are Non-governmental organisations who provide expert guidance on key areas of our sustainability strategy

What value we create for them

- Sustainability considerations embedded across the business

Why we engage Understanding NGO expectations has contributed to positive progress against key areas, such as animal welfare, carbon emissions and food waste

We take their views into account when reviewing our sustainability strategy and identifying commitments and KPIs

How we engage as a business

- Informal and formal correspondence
- Meetings

How we engage at a Board level

- The Board receives updates on our sustainability strategy, performance and how we respond to issues of importance to stakeholders including NGOs

Key actions and outcomes in FY21

- Continued development of our sustainability strategy, including setting of targets
- Additional resource for sustainability engaged

More information – Embedding Sustainability – Pages 28-41



Government and regulators

Who they are The national, regional and local governments and agencies which set the laws and policies governing our business

What value we create for them

- Contribution to local economies through job creation and taxes

Why we engage

To share our position on policy areas which have the greatest impact on our business

To better understand their priorities

How we engage as a business

- Meetings, consultation submissions
- Review process with HM Treasury and Bank of England for the UK Covid Corporate Financing Facility
- Engagement as part of Rights Issue process
- Submission of diversity and other data to government reviews

How we engage at a Board level

- Updates by the General Counsel and other specialists along with external advisors on the activities of government bodies and regulators
- Regular corporate governance updates are provided to the Board
- Board members engage directly, as requested

Key actions and outcomes in FY21

- Continued furlough support secured throughout the year as well as access to other government schemes and tax subsidies
- Successful access to government-backed Covid funding throughout term of facility





Our People

Our business is a people business and our diverse teams are at the heart of everything we do, serving our customers across six continents and 36 countries in over 50 languages and local dialects. At year end, we employed c. 23,000 colleagues across the world, of whom 86% were team members or supervisors, 8% were Operations Management and 6% were Head Office colleagues. They are all unified by their passion for giving our customers a great experience whilst they are on the move.

At SSP, we aspire to be a great place to work, where everyone feels valued and supported to fulfil their potential. During the past year our priority focus has been to keep our colleagues and customers safe, protecting our operations and preparing for a return to growth.

Given many of our colleagues were on furlough or working remotely, we increased the frequency of our communications both locally and globally to ensure our colleagues felt connected and informed about the changing conditions brought about by Covid-19. Given the importance of staying connected, we also launched for the first time, our new Global Engagement Survey to add another channel for our local and regional teams to listen, learn then act on our colleagues' feedback. We were delighted with a 72% response rate and, following listening groups with about 10% of our colleague population, we have turned the insight into Group-wide and local action plans. This survey process will be repeated in 2022. We also invested in 'modern workplace' technology to ensure that our business transitioned seamlessly to a virtual way of working whilst keeping individuals, teams and business units connected to the wider organisation. This will form a core part of our new ways of working well into the future, as we continue to roll out the technology through all levels of the organisation.



During 2021, we also took the opportunity to review and relaunch our People Strategy. Underpinned by our relaunched Company Values, we have established a new framework with a particular focus on four key areas:

SSP – A great place to work where everyone can fulfil their potential

1. Attraction & Retention	2. Inclusion & Engagement	3. Training & Development	4. Safety & Wellbeing
Attracting & retaining our talented team, inspiring and motivating them to deliver their best every day.	All colleagues feel proud, listened to, and involved. We have a diverse, inclusive culture where everyone is welcome that reflects the communities we operate in, and the customers we serve.	Everyone has the opportunity to develop their skills to do their job and fulfil their potential.	Colleagues feel safe and supported, with access to appropriate resources for their physical, mental and financial wellbeing.

Our values

As we have started to regrow the business, and reopen our units, it's vital that we attract the best talent to build on the great teams already in our business and make sure that we retain the passionate and skilled colleagues we already have by engaging them and giving them opportunities to develop their skills.



Attraction and retention

2021 priorities

- Made improvements to our pay and benefits offer in order to ensure we remain competitive and become an employer of choice
- Improving our induction, training, wellness and development plans

Future priorities

- Continue to keep pay and benefits for our team members under review
- Create clear career frameworks
- Improve our employer branding to attract future talent



Training and development

2021 priorities

- Continued roll-out of our Senior Leadership Programme, a bespoke training programme developed in partnership with Ashridge Hult Business School, for a further 103 senior colleagues across all markets
- Created new training programme for Line Managers – Leading in a changing world – which was piloted in the UK and Nordics before full Group-wide roll-out
- Updated induction programmes to welcome colleagues back from furlough

Future priorities

- New mentoring programme to be launched
- Development of career frameworks to make the progression journey more transparent for colleagues
- Improvements to succession planning process at senior management level



Inclusion and engagement

2021 priorities

- Ran a full company-wide engagement survey and developing follow up plans based on the feedback
- Improved colleague communications, including more frequent business updates and the launch of a Group SharePoint site
- Reviewed recognition schemes
- Reinforced our values

Future priorities

- Regular engagement surveys to ensure we make progress each year
- Yearly action plans to respond to survey outcomes
- Improving systems for collecting colleague data around diversity



Safety & wellbeing

2021 priorities

- Provided wellbeing tips and advice on where to go for help
- Supported furloughed colleagues' transition back to work
- Organised wellness events in all our markets – many which were virtual

Future priorities

- Development of a regular programme of wellness activities
- Delivery of wellness training for managers



Workforce engagement Q&A

Judy Vezmar was appointed as designated Non-Executive Director for Workforce Engagement (ENED) in February 2021, taking over from Per Utnegaard. In this critical role, Judy engages with a diverse spectrum of colleagues, allowing her to support the Board in their understanding of the views of our colleagues across the business.



“Our teams around the world exhibit an extraordinary commitment to the success of the business. They have great ideas, passion and first-hand experience.”

Q.

Why do you think the role of designated Non-Executive Director for Workforce Engagement is so important?

People are the core of our business. Our geographic spread means we have a vast, broad and deep diversity in our core base of colleagues. There is nothing more exciting than hearing directly from our people around the world; understanding, at all levels of the organisation, how they feel and what they think. The role of ENED is an important position on our Board and I feel very proud to carry the responsibility of being a conduit for this additional level of communication directly between colleagues in the organisation and the Board of Directors.

Q.

How do the views of colleagues contribute to the long-term success of SSP?

Our teams around the world exhibit an extraordinary commitment to the success of the business. They have great ideas, passion and first-hand experiences. What better way is there to understand what's working, what needs improvement, and what we should celebrate more, than by engaging with our colleagues directly?

Q.

How do you support the Board in understanding the views of the workforce?

We have a formal process with scheduled time to update the Board on the engagement activities carried out; to share learnings and feedback received. I also share colleagues' perspectives which always strengthens the business' decision-making process.

Q.

What activities have you undertaken since taking over your role to engage with the workforce?

In the role of ENED, I have attended virtual meetings with the executive leadership team in North America; participated in a module of the senior leadership training programme; I also joined one of the regional communication broadcasts which was attended by over 150 colleagues from the UK, Ireland and the Netherlands. I was able to virtually participate in a meeting of our European workers council which gave a great perspective across multiple countries. As the restrictions surrounding Covid began to lift I had the opportunity to visit two major airports in the United States with the CEO of SSP America. Those engagements were particularly inspiring having the opportunity to engage with over 100 colleagues and understand first-hand what is happening on the front line.

Q.

What are you most looking forward to in the year ahead?

I am looking forward to more face-to-face engagements around the world with the easing of restrictions due to Covid. These in-person interactions spark great ideas! I'm also looking forward to our organisation building upon the learnings from the Workforce Engagement survey and seeing that thread connect back to what is happening at all levels around the world.

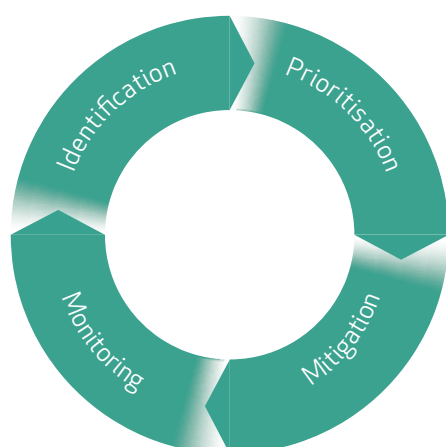
Non-financial information statement

In accordance with the requirements of section 414CB of the Companies Act 2006, the below table sets out where stakeholders can find information relating to non-financial matters. Further information on some of these areas can be found on our website (<https://www.foodtravelexperts.com/international/>). Due diligence processes implemented for each policy are contained within each respective policy's documentation.

	Some of SSP's relevant policies	Principal risks relating to these matters (pages 57 to 67)	Where to find out more about SSP's approach to these matters	
Environmental matters (including the impact of the Company's business on the environment)	<ul style="list-style-type: none"> Environmental Policy Supplier Code of Conduct and Human Rights Policy Responsible Sourcing Policy Farm Animal Welfare Policy Whistleblowing Policy 	2. Business environment and geopolitical uncertainty 10. Sustainability 12. Benefits realisation from efficiency programmes	Chair's statement – Sustainability	See page 11
			Embedding Sustainability – Serving our customers responsibly	See pages 38-39
			Embedding Sustainability – Protecting our environment	See pages 40-41
			Creating Sustainable Value	See pages 42-47
			Risk Management and Principal Risks	See pages 52-67
			Key Board activities	See page 94
Employees	<ul style="list-style-type: none"> Colleague Code of Conduct Diversity and Inclusion Policy Global Safety Standards Whistleblowing Policy 	3. Availability of labour and wage inflation 6. Senior management capability and retention	A stronger, better business; our colleagues	See page 4
			Chair's statement – People and Culture	See page 10
			Our business model	See pages 18-19
			Embedding Sustainability – Supporting and protecting our colleagues and communities	See pages 33-37
			Creating Sustainable Value – Colleagues	See page 42
			Our People, Workforce Engagement Q&A	See pages 48-50
			Risk Management and Principal Risks	See pages 52-67
			Corporate Governance Report	See pages 83,91
			Key Board activities	See page 95
Social matters	<ul style="list-style-type: none"> Community Engagement Policy 	7. Retention of existing client relationships 6. Senior management capability and retention 8. Regulatory Compliance 9. Food safety and product compliance 15. Changing client behaviours	Chair's statement – Sustainability	See page 11
			Creating Sustainable Value	See page 46
			Embedding Sustainability – Supporting and protecting our colleagues and communities	See pages 36-37
			Embedding Sustainability – Serving our customers responsibly	See pages 38-39
			Risk Management and Principal Risks	See pages 52-67
Respect for human rights	<ul style="list-style-type: none"> Diversity and Inclusion Policy Supplier Code of Conduct and Human Rights Policy Modern Slavery Statement Whistleblowing Policy 	8. Regulatory Compliance 3. Availability of labour and wage inflation	Embedding Sustainability – Supporting and protecting our colleagues and communities	See pages 33-37
			Creating Sustainable Value – Colleagues	See page 42
			Our People	See pages 48-49
			Risk Management and Principal Risks	See pages 52-67
			Key Board activities	See page 95
			Nomination Committee Report	See page 97
Anti-corruption and anti-bribery and prevention of facilitation of tax evasion matters	<ul style="list-style-type: none"> Code of Conduct Anti-Bribery and Anti-Corruption Policy Whistleblowing Policy Prevention of facilitation of Tax Evasion Policy 	8. Regulatory Compliance	Risk Management and Principal Risks	See pages 52-67
			Corporate Governance Report: Purpose and culture	See page 91
			Audit Committee Report – Overview of the year	See pages 102-107
Business model			Our Business Model	See pages 18-19
			Our Strategy	See pages 20-21
			Key Performance Indicators	See pages 26-27
			Risk Management and Principal Risks	See pages 52-67
Non-financial KPIs		2. Business environment and geopolitical uncertainty 3. Availability of labour and wage inflation 5. Supply chain disruption and product cost inflation 9. Food safety and product compliance	Key Performance Indicators	See page 27
			Embedding Sustainability	See pages 28-41
			Risk Management and Principal Risks	See pages 52-67

Overview

The Group's risk management framework is designed to ensure that material risks throughout the business are identified, analysed and effectively managed on an ongoing basis, through a series of processes designed to monitor, manage and ultimately mitigate risks. As explained in this section of the Annual Report, risk management is embedded within the business as a key part of operating the business effectively.



Approach

Identification

- Review the prior year risks to determine whether these are still valid and whether any emerging risks should be considered.
- Consider major changes and initiatives.
- Consider processes that are complex, changing, new or have historical issues.

Monitoring

Develop an action plan for any medium or high rated risks without appropriate mitigating activities. This includes:

- What action will be taken?
- Who is responsible for this?
- When will the new activity be implemented?

Prioritisation

Prioritise risks based on impact and likelihood:

- Impact: If the risk arises, what is the impact on the achievement of the country, region and Group's objectives and financial targets?
- Likelihood: What is the likelihood that the specific risk will occur?

Mitigation

Country management identify current mitigation activities for operational risks:

- What activity is undertaken and is this managing the risk?
- Who performs the activity and is this the right person to undertake this activity?
- When is this undertaken and is the frequency appropriate to manage the risk?

Strategic Risks

Interviews are held with Executive Committee Directors (and teams) to update the Strategic Risk Register.

Operational Risks

Operational Risk Registers are updated by Regional / Country Management.

Risk Management Framework

An overview of our governance structure is set out on page 56 and in accordance with the Corporate Governance Code, the Board (supported by the Audit Committee) has overall responsibility for the Group's internal control framework and reviewing its effectiveness.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant and emerging risks faced by the Group. Part of this process is the Board reviews of the effectiveness of the Group's risk management and internal controls systems. These reviews include an assessment of internal controls, in particular operational and compliance controls and are supported by reports from the internal auditor as well as the external auditor on matters identified in the course of their statutory audit work. Following its review of the internal controls and risk management system, the Board agreed that they remained effective and that the Board and executive team would continue to look at how reporting could be further improved to assist with the review process going forward (see page 101 for more details).

During the year, the Group has continued efforts to develop and embed internal control and risk management further into the operations of the business and to deal with any areas of improvement which come to management's and the Board's attention. Notwithstanding this, there have been no changes to the Group's internal controls over financial reporting that occurred during the year ended 30 September 2021 that have materially affected, or are reasonably likely to materially affect, the Group's reported financial position.

In addition to the detail set out on page 56, key features of the risk management and internal control processes are as follows:

- The Group conducts an annual Risk Assessment to identify principal risks and local management teams maintain country and regional risk registers. The regional/country registers cover the assessment of risks (including social, environmental, and governance matters), any major changes in risks or new initiatives, and any current as well as future mitigation activities are discussed by the Executive Committee. The Group maintains a top down consolidated risk register which covers risks to the overall Group. Risks are evaluated in respect of their potential impact and likelihood, and key risks are highlighted to the Risk Committee and the Audit Committee.
- An annual risk management action plan is put in place to further enhance the Group's risk management capability;
- The regional and country management teams are responsible for implementing internal control and risk management practices within their own businesses and for ensuring compliance with the Group's policies and procedures on an ongoing basis;
- A key part of the Group's mitigation processes is its various risk management policies which are rolled out across the Group and are supported by training tailored to different levels of the Group. These policies include a Colleague Code of Conduct, a Whistleblowing Policy, an Anti-Bribery and Anti-Corruption Policy, a Prevention of the Facilitation of Tax Evasion Policy, a GDPR Compliance Policy, Modern Slavery Policy, Group Authorisation Policies and various IT security policies, as well as training thereof, all of which are refreshed as appropriate. Training has been provided to the Board and the senior management, which covers the obligations and behaviours of a UK-listed company, including those relating to compliance, insider trading and market abuse;
- The Risk Committee receives regular reporting on topics covered by the policies noted above including compliance reports and updates on training uptake.

- The Audit Committee periodically reviews the Group's policies and procedures for preventing and detecting fraud, its systems, controls and policies for preventing bribery (including due diligence on new partners) and for preventing the facilitation of tax evasion, its code of corporate conduct and business ethics and its policies for ensuring that the Group complies with relevant regulatory and legal requirements. The Audit Committee (and Board, as applicable) receives updates on bribery and fraud trends and activity in the business, if any, with individual updates being given to the Audit Committee as needed.
- The Group's Whistleblowing Policy provides a framework to encourage and give all individuals working at all levels of the Group, including employees, consultants and contractors, confidence to 'blow the whistle' and report irregularities. Individuals are encouraged to raise concerns with designated persons and/or through the Country Whistleblowing Officer or confidential Group Helpline. The Board (in conjunction with the Audit Committee) monitors this policy and reviews the matters reported and the outcome of any investigations.
- The management of risk and compliance with associated policies is considered as part of the Group's performance management systems; and
- Our sustainability framework helps us to consider how our key areas of non-financial performance sit alongside our financial performance and objectives and help us to drive and deliver long-term value. It also ensures that the Board and the business considers risk from both a financial and non-financial perspective. For example, during the year, the increased focus on the sustainability of our performance has led the business and Board to consider the risks to long and short term value and opportunities related to promoting an engaged and diverse workforce; the future continuity and sustainability of the goods which we purchase and the extent of investment in lower carbon equipment to help reduce our future footprint. We believe our continued consideration of environmental, social and governance aspects of our business when reviewing risks faced by the Group will help us develop a more sustainable strategy that delivers more rounded success and value creation. Further information regarding environmental, social and governance matters is available on pages 28 to 41.

Approach to risk management following the onset of Covid-19

The impact of Covid-19 has been significant on SSP and has been detailed in last year's Annual Report and Accounts as well as various sections of this year's Strategic Report. As such, the narrative below should be read in conjunction with other sections of the Strategic Report to provide a better understanding of the risks and our response to Covid-19.

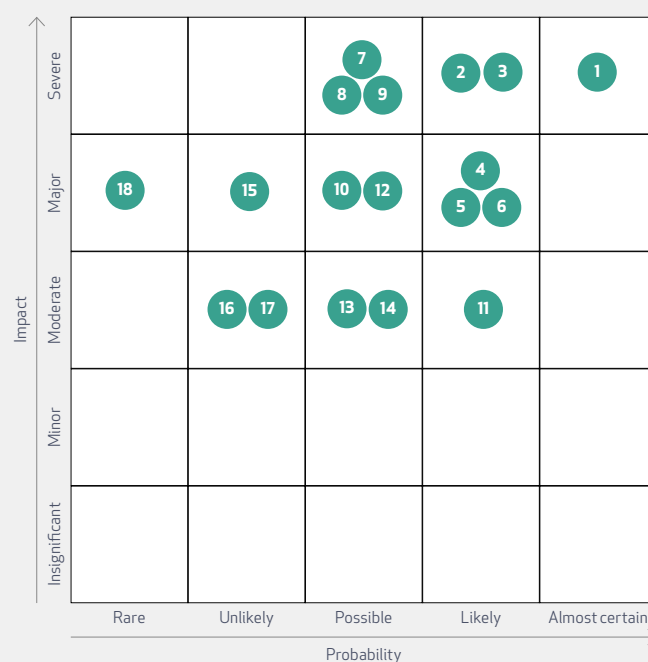
In terms of risk management, as it became clear in the last year that Covid-19 would become a global pandemic and would have a severe impact on all our regions, the Group's management took decisive action to protect its staff and customers as well as the long-term viability and survival of the business. As part of our initial response, we implemented various processes to ensure the health and wellbeing of our colleagues, customers and other stakeholders as well as to effectively manage liquidity and cash pressures. Over the last year, as the impact of Covid-19 has continued to impact the business, we have built on those early processes and developed them to better manage the longer-term impacts on the business.

Principal Risks

The table on pages 57 to 67 summarises the principal risks and uncertainties to which the Group is exposed, and the actions taken to mitigate them. Risks are identified as 'principal' based on the likelihood of occurrence and the potential impact on the Group. Those with higher probability and greater impact on strategy, reputation, operations and financial performance receive the highest risk rating. The principal risks are listed in order of priority. These have been reviewed and agreed with the Board.

Three new risks relating to sustainability, availability of labour and wage inflation, and supply chain disruption and product cost inflation have been added to the principal risks since last year. The labour laws and unionisation risk has been merged with and discussed as a part of the availability of labour and wage inflation risk.

In addition to the principal risks outlined on pages 57 to 67, each local business maintains a register of operational risks which are monitored and reviewed internally throughout the year.



Risks

1. Impact of Covid-19
2. Business environment and geopolitical uncertainty
3. Availability of labour and wage inflation
4. Impact of Brexit
5. Supply chain disruption and product cost inflation
6. Senior management capability and retention
7. Retention of existing contracts
8. Regulatory Compliance
9. Food safety and product compliance
10. Sustainability
11. Information security and stability
12. Benefits realisation from efficiency programmes
13. Innovation and development of brand portfolio
14. Liquidity and funding
15. Changing client behaviours
16. Outsourcing programmes
17. Tax compliance and responsibility
18. Expansion into new markets

Link to strategic priorities

Principal risks are identified, assessed and discussed in relation to their linkage with our strategic priorities set out below:

1. Like-for-like revenue growth.
2. Business development.
3. Efficient operations.
4. Re-investment.
5. Balance sheet resilience.

Emerging risks

SSP defines emerging risks as those whose timing and impact are not entirely certain for the Group. We have well established processes for identifying and monitoring emerging risks through horizon scanning and our embedded risk management framework, both at Group and regional levels.

At a regional level, a bottom-up approach is adopted whereby incidents and trends are monitored within the business and discussed at the regional Risk Committee and Executive Committee. Depending on the perceived impact and probability of the risks, these are escalated to the CEO and CFO through weekly trading updates and subsequently the Group Executive and Risk Committees, where appropriate. Regional management closely monitors these risks and periodically provide an update to the Group management.

At a Group level, a top-down approach is adopted through the annual risk assessment exercise where emerging risks are discussed with senior regional management (CEOs and CFOs) and Group management (Finance, HR, Procurement and Legal department heads). Identified risks are reviewed and approved by the Group Executive Committee, before being submitted to the Audit Committee and the Board.

Evolution of the pandemic and the impact of new variants continues to be our most significant near-term emerging risk. With the recent emergence of the Omicron variant, there is a chance of further lockdowns and/or travel restrictions. It is also unclear whether vaccines will continue to be effective against future variants of the virus. As detailed in the viability report, the Group has significant liquidity to see through the adverse impact even in a very pessimistic scenario. Other mitigating actions such as the deferral of capital expenditure continue to be viable options to safeguard the financial health of the business.

ESG has been identified as one of our most significant medium-term emerging risks. It has various aspects but primarily relates to the failure to adequately consider and respond to the physical and transition risks associated with climate change, including the impact on our units such as damage or closure, disruption to our supply chain, increased food security challenges and increased pressure of compliance with regulatory requirements. We engage extensively with our stakeholders on ESG related matters, for more information see pages 42 to 47. In addition, refer to pages 28 to 41 for more information on progress on our Embedding Sustainability programme.

From a long-term perspective, there may be structural changes to the travel sector driven by consumer behaviour e.g. aversion to air travel due to its impact on the environment, increased remote working, greater road travel as adoption of electric vehicles increases. These also present opportunities for the Group, which if not capitalised on, will have a severe adverse impact on the business.

Other emerging risks that the Group continues to monitor include digitisation of tax reporting, availability of labour in our key markets like UK and the US and political and other regulatory change. As above, all of these risks are monitored and discussed at senior management level to consider appropriate mitigations.

Recommendations of the Task Force on Climate-related Financial Disclosures

We welcome and are committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are continuing to integrate them into our practices and reporting. An overview of action over the last year, aligned with the four recommendation areas is below.

Governance

We have a number of governance mechanisms in place for sustainability, including in relation to climate change:

- **Board:** Responsible for challenging and tracking our approach including considering sustainability and ESG risk. The Board receives updates on sustainability at least twice a year. They have had more regular updates this year, as we have refined our approach. They have approved our sustainability framework and targets (including as relates to climate-related matters) and will continue to receive periodic updates on progress.
- **Group Executive Committee:** Responsible for setting, driving and monitoring our sustainability direction. The Group Executive has sustainability as a regular agenda item and has shaped the development of our new sustainability framework. We will continue to discuss progress with the Group Executive Committee using a market-level performance dashboard. One of the measures in performance underpins for the restricted share plan relates to the development of our sustainability approach.
- **Risk Committee:** Current and emerging sustainability and ESG risk is considered as part of the business risk process. Sustainability is a regular item on the Risk Committee's agenda and this year had a briefing on TCFD and approved our intended plan to further develop and embed our aligned approach to implementing the TCFD recommendations.
- **Group Chief Executive Officer:** Takes overall accountability for sustainability.
- **Corporate Affairs Director:** Leads our sustainability programme day-to-day. This includes developing and implementing our response to the TCFD recommendations.
- **Divisional CEOs:** Responsible for developing and implementing plans in their market across the breadth of topics we cover. They are responsible for developing roadmaps to achieve our targets (including under TCFD) and presenting these and updates on progress at Group Executive Committee meetings.
- **Issue Owners:** Each of the issues within our sustainability framework is assigned an owner who sits on our Group Executive Committee. For example, the Protecting our Planet priority sits with our Group Chief Procurement Officer. We have also identified an issue owner for TCFD, who will head the compliance project and be responsible for reporting to Risk Committee and the Audit Committee.
- **Sustainability team:** Over the year we have expanded our central sustainability resource to continue to develop and progress our approach. They help provide technical support (particularly on the TCFD plan) and engage key stakeholders on sustainability issues to help drive forward our progress throughout the year.

Strategy

We are in the process of developing our strategy on climate change. This consists of two elements.

The first element includes working with a specialist third party to undertake climate change scenario analysis. We will consider at least two future scenarios. This will help us to understand the potential risks and opportunities posed to our business, their possible scale, and to embed the implications of climate change into our business strategy across our short, medium and long-term time horizons. Some of the risks and opportunities we have already begun to, and will continue to, consider include:

- Responding to the shift in consumer preference to more vegetarian and plant-based (lower carbon intensity) diets through increasing our menu offer of products in these areas
- Taking account of increased food security challenges, where we are targeting the sustainable sourcing of some of our key ingredients
- Capitalising on resource and energy efficiency opportunities in our units through efficiency investments

Additional areas we will consider may include the physical impact on our units (through damage/closure), disruption to our supply chains, introduction of additional legal requirements, and access to new markets. Through the scenario analysis we will consider the implications on our business and how we need to respond to these risks and opportunities.

The second element is working with another specialist third party to develop an action plan to reduce our greenhouse gas emissions across all scopes. This will form a key part of our response to tackling climate change and help us to accurately measure our progress against timebound commitments in line with good practice.

Risk management

Climate change risk is included as part of our annual risk process (as described on pages 52 to 53, and forms part of our wider assessment of sustainability risk. We will continue to build the breadth and depth of our analysis of climate change risk over the coming years, both in aggregate at a Group level and within each of our markets.

This year we expanded the detail of sustainability risk assessed and developed our accompanying sustainability framework in response to the risks and opportunities presented. We will continue to stay abreast of risks and opportunities through engagement with key stakeholders, research, collaboration and benchmarks and adapt our approach accordingly. This will include integration of scenario analysis findings in future years.

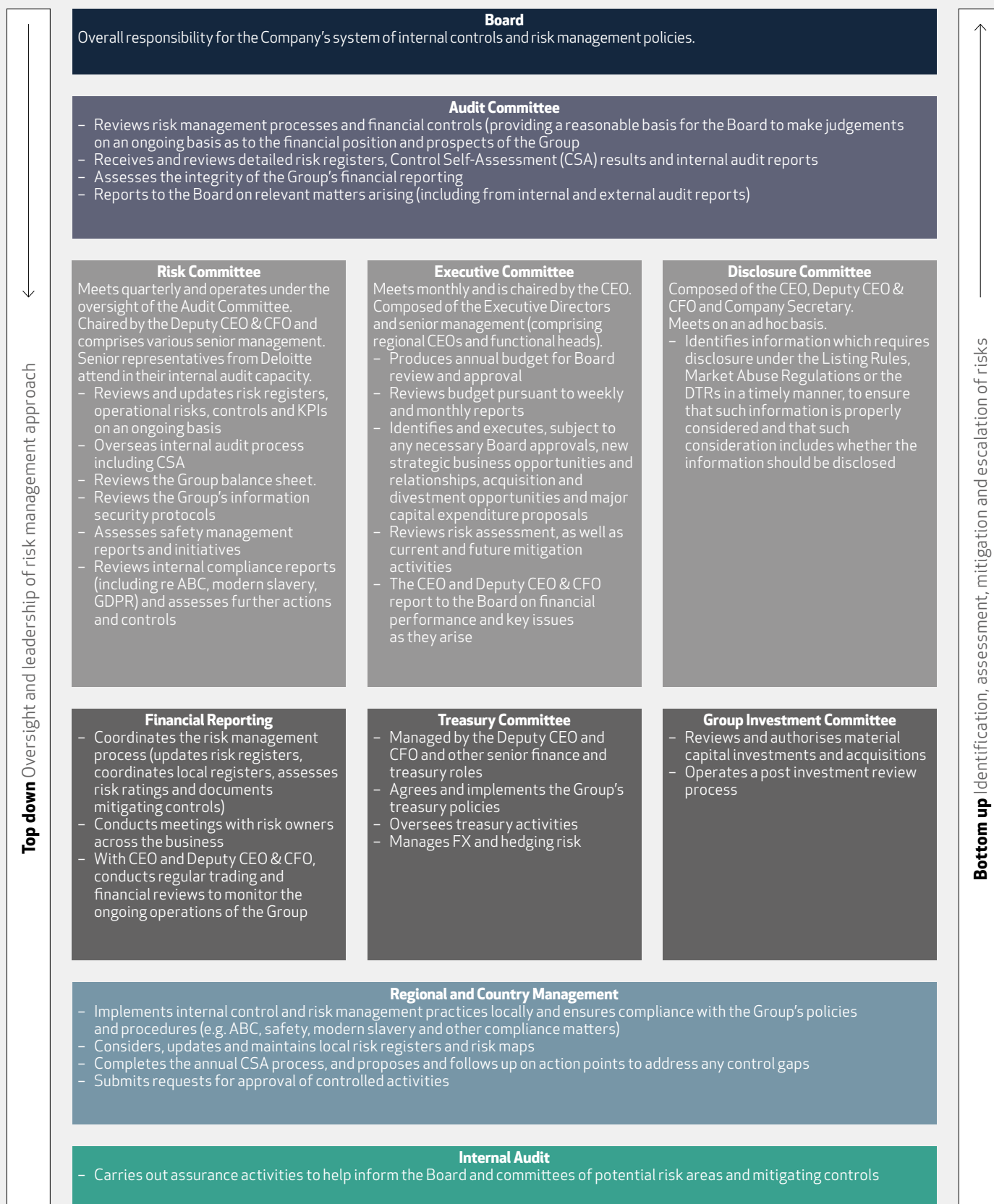
Metrics and targets

Within our sustainability pages we currently report our Scope 1 and 2 footprint in line with Streamlined Energy and Reporting requirements and the Greenhouse Gas Reporting Protocol – Corporate Standard (2015 revised edition).

We are working to improve the accuracy of our current Scope 1 and 2 reporting, calculate our Scope 3 footprint, set science-based targets and develop associated action plans with a specialist third party.

We have signed the Science Based Targets initiative Business Ambition for 1.5°C Commitment Letter. We are aligning our climate mitigation targets with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature: to reach net-zero global emissions and limit global warming to 1.5°C. We have committed to reach net zero across our Scope 1, 2 and 3 emissions by 2040 to demonstrate our commitment and appreciation of the urgency to decarbonise. The development of detailed measurement and plans will help us define what we need to do to get there.

The Group's risk management framework



Risk priority:

1. Impact of Covid-19

Executive responsibility for this risk:

Group CEO, Deputy CEO and CFO, Regional CEOs

Link to strategy

1, 3, 4

Trend**Risk description**

The pandemic has continued to have a severe effect on the travel sector, with closures due to lockdowns in most of SSP's markets in the first half of the year and a slow recovery in the second half. There is a risk of further lockdowns and restrictions due to mutations of the virus, further stalling the recovery in our markets, as was seen with the Delta variant (including the Omicron variant) in the current financial year.

Covid-19 may result in long-term structural changes to the industry and consumer behaviour. In the Air sector most industry analysts expect that there will not be a recovery to pre-Covid levels of activity until 2023 or 2024. The principal reasons for this will be a potential loss of business travel, as companies look to restrict travelling and promote video-conferencing, and a reduction in long haul travel, as a consequence of airline capacity reductions and safety concerns. In the Rail sector, passenger numbers may be impacted longer term as a consequence of the accelerated trend towards working from home, thereby reducing commuter travel which is important for SSP's rail operations. These structural changes mean that passenger volumes may not return to pre-Covid levels, potentially impacting our sales potential and profitability, given the fixed operational cost base.

Similarly, pressure from clients to pay fixed minimum guaranteed rents (MAGs) and open more outlets, despite low passenger numbers, increases the risk that units will not operate profitably.

There is also the risk that in the case of further outbreaks of the virus, government support such as furlough schemes may not be available.

Outlet reopenings have been impacted by shortage of operational staff in certain locations. There is a risk that due to the severe impact of the pandemic on the food travel sector, staff may change industry and the shortages become a long-term trend.

See pages 16 to 17 for our view on the likely recovery of the travel market.

Mitigating factors

The Group has implemented short-term cost reductions and a significant restructuring programme to reduce the cost base, while also improving short-term liquidity by the use of government support schemes, a reduction in capital expenditure and negotiating rent reliefs with its clients. A reduction in product range has also further reduced supply chain complexity and costs. Following the Rights Issue in April 2021, SSP is now well placed to fund the recovery phase. For more information on the Rights Issue see pages 68 to 69 and 151.

Long-standing client relationships have enabled our local teams to successfully renegotiate rents and reopening programmes.

In the medium term, SSP's product offer will reflect the changing passenger mix, in particular the shift towards leisure from business travel.

The Group CEO and CFO continue to carry out focused weekly trading reviews with country management teams, who now use rolling forecasts in place of quarterly forecasts to enable the Group to react to changes as they occur.

Group HR has led a comprehensive review of government guidelines on health and safety and social distancing procedures to ensure customer and employee safety can be ensured as offices and units start to reopen.

Risk priority:

2. Business environment and geopolitical uncertainty

Executive responsibility for this risk:

Group CEO, Deputy CEO and CFO, Regional CEOs

Link to strategy

1, 2

Trend



Risk description

The Group operates in the travel environment where external factors such as the general economic and geopolitical climate, levels of disposable income, changing demographics and travel patterns could all impact both passenger numbers and consumer spending. There is a risk that the Group is unable, or poorly placed, to respond to these external events.

The travel environment is vulnerable to acts of terrorism or war, further outbreaks of pandemic disease, or a major and extreme weather event or natural disaster which could reduce the number of passengers in travel locations. Whilst terrorism continues to be a prominent risk, no significant attacks have taken place in the current year, although the events in Afghanistan have increased risk in the region.

Tourism and business travel were materially impacted by Covid-19 resulting in a direct business impact due to the downturn in the global economy. However, the recovery in the overall global economy has been robust in the fourth quarter in most of our major markets, approaching pre-pandemic levels. There is a risk that this may be impacted by future Covid-19 variants including Omicron.

Furthermore, Covid-19 has exacerbated risk to airline stability, which had previously been increasing, e.g. the failure of Jet Airways.

In the medium to longer term, public concern over climate change may impact air travel, either directly or through government policies.

Mitigating factors

The Group monitors the performance of individual business units and markets regularly. The Executive Directors review detailed weekly and monthly performance, covering a range of KPIs, and monitor progress on key strategic projects with local senior management. Specific short- and medium-term actions are taken to address any trading performance issues which are monitored on an ongoing basis.

There continues to be greater focus on business continuity planning and recovery. The Business Continuity plan was tested during this current crisis, with staff working from home, and has proved to be effective. The Group has been conducting research to understand changing requirements of customers in light of the pandemic to better tailor our offer to their needs.

On climate change, we are developing our response to the TCFD requirements.

For further information see pages 54 to 57. In addition, see Our Strategy on pages 20 to 25 and Creating Sustainable Value on pages 42 to 47.

Risk priority:

3. Availability of labour and wage inflation

Executive responsibility for this risk:

Regional CEOs, Group Chief People Officer

Link to strategy

3, 4

Trend

New risk

Risk description

Covid-19 has had a near-term impact on the hospitality sector resulting in frontline staff and skilled labour shortages across the Group. This is a result of the shift in the workforce to other sectors (e.g. online or service centre operations). In addition, government support during the pandemic has reduced participation in the workforce (e.g. in the US). This has resulted in high wage inflation adversely impacting margins as well as causing delays to the store reopening programme. There is also a risk that SSP will be unable to recruit sufficient resources to support planned growth in a timely manner.

Mass migration and population movements in both the UK (Brexit) and the US (immigration policy) continue to contribute to these supply shortages. There is also a trend towards greater demands by unions for additional employee protections (e.g. payments during mandatory quarantine, increased healthcare payments) adding to inflationary pressures.

Mitigating factors

Group HR continues to support the development of mitigating strategies for labour cost inflation across the Group. Various incentives are being offered to retain existing frontline staff.

Each business area is closely monitoring their markets by location to ensure SSP remains competitive, in terms of pay and benefits, and continues to attract talent. Group HR is working with the business to ensure we take either defensive or proactive steps to ensure business continuity.

See pages 33 to 37 and 48 to 49 for details of our relaunched People Strategy as well as details of engagement with our colleagues.

Risk priority:

4. Impact of Brexit

Executive responsibility for this risk:

Group CEO, UK & Ireland CEO

Link to strategy

1, 3

Trend**Risk description**

Brexit has had an adverse impact on the wider economic environment in the UK and across the EU, resulting in weaker consumer spending in the travel food and beverage market.

Restrictions on mobility of EU nationals post-Brexit has impacted SSP's labour force in the UK. The challenges in recruiting skilled kitchen labour and catering staff have continued over the prior year and may do so over the medium term.

Mitigating factors

Various gross margin initiatives, including recipe re-engineering and procurement rationalisation, continue to be pursued, to mitigate the impact of cost inflation.

The Group's pricing and range initiatives are driven by continuous monitoring of consumer spending benchmarks.

The Group continues to develop its UK recruitment strategy to ensure SSP is positioned as an attractive employer in the UK during the store reopening programme. There is also an ongoing focus on labour flexibility and productivity to improve staff retention rates. An increased focus on technology initiatives during the Covid-19 recovery stage will help reduce demand for labour as units open.

The Group Treasury team maintains a global portfolio and regularly monitors the impact of foreign exchange fluctuations on its cash flows, mitigating the impact from foreign exchange risk.

For more information, see Our Strategy on pages 20 to 25 and our People Strategy on pages 48 to 49.

Risk priority:

5. Supply chain disruption and product cost inflation

Executive responsibility for this risk:

Regional CEOs, Chief Procurement Officer

Link to strategy

3

Trend

New risk

Risk description

There has been a shortage of lorry delivery drivers in the UK, Europe and US causing supply disruption. Less frequent deliveries have had an adverse impact on efficiency and hence cost. Similarly, there is a risk that SSP can't meet increased supplier minimum order quantities while customer numbers remain depressed as a result of Covid-19.

Globally, demand has significantly exceeded supply capability for various products. Lack of availability has led to a decline in volume-based discounts and purchasing and marketing income. Similarly, a shortage of supply of IT equipment risks delaying implementation of various efficiency programmes such as Order at Table and replacement of electronic tills at units.

There also continues to be a risk of further product cost increases due to cost of social distancing in factories as well as a risk of supply chain disruption if manufacturers halt operations due to local Covid-19 outbreaks or insolvency.

Capital expenditure costs will increase as projects deferred during the height of Covid-19 to preserve cash start to resume, in many cases at higher costs give the current inflation in building costs. As a result, original returns on investment may no longer be achievable.

Mitigating factors

In response to the supply chain disruption and product cost inflation, there has been a reduction in product range to reduce supply chain complexity, and a programme to identify alternative suppliers where any issues are noted with existing suppliers.

For further details on our engagement with suppliers see page 45.

A Rights Issue was completed in April 2021 raising £475m of cash (£450.8m net proceeds). This has ensured that sufficient cash is available to finance any required capital expenditure. In addition, capital rationing and proactive negotiations are ongoing with clients to ensure that capital expenditure is staggered and can be deferred where possible.

Risk priority:

6. Senior management capability and retention

Executive responsibility for this risk:
Group Chief People Officer

Link to strategy
4

Trend
↑

Risk description

The performance of the Group depends on its ability to attract, motivate and retain key employees. Given the impact of Covid-19 and the increasing risk over staff retention, particularly for senior employees with transferable skills, insufficient senior capability risk continues to be high.

Additionally, there continues to be a risk that the Group may not have sufficient resources in various functions, including in legal, finance and IT, to meet the changing and complex needs of an international business as it adapts and recovers from the impact of Covid-19.

It may also be difficult to attract senior employees as the travel food sector will be considered riskier in the short to medium term.

Mitigating factors

The Remuneration Committee reviewed and revised remuneration packages (including through revised Bonus and LTIP schemes) for senior management with the aim of ensuring that the reward offer is designed to attract, retain and motivate the key personnel required to run the Group effectively. Similarly, Group HR continues to evaluate remuneration of senior staff (including retention measures) to ensure they remain motivated and fairly compensated. See pages 108 to 132 for more information.

The Group also continues to review key roles and succession plans at a country and at a Group level. The Group carries out an annual talent mapping exercise to identify candidates for future roles and continues to invest in additional resources to support change initiatives and career development programmes (including restarting its leadership training programmes).

For further details on the People Strategy see pages 48 to 49.

Risk priority:

7. Retention of existing contracts

Executive responsibility for this risk:
Regional CEOs

Link to strategy
1, 2

Trend
↓

Risk description

The Group's operations are dependent on the terms of airport and railway station concession agreements. Growth (and maintenance of market share) is dependent on the Group's ability to retain existing concession contracts and win new contracts from either new or existing clients.

As sales improve, it will become increasingly difficult to get rent relief from clients and negotiations may result in friction, especially for relief sought beyond the near term or where there are ongoing disputes. Unsuccessful rent relief negotiations may force the Group to exit units that are no longer viable or to operate at less profitable levels.

Moreover, as trading recovers from Covid-19 impact, there may be tensions over the timing of reinstatement of suspended capital expenditure programmes, given the ongoing pandemic and unit closures.

Resource reductions made in response to Covid-19 may result in reduced operational standards, impacting relationships with clients and franchise partners in the medium term.

Mitigating factors

The Group's local management structures in all its major geographies allow it to maintain strong relationships with its clients and to monitor performance in close partnership with its clients' management teams.

Furthermore, the Group has an established contact strategy with key clients to establish and/or maintain ongoing relationships. These are discussed between Group and local management on a regular basis.

Management has actively engaged with clients on a reopening programme to ensure that units can be reopened profitably.

Following the Rights Issue and improved liquidity at Group, there is a plan to recommence reinvestment in sites and to address deferred capital expenditure.

For further details on our strategic priorities (including business development) see pages 22 to 25 and for an update on our engagement with clients see page 44.

Risk priority:

8. Regulatory compliance

Executive responsibility for this risk:

Deputy CEO and CFO, General Counsel and Company Secretary, Regional CEOs

Link to strategy

1, 2

Trend**Risk description**

The Group's operations are subject to an increasingly wide range of evolving domestic and international legislation and standards, regulatory requirements, including as relates to ESG (including TCFD), fraud, anti-bribery and corruption and privacy (such as the General Data Protection Regulation (GDPR)) matters.

Failure to comply with, or failure to adapt to changes in, legislation, regulations and standards (including the evolving and increased environmental responsibilities) could expose the Group to increased compliance costs, liability to third parties, fines, penalties, reputational damage, or result in trading restrictions or disruption. Any of the above could have an adverse impact on the Group's performance, share price or continuation of business.

The Group anticipates an increased compliance and litigation risk as a result of Covid-19 and the resultant economic environment (including a reduction in resource), resulting in material settlements, fines, penalties and reputational harm.

Mitigating factors

The Group has a number of policies and operating procedures in place to ensure compliance with local laws and regulations and seeks specialist advice and additional resource where needed.

The Group operates mandatory compliance training programmes. These are supported by the Internal Audit process and include review of compliance with legislation and regulations and awareness of key policies and procedures.

There is regular reporting on compliance matters to the Risk Committee, with any alleged breaches of the Group's policies investigated.

Since the onset of Covid-19, the Group's legal and finance teams have continued to work with the operational teams to assess the risk of non-compliance with laws and contracts arising from the crisis and to advise on mitigating actions (including operational protocols to safeguard our various stakeholders).

GDPR compliance is determined and managed locally with oversight from a cross functional Group steering committee. The Group's Global Privacy programme operated under minimum controls during the year but has been bolstered by additional specialist resource who is tasked with developing our privacy controls.

Emerging compliance risk is continually monitored throughout the business, supported by the annual risk management assessment process. This process led to the appointment of additional resource to prepare a plan for TCFD compliance, managed by Risk Committee.

For further information on our activities regarding compliance see Embedding Sustainability (pages 28 to 41) and Corporate Governance Report (pages 82 to 95).

Risk priority:

9. Food safety and product compliance

Executive responsibility for this risk:

Regional CEOs, General Counsel and Company Secretary

Link to strategy

1, 2

Trend



Risk description

Food safety and integrity are vital for our business. The preparation of food and maintenance of the Group's supply chain require a base level of hygiene, temperature maintenance and traceability. Non-compliance with food safety laws or failure to effectively respond to a food safety incident, can expose the Group to significant reputational damage as well as possible food safety liability claims, financial penalties and other issues.

There is a risk that the UK business is not compliant with the new allergen laws ('Natasha's Law') introduced in October 2021, where foods pre-packaged for direct sale must be labelled with a full ingredients list with allergenic ingredients emphasised within it or upcoming calorie labelling laws. This could lead to fines or damage to reputation.

An increase in NGO activism and UK public awareness has seen increased pressure to reduce the use of plastics in the food and beverage (F&B) industry. Switching to non-plastic alternative materials could have significant cost impact on the business. There is also the risk of additional levies being imposed by the government on the use of plastic.

Mitigating factors

The Group has implemented a global safety management programme, setting minimum standards of health and safety, fire safety and food safety across all its operations and requiring periodic reporting of performance and incident statistics. The food safety standards include processes to monitor the supply chain and to manage allergens. All SSP country operations are required to report on all food safety incidents (including allergens) on a periodic basis to the Risk Committee (which reports to the Audit Committee as appropriate).

SSP UK & Ireland currently controls allergen management within the supply chain, supported by staff training and unit audits. All operational staff undertake mandatory onboarding allergen training and all existing unit colleagues completed updated training for the new legislation. All units are subject to an unannounced 'Safe and Legal' audit by the Health and Safety team on a 12-monthly cycle.

The UK business has also partnered with a third-party software system, Nutritics to provide compliant labels with ingredients verification by the Health and Safety team. This system will also support compliance with the new calorie labelling regulation being introduced in April 2022. A working group has been set up to ensure timely compliance.

Ongoing reviews of operations are being carried out in the UK to determine plastic-free feasibility and opportunities.

For further details on activities undertaken in this area see Embedding Sustainability on pages 28 to 41.

Risk priority:

10. Sustainability

Executive responsibility for this risk:

Group CEO, Corporate Affairs Director, Chief Procurement Officer

Link to strategy

4

Trend

New

Risk description

Increasing expectations from stakeholders (including customers, clients, brand partners, investors, NGOs, regulators, communities, competitors, colleagues and suppliers) on sustainability means that SSP needs to understand and act on its key sustainability issues. Climate change is an increasing risk that could impact both our operations and supply chain physically and as a result of transition to a low carbon economy (including in terms of reduced air travel) if we are not sufficiently prepared.

Failure to integrate sustainability into our overall business strategy and decision-making, and to keep pace with our competitors in this area, including our rating in ESG Indices, may reduce our competitiveness and market position.

Increased sustainability activism could result in disruption if SSP were found to be in breach of its sustainability responsibilities (including environmental, human rights or animal welfare). Sustainability issues are increasingly being legislated on (including Streamlined Energy and Carbon Reporting (SECR) regulations, Modern Slavery Act (MSA), Taskforce for Climate-Related Financial Disclosures (TCFD)) and it requires vigilance to stay abreast of, and respond to changing requirements, both ensuring mandatory disclosures are made and action is being taken.

Failure to have appropriate due diligence processes to identify and act on sustainability issues internally and within our supply chain could potentially result in reputational damage; loss of client, brand partner and customer trust; and business continuity issues.

Mitigating factors

The Group recognises the importance of sustainability to our business and stakeholders. As such, the Board is responsible for challenging our approach and performance, including considering the impacts of sustainability and ESG risk. The Group Executive Committee is responsible for setting, driving and monitoring our sustainability direction. Issue Owners (Group HR, Procurement and Commercial) oversee sustainability activity and a senior sustainability role has been created to manage our sustainability programme.

Our sustainability framework helps us to focus on the key sustainability issues that are important for our stakeholders and for SSP. It has been updated this year, building on existing commitments, setting new timebound targets, developing regional action plans including bi-annual divisional performance dashboards.

Our sustainability framework takes into account stakeholder expectations. This year we have further engaged with key internal and external stakeholders and have completed a benchmarking of competitors and ESG Index ratings which will be updated periodically. For more information on stakeholder engagement see pages 42 to 47.

Processes are in place to monitor compliance with sustainability related legislation and responsibilities and to manage specific sustainability risks across key topics, including policies, audits, training and briefings. Our SECR report is on page 40 and our most recent modern slavery statement is available on our website www.foodtravelexperts.com/international. For TCFD, we are aligning our disclosure with the requirements and have appointed a consultancy to undertake climate-related scenario analysis in order to prepare for FY22 reporting. For more information on progress on adopting the TCFD requirements see pages 54 to 55.

Our due diligence programme monitors supplier compliance with our Ethical Trade Code of Conduct and Human Rights Policy requirements. Our risk-based approach targets compliance of key higher risk suppliers and we work collaboratively with our suppliers to improve conditions and take corrective action. For more information on progress on Embedding Sustainability see pages 28 to 41.

Risk priority:

11. Information security and stability

Executive responsibility for this risk:

Chief Digital and Technology Officer

Link to strategy

4, 5

Trend



Risk description

There is a risk that the Group becomes exposed to information security, cyber threats, e.g. threats detailed in the Payment Card Industry Data Security Standards (PCIDSS) as well as ransomware attacks, particularly in light of increased home working of its head office staff.

The Group is in the process of implementing SAP Inventory and Finance systems which can risk significant operational disruption. There is also a risk that the speed of implementation is negatively impacted by the Covid-19 recovery process.

There has been a reduction in resource as part of SSP's Covid-19 response. Whilst resources are being scaled up to required levels, there will be increased pressure on IT teams in the short term.

SSP has some operating systems which are approaching end of life in the next 18-36 months. There is a risk that support for these systems will cease, which may cause disruption.

Mitigating factors

The Group has developed extensive IT disaster recovery and information security policies and practices, to ensure that these meet the changing landscape. These are regularly discussed and reviewed by the Risk and Audit Committees as well as the Board.

The Group's has a dedicated security operation centre which provides targeted threat intelligence to reduce time to detect and respond to incidents (spam, malware attacks, phishing emails, etc.). Additional layers of protection to prevent ransomware impacting critical files on servers have been added.

The Group's segmental business model and IT systems structure help to ensure that potential cyber attacks are likely to remain isolated locally rather than impact the entire Group.

The Group has commenced rollout of new modern workplace technology to improve security of our laptops across the business (e.g. multi factor authentication, encryption of all data on hard disks).

A clear governance and management structure has been set up for the SAP project implementation including the engagement of a SAP preferred partner for the roll-out which has significant experience of implementing SAP at large companies.

For further information on our investment in technology see Our Strategy on page 25.

Risk priority:

12. Benefits realisation from efficiency programmes

Executive responsibility for this risk:

Deputy CEO and CFO, Regional CEOs

Link to strategy

3, 4, 5

Trend



Risk description

The Group is continuously seeking new programmes to improve efficiency. There is a risk that these programmes may be difficult to implement due to complexity and challenges introduced by Covid-19, and furthermore that they could fail to deliver the desired benefits, e.g. labour efficiency and minimising waste and loss.

The impact of Covid-19 restructuring has been significant and may lead to loss of momentum on technology enhancements and capital investment that are required for sustainable growth. This may be compounded by the loss of resource in areas such as commercial, waste and loss, procurement and labour management.

Mitigating factors

The Group's strategy throughout the Covid-19 period has focused on cash management. This has included initiatives such as simplification of product offering and profitable reopening of units.

The Group reviews its major change programmes as appropriate and adapts and responds to feedback on an ongoing basis. These programmes are supported by specialist expertise in the business where required, both at a Group and at a country level.

Group IT also provides support for project management and implementation, using agreed standard business processes and controls.

For further information see Our Strategy on page 24.

Risk priority:

13. Innovation and development of brand portfolio

Executive responsibility for this risk:

Group CEO, Chief Customer Officer

Link to strategy

1, 2

Trend**Risk description**

The Group's success is largely dependent upon its ability to add to and strengthen its portfolio of proprietary brands and the brands of its franchisors, as well as to innovate and develop its own brands.

During the pandemic, there was a reduction in investment in SSP's own brand as a part of the drive to minimise costs. There is a risk that such a trend will result in a decline in sales. Similarly, the loss of any significant partner brands, the inability to obtain rights to new brands over time or the diminution in appeal of partner brands could impair the Group's ability to compete effectively in tender processes and ultimately have a material adverse effect on the Group's business.

There is now increased pressure from brand partners to revert to full menus, following simplification adopted during the pandemic. Complexity of menus may result in higher costs and greater resource requirements which may be challenging in the current scenario.

Franchised brands make up a high proportion of SSP's business, a trend which is increasing. In some cases the commercial deal structure of our franchise agreements may be unattractive. There is a risk that if SSP increases prices to improve profitability then it may risk breaching terms of the franchise agreements.

Mitigating factors

The Group has set as a priority the strengthening of its propriety brands, and is in the process of increasing marketing resources. A new Chief Customer Officer has been appointed with a key responsibility to reinvigorate these brands.

In light of Covid-19, to provide greater support to the regions, the top 10 franchise brand negotiations are being handled by the Group centrally. There are also ongoing negotiations with franchise brand partners to obtain better terms. SSP has been successful in negotiations with several franchisors in achieving higher levels of flexibility and is working closely with brands to maximise the roll-out of operational efficiencies to ensure units are opening profitably despite lower passenger numbers.

The Group will continue to carry out customer research into passengers' needs, as necessary, to ensure its brands and concepts have the right offer in the post-Covid-19 world.

Finally, the Group continuously looks to strengthen the depth and breadth of its brand partners as well as to strengthen its own proprietary brands.

See Our Strategy for details of investment in this area on page 25 as well as Creating Sustainable Value for details of our engagement with Brand Partners with details on page 45.

Risk priority:

14. Liquidity and funding

Executive responsibility for this risk:

Group CEO, Deputy CEO and CFO

Link to strategy

5

Trend**Risk description**

Covid-19 has significantly reduced trading over an extended and uncertain timeframe. An inability to effectively respond and manage expenditure accordingly would impact the Group's ability to operate within committed credit facilities. Although sales remained at very low levels during the first half year (c. 20% and pre-Covid 19 levels) there has been a marked improvement over the summer months with sales reaching 50% of pre-pandemic levels toward the end of the year. With the successful Rights Issue, the Group's cash flow position is very robust. This has resulted in a significant reduction in the risk score over the prior year.

There have been some funding issues noted at divisional level where banks have been reluctant to provide guarantees and there has been increased pressure from clients to provide cash deposits rather than bank guarantees.

The risk of breaching covenants on its existing financing facilities has been materially reduced, even after the return of £300m of Covid Corporate Financing Facility (CCFF) funds in February 2022.

Mitigating factors

SSP completed a Rights issue in April 2021 raising £475m of cash (£450.8m net proceeds). The Group has also secured extension to its main bank facilities to January 2024 that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants under those bank facilities and its US Private Placement notes. This coupled with trend of improved sales results in a very robust liquidity and funding position. SSP is now able to provide funding for capital expenditure and cash deposits to divisions as needed.

There is continued close monitoring of cash burn by senior management to ensure that this remains within agreed targets. There is also a programme in place to ensure that units are reopened profitably.

For further information on the Rights Issue and our liquidity position, see pages 68 to 69 and 151 to 152.

Risk priority:

15. Changing client behaviours

Executive responsibility for this risk:
Regional CEOs

Link to strategy
1, 2

Trend


Risk description

During the pandemic period, there was increased flexibility from clients and a reduction in new tenders. However, as sales start to recover, this can be expected to change with brands demanding more investment which was delayed during the Covid-19 period. There may also be increased requirements for introducing 'local hero' brands, which like other franchised brands, will offer relatively lower margins than SSP's propriety brands.

There is increased competition in some of our major markets including the UK and US. This means that there will be further pressure on sales as more competition is chasing limited sales during this time of recovery.

As the industry returns to pre-pandemic status, the impact of previously considered client requirements may become a renewed risk. For example, splitting tenders across two or more providers, seeking new income streams through pouring rights agreements, partnering with operators in joint ventures, developing third-party purchasing models and favouring franchise and local brand operators or partnering directly with brand owners or increased health and safety monitoring requirements, may adversely affect the Group's business and/or profit margins.

For more information on market drivers see Our Market on pages 16 to 17.

Mitigating factors

The Group has in place a clear 'SSP Value Proposition' that it presents to the client to address this risk.

Senior Group commercial management works closely with country management teams to enhance and clarify the Group's proposition to its clients. There is greater focus on developing internal concepts to reduce complexity and costs.

The Group's contact strategy with key stakeholders and clients helps to mitigate this risk and we are looking to restart our regular client survey, which is carried out by an independent party.

There continues to be greater focus on developing internal concepts to reduce reliance on franchised brands and hence complexity and costs.

See Our Strategy section (page 23) and Creating Sustainable Value (page 44 – Clients) for more information on investment in business development and engagement with clients.

Risk priority:

16. Outsourcing programmes

Executive responsibility for this risk:
Deputy CEO and CFO, Regional CEOs

Link to strategy
5

Trend


Risk description

The Group may fail to execute outsourcing projects effectively, resulting in business as usual being disrupted and the introduction of new third-party risks.

Furthermore, any benefits expected from the outsourcing programme may not be realised.

Staff turnover at outsourcing partners may be impacted by Covid-19, leading to increased risk from lack of continuity. Whilst there has been limited disruption to date, some divisions have noted short-term operational issues with outsourcing service providers.

Mitigating factors

The Group continues to utilise specialist resources in the business to manage implementation and transition projects, and it continues to use external advisors to provide input into the management of risks in such projects.

The Group has temporarily scaled down some outsourced resources to match reduction in business operations in light of Covid-19. This process has been well managed. Over the next year resources will be scaled up in line with the recovery of the business.

There are also monthly and quarterly reviews with outsourcing partners focusing on efficiency and costs to ensure shared services are being appropriately managed. Performance feedback is reported to the Executive Committee and the Risk Committee on a regular basis.

Risk priority:

17. Tax compliance and responsibility

Executive responsibility for this risk:

Deputy CEO and CFO, Group Head of Tax

Link to strategy

1, 2

Trend**Risk description**

The Group may suffer reputational damage if customers, clients or suppliers believe that the Group is engaged in aggressive or abusive tax avoidance.

There is a risk that the Group may not be tax compliant due to complicated local tax laws across different geographical territories. Covid-19 support schemes (e.g. furlough) have further increased the tax compliance burden.

There is an increased focus on tax governance from the tax authorities, including the integration of systems with tax authorities. There continues to be more investment from OECD into Base Erosion and Profit Shifting (BEPS) related initiatives. There is a risk that there could be wholesale changes to how taxation systems work based on the data gathered in the future. This is also driving digitisation resulting in a cost and complexity impact.

Mitigating factors

The Group has a tax management policy which is based on the Board's guidance to adopt a low-risk tax strategy.

The Group also regularly reviews its tax priorities and has done so in light of the Covid-19 pandemic. For example, to improve accuracy, advice was taken on the implementation of the various iterations of furlough schemes that were rolled out at short notice, and cross-functional teams have worked together to optimise the systems used to make these claims.

There is also increased oversight and monitoring of key tax issues within divisions by the Group tax team and increased disclosure of tax policy and tax payments in Group financial documents.

For details on our tax strategy see our website www.foodtravellexperts.com/international.

Risk priority:

18. Expansion into new markets

Executive responsibility for this risk:

Regional CEOs, Legal Counsel and Company Secretary

Link to strategy

1, 2

Trend**Risk description**

Historically, the Group's strategy has involved expanding its business in developing markets. The political, economic and legal systems and conditions in these markets are less predictable than in countries with more developed institutional structures, subjecting the Group to additional commercial, reputational, legal and compliance risks.

However, this risk has reduced due to the ongoing impact of Covid-19 as entering new markets in the short to medium term is unlikely. However, the pandemic may extend the time period over which new businesses can reach profitability after the initial set-up.

Mitigating factors

The Group has strong management teams in developing markets where this risk exists. In addition, the Group adopts a joint venture model in certain new territories to provide access to existing local infrastructure and expertise, as well as to help mitigate the risk inherent on entering new territories.

The Group has clearly defined authorisation procedures for all contract investments, to ensure that they are consistent with the objectives set by the Board and that they fully consider and evaluate the risks inherent in expansion into new locations and territories. The Group works with in-house and external advisors to ensure the risks of doing business in developing markets are identified and where possible, mitigated before entering those markets. This includes appropriate due diligence of potential joint venture and other local partners.

The Group legal team works closely with country legal and operational teams to support business development activities and to ensure compliance with local requirements.

The risk of working in developing markets is also monitored by the Risk Committee, Group Investment Committee and the Audit Committee.

For further information see Our Strategy on page 23.

Viability statement

SSP Group's operations are managed on a regional basis and are primarily focused on the airport and railway station food and beverage sales markets. As detailed on pages 16 to 17 ('Our marketplace'), those markets benefit from a number of long-term structural growth drivers and we are confident that this will remain the case looking forward, despite the impact of Covid-19 in the short- and medium-term. Our business model is focused on meeting the food and beverage needs of our clients and customers in the complex and challenging environments in which we operate. As explained further on pages 18 to 19, SSP has a number of structural advantages that we believe place us in a strong position to capitalise on the recovery in our markets when it comes.

The UK Corporate Governance Code requires that the Board issue a Viability Statement confirming that it has a reasonable expectation that the Company can operate and meet its liabilities for the foreseeable future. The Board is required to assess this viability over a period of greater than twelve months, taking into account a number of key factors, including its principal markets, its business model and its strategy as outlined above, together with its current position and principal risks and uncertainties.

The Directors have assessed the Group's prospects and viability over a planning cycle ending in 2025. As the business is now globally established within a fairly mature yet dynamic market, the Directors believe that forward planning over this time horizon is appropriate, particularly as this period encompasses what is anticipated to be a full recovery in passenger numbers across our principal markets following the impact of Covid-19.

The assessment process and the impact of Covid-19

The Directors perform an assessment of the Group's prospects through its annual strategic and financial planning process. This process is led by the CEO and Deputy CEO and CFO in conjunction with the Executive Committee and the country management teams. The results of the assessment are then summarised within the strategic plan (the Medium Term Plan or 'MTP'), which is discussed and approved by the Board annually. The most recent MTP, which covers the period from 2021 to 2025, was approved in July 2021.

The impact of the global Covid-19 pandemic has created a level of uncertainty in our markets which has been significant and far reaching. While the Directors firmly believe that the demand for travel in all of our principal markets will return to pre-pandemic levels in the medium term, the exact pace and timing of that recovery remains uncertain. As such, the MTP included a number of scenarios reflecting different rates of recovery, and these scenarios have been further refined over the subsequent five months as our expectations around the likely pace of recovery in our various markets have evolved. As was the case last year, it has been easier to develop longer term scenarios based on external forecasts and assumptions around recovery of passenger numbers in the travel sector, than to develop short-term scenarios, given the ongoing higher levels of uncertainty surrounding the potential re-imposition of travel and other restrictions in certain markets, particularly over the coming winter.

Since the start of the pandemic, the Group has taken rapid and decisive action to protect its people and the future of the business, generating significant additional liquidity, reducing costs and minimising cash usage. This action to increase liquidity included a £209m equity placing in late March 2020, followed shortly afterwards by securing access to the Bank of England's Covid Corporate Financing Facility (CCFF), under which facility we were permitted to draw up to £300m. The Group also secured access to a number of additional smaller liquidity lines at that time, including government-backed facilities in France, Spain and Switzerland. As well as raising this additional funding, we have taken a number of steps to minimise operating costs while sales have remained well below pre-pandemic levels. Furthermore, we have continued to take action to defer all non-essential capital expenditure, to agree rent waivers and deferrals with our clients, and to take the necessary action to optimise cash flow and to preserve cash, including cancelling our previously announced share buy-back programme and suspending the payment of dividends until trading conditions recover.

Nevertheless, due to the ongoing uncertainty regarding the short-term and medium-term trading outlook for the Group as a consequence of Covid-19, and having considered a number of different scenarios and financing alternatives, the Board took proactive action in March 2021 to strengthen the Group's balance sheet, announcing a Rights Issue to raise gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, the Group secured the extension to January 2024 of its bank facilities, that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants relating to its bank facilities and US Private Placement notes.

As at 30 September 2021, following the successful completion of its Rights Issue, the Group had £1,061.7 million outstanding under its borrowing arrangements, including: (i) US Private Placement notes of £329.6 million with maturities between October 2025 and July 2031; (ii) a facilities agreement with a maturity of 15 January 2024 which includes two term facilities totalling £373.7 million, both of which are fully drawn; (iii) various government-backed facilities comprising (a) a facility from the UK Covid Corporate Financing Facility ('CCFF'), a joint Bank of England and HM Treasury lending facility, under which it has drawn £300 million, available until February 2022, and (b) a number of smaller local government-backed facilities amounting to £55.6 million; and (iv) a number of other smaller local facilities amounting to £2.8 million. As at 30 September 2021, the Group had available liquidity of £935.2 million, including cash of £773.6 million and a committed undrawn revolving credit facility of £150.0 million, as well as smaller undrawn local facilities totalling £11.6 million.

Based on the Group's financing and available liquidity and reflecting all of the mitigating actions as outlined above, the Directors have reviewed the financial forecasts and funding requirements looking forward. Their assessment of viability is outlined below.

Assessment of viability

For 2022, the Directors have reviewed a base case scenario which is based on the Board-approved 2022 Budget, adjusted to reflect the impact of current trading over the autumn. This base case scenario reflects an expectation of a slow but steady recovery in passenger numbers in most of our key markets over the remainder of the current financial year, with Group sales reaching approximately 80% of 2019 levels by September 2022. For 2023, the forecast assumes a further gradual recovery, albeit with overall sales for the year remaining slightly below pre-pandemic levels. By 2024, we assume that like-for-like sales and margins have recovered to 2019 levels, supplemented by the mobilisation of our secured pipeline which is expected to generate an additional 15% of net contract gains over the medium term. We then assume a return to organic growth in line with pre-pandemic norms thereafter.

Due to the extreme level of uncertainty created by the global Covid-19 pandemic, there remains a risk that rising infection rates over the coming winter could affect several of our markets, leading to travel restrictions being imposed at short notice and reducing customer confidence in travel in the near term. Accordingly, a downside scenario has also been modelled, applying severe but plausible assumptions to our base case. This downside scenario reflects a much more pessimistic view of the travel markets for the remainder of the current financial year, assuming the introduction of renewed travel restrictions and working from home guidance in the UK and Continental Europe during the winter months. The downside scenario then assumes a gradual recovery from the second half of the 2022 financial year, in line with the assumptions in our Reasonable Worst Case scenario set out alongside the Rights Issue in March 2021. Under this downside scenario, sales would return to above pre-pandemic levels by the 2025 financial year.

In both the base case and the downside case the Group would continue to have sufficient liquidity headroom based on the cash and available facilities as described above.

Following the successful completion of the Rights Issue and the associated extension of the Group's borrowing facilities, the Group has to comply with two monthly-tested financial covenants during the next 28 months ending March 2024, with the first of these based on the Group demonstrating a minimum level of liquidity of £200m until January 2022, falling to £150m thereafter, and the second based on the Group not exceeding a maximum level of net debt of £800m. The Group will next be tested on its leverage covenant for the testing period ending 31 March 2023, 16 months from the date of signing these accounts (subject to a maximum leverage multiple of 9.0 times EBITDA on a pre-IFRS 16 basis), with further amended leverage tests then applied for the periods ending 30 June 2023 (maximum 5.0 times) and 30 September 2023 (maximum 3.5 times), before reverting to the original leverage covenant (maximum 3.25 times) from the testing period ending 31 March 2024. Similarly, the interest cover test will not be applied until re-instated for the testing period ending 31 March 2023 (minimum cover of 1.0 times EBITDA on a pre-IFRS 16 basis) before returning to the original covenant level (minimum 4.0 times) for the testing period ending 30 September 2023. In both its base case and its severe but plausible downside case scenarios, the Group would have headroom against all of these covenant tests at all testing dates during the period of assessment.

In the light of the very recent news regarding the emergence of the Omicron variant, the Directors have also considered its potential impact on the Group's financial forecasts. While the Directors believe that an out-turn that is worse than its current downside scenario is very unlikely to materialise, they have nevertheless further stress-tested those downside assumptions. They have modelled the impact of additional lockdowns and extensive travel restrictions across all markets during the second quarter of the Group's 2022 financial year, and reflected available mitigating actions within the control of the Group in such circumstances, including further deferrals of planned capital expenditure. This additional scenario assumes sales and EBITDA losses in the second quarter of next financial year would be in line with the equivalent quarter of the 2021 financial year, despite the extensive roll out of vaccines over the subsequent twelve months, and as such is deemed to be extremely pessimistic. Having applied this additional sensitivity, the Directors are satisfied that there would be sufficient headroom for the Group to operate within its covenants throughout the period of assessment.

In addition to the considerable uncertainty posed by Covid-19, the Directors recognise that other risks exist which could have an impact on the viability of the Group. As a result, the Directors place a high degree of importance on maintaining an effective Group-wide risk management framework, which ensures a disciplined approach to risk taking. Such an approach ensures that the upside potential of all relevant risks is understood and capitalised upon as directed by the Board, whilst the downside is appropriately mitigated. The Group's risk management process and its effectiveness thereof are detailed on pages 52 to 56.

The Directors have also performed a robust assessment of the Group's principal risks, which can be found on pages 57 to 67. The risks are listed in order of priority. The risk descriptions explain why the related risks are important, and the Directors believe that the corresponding mitigating factors adequately address each risk, such that any residual risk falls within the Board's risk tolerance.

Viability statement

After reviewing the current liquidity position, financial forecasts, stress testing of potential risks and considering the uncertainties described above, and based on the current funding facilities available, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of their assessment to September 2025.

Going concern

As a consequence of the work performed to support the viability statement above, the Directors also considered it appropriate to adopt the going concern basis in preparing the financial statements and notes which are shown on pages 146 to 204.

Jonathan Davies
Deputy Chief Executive Officer
and Chief Financial Officer



Group performance

	2021 £m	2020 £m	Year-on-year change vs 2020 (%)
Revenue	834.2	1,433.1	(41.8)%
Underlying operating loss	(323.3)	(315.4)	(2.5)%
Operating loss	(309.2)	(363.9)	15.0%

Underlying operating loss was £209.0m (2020: £211.7m) on a pre-IFRS 16 basis.
Revenue in 2019 was £2,794.6m.

Covid-19 has continued to have a significant impact on the Group's trading performance throughout the year. Total Group Revenue of £834.2m fell by 41.8% compared to 2020 (which included five months which were substantially pre-pandemic) and by 70.1% against 2019.

During the first half year, increased infection levels in key markets and extensive government restrictions on travel resulted in passenger numbers remaining depressed in both Air and Rail, with revenue falling to only 20% of those in the equivalent period in 2019 and 21% of 2020. This significant year-on-year fall was particularly marked during the second quarter, reflecting the stringent lockdowns imposed from late December across many markets, notably in the UK and Continental Europe.

During the second half year, the gradual easing of lockdown restrictions and the successful roll-out of vaccination programmes resulted in increasing passenger numbers across the travel sector. In the third quarter, revenue improved to around 27% of 2019 levels, led by a strong recovery in North America, and in the fourth quarter to 47% of 2019, driven principally by improving Rail and Air passenger numbers in the UK and Continental Europe.

Since our year end we have seen trading continue to strengthen across all of our principal markets, with first quarter revenue during the first nine weeks averaging around 66% of 2019 levels, and approximately 61% of 2020. In the first week of December, sales were approximately 65% of 2019 levels, and 63% of 2020. However the short-term outlook remains uncertain, particularly regarding any impact from the new Omicron Covid variant.

Operating loss

The underlying operating loss for the year was £323.3m, compared to an equivalent loss of £315.4m in 2020. On a pre-IFRS 16 basis, the Group reported an underlying operating loss of £209.0m, compared to an equivalent loss of £211.7m in the prior year.

On a reported basis, the operating loss for the year was £309.2m, reflecting a net credit of £14.1m for the non-underlying operating items. The equivalent operating loss for the prior year was £363.9m.

The impact on the underlying operating loss from the significantly lower sales following the pandemic continued to be mitigated by the extent of our operating cost reductions, the extension of government furlough and other support measures, and our ongoing success in negotiating rent concessions, principally via waivers of minimum guaranteed rents. Compared to the 2019 financial year, the Group has made savings of over £950m in its labour, rent and overhead operating cost base. Reflecting this, the underlying pre-IFRS 16 basis operating profit conversion was c.22% on the reduced sales compared to the 2019 financial year.

Non-underlying operating items

Items which are not considered reflective of the normal trading performance of the business, and are exceptional because of their size, nature or incidence, are treated as non-underlying operating items and disclosed separately.

The non-underlying operating items included in the net credit of £14.1m are summarised below:

- Impairment of goodwill: as a result of past acquisitions, and in particular the creation of SSP by the acquisition of the SSP business by EQT in 2006, the Group holds a significant amount of goodwill on its consolidated balance sheet. This is allocated to, and performance is monitored on, a country level. Goodwill impairment testing is carried out annually, or more frequently if indicators of impairments have been identified, by comparing the value relating to each country with the net present value of its expected future cash flows. Following the most recent reviews, goodwill impairments of £26.4m were identified, comprising write downs in the UK, Switzerland and Germany.
- Impairment of property, plant and equipment and right-of-use assets: the impact of Covid-19 on the Group's operations is expected to continue during the current financial year. As a result, the Group has carried out further reviews for potential impairment across the entire site portfolio. These impairment reviews compared the value-in-use of individual cash-generating units, based on management's current assumptions regarding future trading performance (taking into account the effect of Covid-19) to the carrying values of the associated assets. Following this review, a charge of £24.4m has been recognised, which includes a net impairment of right-of-use assets of £12.5m.
- IFRS 16 rent credit: as part of its response to Covid-19, the Group has renegotiated rent agreements with its clients, including a significant number of temporary waivers for the period up to the end of June 2022 totalling £92.0m. In respect of these waivers, the Group has applied the practical expedient issued by the International Accounting Standards Board as a part of the Amendment to IFRS 16 to record this as a reduction in rent expense (rather than a modification of a right-of-use asset) and as a non-underlying item within the consolidated income statement.
- Restructuring and site exit costs: as a result of the impact of Covid-19, the Group has recognised a charge of £21.3m relating to its restructuring programmes and site exits carried out across the Group during the year. The charge primarily relates to redundancy costs.
- Fees related to extension of bank facilities and associated covenant waivers: with effect from completion of its Rights Issue in April 2021, the Group's main bank facilities were extended from 15 July 2022 to 15 January 2024. In addition, the Group secured agreement to waivers or amendments on its principal covenants under both its main bank facilities and US Private Placement notes until 2024. In consideration for these extensions and amendments, the Group incurred fees totalling £5.4m, and this cost has been recognised as a non-underlying expense in the year.
- Other non-underlying expenses: these items totalling £0.4m comprise a recurring adjustment for the amortisation of acquisition-related intangible assets of £1.9m (2020 £1.9m) and other legal costs of £0.8m, offset by profit on lease disposal of £2.3m.

Regional performance

This section summarises the Group's performance across its four operating segments. For full details of our key reporting segments, please refer to note 3 on pages 159 to 160.

UK (including Republic of Ireland)

	2021 £m	2020 £m	Year-on-year change vs 2020 (%)
Revenue	190.0	410.1	(53.7)%
Underlying operating loss	(52.2)	(28.7)	(81.9)%
Operating loss	(57.4)	(39.0)	(47.2)%

Underlying operating loss was £31.1m (2020: £12.4m loss) on a pre-IFRS 16 basis.
Revenue in 2019 was £840.5m.

Revenue of £190.0m decreased by 53.7% compared to 2020, and by 77.4% compared to 2019.

During the first half year, with lockdown restrictions and quarantine measures in place for most of this period, UK revenue remained at very depressed levels, averaging around 12% of 2019 levels. During the third quarter however, as the UK Government's roadmap out of lockdown began to take effect, we saw a steady improvement in trading, principally in our rail business, with UK sales improving to approximately 19% of 2019 levels for the quarter as a whole. That trend continued through the fourth quarter, with revenue strengthening to 43% of 2019 levels, improving more rapidly once lockdown restrictions were removed in late July, initially led by the rail channel as passengers increasingly returned to trains both for leisure purposes and also as they returned to offices, and then more recently boosted by improving Air passenger numbers as fewer travel restrictions and less onerous testing requirements made overseas travel considerably easier. Since our year end we've seen trading in the UK continue to strengthen, with sales currently running at approximately 63% of 2019 levels (and 61% of 2020 levels).

The underlying operating loss for the year for the UK was £52.2m and reported operating loss was £57.4m. Non-underlying operating items comprised impairment charges of £25.9m, exceptional restructuring costs of £1.0m and an adjustment for the amortisation of acquisition-related intangible assets of £1.5m. These were offset by IFRS 16 rent credits of £20.9m, as well as other non-underlying income of £2.3m. On a pre-IFRS 16 basis, the underlying operating loss was £31.1m, which compared to an equivalent loss of £12.4m last year.

Continental Europe

	2021 £m	2020 £m	Year-on-year change vs 2020 (%)
Revenue	360.5	558.2	(35.4)%
Underlying operating loss	(134.3)	(148.1)	9.3%
Operating loss	(119.0)	(193.5)	38.5%

Underlying operating loss was £85.7m (2020: £103.2m loss) on a pre-IFRS 16 basis.
Revenue in 2019 was £1,036.9m.

Revenue of £360.5m decreased by 35.4% compared to 2020, and by 65.2% compared to 2019.

During the first half, revenue in Continental Europe was slightly stronger than in the other regions, averaging 26% of 2019 levels. This was largely the result of stronger sales in the first quarter, with rail passenger numbers in Germany and France more resilient than in the UK, and trading in the motorway sector in these countries less impacted by the pandemic than in other channels. From January however, the impact of renewed government restrictions, in response to rising infection rates, meant that sales trends deteriorated compared to those prior to Christmas, and remained at low levels throughout the second quarter.

Overall trading in this region remained very subdued for much of the third quarter, with revenue averaging 27% of 2019 levels, representing only a small improvement on the first half, principally as a result of further travel restrictions being imposed in a number of markets in April while vaccination rates remained low. However, a gradual easing of restrictions across most of our European markets from mid-May resulted in a significantly improving trend across the remainder of the second half, with fourth quarter revenue strengthening to 54% of 2019 levels, driven by a steady improvement in rail passenger numbers and increased air passenger numbers over the summer holiday season. Since our year end we've seen trading in the Continental Europe region make further progress, with sales currently running at approximately 69% of 2019 levels (and 70% of 2020 levels).

The underlying operating loss for Continental Europe was £134.3m and reported operating loss was £119.0m. Non-underlying operating items comprised an impairment charge of £10.7m, exceptional restructuring costs of £3.7m and an adjustment for the amortisation of acquisition-related intangible assets of £0.4m. These were offset by an IFRS 16 concession credit of £30.1m. On a pre-IFRS 16 basis, the underlying operating loss was £85.7m, which compared to an underlying operating loss of £103.2m last year.

North America

	2021 £m	2020 £m	Year-on-year change vs 2020 (%)
Revenue	194.2	274.9	(29.4)%
Underlying operating loss	(48.7)	(55.4)	12.1%
Operating loss	(51.0)	(63.3)	19.4%

Underlying operating loss was £31.4m (2020: £43.7m loss) on a pre-IFRS 16 basis. Revenue in 2019 was £533.4m.

Revenue of £194.2m decreased by 29.4% compared to 2020, and by 63.6% compared to 2019.

Revenue trends remained relatively stable throughout the majority of the first half, averaging 23% of 2019 levels, broadly in line with the Group average for that period. However, we saw a sustained improvement in domestic passenger numbers in the United States from early March onwards, and this trend, which coincided with the successful roll out of the vaccination programme across the United States, continued throughout the third quarter, where revenue averaged 41% of 2019 levels, comfortably ahead of our other regions at that time. This recovery was maintained across the summer, with revenue strengthening to 52% of 2019 levels in the fourth quarter. During the early weeks of the new financial year trading has continued to improve, and sales are currently running at approximately 79% of 2019 levels (and 67% of 2020 levels).

The underlying operating loss for North America was £48.7m and reported operating loss was £51.0m. Non-underlying operating items comprised an impairment charge of £6.0m, exceptional restructuring and site exit costs of £9.0m, offset by IFRS 16 concession credits of £12.7m. On a pre-IFRS 16 basis, the underlying operating loss was £31.4m, which compared to an equivalent loss of £43.7m last year.

Rest of the World

	2021 £m	2020 £m	Year-on-year change vs 2020 (%)
Revenue	89.5	189.9	(52.9)%
Underlying operating loss	(51.1)	(55.6)	8.1%
Operating loss	(33.7)	(37.3)	9.7%

Underlying operating loss was £24.3m (2020: £24.8m loss) on a pre-IFRS 16 basis. Revenue in 2019 was £383.8m.

Revenue of £89.5m decreased by 52.9% compared to 2020, and by 76.8% compared to 2019.

As was the case with North America, the overall sales trends for the Rest of the World region remained broadly stable and in line with the Group average for the majority of the first half, with revenue averaging 21% of 2019 levels across that period. The third quarter saw a slight deterioration in that run-rate (to 20% of 2019 revenue, as the impact of the delta variant resulted in further lockdowns in India, before a more encouraging fourth quarter saw revenue strengthen to 30% of 2019 levels. Although that improving trend has continued into the new financial year, with the vaccine roll-out generally slower across this region, sales have continued to be impacted by lockdowns in some markets, including Australia and Thailand, and we remain cautious about the near-term outlook in this region as a result. Sales are currently running at around 45% of 2019 levels (and 45% of 2020 levels).

The underlying operating loss for the Rest of the World was £51.1m and reported operating loss was £33.7m. Non-underlying operating items comprised an impairment charge of £8.0m and exceptional restructuring costs of £2.8m, offset by an IFRS 16 concession credit of £28.2m. On a pre-IFRS 16 basis, the underlying operating loss was £24.3m, which compared to an equivalent loss of £24.8m last year.

Share of profit/(loss) of associates

The Group's share of profits from associates was £2.3m (2020: £2.4m loss). On a pre-IFRS 16 basis, the Group's share of profits from associates was £1.7m (2020: £1.7m loss).

Net finance costs

The underlying net finance expense for the year was £72.1m, which included interest on lease liabilities of £28.4m. Reported net finance expense was £104.3m, including an adjustment of £32.2m relating to non-cash net debt modification related losses of £31.0m arising from the adoption of the debt modification rules under IFRS 9, and an additional retrospective interest charge on US Private Placement notes of £1.2m. This adjustment reflects the revised agreements with our lending group of banks and US Private Placement noteholders, following the amendments signed in December 2020 and the amendment and extension of our main bank facilities agreed in March 2021, which became effective on 22 April 2021.

On a pre-IFRS 16 basis, underlying net finance costs increased year-on-year to £43.7m (2020: £26.2m), primarily due to the higher borrowing costs under the Group's bank facilities and US Private Placement notes following the covenant and facility amendments during the year. Although the Group's net debt reduced following the Rights Issue, the funds raised were retained as cash thereby having little impact on underlying net finance costs.

Taxation

The Group's underlying tax credit for the year was £50.6m (2020: £23.7m credit), representing an effective tax rate of 12.9% (2020: 6.4%) of underlying loss before tax. On a reported basis, the tax credit for the year was £48.9m (2020: £28.1m).

On a pre-IFRS 16 basis, the Group's underlying tax credit was £30.6m (2020: £6.3m), equivalent to an effective tax rate of 12.1% (2020: 2.6%) of the underlying loss before tax.

The Group's tax rate is sensitive to the geographic mix of profits and losses and reflects a combination of higher rates in certain jurisdictions, as well as the impact of losses in some countries for which no deferred tax asset is recognised. The tax rates for the current and the prior year compared to historical rates of around 22% are due to the impact of Covid-19 which has led to a significant change in the Group's geographic mix of profits and losses.

In addition, the Group's effective tax rate has benefited in the year from a one-off credit of £13.0m in relation to the remeasurement of UK deferred tax assets. This follows the enactment of legislation during the second half of the year to increase the main rate of corporation tax in the UK to 25% from April 2023.

Non-controlling interests

The loss attributable to non-controlling interests was £5.0m (2020: £22.7m). On a pre-IFRS 16 basis there was a small profit attributable to non-controlling interests of £2.1m (2020: £9.6m attributable loss), with the year-on-year change largely reflecting an improved performance from our partly-owned operations in North America and in the Rest of the World.

Loss per share

The Group's underlying loss per share was 46.5 pence per share (2020: 59.1 pence per share), and its reported loss per share was 51.3 pence per share (2020: 66.2 pence per share). On a pre-IFRS 16 basis the underlying loss per share was 31.9 pence per share (2020: 39.5 pence per share).¹

¹ 2020 EPS has been restated to reflect the impact of the 2021 Rights Issue.

Dividends

Under the terms of the amended financing arrangements with the Group's lending group of banks and US Private Placement note holders, the Company is currently restricted from declaring or paying dividends until the expiry of certain restrictions that apply during the covenant waiver and amendment period. As such, no interim dividend was declared during the 2021 financial year and the Directors will not be recommending a final dividend for the year, which will result in no ordinary dividends for the year (2020: £nil).

When the existing restrictions are lifted and conditions improve, the Board will consider the best way to restart the return of capital to shareholders, recognising the importance of dividends and capital returns to shareholders.

Free cash flow

The table below presents a summary of the Group's free cash flow during the year:

	2021 H1 £m	2021 H2 £m	2021 FY £m	2020 FY £m
Underlying operating loss ¹	(160.7)	(48.3)	(209.0)	(211.7)
Depreciation and amortisation	50.4	50.3	100.7	113.5
Exceptional restructuring costs ³	(10.6)	(7.8)	(18.4)	(22.7)
Working capital	22.1	149.6	171.7	(67.6)
Net tax	(0.4)	1.5	1.1	(11.0)
Capital expenditure ²	(25.2)	(44.2)	(69.4)	(134.5)
Acquisition of subsidiaries, adjusted for net debt acquired and acquisition of non-controlling interest	(0.4)	–	(0.4)	(26.5)
Net dividends to non-controlling interests and from associates	(1.0)	(1.6)	(2.6)	(16.8)
Net finance costs	(16.1)	(16.8)	(32.9)	(19.6)
Other	1.0	0.1	1.1	2.0
Free cash flow	(140.9)	82.8	(58.1)	(394.9)

¹ Presented on an underlying pre-IFRS 16 basis (refer to pages 78 to 79 for details).

² Capital expenditure is net of capital contributions from non-controlling interests of £5.2m (2020: £3.1m).

³ Refer to the APMs section on pages 76 to 79 for further details.

The Group's free cash outflow during the year was £58.1m, a significant reduction from the £394.9m outflow in the prior year, reflecting the Group's continued tight management of operating costs and working capital over the last twelve months. This free cash outflow included £18.4m of exceptional restructuring costs, largely relating to the costs of further redundancy programmes completed during the year.

During the first half year, the free cash outflow of £140.9m reflected an average monthly cash burn of around £23m which was below the £25m-£30m per month run-rate in the final quarter of 2020, despite sales returning to very depressed levels as lockdowns were re-introduced over the winter. As sales improved significantly over the summer, and with the benefit of additional short-term government support, we have been able to return to broadly breakeven levels of EBITDA on a pre-IFRS 16 basis in the second half and to generate net free cash flow of £82.8m. The principal driver of this cash generation in the second half year has been a very strong working capital inflow of £149.6m.

For the year as a whole, the net cash inflow from working capital was £171.7m, which was partly driven by the strengthening sales during the second half and was also a reflection of our further success in securing payment deferrals during the year. Cumulatively since the start of the pandemic, we estimate that these deferred liabilities amount to approximately £150m.

Capital expenditure was £69.4m, representing a significant reduction compared to the £134.5m in the prior year. Following the Covid-19 escalation during 2020, we placed our capital programme on hold, and have continued to work with our clients to defer capital programmes until we have better visibility over the pace of the recovery in the travel sector. With passenger numbers in most of our key markets continuing to strengthen during the autumn, we expect capital expenditure in the year ahead to increase accordingly and are currently planning for expenditure of around £150m in the 2022 financial year, although we will continue to exercise caution and be ready to defer projects should the recovery in passenger numbers be slower than currently expected.

Net finance costs paid of £32.9m were £13.3m higher than the prior year, mainly reflecting increased interest costs on the Group's bank facilities and US Private Placement notes.

Net debt

Overall net debt fell by £384.0m to £308.0m on a pre-IFRS 16 basis, with the free cash outflow in the year of £58.1m offset by the £450.8m proceeds (net of related fees) from the Group's Rights Issue in the spring. On a reported basis under IFRS 16, net debt was £1,480.4m.

The table below highlights the movements in net debt in the year on a pre-IFRS 16 basis.

	£m
Net debt excluding lease liabilities at 1 October 2020 (pre-IFRS 16 basis)	(692.0)
Free cash flow	(58.1)
Impact of foreign exchange rates	19.9
Net proceeds from April 2021 Rights Issue	450.8
Other non-cash changes ¹	(28.6)
Net debt excluding lease liabilities at 30 September 2021	(308.0)
Lease liabilities	(1,172.8)
Other	0.4
Net debt including lease liabilities at 30 September 2021	(1,480.4)

¹ Other non-cash changes represent £45.8m of losses recognised on debt modifications and revised estimated future cash flows, offset by an effective interest rate gain of £14.8m, capitalised debt modification transaction costs of £1.3m and government grant accounting on below-market interest rate loans received of £1.1m.

Available liquidity and medium-term outlook

Since the start of the pandemic, the Group has taken rapid and decisive action to protect its people and the future of the business, generating significant additional liquidity, reducing costs and minimising cash usage. Due to the uncertainty regarding the short-term and medium-term trading outlook for the Group as a consequence of Covid-19, and having considered a number of different scenarios and financing alternatives, the Board took proactive action in March 2021 to strengthen the Group's balance sheet, announcing a Rights Issue to raise gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, the Group secured the extension to January 2024 of its bank facilities, that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants relating to its bank facilities and US Private Placement notes.

Following the successful completion of the Rights Issue in April and incorporating the free cash flow generation across the second half year, the Group had cash on its balance sheet of £773.6m at 30 September 2021, and total available liquidity of £935.2m at that date. This included £300m in respect of the Bank of England's Covid Corporate Financing Facility ('CCFF') which is due to be repaid in February 2022, but even excluding this we now have approximately £635m of available liquidity and remain in a very strong position to trade through even our most pessimistic scenario.

The stronger trading and cash flow performance in the second half of the 2021 financial year is encouraging, and with sales continuing to follow our Base Case scenario as set out in the Rights Issue, our medium-term outlook of a return to broadly pre-Covid levels of like-for-like revenue and EBITDA margins (on a pre-IFRS 16 basis) by 2024 remains unchanged. With the travel sector starting to recover, we also expect to commence the mobilisation of our secured pipeline which is expected to generate an additional 15% of net contract gains over the medium term.

As we indicated in the spring, we believe that the Group is strategically well-positioned to benefit from the recovery in the travel sector. With our medium-term strategy for leverage unchanged (i.e. on a pre-IFRS 16 basis, for leverage to be between 1.5x and 2.0x Net Debt to EBITDA), under our Base Case scenario this would give us the financial capacity for an additional c. £400m of capex to drive further business growth and to capitalise on the recovery.

Post balance sheet events

SSP Group's Spanish operating companies ('SSP Spain') operate food and beverage units in a number of Spanish airports. In late September 2021, a new law was passed in Spain that came into force on 2 October 2021 that should result in adjustments to the minimum guaranteed annual rents payable by SSP Spain for the period from 15 March 2020 onwards. The law will lead to lower minimum guaranteed rent amounts to be paid until passenger numbers return to 2019 levels. As the new law is effective from 2 October 2021, we consider this to give rise to a non-adjusting post balance sheet event.

Alternative Performance Measures

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

1. Revenue measures

As the Group operates in 36 countries, it is exposed to translation risk on fluctuations in foreign exchange rates, and as such the Group's reported revenue and operating profit or loss will be impacted by movements in actual exchange rates. The Group regularly presents its financial results on a constant currency basis in order to eliminate the effect of foreign exchange rates and to evaluate the underlying performance of the Group's businesses. The table below reconciles reported revenue to constant currency sales, like-for-like sales, net contract gains/(losses) and the impact of acquisitions where appropriate.

(£m)	UK	Continental Europe	North America	RoW	Total
2021 Revenue at actual rates by segment	190.0	360.5	194.2	89.5	834.2
Impact of foreign exchange	0.1	0.0	13.0	3.6	16.7
2021 Revenue at constant currency¹	190.1	360.5	207.2	93.1	850.9
2020 Revenue at constant currency	410.1	558.2	274.9	189.9	1,433.1
Constant currency sales fall	(53.7)%	(35.4)%	(24.6)%	(50.9)%	(40.6)%
Which is made up of:					
Like-for-like sales fall ²	(50.3)%	(36.2)%	(29.8)%	(52.3)%	(41.0)%
Net contract gains/(losses) ³	(3.4)%	0.8%	5.2%	1.4%	0.4%
	(53.7)%	(35.4)%	(24.6)%	(50.9)%	(40.6)%

¹ Constant currency is based on average 2020 exchange rates weighted over the financial year by 2020 results.

² Like-for-like sales represent revenues generated in an equivalent period in each financial period in outlets which have been open for a minimum of 12 months. Units temporarily closed as a result of Covid-19 have not been excluded for the purposes of the like-for-like calculation. Like-for-like sales are presented on a constant currency basis.

³ Net contract gains/(losses) represent the net year-on-year revenue impact from new outlets opened and existing units permanently closed in the past 12 months. Net contract gains/(losses) are presented on a constant currency basis.

2. Non-underlying profit items

The Group presents underlying profit/(loss) measures, including operating profit/(loss), profit/(loss) before tax, and earnings/(loss) per share, which exclude a number of items which are not considered

reflective of the normal trading performance of the business, and are considered exceptional because of their size, nature or incidence. The table below provides a breakdown of the non-underlying items in both the current year and the prior year.

	Non-underlying items	
	IFRS 16 2021 £m	IFRS 16 2020 £m
Operating costs		
Impairment of goodwill	(26.4)	(33.0)
Impairment of property, plant and equipment	(11.9)	(38.4)
Impairment of right-of-use assets	(12.5)	(38.2)
Depreciation	-	(6.2)
IFRS 16 rent credit	92.0	91.9
Restructuring costs and site exits	(21.3)	(20.2)
Debt amendment expenditure and extension of bank facilities	(5.4)	(2.5)
Other legal costs	(0.8)	-
Amortisation of intangible assets arising on acquisition	(1.9)	(1.9)
Profit on lease disposal	2.3	-
	14.1	(48.5)
Finance expenses		
Debt modification loss and effective interest rate charge	(31.0)	(5.4)
Retrospective USPP interest charge	(1.2)	-
Other	-	(0.1)
	(32.2)	(5.5)
Taxation		
Tax (charge)/credit on non-underlying items	(1.7)	4.4
Total non-underlying items	(19.8)	(49.6)

Further details of the non-underlying operating items have been provided in the Financial Review section on page 71. Furthermore, a reconciliation from the underlying to the statutory reported basis is presented below:

	2021 (IFRS 16)			2020 (IFRS 16)		
	Underlying	Non-underlying Items	Total	Underlying	Non-underlying items	Total
Operating (loss)/profit (£m)	(323.3)	14.1	(309.2)	(315.4)	(48.5)	(363.9)
Operating margin	(38.8)%	1.7%	(37.1)%	(22.0)%	(3.4)%	(25.4)%
Loss before tax (£m)	(393.1)	(18.1)	(411.2)	(371.8)	(54.0)	(425.8)
Loss per share (p) ¹	(46.5)	(4.8)	(51.3)	(59.1)	(7.1)	(66.2)

¹ 2020 EPS has been restated to reflect the impact of the 2021 Rights Issue.

3. Pre-IFRS 16 basis

The Group adopted IFRS 16 'Leases' on 1 October 2019 using the modified retrospective approach to transition. Following the year of transition, we have decided to maintain the reporting of our profit and other key KPIs like net debt on a pre-IFRS 16 basis (note that pre-IFRS 16 basis was referred to as 'Pre-IFRS 16' in the Annual Report and Accounts 2020). This is because the pre-IFRS 16 profit is consistent with the financial information used to inform business decisions and investment appraisals. It is our view that presenting the information

on a pre-IFRS 16 basis will provide a useful and necessary basis for understanding the Group's results. As such, commentary has also been included in the Business Review, Financial Review and other sections with reference to underlying profit measures computed on a pre-IFRS 16 basis.

A reconciliation of key underlying IFRS 16 profit measures to 'Pre-IFRS 16' numbers is presented below:

	Notes	Year ended 30 September 2021			Year end 30 September 2020		
		Underlying IFRS 16 £m	Impact of IFRS 16 £m	Underlying Pre-IFRS 16 £m	Underlying IFRS 16 £m	Impact of IFRS 16 £m	Underlying Pre-IFRS 16 £m
Revenue	3	834.2	-	834.2	1,433.1	-	1,433.1
Operating costs	5	(1,157.5)	(114.3)	(1,043.2)	(1,748.5)	(103.7)	(1,644.8)
Operating loss		(323.3)	(114.3)	(209.0)	(315.4)	(103.7)	(211.7)
Share of profit/(loss) of associates		2.3	0.6	1.7	(2.4)	(0.7)	(1.7)
Finance income	8	2.6	-	2.6	2.5	-	2.5
Finance expense	8	(74.7)	(28.4)	(46.3)	(56.5)	(27.8)	(28.7)
Loss before tax		(393.1)	(142.1)	(251.0)	(371.8)	(132.2)	(239.6)
Taxation		50.6	20.0	30.6	23.7	17.4	6.3
Loss for the period		(342.5)	(122.1)	(220.4)	(348.1)	(114.8)	(233.3)
Loss attributable to:							
Equity holders of the parent		(323.9)	(101.4)	(222.5)	(334.7)	(111.0)	(223.7)
Non-controlling interests		(18.6)	(20.7)	2.1	(13.4)	(3.8)	(9.6)
Loss for the period		(342.5)	(122.1)	(220.4)	(348.1)	(114.8)	(233.3)
Loss per share (pence)¹:							
- Basic	4	(46.5)		(31.9)	(59.1)		(39.5)
- Diluted	4	(46.5)		(31.9)	(59.1)		(39.5)

1 2020 EPS has been restated to reflect the impact of the 2021 Rights Issue.

IFRS 16 increases the underlying operating loss, whereby the depreciation of the right-of-use assets of £245.7m is offset primarily by the reduced rent expense of £119.5m and a gain on lease disposals of £11.9m, resulting in a net charge to underlying operating loss of £114.3m. This loss, together with the interest charge on the lease liabilities of £28.4m and the gain from associates of £0.6m, give the

underlying loss before tax impact of £142.1m. The impact of IFRS 16 on net debt is due to the recognition of the lease liability balance.

Pre-IFRS 16 underlying EBITDA is a key measure of profitability for the Group. A reconciliation to pre-IFRS 16 underlying operating loss for the period is presented below:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Pre-IFRS 16 underlying EBITDA	(108.3)	(98.2)
Depreciation of property, plant and equipment	(90.9)	(111.0)
Amortisation of intangible assets	(11.7)	(10.6)
Adjustment for amortisation of intangible assets arising on acquisition	1.9	1.9
Adjustment for accelerated depreciation	-	6.2
Pre-IFRS 16 underlying operating loss for the period	(209.0)	(211.7)

Further, a reconciliation from pre-IFRS 16 underlying loss for the period to the statutory loss for the period is as follows:

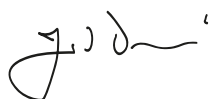
	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Pre-IFRS 16 underlying operating loss for the period	(209.0)	(211.7)
Depreciation of right-of-use assets	(245.7)	(305.3)
Fixed rent on leases	119.5	201.3
Gain on lease disposal	11.9	0.3
Non-underlying operating gain/(expense) (note 6)	14.1	(48.5)
Share of profit/(loss) from associates	2.3	(2.4)
Finance expense	(72.1)	(54.0)
Non-underlying finance expense (note 6)	(32.2)	(5.5)
Taxation	48.9	28.1
Loss after tax	(362.3)	(397.7)

Liquidity

Liquidity remains a key KPI for the Group. Available liquidity at 30 September 2021 was £935.2m, comprising cash and cash equivalents of £773.6m, undrawn revolving credit facility of £150.0m, as well as smaller undrawn local facilities of £11.6m.

The Strategic Report, as set out on pages 8 to 79, has been approved by the Board.

On behalf of the Board



Jonathan Davies
Deputy CEO and CFO
7 December 2021



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“Good governance is key to delivering long-term sustainable success for the Company, generating value for all our stakeholders.”

Mike Clasper
Chair

Meeting attendance

Director	Date appointed	No. of meetings attended	No. of additional meetings held
Mike Clasper	1 November 2019	10/10	7/8
Simon Smith	20 November 2018	10/10	7/8 ¹
Jonathan Davies	16 June 2014	10/10	8/8
Carolyn Bradley	1 October 2018	10/10	8/8
Ian Dyson	15 July 2014	10/10	6/8
Tim Lodge	1 October 2020	10/10	8/8
Judy Vezmar	1 August 2020	10/10	6/8
Per Utnegaard ²	1 July 2015	4/4	3/4

¹ Simon Smith was not present during the meeting regarding his resignation.
² Per Utnegaard resigned from the Board on 28 February 2021.

Dear Shareholder

I am pleased to present this year's Corporate Governance Report. Our governance framework, culture and values have played a critical part in enabling us to respond to the economic and social impact of Covid-19. Throughout the 2021 financial year, the Board has focused on embedding the highest standards of governance, whilst continuing to navigate the Company through the pandemic and the ongoing uncertainty it has brought.

Leadership and purpose

The Board is responsible for leading the Company in the development and implementation of its strategy and driving long-term sustainable success for its shareholders and other stakeholders. The Strategic Report on pages 10 to 79 describes the Company's vision, purpose, values and strategy.

As indicated in my statement on pages 10 to 11, the past year has been extremely challenging for both the business and the Board in its oversight role, but the Executive leadership team and Board have again risen to the challenge. I would like to thank my Board colleagues for their dedication, responsiveness, contributions and valuable support over the past year.

During the year, a number of additional meetings were held by the Board to consider the long-term success of the Company and preservation of value for shareholders during the pandemic. These included consideration of the successful Rights Issue, to strengthen the balance sheet and ensure SSP is well placed to capitalise on the opportunities that will emerge as the travel market recovers. I am proud of the participation and commitment of our Directors in their measured and coordinated response to protect the interests of the Company and its stakeholders, thereby ensuring that the Company remains well positioned for the recovery and the longer term. More information on the Rights Issue can be found in the Board's key activities on page 94.

Board Changes

Following the announcement in July 2021 that Simon Smith would be leaving his role as Group Chief Executive Officer at the end of the calendar year, we underwent a thorough and rigorous process to recruit a successor who shares our purpose and strategy for the Group.

As announced in November 2021, we are delighted to welcome Patrick Coveney to the business as Group Chief Executive Officer, joining with effect from 31 March 2022. Patrick is a strong and strategic leader who has considerable financial and operational experience in some of the most competitive categories in the food sector. His proven ability in consistently delivering growth, alongside his strong customer and colleague focus and track record of embedding sustainability, make him well placed to lead SSP to future success. The Board and I look forward to working with him to ensure the continued development and delivery of the Group's strategic goals.

Simon is stepping down from his role in December 2021, having led the Group through the Covid-19 pandemic, and on behalf of the Board, I would like to thank him for his commitment and service during his time at SSP.

The Board has also seen a number of Non-Executive changes. At the beginning of the financial year, we welcomed Tim Lodge to the Board joining the Audit Committee and, more recently, the Nomination Committee. He has a wealth of recent and relevant experience with a strong financial and audit background and will succeed Ian Dyson as Chair of the Audit Committee, with effect from the close of the 2022 AGM. As announced in October 2021, Ian Dyson will not stand

for re-election at the 2022 AGM, having served for more than seven years. On behalf of the Company, I would like to thank Ian for the great insight he has brought to the Board since our IPO, particularly as Audit Committee Chair, and we wish him well for the future.

Per Utnegaard stepped down from the Board during the financial year in February 2021. The Board would like to thank Per for his service and valuable input over the past six years, including latterly as the designated Non-Executive Director for Workforce Engagement. Judy Vezmar succeeded Per in this workforce engagement role. Judy brings considerable experience and vision to this important role. Further information regarding Judy's role and details of her activity to date can be found on page 50.

Following the resignations of Ian and Per, we are delighted to announce the appointments of Apurvi Sheth and Kelly Kuhn as Non-Executive Directors with effect from 1 January 2022. With their experience working in the food and beverage and travel sectors respectively, and extensive global expertise, they will bring additional breadth and diversity of backgrounds and experiences and add huge value to the Board. These appointments were the result of robust and inclusive recruitment processes which were largely undertaken during the 2021 financial year.

We believe that our refreshed Board has the right balance of skills, experience and diversity to help drive the Company forward to promote long-term sustainable success whilst generating value for all our stakeholders.

Company Culture and Colleague Engagement

A key area for us this year, particularly considering the impact of Covid-19 on the business, has been the development of our workforce engagement processes to foster a culture that aligns with the Company's purpose, values and strategy.

We endeavour to promote a culture of integrity and openness which values diversity and we believe that this strong culture begins with the Board. Throughout the year, the Board has worked to enhance its promotion and monitoring of the Company culture. More information about activities the Board has undertaken in the year to monitor and assess culture can be found on pages 29 to 50, 91 and 95.

In monitoring and assessing culture, employee engagement has been critical. In addition to our existing channels for employee engagement, this year the Company launched its Global Colleague Engagement Survey, allowing for direct feedback from colleagues at all levels across the Group. More information on the outcomes of the survey, as well as other ways in which we engage with our colleagues can be found on pages 42 and 48 to 50.

Diversity and Inclusion

The Board is committed to building a supportive, diverse and inclusive working environment which allows all colleagues to achieve their full potential, regardless of their background.

During the year, the Board adopted a new Board Diversity Policy which can be found on the Company's website. The new Board Diversity Policy confirms the Board's commitment towards achieving both the targets set out in the Hampton Alexander Review on gender diversity and the Parker Review on ethnic diversity. We believe that diversity, including of experience and background, supports our aim of ensuring we have the right knowledge, skillsets, experience and breadth of perspectives present in the boardroom in order to promote the long-term sustainable success of the Company.

Following the changes to our Board composition as announced, once the new Board members formally join, we will be fully compliant with the key objectives set out in our new Board Diversity Policy, namely the recommendations of the Hampton Alexander and Parker reviews. The Board is committed to supporting diversity throughout our business, across all regions and career levels, and has also adopted an updated Group-wide Diversity and Inclusion Policy this year. More information can be found on pages 35 to 36, 95 and 97.

Stakeholder engagement

As Covid-19 and the reactive measures taken by governments across the world continue to resonate across our business, we have been aware of the pressure faced by all our stakeholders. As such, consideration of their interests, along with those of the Group, has been a key part of the Board's decision-making as it looked to both secure the financial security of the Group and to position it to take advantage of the market recovery.

Despite being unable to meet face-to-face due to Covid-19, we have continued to engage with our stakeholders to ensure the Board understands their priorities and key drivers. In particular this year, the Board, with support from our Investor Relations team, has maintained active engagement with our shareholders as we explored the best way to ensure the Company's financial resilience through a difficult trading period. The resulting Rights Issue received the overwhelming support of 98% of our shareholders. On behalf of the Board, I would like to thank them and other stakeholders for their ongoing engagement and support during the year. More information about our engagement with our shareholders and other key stakeholders can be found on pages 42 to 50, 91, 110 and 123.

Remuneration Policy


Our revised Remuneration Policy was presented to shareholders for their approval at the 2021 AGM. As noted in last year's Annual Report, we updated our policy in the context of the ongoing external uncertainty and to ensure that our approach to executive remuneration is both aligned to Company purpose and values but also the delivery of our long-term business strategy. We welcomed the constructive consultation with our shareholders on the revised policy and proposed new share plan and were pleased with the strong support shown in favour of the related resolutions at the 2021 AGM.

Board Review

During the year, an externally facilitated Board review was carried out by Independent Audit Limited, having been postponed in 2020 due to the pandemic. I am pleased to report that the review demonstrated continued progress against development matters raised in our 2020 internal review. Actions from the recent review are currently being built into our governance development plans for the 2022 financial year. See pages 99 to 101 for more details of the Board and Committee reviews.

Looking Forward

I am grateful for the tremendous commitment shown by my fellow Board Directors and all Group colleagues over the past year, as we continue to move forward with our strategy. The Board remains alert to new challenges and opportunities in safeguarding the business imperatives which underpin long-term sustainable value creation.



Mike Clasper
Chair of the Board
7 December 2021

Board of Directors

Mike Clasper Chair



Appointed as Independent Non-Executive Director in November 2019 and appointed Chair in February 2020.

Key skills and competencies:

Mike is a highly capable industry leader with extensive sector experience, particularly in the airport and aviation services industries. Mike believes high corporate governance standards underpin a well-run, successful board and business, and that the Board should lead by example in driving culture. His leadership and business insights have been and remain critical in guiding the Board and supporting the Executive team as the Group navigates through the Covid-19 recovery phase and transition of executive leadership.

External appointments:

Chair of Bioss International Ltd, Trustee of Heart Cells Foundation, member of the Royal Shakespeare Company, Advisory Board member for Arora International and member of The Vice Chancellor's Circle at the University of Sunderland.

Previous experience:

Mike was formerly CEO at BAA plc, Operational Managing Director at Terra Firma Capital Partners Limited and held various senior management roles at Procter & Gamble Limited. He is also the former Chair of Coats Group plc, HM Revenue & Customs and Which? Limited and Senior Independent Director of Serco Group plc and ITV plc.

Simon Smith Outgoing Chief Executive Officer



Appointed as Chief Executive Officer in June 2019, having joined SSP as Chief Executive Officer of its UK & Ireland division in 2014. In July 2021, Simon announced his resignation as Group CEO and he is stepping down from the Board on 24 December 2021.

For details of our new CEO starting on 31 March 2022, see page 82.

Key skills and competencies:

Simon brought significant business and operational experience to the Board with more than 25 years' experience in the retail and catering sectors. Over the last year, Simon continued to refocus the Group's strategy on the importance of delivering long-term sustainable value for all its stakeholders, through rebuilding and reshaping the business, embedding sustainability and culture as well as successfully delivering the Rights Issue in April 2021.

External appointments:

N/A.

Previous experience:

Prior to his appointment as Group CEO, Simon ran the UK & Ireland business and oversaw the development of the Group's joint venture business in India. Before joining SSP, Simon spent 10 years at WH Smith, most recently as Managing Director of WH Smith's travel division and prior to that he held both commercial and marketing roles at Safeway plc.

Jonathan Davies Deputy Chief Executive Officer and Chief Financial Officer



Appointed as Chief Financial Officer of SSP following its formation within Compass Group in 2004 and appointed as Deputy Chief Executive Officer and Chief Financial Officer in September 2021 to ensure a smooth leadership transition.

Key skills and competencies:

Jonathan brings extensive financial, strategic and commercial experience to the Board with over 25 years working within retail and FMCG companies. Jonathan's tenure within the Group gives him a deep knowledge of the business, which along with his capital markets experience, enables him to provide clear financial, operational and strategic oversight to the Company. In particular, during the last year, Jonathan's executive leadership has been key in delivering the successful Rights Issue (and associated debt amendment processes) as well as guiding the business through its recovery phase as it returned to positive EBITDA (on a pre-IFRS basis) at the end of the financial year.

External appointments:

Senior Independent Director and Chair of the Audit Committee of Assura plc.

Previous experience:

Jonathan began his career in Unilever plc's management development programme before joining OC&C as a start-up, where he was part of its rapid growth and development to become a leading international consulting firm. Jonathan then spent nine years at Safeway plc (with five years on the Executive Board as Finance Director).

Carolyn Bradley
Senior Independent Non-Executive
Director



Appointed as Independent Non-Executive Director in October 2018 and Senior Independent Director in February 2019.

Key skills and competencies:

Carolyn's extensive experience in executive and non-executive marketing and retail roles brings a strong consumer focus to the Board. Over the year, she has continued to drive the focus on stakeholder interests through her role as Senior Independent Director and Remuneration Committee Chair (leading the successful consultation that led to strong support for our revised Remuneration Policy and new executive share plan at the 2021 AGM). More recently, Carolyn has provided strong support to the Chair in the recruitment process for the new Chief Executive Officer and independent Non-Executive Directors.

External appointments:

Non-Executive Director at Majid Al Futtaim Retail LLC, The Mentoring Foundation and B&M European Value Retail S.A. and Chair of TheWorks.co.uk plc, Trustee and Deputy Chair of Cancer Research UK and Advisory Board member of Cambridge Judge Business School.

Previous experience:

Carolyn spent over 25 years at Tesco, in various operating, commercial and marketing roles. She was also formerly a Non-Executive Director of Legal & General Group plc and Senior Independent Director at Marston's plc.

Ian Dyson
Independent Non-Executive
Director



Appointed as Independent Non-Executive Director in April 2014. Ian announced his intention to step down from the Board with effect from the AGM in 2022.

Key skills and competencies:

Ian brings a wealth of financial and business experience to the Board and leadership to the Audit Committee, from his current and former executive and non-executive roles predominantly in the retail, leisure and hospitality sectors. Ian is an active and challenging voice in Board and committee discussions and during the year, his role as Audit Chair has been key as the committee continued to focus on management of the financial and liquidity impacts of Covid-19.

External appointments:

Chair of ASOS plc and Non-Executive Director and Audit Committee Chair of Intercontinental Hotels Group plc.

Previous experience:

Ian was CEO of Punch Taverns plc and Spirit Pub Company plc. Prior to this he held senior finance roles at Marks & Spencer Group plc, The Rank Group plc, Meridien and Hilton International Co. Ian was also a Non-Executive Director of Misys plc, Flutter Entertainment plc and Punch Taverns plc.

Tim Lodge
Independent Non-Executive
Director



Appointed as Independent Non-Executive Director in October 2020.

Key skills and competencies:

Tim is an experienced public company CFO with a strong financial, accounting and audit committee background. He has significant international commercial experience and a track record in business transformations including advising businesses with complex global operations and supply chains in the food and beverage sector. His knowledge and experience position him well to promote the strategic and financial resilience of the Company whilst creating shareholder value.

External appointments:

Non-Executive Director and Chair of the Audit Committee of Serco Group plc and Senior Independent Director and Audit Committee Chair of Arco Limited. Director of An African Canvas (UK) Limited, Trustee of Gambia School Support, and Chair of the Management Committee of The Worshipful Company of Cordwainers.

Previous experience:

Tim spent 26 years at Tate & Lyle plc in various finance roles, including six years as CFO. He subsequently held CFO roles with the COFCO International group. Tim has also been a Non-Executive Director and Audit Committee Chair at Aryzta AG.

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Chair
- Chair designate

Judy Vezmar

Independent Non-Executive Director, Designated NED for Workforce Engagement



Appointed as Independent Non-Executive Director in August 2020.

Key skills and competencies:

Judy has extensive knowledge of running complex international businesses, bringing significant expertise to the Board in the field of data and analytics. This has been a welcome addition to the Board given the growing strategic investment in technology and automation. Further, since taking on the role as Designated NED for Workforce Engagement, Judy has developed the Board's approach to both promoting the employee voice in the boardroom and cascading the Company's culture from the Board throughout the business.

External appointments:

Non-Executive Director and Chair of the Remuneration Committee of Ascential plc.

Previous experience:

Judy was previously CEO of LexisNexis International. Prior to that, she held several executive leadership roles within the Xerox Corporation in the United States and Europe. Judy has also been a Non-Executive Director of Rightmove plc, serving on its Nomination, Audit and Remuneration Committees.

Apurvi Sheth

Non-Executive Director



Appointed as Independent Non-Executive Director with effect from 1 January 2022.

Key skills and competencies:

Apurvi has extensive executive experience spanning more than 30 years across various international food and beverage companies. She has spent the majority of her career in Asia and India and has strong knowledge of the region and emerging markets. Apurvi's breadth of executive experience and focus on innovation and value creation complement the Board's existing skills and experience as it looks to deliver on its strategy and purpose. Apurvi is also passionate about empowering women and the D&I agenda and is a mentor to many women and organisations.

External appointments:

Strategic Advisor to various companies in Southeast Asia and India, across a wide range of sectors including food and beverage, retail and technology.

Previous experience:

Apurvi spent 13 years in various roles at Diageo plc including Managing Director, Southeast Asia. She has also served as Marketing Director, APAC at PepsiCo International, Marketing Director of India at Coca-Cola and held various roles at Nestle SA. Apurvi previously served as a Non-Executive Director of Heineken Malaysia BHD.

Kelly Kuhn

Non-Executive Director



Appointed as Independent Non-Executive Director with effect from 1 January 2022.

Key skills and competencies:

Kelly brings substantial business experience from her previous executive roles within the travel sector. She combines sizeable international P&L expertise with commercial acumen and a strong consumer focus. Kelly's extensive experience in customer engagement across multiple markets will be a valuable addition to the Board as it continues to deepen its relationships with stakeholders. Further, the Board welcomes Kelly's strong background in executive sponsorship of responsible business efforts – including environmental as well as diversity, equity, and inclusion – as it looks to embed its new Sustainability and People Strategies.

External appointments:

Non-Executive Director and member of the Nomination and Remuneration Committees of ISSA/S. Advisor to CWT (formerly Carlson Wagonlit Travel) and McChrystal Group's European office. Member of various networks and advisory boards promoting women in the travel sector and diversity.

Previous experience:

Kelly spent 30+ years in various roles at CWT, including as Executive Vice President and Chief Customer Officer, President of the EMEA and Asia Pacific businesses, and President for the company's Military & Government division. She also served as President and Chief Operating Officer at both Navigant International and Arrington Travel Center before they were acquired by CWT and was previously a Non-Executive Director at LaSalle Hotel Properties.

Audit Committee

Remuneration Committee

Nomination Committee

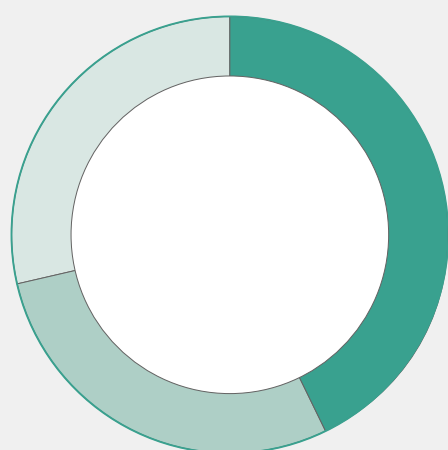
Chair

Chair designate

The right balance of experience

Tenure

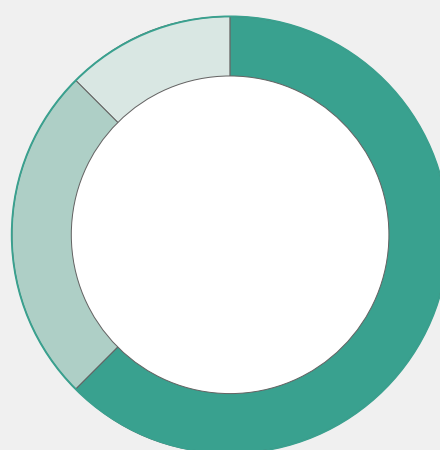
as at date of report



● 0 to 2 years **3**
 ● 2 to 5 years **2**
 ● 5+ years **2**

Tenure

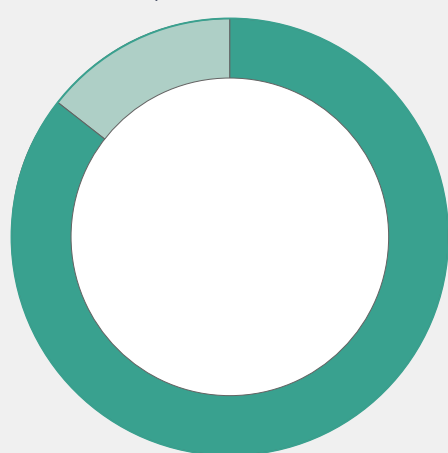
following CEO's commencement date



● 0 to 2 years **5**
 ● 2 to 5 years **2**
 ● 5+ years **1**

Nationality by reporting region

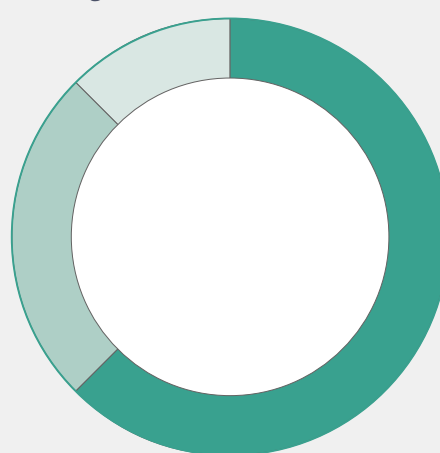
as at date of report



● UK & Ireland **6**
 ● North America **1**

Nationality by reporting region

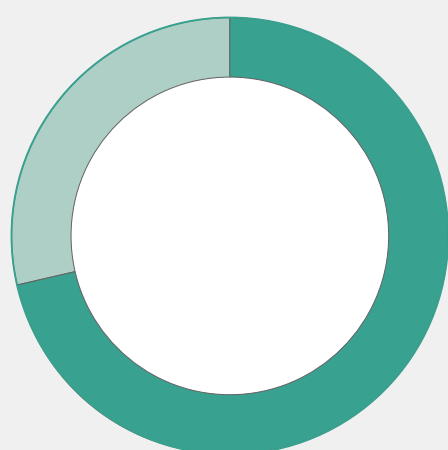
following CEO's commencement date



● UK & Ireland **5**
 ● North America **2**
 ● Rest of World (Asia Pacific) **1**

Gender

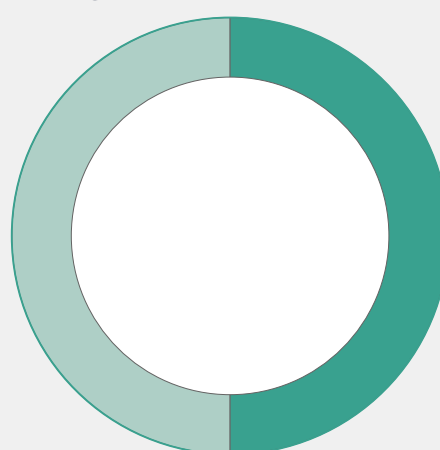
as at date of report



● Male **5**
 ● Female **2**

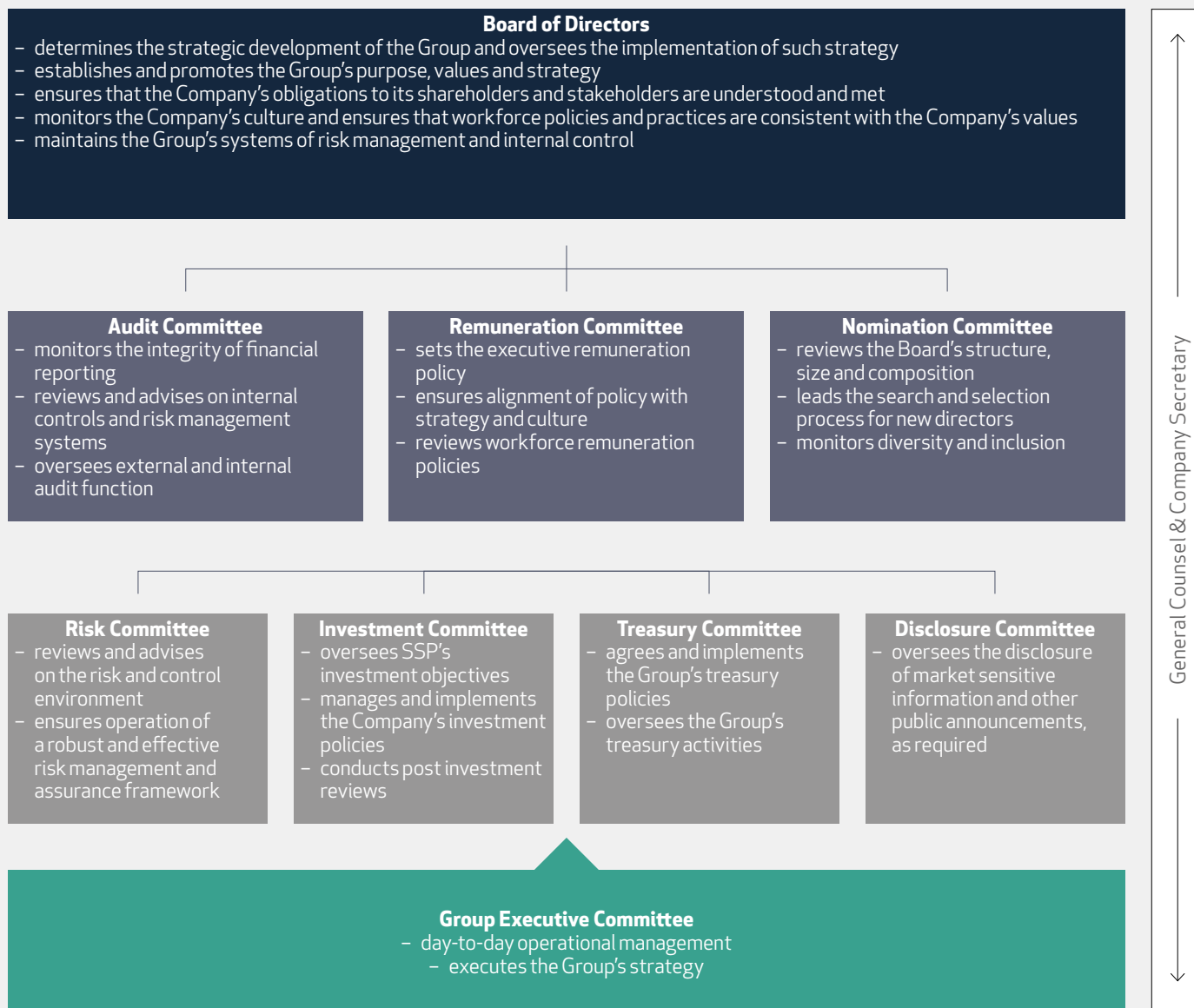
Gender

following CEO's commencement date



● Male **4**
 ● Female **4**

The Company's governance framework



Division of responsibilities

Chair

The Chair is responsible for leading the Board and ensuring effectiveness in all aspects of its role. The Chair sets the Board's agenda and ensures that adequate time is given to key discussion points, in particular the strategic aims of SSP Group.

CEO

The CEO is responsible for overseeing the day-to-day operational management of the Company and for implementation of the strategic aims of the Company. The CEO acts as a liaison between the Board and operational management teams.

Deputy CEO and CFO

The Deputy CEO and CFO supports the CEO by providing day-to-day oversight of the Group's operations, controls and financial performance as well as supporting the CEO in all other areas. The Deputy CEO and CFO will lead the executive team pending the new CEO's arrival, to ensure continuity of leadership during the transition period.

Senior Independent Director (SID)

The SID's role is to deputise for the Chair. The SID serves as an intermediary between the Chair and the rest of the Board and, as necessary, the shareholders. The SID is also responsible for holding an annual meeting of the NEDs and leads the evaluation of the Chair on behalf of the other Directors.

Designated Non-Executive Director

The Designated NED for Workforce Engagement is tasked with bringing the thoughts and concerns of our employees to the attention of the Board.

NEDs

The Non-Executive Directors provide independent oversight and constructive challenge to the executive management team, helping to develop proposals on strategy, scrutinising performance against agreed goals and objectives.

General Counsel and Company Secretary

The General Counsel and Company Secretary supports the Chair and ensures directors have access to the information they need to perform their roles. The General Counsel and Company Secretary advises the Board on legal and corporate governance matters and supports the Board in applying the UK Corporate Governance Code and complying with UK listing obligations and other statutory and regulatory requirements.

How the Board operates

The Board and its Committees have a scheduled forward agenda of meetings to ensure sufficient time is allocated to the topics to be discussed and to ensure the appropriate balance is given to strategic, operational, financial and governance matters. Throughout the year, the Board received presentations from functional leads and the regional CEOs. Papers are prepared by management and distributed in advance of meetings, using a secure portal, to allow Directors sufficient time to consider the matters independently in advance of the meeting. Where a Director is unable to attend a meeting, they are encouraged to read and comment on the pre-circulated papers in advance of the meeting so that their thoughts can be considered by the Board. The Chair will follow up with the Director after the meeting to update the Director on the key matters discussed and decisions made at the meeting. From time to time, the Board will delegate authority to a sub-committee to approve certain matters. This took place in relation to approval of certain matters relating to the debt amendments and Rights Issue as well as for particular procedural matters throughout the year.

Board meetings are held at Group business locations, when possible, to help all Board members gain a deeper understanding of the business, and to provide senior managers from across the Group with the opportunity to present to the Board, as well as to meet and interact with the Directors on more informal occasions.

Unfortunately, due to global restrictions and ongoing uncertainty surrounding travel, and with the safety of our Directors and colleagues in mind, travel was not possible this year. However, the Board are optimistic that this important activity can be resumed in the course of 2022. Despite the recent restrictions on travel, the Board has nonetheless actively sought further opportunities for senior management to present to the Board. This process started with a site visit to London Gatwick Airport and Victoria rail station in November 2021, where the Board was able to see our operations in situ, sample the food served from its various outlets and meet a number of the UK management team and our colleagues. Led by the Senior Independent Director, meetings between the Non-Executive Directors, both with and without the presence of the Chair and the Group Chief Executive Officer, are scheduled in the Board's annual programme.

Compliance with UK Corporate Governance Code

The UK Corporate Governance Code 2018 (the 'Code') can be found on the Financial Reporting Council's website at www.frc.org.uk. The table below and this Corporate Governance Report (which forms part of the Directors' Report), together with the Strategic Report (pages 10 to 79), the Nomination Committee Report (pages 96 to 101), the Audit Committee Report (pages 102 to 107) and the Remuneration Committee Report (pages 108 to 132), describe how the Board has applied the main principles of good governance set out in the Code during the year under review.

Last year, we identified two areas of non-compliance with provisions of the Code, being: an external Board Evaluation (provision 21); and, alignment of Executive Director pension contributions to the workforce (provision 38).

During the year, the Board has taken action to align Executive Director pensions to the workforce and has committed to aligning Executive Director pensions by 2022. More information can be found in the Remuneration Committee Report on pages 113 and 117.

The Board also undertook the externally facilitated Board review which had been postponed last year due to the impact of the pandemic. Mindful of the evolution of the composition of the Board, this year the review focused on the performance of the Chair, the Board and its Committees, and a formal evaluation of the individual Directors will take place in 2022. More information on the evaluation can be found on pages 99 to 101.

Having given careful consideration to each provision, the Board considers that, save for the above in relation to provisions 21 and 38, for the year ended 30 September 2021, the Company has complied with all the relevant provisions set out in the Code.

Corporate Governance Code summary

References for further details

Board leadership and Company purpose

The Board's overarching role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to the wider society. In doing so, a key focus is the development, promotion and monitoring of a culture throughout the organisation which is aligned to the Company's purpose, values and strategy.

- A Board effectiveness – pages 99 to 101
- B Culture, purpose and values – pages 10, 20 to 21, 29 to 50 (Strategic Report), 83, 91, 95 and 97
- C Governance framework – pages 88 to 89
- D Risk framework and principal risks and control – pages 52 to 69, (Strategic Report), 91, 101 and 106
- E Stakeholder engagement – pages 42 to 50 (Strategic Report), 83, 91, 110, 123 and 134 to 135
- F Workforce policies and practices – pages 29 to 51 (Strategic Report), 91 and 97

Division of responsibilities

The Board has a clear division of responsibilities between the leadership of the Board and executive leadership of the business. Committee terms of reference determine the authority of each of the Board's Committees. Governance arrangements are in place to ensure that the Board and Directors can meet their obligations under the Code.

- F Role of Chair – pages 82 to 83 and 89
- G Independence and division of responsibilities – pages 88 to 89 and 92
- H Conflicts and time commitment – pages 84 to 86 and 92
- I How the Board operates – pages 88 to 95

Composition, succession and evaluation

The Board, with the support of the Nomination Committee, conducts regular reviews of its composition (and that of its Committees) and leads the process for appointments to ensure plans are in place for orderly succession to both the Board and the Executive Committee. The Board undertakes an annual review of its effectiveness and that of its Committees and individual Directors to ensure that the Board and its members continue to contribute effectively.

- J Appointments and succession planning – pages 82 to 83, 86, 95 to 99
- K Composition of the Board – pages 82 to 87, 95 to 97
- L Annual evaluation – pages 83, 99 to 101

Audit, risk and internal control

The Board, supported by the Audit Committee, is responsible for establishing appropriate risk management and internal control procedures to ensure that the Group is appropriately managed and that risks are appropriately identified and mitigated in the context of the business as a whole.

- M External auditor and internal audit – pages 106 to 107
- N Fair, balanced and understandable – pages 10 to 79 (Strategic Report), 105
- O Internal financial controls and risk management – pages 52 to 69, (Strategic Report), 91, 102 to 107

Remuneration

The Board, supported by the Remuneration Committee, ensures that the remuneration policies and practices are designed to support strategy and promote long-term sustainable success. Executive remuneration is set in alignment with Company purpose and values and is clearly linked to the successful delivery of the Company's long-term strategy.

- P Alignment with strategy, purpose and values – pages 83, 88, 108 to 110, and 112
- Q Remuneration Policy – pages 108 to 110 and 124 to 132
- R Performance Outcomes, use of discretion – pages 108 to 111, 113 to 116

Page references are to sections of the Corporate Governance Report unless noted otherwise.

Stakeholder engagement

The Board has a well-established programme of engaging with a wide range of stakeholders who are key to the successful delivery of the Group's strategy. An overview of the Group's key stakeholders and our engagement with them can be found on pages 42 to 47.

The Board receives updates from the Company Investor Relations and Corporate Affairs team, Executive Directors and members of the Group Executive team regarding the key issues affecting stakeholders, as well as reports on engagement activity both undertaken and planned. The Chair seeks regular engagement with major shareholders and, along with the Non-Executive Directors, is available to meet with major shareholders as required. The Chair of the Remuneration Committee communicates with major shareholders on remuneration matters throughout the year and on specific policy matters. In addition, a key part of the work of the Corporate Affairs team is to ensure that our shareholders, lenders and analysts have a strong understanding of our strategy, performance, purpose and culture.

The Board and each of our Directors consider the impact on relevant stakeholders in their decision-making. Our case studies on pages 94 and 95 provide examples of how the Board considered the matters detailed in section 172 of the Companies Act 2006 during the year.

AGM Outcomes and Shareholder engagement

Our general meetings are usually a valuable forum for the Board to engage with our shareholders. Due to government guidance and social distancing measures in place at the time however, both the 2021 AGM and the April 2021 Rights Issue General Meeting were held as closed meetings with only the Chair and Executive Directors present to form a quorum. Despite being unable to hold our shareholder meetings in the normal way, we have continued to engage with our shareholders throughout the year. For more information, see page 44.

The majority of resolutions put forth at both the AGM and General Meeting received overwhelming support from our shareholders. In particular, we received over 90% of votes in favour of our Remuneration Report and revised Remuneration Policy at the 2021 AGM, and over 98% of votes in favour of our Rights Issue at our General Meeting.

The Company did, however, receive a significant vote of 21.8% against the 2021 AGM allotment authority resolution. Given that this was a standard resolution proposed in line with the Investment Association's Share Capital Management Guidelines, the Board engaged with major shareholders to further understand the voting. As noted in our update published in September 2021, following this engagement, the Company understands that the issues raised by a very small number of shareholders related to either overseas internal voting policies, which set a lower allotment threshold compared to UK market practice, or the use of our allotment authority in 2020. Going forward, the Board is committed to working with its shareholders to understand any governance concerns.

Purpose and Culture

The Board is responsible for assessing and monitoring the culture of the Company. At the beginning of the financial year, the Board adopted our new People strategy, focused on: attraction and retention; inclusion and engagement; training and development; and safety and wellbeing. As part of the new strategy, the Company this year launched our global colleague engagement survey, as another method for assessing and benchmarking culture across the workforce. More information on the survey can be found in our People sections on pages 33 to 34 and 48 to 49.

Our Executive Directors also provide vital insight into the culture of the organisation. The Chief Executive Officer and Deputy Chief Executive Officer and Chief Financial Officer regularly hold online town hall meetings with the leadership teams across the business. The meetings enable two-way communication, with colleagues encouraged to ask questions of the executives. In addition, the Chief Executive Officer includes a people section in his monthly CEO report to the Board which provides an update on key colleague related matters.

In addition to the existing engagement activity and infrastructure in place to gather the views of, and to engage with, our colleagues, the role of our designated Non-Executive Director for Workforce Engagement, Judy Vezmar, provides a further link between the Board and the Group's workforce so that our employee voice is heard in the boardroom. An activity plan is agreed each year by the Board to ensure that the designated Non-Executive Director for Workforce Engagement has the opportunity to engage with colleagues from all regions and at all levels. More information on the work Judy has carried out in the year can be found on page 50.

Operation of the Company's risk management framework (see page 56) and the embedding of associated internal controls also plays an important role in driving a positive culture of transparency and compliance. This is overseen by the Board, Audit Committee and Risk Committee. As part of this framework, the Board maintains a suite of policies in order to support them in promoting and monitoring the culture throughout the organisation. The Board sees information about compliance with certain key policies including Anti-Bribery and Corruption, its code of corporate conduct and policies for preventing the facilitation of tax evasion. The Board receives updates on health and safety and routinely monitors issues raised through the Company's whistleblowing procedure. All employees receive relevant training as part of their induction on joining the Company to ensure they operate in accordance with relevant Company policies.

Time commitments and Conflicts of interests

Additional appointments may only be taken with the prior approval of the Board. In deciding whether to allow Non-Executive Directors to take on additional appointments, consideration is given to both the time commitment required as well as any potential conflicts that may arise. The Company recognises the benefit of our Executive Directors holding external directorships and business interests, however, mindful of the time commitment to their role at SSP, our Executive Directors are not ordinarily allowed to take on more than one non-executive role. Details of the Directors' external directorships can be found in their biographies on pages 84 to 86.

As set out on pages 99 to 101, the Board Evaluation process included an assessment of the time commitments required from the Board members to ensure that they have sufficient time to carry out their roles. The Board remains confident that each Director has sufficient time to dedicate to their role as has been demonstrated by the high levels of responsiveness and availability for the additional Board and Committee meetings over the financial year.

The Board has an effective procedure to identify potential conflicts of interest and maintains a register of conflicts of interest which is reviewed annually. Each Director is required to disclose to the Board any situation in which they have, or may have, an interest which conflicts with the interests of the Company.

Independence

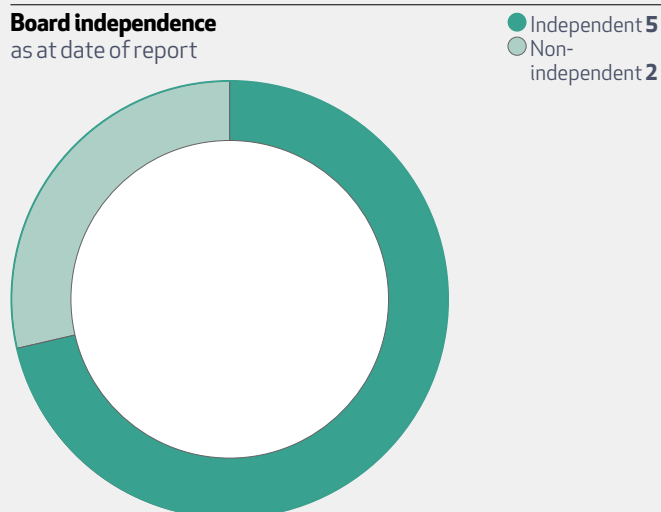
The Chair was deemed independent on appointment, and the Chair and all other Non-Executive Directors who shall put themselves forward for reappointment at the 2022 AGM are considered by the Board to be independent in accordance with the criteria under provision 9 of the Code. The roles of Chair and Group Chief Executive Officer are held by separate individuals and have clearly defined responsibilities.

Regulatory Disclosure

For information required to be in the Corporate Governance Statement under Rule 7.2.6 of the Disclosure Guidance and Transparency Rules see the Directors' Report on pages 133 to 135.

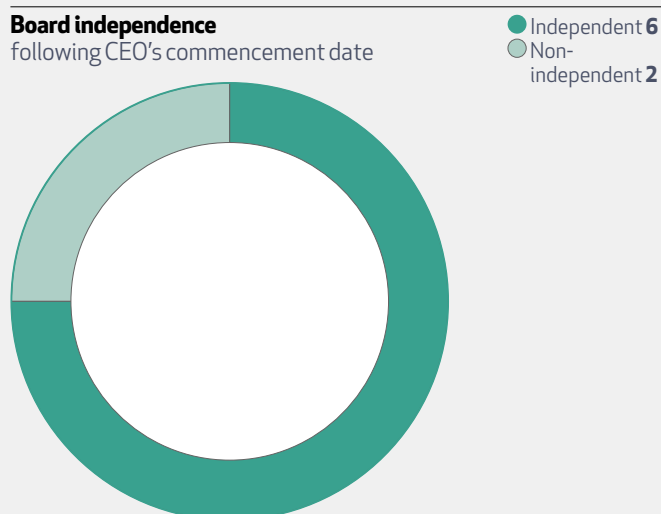
Board independence

as at date of report



Board independence

following CEO's commencement date



Summary of the Board's activities in the 2021 financial year

Overview of Board Matters

In addition to regular agenda items, the activities of the Board have needed to adapt to meet the challenges faced by the Company and its stakeholders as a result of the continuing impact of Covid-19. As noted above, additional Board and Committee meetings were added to address specific matters and the Directors time spent on the Company increased. This flexible approach shown by our Board allowed time for the necessary debate and decision-making required to deliver on our plans to protect and rebuild the business.

Below is a summary of the key Board activities considered during the year. For examples of the Board's decision-making processes see pages 94 and 95.

Strategy and operations

- Approved the strategy for the 2022 financial year
- Considered and monitored the potential impact of Covid-19 on operations
- Considered the updated Sustainability Strategy and targets¹
- Approved updated IT strategy and implementation plan
- Approved acquisition of 50% of French joint venture company
- Received market updates

Finance

- Approved the Rights Issue and two rounds of debt covenant amendments
- Approved the FY 2020 Annual report and accounts and FY 2021 half-year report and accounts
- Approved the FY 2022 budget
- Approved the CCFF access review submission

Risk

- Considered the Group's approach to risk management and internal controls
- Conducted annual strategic and operational risk assessment
- Reviewed effectiveness of internal controls and risk management systems

Governance

- Considered Board composition and succession planning
- Received governance and compliance updates, approved Modern Slavery Statement and Tax Strategy
- Approved posting of the AGM notice of meeting and closed meeting arrangements
- Appointed Judy Vezmar as designated Non-Executive Director for Workforce Engagement
- Approved and agreed CEO and Non-Executive Director search

People and culture

- Approved the Company's People Strategy
- Approved the Group Diversity & Inclusion Policy and Board Diversity Policy
- Approved the revised Remuneration Policy and Restricted Share Plan (along with first grant)
- Approved plan of activities of the Designated Non-Executive Director for Workforce Engagement and received updates on activities undertaken alongside a review of an employee dashboard
- Reviewed response to colleague engagement survey and means to assess culture

¹ Targets were formally approved in November 2021.

Key Board activities

The principles underpinning Section 172 of the Companies Act 2006 (the 'Act') are embedded in the Board's decision-making and the Board recognises the importance of understanding the views of the Group's key stakeholders and having regard to those views in its discussions and decision-making processes. See page 42 for our section 172 statement.

Pages 94 to 95, provide examples of how stakeholder interests and the matters set out in Section 172 of the Act were considered in key Board discussions and decision-making in the 2021 financial year.

Key

- Consequences of decisions in the long term
- Interests of employees
- Need to foster business relationships
- Impact of operations on communities and the environment
- Reputation for high standards of business conduct
- Acting fairly between shareholders

Stakeholders

Colleagues



Customers



Clients



Investors



Brand partners



Suppliers



Communities



NGOs



Government and Regulators



£475m Rights Issue and debt covenant amendments

Since the start of the pandemic, the Board has taken rapid and decisive action to protect its people and the business as well as generating significant liquidity, reducing costs and minimising cash usage.

Nevertheless, against a backdrop of ongoing uncertainty around the short-term and medium-term trading outlook for the Group, and having considered a number of different scenarios and financing alternatives, the Board took proactive action, announcing in March 2021 that it was to strengthen the Group's balance sheet by way of a Rights Issue to raise gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, the Group secured the extension to January 2024 of its bank facilities that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants under those bank facilities and its US Private Placement notes.

In making its decision to approve the Rights Issue, the Board considered the short-term and medium-term purposes of the Rights Issue, which were to cover liquidity headroom under a reasonable worst-case scenario, facilitate the debt extension and amendments referred to above, reduce leverage and increase capacity for investment as the impact of Covid-19 recedes.

In considering the appropriate action to take, the Board took into account the need to protect the Company's colleagues, customers and partners as the uncertainty caused by Covid-19 continued to impact the travel market. Further, in opting to proceed with a Rights Issue offer and the associated debt amendments, the Board sought to balance the competing interests of the Company's shareholders (who were being asked for further funds) and lenders (who were being asked for extended terms, covenant waivers and deferred repayments). Structurally, the need to act fairly between members of the Company and the desire to maintain a reputation for high standards of business supported the decision to adopt a pre-emptive fundraising.

A key part of the process involved engaging with lenders, shareholders, colleagues and regulators at the appropriate time to ensure the successful delivery of the fundraising. In particular in relation to engagement with our shareholders and lenders on these matters, it was critical that they understood our strategy for recovery and achieving sustainable growth over the medium term ahead of their decision-making processes.

For further details of the Rights Issue and Debt Amendments see pages 68 to 69 and 151 to 152

[Link to strategy: Balance sheet resilience](#)

[Link to stakeholders:](#)



Embedding sustainability in our business

As part of setting the post-Covid medium-term strategy, the Board considered the importance of implementing that strategy in a manner which promotes long-term sustainable success for all our stakeholders and the need to balance continued delivery of financial results with the sustainable way in which we achieve these results. As a result, the Board agreed to further embed sustainability into our business through the relaunch of our approach to sustainability and the associated setting of strategic non-financial targets and key performance indicators. In doing so, the Board acknowledged the importance of flexibility in the approach to strategy development to ensure that our strategy reflects the latest focus on governance and stakeholder responsibility and the prevailing operating environment.

Importantly, in developing the new approach to sustainability, the Board took into account the interests and priorities of our various stakeholders as well as the social and environmental impacts of the Company's operations. As a result, the Board has agreed that we will be increasing our focus on supporting and protecting our colleagues and communities, serving our customers responsibly and protecting our environment and that consideration of these matters needs to become an integral part of the Board's decision-making process.

For further details of our approach to embedding sustainability, see pages 29 to 41

[Link to strategy: Reinvestment](#)

[Link to stakeholders:](#)



Adoption of our Board Diversity Policy and Group Diversity and Inclusion Policy



During the year, the Board adopted both a formal Board Diversity Policy and an updated Group Diversity and Inclusion Policy. This followed a series of discussions throughout the business, (including at Board and the Group Executive Committee) and with our external stakeholders on the importance of demonstrating our commitment to encouraging diversity, equality and inclusion among our workforce, our partners and across the communities in which we serve.

In adopting the updated policies on diversity the Board considered the importance of aligning our approach on diversity and inclusion to our overall strategy. To meet our ambition of being the leading food and beverage provider in travel locations worldwide, the Board acknowledged the importance and value of having diversity in the workforce and across the Board (including diversity of gender, ethnicity, experience and background) which reflects our diverse customer and client base and communities in which we operate.

The Board also considered the contribution of these revised policies to the development of an inclusive culture where colleagues can thrive and fulfil their potential.

Concurrent with the adoption of the diversity policies, the Nomination Committee has spent considerable time throughout the year reviewing the composition of the Board in light of both its skills mix and diversity as discussed in the section on Board changes.

For further details of our approach to diversity and new policies adopted in the year, see pages 35 to 36 and 97

Link to strategy: Reinvestment

Link to stakeholders:



Board changes



We have recently announced the appointments of a new CEO and two Non-Executive Directors with effect from 31 March and 1 January 2022 respectively. This followed a rigorous recruitment process throughout the financial year, in order to find the right individuals to deliver our strategic purpose and promote the long-term success of the Company. More information can be found on pages 96 to 97.

We believe our new CEO, Patrick Coveney, has the necessary skills and experience to promote the long-term success of the Company. Key considerations for the Board in approving the appointment were Patrick's track record of consistently delivering significant total shareholder returns alongside his strong customer and colleague focus. Further, the Board considered that Patrick's success in leading a significant cultural shift and embedding sustainability into the strategy during his tenure at Greencore plc made him well placed to drive the future, sustainable success of the Company.

The Board's commitment to promoting diversity was a key consideration throughout the appointment processes. The appointment of two new Non-Executive Directors, Apurvi Sheth and Kelly Kuhn, advances the diversity of gender, ethnicity and geographic expertise, and will provide us with fresh insight to deliver value for our diverse workforce and for the communities and environments in which we operate. Following these appointments, we will be fully compliant with the recommendations of the Hampton Alexander and Parker reviews which reflects our commitment to diversity as well as ensuring the highest standards of governance.

For further details of the above appointments see pages 82 to 83, 86 and 96 to 97

Link to strategy: Like-for-like revenue growth; Business development; Efficient operations; Reinvestment; and Balance sheet resilience

Link to stakeholders:



Nomination Committee Report



“Our refreshed Board has the right balance of skills and diversity of backgrounds and experience to help drive the Company forward to promote long-term sustainable success.”

Mike Clasper

Chair, Nomination Committee

Meeting attendance

Director	Date appointed as member	No. of meetings attended
Mike Clasper	1 November 2019	4/4
Carolyn Bradley	1 October 2018	4/4
Ian Dyson	4 April 2014	4/4
Tim Lodge	31 August 2021	1/1
Judy Vezmar	31 August 2021	1/1

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

Dear Shareholder

I am pleased to present the report of the Nomination Committee for the financial year ended 30 September 2021, which provides an overview of the Committee's activities during the year under review.

Board changes

It has been a busy year for the Nomination Committee, with Board composition being a key focus for us. Tim Lodge and Judy Vezmar both formally joined the Committee in August 2021. In addition to our formal meetings, the Committee regularly engaged and held informal meetings throughout the year in respect of the Board recruitment processes set out below.

In July 2021, Simon Smith informed the Board that he would be stepping down as Chief Executive Officer of the Company at the end of the calendar year. Following his resignation, I, along with our Senior Independent Director, Carolyn Bradley, initiated a rigorous process to recruit a successor who would deliver and build on the strategy of the Group as it recovers from the impact of Covid-19.

Russell Reynolds, with their understanding of the Board's strategic goals as well as the skills and experience of the existing Directors, supported this recruitment process alongside the NED recruitment (see below), ensuring that each appointment's impact on the overall composition of the Board was duly considered. The Nomination Committee, with support from our Chief People Officer, prepared a detailed job and skills specification for the role. In line with our succession planning process, the Nomination Committee considered both internal and external candidates and undertook a benchmarking exercise.

As noted in my letter on page 82, following a robust recruitment process, we were delighted to announce in November the appointment of Patrick Coveney as Chief Executive Officer with effect from 31 March 2022.

Following Simon's announcement, we recommended the expansion of Jonathan Davies' role to that of Deputy Chief Executive Officer and Chief Financial Officer, as supported by our planned succession reviews. In doing so we ensure continuity of leadership during the transition period and know Jonathan will provide invaluable support to the new Chief Executive Officer when he joins. Jonathan's long experience and extensive knowledge of the business have been key to the Group's response to the challenges of the pandemic, and we are delighted that Jonathan, with his significant financial and commercial expertise, has taken on the role of Deputy CEO alongside his role of Chief Financial Officer.

Separate from the Chief Executive Officer recruitment process, in the spring, the Committee reviewed the structure, size and composition of the Board, including the requisite skills, diversity, knowledge and experience of each Director. Following this review, we agreed to search for an additional Independent Non-Executive Director to enhance the diversity and complement the current skillset of the Board in order to support the Company's strategic priorities. This search was led by myself, as Chair of the Committee, and supported by Carolyn Bradley (Senior Independent Director) and the Chief People Officer and his predecessor, the Group HR Director.

Russell Reynolds was engaged to assist with the recruitment process (noting that other than in relation to prior and ongoing Director recruitment processes, the recruiter has no relationship with the Company or any of its Directors). We reviewed a long list of potential candidates and, from this, a short list was selected and interviews were undertaken.

Noting the high calibre of candidates, and mindful of the tenure of the existing Directors (including Ian Dyson's decision to step down after the 2022 AGM), the appointment of two Non-Executive Directors was recommended to the Board and, in December, the Company approved the appointments of Apurvi Sheth and Kelly Kuhn effective 1 January 2022.

With Apurvi's extensive executive experience across numerous well-known international food and beverage companies in the Asia Pacific, she brings deep knowledge of the region and emerging markets. Kelly brings substantial international business experience from her previous executive roles within the travel sector and combines broad commercial skills with a strong consumer focus.

Apurvi will join the Remuneration Committee and Kelly will join the Audit Committee. Both will serve as members of the Nomination Committee.

In identifying candidates in the recruitment of both the Non-Executive Directors and Chief Executive Officer, we reviewed the Board's structure, size and composition, including the requisite skills, diversity, knowledge and experience. In particular, the Board was mindful of achieving the goals of the Hampton Alexander Review and the Parker Review, regarding gender and ethnic diversity respectively. The Board believes diversity, in its broadest sense, provides a breadth of perspectives present to allow it to make the best decisions and maximise opportunities for the success of the Company, and the benefit of all its stakeholders. On page 87, you can find more information on how the composition of the Board has changed following the new appointments.

In addition to the Board changes noted on pages 96 and 97, during the year the Board also approved the extension of Carolyn Bradley's appointment for a second term of three years, subject to annual re-election by shareholders. Carolyn's re-appointment was made following a review by the Committee. The Board also announced the appointment of Tim Lodge as Chair of the Audit Committee, with effect from Ian Dyson's resignation from the Board at the forthcoming AGM, having considered the Committee's Board succession plan.

Board Evaluation

During the year, the Board undertook a review of the Board and its Committees. For the 2021 financial year, the review was externally facilitated by Independent Audit Limited. Further information on the review, including the process undertaken and the recommended outcomes, can be found on pages 100 to 101. An update of actions we have taken in response to last year's review can be found on page 99.

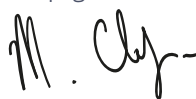
Diversity

One of the Company's core values is being a great place to work, where everyone can fulfil their potential. SSP Group plc heads a diverse group, operating in 36 countries across the world. The diversity of our people is a key contributor to our success, and the Nomination Committee is responsible for developing and implementing our approach to diversity across the Group. As a result, during the year, we adopted a formal Board Diversity Policy which acts as an outline and a statement of intent about how we will achieve success on this agenda.

As stated in our Board Diversity Policy, we support the recommendations set out in the Hampton Alexander Review, to achieve no less than 33% female representation on the Board, and the recommendations of the Parker Review, to have at least one Board member of colour by 2024. We are therefore pleased to confirm that following the composition changes outlined above, and once Patrick's appointment as Chief Executive Officer is effective, our Board will be 50% male and 50% female. We will also have reached the Parker target following the appointment of our new Non-Executive Directors. The Committee will continue, however, to consider diversity in its broadest sense, including gender, ethnicity and experience, and geographic representation and look to embed these principles into Company culture.

Further, as noted on page 48, during the year the Board launched a revised People strategy, focused on attraction and retention; inclusion and engagement; training and development; and safety and wellbeing. Central to this was our commitment to encourage diversity, equity and inclusion among our workforce, our partners and across the communities in which we serve, eliminating unlawful discrimination.

Following the launch of our People Strategy, the Committee reviewed and updated our Group-wide Diversity and Inclusion policy, which confirms this commitment. More information can be found about this policy, and other work the Company has undertaken in the promotion of diversity, including the gender balance of those on the Board, in senior management and their direct reports on pages 33 to 36 and 48 to 49. Following the year end, the new Chief People Officer presented his proposed People Strategy for Financial Year 2022 where there is a clear focus on integration of our diversity and inclusion policies within the business. For more details on this, see pages 48 to 49, and pages 27, 31 and 35 to 36 for our KPIs in this area.



Mike Clasper

Chair, Nomination Committee
7 December 2021

Directors induction and training

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair addresses the developmental needs of the Board as a whole with a view to further developing its effectiveness as a team and ensures that each Director refreshes and updates his or her individual skills, knowledge and expertise.

The Directors receive training and development throughout their tenure as appropriate. The Board and its Committees receive regular updates on relevant legal, regulatory and financial developments, changes in best practice and environmental, social and governance matters from subject experts, including the Group Auditor, General Counsel and Company Secretary and Deloitte, as advisors to the Remuneration Committee. All Directors have access to the advice and service of our General Counsel and Company Secretary.

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

Tim Lodge, who was appointed on 1 October 2021, and Judy Vezmar, who was appointed at the end of the 2020 financial year, received tailored inductions on joining the Board to ensure they understood the main areas of business activity and the key risks and issues facing the Group. This included meetings with the Board members and key advisors which were limited to virtual sessions due to Covid-19.

As restrictions on travel begin to lift, the Chair and General Counsel and Company Secretary will look to supplement the initial induction for Tim Lodge and Judy Vezmar with site visits to key locations within the Group and face-to-face introduction sessions with senior management and colleagues. This will be built into the induction programme for our two new Non-Executive Directors, appointed in December 2021. As part of her induction as designated Non-Executive Director for Workforce Engagement, Judy received tailored induction sessions from the former Group HR Director and Group Head of Talent and Organisational Design and Talent.

Succession planning

The Nomination Committee is responsible for ensuring there are robust and effective succession plans in place for orderly succession to both Board and senior management positions. Our regular review of the succession plan is supported by our talent review cycle, which assesses and ensures the readiness of internal candidates for all key roles across the business, as well as external candidates.

During the year, in addition to the specific recruitment set out in the Chair of the Nomination Committee's letter on pages 96 to 97, the Nomination Committee continued its focus on broader succession planning throughout the management team, which was supported by a talent review process noted above and underlying development sessions with colleagues.

The Board is committed to leading from the top when it comes to governance, values, culture and leadership, recognising that these are key considerations for a strong sustainable business. The Company's values and culture are a key feature of the Board's discussions, and the Board will continue to work with the management team to align culture and behaviours with the Company's purpose, values and strategies. As part of this work the revised People Strategy, presented to the Board after year end, puts in place plans for retention, engagement and development of our people with a strong emphasis on culture. Further details on the People Strategy are provided on pages 33 to 36 and 48 to 49.

Board appointment process

The Committee is responsible for ensuring that the Company has a formal, rigorous and transparent procedure in place for Board appointments with due regard to diversity. Prior to making an appointment, the Nomination Committee will evaluate the balance of skills, knowledge, independence, experience and diversity on the Board and, in light of this evaluation, will prepare a description of the role and capabilities required, with a view to appointing the best-placed individual for the role.

In identifying suitable candidates, the Nomination Committee:

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

The Company's Articles of Association provide that at every Annual General Meeting ('AGM'), each Director shall retire and seek re-election. New Directors may be appointed by the Board but are subject to election by shareholders at the first AGM after their appointment. The Company appoints all Non-Executive Directors to the Board for an initial three-year term, subject to their re-election by shareholders at the first AGM following their appointment and their subsequent re-election each year. To ensure independence, the expectation is that Non-Executive Directors will serve for two three-year terms, with an option for a third term. Letters of appointment are provided to each Non-Executive Director and these are available for shareholders to view at the Company's registered office.

Terms of reference

The Committee's terms of reference are reviewed annually and are available on the Company's website.

Board Review

Update on 2020 Board Review

As noted in last year's Annual Report, as a result of the outbreak of Covid-19 and the significant challenges this caused, the planned external evaluation of the Board and Committees was postponed to the 2021 financial year. Therefore the 2020 Board review was conducted internally, using the prior year as a benchmark. As a result of the evaluation, a number of recommendations were identified to help improve the performance and effectiveness of the Board. Actions taken to address these recommendations are set out below.

Key area	Outcomes and recommendation	Update
Board size, composition, diversity and skillset	<ul style="list-style-type: none"> – Review Non-Executive Director succession planning, together with a skill mapping exercise which should be undertaken to identify any gaps/areas for development to maximise Board effectiveness – Nomination Committee to adopt a formal Board diversity policy and to revisit its Equality Policy with a view to adopting an updated Group-wide diversity policy 	<ul style="list-style-type: none"> – The Nomination Committee undertook a skills mapping review to identify gaps/areas for improvement and identified the need for an additional NED. This led to a recruitment process which is described on pages 96 to 97 – The Board reviewed and adopted its formal Board Diversity Policy and Group Diversity and Inclusion Policy in July 2021. More information can be found on pages 33 to 36, 48 to 49 and 97
Strategy	<ul style="list-style-type: none"> – To consider length of strategy meetings to allow time for the Board to consider and discuss wider-ranging issues and provide for more extensive debate – To engage and consult with the Non-Executive Directors in advance of any strategy meeting 	<ul style="list-style-type: none"> – The General Counsel and Company Secretary along with the Chair have reviewed the Board agendas for the year and reconsidered their organisation and timing to better allow space for consideration of strategic matters throughout the year (including the structure of the annual strategy meeting) – The Non-Executive Directors were consulted ahead of preparation of the Strategy pack
Non-Executive Director interaction with Group Executive Committee and senior management	<ul style="list-style-type: none"> – To resume overseas Board meetings/visits at least twice per year and use these as opportunities to introduce the Board to local management and talent 	<ul style="list-style-type: none"> – As a result of the ongoing uncertainty and travel restrictions in place through the year, the Board was not able to resume overseas visits. However, the Board has agreed a forward agenda of overseas visits for the coming financial year (which commenced with a UK-based site visit at the start of the financial year) – During the year, divisional CEOs presented to the Board, in person where possible
Risk management and other matters	<ul style="list-style-type: none"> – To develop the quality of reporting on health and safety matters including food safety 	<ul style="list-style-type: none"> – The capacity to develop the quality of reporting on health and safety matters (including food safety) has been impacted by the Covid-19 pandemic. Country reporting has continued on a quarterly basis for incidents and accidents statistics and on a half yearly basis for self-assessment of the health and safety standards (including food safety), with a targeted follow up from the Group Health and Safety Manager – As the business recovers, the Company is looking to develop more frequent reporting for incidents and accidents statistics for Board review. For the health and safety standards the self-assessment questionnaires are being developed to expand focus on high risk areas, e.g. food safety and allergens
Audit/Remuneration Committee skillset/ experience	<ul style="list-style-type: none"> – To review the experience and skillsets of the Audit and Remuneration Committees 	<ul style="list-style-type: none"> – During the year, a full skills mapping review was undertaken on each Director. See pages 96 to 97 above for a discussion of the process and outcomes
Individual Director performance reviews	<ul style="list-style-type: none"> – To consider the format of the individual Director performance reviews to ensure that they are an effective assessment tool 	<ul style="list-style-type: none"> – As the review this year was external, the individual director review was built into the interview process and combined with feedback to the Chair – The internal review process will be considered in the 2022 Financial Year to ensure that this action item is carried forward

2021 Review

The Chair is responsible, with assistance from the Nomination Committee, for ensuring that the Company has an effective Board with an appropriate combination of skills, experience and knowledge.

Each year, the Board undertakes a formal, rigorous review of the Board and its Committees, as well as of the Chair and the individual Directors, to ensure that they continue to be effective and that each of the Directors demonstrates commitment to their respective roles as well as having sufficient time to meet their commitments to the Company. The Board Evaluation process also allows the Chair to consider the composition and diversity of the Board and its Committees.

The external Board review conducted in the year was undertaken by Independent Audit Limited, which was selected by the Board after a formal tender process and shortlisted candidates were interviewed before the decision was taken. Independent Audit Limited have significant experience in conducting evaluations at FTSE 350 companies. Other than the 2021 Board review (and reviews of other Boards on which Directors act), Independent Audit Limited have no connection to the Company or any of its Directors.

The external evaluation was led by the Chair, with assistance from the General Counsel and Company Secretary, and involved a comprehensive review of the effectiveness of the Board and its Committees, as well as the structures and processes in place to support them in their roles.

Review process

At the outset of the process, the Chair and the General Counsel and Company Secretary agreed the timing, scope and nature of the review with Independent Audit Limited, including key themes for discussions as well as the best approach to adopt to ensure that the evaluation process was challenging and comprehensive. As a result, the evaluation comprised a review of Board and Committee papers and interviews with all members of the Board, the General Counsel and Company Secretary and other members of the executive team and external advisors, as well as observations of Board and Committee meetings. The General Counsel and Company Secretary assisted in providing access to Board and Committee papers and ensuring the reviewer was supported through the process.

Independent Audit Limited's draft report was initially reviewed by the Chair and the General Counsel and Company Secretary. Once finalised it was shared with Board members separately in advance of a Board meeting for review and discussion. During that meeting (which was attended by Independent Audit Limited), having discussed the conclusions and proposed actions, the Board developed and agreed an action plan for the year ahead.

Separate to the general Board evaluation, the review process incorporated a high-level assessment of individual director performance, including that of the Chair. The SID discussed the Chair evaluation with the Chair, with the view from the Directors being that he had led the Board well over a challenging year for the Company. Independent Audit Limited gave feedback on individual directors directly to the Chair. As a result, the Chair considered each Director to be effective (in their Board and Committee roles), having demonstrated significant commitment to his or her respective roles (with sufficient time to meet his or her commitments to the Board) as well as flexibility of approach over the last year as the Company managed its response to the Covid-19 pandemic. The Chair proposes to build this feedback into a more formal and rigorous review of director performance over the coming financial year as the new Board embeds itself.

Outcomes and actions from the Review

The evaluation noted that, whilst the business has been particularly hard hit by the Covid-19 pandemic, the executive team, and the Board that has supported them, were seen to be effective in adjusting their focus and priorities in response to the pandemic.

From a governance perspective, it was noted that the Board composition has been revitalised over the preceding two years and that the pandemic, and the need to come together to tackle it to protect the interests of the Company and stakeholders, had created a strong sense of common purpose. The review felt that the Board was on an upward trajectory, with many aspects working well. Notable strengths included:

- an agile Board, and improved meeting dynamic, with the NEDs bringing a good range of relevant experience, skills and constructive challenge;
- a popular Chair who brings commitment and business acumen, as well as his skills at developing a Board which now provides considerably greater oversight and input than before;
- a long-standing CFO, who is highly commended by NEDs for his in-depth knowledge and experience and whose astute financial management has been a source of strength throughout the pandemic, and who is supported by a hard-working Executive team;
- a Board which has focused well on key stakeholders, particularly investors;
- well-functioning Committees, in terms of their effectiveness and decision-making, covering their responsibilities and benefiting from capable, committed Chairs; and
- an efficient and supportive secretariat, under the leadership of the General Counsel and Company Secretary.

2021 Board Review – Outcomes and Actions

A summary of recommendations for the Board, alongside actions planned or taken, can be found below.

Area for development	Recommendations	Actions
Focusing on the right areas	<ul style="list-style-type: none"> – Determine the strategic themes that the Board will tackle in the next year, which will support work on Company strategy – Invite regional CEOs to attend the Board when appropriate in rotation – Develop key actions and timelines following strategy sessions – Ensure the selection process for the new CEO is inclusive with enough time set aside for a thorough process 	<ul style="list-style-type: none"> – Key strategic themes have been identified, with deep dive sessions scheduled on each in the 2022 financial year – The Chair and General Counsel and Company Secretary have taken the recommendations into account when setting the agenda for 2022 financial year – Following the current CEO's resignation, the Nomination Committee led a robust and inclusive recruitment process. More information on the selection process can be found on pages 96 to 97
Managing the time	<ul style="list-style-type: none"> – Consider structure of meetings to allow for longer discussions – Include Board dinners and overnight stays in the Board schedule to allow for more informal discussion 	<ul style="list-style-type: none"> – Forward agenda includes in-person meetings to take place and includes site visits in various regions (over 3-4 days), as well as Board dinners
Getting to know the people, the culture and the business	<ul style="list-style-type: none"> – Resume site visits and organise a 'second induction' for the relatively new NEDs to deepen their understanding of SSP's culture, customers, brands and business model 	<ul style="list-style-type: none"> – Forward agenda includes meetings to be held in different locations where SSP operates, to include site visits and allow the Board to meet clients
Establishing grounded trust	<ul style="list-style-type: none"> – While the outsourced internal audit function is working well, consider a review of the arrangements – Review Board reporting on operational risk and controls – Ensure that private sessions of the NEDs and auditors take place routinely 	<ul style="list-style-type: none"> – A review of internal audit arrangements will be considered during the next year, when the incoming Audit Chair is in place – The need to improve reporting is recognised in order to exercise good oversight. Planned IT upgrades will help provide a better aggregated view – Regular meetings of the NEDs without the presence of the executives scheduled in upcoming year
Additional aspects of Board effectiveness	<ul style="list-style-type: none"> – Further improve timeliness and quality of Board information and reporting – Keep the membership at Committees under review 	<ul style="list-style-type: none"> – Tim Lodge's appointment as Audit Committee Chair, effective from the conclusion of the 2022 AGM, as part of the Board's planned succession plan – Remuneration Committee to be bolstered with appointment of Apurvi Sheth – Audit Committee to be strengthened with appointment of Kelly Kuhn



“The Committee continued to provide oversight and challenge during another year of significant Covid impact on the business. The Audit Committee assisted the Board in its preparation for the Rights Issue and scrutinised management’s key financial reporting judgements. We are pleased to note that the integrity of the Group’s internal control and risk management systems has remained robust.”

Ian Dyson
Chair, Audit Committee

Meeting attendance

Director	Date appointed as member	No. of meetings attended	No. of additional meetings held
Ian Dyson	4 April 2014	5/5	1/1
Tim Lodge	1 October 2020	5/5	1/1
Carolyn Bradley	1 October 2018	5/5	1/1
Per Utnegaard	1 July 2015	2/2 ¹	n/a

¹ Per Utnegaard resigned on 28 February 2021.

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

Dear Shareholder

On behalf of the Audit Committee (the ‘Committee’), I am pleased to present its report for the year ended 30 September 2021. During the year, the Committee has continued to play a key role in assisting the Board in discharging its oversight responsibility. Its focus has been on monitoring the integrity of the Group’s financial reporting, internal control and risk management systems, reviewing the effectiveness of internal and external audit programmes, overseeing business conduct and ethics and ensuring that the Group’s processes and controls prevent the facilitation of tax evasion, in each case against the backdrop of the ongoing pandemic.

The continuing impact of Covid-19 on the business, its finances and its people has resulted in a heightened level of risk in a number of areas, particularly in relation to the health and safety of our colleagues and customers, to our ability to operate our units, particularly during periods of government-imposed lockdown, and to the financial performance of the business. Following the completion of the Group’s Rights Issue in April 2021, the risk relating to the availability of liquidity and funding has substantially decreased. However, a number of new risks have emerged during the last twelve months, including those relating to the availability of labour and the associated impact of wage inflation, to supply chain disruption and product cost inflation, while the retention of senior management in the current environment continues to be a cause for concern. Further details of these risks and their mitigating controls are set out on pages 52 to 67 of this Annual Report.

As has been the case since the initial escalation of Covid-19 in March 2020, the Committee has worked with the Board and management to adapt normal financial and operational controls and governance processes such that they remained effective and appropriate for the new business environment. Such adjusted controls have been kept under regular review by our Risk Committee, our Internal Audit function and by the Committee. In addition, our finance, compliance and business controls teams across the Group have had to continue to adapt to the restrictions that remote working has imposed, ensuring that the Group’s compliance and business controls environment was maintained despite the challenges presented.

As in the prior year, Covid-19 has increased the degree and complexity of judgmental decisions that needed to be reflected in our financial statements. In particular it has continued to act as a specific trigger for reviews of potential impairments of fixed assets and right-of-use (ROU) assets. Together with the recoverability of goodwill, the Committee reviewed the exercise performed by management to determine the recoverability of these assets for all material cash-generating units (CGUs). Review of going concern and viability assessment has also remained a key area of focus.

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

This year is my last full financial year as Chair of the Audit Committee. Following the conclusion of the 2022 AGM, I will be succeeded as Chair of the Committee by Tim Lodge. Tim has the requisite recent and relevant financial expertise and experience and is well qualified to discharge the role. In addition, as noted in the Corporate Governance Report, Kelly Kuhn will be joining the Committee, with effect from 1 January 2022. For details of Tim and Kelly’s background and experience, please see pages 85 and 86.

Impact of Covid-19

Although the Committee's roles and responsibilities have not changed since the onset of the pandemic, a number of areas have required increased levels of scrutiny due to the impact of the Covid-19 pandemic and the risks that arose as a result.

This included:

- 1) additional assessments of impairment of goodwill, intangible assets and assets held within cash-generating units
- 2) review and challenge of appropriateness of statements on going concern, liquidity and viability, reflecting the impact of Covid-19, with particular scrutiny being given to the reports prepared and assumptions used by management to support those statements
- 3) assistance to the Board in its preparations for the Rights Issue, keeping under regular review the working capital report which underpinned the Rights Issue together with the internal financial controls review and reporting
- 4) review and challenge of management on its financial modelling and scenario analysis, reflecting the disruption to the Group's operation caused by the Covid-19 pandemic
- 5) review of the appropriateness of the Group's amended risk management and internal control arrangements

Further details of the above are set out in detail in the rest of this Audit Committee Report.

Composition and meetings

The Committee held six meetings during the year and as at year end comprises myself and two other independent Non-Executive Directors, namely Carolyn Bradley and Tim Lodge. Attendance at these meetings is shown on page 102. As Chair, I have recent and relevant financial experience through my past roles as a Chief Executive Officer and Group Finance Director of publicly quoted companies. The expertise and experience of the members of the Committee is summarised on pages 84 to 86 and reflects the competence of the Committee as a whole relevant to the sector. The General Counsel and Company Secretary, Helen Byrne, acts as Secretary to the Committee.

At the Committee's request, the Chair of the Board, non-member Non-Executive Directors, the Deputy CEO and CFO and senior members of the SSP Group finance and business controls departments attend meetings of the Committee, together with senior representatives from the internal and external auditors. The Committee holds private sessions with the internal and external auditors without management being present. I regularly keep in touch with the Group Chief Executive Officer, the Deputy CEO and CFO and the General Counsel and Company Secretary. I also meet privately with both the internal and external auditors and provide regular updates to the Board on the key issues discussed at the Committee's meetings.

The Committee receives independent assurance from the Group's Internal Audit function, which is outsourced to Deloitte, and also receives updates from the external auditors across a wide range of issues. The Committee is further supported by the Risk Committee which meets quarterly and is chaired by the Group Deputy CEO and CFO.

The Audit Committee's performance evaluation was undertaken as part of the wider Board Evaluation process set out on pages 99 to 101.

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

Overview of the year

During the year, the Audit Committee has:

- reviewed the Group's risk assessment, with particular focus on the risks which were deemed to have increased, either in likelihood or impact, along with the supporting action plans to mitigate the risks. In 2021, three new risks were added relating to sustainability, availability of labour and wage inflation, and supply chain disruption and product cost inflation. Other areas of particular focus included the impact of Brexit, which has continued to be a high risk area for the UK business, senior management capability and retention, retention of existing contracts, and compliance with various pieces of legislation (for example, GDPR, food safety, the Criminal Finances Act, the Modern Slavery Act and the Bribery Act);
- agreed the scope of both the external and internal annual audit programmes, reviewed the outputs and monitored the effectiveness of the internal and external audit process, and evaluated the internal audit strategic risk assurance process and its role;
- reviewed and monitored the external auditor's independence and objectivity; the policy on engagement with the external auditor to supply non-audit services has remained unchanged;
- overseen the relationship with the external auditor and made recommendations to the Board in relation to reappointment, remuneration and terms of engagement;
- monitored the integrity of the Group's financial statements and continued to challenge the assumptions and judgements made by management in determining the financial results of the Group, including ensuring that the disclosures in the financial statements were appropriate, particularly Alternative Performance Measures (APMs) and the continued reference to pre-IFRS 16 numbers;
- overseen the process for determining whether the Annual Report and Accounts presented a fair, balanced and understandable assessment of the Group's position and performance, business model and strategy; and
- evaluated and approved the going concern assumption and longer-term viability statements, especially taking into account the guidance issued by the Investment Association and the Financial Reporting Council (FRC).

In addition to the above, the Committee reviewed the following matters during the year:

- assessments of impairment of goodwill, intangible assets and assets held within cash-generating units as a result of the Covid-19 pandemic;
- updates on tax matters, including the Group's tax strategy;
- appropriateness of statements on going concern, liquidity and viability, reflecting the impact of Covid-19;
- proposals for the scope of minimum financial controls reviews and for the proposed internal audit activity in 2021;
- the effectiveness of health and safety measures, including specifically an evaluation of the Group's controls in respect of allergens; and
- the Audit Committee's terms of reference and the Committee's overall performance and composition.

A fuller description of the operation of the Committee during the year is set out in this report. I will be available at the 2022 Annual General Meeting (AGM) to answer any questions from shareholders about the work of the Committee.

Financial reporting

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

Area	Background	Committee's activities and conclusions
Goodwill and intangible assets	<p>The Group has a significant goodwill balance, mainly representing the consideration paid in excess of the fair value of the identified net assets acquired in relation to the 2006 acquisition of the SSP business by EQT Partners, through the purchase of various Compass Group plc subsidiaries by various subsidiaries of SSP Group plc. The net assets acquired included intangible assets relating to the Group's own brands, and franchise rights in respect of third-party brands that were identified and valued at the date of acquisition. The goodwill and intangible assets balance also includes amounts recognised on acquisitions during the current and previous financial years.</p> <p>The Committee recognises that there is a risk that an asset can become impaired, for example, due to changes in market conditions. As a result, the Group monitors the carrying values of goodwill and intangible assets to ensure that they are recoverable and any specific indicators of impairment are discussed by the Executive Directors with both operational and financial management at Group and in country.</p> <p>Covid-19 has continued to have a significant impact on the business during 2021 and, as such, there has been an additional trigger for impairment in the current year.</p>	<p>The Committee reviewed the goodwill impairment assessment prepared by management and challenged the key assumptions, including the ongoing impact of Covid-19 on the forecasted sales and EBITDA and the appropriateness of discount rates used.</p> <p>The forecasts used by the management continue to be conservative, reflecting the Group's best estimate of the recovery in passenger numbers in its key markets over the medium term. The discount rates have remained largely consistent with the prior year as the adjustments impact of volatility of cash flow and market risk have already been taken into account. Total goodwill impairment of £26.4m has been recognised in the current year. The Committee agreed with this conclusion. The disclosure is set out in note 12.</p>
Cash-generating units impairment assessment	<p>Cash-generating units (CGUs) are required to be tested for impairment annually if there is a trigger for impairment. Covid-19 continued to be a specific trigger for impairment in the year. Management has determined a CGU to be a site, e.g. an airport or a rail station.</p> <p>Similar to the goodwill impairment assessment, management have exercised significant judgement during the process relating to discount rates, future growth rates and cash flows. Management have carefully considered the impact of Covid-19 in each CGU.</p>	<p>The Committee challenged key judgements made by the management. The discount rates largely remained consistent with the prior year. We reviewed the methodology and checked to see if the rates were in a similar range with a comparator group whilst adjusting for any Company specific factors. The discount rates were deemed to be reasonable. We also challenged the consistency of forecasting assumptions used in this exercise against those used for the goodwill impairment exercise. Whilst the CGU impairment exercise was carried out at a much more granular level and management have exercised judgement based on their knowledge of specific cash flows for each site, we noted that overall the forecasting assumptions were consistent with forecasts used for the goodwill impairment and going concern exercises.</p> <p>Total impairments recognised related to fixed assets and ROU assets are £11.9m and £12.5m respectively. Similar to last year, the impairment primarily arose on those sites which are expiring in the next two to three years and as such there is not sufficient time to allow for recovery to normal levels of sales and profitability. These included sites which had previously been partially impaired but where additional impairment arose due to the further deterioration of forecasts.</p> <p>Further details on impairments have been set out in notes 11 and 13.</p>
Taxation	<p>The Group operates, and is subject to income taxes, in a number of jurisdictions. Management is required to make judgements and estimates in determining the provisions for income taxes and the amount of deferred tax assets and liabilities recognised in the consolidated financial statements.</p> <p>The Committee recognises that management judgement is required in determining the amount and timing of recognition of tax benefits and an assessment of the requirement to make provisions against the recognition of such benefits.</p>	<p>The Committee reviewed the Group's tax strategy and received reports and presentations from the Group Head of Tax, setting out the tax strategy and highlighting the principal tax risks that the Group faces and the judgements underpinning the provisions for potential tax liabilities. The Committee also reviewed the results of the external auditor's assessment of provisions for income taxes and deferred tax assets and liabilities and having done so was satisfied with the key judgements made by management.</p>

Area	Background	Committee's activities and conclusions
Going concern and viability statement	<p>In order to support its going concern assessment, the Group carries out reviews of its available resources and cash flows regularly with a more detailed viability assessment carried out on an annual basis.</p> <p>Covid-19 continues to have a material impact on the Group's operations and cash flows, and there remains considerable uncertainty surrounding the ongoing impact of the pandemic. In making the going concern and viability assessments, the Directors have modelled two scenarios, with the base case based on the Budget for 2022 adjusted to reflect current trading over the autumn. This base case scenario then assumes a slow but steady recovery in passenger numbers in most of our key markets over the remainder of the current financial year, with Group sales reaching approximately 80% of 2019 levels by the end of the 2022 financial year. By 2024, we assume that like-for-like sales and margins have recovered to 2019 levels, supplemented by the mobilisation of our secured pipeline which is expected to generate an additional 10-15% of net contract gains over the medium term. The downside scenario reflects a more pessimistic view of the travel markets for the remainder of the current financial year, assuming the introduction of renewed travel restrictions during the winter months. The downside scenario then assumes a gradual recovery during the second half of the 2022 financial year and thereafter, but at a slower pace than envisaged in the base case.</p>	<p>The Committee challenged management's trading and liquidity forecasts for both the base case and the downside scenario, focusing on the reasonableness of the pace of recovery of passenger numbers, continued access to financing and the ability to meet its existing financial covenants. We noted that in both the base case and the downside case the Group would continue to have sufficient liquidity headroom based on the forecast cash and committed available facilities. Furthermore, in both its base case and its severe but plausible downside scenarios, the Group would have headroom against all of the applicable covenant tests at all testing dates during the period of assessment.</p> <p>After careful review, the Committee was satisfied and recommended to the Board that the Directors should continue to adopt the going concern basis of preparation, and that based on the current funding facilities available, the Directors could have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of their assessment to September 2025.</p>
Alternative performance measures	<p>In addition to IFRS based performance measures, the Directors also use alternative performance measures ('APMs') to provide additional useful information on the underlying trends, performance and position of the Group (see pages 76 to 79). These measures are not defined nor specified under IFRS and therefore are not intended to be a substitute for the same.</p> <p>Furthermore, management have presented 'pre-IFRS 16' numbers and commentary together with the statutory numbers in the Financial Review and other sections. This is because the pre-IFRS 16 basis is consistent with the financial information used to inform business decisions and investment appraisals. In management's view presenting the information on a pre-IFRS 16 basis provides useful and necessary additional information to enhance the reader's understanding of the Group's results.</p>	<p>The Audit Committee noted the guidance issued by the FRC in relation to the use of APMs and considered whether the performance measures used provided meaningful insights for shareholders into the Group's results. The Committee also reviewed the treatment of items considered for separate disclosure in the Annual Report and Accounts, ahead of their approval by the Board. The Committee also continued to support the judgements made by the management regarding those items considered as exceptional and requiring separate disclosure.</p> <p>The Committee concluded that clear and meaningful descriptions had been provided for the APMs used and that the relationship between these measures and the statutory IFRS based measures was clearly explained. It was also concluded that the Committee supported the considered understanding of the financial statements, and that the APMs had been accorded equal prominence with measures that are defined by, or specified under, IFRS.</p> <p>The Committee reviewed the 'Pre-IFRS 16' disclosures added in the current year and concluded that these were reasonable to include in the Annual Report and Accounts for the year.</p>
Fair, balanced and understandable financial statements	<p>An intrinsic requirement of a Group's financial statements is for the Annual Report and Accounts to be fair, balanced and understandable. The coordination and review of the Group-wide input into the Annual Report is a sizeable exercise performed within an exacting timeframe, which runs alongside the formal audit process undertaken by the external auditor.</p>	<p>The process to ensure that the Committee, and then the Board, are satisfied with the overall fairness, balance and clarity of the document has been underpinned by:</p> <ul style="list-style-type: none"> – guidance issued to contributors at an operational level; – a verification process dealing with the factual content of the reports; and – a comprehensive review by the Directors and the senior management team.

Risk management and internal control

The Board has overall responsibility for risk management and internal control systems, and for reviewing their effectiveness. This process is overseen by the Committee on the Board's behalf. It is increasingly important that this is carried out in the context of the social, environmental and ethical matters relating to the Group's business.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute assurance against material misstatement, loss, fraud or breaches of law and regulations. The Board has established a clear organisational structure with defined authority levels. The day-to-day running of the Group's business is delegated to the Executive Directors of the Group. The Executive Directors meet with both operational and financial management on a weekly and monthly basis. Key financial and operational measures are reported on a weekly and monthly basis, and are measured against both budget and forecasts in these meetings. This process has been adapted where needed by the CEO and Deputy CEO and CFO to reflect the nature of reporting required during the Covid-19 pandemic. A summary of the Group's risk management system is set out on pages 52 to 56.

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

Following this process, a summary of the principal risks and uncertainties which are currently judged to have the most significant impact on the Group's long-term performance is set out on pages 57 to 67.

The Committee reviewed the effectiveness of the Group's financial and other internal control systems through the Core Financial Controls assessment exercise, as well as the reports of the internal and external auditors during the year. It subsequently reported on these matters to the Board to allow it to carry out its review (see page 52).

Internal audit

Deloitte LLP ('Deloitte') act as internal auditor to the Group, and the partner responsible reports directly to the Audit Committee, in addition to being a permanent attendee of the Risk Committee. Internal audit plays an important role in assessing the effectiveness of internal controls through a programme of reviews based on a continuing assessment of business risks across the Group.

Internal Audit is in regular dialogue with the regional Chief Financial Officers and the Deputy CEO and CFO, to discuss the output from the assurance work and acquire an update on the business risks across the Group. Where control deficiencies are noted through the assurance work performed, Deloitte will perform follow-up reviews and visits.

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

The Internal Audit activity in the year was set in proportion to the reduced level of global operations. It largely focused on a programme of testing a set of key financial and operational controls expected to be in place across all local finance operations during the year. The output of the exercise was reviewed by the Committee which ensured that any proposed action was timely and commensurate with its level of risk, whether real or perceived. Key financial controls continue to be robust and no significant weaknesses in internal controls and wider control environment was identified that would materially impact the Group as a whole. For the current year, the Committee remains satisfied that the Group's system of internal controls works well. For the coming financial year, the resumption of the full scope internal audit programme has been planned.

The Committee determines the adequacy of the performance of the internal audit process through the quality and depth of findings and recommendations. During 2021, the Committee also carried out a formal assessment of the internal audit process, using questionnaires completed by senior finance personnel both at Group and in country, along with key members of the business controls, legal and tax departments. The survey covered areas such as organisation, purpose and remit, process management, quality of the team, knowledge and expertise, and communication of results and recommendations. The survey indicated an overall satisfaction with the internal audit process, including Deloitte's interactions with the local teams as well as their understanding of the business and the issues it faces. The Committee discussed the results of the survey with Deloitte and was satisfied with the internal audit process. The results and feedback from the survey were incorporated into the next year's internal audit plan.

As set out on pages 99 to 101, while the Board evaluation noted that the outsourced internal audit arrangement with Deloitte was working, it recommended that the Company consider a review of the arrangements as well as a review of board reporting on operational risk and controls. As a result of the evaluation process, the Committee has agreed to consider a review of internal audit arrangements during the 2022 financial year.

External audit

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

The Committee carried out an assessment of the external audit process during the financial year, including KPMG's role in that process. This was supported by the results of discussions with individual Committee members and questionnaires completed by senior finance personnel both at Group and in country, along with key members of the legal and tax departments. The survey covered areas such as communication, the audit approach and scope, the calibre of the audit teams, technical expertise, and independence. The survey indicated overall satisfaction with the services provided by KPMG and the Committee was satisfied with KPMG's responses to the points raised in the survey. The results and feedback from the survey were incorporated in the next year's external audit plan.

During the year, KPMG's audit of the Group's financial statements for the year ended 30 September 2020 was reviewed by the FRC's Audit Quality Review (AQR) team. The AQR routinely monitors the quality of audit work of certain UK audit firms through inspections of sample audits and related procedures at individual audit firms. Only one non-significant point was identified for improvement, relating to the work performed over an assumption within our lease accounting calculations. The AQR also highlighted two good practice observations in relation to KPMG's group audit team oversight, and involvement with, component auditors and the audit team's evaluation of management's going concern assessment. The Audit Committee and KPMG have discussed the identified limited improvement observation and are satisfied with responses to be implemented by KPMG in the 2021 audit.

KPMG was reappointed as external auditor following a tender process for the Group's external audit in 2015. The audit partner for the year ended 30 September 2021 was Nicholas Frost, who has been audit partner since year ended 30 September 2018. Under the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'CMA Order') the Group is required to put its external audit process out to tender again by no later than 2025 and intends to do so in line with those regulations. The Committee confirms it is in compliance with the provisions of the CMA Order and that there are no contractual obligations that restrict the Company's choice of external auditor.

KPMG fees

The total fees paid to KPMG in the year ended 30 September 2021 were £3.1 million, of which:

Audit services

- £0.6 million – audit of these financial statements
- £1.5 million – audit of financial statements of subsidiaries
- £0.2 million – audit related services

Non-audit services

- £0.65 million – services relating to the Rights Issue
- £0.15 million – assurance work for turnover certificates within the business

KPMG did not receive any fees for tax compliance services or tax advisory services

Further disclosure of the remuneration paid to KPMG can be found in note 5 on page 161.

Auditor independence and non-audit services policy

The Committee reviews the formal policy governing the engagement of the external auditors to provide non-audit services on an annual basis. It sets out the circumstances in which the auditor may be engaged to undertake non-audit work for the Group. The Committee also oversees compliance with the policy and considers and approves requests to use the auditor for non-audit work.

Recognising that the auditor is best placed to undertake certain work of a non-audit nature, e.g. audit-related services, the engagements for non-audit services that are not prohibited are still subject to formal review by the Committee based on the level of fees involved, with reference to the 70% cap that applies. Non-audit services that are pre-approved are either routine in nature with a fee that is not significant in the context of the audit or are audit-related services. The Group's non-audit services policy remains in line with the latest ethical guidance and there were no changes made in 2021.

During the year, due to the exceptional circumstances of Covid-19, approval was obtained from the Financial Reporting Council (FRC), as the Competent Authority, to waive the non-audit services fee cap for the financial period 2021 only in order to allow KPMG to act as reporting accountant to support the Company's Rights Issue completed on 21 April 2021. As a result of the waiver, non-audit services fees were 139% of the average audit fees applicable for the KPMG UK fee cap requirements and 62% of the average audit fees applicable for the KPMG network firm fee cap requirements.

The Committee satisfied itself of the continued independence of KPMG, despite the requirement to request the waiver, due to the nature of the reporting accountant services provided by KPMG, which are permissible to provide and mainly assurance in nature, and for which the services were led by a separate engagement team and subject to independent review from partners outside the audit team. The Committee considered it appropriate for the auditor to provide these services as they were time critical and market sensitive which meant the Company required support from an independent provider quickly and efficiently. As the auditors, KPMG was already independent and allowed for confidentiality to be maintained amongst a limited number of individuals/firms. The waiver was granted prior to commencement of the non-audit service.

In addition to the above, non-audit fees included £0.1m of assurance work carried out by KPMG in relation to turnover certificates for certain Group companies which are required in order to comply with local regulations.



Ian Dyson
Chair, Audit Committee
7 December 2021



"The Committee is proud of our colleagues and leadership who together as 'One Team' have continued to rise to the challenges of Covid-19, supporting business return whilst caring for each other and the communities in which we operate."

Carolyn Bradley
Chair, Remuneration Committee

Meeting attendance

Director	Date appointed as member	No. of meetings attended	No of additional meetings
Carolyn Bradley	1 October 2018	9/9	2/2
Ian Dyson	4 April 2014	9/9	2/2
Judy Vezmar	1 August 2020	9/9	2/2
Per Utnegaard*	1 July 2015	5/5	1/1

* Per Utnegaard resigned from the Board on 28 February 2021.

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

Statement by the Chair of the Remuneration Committee

Introduction

On behalf of the Board and the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2021, which contains:

- the annual remuneration report, describing how the Directors' Remuneration Policy has been applied this year and how the policy will be implemented in the 2022 financial year
- the Directors' Remuneration Policy, which was approved by shareholders at the 2021 AGM

Context

The continued impact of Covid-19 on our business created another challenging year for our colleagues, and our primary focus was to keep them safe and informed and support them through the pandemic. Despite these challenges, our teams have acted with resilience, professionalism and care towards each other and the communities in which we operate. Though many were furloughed as a result of having to temporarily close units in response to reductions in passenger levels, we are pleased that we have been able to welcome back many of our colleagues as the market has started to recover and we have reopened once again. As a Committee, we would like to take this opportunity to thank our colleagues for all their hard work and commitment and for demonstrating our values in all that they have done throughout the past year.

Last year, our pay outcomes reflected the significant impact of the pandemic on the Group and aligned to our application of pay restraint across the business. Salary levels for SSP's executive management and fees for the Board were reduced by 30% for a substantial part of the year. As a result of the pandemic, the bonus financial targets we had set the business in September 2019 were not met, and Executive Directors waived the strategic element of the bonus. Executive Directors received no bonuses and LTIP out-turns for the year were also zero.

We thought carefully about the pay model to best support the business for the next phase of recovery and consequently introduced a new Restricted Share Plan ('RSP') into our Directors' Remuneration Policy ('Policy'), replacing the Performance Share Plan. We were delighted that our new Policy was approved by over 90% of shareholders at the AGM.

Our focus for the 2021 financial year was to take proactive steps to refinance the business, putting us in a strong position to navigate the continued impact of the pandemic. As part of this refinancing our shareholders supported an equity raise through a Rights Issue. We were very pleased with the support of our shareholders for the Rights Issue, which received a take-up of 98.05%.

As reported in September, the business has now started to benefit from recovering passenger numbers across the travel sector, resulting in an improvement in second half revenue to 38% of 2019 levels from approximately 20% in the first half. As a result of the improvement in sales over the second half of the year and the actions taken to manage profitability, SSP delivered positive EBITDA in the final quarter and broadly break-even EBITDA for the second half of the year.

The robust second half performance reflects the disciplined management of the reopening programme and the actions taken to simplify the business model and significantly reduce the operating cost base, including by renegotiating rents and removing overheads. Being able to access government furlough schemes supported our ability to retain employees in the Group whilst units were temporarily closed because of the significant restrictions in place on travel.

The free cash outflow during the year was limited to £58.1m, reflecting the Group's continued tight management of operating costs and working capital over the last twelve months. In the second half of the year, the Group generated net free cash flow of £82.8m, principally due to a strong working capital performance, driven by the recovery in sales. The Group also reported further good progress on business development, extending and renewing contracts as well as winning new tenders to augment our existing strong pipeline, including new business wins in the UK, France, India, Malaysia, Thailand, China and Australia.

Board changes

In July 2021 Simon Smith resigned as Group CEO to join a private equity backed business. Following his resignation, Simon was not eligible for a 2021 financial year bonus and his unvested share awards will lapse. Further details are provided on page 116.

With effect from 1 September 2021 we appointed Jonathan Davies as Deputy CEO, alongside his role as CFO, to provide continuity of leadership during the transition period and to provide support to the new CEO. His salary was increased to £500,000 effective 1 October 2021 with an increased incentive opportunity. Further details of his new remuneration package are set out on page 116.

We were delighted to announce the appointment of Patrick Coveney as our new CEO, with effect from 31 March 2022. Patrick is a strong and strategic leader who brings over thirteen years' experience as a FTSE 250 CEO and a strong track record of delivering growth. In determining the package for the new CEO, the Committee took into consideration the calibre of the candidate and the broad and relevant experience he brings to the role. Patrick's remuneration arrangements on appointment are consistent with our remuneration policy. His salary on appointment will be £775,000, and his pension will be aligned to that received by our workforce. Patrick's annual bonus opportunity will be a maximum of 175% of salary with an RSP award of 100% of salary. Patrick's appointment also necessitates the grant of replacement awards in respect of awards that he forfeited on leaving his former employer. Details of his remuneration package are set out on page 116.

2021 Annual bonus

This is our second year of determining remuneration outcomes for our Executive Directors and wider management team against the backdrop of the pandemic. The Committee has been focused on aligning compensation with our shareholders' objectives, whilst rewarding and motivating management to deliver high performance for all our stakeholders and to navigate the path towards the recovery of the travel sector. It is also imperative that we take into consideration the need to retain key executives with the requisite experience in the business to deal with the ongoing challenges presented by the pandemic, against a background of significant alternative employment opportunities that are available for talented and experienced management.

The bonus structure for Executive Directors for the 2021 financial year was set with weightings of 40% EBITDA, 40% Net Debt and 20% based on strategic objectives¹. When EBITDA and Net Debt targets were set early in the 2021 financial year, confidence in accurate forecasts for the year ahead were extremely limited and a wide range of possible scenarios existed. During our consultation with shareholders ahead of introducing the RSP we discussed the challenges of setting robust incentive targets. Against that backdrop, setting a fixed absolute performance target range for EBITDA and Net Debt was not possible without these potentially being either overly easy or overly stretching depending on the path of the sales recovery. However, we were keen to put in place a financially based mechanism and targets which aligned management to our financial objectives for the year. In this context the Committee agreed a bonus mechanism which calibrated EBITDA and Net Debt targets based on optimising revenues from the available passenger numbers at SSP sites and converting this revenue efficiently to profits, measured by a profit conversion ratio on the sales variance compared to the Budget, and to cash, given the importance of protecting liquidity throughout the crisis. The profit conversion ratio applied was 20% which the Committee considered to be stretching given the very challenging operating circumstances, particularly at low levels of sales, where the impact of fixed costs become increasingly hard to mitigate.

The results from this mechanism were then subject to a discretionary framework to ensure that the outcomes were fair and reasonable given the wider context for the Company and its stakeholders. The discretionary framework assessment references a wide range of factors including passenger numbers (PAX), minimum guaranteed rents, average number of open units, and also the levels of government support for fixed costs received globally. We anticipated that we would apply a greater than normal level of judgement and discretion when considering outcomes for the year.

The approach allowed us to set formal financial targets in an exceptionally uncertain environment. The same principles for the determination of bonus were applied to Executive Directors and our wider management team.

Out-turn for the year

Based on the agreed mechanism, the Group EBITDA and Net Debt performance achieved in the 2021 financial year was ahead of the maximum target, as a result of the operating profit conversion being above the target set. Full details of performance and these targets are provided on page 114.

¹ Throughout the Directors' Remuneration Report, references to EBITDA and Net Debt are on an underlying (pre-exceptional) pre-IFRS 16 basis.

However, taking into account the prolonged nature of the crisis and its impact on the business, leaving it loss-making for the full year, the Committee did not believe that a maximum bonus award would be appropriate this year, despite the very strong performance against the targets set. Nevertheless, given management's significant achievements during an extremely challenging year, neither did we think that a second year of a zero out-turn would be appropriate or a fair reflection of performance.

The Committee acknowledges the sensitivities around executive bonuses in the current environment, and in particular where companies have been in receipt of furlough support. However, for SSP, being able to access Government furlough schemes supported our ability to retain employees in the Group whilst units were temporarily closed because of the significant restrictions in place on travel. Encouragingly, with units now reopening we have been able to welcome back many of the colleagues who were furloughed. Prior to finalising the 2021 financial year bonus outcome we engaged with twenty of our largest shareholders, representing approximately 73% of our shareholder base. Eighteen of the twenty shareholders, representing approximately 70% of the shareholder base corresponded with us either via calls or in writing.

The broad sentiment across those shareholders with whom we engaged was that they were supportive of a bonus outcome on the basis that individuals had achieved the award based on the award criteria (considering both financial elements and strategic objectives), but more broadly the business performance against the backdrop of the challenging conditions and in the case of Jonathan Davies, the increased responsibility he has taken on during the year and indeed his importance to the business at this critical time of transition of Group CEOs.

As part of our engagement with shareholders, we referenced that we would be applying significant downwards discretion over the formulaic outcome and were considering a bonus outcome in the range of 25-40% of maximum opportunity for Jonathan Davies. The feedback indicated that a bonus within this range would be appropriate in the circumstances, with some shareholders expressing preferences for bonus outcomes across the breadth of this range. In conversations shareholders recognised:

- That this is the second year of determining remuneration outcomes against the backdrop of the pandemic.
- The high performance of management in navigating the path towards the recovery of the travel sector.
- The significant downwards discretion the Committee was proposing in arriving at a balanced approach to remuneration outcomes for the year.
- Support for a proposal that any bonus payable would be deferred into shares.

Taking all factors into account, including the views of our shareholders and the context of the Company, the Committee determined that a bonus of 32% of maximum would be appropriate. This value represents a two-thirds reduction to the formulaic outcome of the financial and strategic objectives, and is in the middle of the range discussed with shareholders. The Committee believes this outcome balances the external considerations and achievements of the Company in this challenging year. Due to his resignation, Simon Smith was ineligible for a bonus. For Jonathan Davies, the Committee has determined that the bonus will only be payable after the completion of the CCFF obligations and the entirety of the bonus would be deferred into shares to be held for three years.

2021/22 Annual bonus approach

Given the continued market uncertainty the Committee intends to use a similar bonus structure for the 2022 financial year for Executive Directors with the EBITDA target based on revenues and targeted profit conversion. The approach will be evolved by the inclusion of two additional boundary conditions:

- a minimum EBITDA performance threshold before any bonus award is made; and
- an additional EBITDA performance 'gateway' before an above target bonus can be earned.

If EBITDA falls below the minimum threshold, then no bonus shall be paid to the Executive Directors for the financial element of their bonus.

For the 2022 financial year we will also remove the Net Debt measure, which was introduced during last year's exceptionally challenging period when liquidity was an absolute priority for the Group. For this year the Committee's view is that a focus on EBITDA and profit conversion is aligned to our evolving strategy and provides an incentive to invest in growth as the sector recovers (see details of Our Strategy on pages 20 to 25). A discretionary overlay will still form part of our approach in order to ensure any bonus is appropriate to the prevailing market conditions. Our overall approach is to evolve the bonus structure as we anticipate a return to EBITDA profitability, and we anticipate moving back to a more normal target setting approach for the 2022/23 annual bonus.

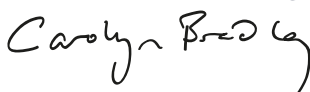
We also requested the view of our shareholders on our bonus approach as part of the recent shareholder consultation. Our shareholders understood the continuing challenge of setting robust financial targets and were generally supportive of a continuation of our approach alongside the inclusion of the two boundary conditions.

2022 AGM

Since the pandemic the Committee has been required to respond to the challenges SSP has faced and balance alignment with shareholders' experience whilst rewarding and motivating management to navigate the path to recovery. We have sought to keep shareholders and wider stakeholders' interests at the centre of our decision-making process. Last year we felt it was right to operate a zero bonus out-turn. This year we think it is right to exercise downward discretion on the formulaic outcome but to allow a modest bonus outcome to reflect management's very significant achievements. For the 2022 financial year, we have again evolved our approach to the annual bonus measures and targets. Responding directly to shareholders' concerns, during the year we have also worked to secure the continuity of our senior leadership.

Looking forward, we are delighted to have appointed an experienced Group CEO who alongside our Group Executive team will capitalise on existing and new market opportunities.

We remain committed to keeping an open and transparent dialogue with shareholders on executive compensation at SSP. I hope you will support us at the forthcoming AGM.



Carolyn Bradley
Chair, Remuneration Committee
7 December 2021

Remuneration at a glance

Remuneration outcomes for the year ended 30 September 2021

The table below provides a high level overview of what our Executive Directors earned in 2021.

	Simon Smith	Jonathan Davies
Fixed pay (salary, pension and benefits)	£797k	£580k
Annual bonus	£0	£187k
PSP vesting (2018 award)	£0	£0

This is our second year of determining remuneration outcomes against the backdrop of the pandemic. Covid-19 continued to have a very significant impact on passenger travel. However the business has now started to benefit from increased passenger numbers across the travel sector resulting in an expected improvement in second half revenue. Remuneration outcomes for the year are as follows:

- A 10% reduction in base salary/fees continued for the first month of the 2021 financial year after which salary/fees reverted back to full pay from 1 November 2020.
- In light of continuing business interruption and downturn, no salary increases were allocated to executives in the financial year.
- No bonus was payable to the Group CEO due to his resignation. The financial targets set under the bonus mechanism resulted in an outcome ahead of maximum target, however, significant downwards discretion was applied to the bonus outcome for the Group CFO in the current context, resulting in an award of 32% of maximum. This bonus will be paid after the completion of our CCFF obligations and entirely in shares, deferred for three years.
- The EPS and TSR performance conditions for the November 2018 PSP award were not met. These PSP awards will therefore lapse in full.

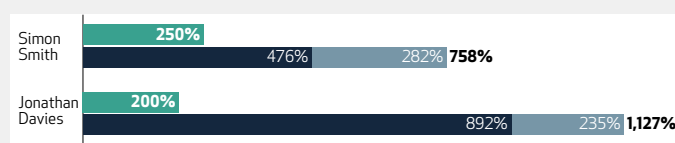
2021 financial year

30%
FY sales vs 2019

c.1,850
Units open by year end

Equity exposure of our Executive Directors

Our Executive Directors strongly align themselves with the long-term success of the Group through their high personal shareholdings.



2021 Minimum Shareholding Requirement
Actual shareholding Interests in unvested/unexercised share awards

% of base salary as at 30 September 2021

Overview of implementation of Policy in 2022

A summary of the proposed packages for current Executive Directors in the 2022 financial year in comparison to packages for the 2021 financial year is set out below.

Element of remuneration	2022 financial year		2021 financial year	
	Simon Smith ¹ (for period employed)	Jonathan Davies ²	Simon Smith	Jonathan Davies
Base salary	£650,000	£500,000	£650,000	£467,600
Pension	20% of base salary	21% of base salary	20% of base salary	21% of base salary
Annual bonus maximum	Not eligible	150% of base salary	175% of base salary	125% of base salary
Annual bonus targets	Not eligible	Profit and strategic	Profit, Net Debt and strategic	Profit, Net Debt and strategic
RSP annual award	Not eligible	100% of base salary	100% of base salary	100% of base salary ²
Shareholding requirement	250% of base salary	200% of base salary	250% of base salary	200% of base salary

¹ Simon Smith is due to leave SSP as at 24 December 2021. The above information for the 2022 financial year is to cover the period to his date of departure.

² As set out on page 116. Jonathan Davies' role was expanded to that of Deputy CEO and CFO effective 1 September 2021, with an adjustment to his remuneration in recognition of his expanded role and responsibilities. Jonathan's base salary increase will be deferred for implementation until the completion of our CCFF obligations, at which time they will be back dated to 1 October 2021.

Corporate governance code provision 40 disclosure

When considering the implementation of the Remuneration Policy for 2022, the Committee was mindful of the UK Corporate Governance Code and considers that the executive remuneration framework appropriately addresses the following factors:

Clarity	<ul style="list-style-type: none"> – The Committee is committed to providing open and transparent disclosures regarding our executive remuneration arrangements. – We consulted with our shareholders in order to formulate the proposals in our Remuneration Policy and to demonstrate the appropriate 2021 annual bonus out-turn. – We sought to explain our Remuneration Policy in a way that highlights its alignment to our strategic priorities as well as good governance practices under the UK Corporate Governance Code and investor guidance (for details of our strategic priorities see pages 20 to 25 of this report). – We sought to engage with the workforce, as appropriate, to explain the pay outcomes for the Executive Directors and their alignment with the broader Company pay outcomes. For example we held meetings with our senior leaders to explain the 2017 PSP nil vest and 2020 nil bonus outcome and how that applied to the Executive Directors equally.
Simplicity	<ul style="list-style-type: none"> – Remuneration arrangements for our executives and our wider workforce are simple in nature and well understood by both participants and shareholders. – Our restricted share plan, as approved by shareholders in 2021, is a simple model that aligns our senior management team to the experience of our shareholders.
Risk	<ul style="list-style-type: none"> – The Committee considers that the structure of incentive for Executive Directors and senior management arrangements does not encourage inappropriate risk-taking. – Our annual bonus is based on a balance of metrics which take into account our strategic priorities and external expectations. Targets are set to ensure that maximum can only be earned for delivering truly exceptional performance while not encouraging risk-taking. – Our RSP has more modest award levels relative to the prior PSP and is subject to performance underpins which ensure that there is no payment for failure. – Annual bonus deferral, the RSP post-vesting holding period and our in-employment and post-employment shareholding requirements provide a clear link to creating sustainable, long-term value for shareholders. – Malus and clawback provisions also apply to our incentive arrangements, and the Committee has overarching discretion to adjust formulaic outcomes to ensure that they are appropriate after assessing performance in the round.
Predictability	<ul style="list-style-type: none"> – The RSP, as approved by shareholders in 2021, increases the predictability of outcomes in line with recovery strategy and minimises the potential of unintended outcomes. – Our Policy contains details of opportunity levels under various scenarios for each component of pay.
Proportionality	<ul style="list-style-type: none"> – The Committee believes that the bonus and RSP incentivises management to take the right actions for sustainable value creation in the current environment. – The Committee considers business and individual performance from a range of perspectives. Poor financial performance is not rewarded.
Alignment to culture	<ul style="list-style-type: none"> – Any financial and strategic targets set by the Committee are designed to drive the right behaviours across the business. – The RSP model, as approved by shareholders in 2021, encourages our executives to focus on making the right decisions for the long-term sustainable performance of the business. – When developing the 2021 Remuneration Policy the Committee reviewed our approach to remuneration throughout the organisation to ensure that arrangements are appropriate in the context of our Values and approach to reward for the wider workforce. – We have committed to aligning Executive Director pensions with the wider workforce rate.

Annual report on remuneration

Single total figure of remuneration – Executive Directors (audited)

The following table provides a summary single total figure of remuneration for the 2020 and 2021 financial years for the Executive Directors.

All figures shown in £000	Salary and Fees ¹		Benefits		Pension		Annual Bonus		Long-term Incentives ²		Other		Total fixed remuneration		Total variable remuneration		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Executive Directors																		
Simon Smith	645	563	22	27	130	130	0	0	0	0	0	0	797	720	0	0	797	720
Jonathan Davies	464	405	18	17	98	98	187	0	0	0	0	0	580	520	187	0	767	520
	1,109	968	40	44	228	228	187	0	0	0	0	0	1,377	1,240	187	0	1,564	1,240

1 Salary and fees – this represents the base salary or fees paid in respect of the relevant financial year. For Executive Directors this was reduced for the first month of the year due to the impact of Covid-19 as described below.

2 Long-term incentives 2020 and 2021 – no shares vested under the 2017 and 2018 LTIP awards, therefore there is no value attributable to share price appreciation over the performance period. The Committee did not exercise any discretion for the Executive Directors with regards to the vesting of the 2017 or 2018 LTIP awards.

Additional disclosures in respect of the single figure table

Base salary

Executive Director base salaries in the 2021 financial year (audited)

	From 1 June 2021	From 1 June 2020 ¹	Change
Simon Smith	£650,000 per annum	£650,000 per annum	0%
Jonathan Davies	£467,600 per annum	£467,600 per annum	0%

1 Salary was reduced during the first month of the year as described below due to the impact of Covid-19.

The Board of Directors reduction in salaries continued into the 2021 financial year and remained at 90% of their full salary until 31 October 2020, reflecting a 10% reduction. The Committee and Board deemed it appropriate to return the Board of Directors to full pay, effective 1 November 2020.

The figures shown in the Single Total Figure of Remuneration table above reflect these changes. The amount of remuneration received by Non-Executive Directors is set out on page 118.

Benefits

During the year, Simon Smith and Jonathan Davies received benefits totalling £22k and £18k respectively. These benefits included participation in the UK SIP, private medical insurance (for the executive and their family), life assurance, car allowance, company fuel card and home to work travel (including associated tax paid).

Details of shares held by Executive Directors under the UK SIP are set out below:

	Total SIP shares held at 1 October 2020	Shares acquired during financial year	Matching shares awarded during financial year	Adjustment for Rights Issue	Total SIP shares held at September 2021
Simon Smith	2,419	530	265	534	3,748
Jonathan Davies	3,504	529	264	736	5,033

Pensions

The table below sets out the pension arrangements for our Executive Directors that were in force during the year. Pension arrangements for Executive Directors were based on their full base salary in line with the approach taken for the rest of the Group's management.

Director	Pension type	Pension level (% base salary)
Simon Smith ¹	Cash in lieu of pension/defined contribution	20%
Jonathan Davies	Cash in lieu of pension	21%

1 Simon Smith is a member of the UK defined contribution pension scheme and receives a mix of employer pension contributions into the Group's pension scheme and a cash supplement in lieu of pension such that his total annual pension remuneration amounts to 20% of base salary.

Annual bonus

The bonus structure for Executive Directors for the year ended 30 September 2021 assessed underlying operating profit and net debt as the financial targets. Of the total bonus opportunity, 80% was determined by the financial targets (40% EBITDA and 40% Net Debt), with the remaining 20% opportunity determined by achievement of key strategic objectives.

When EBITDA and Net Debt targets were set early in the 2021 financial year, confidence in accurate forecasts for the year ahead was extremely limited and a wide range of possible scenarios existed. Against that backdrop, setting a fixed absolute performance target range for EBITDA and Net Debt was not possible without these potentially being either overly easy or overly stretching depending on the path of the sales recovery. However, we were keen to put in place a financially based mechanism and targets which aligned management to our financial objectives for the year. In this context the Committee agreed a bonus mechanism which calibrated Group EBITDA and Net Debt targets based on optimising revenues from the available passenger numbers at SSP sites and converting this revenue efficiently to profits, measured by a profit conversion ratio, and to cash, given the importance of protecting liquidity throughout the crisis. The profit conversion ratio applied was 20%, which the Committee considered to be stretching given the very challenging operating circumstances, particularly at low levels of sales, where the impact of fixed costs become increasingly hard to mitigate.

The outcomes from this mechanism were then subject to a discretionary framework to ensure that the outcomes were fair and reasonable given the wider context for the Company and its stakeholders. The discretionary framework assessment included consideration of the Group's recovery from the impact of the Covid-19 pandemic, referencing a wide range of factors including passenger numbers (PAX), minimum guaranteed rents, average number of open units and also the levels of government support received globally. The Committee also retained its overall discretion over pay outcomes. Based on the framework described above, Simon Smith and Jonathan Davies earned bonuses as set out in the table below. Further details of financial and strategic performance is also set out below.

Annual bonus payout in the 2021 financial year (audited)	Simon Smith	Jonathan Davies ¹
Maximum bonus opportunity	175%	125%
Bonus formulaic outcome (% of maximum)	0%	97%
Final bonus outcome (% of maximum)	0%	32%
Actual bonus (£)	£0	£187,040

¹ Bonus will only be payable after the CCFF obligations and the entirety of the bonus will be deferred into shares to be held for three years.

Due to Simon's resignation as Group CEO, he was not eligible to receive a bonus award.

Based on the agreed mechanism, the Group EBITDA and Net Debt performance achieved in the 2021 financial year was ahead of the maximum target, as a result of the EBITDA conversion being ahead of the target set. However, given the prolonged nature of the crisis and its impact on the business, leaving it loss-making for the full year, the Committee did not believe that a maximum bonus award was appropriate, despite the very strong performance against the targets set. Nevertheless, given management's significant achievements during an extremely challenging year, neither did we think that a second year of a zero out-turn was appropriate or a fair reflection of performance. Taking all factors into account, including the views of our shareholders and the context of the Company, the Committee exercised significant downward discretion over the formulaic outcome and determined that a bonus of 32% of maximum would be appropriate for Jonathan Davies. The Committee determined that the bonus will only be payable after the completion of the CCFF obligations and the entirety of the bonus would be deferred into shares to be held for three years.

As outlined in the Remuneration Committee Chair's Statement, considerable shareholder consultation was completed prior to the determination of this bonus outcome for Jonathan Davies. The feedback received was supportive of a bonus being paid to Jonathan, given his performance in the year and the criticality of the role he has played in the recovery of the business. This outcome represents a two thirds reduction to the formulaic outcome of Jonathan's financial and strategic objectives and is in the middle of the range of 25% to 40% of maximum discussed with shareholders. The Committee believes this outcome balances the external considerations and achievements of the Company in this challenging year.

A full breakdown of performance against financial and non-financial targets is set out below. In line with our Policy, we have assessed our Executive Directors' performance against strategic objectives based on the targets set at the start of the year.

Financial performance

The table below sets out a summary of performance against the financial targets. All figures shown below are based on constant currency.

	Targets set at the start of the 2021 financial year (£m) ¹			2021 performance (£m)
	Threshold (30% of maximum)	Target/budget (50% of maximum)	Maximum (100% of maximum)	
EBITDA ²	(141)	(136)	(126)	(107)
Net Debt ³	(508)	(498)	(478)	(308)

¹ Target based on profit and cash conversion ratios set at the start of the year and applied to actual revenues achieved from available passenger numbers at SSP sites for the 2021 financial year.

² EBITDA shown on an underlying (pre-exceptional) pre-IFRS 16 basis at constant currency.

³ Net debt shown on a pre-IFRS 16 basis. Net debt targets have been adjusted to remove the proceeds of the Rights Issue.

Strategic objectives

A summary of our Executive Directors' performance against strategic objectives and how they link to our overall Group Strategy, is shown below. For further details on the output of delivering the strategic objectives see the Strategic Report from page 9.

Simon Smith – Group CEO

Objective (20% maximum)	Link to Strategic Priorities	Targets	Performance assessment
Strategic initiatives	3	– Ensure effective cost management and resilience to manage the W shaped recovery	– Successful rebuild of the cost base and refinancing completed in line with strategy agreed with shareholders – Directly negotiating with key clients to reduce costs and extend contracts
	1	– Optimise the offer to maximise the store profitability opening programme	– Catering ranges simplified from pre Covid-19 levels in order to balance maximising sales profitability, customer choice and minimising waste – Disciplined analytically based reopening programme across all regions
	4	– Build longer-term competitiveness	– Evaluated post Covid customer needs, including trends on health and safety and digital as well as plant-based demand increase, and agreed roadmap in key markets – In addition to financing strategy, supported teams with flexible client rent models and extension of profitable contracts – Reduced overall capital investment while maintaining targeted investment in digital solutions and security
	4	– Develop a sustainable culture and people plan to embed our Values	– Completed global engagement survey, based on our refreshed Values – Restarted Global Leadership Programme that was paused in 2020 due to Covid-19 priorities. Two cohorts completed, third and final cohort due for completion December 2021
	4	– Develop ESG plan to meet stakeholders' priorities	– Agreed the revised sustainability strategy with the Board (as published earlier in this report) – Developed and set KPIs and year one Group targets with the Group Executive Committee and the Board – Established local plans to deliver strategy – Chaired initiative to provide leadership across all management teams
Taking into account performance against strategic objectives, Simon Smith achieved 15% of bonus for this element. Due to Simon Smith's resignation, this element will not be paid.			

Jonathan Davies – Group CFO

Objective (20% maximum)	Link to Strategic Priorities	Targets	Performance assessment
Strategic initiatives	5	– Strengthen balance sheet	– Rights Issue executed (for £475m gross proceeds) with strong support from shareholders – Further waivers successfully negotiated with banks and USPP noteholders on main covenant tests (through to 2024) – Continued access to CCFF secured through discussion and negotiation with HM Treasury
	5	– Manage liquidity	– All covenant tests met (including revised tests agreed in May 2020, December 2020 and March 2021) – Operating cash flow performance significantly ahead of budget target
	2	– Evaluate M&A projects to deliver returns above target criteria	– Comprehensive financial, commercial and legal analysis carried out as appropriate – Full evaluation of multiple legal/financing structures
Financing	5	– Restructure debt financing	– Extension of bank facilities achieved with 125bp increase in margin and 65bp one-time fee to January 2024
	3	– Deliver operating cost savings	– EBITDA profit conversion of 22% (on reduced sales versus 2019), better than target and external guidance (25-30%) – Procurement, labour and overhead savings all ahead of plan
Taking into account performance against strategic objectives, Jonathan Davies achieved 17% of bonus for this element.			

Strategic Priorities: (1) like-for-like revenue growth, (2) Business development, (3) Efficient operations, (4) Strengthen competitive advantages and (5) Balance sheet resilience.

Board changes

Leaving arrangements for Simon Smith

Simon Smith resigned on 13 July 2021 and will step down as Chief Executive Officer on 24 December 2021. Simon Smith's contract provided for nine months' notice, of which five and half will be worked. All salary, pension and benefit elements will cease on his date of leaving employment, and there will be no payment in lieu of notice as he will take up another role on leaving SSP.

The Committee determined that no annual bonus would be payable to Simon Smith for the 2021 financial year due to his resignation.

Simon Smith will not receive a RSP award in December 2021. The PSP awarded to Simon Smith in November 2018 will lapse in full on 9 December 2021 due to the EPS and TSR performance conditions not being met. Simon Smith's June 2019 PSP award, November 2019 PSP award, and June 2021 RSP award will lapse in full on his date of leaving SSP Group.

In accordance with the SSP Group Directors' Remuneration Policy, which was approved by shareholders at the AGM on 25 March 2021, Simon Smith is expected to maintain his full shareholding requirement for one-year post-employment to 24 December 2022, and 50% of his shareholding requirement for a second year to 24 December 2023. This will be enforced through a formal undertaking by Simon to put in place a trading restriction on his share account and this arrangement is subject to reporting obligations to the Company.

Change in role for Jonathan Davies

Effective 1 September 2021 we appointed Jonathan Davies as Deputy CEO, alongside his role as CFO, to provide continuity of leadership during the transition period and to provide support to the new CEO. Jonathan's remuneration package was increased to reflect the additional responsibilities of his new role during this critical period for the Company and in response to direct feedback from some of our shareholders to support business continuity.

Jonathan's salary was increased to £500,000, effective from 1 October 2021, although this will be deferred (and then back dated) until the completion of our CCFF obligations.

Reflecting the wider strategic input of his additional role, Jonathan's annual bonus opportunity increased from 125% to 150% of salary and his annual RSP award was increased from 75% to 100% of salary. Jonathan was granted an additional RSP award equivalent to 25% of salary (based on his 2021 financial year salary) under the RSP in September 2021 in respect of the 2021 financial year RSP award which was originally granted at 75% of salary.

Remuneration arrangements for Patrick Coveney

The Company announced on 25 November 2021 that Patrick Coveney will be appointed as Group CEO with effect from 31 March 2022. Details of the remuneration package, which is in line with the Directors' Remuneration Policy, are set out below:

Patrick's basic salary will be £775,000. He will receive a pension allowance in line with the wider workforce rate. He will be eligible to participate in the Company's benefits arrangements on the same basis as other Executive Directors.

Patrick will be eligible to participate in the annual bonus plan under which the maximum opportunity will be 175% of salary and will receive an annual RSP award for the 2022 financial year equivalent to 100% of salary. His RSP award for the 2022 financial year will be made as soon as practicable following appointment.

In addition, as soon as practicable following appointment, Patrick will be granted share awards to replace unvested deferred bonus and PSP awards which were forfeited as a consequence of his leaving his former employer to join SSP. These awards will mirror the value of the original awards, with performance conditions applied where such conditions applied to the original awards. The vesting periods will be no sooner than those for the forfeited awards. Full details of his replacement awards will be set out in the 2022 Directors' Remuneration Report.

Scheme interests awarded during the financial year

SSP Restricted Share Plan awards (audited)

The following RSP awards were made to the Executive Directors in the 2021 financial year.

	Type of award	Date of award	Number of awards granted	Face value (£) at date of grant	Face value % of salary	End of performance underpin period
Simon Smith	Nil Cost Options	10/06/2021 ¹	214,982	650,000	100%	30 September 2023
Jonathan Davies	Nil Cost Options	10/06/2021 ¹	115,991	350,700	75%	30 September 2023
Jonathan Davies	Nil Cost Options	02/09/2021 ²	42,687	116,900	25%	30 September 2023

¹ The 10 June 2021 award was granted following shareholder approval of the RSP plan and the completion of the Rights Issue.

² The 2 September 2021 award was made to Jonathan Davies to reflect the expansion of his responsibilities and duties, following his appointment as Deputy CEO and CFO, for which the RSP award level will be 100% of salary.

The closing price on the day before grant was used to calculate the number of shares over which each award was granted (£3.0235 for the 10 June 2021 award and £2.7385 for the 2 September 2021 award). Awards will vest subject to the confirmation of the performance underpins which will be assessed at the time the Group publishes its full year financial results for the 2023 financial year and completion of a three-year vesting period from date of grant. The performance underpins are summarised on page 122. Following vesting, awards will be subject to an additional two-year holding period.

Implementation of Remuneration Policy in the year ending 30 September 2022

This section provides an overview of the Group's Remuneration Policy to the year ending 30 September 2022, as approved at the 2021 AGM on 25 March 2021. Following his resignation as Group CEO, Simon Smith will step down from the Board on 24 December 2021.

Base salary	<p>Base salaries as at 1 October 2021: Patrick Coveney: £775,000 (from date of joining) Jonathan Davies: £500,000</p> <p>Base salaries for Executive Directors will be reviewed with effect from 1 June 2022, in line with the Group's usual timetable. Jonathan's base salary increase will be deferred for implementation until the completion of our CCFF obligations, at which time it will be back dated to 1 October 2021.</p>
Benefits	Executive Director benefits will continue to include private healthcare (for the executive and their family), life assurance, car allowance or a company car, travel to and from work (including associated tax paid) and participation in the UK SIP.
Pensions	<p>Patrick Coveney: aligned with wider workforce Jonathan Davies: 21% of base salary</p> <p>New appointments: aligned with the wider workforce The Committee is committed to aligning Executive Director pensions with wider workforce by the end of 2022.</p>
Annual bonus	<p>Maximum opportunity: Patrick Coveney: 175% of base salary Jonathan Davies: 150% of base salary</p> <p>Targets: A similar bonus structure for Executive Directors will be used for the 2022 financial year with bonuses continuing to be based on 80% financial and 20% strategic objectives. Specific targets and details of strategic objectives (linked to our Strategic Priorities) will be disclosed in the 2021/22 Annual Report when they are no longer considered to be commercially sensitive.</p> <p>For the 2022 financial year the financial measures will be an EBITDA target based on revenues and targeted profit conversion. A focus on EBITDA and profit conversion is aligned to our evolving strategy and provides an incentive to invest in growth as the sector recovers. In addition, two boundary conditions will apply:</p> <ul style="list-style-type: none"> – a minimum EBITDA performance threshold before any bonus award is made; and – an additional EBITDA performance 'gateway' before an above target bonus can be earned. <p>The Committee will also take into account a number of external factors (including reference to passenger numbers and revenue achieved) in its determination of bonus outcomes. At year end, the Committee will review performance in the round and apply judgement to ensure that the outcome is appropriate to the external environment, managements' achievements and shareholders' experience.</p> <p>Executive Directors will be required to defer a minimum of 33% of any bonus received into the Group's shares, where they meet their minimum shareholding requirement, and 50% where they do not.</p>
Restricted Share Plan	<p>The Committee intends to make the awards under the Restricted Share Plan in December 2021 for existing Executive Directors and on joining for new Executive Directors. Patrick Coveney: 100% of base salary Jonathan Davies: 100% of base salary</p> <p>These awards will vest on the third anniversary of the date of grant. Vested awards will be subject to a two year holding period. If the Company does not meet one or more of the performance underpins over the relevant vesting period then the Committee would consider whether it was appropriate to adjust (including to zero) the level of pay-out under the award to reflect this. The performance underpins are:</p> <ol style="list-style-type: none"> 1. The Company has taken the right actions to strengthen its competitive advantages and position the group for long term sustainable growth 2. The Company has achieved the principal strategic and financial annual objectives over the 3 year period, notably: <ul style="list-style-type: none"> – revenue growth, given the available passengers numbers at SSP sites during the period – efficient conversion of revenue into profit and cash 3. The Company has made progress on SSP's Sustainability Strategy <p>In assessing the extent to which the performance underpins have been satisfied, the Committee will consider a range of quantitative and qualitative benchmarks to inform its decision. Should any of the underpins not be met, the Committee would consider whether a discretionary reduction in the number of shares vesting was required.</p>
Minimum Shareholding Requirement	<p>To align the interests of Executive Directors with those of shareholders, they are required to build and maintain significant holdings of shares in the Group over time. The minimum shareholding requirement for Executive Directors is:</p> <ul style="list-style-type: none"> – Group CEO: 250% of base salary – Deputy CEO and CFO: 200% of base salary <p>In addition to the above, Executive Directors will be required to maintain their full minimum shareholding requirement for one year post-cessation of employment, and hold 50% of the requirement for a second year.</p>

Non-Executive Director Remuneration

Single total figure of remuneration – Non-Executive Directors (audited)

All figures shown in £000	Salary and Fees		Benefits ²		Pension		Annual Bonus		Long-term Incentives		Other		Total fixed remuneration		Total variable remuneration		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Non-Executive Directors																		
Mike Clasper	273	144	-	-	-	-	-	-	-	-	-	-	273	144	-	-	273	144
Carolyn Bradley	71	62	-	-	-	-	-	-	-	-	-	-	71	62	-	-	71	62
Ian Dyson	61	54	-	-	-	-	-	-	-	-	-	-	61	54	-	-	61	54
Tim Lodge	51	-	-	-	-	-	-	-	-	-	-	-	51	-	-	-	51	-
Per Utnegaard ¹	21	44	-	4	-	-	-	-	-	-	-	-	21	48	-	-	21	48
Judy Vezmar	51	7	-	-	-	-	-	-	-	-	-	-	51	7	-	-	51	7
	528	311	-	4	-	-	-	-	-	-	-	-	528	315	-	-	528	315

1 Per Utnegaard did not stand for re-election at the 2021 AGM. Amounts shown reflect fees paid for the period of the year that he was a Director.

2 Benefits – this comprises the reimbursement of expenses for travel to and from Board meetings.

The Covid-19 related fee reductions agreed by the Board during the 2020 financial year were continued into the 2021 financial year and the Non-Executive Directors received 90% of their usual fee, reflecting a 10% reduction until 31 October 2020.

Following the review of Non-Executive Director fees during the year ended 30 September 2021, it was determined that there would be no change to the fees set on 1 July 2019 which are as set out below. The Company will review these fees in accordance with the terms of the Non-Executive Director appointment letters and will undertake a review each year. A review may not result in an increase in fees.

	2021 fees
Chair of the Board	£275,000
Board member	£51,000
Additional fee for Senior Independent Director	£10,000
Additional fee for Chair of Audit/Remuneration Committee ¹	£11,000

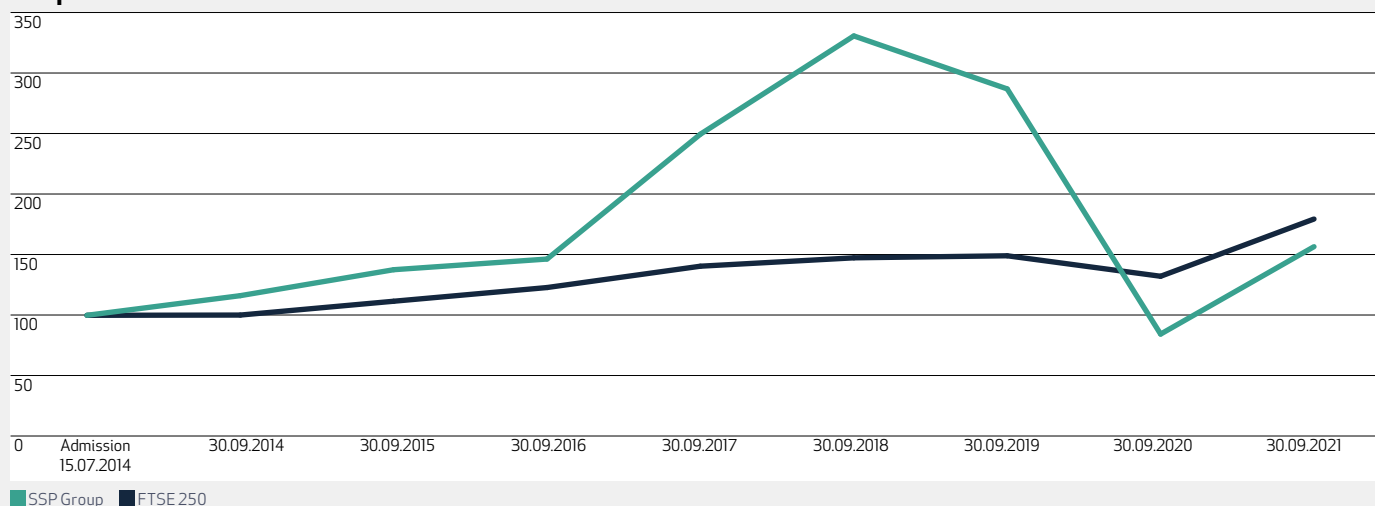
1 In addition to any additional fee for acting as the Senior Independent Director.

Two new independent Non-Executive Directors, Apurvi Sheth and Kelly Kuhn have been appointed to the Board with effect from 1 January 2022, with director fees agreed in line with the above.

Historical TSR performance

As the Company is a constituent of the FTSE 250, the FTSE 250 Index provides an appropriate indication of market movements against which to benchmark the Company's performance. The chart below summarises the Company's TSR performance against the FTSE 250 Index over the period from Admission on 15 July 2014 to 30 September 2021.

TSR performance since admission



Chief Executive Officer remuneration outcomes

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

Chief Executive Officer	2014	2015	2016	2017	2018	2019 ¹	2019 ²	2020	2021 ³
CEO Name	K. Swann	K. Swann	K. Swann	K. Swann	K. Swann	K. Swann	S. Smith	S. Smith	S. Smith
Single figure of remuneration	£4.5m	£2.5m	£2.6m	£7.4m	£6.0m	£5.3m	£0.8m	£0.7m	£0.8m
Annual bonus payable (as a % of maximum opportunity)	100%	100%	100%	100%	100%	100%	98.6%	0%	0%
Long-term incentive vesting out-turn (as a % of maximum opportunity)	n/a	n/a	n/a	100%	100%	100%	100%	0%	0%

¹ Reflects period spent in role as Group CEO from 1 October 2018 to 31 May 2019.

² Reflects period spent in role as Group CEO from 1 June 2019 to 30 September 2019.

³ Due to Simon's resignation, no bonus was paid for the 2021 financial year.

No long-term incentive plan awards vested in 2014, 2015 or 2016. The award due to vest in the 2021 financial year lapsed as the performance conditions were not met. The performance conditions were also not met for the award due to vest in the 2022 financial year and therefore this award will also lapse.

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

Year-on-year change in pay for Directors compared to the average employee

	Year	SSP Group plc employees	Executive Directors			Non-Executive Directors				
			Simon Smith	Jonathan Davies	Mike Clasper ³	Carolyn Bradley	Ian Dyson	Tim Lodge ¹	Per Utnegaard ²	Judy Vezmar ³
Base salary/fees	2021	2%	15%	15%	90%	15%	13%	–	(52%)	629%
Benefits		2%	(19%)	6%	–	–	–	–	(100%)	–
Annual Bonus ⁴		n/a	–	n/a	–	–	–	–	–	–
Base salary/fees	2020	0%	31% ⁵	(12%)	–	(1%)	(12%)	–	(10%)	–
Benefits		(8%)	60%	10%	–	–	–	–	–	–
Annual Bonus		(100%)	(100%)	(100%)	–	–	–	–	–	–

1 Director was appointed to the Board at the start of the 2021 financial year and therefore there is no prior-year remuneration for comparison.

2 Director left during the 2021 financial year and therefore table is comparing pro-rata remuneration with a full year total for the previous year.

3 Director was appointed to the Board during the 2020 financial year and therefore the table is comparing a full years' earnings this year to pro-rata remuneration from the previous year.

4 No year-on-year percentage can be calculated for 2021 after nil payment for the 2020 financial year. Therefore 'n/a' is shown where a 2021 bonus has been paid.

5 Director was appointed to the Board during the 2019 financial year and therefore the table is comparing full year remuneration for the 2020 financial year with a pro-rata total for the previous year.

Year-on-year changes in Director base salary and fees in 2021 are due to return to normal salary and fee levels after reductions in the 2020 financial year, due to the impact of Covid-19. As disclosed above, there were no increases to base salary or fee levels in the 2021 financial year.

Relative importance of the spend on pay

The table below shows the total spend on employee pay in the 2020 and 2021 financial years and the total expenditure on dividends.

	2021	2020	Percentage change
Total staff costs ¹	£352.2m	£518.6m	(32%)
Dividends	£0	£26.8m	(100%)

1 This figure is inclusive of wage subsidies received, such as the Coronavirus Job Retention Scheme in the UK.

CEO Pay Ratio

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the table below sets out the Group's CEO pay ratios for the year ended 30 September 2021. This compares the Chief Executive Officer's total remuneration with the equivalent remuneration for the employees paid at the 25th (P25), 50th (P50) and 75th (P75) percentile of SSP Group's workforce in the United Kingdom. The total remuneration for each quartile employee, and the salary component within this, is also outlined in the table below.

Year	Method	25th Percentile pay ratio	50th Percentile pay ratio	75th Percentile pay ratio
2021	Option B	37:1	31:1	22:1
	Base Salary	£21,169	£25,394	£34,433
	Total Pay and Benefits	£21,525	£25,832	£35,709
2020	Option B	48:1	47:1	33:1

The pay ratios above are calculated using the actual earnings for UK employees. The CEO's Single Total Figure of Remuneration is £797,000 as shown on page 113.

SSP have chosen Option B, using the most recent Gender Pay Gap data to identify the employees at the 25th, 50th, and 75th pay percentiles in our UK employee population. As SSP have a large number of employees in the UK, of which a large portion work seasonal or part time hours, Option B was selected as it is the most practical way to produce the percentile calculations. Furloughed colleagues were not included in the Gender Pay Gap calculations resulting in a significant change in the population that the percentiles have been drawn from, which in turn has impacted the pay ratio figures.

Total remuneration for UK full-time equivalent employees on 30 September 2021 has been calculated in line with the single figure methodology and reflects actual earnings received in the 2021 financial year. No elements of pay have been omitted. The majority of SSP's UK employee population are hourly paid operations colleagues. Given this workforce profile, two of the three CEO pay ratio reference points fall in this population and there is limited difference in the pay at each percentile. All payments have been calculated on a full-time equivalent basis.

Due to the impact of Covid-19 on the Group's trading in the UK, the majority of UK colleagues were furloughed utilising the Coronavirus Job Retention Scheme. The Committee believes it is appropriate for the CEO pay ratio to reflect the pay reductions taken by colleagues. This also maintains comparability with the Group CEO's pay as he received a reduced base salary for a portion of the year.

As with last year, the median pay ratio is notably lower than it would be in a normal year. This is due to the CEO receiving no variable pay during the financial year, and the impact of furloughed colleagues not being included in Gender Pay Gap calculations. It is likely that any year-on-year change in the pay ratio will be driven by the Group CEO's variable pay and not by changes to pay and benefits structures for UK employees. Pay rates for all employees are set by reference to a range of factors, such as market practice, experience, and performance in role.

Fees from external directorships

Jonathan Davies is a Non-Executive Director of Assura plc and retained a fee of £58,665 in respect of that directorship.

Statement of Directors' shareholding and share interests (audited)

Shareholding guidelines require Executive Directors to build up over time a personal shareholding in the Company equivalent in value to 250% of base salary for the Group CEO and 200% of base salary for the Deputy CEO and CFO. Executive Directors are encouraged to retain vested shares earned under the Company's incentive plans until the shareholding guidelines have been met. The Chair and each Independent Non-Executive Director are expected to build and then maintain a shareholding in the Company equivalent in value to 100% of their annual gross fee.

The period over which the minimum shareholding must be built up is a three-year period, either from the date of admission (15 July 2014), or from the date of appointment if later. The table below shows details of the Directors' shareholdings as at 30 September 2021.

Director	Shareholding guidelines as a % of salary/fees	Shareholding as a % of salary/fee achieved ¹	Shares owned outright at 30 September 2021 ²	Interests in unvested PSP/RSP awards at 30 September 2021
Simon Smith	250%	476%	1,174,819	695,641
Jonathan Davies	200%	892%	1,583,210	416,034
Mike Clasper ³	100%	101%	105,080	–
Carolyn Bradley	100%	48%	13,031	–
Ian Dyson	100%	213%	49,988	–
Tim Lodge	100%	130%	25,160	–
Judy Vezmar ³	100%	101%	19,540	–

¹ For the purposes of determining a Director's shareholding requirements, the individual's salary/fee and the three-month average share price to 30 September 2021 (£2.6360) have been used. Further, the total shareholding used to calculate the shareholding percentage for Executive Directors excludes Matching Shares issued under the UK Share Incentive Plan that remain subject to holding conditions (660 for Simon Smith and 658 for Jonathan Davies as at 30 September 2021).

² 'Shares owned outright at 30 September 2021' includes shares held by persons connected with a Director. It also includes Partnership Shares purchased, Matching Shares awarded and Dividend Shares purchased, under the UK Share Incentive Plan.

³ The Director has until the third anniversary of their date of appointment to meet their Minimum Shareholding Requirement.

Interests in Unvested PSP awards at 30 September 2021

Interests in unvested PSP awards refers to Performance Share Plan awards granted in, November 2018, May 2019, June 2019 and November 2019. The performance conditions for each award are described in the table below.

Performance period	1 October 2018 to 30 September 2021		1 October 2019 to 30 September 2022	
	Compound EPS growth (75%)	Relative TSR vs comparator group (25%)	Compound EPS growth (75%)	Relative TSR vs comparator group (25%)
Performance condition and weighting				
Maximum target (100% vesting)	12% p.a.	Upper-quartile	12% p.a.	Upper-quartile
Threshold target (25% vesting)	7% p.a.	Median	7% p.a.	Median

Vesting is calculated on a straight-line basis between maximum and threshold targets. There is no vesting for performance below the threshold target.

A three-month average share price prior to the start and end of the performance period will be used to calculate TSR. The TSR comparator Group is as follows:

Autogrill	First Group	JD Sports Fashion	N Brown Group	Tesco
Compass Group	Fraser's Group	JD Wetherspoon	National Express	TUI AG
Currys	Go-Ahead Group	J Sainsbury	Next	WHSmith
Dignity	Halfords Group	Kingfisher	Ocado Group	Whitbread
Domino's Pizza Group	Inchcape	Marks and Spencer Group	The Restaurant Group	Wm Morrison Supermarkets
Dunelm Group	InterContinental Hotels Group	Marston's	Stagecoach Group	
Elior		Mitchells & Butlers		

Following the year end, the Committee assessed the performance conditions for the PSP award with a performance period of 1 October 2018 to 30 September 2021. The threshold EPS and Relative TSR targets were not met. EPS growth over the period was negative and Relative TSR was positioned below median. These awards will lapse in full on 9 December 2021.

Interests in Unvested RSP awards at 30 September 2021

Interests in unvested RSP awards refers to Restricted Share Plan awards granted in June 2021 and September 2021. The performance underpins for each award are as follows.

If the Company does not meet one or more of the performance underpins over the relevant vesting period then the Committee would consider whether it was appropriate to adjust (including to zero) the level of pay out under the award to reflect this. The performance underpins are:

1. The Company has taken the right actions to strengthen its competitive advantages and position the group for long term sustainable growth
2. The Company has achieved the principal strategic and financial annual objectives over the 3 year period, notably:
 - revenue growth, given the available passengers numbers at SSP sites during the period
 - efficient conversion of revenue into profit and cash
3. The Company has made progress on SSP's Corporate Responsibility Strategy

In assessing the extent to which the performance underpins have been satisfied, the Committee will consider a range of quantitative and qualitative benchmarks to inform its decision. Should any of the underpins not be met, the Committee would consider whether a discretionary reduction in the number of shares vesting was required.

Movement in Directors' shareholdings from 30 September 2021

At 7 December 2021, other than as set out below, there had been no movement in Directors' shareholdings and share interests from 30 September 2021.

Director	Shares owned outright at 7 December 2021	Shares owned outright at 30 September 2021	Change
Simon Smith	1,175,041	1,174,819	222
Jonathan Davies	1,583,432	1,583,210	222

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

The Remuneration Committee in 2021

Consideration by the Directors of matters relating to Directors' remuneration

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

External advice

During the year ended 30 September 2021, the Committee received independent advice on executive remuneration matters from Deloitte. Deloitte received £148,700 in fees for these services. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. During the year, Deloitte also provided the Company with internal audit services, tax services and risk management services.

The Committee appointed Deloitte to the role of independent advisor to the Committee in 2014. The Committee has reviewed the advice provided by Deloitte during the year and is comfortable that it has been objective and independent. The Committee has reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflict.

Statement of shareholder voting

Votes cast at the AGM in March 2021 in respect of the approval of the Directors' Remuneration Report and in respect of the approval of the Directors' Remuneration Policy are given below:

Resolution	Meeting	Votes for	% for	Votes against	% against	Total shares voted	% of issued share capital voted	Votes withheld
To approve the Directors' Remuneration Report for the year ended 30 September 2020	March 2021 AGM	410,268,869	99.70%	1,232,913	0.3%	411,501,782	76.54%	6,368,528
To approve the Directors' Remuneration Policy for the year ended 30 September 2020	March 2021 AGM	355,039,577	90.21%	38,517,522	9.79%	393,557,099	73.20%	24,313,211
To approve the Restricted Share Plan as an employee share plan	March 2021 AGM	372,103,027	89.75%	42,519,521	10.25%	414,622,548	77.12%	3,247,762

At the 2021 AGM, shareholders responded positively to the resolutions to approve the Directors' Remuneration Report and Directors' Remuneration Policy for the year ended 30 September 2020. The high percentage of votes in favour of these resolutions reflects the positive steps SSP has taken towards market best practice in relation to executive compensation.

Prior to the 2021 AGM we were pleased to engage with shareholders, representing c.70% of our shareholder base. We are grateful for the level of engagement received and the open and transparent dialogue we had with our shareholders in the shaping of the remuneration policy, including the introduction of the Restricted Share Plan.

Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy as determined by the Remuneration Committee (the 'Committee'). In accordance with Section 439A of the Companies Act 2006, a binding shareholder resolution was approved for this policy at the Annual General Meeting of the Company in March 2021. The scenario charts have been updated to reflect the application of the policy for the 2021 financial year and references to prior financial years have been updated to aid understanding. Previous versions of the policy are in the 2014 and 2017 Annual Report and Accounts, which are available at www.foodtravelexperts.com in the Investors section.

Key principles of Remuneration Policy

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

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

Policy table

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

Executive Directors

Base salary

A core element of the remuneration package used to recruit, reward and retain Executive Directors who can deliver our strategic objectives.

Operation	Maximum potential value	Performance metrics
<p>Normally reviewed annually. The Remuneration Committee may however award an out-of-cycle increase if it considers it appropriate.</p> <p>Base salaries are set by the Committee taking into account a number of internal and external factors including:</p> <ul style="list-style-type: none"> – the individual's skills, experience and performance; – the size and scope of the Executive Director's role and responsibilities; – market positioning and inflation; and – pay and conditions elsewhere in the Group. 	<p>Salary increases in percentage terms will normally be in line with increases awarded to other head office employees in the relevant geography but may be higher in certain circumstances.</p> <p>The circumstances may include but are not limited to:</p> <ul style="list-style-type: none"> – Where a new Executive Director has been appointed at a lower salary, higher increases may be awarded over an initial period as the Executive Director gains experience in the role; – Where there has been an increase in the scope or responsibility of an Executive Director's role; and – Where a salary has fallen significantly below market positioning. <p>There is no maximum increase or opportunity.</p>	None

Pension

To provide an income following retirement and assist the Executive Director in building wealth for their future.

Operation	Maximum potential value	Performance metrics
The Company operates an approved defined contribution pension arrangement, to which the Company may make contributions. A cash allowance may be provided in lieu of pension contributions.	<p>Company contributions or cash allowance provided for Executive Directors will be in line with the rate applicable to the wider workforce. The definition of the wider workforce will be as determined by the Committee. For example, colleagues employed in the same country as the Director in question.</p> <p>Incumbent Executive Directors, appointed prior to the introduction of this remuneration policy, may continue to receive pension contributions or a cash allowance at the applicable rate under a previous remuneration policy.</p> <p>Pensions for incumbent Executive Directors will be aligned to the wider workforce rate by the end of 2022.</p> <p>Currently our Executive Directors receive pension contributions/ cash allowance as follows:</p> <ul style="list-style-type: none"> – Group CEO, Simon Smith: 20% of base salary per annum. – Deputy CEO and CFO, Jonathan Davies: 21% of base salary per annum. 	None

Benefits

To provide appropriate benefits as part of a remuneration package that assists in recruiting, rewarding and retaining Executive Directors.

Operation	Maximum potential value	Performance metrics
Each Executive Director receives a tailored benefits package including (but not limited to) private health insurance for themselves, their spouse and dependent children, annual health screening, and life assurance, business travel.	Car allowance of up to £13,000 per annum.	None
Travel benefits, including (but not limited to) car allowance, company car, driver, the cost of fuel for private mileage, and travel to and from work (including any associated tax and social security charges) may also be provided.	The cost of insured benefits may vary from year to year depending on the individual's circumstances, and therefore the Committee has not imposed any overall maximum value on the benefit.	
In the event that an Executive Director is required by the Group to relocate, other benefits may include, but are not limited to, the costs of relocation, housing, travel and education allowances, subsistence costs and tax equalisation arrangements.	Executive Directors who participate in All-Employee Share Plans can contribute up to the relevant limits set out in the country plan.	
Expenses incurred in the performance of duties for the Group may be reimbursed or paid for directly by the Company, as appropriate, including any tax or social security charges due on the expenses.		
The Executive Directors are eligible to receive other benefits (such as a colleague discount card) on the same terms as other eligible employees of the Group.		
Executive Directors may participate in All-Employee Share Plans on the same basis as other employees.		

Annual bonus

To reward performance on an annual basis against key annual objectives.

Operation	Maximum potential value	Performance metrics
<p>Performance objectives will normally be determined by the Committee at the beginning of the financial year.</p> <p>The Committee will assess performance against these objectives following the end of the relevant financial year.</p> <p>Awards are paid once the results for the year have been audited. If an Executive Director has not met their Minimum Shareholding Requirement, 50% of any bonus earned will normally be deferred into the Group's shares. If the Minimum Shareholding Requirement has been met, 33% of any bonus earned will normally be deferred into the Group's Shares. The remaining amount will be paid in cash.</p> <p>The Committee may exercise its discretion to adjust bonus outcomes (up or down) where it believes that this is appropriate, including but not limited to where outcomes are not reflective of the underlying performance of the business or the level of payout does not reflect the experience of the Group's shareholders, employees or other stakeholders. Any application of the Committee's discretion would be within the limits of the overall Remuneration Policy.</p> <p>The Committee may reduce bonus outcomes or clawback vested awards up to three years from the date of vest (in part or in full) in the event of:</p> <ul style="list-style-type: none"> – a material misstatement in the Company's annual financial statements. – a material failure of risk management. – serious reputational damage to a member of the Group or relevant business unit. – an error in the calculation of any performance conditions which results in overpayment. 	<p>The maximum annual bonus opportunity is 200% of base salary per annum.</p> <p>For the 2022 financial year maximum annual opportunities are:</p> <ul style="list-style-type: none"> – Group CEO, Patrick Coveney: 175% of salary per annum. – Deputy CEO and CFO, Jonathan Davies: 150% of salary per annum. 	<p>Performance is measured relative to targets in key financial, operational and/or strategic objectives over the financial year.</p> <p>The measures selected and their weightings may vary each year according to the strategic priorities.</p> <p>Entitlement to bonus only starts to accrue at a minimum threshold level of performance. Below this level, no bonus will be paid.</p> <p>To earn a maximum bonus there must be outperformance against stretching objectives.</p>

Restricted Share Plan (RSP)

The RSP rewards our Executive Directors for driving the sustainable longer-term growth of the Company and shareholder value. Awards are share based to align the interests of Executive Directors with those of shareholders.

Operation	Maximum potential value	Performance metrics
<p>Awards may be made to Executive Directors in the form of conditional share awards, nil cost options, forfeitable shares or equivalent rights.</p> <p>Awards will be subject to performance underpins, assessed over a period of three financial years.</p> <p>Awards will normally be subject to a three year vesting period and any vested shares will normally be subject to a further post-vest holding period of two years.</p> <p>Awards (other than forfeitable shares) may incorporate the right to receive (in cash or shares) the value of dividends that would have been paid on the award shares that vest between the grant and vesting of awards.</p> <p>The Committee may exercise its discretion to adjust vesting outcomes where it believes that this is appropriate, including but not limited to: where vesting outcomes are not reflective of the underlying performance of the business, the underpins selected on award are no longer suitable, or the level of vesting does not reflect the experience of the Group's shareholders, employees or other stakeholders. Any application of the Committee's discretion would be within the limits of the overall Remuneration Policy.</p> <p>The Committee may lapse unvested awards or clawback vested awards up to three years from the date of vest (in part or in full) in the event of:</p> <ul style="list-style-type: none"> – a material misstatement in the Company's annual financial statements. – a material failure of risk management. – serious reputational damage to a member of the Group or relevant business unit. – an error in the calculation of any performance conditions which results in overpayment. 	<p>The maximum award that may be made to Executive Directors is up to 100% of salary per annum under the rules of the plan in respect of any financial year of the Company.</p>	<p>Performance underpins may be based around the Group's key financial and/or strategic measures.</p> <p>The Committee may use different performance underpins for future awards if the Committee deems this to be appropriate.</p> <p>If any of the underpins are not met the Committee would consider whether it was appropriate to scale back the number of shares that vest (including to nil).</p> <p>The Committee will normally disclose performance underpins in advance of each annual grant.</p> <p>The Committee would seek to consult with its major shareholders as appropriate on any proposed material changes.</p>

Minimum Shareholding Requirement

Aligns the interests of Executive Directors with shareholders and encourages commitment to the company

Operation	Maximum potential value	Performance metrics
Executive Directors are expected to build and maintain a holding in the Company's shares as follows:	N/A	N/A

- Group CEO: 250% of base salary
- Deputy CEO and CFO: 200% of base salary

Executive Directors have three years from the date of their appointment to the Board to build and maintain this holding.

Executive Directors will normally be expected to maintain their shareholding for a period of time post-cessation of employment. Normally this requirement will be for an Executive Director to maintain their full shareholding requirement for one year post-employment, and 50% of their shareholding requirement for a second year.

The Committee may waive this requirement for certain exceptional personal circumstances.

Non-Executive Directors Fees

To attract and retain Non-Executive Directors of the calibre required to oversee the development and execution of the Company's strategy.

Operation	Maximum potential value	Performance metrics
The Chair's fees are determined by the Committee.	N/A	N/A

The Non-Executive Directors' fees are determined by the Board.

The total fees for Non-Executive Directors, including the Chair, will not exceed the maximum stated in the Company's Articles of Association.

The level of fees are reviewed periodically and take into account the time commitment, responsibilities, market levels and the skills and experience required.

Non-Executive Directors normally receive a basic fee and an additional fee for specific Board responsibilities, including chairship or membership of Board committees or acting as the Senior Independent Director.

Non-Executive Directors are expected to build and maintain a holding in the Company's shares of 100% of their base fee. Non-Executive Directors have three years from the date of their appointment to the Board to build and maintain this holding. The Committee may waive this requirement for certain exceptional personal circumstances.

Additional fees may be paid to Non-Executive Directors on a per diem basis to reflect increased time commitment in certain limited circumstances.

Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax and social security due on the expenses.

Non-Executive Directors may be provided with benefits to enable them to undertake their duties.

Notes to the tables on pages 124 to 127

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

Malus and clawback applies where stated in the above table. Other elements of remuneration are not subject to recovery provisions.

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

- (i) before the AGM on 3 March 2015 (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect);
- (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Remuneration Policy in force at the time they were agreed; or
- (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

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

Performance measures and targets

Annual bonus

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

- The targets set for financial measures should be incentivising and appropriately stretching. Targets may be adjusted by the Committee to take into account significant capital transactions during the year.
- There should be flexibility to change the measures and weightings year-on-year in line with the needs of the business.
- The Committee retains the ability to adjust the targets and/or set different measures and alter weightings for the annual bonus if events occur (e.g. material divestment of a Group business, capital transactions or changes to accounting standards) which cause it to determine that an adjustment or amendment is appropriate so that the conditions achieve their original purpose.

Restricted Share Plan

Restricted Share Plan awards are subject to performance underpins. Underpins are chosen to ensure that the financial health and reputation of the Company are strong and that the Company is making progress on its strategic objectives.

For awards proposed in the 2022 financial year, the underpins will continue to be linked to the creation of sustainable growth and strategic objectives including progress made on the Company's Sustainability Strategy.

The Committee retains the ability to adjust any underpin measures if events occur (e.g., material divestment of a Group business, capital transactions or changes to accounting standards) which cause it to determine that an adjustment or amendment is appropriate so that the underpin conditions achieve their original purpose.

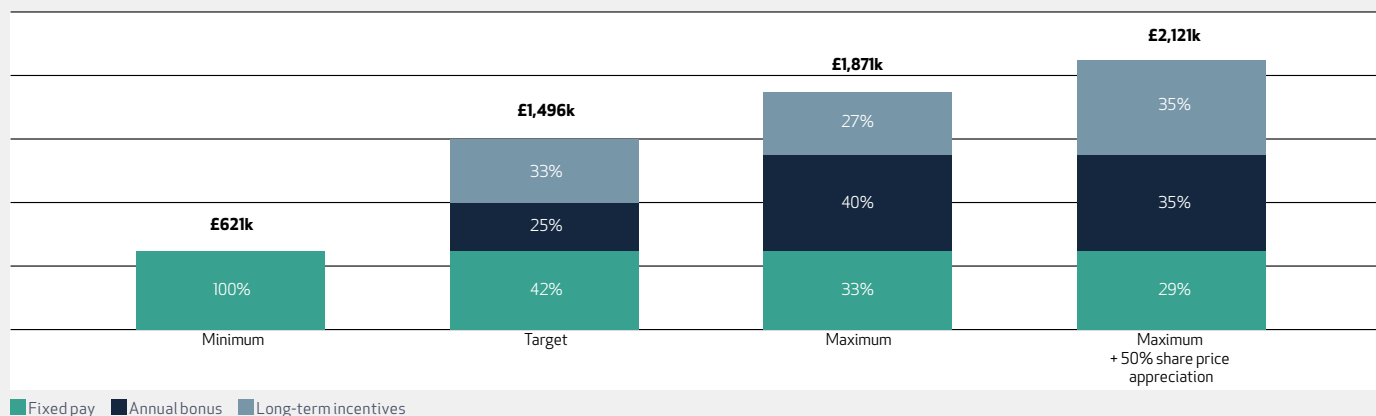
Remuneration arrangements throughout the Group

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

Illustrative scenario analysis

The following charts show the potential split between the different elements of the Executive Directors' remuneration under three different performance scenarios: 'Minimum', 'Target' and 'Maximum' (see table below).

Deputy CEO and CFO: Jonathan Davies



Component		'Minimum'	'Target'	'Maximum'	'Maximum + 50% share price appreciation'
Fixed remuneration	Base salary	Annual base salary for the 2021 financial year**			
	Pension	Deputy CEO and CFO: 21% of salary			
	Benefits	Taxable value of annual benefits provided in the year ended 30 September 2021			
Annual bonus	Maximum opportunity	Deputy CEO and CFO: 150% of salary**			
	Vesting	0% of maximum opportunity	50% of maximum opportunity	100% of maximum opportunity	
Restricted share plan	Maximum opportunity	Deputy CEO and CFO: 100% of salary**			
	Vesting	0% vesting	100% vesting	100% vesting	100% vesting + 50% share price appreciation

** based on contractual base salary as at 1 October 2021.

Approach to recruitment remuneration

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

- The Committee will take into account all relevant factors, including the calibre and experience of the individual and the market from which they are recruited, while being mindful of the best interests of the Group and its shareholders and seeking not to pay more than is necessary
- So far as practical the Committee will look to align the remuneration package for any new appointment with the Remuneration Policy set out in the policy table on pages 124 to 127
- Salaries may be higher or lower than the previous incumbent but will be set taking into account the review principles set out in the policy table. Where appropriate the salaries may be set at an initially lower level, with the intention of increasing salary at a higher than usual rate as the Executive Director gains experience in the role. For interim positions a cash supplement may be paid rather than salary (for example; a Non-Executive Director taking on an executive function on a short-term basis)
- To facilitate recruitment the Committee may need to buy out terms or remuneration arrangements forfeited on joining the Company. Any buy-out would take into account the terms of the arrangements, in particular, any performance conditions and the time over which they would vest. The overriding principle would be that the value of any replacement buy-out awards should be no more than the commercial value of awards that have been forfeited. The form of any award would be determined at the time and the Committee may make buy-out awards utilising any of the Company's share plans under LR 9.4.2 of the Listing Rules (for buy-out awards only)
- The maximum variable pay opportunity in respect of recruitment (excluding buy-outs) comprises a maximum annual bonus of 200% of annual salary and a maximum RSP grant of 100% of annual salary, as stated in the policy table on pages 124 to 127. The Committee retains the flexibility to determine that, for the first year of appointment, any annual incentive award within this maximum will be subject to such terms as it may determine

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

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

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

Details of Directors' service contracts

Executive Directors

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

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

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

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

	Date of commencement of contract	Notice period for Director	Notice period for Company
Simon Smith	1 June 2019	9 months	12 months
Jonathan Davies	15 July 2014	9 months	12 months

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

Chair

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

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

Non-Executive Directors

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

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

	Effective date of appointment letter	Current term expires
Mike Clasper	1 November 2019	31 October 2022
Ian Dyson	15 July 2014	14 July 2023
Carolyn Bradley	1 October 2018	30 September 2024
Judy Vezmar	1 August 2020	31 July 2023
Tim Lodge	1 October 2020	30 September 2023
Apurvi Sheth	1 January 2022	31 December 2024
Kelly Kuhn	1 January 2022	31 December 2024

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

Payments to departing Directors

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

Payment in lieu of notice	In the event of termination by the Company of an Executive Director's employment, a payment in lieu of notice may be paid. This payment would be equal to a maximum of annual base salary and cash allowance in lieu of pension in respect of any unexpired portion of the notice period. This payment can be made in instalments over the notice period and can be reduced where alternative employment is commenced during the notice period.
Annual bonus	Executive Directors may, at the determination of the Committee, remain eligible to receive an annual bonus for the financial year in which they ceased employment. Any such bonus will be determined by the Committee, taking into account time in employment and performance.
Restricted Share Plan awards	On cessation of employment, any outstanding unvested awards will lapse unless the participant dies or is deemed to be a 'good leaver' by the Committee in its discretion. Where the participant is deemed to be a 'good leaver', any outstanding unvested awards will normally continue and will vest at the normal vesting date to the extent the original performance underpins have been satisfied. Vested awards will normally continue to be subject to the two year post-vesting holding period. Awards will normally, unless the Committee determines that an alternative proportion of the awards should vest, be pro-rated for the portion of the vesting period completed in employment. The Committee may, in exceptional circumstances, or if the participant dies, decide to allow awards to vest on cessation of employment subject to the Committee's assessment of performance against the original performance underpins at that time or the Committee's assessment of the likely satisfaction of the performance underpins over the original performance period. Awards will normally, unless the Committee determines that an alternative proportion of the awards should vest, be pro-rated for the portion of the vesting period completed in employment.
Payments in relation to statutory rights	The Company may pay an amount considered reasonable by the Remuneration Committee in respect of an Executive Director's statutory rights.
Payments required by law	The Company may pay damages, awards, fines or other compensation awarded to an Executive Director by any competent court or tribunal or other payments required to be made on termination of employment under applicable law.
Professional fees	The Company may pay an amount considered reasonable by the Remuneration Committee in respect of fees for legal and tax advice, and outplacement support for the departing Executive Director.

Award under LR 9.4.2

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

Takeovers and other corporate events

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

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

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

Amendments

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

Consideration of conditions elsewhere in the Group

In making remuneration decisions, the Committee also considers the pay and employment conditions elsewhere in the Group. When reviewing and setting Executive Directors' remuneration, the Committee takes into account the pay and employment conditions of Group employees. The Group-wide pay review budget is one of the key factors when reviewing the salaries of the Executive Directors. The Group complies with local regulations and practices regarding employee consultation more broadly.

Consideration of shareholder views

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

Statutory Disclosures

This section of the Annual Report includes additional information required to be disclosed under the Companies Act 2006 (the 'Act'), the 2018 UK Corporate Governance Code (the 'Code'), the Disclosure Guidance and Transparency Rules (the 'DTRs') and the Listing Rules of the Financial Conduct Authority (the 'LRs'). The Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

The Company has chosen, in accordance with Section 414 C(11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. Both the Strategic Report (pages 8 to 79) and Corporate Governance Report (pages 80 to 135) are incorporated into the Directors' Report by reference.

Taken together, the Strategic and Corporate Governance Reports, along with this Directors' Report form the management report for the purposes of DTR 4.1.8R and are intended to provide a fair, balanced and understandable assessment of the development and performance of the Group's business during the year and its position at the end of the year, its business model, strategy, likely developments, and any principal risks and uncertainties associated with the Group's business.

The following specific information required to be included in the Directors' Report is included in other sections of this Annual Report:

Disclosures required under UK Listing Rule 9.8.4 Long Term Incentive Plans	Pages 113-131, Note 25, pages 183-184
Directors of the Group	Pages 82, 84-86
Dividends	Pages 74
Employee engagement and business relationships	Pages 33-36, 42, 48-50, 134-135
Environmental, social and governance risks	Pages 52 to 67
Future Developments	Pages 20-25
Going Concern Statement	Pages 68-69, 151-152
Greenhouse Gas Emissions	Page 40
Post balance sheet events	Page 75
Reporting under Section 172 Companies Act and engagement with stakeholders	Pages 42-50, 94-95
Treasury and Risk Management	Note 28, Pages 186-191

Directors

The Directors holding office during the year can be found on page 82. The interests in shares and awards over ordinary shares in the Company held by Directors in office as at 30 September 2021 are shown in the Directors' Remuneration Report on page 121.

The appointment and replacement of Directors is governed by the Company's Articles of Association ('Articles'), the UK Corporate Governance Code, the Companies Act 2006 and related legislation.

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

In line with market practice, the Company has made qualifying indemnity provisions which the Directors had the benefit of during the financial year ended 30 September 2021 and which remain in force at the date of this report. In addition, the Directors and officers of the Company and its subsidiaries are covered by Directors' and Officers' liability insurance maintained by the Company and the relevant Directors are covered by Public Offering of Securities Insurance (up to certain limits) taken out by the Company in respect of their responsibilities under the Rights Issue prospectus.

Shares

Share Capital

At 30 September 2021 there were 796,000,195 ordinary shares of 1^{17/200} pence each in issue (comprised of 795,736,696 ordinary shares with one vote each and 263,499 held in treasury, which are non-voting), which are fully paid up and are quoted on the London Stock Exchange. Further information regarding the Company's issued share capital and movements in the financial year can be found in note 24 to the financial statements on pages 180 to 182. As at the date of this Report there were an additional 376,500 ordinary shares in issue following a share scheme related share issue in December 2021.

Rights and obligations attaching to shares

There are no restrictions on the transfer of the Company's ordinary shares (or on the voting rights attaching to them) other than those under the Articles (see below), restrictions imposed from time to time by law (including insider trading law) or pursuant to the Company's securities dealing code. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

The rights attaching to the Company's ordinary shares are set out in the Articles, available on the Company's website at <https://investors.foodtravelexperts.com/investors/corporate-governance.aspx>. The Articles of Association of the Company may be amended by a special resolution of the shareholders.

Particular attention should be taken to the following:

- Transfers of ordinary shares – Articles 45-51 provide detail of how transfers of shares may be undertaken. They also set out the Directors' rights of refusal to effect a transfer and the action that Directors must take following such refusal.
- Votes of members – Articles 90-104 provide detail on the procedures surrounding voting including on a show of hands and on a poll.

Issuing shares

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

- (a) up to a nominal amount of £1,944,536; and
- (b) comprising equity securities up to a nominal amount of £3,889,073 such amount to be reduced by any allotments made under (a) above, in connection with an offer by way of a Rights Issue.

The authorities conferred on the Directors to allot securities under paragraphs (a) and (b) will expire on the date of the 2022 AGM, or close of business on 25 June 2022, whichever is sooner (the 'Expiry Date'). The Directors will be seeking a new authority at the 2022 AGM for the Directors to allot shares and to grant subscription and conversion rights to ensure that the Directors continue to have the flexibility to act in the best interests of shareholders when opportunities arise, by issuing new shares or granting such rights.

The Directors were also given authority to allot equity securities for cash, or to sell ordinary shares as treasury shares for cash subject to certain limitations, such authority to apply until the Expiry Date. The Directors will seek to renew this authority at the 2022 AGM.

Shares issued pursuant to the Rights Issue and Rump Placing

In April 2021, shareholders approved a 12 for 25 Rights Issue at a general meeting and granted authority to the Directors to allot the relevant number of shares. Under the Rights Issue, 253,052,376 ordinary shares of 1^{17/200} pence each were allotted to accepting shareholders, at a price of 184 pence per share. A further 5,024,388 shares for which valid acceptances were not received, were placed under the rump placing, at a price of 311.5 pence per share.

Shares issued pursuant to share schemes

During the 2021 financial year, 63,500 ordinary shares in the Company were issued to satisfy Matching Share awards under the Company's UK SIP and International SIP. No awards under the Company's Performance Share Plan ('PSP') vested during the 2021 financial year. It is noted that ordinary shares issued to satisfy awards under employee share schemes do not count against the allotment authorities granted by shareholders in accordance with the Act.

Details of the Group's employee share schemes and awards made during the financial year under the Restricted Share Plan and Performance Share Plan and held by Executive Directors as at 30 September 2021 are set out in the Annual Report on Remuneration on pages 116 and 121.

Details of awards made during the year and held by employees as at 30 September 2021 under the Restricted Share Plan and Performance Share Plan are disclosed in note 25 to the consolidated financial statements on pages 183 to 184.

Awards over shares held by relevant participants under the Company's various share plans carry no rights until the shares are issued to participants or their nominees. The Trustees of the Company's employee benefit trusts ('Trustees') are entitled to vote on unallocated shares held in the trust fund from time to time but they may consider, in their absolute discretion, any recommendations made to them by the Company before doing so. The general policy of the Trustees is to abstain from exercising voting rights on unallocated shares held in trust (see note 25 for further details on the employee benefit trusts). In respect of allocated shares held by the Trustees as nominee (including the Trustees of the Company's Share Incentive Plans), they must seek instructions from participants on how they should exercise their voting rights before doing so on their behalf.

Buyback of shares

The Directors were granted authority to make market purchases of the Company's own shares on behalf of the Company up to a maximum of approximately 10% of the Company's issued share capital at the 2021 AGM. This authority was not used during the financial year. This standard authority is renewable annually and the Directors will seek to renew this authority at the 2022 AGM.

Major Shareholdings

Information provided to the Company pursuant to the DTRs is published on a Regulatory Information Service and on the Company's website. As at 30 September 2021, the following notifications of major shareholdings of 3% or more have been received by the Company under DTR 5 (the percentages shown are the percentages at the time of the disclosure and have not been re-calculated based on the issued share capital at the year end).

No notifications have been received between 30 September 2021 and the date of this Report.

Name	Date of notification of interest	% of issued ordinary share capital
Schroders plc	07.11.14	4.99%
GIC Private Limited (Chase Nominees Limited)	22.11.17	3.16%
Old Mutual Global Investors (UK) Limited	02.07.18	9.71%
Artemis Investment Management LLP	10.12.19	5.06%
HSBC Holdings PLC	22.02.21	Below 5%
Parvus Asset Management Europe Limited	25.02.21	4.96%
JP Morgan Asset Management (UK) Limited and JP Morgan Investment Management Inc	17.03.21	3.58%
APG Asset Management Limited	20.08.21	14.01%
Marathon Asset MGMT LLP	23.08.21	8.24%
BlackRock, Inc.	30.09.21	Below 5%

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

The holdings and voting rights shown above are correct at the date of notification. It should be noted that these holdings may have changed since the Company was notified including as a result of share consolidations that took place in 2018 and 2019 and the Rights Issue that took place in April 2021.

As at 30 September 2021, the Company had no controlling shareholders. No shareholder holds ordinary shares which carry special rights relating to the control of the Company.

Employee engagement and business relationships

Understanding the views and values of all the Group's stakeholders, including employees, customers, investors and other business relationships is critical to the Group's success. Examples of how the Directors have engaged with employees and had regard to employee and other stakeholder interests and the effect of that regard, including on the principal decisions taken by the Company, are detailed throughout this report and specific examples can be found on pages 33 to 50 and pages 94 to 95.

Details of how information is communicated to employees (including as to participation in the Company's employee share plans) and how a common awareness of the financial and economic factors affecting the performance of the Company is achieved amongst the employee population can be found on pages 33 to 50.

Change of Control Contracts

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

Other agreements

Other than a service contract between the Executive Directors and a Group company, no Director had a material interest at any time during the year in any significant contract with the Company or any of its subsidiaries. The Company does not have agreements with any Director, officer or employee that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's employee share plans may cause options and awards granted under such plans to vest on a takeover.

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

SSP Financing also entered into: (i) a note purchase agreement on 9 August 2018 (as amended from time to time) ('2018 NPA') in respect of a US\$175m issue of US Private Placement notes (the '2018 Notes'); and (ii) a note purchase agreement on 11 April 2019 (as amended from time to time) ('2019 NPA') in respect of a US\$199.5m and €58.5m issue of US Private Placement notes ('2019 Notes'). The 2018 NPA and 2019 NPA ('NPAs') each contain a change of control provision whereby if any one person or a group of persons acting in concert gain Control of the Company (as defined in the NPAs), then the Company and SSP Financing must give written notice of this to the holders of the 2018 Notes and 2019 Notes ('Notes'). The written notice shall contain an offer by SSP Financing to prepay the entire unpaid principal amount of the Notes held by each holder together with interest thereon.

Political Donations

The Company's policy is to not make political donations. Neither the Company nor its subsidiaries, during the financial year ended 30 September 2021, made any political donation to a political party, other political organisation or independent election candidate, or incurred any political expenditure or made any contribution to a non-UK political party. However, in view of the broad wording adopted in the Companies Act, and the Board's wish to avoid any inadvertent infringement of it, the Company will propose to shareholders at the 2022 AGM that a precautionary authority be granted of up to £25,000 in aggregate. Further details are included in the Notice of AGM.

Branches

The Company does not have any branches outside the UK.

Research and Development

The Group does not undertake material levels of research and development activity.

Disabled Employees

The Company gives full consideration to applications for employment by disabled persons, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, so far as possible, be identical to that of other employees. More information can be found on page 36.

Auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office, and a resolution that it will be reappointed will be proposed at the 2022 AGM.

Statement of disclosure of information to auditors

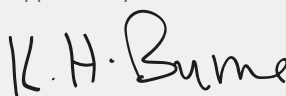
Insofar as each Director in office on the date of approval of this report is aware, there is no relevant audit information of which the Company's external auditor is unaware, and the Directors have taken all the steps which they ought to have taken as Directors, to make themselves aware of any relevant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

AGM 2022

The AGM will be held in February 2022. Further details of the arrangements for the 2022 AGM are set out in the Notice of AGM, which, along with other relevant documentation, is enclosed with this Annual Report or available on the Group's website at www.foodtravelexperts.com. The Directors consider that each of the resolutions is in the best interests of the Company and the shareholders as a whole and recommend that shareholders vote in favour of all the resolutions.

The Notice of AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be put to the AGM.

Approved by the Board and signed on its behalf by:



Helen Byrne

General Counsel and Company Secretary
7 December 2021

Statement of Directors' Responsibilities in respect of the Annual Report and Accounts and the financial statements

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

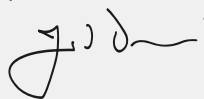
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report

We confirm that to the best of our knowledge:

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

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



Jonathan Davies

Deputy Chief Executive Officer and Chief Financial Officer
7 December 2021



Arrivals

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Independent auditor's report to the members of SSP Group plc

1 Our opinion is unmodified

We have audited the Financial Statements of SSP Group plc ('the Company') for the year ended 30 September 2021 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, Company balance sheet and Company statement of changes in equity, and the related notes, including the accounting policies in notes 1 and 33.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2021 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent Company Financial Statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation to the extent applicable.

Basis for opinion

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

We were first appointed as auditor by the Directors on 20 September 2006. The period of total uninterrupted engagement is for the 16 financial years ended 30 September 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality:	£9.5m (2020: £9.0m)
Group financial statements as a whole	0.6% of total group revenue (2020: 0.6% of total group revenue)
Coverage	83% of total Group revenue (2020: 79% of total Group revenue)

Key audit matters		vs 2020
Recurring risks	Recoverability of goodwill and indefinite life intangible assets	↓
	Recoverability of parent's investment in subsidiary undertaking	↔
Event Driven	Going Concern	↓
	Recoverability of site assets	↓

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

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

	The risk	Our response
<p>Recoverability of site assets Property, plant and equipment – £388.7m (2020: £437.2m)</p> <p>ROU assets – £1,002.9m (2020: £1,271.2m)</p> <p>Refer to page 104 Audit Committee Report, Note 1.16, Note 11 and Note 13, Accounting policies and financial disclosures</p>	<p>Forecast based valuation The continuing effects of the Covid-19 pandemic during the period have impacted passenger volumes, which in turn has adversely impacted business performance.</p> <p>Assessing the recoverability of site assets relies on a number of assumptions around future trading performance, such as future sales growth rates and discount rates, that involve a high degree of estimation uncertainty.</p> <p>Consequently, we determined that the carrying value of site assets has a high degree of estimation uncertainty, with a range of reasonable outcomes greater than our materiality for the Financial Statements as a whole. Note 11 discloses reasonable sensitivities estimated by Group management.</p>	<p>Our procedures included: Our sector experience – We used our experience and understanding of the retail and travel sectors to challenge the key assumptions used to develop the Group's forecasts, and whether these had been appropriately and consistently captured in the impairment models.</p> <p>Our valuation expertise – We used our experience to assist us in assessing appropriateness of the impairment review methodology and assumptions. In addition, we engaged our corporate finance specialists to support the assessment of the discount rate assumptions used by the Group.</p> <p>Sensitivity analysis – We have prepared multiple alternate scenarios sensitising key assumptions individually and in concert to assess their impact on the recoverability of the assets.</p> <p>Historical comparison – We evaluated the historical accuracy of the Group's forecasts by comparing budget to actual results.</p> <p>Testing application – We tested the completeness of site assets included in the Group's CGU impairment exercise, including the impact of newly created ROU assets during the period.</p> <p>Assessing consistency – We ensured consistency of forecast financial information with other forecasting exercises across the Group including goodwill and intangible impairment and going concern cash flow forecasts.</p> <p>Assessing transparency – We also considered the adequacy of the Group's disclosure of the key risks and sensitivity around the outcome, and whether that disclosure reflected the risks inherent in the valuation of site assets.</p> <p>Our results We found the resulting estimates of the recoverable amount of site assets in the Group's Financial Statements to be acceptable (2020: acceptable).</p>

	The risk	Our response
<p>Recoverability of goodwill and indefinite life intangible assets</p> <p>Goodwill and indefinite life assets £640.5m (2020: £683.8m)</p> <p>Refer to page 104 Audit Committee Report, Note 1.16 and Note 12 Accounting policies and disclosures</p>	<p>Forecast based valuation</p> <p>The recoverable amount of goodwill and indefinite life intangible assets is inherently judgemental due to the subjectivity and uncertainty involved in selecting the appropriate key assumptions, such as the discount and long-term growth rates, and preparing future discounted cash flows.</p> <p>SSP Group plc is subject to a number of internal and external factors, which may influence its trading in the short term, as well as the Group's long-term strategy. These primarily include passenger travel trends, Covid-19, economic and political uncertainty, tendering and competition.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the carrying value of goodwill and indefinite life intangible assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole. The Financial Statements (note 11) disclose the sensitivity estimated by the Group.</p>	<p>Our procedures included:</p> <p>Our sector experience – We corroborated our understanding of business performance and broader market trends with the Group's forecasts and considered whether these had been appropriately captured in the impairment models.</p> <p>Our valuation expertise – We used our valuation experience to assist us in assessing the appropriateness of the methodology and assumptions used. Our valuation specialists assisted us in assessing the discount rate assumptions used by the Group.</p> <p>Benchmarking assumptions – We challenged and compared the Group's assumptions to externally derived data, industry norms and our expectation based on our knowledge and experience of the Group, in relation to key inputs such as projected market growth, revenue growth rates, and inflation.</p> <p>Sensitivity analysis – We have used KPMG's proprietary data analytics software tool to prepare multiple scenarios sensitising assumptions in combination to assess their impact on the recoverability of the assets.</p> <p>Historical comparison – We evaluated the historical accuracy of the Group's forecasts by comparing budget to actual results.</p> <p>Comparing valuations – We compared the results of discounted cash flows against the Group's market capitalisation, after adjusting for its net debt to assess the reasonableness of the value in use calculations.</p> <p>Assessing transparency – We also considered the adequacy of the Group's disclosure of the key risks and sensitivity around the outcome, and whether that disclosure reflected the risks inherent in the valuation of goodwill and indefinite life intangible assets.</p> <p>Our results</p> <p>We found the resulting estimates of recoverable amount of goodwill and indefinite life intangible assets in the Group's Financial Statements to be acceptable (2020: acceptable).</p>

	The risk	Our response
Going concern Refer to page 105 of the Audit Committee report, Note 1.12 to the Group Financial Statements.	<p>Disclosure quality The Financial Statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and parent Company.</p> <p>That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of 16 months from the date of approval of the Financial Statements.</p> <p>The risks most likely to adversely affect the Group's and Company's available financial resources over this period were:</p> <ul style="list-style-type: none"> – The recovery of global passenger footfall; – The Group's ability to negotiate lease concessions; and – The Group's ability to defer payments and manage working capital cash flows. <p>There are also less predictable but realistic second order impacts, such as supply chain disruption, changes in consumer travel patterns, or the impact of climate change.</p> <p>The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.</p>	<p>Our response: Considering whether these risks could plausibly impact the liquidity or covenant compliance within the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively.</p> <p>Our procedures also included: Historical comparison: We considered the historical accuracy of the Group's cash flow forecasts by assessing the accuracy of previous forecasts against actual performance.</p> <p>Funding assessment – We inspected evidence of debt and equity funding obtained during the year to ascertain the level of available liquidity at the year end and for the Going concern period, the duration and availability of financing and associated covenant testing requirements. We have assessed evidence available to support whether the covenants will be met over the going concern period.</p> <p>Sensitivity analysis – We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts, taking account of plausible but realistic adverse scenarios which could arise from these risks individually and collectively.</p> <p>Our sector experience – We assessed and challenged the key assumptions in the forecasts used by the Directors by benchmarking these against external forecasts and our sector knowledge.</p> <p>Assessing transparency – We considered whether the going concern disclosure in note 1.2 to the Financial Statements gives a full and accurate description of the Directors' assessment of going concern.</p> <p>Our results: We found the going concern disclosure in note 1.2, which did not include a material uncertainty, to be acceptable (2020: which did include a material uncertainty, to be acceptable).</p>
Recoverability of parent's investment in subsidiary undertaking Investment in subsidiary – £1,199.3m (2020: £947.8m) Refer to Note 33 and Note 34 Accounting policies and financial disclosures	<p>Low risk, high value The carrying amount of the parent Company's investment in subsidiary represents 80% (2020: 91%) of the Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement.</p> <p>However, due to its materiality in the context of the parent Company Financial Statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.</p>	<p>Our procedures included: Tests of detail – We compared the carrying amount of the investment book value to the underlying aggregate recoverable amount of the Group's CGUs, after adjusting for net debt. Our procedures over those CGUs are described in our recoverability of goodwill and indefinite life intangible assets KAM above.</p> <p>Test of detail – We compared the carrying amount of the investment to the market capitalisation for the Group (after adjusting for net debt).</p> <p>Our results We found the Group's assessment of the recoverability of the investment in subsidiary to be acceptable (2020: acceptable).</p>

The key audit matter in our prior year report related to initial recognition of ROU assets and lease liabilities on transition to IFRS 16. We continue to perform procedures over these items, including over the recoverability of these assets as detailed in our key audit matter above.

In the prior year we reported a key audit matter in respect of the impact of uncertainties due to the UK exiting the European Union. Following the trade agreement between the UK and the EU, and the end of the EU-exit implementation period, the nature of these uncertainties has changed. We continue to perform procedures over material assumptions in forward-looking assessments such as going concern and impairment tests, however we no longer consider the effect of the UK's departure from the EU to be a separate key audit matter.

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

Materiality for the Group Financial Statements as a whole was set at £9.5m (2020: £9.0m), determined with reference to a benchmark of total Group revenue, normalised by averaging over the last three years due to fluctuations in the business cycle, of £1,687.3m (2020: one-year Group revenue of £1,433.1m), of which it represents 0.6% (2020: 0.6% of total Group revenue).

We consider an average of three years' Group revenue to be the most appropriate benchmark for the year ended 30 September 2021. In the year ended 30 September 2020, materiality was based on Group revenue for the 12 months to 30 September 2020. This has been amended in this year's audit due to the continuing impact of Covid-19 on the Group's performance during the year.

Materiality for the parent Company Financial Statements as a whole was set at £2.9m (2020: £3.2m), determined with reference to a benchmark of Company total assets, of which it represents 0.2% (2020: 0.3%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the Financial Statements as a whole.

Performance materiality was set at 65% (2020: 75%) of materiality for the Financial Statements as a whole, which equates to £6.1m (PY: £6.75m) and £1.9m (PY: £2.4m) for the parent Company. We applied this percentage in our determination of performance materiality based on audit risk and experience.

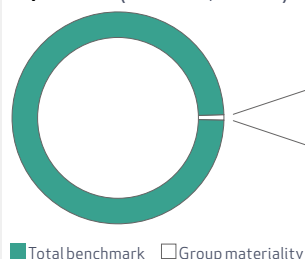
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.48m (2020: £0.45m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Scope

Of the Group's 93 (2020: 88) reporting components, we subjected 18 (2020: 18) to full scope audits for Group purposes. The components within the scope of our work accounted for the percentages illustrated below.

The remaining 17% (2020: 21%) of total Group revenue, 16% (2020: 20%) of total Group loss before tax and 15% (2020: 19%) of total Group assets is represented by 75 (2020: 70) reporting components, none of which individually represented more than 3% (2020: 3%) of any of the total Group revenue, Group loss before tax or total Group assets. For these residual components, we performed an analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement with these.

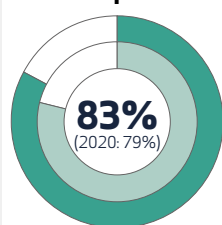
Total Group revenue £1,687.3m (2020: £1,433.1m)



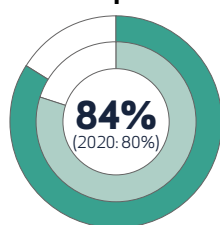
Group materiality £9.5m (2020: £9.0m)

£9.5m	Whole financial statements materiality (2020: £9.0m)
£4.8m	Range of materiality at 18 components (£1.0m to £4.8m) (2020: £0.5m to £6.3m)
£0.48m	Misstatements reported to the audit committee (2020: £0.45m)

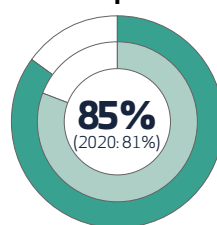
Total Group revenue



Total Group loss before tax



Total Group assets



■ Full scope for Group audit purpose 2021 ■ Full scope for Group audit purposes 2020 □ Residual components

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materialities, which ranged from £1.0m to £4.8m (2020: £0.5m to £6.3m), having regard to the mix of size and risk profile of the Group across the components.

The work on 14 (2020: 14) components was performed by component auditors and the rest, including the audit of the parent Company was performed by the Group audit team.

Due to travel difficulties and restrictions in place during the performance of the audit, the Group team has not visited any component auditors outside of the UK, and instead held virtual conference meetings with all non-UK component auditors (2020: virtual meetings held with all component auditors). At these meetings, the Group team discussed the audit strategy, the ongoing efforts and focus areas, and the findings reported to the Group audit team were discussed in more detail.

4 Going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for 16 months from the date of approval of the Financial Statements ('the going concern period').

An explanation of how we have evaluated management's assessment of going concern is set out in the related key audit matter in section 2 of this report.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 1.2 to the Financial Statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period; and
- the related statement under the Listing Rules set out on page 69 is materially consistent with the Financial Statements and our audit knowledge.

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

5 Fraud and breaches of laws and regulations – ability to detect Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks'), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of the Directors, management, legal counsel, and members of the Internal Audit function as to whether they are aware of any instances of fraud, and as to the Group's high-level policies and procedures to prevent and detect fraud;
- Reading Board and committee minutes;
- Using analytical procedures to identify any unusual or unexpected relationships;
- Inspection of internal audit reports issued during the year and whistle-blower logs; and
- Considering the Group's results against performance targets and the Group's remuneration policies, key drivers for remuneration, and bonus levels.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication to our global component teams of all relevant fraud risks identified at the Group level, and requests to our component audit teams to report to the Group audit team any instances of fraud which could give rise to a material misstatement at the Group.

As required by auditing standards, and having considered the impact of the Group's results against performance targets, we perform procedures designed to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the recoverability of goodwill and indefinite life intangible assets and site assets. Further detail in respect of these matters is set out in the key audit matter disclosures within section 2 of this report.

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

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

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying and testing journal entries and other adjustments based on specific risk-based criteria and comparing identified entries to supporting documentation. These included entries posted by unusual or unauthorised users, those posted to unexpected account combinations and those with unusual posting descriptions.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks and material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussions with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and inspection of the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations risks throughout our team and remained alert to any indication of non-compliance throughout the audit. This included communication from the Group to all component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the Financial Statements, including financial reporting legislation (including related Company legislation, distributable profits legislation, and taxation legislation (direct and indirect). We assessed the extent of compliance with these laws and regulations as part of our procedures on the Financial Statement items to which they relate.

Secondly, the Group is also subject to many other laws and regulations, where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the loss of the Group's permission to operate in geographic locations where non-adherence to laws could prevent trading in these locations. We identified the following areas as being most likely to have such an effect:

- Consumer product laws such as product safety, quality standards and communication of allergens, reflecting the nature of the Group's operations;
- Employee health and safety, reflecting the nature of the Group's operating locations; and
- Data privacy laws, reflecting the customer data held by the Group.

Auditing standards limit the extent of audit procedures required to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

6 We have nothing to report on the other information in the Annual Report and Accounts

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

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

Strategic report and Directors' report

Based solely on our work on the other information:

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

Directors' remuneration report

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

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the Financial Statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement on page 69 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Risk Management and Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 69 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the Financial Statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our Financial Statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the Financial Statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the Financial Statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the Financial Statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance report relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 136, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



Nicholas Frost

(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
7 December 2021

Consolidated Income Statement

for the year ended 30 September 2021

	Notes	2021 Underlying ¹ £m	2021 Adjustments £m	2021 Total £m	2020 Underlying ¹ £m	2020 Adjustments £m	2020 Total £m
Revenue	3	834.2	-	834.2	1,433.1	-	1,433.1
Operating costs	5	(1,157.5)	14.1	(1,143.4)	(1,748.5)	(48.5)	(1,797.0)
Operating loss		(323.3)	14.1	(309.2)	(315.4)	(48.5)	(363.9)
Share of profit/(loss) of associates	14	2.3	-	2.3	(2.4)	-	(2.4)
Finance income	8	2.6	-	2.6	2.5	-	2.5
Finance expense	8	(74.7)	(32.2)	(106.9)	(56.5)	(5.5)	(62.0)
Loss before tax		(393.1)	(18.1)	(411.2)	(371.8)	(54.0)	(425.8)
Taxation	9	50.6	(1.7)	48.9	23.7	4.4	28.1
Loss for the year		(342.5)	(19.8)	(362.3)	(348.1)	(49.6)	(397.7)
(Loss)/profit attributable to:							
Equity holders of the parent		(323.9)	(33.4)	(357.3)	(334.7)	(40.3)	(375.0)
Non-controlling interests	24	(18.6)	13.6	(5.0)	(13.4)	(9.3)	(22.7)
Loss for the year		(342.5)	(19.8)	(362.3)	(348.1)	(49.6)	(397.7)
Loss per share (pence):							
- Basic ²	4	(46.5)		(51.3)	(59.1)		(66.2)
- Diluted ²	4	(46.5)		(51.3)	(59.1)		(66.2)

1 Presented on an underlying basis, which excludes non-underlying items as further explained in note 6.

2 The comparative figures for earnings per share have been adjusted to reflect the bonus element of the Rights Issue. Further detail is provided in note 4.

Consolidated Statement of other Comprehensive Income

for the year ended 30 September 2021

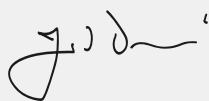
	Notes	2021 £m	2020 £m
Other comprehensive income/(expense)			
Items that will never be reclassified to the income statement:			
Remeasurements on defined benefit pension schemes	22	3.5	1.2
Tax charge relating to items that will not be reclassified		(1.1)	(2.5)
Items that are or may be reclassified subsequently to the income statement:			
Net gain on hedge of net investment in foreign operations		22.3	4.2
Other foreign exchange translation differences		(22.0)	(19.7)
Foreign exchange reclassified to income statement on disposal of subsidiary		(0.5)	-
Effective portion of changes in fair value of cash flow hedges		0.5	(1.8)
Cash flow hedges – reclassified to income statement		2.6	1.6
Tax (charge)/credit relating to items that are or may be reclassified		(2.1)	0.5
Other comprehensive income/(expense) for the year		3.2	(16.5)
Loss for the year		(362.3)	(397.7)
Total comprehensive expense for the year		(359.1)	(414.2)
Total comprehensive expense attributable to:			
Equity holders of the parent		(350.3)	(386.1)
Non-controlling interests	24	(8.8)	(28.1)
Total comprehensive expense for the year		(359.1)	(414.2)

Consolidated Balance Sheet

as at 30 September 2021

	Notes	2021 £m	2020 £m
Non-current assets			
Property, plant and equipment	11	388.7	437.2
Goodwill and intangible assets	12	684.1	731.2
Right-of-use assets	13	1,002.9	1,271.2
Investments in associates	14	12.0	12.2
Deferred tax assets	15	93.2	49.8
Other receivables	17	69.7	73.8
		2,250.6	2,575.4
Current assets			
Inventories	16	23.7	23.5
Tax receivable		15.3	10.1
Trade and other receivables	17	118.4	125.3
Cash and cash equivalents	18	773.6	185.0
		931.0	343.9
Total assets		3,181.6	2,919.3
Current liabilities			
Short-term borrowings	19	(304.2)	(158.2)
Trade and other payables	20	(519.1)	(399.0)
Tax payable		(24.9)	(20.9)
Lease liabilities	21	(299.9)	(289.1)
Provisions	23	(17.7)	(12.3)
		(1,165.8)	(879.5)
Non-current liabilities			
Long-term borrowings	19	(777.0)	(718.1)
Post-employment benefit obligations	22	(14.9)	(18.6)
Lease liabilities	21	(872.9)	(1,060.2)
Other payables	20	(7.2)	(4.0)
Provisions	23	(21.5)	(21.4)
Derivative financial liabilities	28	(2.1)	(5.1)
Deferred tax liabilities	15	(9.5)	(10.4)
		(1,705.1)	(1,837.8)
Total liabilities		(2,870.9)	(2,717.3)
Net assets		310.7	202.0
Equity			
Share capital	24	8.6	5.8
Share premium	24	472.7	472.7
Capital redemption reserve	24	1.2	1.2
Merger relief reserve	24	-	206.9
Other reserves	24	7.7	3.1
Retained losses		(249.9)	(559.6)
Total equity shareholders' funds		240.3	130.1
Non-controlling interests	24	70.4	71.9
Total equity		310.7	202.0

These financial statements were approved by the Board of Directors on 7 December 2021 and were signed on its behalf by:



Jonathan Davies
Deputy CEO and CFO

Consolidated Statement of Changes in Equity

for the year ended 30 September 2021

	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger relief reserve £m	Other reserves £m	Retained earnings/(losses) £m	Total parent equity £m	Non-controlling interests £m	Total equity £m
Balance at 30 September 2019	4.8	461.2	1.2	-	12.9	(152.1)	328.0	87.6	415.6
Loss for the year	-	-	-	-	-	(375.0)	(375.0)	(22.7)	(397.7)
Other comprehensive expense for the year	-	-	-	-	(9.8)	(1.3)	(11.1)	(5.4)	(16.5)
Capital contributions from non-controlling interests (note 24)	-	-	-	-	-	-	-	30.5	30.5
Acquisition of shares in partly owned subsidiary from non-controlling interest (note 24)	-	-	-	-	-	(4.3)	(4.3)	(0.7)	(5.0)
Equity issues (note 24)	1.0	11.5	-	206.9	-	-	219.4	-	219.4
Share buyback	-	-	-	-	-	(1.7)	(1.7)	-	(1.7)
Dividends paid to equity shareholders (note 10)	-	-	-	-	-	(26.8)	(26.8)	-	(26.8)
Dividends paid to non-controlling interests (note 24)	-	-	-	-	-	-	-	(20.4)	(20.4)
Share-based payments	-	-	-	-	-	2.0	2.0	-	2.0
Tax on share-based payments	-	-	-	-	-	0.5	0.5	-	0.5
Other movements	-	-	-	-	-	(0.9)	(0.9)	3.0	2.1
At 30 September 2020	5.8	472.7	1.2	206.9	3.1	(559.6)	130.1	71.9	202.0
Covid waiver extension amendment (note 1.3)	-	-	-	-	-	0.2	0.2	-	0.2
Loss for the year	-	-	-	-	-	(357.3)	(357.3)	(5.0)	(362.3)
Other comprehensive income/(expense) for the year	-	-	-	-	4.6	2.4	7.0	(3.8)	3.2
Capital contributions from non-controlling interests (note 24)	-	-	-	-	-	-	-	10.3	10.3
Acquisition of shares in partly owned subsidiary from non-controlling interest (note 24)	-	-	-	-	-	-	-	(0.4)	(0.4)
Transaction with non-controlling interest	-	-	-	-	-	(0.4)	(0.4)	0.4	-
Subsidiary disposal	-	-	-	-	-	-	-	3.8	3.8
Rights Issue (note 24)	2.8	-	-	454.1	-	-	456.9	-	456.9
Reclassification to retained losses (note 24)	-	-	-	(661.0)	-	661.0	-	-	-
Dividends paid to non-controlling interests (note 24)	-	-	-	-	-	-	-	(4.6)	(4.6)
Share-based payments	-	-	-	-	-	1.8	1.8	-	1.8
Tax on share-based payments	-	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Other movements	-	-	-	-	-	2.2	2.2	(2.2)	-
At 30 September 2021	8.6	472.7	1.2	-	7.7	(249.9)	240.3	70.4	310.7

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Consolidated Cash Flow Statement

for the year ended 30 September 2021

	Notes	2021 £m	2020 £m
Cash flows from operating activities			
Cash flow from operations	26	129.4	13.4
Tax refund/(paid)		1.1	(11.0)
Net cash flows from operating activities		130.5	2.4
Cash flows from investing activities			
Dividends received from associates	14	2.0	3.6
Interest received		2.0	2.4
Purchase of property, plant and equipment	11	(65.7)	(120.3)
Purchase of other intangible assets	12	(8.9)	(17.3)
Disposal of subsidiary		(0.1)	-
Acquisition in the year, net of cash and cash equivalents acquired		-	(21.5)
Net cash flows from investing activities		(70.7)	(153.1)
Cash flows from financing activities			
Equity funding from shareholders	24	474.9	227.2
Equity raising expenses ¹	24	(16.5)	(7.8)
Fees paid as part of the Group's debt modifications		(1.3)	-
Share buyback		-	(1.7)
Receipt of bank loans	27	28.0	32.1
Repayment of borrowings	27	(1.6)	-
Repayment of Revolving Credit Facility	27	-	(97.5)
Receipt of USPP debt	27	-	101.8
Drawdown on Covid Corporate Financing Facility	27	175.0	125.0
Payment of lease liabilities – principal	21	(61.4)	(172.6)
Payment of lease liabilities – interest	21	(28.4)	(27.8)
Acquisition of shares in partly owned subsidiary from non-controlling interest	24	(0.4)	(5.0)
Interest paid excluding interest on lease liabilities		(34.9)	(22.0)
Dividends paid to equity shareholders	10	-	(26.8)
Dividends paid to non-controlling interests	24	(4.6)	(20.4)
Capital contributions from non-controlling interests	24	5.2	3.1
Net cash flows from financing activities		534.0	107.6
Net increase/(decrease) in cash and cash equivalents		593.8	(43.1)
Cash and cash equivalents at beginning of the year		185.0	233.3
Effect of exchange rate fluctuations on cash and cash equivalents		(5.2)	(5.2)
Cash and cash equivalents at end of the year		773.6	185.0

¹ The Group incurred £18.0m of costs in relation to its April 2021 Rights Issue, of which £1.5m was unpaid at 30 September 2021.

1. Accounting policies

1.1 Basis of preparation

SSP Group plc (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group) and equity-account the Group's interest in its associates. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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

The financial statements are prepared on the historical cost basis, except in respect of financial instruments (including derivative instruments) and defined benefit pension schemes for which assets are measured at fair value, as explained in the accounting policies below.

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

1.2 Going concern

These financial statements are prepared on a going concern basis.

The Board has reviewed the Group's financial forecasts, incorporating the impact on SSP of Covid-19, as part of the preparation of its financial statements, including cash flow forecasts prepared for a period of 16 months from the date of approval of these financial statements and taking into consideration a number of different scenarios. The appropriate period of assessment was considered to be 16 months given that this included the testing of reinstated adjusted interest cover and leverage covenants at the 31 March 2023 testing date. Having carefully reviewed these forecasts, the Directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements for the reasons set out below.

Since the start of the pandemic, the Group has taken rapid and decisive action to protect its people and the future of the business, generating significant additional liquidity, reducing costs and minimising cash usage. Due to the uncertainty regarding the short- and medium-term trading outlook for the Group as a consequence of Covid-19, and having considered a number of different scenarios and financing alternatives, the Board took proactive action in March 2021 to strengthen the Group's balance sheet, announcing a Rights Issue to raise gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, the Group secured the extension to January 2024 of its bank facilities, that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants relating to its bank facilities and US Private Placement notes.

As at 30 September 2021, following the successful completion of its Rights Issue, the Group had £1,061.7 million outstanding under its borrowing arrangements, including: (i) US Private Placement notes of £329.6 million with maturities between October 2025 and July 2031; (ii) a facilities agreement with a maturity of 15 January 2024 which includes two term facilities totalling £373.7 million, both of which are fully drawn; (iii) various government backed facilities comprising (a) a facility from the UK Covid Corporate Financing Facility ('CCFF'),

a joint Bank of England and HM Treasury lending facility, under which it has drawn £300 million, available until February 2022, and (b) a number of smaller local government backed facilities amounting to £55.6 million; and (iv) a number of other smaller local facilities amounting to £2.8 million. As at 30 September 2021, the Group had available liquidity of £935.2million, including cash of £773.6 million and a committed undrawn revolving credit facility of £150.0 million, as well as smaller undrawn local facilities totalling £11.6 million.

In making the going concern assessment, the Directors have considered forecast cash flows and the liquidity available over the period to 31 March 2023. In doing so they assessed a number of scenarios, including a base case scenario and a severe but plausible downside scenario. The base case scenario reflects an expectation of a slow but steady recovery in passenger numbers in most of our key markets during the next 16 months, with Group sales reaching approximately 80% of 2019 levels by September 2022 and approximately 95% by March 2023.

Given the considerable uncertainty surrounding the ongoing impact of Covid-19, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a much more pessimistic view of the travel markets for the remainder of the current financial year, assuming the introduction of renewed travel restrictions and working from home guidance in the UK and Continental Europe during the winter months. The downside scenario then assumes a gradual recovery during the second half of the 2022 financial year and the first half of the 2023 financial year, but at a slower pace than envisaged in the base case, with Group sales reaching approximately 74% of 2019 levels by September 2022 and approximately 92% by March 2023.

Following the successful completion of the Rights Issue, the Group must comply with monthly covenants regarding a minimum level of liquidity of £200m until January 2022, falling to £150m thereafter, and a maximum level of consolidated net debt of £800m. The Group will next be tested on its leverage and interest cover covenants at March 2023, with a maximum leverage multiple of nine times EBITDA on a pre-IFRS 16 basis and a minimum interest cover multiple of one times EBITDA on a pre-IFRS 16 basis at that date. In both its base case and its severe but plausible downside case scenarios, the Group would have headroom against all of these covenant tests at all testing dates during the next 16 months.

In the light of the very recent news regarding the emergence of the Omicron variant, the Directors have also considered its potential impact on the Group's financial forecasts. While the Directors believe that an out-turn that is worse than its current downside scenario is very unlikely to materialise, they have nevertheless further stress-tested those downside assumptions. They have modelled the impact of additional lockdowns and extensive travel restrictions across all markets during the second quarter of the Group's 2022 financial year, and reflected available mitigating actions within the control of the group in such circumstances, including further deferrals of planned capital expenditure. This additional scenario assumes sales and EBITDA on a pre-IFRS 16 basis losses in the second quarter of next financial year would be in line with the equivalent quarter of the 2021 financial year, despite the extensive roll out of vaccines over the subsequent twelve months, and as such is deemed to be extremely pessimistic. Having applied this additional sensitivity, the Directors are satisfied that there would be sufficient headroom for the Group to operate within its modified covenants throughout the next 16 months.

1. Accounting policies continued

The ongoing impact of the Covid-19 pandemic cannot be accurately predicted and it is not possible to assess all possible future implications for the Group. Nevertheless, based on the scenarios modelled, the Directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for a period of at least 16 months from the date of approval of the financial statements. The Directors have therefore deemed it appropriate to prepare the financial statements for the year ended 30 September 2021 on a going concern basis.

1.3 Changes in accounting policies and disclosures

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

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 'Definition of a Business'
- Amendments to IAS 1 and IAS 8 'Definition of Material'
- Amendments to IFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021'

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

Covid-19-related rent concessions

The Group has adopted Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16 issued on 31 March 2021 in the period. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. The Amendment extends the date a lessee is permitted to apply the practical expedient by a year, from payments due on or before 30 June 2021 to payments due on or before 30 June 2022. The amendment has been applied retrospectively, resulting in a £0.2 million credit to retained losses.

The effect of adopting the amendment in the period is an increase in reported profit of £2.5 million, an increase in right-of-use assets of £11.7 million and an increase in lease liabilities of £9.2 million. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

1.4 New accounting standards not yet adopted by the Group

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

For considerations of the impact of IBOR reform on the Group's hedge accounting, please refer to note 28 (d).

There are a number of other amendments and clarifications to IFRS, effective in future years, which are not expected to significantly impact the Group's consolidated results or financial position.

1.5 Basis of consolidation

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

Subsidiaries

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

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

Associates

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

Associates are accounted for using the equity method and are initially recognised at cost (including transaction costs). The Group's interest in the net assets of associates is reported as an investment on the consolidated balance sheet and its interest in their results are included in the consolidated income statement below the Group's operating profit. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity-accounted investees, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the Group's investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

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

1.6 Foreign currency

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

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

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

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

1.7 Classification of financial instruments issued by the Group

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

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

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

1.8 Non-derivative financial instruments

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

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses and doubtful debts. The allowance for doubtful debts is recognised based on an expected loss model which is a probability weighted estimate of credit losses.

The Group applies the simplified approach and records lifetime expected credit losses for trade and other receivables. The basis on which expected credit losses are measured uses historical cash collection data for periods of at least 24 months wherever possible. The historical loss rates are adjusted where macro-economic, industry specific factors or known issues to a specific debtor are expected to have a significant impact when determining future expected credit losses. For the 2021 financial year, less reliance has been placed on historical cash collection data due to the uncertainty caused by Covid-19, and instead the Group has focused on reviewing receivables in the context of their macro-economic circumstances and the government support packages available to them. Trade and other receivables are fully written off when each business unit determines there to be no reasonable expectation of recovery.

Trade and other payables

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

Cash and cash equivalents

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

1. Accounting policies continued

Other financial assets

Other financial assets comprise money market funds that are not readily convertible to cash. These are held on the balance sheet at amortised cost.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Where a modification to the terms of existing borrowings has taken place, the difference between the current carrying amount of borrowings and the modified net present value of future cash flows is taken to the income statement.

1.9 Derivative financial instruments and hedging

Derivative financial instruments

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

Cash flow hedges

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

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

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

Fair value hedges

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

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

1.10 Property, plant and equipment

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

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

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

The estimated useful lives are as follows:

– Freehold buildings	50 years
– Leasehold buildings	the life of the lease
– Plant and machinery	3 to 13 years
– Fixtures, fittings, tools and equipment	3 to 13 years

1.11 IFRS 16 Leases

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

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

1.12 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value as are the identifiable assets and liabilities acquired. The excess of the fair value of consideration transferred over the fair value of net assets acquired is accounted for as goodwill. Any goodwill that arises is tested annually for impairment.

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

1.13 Acquisitions and disposals of non-controlling interests

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

1.14 Goodwill and intangible assets

Goodwill

Goodwill is allocated to groups of cash-generating units (CGUs) as this is the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is not amortised but is tested annually for impairment, or when impairment triggers have been identified, at the level at which it is allocated when accounting for business combinations. Goodwill is stated at cost less any accumulated impairment losses.

Indefinite life intangible assets

Indefinite life intangible assets relate to brands recognised on acquisition of the SSP business in 2006. Indefinite life intangible assets are treated as having an indefinite life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of these brands and the level of marketing support provided. The nature of the food and beverage industry is that obsolescence is not a common issue, with the Group's major brands being originally created over 20 years ago.

These assets are tested annually for impairment or when impairment triggers have been identified, at the level at which they are allocated when accounting for business combinations.

Definite life and software intangible assets

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

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets (between 3 and 15 years) unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use.

1.15 Inventories

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

1.16 Impairment excluding inventories and deferred tax assets

Financial assets

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

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

Non-financial assets

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

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

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis. Any subsequent reduction in an impairment loss in respect of goodwill is not reversed.

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

1. Accounting policies *continued*

1.17 Employee benefits

Defined benefit plans

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

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

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

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

Defined contribution plans

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

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under a short-term cash bonus if the employing company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

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

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

1.18 Provisions

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

1.19 Segment information

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

1.20 Revenue

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

Sale of goods

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

Provision of catering services

Revenue is recognised over time, as the services are provided to the customer.

1.21 Supplier income

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

1.22 Underlying items

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

Non-underlying and exceptional items

The Group makes reference to non-underlying items in presenting the Group's statutory profitability measures. These comprise one-off exceptional items, and other recurring non-exceptional items. Non-underlying items are items not considered reflective of the normal trading performance of the business. Exceptional items are non-recurring items of expense or income which are not incurred in the ordinary course of business (for example arising as a result of the impact of Covid-19). Examples of exceptional items include restructuring expenses and impairment of goodwill, property, plant and equipment and right-of-use assets.

1.23 Finance income and expense

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

1.24 Taxation

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

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

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

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

1.25 Share capital

Where the Company purchases its own share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently sold or reissued, any consideration received net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

1.26 Government grants

Income received in the form of government grants is accounted for under IAS 20 'Government grants' and recognised in the income statement in the period in which the associated costs for which the grants are intended to compensate are incurred. The grant income is recognised as a reduction in the corresponding expense in the income statement.

Where a government or a government guaranteed bank loan has been received with below-market interest rates, the loan is accounted for initially at fair value discounted at market rates with the difference between the cash received and the fair value at market rates being recognised as deferred income. The unwind of the discount and the deferred income are released to and netted in finance charges in the income statement, on a straight-line basis over the duration of loan.

Other than the changes discussed in 1.3, the accounting policies adopted are consistent with those of the previous year.

2. Significant accounting estimates and judgements

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

Key sources of estimation uncertainty

Impairment of assets in CGUs

The Group is required to test the assets (both property, plant and equipment and right-of-use assets) within a cash-generating unit (CGU) for impairment if there is a trigger for impairment. The Group has identified each operating site, such as an airport or rail station, as a CGU for the purpose of the impairment review, on the basis that within one site the units are interdependent because the market dynamics (and thus cash inflow and outflows) in one unit could impact other units. The economic impact of Covid-19 continues to be identified as a specific trigger for impairment and as such all CGUs within the Group have been tested for impairment.

The recoverable amount of a CGU is determined from value-in-use calculations. The key assumptions for these calculations are discount rates and cash flow forecasts. The cash flow forecast period is based on length of the lease term of contracts held within a site. The values applied to the key assumptions in the value-in-use calculations are derived from a combination of internal and external factors, based on past experience together with management's future expectations about business performance. The pre-tax discount rates used reflect the time value of money and are based on the Group's weighted average cost of capital, adjusted for specific risks relating to the country in which the CGU operates. Inputs into the discount rate calculation include a country risk-free rate and inflation differential to the UK, country risk premium, market risk premium and company specific premium. Note 11 provides further details of impairment reviews performed and associated sensitivities.

Impairment of goodwill and indefinite life intangible assets

The Group recognises goodwill and indefinite life intangible assets that have arisen through acquisitions. These assets are subject to impairment reviews to ensure that the assets are not carried above their recoverable amounts. For goodwill and indefinite life intangible assets, reviews are performed annually as well as when there is a specific trigger for impairment. As discussed above for impairment of assets in CGUs, the economic impact of Covid-19 continues to be identified as a specific trigger for impairment.

The recoverable amounts of CGUs or groups of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions consistent with the most up-to-date budgets and plans that have been formally approved by the Board. The key assumptions used for the value-in-use calculations and associated sensitivities are set out in note 12 to these financial statements.

Critical accounting judgements

Current and deferred tax

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

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

3. Segmental reporting

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

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

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

	UK £m	Continental Europe £m	North America £m	RoW £m	Non- attributable £m	Total £m
2021						
Revenue	190.0	360.5	194.2	89.5	-	834.2
Underlying operating loss	(52.2)	(134.3)	(48.7)	(51.1)	(37.0)	(323.3)
Non-underlying items (note 6)	(5.2)	15.3	(2.3)	17.4	(11.1)	14.1
Operating loss	(57.4)	(119.0)	(51.0)	(33.7)	(48.1)	(309.2)
2020						
Revenue	410.1	558.2	274.9	189.9	-	1,433.1
Underlying operating loss	(28.7)	(148.1)	(55.4)	(55.6)	(27.6)	(315.4)
Non-underlying items (note 6)	(10.3)	(45.4)	(7.9)	18.3	(3.2)	(48.5)
Operating loss	(39.0)	(193.5)	(63.3)	(37.3)	(30.8)	(363.9)

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

Additional information

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

	2021 £m	2020 £m
Turnover		
Air	456.7	859.8
Rail	281.1	456.7
Other ¹	96.4	116.6
	834.2	1,433.1

¹ The majority of Other turnover relates to revenue from motorway units.

The following amounts are included in underlying operating loss:

	UK £m	Continental Europe £m	North America £m	RoW £m	Non- attributable £m	Total £m
2021						
Depreciation and amortisation ¹	(55.8)	(171.4)	(58.6)	(50.9)	(9.7)	(346.4)
2020						
Depreciation and amortisation ¹	(78.3)	(183.7)	(72.7)	(78.0)	(6.1)	(418.8)

¹ Excludes amortisation of acquisition-related intangible assets and accelerated depreciation as detailed in note 6.

3. Segmental reporting continued

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

	2021 £m	2020 £m
Underlying operating loss	(323.3)	(315.4)
Non-underlying operating profit/(costs) (note 6)	14.1	(48.5)
Share of profit/(loss) from associates	2.3	(2.4)
Finance income	2.6	2.5
Finance expense	(74.7)	(56.5)
Non-underlying finance expense (note 6)	(32.2)	(5.5)
Loss before tax	(411.2)	(425.8)
Taxation	48.9	28.1
Loss after tax	(362.3)	(397.7)

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

4. Earnings per share

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

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

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

	2021 £m	2020 (restated) £m
Loss attributable to ordinary shareholders	(357.3)	(375.0)
Adjustments:		
Non-underlying operating (profit)/costs (note 6)	(14.1)	48.5
Non-underlying finance expenses (note 6)	32.2	5.5
Tax effect of adjustments	1.7	(4.4)
Less non-underlying profit/(costs) attributable to non-controlling interest	13.6	(9.3)
Underlying loss attributable to ordinary shareholders	(323.9)	(334.7)
Basic weighted average number of shares	696,983,219	566,327,395
Dilutive potential ordinary shares	-	-
Diluted weighted average number of shares	696,983,219	566,327,395
Earnings per share (pence):		
- Basic	(51.3)	(66.2)
- Diluted	(51.3)	(66.2)
Underlying earnings per share (pence):		
- Basic	(46.5)	(59.1)
- Diluted	(46.5)	(59.1)

The number of ordinary shares in issue as at 30 September 2021 was 795,736,696 (2020: 537,596,432) which excludes treasury shares. The Company also holds 263,499 treasury shares (2020: 263,499).

Potential ordinary shares can only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. As the Group has recognised a loss for the period, none of the potential ordinary shares are considered to be dilutive.

Basic and diluted earnings per share figures for the comparative period have been restated and adjusted for the bonus factor of 1.15 to reflect the bonus element of the April 2021 Rights Issue, in accordance with IAS 33 Earnings per Share. Amounts as originally stated at 30 September 2020 were (76.1)p basic and diluted earnings per share and (68.0)p basic and diluted underlying earnings per share.

5. Operating costs

	2021 £m	2020 £m
<i>Cost of food and materials:</i>		
Cost of inventories consumed in the period	(234.8)	(431.1)
<i>Labour cost:</i>		
Employee remuneration	(352.2)	(518.6)
<i>Overheads:</i>		
Depreciation of property, plant and equipment ¹	(90.9)	(111.0)
Depreciation of right-of-use assets	(245.7)	(305.3)
Amortisation of intangible assets	(11.7)	(10.6)
Impairment of property, plant and equipment	(11.9)	(38.4)
Impairment of right-of-use assets	(12.5)	(38.2)
Impairment of goodwill	(26.4)	(33.0)
Profit on lease disposal	14.2	0.3
Redundancy and site exits	(21.3)	(20.2)
Debt amendment expenditure	(5.4)	(2.5)
Other legal costs	(0.8)	-
Rentals payable under leases	(96.4)	(149.2)
IFRS 16 rent credit	92.0	91.9
Other overheads	(139.6)	(231.1)
	(1,143.4)	(1,797.0)

¹ Capped to the life of the related unit lease where relevant.

The Group's rentals payable consist of fixed and variable elements depending on the nature of the contract and the levels of revenue earned from the respective sites. £83.4m (2020: £110.6m) of the expense relates to variable elements, and the remaining £13.0m (2020: £38.6m) is rent from short-term leases. These payments are not capitalised under IFRS 16.

Employee remuneration is shown net of government grants received in the year of £71.0m (2020: £79.4m). These grants relate to support packages made available by several national governments in response to the Covid-19 pandemic, such as the UK Government's Coronavirus Job Retention Scheme. In addition, government support has been paid directly to employees in certain countries in response to Covid-19. Other forms of government support for operating expenditure totalled £46.0m (2020: £20.3m.) This is primarily attributable to state aid schemes to support uncovered fixed costs in Germany and Switzerland (£20.6m), business rates relief in the UK (£18.2m), and rent relief in Norway (£4.0m) and Denmark (£1.6m).

Non-underlying items within operating costs are detailed in note 6.

Auditor's remuneration:

	2021 £m	2020 £m
Audit of these financial statements	0.6	0.5
Audit of financial statements of subsidiaries pursuant to legislation	1.5	1.0
Audit related services	0.2	0.3
Other assurance services	0.8	-
	3.1	1.8

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

6. Non-underlying items

	Exceptional 2021 £m	Non- exceptional 2021 £m	Total non- underlying items 2021 £m	2020 £m
Operating costs				
Impairment of goodwill	(26.4)	-	(26.4)	(33.0)
Impairment of property, plant and equipment	(11.9)	-	(11.9)	(38.4)
Impairment of right-of-use assets	(12.5)	-	(12.5)	(38.2)
Depreciation	-	-	-	(6.2)
IFRS 16 rent credit	92.0	-	92.0	91.9
Restructuring and site exits	(21.3)	-	(21.3)	(20.2)
Debt amendment expenditure	(5.4)	-	(5.4)	(2.5)
Other legal costs	(0.8)	-	(0.8)	-
Profit on lease disposal	2.3	-	2.3	-
Amortisation of intangible assets arising on acquisition	-	(1.9)	(1.9)	(1.9)
	16.0	(1.9)	14.1	(48.5)
Finance expenses				
Effective interest rate and net losses on debt modifications	-	(31.0)	(31.0)	(5.4)
Retrospective interest charge on US Private Placement notes as part of the December modification	-	(1.2)	(1.2)	-
Equity issue	-	-	-	(0.1)
	-	(32.2)	(32.2)	(5.5)
Taxation				
Tax (charge)/credit on non-underlying items			(1.7)	4.4
Total non-underlying items			(19.8)	(49.6)

Impairment of goodwill

Goodwill is not amortised but is tested annually for impairment, by calculating the value-in-use of groups of cash-generating units to determine the recoverable amount. Following internal reviews, goodwill impairments of £26.4m (2020: £33.0m) were identified, comprising write downs in Rail Gourmet, Switzerland and Germany. Further information is provided in note 12.

Impairment of property, plant and equipment and right-of-use assets

The continuing impact of Covid-19 and national restrictions imposed in response to the pandemic are considered an impairment trigger. The recoverable amounts of all CGUs have been calculated and reviewed against the carrying value of assets held, resulting in impairments of £11.9m (2020: £38.4m) for property, plant and equipment and net £12.5m (2020: £38.2m) for right-of-use assets. Further detail is provided in note 11.

Depreciation

As a result of reassessment of the lease term of certain units, accelerated depreciation has been recorded in 2020 on fixed assets to align the carrying value of such assets to their expected useful economic life based on the revised lease term. No accelerated depreciation has been recorded in 2021.

IFRS 16 rent credit

During the year, the Group successfully negotiated several rent waivers with clients, totalling £92.0m (2020: £91.9m), as part of its response to the Covid-19 pandemic. The Group applies the practical expedient which has been extended from 30 June 2021 to 30 June 2022 issued as a part of the Amendment to IFRS 16 to record this as a reduction in rent expense and an exceptional item within the consolidated income statement.

Restructuring and site exits

As a result of the impact of Covid-19, the Group has recognised a charge of £21.3m (2020: £20.2m) relating to its restructuring programmes carried out across the group during the year. The charge primarily relates to redundancy costs and also includes a £3.7m loss on disposal of a North American subsidiary, of which £3.6m was a non-cash loss.

Debt amendment expenditure

As part of the Group's debt refinancing, £5.4m of lender and professional fees were incurred (2020: £2.5m).

Profit on lease disposal

The exceptional profit on lease disposal relates to profit as a result of previously impaired right-of-use asset values on disposal.

Amortisation of intangible assets

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

Interest expense from amendment and extension of borrowings

As part of the Group's debt refinancing, non-substantial modifications to the bank facility debt and US Private Placement notes occurred. As a result of the modifications, one-off losses of £43.9m were recognised in the income statement (2020: £3.4m loss). Furthermore, changes to the Group's estimated future cash flows on the US Private Placement notes resulted in a net loss of £1.9m.

These adjustments are unwound as part of the effective interest rate, which is recognised in the income statement. For the year ended 30 September 2021, this adjustment was a gain of £14.8m (2020: £2.0m loss).

As part of the December 2020 modification to the US Private Placement notes, a one-off additional retrospective interest charge of £1.2m was incurred.

Further details of which are provided in note 19.

7. Staff numbers and costs

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

	2021 Number of employees	2020 Number of employees
Operations	19,459	29,516
Sales and marketing	121	164
Administration	1,511	2,093
	21,091	31,773

The decrease in the average number of employees year-on-year reflects the impact of redundancies arising out of the Group's restructuring programme to reduce its cost base in response to reduced trading levels resulting from Covid-19 restrictions.

The aggregate payroll costs of the Group were as follows:

	2021 £m	2020 £m
Wages and salaries	(296.3)	(445.3)
Social security costs	(45.6)	(59.2)
Other pension costs	(8.5)	(12.1)
Share-based payments (note 25)	(1.8)	(2.0)
	(352.2)	(518.6)

8. Finance income and expense

	2021 £m	2020 £m
Finance income:		
Interest income	2.3	2.5
Other net foreign exchange gains	0.3	–
Total finance income	2.6	2.5
Finance expense:		
Total interest expense on financial liabilities measured at amortised cost ¹	(39.3)	(22.8)
Lease interest expense	(28.4)	(27.8)
Debt modification loss	(43.9)	(3.4)
Effective interest rate	14.8	(2.0)
Changes to estimated future cash flows on US Private Placement notes	(1.9)	–
Net change in fair value of cash flow hedges utilised in the year	(2.6)	(1.6)
Unwind of discount on provisions	(0.8)	(0.4)
Net interest expense on defined benefit pension obligations	(0.2)	(0.2)
Other net foreign exchange losses	–	(0.3)
Other	(4.6)	(3.5)
Total finance expense	(106.9)	(62.0)

¹ Total interest expense on financial liabilities measured at amortised cost includes a one-off retrospective interest charge on the US Private Placement notes of £1.2m, which has been included in non-underlying items (2020: £nil).

Non-underlying items within finance income and expense are detailed in note 6.

9. Taxation

	2021 £m	2020 £m
Current tax credit/(expense):		
Current year	(3.4)	0.6
Adjustments for prior years	5.0	(0.7)
	1.6	(0.1)
Deferred tax credit/(expense):		
Origination and reversal of temporary differences	37.9	29.0
Changes in tax rates	13.0	0.5
Adjustments for prior years	(3.6)	(1.3)
	47.3	28.2
Total tax credit	48.9	28.1
Effective tax rate	11.9%	6.6%

Reconciliation of effective tax rate

The tax credit for the year is different to the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%) applied to the loss before tax for the year. The differences are explained below:

	2021 £m	2020 £m
Loss before tax	(411.2)	(425.8)
Tax credit using the UK corporation tax rate of 19.0% (2020: 19.0%)	78.1	80.9
Losses on which no deferred tax was recognised	(38.8)	(35.5)
Temporary differences on which no deferred tax was recognised	(7.8)	(19.9)
Non-deductible expenses	(7.4)	(5.7)
Non-deductible goodwill impairment	(5.0)	(6.3)
Secondary irrecoverable taxes	(0.4)	(0.4)
Withholding taxes	-	(0.2)
Tax impact of share of profits/(losses) of non wholly-owned subsidiaries ¹	1.1	(2.8)
Adjustments for prior years	1.4	(2.0)
Changes in tax rates	13.0	0.5
Effect of tax rates in foreign jurisdictions	14.7	19.5
Total tax credit	48.9	28.1

¹ This relates to the fact that certain subsidiaries in the US are not wholly-owned and whose profits or losses are taxed at the level of the subsidiaries' shareholders. Therefore the Group is not subject to tax on the profits or losses attributable to its non-controlling interests.

The Group's tax rate is sensitive to the geographic mix of profits and losses and reflects a combination of higher rates in certain jurisdictions, as well as the impact of losses in some countries for which no deferred tax asset is recognised.

The change in the effective tax rates for the current and prior years compared to historic rates of around 22% is due to the continued impact of Covid-19 which has led to a significant change in the Group's geographic mix of profits and losses compared to prior years. In particular, the tax rates in the current year and prior year have been negatively impacted by higher levels of losses in countries for which no deferred tax asset has been recognised, as well as the impairment of goodwill, for which no tax deduction is available.

In the UK, legislation was passed during the year to increase the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. While this will result in an increase to the Group's effective tax rate in future years, the effect in the current year was a one-off credit of £13.0m on remeasurement of UK deferred tax assets.

Factors that may affect future tax charges

The Group expects the tax rate in the future to continue to be affected by the geographical mix of profits and the different tax rates that will apply to those profits, as well as the Group's ability to recognise deferred tax assets on losses in certain jurisdictions.

10. Dividends

	2021 £m	2020 £m
2019 final dividend of 6.0p per share paid in prior year	-	(26.8)
	-	(26.8)

No dividend for the 2021 financial year is proposed (2020: no dividend proposed). The 2019 final dividend of 6.0p per share was approved at the Group's Annual General Meeting in February 2020 and £26.8m was paid in June 2020.

11. Property, plant and equipment

	Land, buildings and leasehold improvements £m	Equipment, fixtures and fittings £m	Total £m
Cost			
At 1 October 2019	284.0	871.8	1,155.8
Additions	30.9	89.4	120.3
Disposals	(8.4)	(45.4)	(53.8)
Acquisitions from business combinations	0.1	9.8	9.9
Reclassifications ¹	7.3	(7.3)	–
Effects of movements in foreign exchange	(12.6)	(7.5)	(20.1)
Other movements ²	–	3.2	3.2
At 30 September 2020	301.3	914.0	1,215.3
Additions	15.7	50.0	65.7
Disposals	(19.8)	(37.2)	(57.0)
Reclassifications ¹	11.3	(11.5)	(0.2)
Effects of movements in foreign exchange	(11.0)	(27.0)	(38.0)
Other movements ²	–	3.1	3.1
At 30 September 2021	297.5	891.4	1,188.9
Depreciation			
At 1 October 2019	(149.7)	(539.6)	(689.3)
Charge for the year	(35.4)	(75.6)	(111.0)
Impairments	(13.2)	(25.2)	(38.4)
Disposals	8.4	45.4	53.8
Effects of movement in foreign exchange	6.1	0.7	6.8
At 30 September 2020	(183.8)	(594.3)	(778.1)
Charge for the year	(26.6)	(64.3)	(90.9)
Impairments	(4.8)	(7.1)	(11.9)
Disposals	19.8	37.2	57.0
Effects of movement in foreign exchange	6.8	16.9	23.7
At 30 September 2021	(188.6)	(611.6)	(800.2)
Net book value			
At 30 September 2021	108.9	279.8	388.7
At 30 September 2020	117.5	319.7	437.2

1 Reclassifications arise from costs capitalised as work in progress assets that are initially allocated to equipment, fixtures and fittings and subsequently on completion of the assets are reallocated to the correct classification.

2 Included in other movements is £3.1m (2020: £3.2m) in respect of increases to the restoration costs provision (see note 23).

Impairment of property, plant and equipment and right-of-use assets

The Group tests assets for impairment when an impairment trigger is identified. The assessments triggered by the impact of Covid-19 were undertaken at the end of quarter one, half year and at year end resulting in cumulative impairment charges of £11.9m (2020: £38.4m) to property, plant and equipment and net £12.5m (2020: £38.2m) to right-of-use assets.

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

The recoverable amount of a CGU is determined from value-in-use calculations. The key assumptions for these calculations are discount rates and cash flow forecasts. The cash flow forecast period is based on length of the lease term of contracts held within a site. The values applied to the key assumptions in the value-in-use calculations are derived from a combination of internal and external factors, based on past experience together with management's future expectations about business performance. The pre-tax discount rates used reflect the time value of money and are based on the Group's weighted average cost of capital, adjusted for specific risks relating to the country in which the CGU operates. Inputs into the discount rate calculation include a country risk-free rate and inflation differential to the UK, country risk premium, market risk premium and company specific premium.

Sensitivity analysis

Whilst management believe the assumptions are realistic, it is possible that additional impairments would be identified if any of the above sensitivities were changed significantly. A sensitivity analysis has been performed on each of these key assumptions with the other variables held constant. An increase in the discount rate by 1% would result in additional impairments of £0.1m and £1.5m in property, plant and equipment and right-of-use assets respectively. A reduction in EBITDA of 10% in each forecast year would result in additional impairments of £2.1m and £2.5m in property, plant and equipment and right-of-use assets respectively.

12. Goodwill and intangible assets

	Goodwill £m	Indefinite life intangible assets £m	Definite life intangible assets £m	Software £m	Total £m
Cost					
At 30 September 2019	648.0	58.0	69.0	84.3	859.3
Additions	-	-	-	17.3	17.3
Business acquisitions	12.9	-	-	-	12.9
Disposals	-	-	-	(0.2)	(0.2)
Reclassifications	-	-	-	-	-
Effects of movement in foreign exchange	(2.1)	-	0.1	(0.4)	(2.4)
At 30 September 2020	658.8	58.0	69.1	101.0	886.9
Additions	-	-	-	8.9	8.9
Business acquisitions	-	-	-	-	-
Disposals	-	-	-	(0.4)	(0.4)
Reclassifications	-	-	-	0.2	0.2
Effect of movements in foreign exchange	(18.7)	-	(0.9)	(1.9)	(21.5)
At 30 September 2021	640.1	58.0	68.2	107.8	874.1
Amortisation					
At 30 September 2019	-	-	(58.2)	(54.0)	(112.2)
Charge for the year	-	-	(2.8)	(7.8)	(10.6)
Impairments	(33.0)	-	-	-	(33.0)
Disposals	-	-	-	0.2	0.2
Effect of movements in foreign exchange	-	-	(0.2)	0.1	(0.1)
At 30 September 2020	(33.0)	-	(61.2)	(61.5)	(155.7)
Charge for the year	-	-	(2.5)	(9.2)	(11.7)
Impairments	(26.4)	-	-	-	(26.4)
Disposals	-	-	-	0.4	0.4
Effect of movements in foreign exchange	1.8	-	0.4	1.2	3.4
At 30 September 2021	(57.6)	-	(63.3)	(69.1)	(190.0)
Net book value					
At 30 September 2021	582.5	58.0	4.9	38.7	684.1
At 30 September 2020	625.8	58.0	7.9	39.5	731.2

Indefinite life intangibles comprise SSP's brands, which are protected by trademarks and for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of these brands and the level of marketing support provided. The nature of the food and beverage industry is that obsolescence is not a common issue, with our major brands being originally created over 20 years ago. Although performance has been impacted by Covid-19, this is a short-term impact and the Group anticipates all brands will return to previous trading levels in the near future.

12. Goodwill and intangible assets continued

Goodwill and indefinite life intangible assets are allocated to groups of cash-generating units (CGUs). Details of goodwill and indefinite life intangible assets allocated to groups of CGUs are provided in the table below:

	Goodwill		Indefinite life intangible assets	
	2021 £m	2020 £m	2021 £m	2020 £m
UK & Ireland	104.1	104.1	55.5	55.5
Rail Gourmet	25.6	59.4	-	-
North America	14.4	15.0	-	-
France	61.4	65.0	2.5	2.5
Belgium	7.9	8.3	-	-
Spain	45.7	48.3	-	-
Germany	31.9	33.6	-	-
Switzerland	23.9	27.9	-	-
Finland	21.0	22.2	-	-
Norway	77.3	64.8	-	-
Sweden	50.2	51.2	-	-
Denmark	24.1	25.5	-	-
Greece	4.7	5.0	-	-
Egypt	14.3	14.8	-	-
Hungary	1.1	1.1	-	-
Australia	9.8	10.4	-	-
Hong Kong	26.3	27.6	-	-
China	0.6	0.6	-	-
Thailand	10.8	12.0	-	-
India	27.4	29.0	-	-
	582.5	625.8	58.0	58.0

The Group tests annually for impairment, or more frequently if there are indicators that goodwill might be impaired. In 2021, the assessments were undertaken at the end of quarter one, half year and at year end and resulted in cumulative impairment charges of £26.4m in the year (2020: £33.0m). This related to Germany and Switzerland, reflecting the adverse impact of Covid-19 on the Group's anticipated short-term to medium-term performance, and a contract loss in Rail Gourmet in the UK. The reduction in goodwill relating to Rail Gourmet also reflects a reallocation of part of the previous balance to Norway following the integration of the Rail Gourmet and SSP businesses in that country.

The recoverable amounts of a group of CGUs (i.e. a country) have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions consistent with the most up-to-date budgets and plans that have been formally approved by the Board.

The key assumptions for these calculations are shown below:

	2021		2020	
	Terminal growth rate	Discount rate	Terminal growth rate	Discount rate
UK & Ireland	2.0%	10.4%	2.0%	10.5%
Continental Europe	2.0-3.0%	8.6-11.9%	2.0-2.9%	8.9-16.2%
North America	2.0%	11.3%	2.0%	10.4%
Rest of the World	2.0-6.0%	9.4-21.1%	2.0-4.8%	8.7-19.1%

The values applied to the key assumptions in the value-in-use calculations are derived from a combination of internal and external factors, based on past experience together with management's future expectations about business performance. The discount rates reflect the time value of money and are based on the Group's weighted average cost of capital, adjusted for specific risks relating to the country which represents a group of CGUs. Inputs into the discount rate calculation include a country risk-free rate and inflation differential to the UK, country risk premium, market risk premium and company specific premium.

Sensitivity analysis

Whilst management believe the assumptions are realistic, it is possible that additional impairments would be identified if any of the above sensitivities were changed significantly. A sensitivity analysis has been performed on each of these key assumptions with the other variables held constant. An increase in the discount rate by 1% would result in additional impairments of £2.9m, a reduction in the growth rate by 1% would result in additional impairments of £2.4m, and a reduction in EBITDA on a pre-IFRS 16 basis of 10% in each forecast year would result in additional impairments of £47.5m.

13. Right-of-use assets

	Concessions contracts £m	Land, buildings and leasehold improvements £m	Equipment, fixtures and fittings £m	Total £m
At 1 October 2019	–	–	–	–
Right-of-use assets on transition	1,441.4	26.5	1.0	1,468.9
Acquisitions	24.1	–	–	24.1
Additions	247.9	17.7	0.8	266.4
Depreciation charge in the period	(298.8)	(5.9)	(0.6)	(305.3)
Remeasurement adjustments	(130.2)	(6.7)	–	(136.9)
Impairments	(38.2)	–	–	(38.2)
Currency translation	(7.0)	(0.8)	–	(7.8)
At 30 September 2020	1,239.2	30.8	1.2	1,271.2
Additions	112.9	0.2	–	113.1
Depreciation charge in the period	(239.6)	(5.5)	(0.6)	(245.7)
Remeasurement adjustments	(79.8)	1.7	–	(78.1)
Impairments	(12.3)	(0.2)	–	(12.5)
Currency translation	(48.2)	(1.0)	–	(49.2)
Covid-19 waiver extension amendment	4.1	–	–	4.1
At 30 September 2021	976.3	26.0	0.6	1,002.9

Impairment of right-of-use assets and sensitivity analysis

Details of the impairment methodology and sensitivity analysis for right-of-use assets are provided in note 11.

14. Investments in associates

The Group uses the equity accounting method to account for its associates, the carrying value of which was £12.0m as at 30 September 2021 (2020: £12.2m). The following table summarises the movement in investments in associates during the year:

	2021 £m	2020 £m
At 1 October 2020	12.2	17.3
Additions	–	1.8
Share of profits/(losses) for the year	2.3	(2.4)
Dividends received	(2.0)	(3.6)
Currency adjustment	(0.5)	(0.9)
At 30 September 2021	12.0	12.2

In 2020, there were £1.8m of non-cash additions in the year, including a £1.4m conversion of a short-term repayable loan into equity in the Group's French associate undertaking, Epigo SAS. There were no additions in 2021.

The financial information of the Group's associates included in their own financial statements required by IFRS 12 'Disclosure of Interests' in Other Entities has not been presented as all the Group's associates are immaterial individually. Details of the Group's interests in associates are shown in note 43.

15. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2021 £m	2020 £m	2021 £m	2020 £m
Intangible assets	1.7	–	(9.0)	(8.8)
Property, plant and equipment	12.7	13.8	(0.9)	(0.8)
Provisions	1.9	3.1	–	–
Tax losses carried forward	56.5	19.8	–	–
Pensions	1.0	0.7	–	–
IFRS 16	18.1	10.6	–	–
Other	4.5	5.0	(2.8)	(4.0)
Deferred tax assets/(liabilities)	96.4	53.0	(12.7)	(13.6)
Set-off	(3.2)	(3.2)	3.2	3.2
Deferred tax assets/(liabilities)	93.2	49.8	(9.5)	(10.4)

Movement in net deferred tax during the year:

	30 September 2020 £m	Recognised in income statement £m	Recognised in reserves £m	Currency adjustment £m	30 September 2021 £m
Intangible assets	(8.8)	1.8	–	(0.3)	(7.3)
Property, plant and equipment	13.0	(1.1)	–	(0.1)	11.8
Provisions	3.1	(0.3)	(0.8)	(0.1)	1.9
Tax losses carried forward	19.8	37.1	(1.0)	0.6	56.5
Pensions	0.7	1.3	(1.1)	0.1	1.0
IFRS 16	10.6	7.5	–	–	18.1
Other	1.0	1.0	(0.2)	(0.1)	1.7
	39.4	47.3	(3.1)	0.1	83.7

Unrecognised deferred tax assets and liabilities

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

	Gross value of temporary differences		Assets		Liabilities	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Property, plant and equipment	4.6	5.0	0.9	1.0	–	–
Tax losses	822.2	510.5	145.3	106.1	–	–
Provisions and other temporary differences	85.2	43.8	25.5	17.8	–	–
	912.0	559.3	171.7	124.9	–	–

The above deferred tax assets have not been recognised either because of uncertainty over the future profitability of the relevant companies within the Group to which the deferred tax assets relate, or because the deferred tax assets relate to tax losses which are subject to restrictions on use or for forfeiture, due, for example, to time restrictions or change in ownership rules. Of the total unprovided deferred tax on tax losses, £9.0m of this (2020: £6.3m) will expire at various dates between 2022 and 2026.

£9.9m of the Group's unrecognised deferred tax assets relate to trapped interest losses in the UK, with the balance relating to unrecognised deferred tax assets in overseas jurisdictions, mainly the US, France and Germany, as well as smaller amounts in a number of other countries. The largest proportion of the unrecognised deferred tax assets relate to carried forward losses in territories where operations have been making tax losses for some time, or where use of those losses is not anticipated in the medium term. Profitability forecasts are reviewed carefully and used as the basis for considering the recognition of deferred tax assets.

There are unremitted earnings in overseas subsidiaries of £25.0m (2020: £26.3m) which would be subject to additional tax of £4.6m (2020: £4.9m) if the Group chooses to remit those profits back to the UK. No deferred tax liability has been provided on these earnings because the Group is in a position to control the reversal of the temporary difference and it is probable that such differences will not reverse in the foreseeable future.

16. Inventories

	2021 £m	2020 £m
Food and beverages	20.1	19.3
Other	3.6	4.2
	23.7	23.5

17. Trade and other receivables

	2021 £m	2020 £m
Trade receivables	27.2	18.8
Other receivables ¹	128.2	136.3
Prepayments	30.4	41.5
Accrued income	2.3	2.5
	188.1	199.1
Of which:		
Non-current (other receivables)	69.7	73.8
Current	118.4	125.3

¹ Other receivables include long-term security deposits of £35.9m (2020: £28.9m) relating to some of the Group's concession agreements, sales tax receivable of £13.4m (2020: £17.1m), purchasing income of £7.8m (2020: £5.6m) and £29.9m due from non-controlling interest equity shareholders in the Group's US subsidiaries (2020: £27.3m) which relate to capital contributions owed in return for their equity stakes. These contributions are used towards unit fixed asset buildouts and are received in accordance with the cash requirements of the subsidiary. Capital contributions owed by the Group's parent of these subsidiaries are eliminated on consolidation.

The value of contract assets was not material at the reporting date.

18. Cash and cash equivalents

	2021 £m	2020 £m
Cash at bank and in hand	735.4	141.9
Cash equivalents	38.2	43.1
	773.6	185.0

19. Short-term and long-term borrowings

	2021 £m	2020 £m
Current liabilities		
Bank loans	(6.5)	(34.3)
Covid Corporate Financing Facility (CCFF)	(297.7)	(123.9)
	(304.2)	(158.2)
Non-current liabilities		
Bank loans	(434.6)	(377.0)
US Private Placement notes	(342.4)	(341.1)
	(777.0)	(718.1)

Bank loans held through the Group's UK subsidiary SSP Financing Limited

As at 30 September 2021, the Group had Facility A borrowings of £109.6m and Facility B borrowings of £264.1m. Both Facility A and Facility B debt mature on 15 January 2024 and accrue cash-pay interest at the relevant benchmark rate plus a margin. As at 30 September 2021 this margin was of 3.5%.

As at 30 September 2021, the Group's revolving credit facility was undrawn. This £150m committed facility expires on 15 January 2024. When drawn, this facility accrues cash-pay interest at the relevant benchmark rate plus a margin of 3.0% per annum as at 30 September 2021. A commitment and utilisation fee also applies to this facility.

As at 30 September 2021, interest rate swaps hedge the floating rate exposure until 15 July 2022 (see note 28 for details of the Group's interest rate profile).

Under the financing agreement, the Group has to comply with covenants at half year and year end relating to net debt cover and interest cover. These covenants are normally tested biannually however were waived for the year ended 30 September 2021. These were replaced with monthly Minimum Liquidity and Consolidated Maximum Net Debt covenants.

Bank loans are shown net of unamortised arrangement fees totalling £2.5m as at 30 September 2021 (2020: £2.1m).

2021 debt modifications

There have been two modifications to the Group's financing agreements in 2021. On 15 December 2020, a non-substantial modification to the bank facility occurred where the requirement for the 2021 July annual mandatory payment of 11.7% of Facility A borrowings was waived to the facility's maturity date. On the back of increased leverage within the Group and renegotiated terms, the margin rate applicable on Facility A was raised from 1.0% to 2.25% and the rate applicable on Facility B was raised from 1.25% to 2.25%. On 12 March 2021, as part of further Group debt refinancing, a non-substantial modification to the bank facility debt occurred whereby the debt maturity was extended to 15 January 2024. Furthermore, the margin rates applicable on Facility A and on Facility B were raised from 2.25% to 3.5% and amortisation payments of 5.85% are payable on Facility A by 31 December 2022 and 31 December 2023 providing certain liquidity and leverage criteria are met.

For non-substantial debt modifications under IFRS 9, the difference between the modified future cash flows, discounted at the original effective interest rate applied, and the current carrying value of the debt is recognised as a gain or loss in the income statement with the other side applied to the reduction being unwound through the effective interest rate.

As a result of the December 2020 modification, a one-off loss of £5.1m was recognised in the income statement. As a result of the March 2021 modification, a one-off loss of £13.6m was recognised in the income statement.

The amount unwound through the effective interest rate at 30 September 2021 was a gain of £2.9m with the bank loans being shown net of this balance.

Bank loans – held through subsidiaries in France, Spain, Switzerland, Greece and India

A number of the Group's subsidiaries, in France, Spain, Switzerland, Greece and India have local facilities. These are summarised as follows:

France

As at 30 September 2021, a number of subsidiaries in France had total borrowings of £47.3m (EUR55.0m) of which £26.6m was drawn in January 2021. £21.5m of that debt matures in March 2026 and accrues cash-pay interest at 2.14% per annum. £25.8m of the debt matures in December 2027 and accrues cash-pay interest at 0.01% per annum.

Payment of the principal debt starts in 2022 at a rate of £4.5m (EUR5.0m) per annum.

The majority of the borrowings are guaranteed by the French government, which allowed the subsidiary concerned to obtain a below-market interest rate, and is accounted for as a government grant under IAS 20 – Accounting for Government Grants and Disclosures. The loan is recognised initially at fair value, discounted at market rates with the difference between the cash received and the fair value at market rates being recognised in deferred income. The discount is unwound and the deferred income is released and netted together in finance charges in the income statement over the duration of the loan. The net impact to the income statement was £nil during the year ended 30 September 2021 (2020: £nil). The carrying amount of the borrowings was £44.2m (2020: £19.5m).

Spain

As at 30 September 2021, Select Service Partner S.A.U. had borrowings of £7.7m (EUR9.0m). This debt matures in May 2024 and accrues cash-pay interest at the relevant benchmark rate plus a margin of 1.6% per annum as at 30 September 2021. Payment of the principal debt starts in May 2022 at a rate of £3.8m (EUR4.4m) per annum.

As of 30 September 2021 the borrowing entity in Spain also held a £8.6m (EUR10.0m) revolving credit facility which was undrawn. This committed facility expires in October 2022. When drawn, this facility accrues cash-pay interest at the relevant benchmark rate plus a margin of 1.5% per annum as at 30 September 2021. A commitment and utilisation fee also applies to this facility.

Other borrowings

As at 30 September 2021, the Group subsidiaries concerned had borrowings of £3.4m in India, Switzerland and Greece.

US Private Placement (USPP) notes

As at 30 September 2021, the Group had US Private Placement notes totalling £329.6m. USPP notes are shown net of unamortised arrangement fees, totalling £2.4m as at 30 September 2021 (2020: £1.5m).

On 15 December 2020 and 12 March 2021, as part of the debt refinancing, testing waivers were granted on the USPP notes. In addition to the coupon detailed below, an additional variable fee and credit rating fee are now applicable. As at 30 September 2021 the variable fee was 1.0%, this is non-cash pay and the credit rating fee was 2.0%, of which 1.0% was non-cash pay. Non-cash pay elements accrue and then are payable in four quarterly instalments from March 2022. Cash pay elements are paid semi-annually in arrears.

The following notes were drawn as at 30 September 2021:

Drawn	Currency	Amount in currency	Coupon	Maturity
Oct 2018	USD	40,000,000	4.35%	Oct 2025
Oct 2018	GBP	21,000,000	2.85%	Oct 2025
Jul 2019	USD	66,500,000	4.06%	Jul 2026
Oct 2018	USD	40,000,000	4.50%	Oct 2028
Oct 2018	GBP	21,000,000	3.06%	Oct 2028
Oct 2018	USD	40,000,000	4.60%	Oct 2030
Jul 2019	EUR	58,500,000	2.11%	Jul 2031
Dec 2019	USD	66,500,000	4.25%	Dec 2027
Dec 2019	USD	66,500,000	4.35%	Dec 2029

19. Short-term and long-term borrowings continued

2021 note modifications

There have been two modifications to the Group's USPP notes in 2021. On 15 December 2020, a non-substantial modification to the USPP notes occurred, this amendment waived the covenant test required. During this modification, a credit rating fee was introduced and the variable fee was amended. On 12 March 2021, as part of further Group debt refinancing, a non-substantial modification to the USPP notes occurred and further covenant waivers were agreed. There were no changes to the variable and credit rating fee. However, cash flow forecasts were updated to reflect the current trading conditions and expectations.

For non-substantial debt modifications under IFRS 9, the difference between the modified future cash flows, discounted at the original effective interest rate applied, and the current carrying value of the debt is recognised as a gain or loss in the income statement with the other side applied to the reduction being unwound through the effective interest rate.

As a result of the December 2020 modification, a one-off loss of £25.2m was recognised in the income statement. As a result of the March 2021 modification and changes to the expected credit rating following the Rights Issue, a net loss of £1.9m was recognised in the income statement. The amount unwound through the effective interest rate at 30 September 2021 was a gain of £11.9m, with the USPP notes being shown net of this balance.

Covid Corporate Financing Facility (CCFF)

As at 30 September 2021, the Group had Commercial paper issuances through the CCFF of £300.0m of which a net £175.0m was drawn in February 2021. All issuances carry a below-market fixed interest rate. The following paper was issued as at 30 September 2021:

Issued amount	Value date	Maturity	Interest rate
£175,000,000	2 Feb 2021	1 Feb 2022	0.59%
£125,000,000	3 Feb 2021	2 Feb 2022	0.60%

Funds received under the CCFF are charged interest that is below market levels, consequently they are accounted for as a government grant (under IAS 20 – Accounting for Government Grants and Disclosures). The loan is recognised initially at fair value, discounted at market rates with the difference between the cash received and the fair value at market rates being recognised in deferred income. The discount is unwound, and the deferred income is released and netted together in finance charges in the income statement over the duration of the loan. The net impact to the income statement was £nil during the year ended 30 September 2021 (2020: £nil). The carrying amount of the borrowings was £297.7m as at 30 September 2021 (2020: £123.9m).

20. Trade and other payables

	2021 £m	2020 £m
Trade payables	(84.8)	(92.1)
Other payables*	(155.2)	(97.7)
Other taxation and social security	(31.2)	(23.0)
Accruals	(249.8)	(185.0)
Deferred income	(5.3)	(5.2)
	(526.3)	(403.0)

* Including non-current payables amounting to £7.2m (2020: £4.0m).

Other payables include capital creditors of £34.9m (2020: £19.0m), accrued holiday pay of £16.4m (2020: £17.1m), employee related costs of £60.0m (2020: £29.2m) and sales tax of £11.9m (2020: £7.9m).

The value of contract liabilities was not material at the reporting date.

21. Lease liabilities

	2021 £m	2020 £m
Beginning of the period	(1,349.3)	-
Lease liabilities on transition	-	(1,464.4)
Acquisitions	-	(24.1)
Additions	(113.2)	(266.4)
Interest charge in the period	(28.4)	(27.8)
Payment of lease liabilities	89.8	200.4
Remeasurement adjustments	180.4	227.2
Currency translation	51.8	5.8
Change in accounting policy	(3.9)	-
At 30 September 2021	(1,172.8)	(1,349.3)
Of which are:		
Current lease liabilities	(299.9)	(289.1)
Non-current lease liabilities	(872.9)	(1,060.2)
At 30 September 2021	(1,172.8)	(1,349.3)

Covid-19 practical expedient

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

The Group has applied this practical expedient to all Covid-19 rent reductions/waivers that meet the requirements of the amendment. This has resulted in an exceptional item in the form of a credit in the income statement of £92.0m for the year ended 30 September 2021 (2020: £91.9m). This is also reflected in the remeasurement adjustment line in the movement of the lease liability above.

£2.3m of fixed rent, which was originally due in the year, has been deferred to a period beyond 30 September 2021 due to Covid-19 (2020: £2.4m). These payments are therefore still included in the lease liability balance at the end of the period.

Other information relating to leases

Note 28 presents a maturity analysis of the undiscounted payments due over the remaining lease term for these liabilities.

The total cash outflow for leases in the year was £195.0m (2020: £350.5m), with £89.8m (2020: £200.4m) being the payment of lease liabilities. The remaining rent payments are not capitalised under IFRS 16, with £13.0m (2020: £38.6m) relating to short-term leases and £92.2m (2020: £111.5m) to variable leases. There was an immaterial cash outflow for low-value leases.

The Group received immaterial income from subleasing right-of-use assets during the year.

As at 30 September 2021, the Group had £4.6m (2020: £13.0m) of leases which had been committed to but which had not yet started. Such leases are not included in the Group's lease liabilities as at 30 September 2021.

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

	Increase/(decrease) in lease liability recognised £m
Increase in IBR of 1%	(8.0)
Decrease in IBR of 1%	9.0

22. Post-employment benefit obligations

Group

The Group operates a number of post-employment benefit schemes including both defined contribution and defined benefit schemes. In respect of the defined contribution schemes, amounts paid during the year were £7.5m (2020: £11.6m) across the Group. There are no contributions outstanding at the balance sheet date. The principal defined contribution scheme is called the 'SSP Group Pension Scheme'.

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

	2021 £m	2020 £m
Funded schemes (see (a) below)	(3.7)	(6.8)
Unfunded schemes (see (b) below)	(11.2)	(11.8)
	(14.9)	(18.6)

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The plans are administered by pension funds that are legally separate from the Group and are required to act in the best interests of the plan participants. The Group expects to pay £1.1m in contributions to its defined benefit plans in 2022. As at 30 September 2021, the weighted average duration of the defined benefit obligation was 15.1 years (2020: 15.9 years).

Information disclosed below is aggregated by funded and unfunded schemes.

(a) Funded schemes

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

The RG scheme was subject to its last full actuarial valuation by a qualified actuary as at 31 December 2019. These results have been used by a qualified independent actuary in the valuation of the scheme as at 30 September 2021 for the purposes of IAS 19 'Employee Benefits'.

From 1 July 2021, as agreed with the Trustees as part of the 2019 Valuation, the employing company contributions decreased to 20.40% (with members paying 13.60%). In 2021, it was agreed with the Trustees of the RPS that, from 1 December 2021 until 1 May 2022, the employing company contributions would be 23.8% of pensionable pay (with members paying 10.80%). From 1 May 2022, the employing company contributions would then be 22.10% of pensionable pay (with members paying 12.2%).

As part of the 2019 Valuation, it was agreed that from 1 January 2020 to 1 June 2021 the employing company would continue to make monthly lump sum contributions of £600. The most recent funding valuation of the RG scheme, as at 31 December 2019, showed a funding level of 108.9%. Accordingly, the contributions that are being paid by the employing company are in respect of future service of current members.

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

	2021	2020
Discount rate applied to scheme liabilities	1.8%	1.5%
Rate of increase in salaries	3.1%	3.1%
Rate of increase in pensions in payment	1.8%	2.4%
Inflation assumption ¹	2.7%	3.0%

¹ The RG scheme uses Retail Price Index (RPI) as a basis for inflation. In 2020, the UK Government announced that RPI will be aligned with the Consumer Price Index with Housing costs (CPIH) by 2030. The impact on defined benefit obligation liabilities of using CPIH is immaterial as at 30 September 2021.

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

	2021	2020
Male pensioner now aged 65	21.0	20.9
Female pensioner now aged 65	23.3	22.9
Male pensioner now aged 45	23.5	23.5
Female pensioner now aged 45	26.8	26.8

Sensitivity analysis

Changes at the reporting date to one of the relevant actuarial assumptions by 1.0%, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As at 30 September 2021	Defined benefit obligation	
	Increase £m	Decrease £m
Discount rate applied to scheme liabilities	6.2	(7.7)
Rate of increase in salaries	(1.5)	1.4
Rate of increase in pensions in payment	(0.7)	-
Inflation assumption	(3.6)	4.2
Mortality rates (change of 1 year)	(1.2)	1.2

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

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

	2021	2020
Equities, of which:	33.5%	38.4%
– actively traded	37.7%	17.9%
Property and infrastructure	19.8%	22.4%
Fixed interest investments	42.9%	36.6%
Cash	3.8%	2.6%
Total assets related to:		
– RG scheme	86.9%	86.3%
– Norway	13.1%	13.7%

Property investments are held at fair value, which has been determined by an independent valuer.

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

	2021 £m	2020 £m
Fair value of scheme assets	41.9	39.8
Present value of funded liabilities	(45.6)	(46.6)
Net pension liability	(3.7)	(6.8)

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

	2021 £m	2020 £m
Current service cost (reported in employee remuneration)	(0.4)	(0.4)
Net interest on pension scheme liabilities (reported in finance income and expense)	(0.1)	(0.1)
Total amount charged	(0.5)	(0.5)

22. Post-employment benefit obligations continued

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

	2021 £m	2020 £m
Scheme liabilities at the beginning of the period	(46.6)	(47.8)
Current service cost	(0.4)	(0.4)
Past service cost	-	-
Employee contributions	(0.1)	-
Interest on pension scheme liabilities	(0.6)	(0.8)
Remeasurements:		
– arising from changes in demographic assumptions	-	(1.3)
– arising from changes in financial assumptions	0.2	(1.4)
– arising from changes in experience adjustments	0.2	3.0
Benefits paid	1.9	1.6
Currency adjustment	(0.2)	0.5
Scheme liabilities at the end of the period	(45.6)	(46.6)

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

	2021 £m	2020 £m
Scheme assets at the beginning of the period	39.8	40.1
Interest income	0.5	0.7
Employer contributions	0.4	0.4
Employee contributions	0.1	-
Remeasurement:		
– arising from changes in financial assumptions	3.3	0.9
– arising from changes in experience adjustments	(0.2)	-
Benefits paid	(1.9)	(1.6)
Curtailment	(0.1)	(0.1)
Currency adjustment	-	(0.6)
Scheme assets at the end of the period	41.9	39.8

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

	2021 £m	2020 £m
Remeasurements	3.5	1.2

(b) Unfunded schemes

The principal unfunded scheme of the Group operates in Germany. To be eligible for the general plan, employees must complete five years of service and the normal retirement age for this plan is 65. Employees in Germany are also provided with a long service (Jubilee) award, which provides a month's gross salary after the employee has worked a certain number of years of service. All unfunded schemes are valued in accordance with IAS 19 and have been updated for the period ended 30 September 2021 by a qualified independent actuary.

There have been no changes to scheme contributions to preserve equity in the year.

The major assumptions (on a weighted average basis) used in these valuations were:

	2021	2020
Rate of increase in salaries	2.2%	2.2%
Rate of increase in pensions in payment and deferred pensions	0.9%	0.9%
Discount rate applied to scheme liabilities	0.9%	0.8%
Inflation assumption	1.6%	1.6%

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

	2021	2020
Pensioner now aged 65	22.7	22.6
Pensioner now aged 40	24.3	24.2

Sensitivity analysis

Changes at the reporting date to one of the relevant actuarial assumptions by 1.0%, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As at 30 September 2021	Defined benefit obligation	
	Increase £m	Decrease £m
Discount rate applied to scheme liabilities	0.9	(1.1)
Rate of increase in salaries	(0.4)	0.4
Rate of increase in pensions in payment	(0.6)	0.5
Inflation assumption	(0.9)	0.8
Mortality rates (change by 1 year)	(0.3)	0.3

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

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

	2021 £m	2020 £m
Net pension liability	(11.2)	(11.8)

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

	2021 £m	2020 £m
Deficit in the schemes at the beginning of the period	(11.8)	(11.9)
Current service cost	(0.6)	(0.2)
Contributions	0.5	0.5
Interest on pension scheme liabilities	(0.1)	(0.1)
Remeasurements:		
– arising from changes in financial assumptions	0.1	0.2
– arising from changes in experience adjustments	(0.1)	(0.2)
Currency adjustment	0.8	(0.1)
Deficit in the schemes at the end of the period	(11.2)	(11.8)

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

	2021 £m	2020 £m
Current service cost (reported in employee remuneration)	(0.6)	(0.2)
Interest on pension scheme liabilities (reported in finance income and expense)	(0.1)	(0.1)
Total amount charged	(0.7)	(0.3)

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

	2021 £m	2020 £m
Remeasurements	–	–

23. Provisions

	Restoration costs £m	Restructuring and site exit costs £m	Other £m	Total £m
At 1 October 2020	(16.0)	(8.0)	(9.7)	(33.7)
Created in the year	(3.2)	(3.5)	(10.4)	(17.1)
Reclassification	–	–	(0.3)	(0.3)
Unwind of discount	(0.8)	–	–	(0.8)
Utilised in the year	2.8	8.0	1.9	12.7
At 30 September 2021	(17.2)	(3.5)	(18.5)	(39.2)
Represented by:				
Current	(2.5)	(3.5)	(11.7)	(17.7)
Non-current	(14.7)	–	(6.8)	(21.5)
	(17.2)	(3.5)	(18.5)	(39.2)

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

Provisions for restructuring charges and site exit costs are estimated amounts due to be incurred as part of the Group's response to Covid-19. Further details are provided in note 6.

Other provisions include the estimated cost of an ongoing free travel provision provided to employees of Travellers Fare Limited, a historic acquisition (now part of Select Service Partner UK Limited). The benefit is a lifetime benefit and has been calculated using life expectancies and discounted to a present value using a suitable discount rate. The remaining amount represents probable expected costs in legal and related matters and are not material individually. Litigation provisions amounted to £6.0m in aggregate at 30 September 2021 (2020: £0.6m).

24. Capital and reserves

Share capital and share premium

	Number of shares	Share capital £m	Share premium £m
Issued, called up and fully paid:			
Ordinary shares of £0.01085 each			
At 30 September 2020	537,596,432	5.8	472.7
Ordinary shares issued as part of the April Rights Issue	258,076,764	2.8	–
Ordinary shares issued in relation to the Group's share incentive plans	63,500	–	–
At 30 September 2021	795,736,696	8.6	472.7
Comprised of:			
Issued, called up and fully paid:			
Ordinary shares of £0.01085 each	795,736,696	8.6	472.7

Ordinary shares

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

Rights Issue

On 17 March 2021 the Company announced a fully underwritten Rights Issue (the 'Rights Issue') to raise gross proceeds of approximately £475 million. Upon completion of the Rights Issue, the proceeds were recognised in equity on 22 April 2021. Directly attributable transaction fees incurred of £18.0m were offset against the merger relief reserve in equity. As the merger relief reserve relates to transactions that have given rise to qualifying consideration, the reserve arising on the issue of shares reflects realised profits, and therefore amounts recognised in the merger relief reserve have been reclassified to retained earnings.

Employee benefit trust

The SSP Group plc Share Incentive Plan was established in 2014, in connection with the Company's UK Share Incentive Plan (UK Trust). The SSP Group plc Share Plans Trust was established in 2018, in connection with the Company's share option plans including the Performance Share Plan (Share Plan Trust). Details of the Company's share plans are set out in the Directors' Remuneration Report on pages 116 to 122 as part of the Annual Report on Remuneration.

As at 30 September 2021, the Trustees of the UK Trust and the Share Plan Trust respectively held 19,207 (2020: 30,037) and 454,382 (2020: 606,492) ordinary shares of the Company with a combined value of £1.3m (2020: £1.1m).

Reserves

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

	Capital redemption reserve £m	Translation reserve £m	Cash flow hedging reserve £m	Merger relief reserve £m	Total £m
At 30 September 2019	1.2	17.4	(4.5)	-	14.1
Excess proceeds over share capital of the March 2020 equity placement, net of fees incurred	-	-	-	206.9	206.9
Net gain on hedge of net investments in foreign operations	-	4.2	-	-	4.2
Other foreign exchange translation differences	-	(15.9)	-	-	(15.9)
Current tax credit on losses arising on exchange translation differences	-	1.6	-	-	1.6
Effective portion of changes in fair value of cash flow hedges	-	-	(1.8)	-	(1.8)
Cash flow hedges – reclassified to income statement	-	-	1.6	-	1.6
Tax credit on cash flow hedges	-	-	0.5	-	0.5
At 30 September 2020	1.2	7.3	(4.2)	206.9	211.2
Excess proceeds over share capital of the April 2021 Rights Issue, net of fees incurred	-	-	-	454.1	454.1
Reclassification to retained earnings	-	-	-	(661.0)	(661.0)
Net gain on hedge of net investments in foreign operations	-	22.3	-	-	22.3
Other foreign exchange translation differences	-	(18.2)	-	-	(18.2)
Foreign exchange reclassified to income statement on disposal of subsidiary	-	(0.5)	-	-	(0.5)
Deferred tax charge on gains arising on exchange translation differences	-	(1.3)	-	-	(1.3)
Effective portion of changes in fair value of cash flow hedges	-	-	0.5	-	0.5
Cash flow hedges – reclassified to income statement	-	-	2.6	-	2.6
Tax charge on cash flow hedges	-	-	(0.8)	-	(0.8)
At 30 September 2021	1.2	9.6	(1.9)	-	8.9

Capital redemption reserve

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

Translation reserve

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

Cash flow hedging reserve

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

24. Capital and reserves continued

Merger relief reserve

Rights Issue 2021 and subsequent reclassification to retained losses

On 22 April 2021 the Company undertook a Rights Issue which was effected by the Company's placing agent subscribing for shares in a subsidiary of the Company for an amount broadly equal to the proceeds of the placing, and then transferring those shares to the Company in exchange for the allotment of the Company's new shares to investors.

The excess of the gross proceeds raised over the nominal value of the shares issued of £472.1m, and the issue costs and other related fees incurred from the placing of £18.0m, are both netted and recorded in the merger relief reserve, in accordance with Section 612 of the Companies Act 2006.

Subsequent to this recognition, the Company reclassified the full amount of the merger relief reserve to retained earnings, as it relates to realised profits as a result of receiving qualifying consideration on the issue of shares.

Equity placement 2020 (prior financial year)

On 25 March 2020 the Company undertook an equity placement which was effected by the Company's placing agent subscribing for shares in a subsidiary of the Company for an amount broadly equal to the proceeds of the placing, and then transferring those shares to the Company in exchange for the allotment of the Company's new shares to investors.

The excess of the gross proceeds raised over the nominal value of the shares issued of £214.5m, and the issue costs and other related fees incurred from the placing of £7.6m, are both netted and recorded in the merger relief reserve, in accordance with Section 612 of the Companies Act 2006.

Non-controlling interests

	2021 £m	2020 £m
At 1 October 2020	71.9	87.6
Share of loss for the year	(5.0)	(22.7)
Dividends paid to non-controlling interests	(4.6)	(20.4)
Capital contribution from non-controlling interests	10.3	30.5
Purchase of non-controlling interest in subsidiary	(0.4)	(0.7)
Transaction with non-controlling interest	0.4	–
Disposal of subsidiary	3.8	–
Other	(2.2)	3.0
Currency adjustment	(3.8)	(5.4)
At 30 September 2021	70.4	71.9

The Group has two subsidiaries with a material non-controlling interest, Mumbai Airport Lounge Services Private Ltd ('MALS') and Travel Food Services Chennai Private Ltd ('Chennai'). The principal place of business for both subsidiaries is India. See note 43 on page 201 for further details of registered office and ownership percentages of each of these companies.

Summarised financial information, before inter-company eliminations, is as follows:

	MALS 2021 £m	MALS 2020 £m	Chennai 2021 £m	Chennai 2020 £m
Income statement				
Revenue	6.6	11.8	4.9	11.5
Profit/(loss) after tax	0.6	(0.7)	0.2	1.6
NCI share of profit/(loss)	0.5	(0.5)	0.1	0.8
Total comprehensive income/(loss)	0.7	(2.3)	(0.1)	0.6
Balance sheet				
Non-current assets	25.6	35.1	18.2	11.1
Current assets	27.8	28.4	23.4	27.9
Current liabilities	(18.0)	(19.4)	(11.9)	(13.4)
Non-current liabilities	(18.5)	(26.8)	(14.3)	(8.0)
NCI share of equity	13.2	13.5	7.9	9.0
Cash flow				
Net (decrease)/increase in cash and cash equivalents	(2.0)	8.7	(5.8)	4.4

25. Share-based payments

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

Details of the terms and conditions of each share-based payment plan and the Group's TSR comparator group are provided on pages 116 to 122 and page 119 respectively, as part of the Annual Report on Remuneration.

Restricted Share Plan

The RSP awards are subject to performance underpins. For Executive Directors these are outlined on page 122. Should any of the underpins not be met, the Remuneration Committee would consider whether a discretionary reduction in the number of shares vesting was required.

Performance Share Plan

The PSP awards are based on two independent performance conditions, which are assessed independently. 25% of the award is based on SSP's total shareholder return (TSR) relative to a comparator group and 75% of the award is based on an earnings per share (EPS) performance condition.

Expense in the year

The Group incurred a charge of £1.6m in 2021 (2020: £2.0m) in respect of the PSP and RSP.

	2021 Number of shares	2020 Number of shares
Outstanding at 1 October 2020	5,931,814	6,341,808
Granted during the year	2,979,246	2,204,924
Exercised during the year	(227,815)	(2,498,277)
Lapsed during the year	(3,435,271)	(116,641)
Outstanding at 30 September 2021¹	5,247,974	5,931,814
Exercisable at 30 September 2021	371,526	540,167
Weighted average remaining contracted life (years)	1.5	1.3
Weighted average fair value of awards granted (£)	5.11	6.62

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

The exercise price for the PSP awards is £nil.

Details of awards granted in the year

The PSPs and RSPs granted during the year have been valued with reference to the share price at the date of the award. Equity-settled awards are measured at fair value at grant date. The fair value of awards granted is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will actually vest.

No PSP awards were granted during the year. For the PSP awards granted in the prior years, the TSR performance condition was determined using an option pricing model (based on similar principles to a Monte Carlo model). Expected volatility was determined with reference to the historic volatility for the constituents of the Group's TSR comparator group over a period commensurate with the expected life of the awards. Awards subject to EPS performance criteria have been valued with reference to the share price at the date of the award.

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

	2020
Weighted average share price at grant (£)	6.52
Weighted average exercise price	–
Risk free rate	0.6%
Expected volatility	23.1%
Expected life (years)	3.0
Vesting period (years)	3.0
Expected correlation between the share price of TSR comparators	28.2%

25. Share-based payments continued

UK Share Incentive Plan

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

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

International Share Incentive Plan

The International Share Incentive Plan ('ISIP') is a share matching scheme which entitles participating employees to be given up to two free ordinary shares (matching shares) for each SSP Group plc ordinary share purchased (partnership shares). Both the partnership and matching shares are placed in trust for a three-year period. The ISIP has been in place since September 2015.

For each 12-month plan period from November 2016 to October 2021, the actual entitlement to matching shares was fixed at one matching share for every two partnership shares purchased. For the period from November 2015 to October 2016, the entitlement was fixed at one matching share for every one partnership share purchased. The Group incurred a charge of £0.1m in respect of the matching element of the ISIP in 2021 (2020: £0.0m).

26. Cash flow from operations

	Note	2021 £m	2020 £m
Loss for the year		(362.3)	(397.7)
Adjustments for:			
Depreciation of property, plant and equipment	11	90.9	111.0
Depreciation of right-of-use assets	13	245.7	305.3
Amortisation	12	11.7	10.6
Profit on disposal of leases		(14.2)	(0.3)
Non-cash change in lease liabilities	6	(92.0)	(91.9)
Impairments		50.8	109.6
Share-based payments	25	1.8	2.0
Finance income	8	(2.6)	(2.5)
Finance expense	8	106.9	62.0
Disposal of subsidiary		3.7	–
Share of (profit)/loss of associates	14	(2.3)	2.4
Taxation	9	(48.9)	(28.1)
		(10.8)	82.4
Decrease in trade and other receivables		7.6	77.2
(Increase)/decrease in inventories		(0.2)	15.5
Increase/(decrease) in trade and other payables (including provisions)		132.8	(161.7)
Cash flow from operations		129.4	13.4

27. Reconciliation of net cash flow to movement in net debt

	Gross debt					
	Cash and cash equivalents £m	Bank and other borrowings £m	US Private Placement notes £m	Leases £m	Total gross debt £m	Net debt £m
At 1 October 2019	233.3	(471.6)	(243.9)	(1.2)	(716.7)	(483.4)
Transition to IFRS 16 (non-cash movement)	-	-	-	(1,464.4)	(1,464.4)	(1,464.4)
Net decrease in cash and cash equivalents	(43.1)	-	-	-	-	(43.1)
Cash outflow from drawdown of revolving credit facility	-	97.5	-	-	97.5	97.5
Cash inflow from other changes in debt	-	(32.1)	-	-	(32.1)	(32.1)
Cash inflow from drawing of USPP notes	-	-	(101.8)	-	(101.8)	(101.8)
Cash inflow from drawing of CCFF	-	(125.0)	-	-	(125.0)	(125.0)
Cash outflow from payment of lease liabilities	-	-	-	200.4	200.4	200.4
New lease liabilities and amendments	-	-	-	(89.9)	(89.9)	(89.9)
Currency translation (losses)/gains	(5.2)	(1.7)	4.9	5.8	9.0	3.8
Other non-cash movements	-	(2.3)	(0.3)	-	(2.6)	(2.6)
At 30 September 2020	185.0	(535.2)	(341.1)	(1,349.3)	(2,225.6)	(2,040.6)
Net increase in cash and cash equivalents	593.8	-	-	-	-	593.8
Cash inflow from other changes in debt	-	(28.0)	-	-	(28.0)	(28.0)
Cash inflow from drawing of CCFF	-	(175.0)	-	-	(175.0)	(175.0)
Cash outflow from other changes in debt	-	1.6	-	-	1.6	1.6
Cash outflow from payment of lease liabilities	-	-	-	89.8	89.8	89.8
Lease amendments	-	-	-	34.9	34.9	34.9
Currency translation (losses)/gains	(5.2)	12.1	13.0	51.8	76.9	71.7
Other non-cash movements ¹	-	(14.3)	(14.3)	-	(28.6)	(28.6)
At 30 September 2021	773.6	(738.8)	(342.4)	(1,172.8)	(2,254.0)	(1,480.4)

¹ Other non-cash movements relate to debt modification losses, revised estimated future cash flows and effective interest rate of £31.0m (see note 19), offset against government grant accounting on below-market interest rate loans received of £1.1m and capitalised fees of £1.3m recognised against debt in the period.

28. Financial instruments

(a) Fair values of financial assets and liabilities

All financial assets and financial liabilities are carried at amortised cost, except for derivatives which are held at fair value through the income statement.

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

	Carrying amount 2021 £m	Fair value 2021 £m	Carrying amount 2020 £m	Fair value 2020 £m
Financial assets measured at amortised cost				
Cash and cash equivalents	773.6	773.6	185.0	185.0
Trade and other receivables	155.4	155.4	155.1	155.1
Total financial assets measured at amortised cost	929.0	929.0	340.1	340.1
Non-derivative financial liabilities measured at amortised cost				
Bank loans	(441.1)	(432.1)	(411.3)	(417.8)
Covid Corporate Financing Facility (CCFF)	(297.7)	(300.0)	(123.9)	(125.0)
US Private Placement notes	(342.4)	(329.6)	(341.1)	(342.6)
Lease liabilities	(1,172.8)	(1,172.8)	(1,349.3)	(1,349.3)
Trade and other payables	(495.1)	(495.1)	(380.0)	(380.0)
Total financial liabilities measured at amortised cost	(2,749.1)	(2,729.6)	(2,605.6)	(2,614.7)
Derivative financial liabilities				
Interest rate swaps	(2.1)	(2.1)	(5.1)	(5.1)
Total derivative financial liabilities	(2.1)	(2.1)	(5.1)	(5.1)

Bank loans

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

Lease liabilities

Fair value is based on the present value of the future lease payments, discounted at the rate implicit in the lease or, where this is not known, the incremental borrowing rate.

Finance lease liabilities

Fair value is based on the present value of the future lease payments, discounted at the rate implicit in the lease or, where this is not known, the incremental borrowing rate.

Other non-derivative financial instruments (excluding bank loans)

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

Derivative financial instruments

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

Fair value hierarchy

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

(b) Credit risk

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse, with two external debtors representing more than 10% (2020: 6.4%) of the total balance. The Group has no other significant concentration of debtors with no other debtor representing more than 10%. The ageing of trade receivables at the balance sheet date was as follows:

	2021 £m	2020 £m
Total trade receivables	37.3	28.3
Less: loss allowance	(10.1)	(9.5)
	27.2	18.8
Of which:		
Not yet due	16.5	11.0
Overdue, between 0 and 6 months	9.4	7.7
Overdue, more than 6 months	11.4	9.6
Loss allowance	(10.1)	(9.5)
	27.2	18.8

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

	2021 £m	2020 £m
At 1 October 2020	(9.5)	(6.2)
Charged in the year	(4.4)	(7.9)
Reversed in the year	3.2	0.6
Utilised in the year	0.5	3.8
Currency adjustment	0.1	0.2
At 30 September 2021	(10.1)	(9.5)

Expected credit losses

The Group applies the simplified approach and records lifetime expected credit losses for trade receivables. Loss allowances have been recognised for trade receivables that have been identified as credit impaired. In addition, due to the financial uncertainty arising from Covid-19, expected credit loss rates have been increased for all other trade receivables. The Group has assessed customer balances in relation to their operating sector (such as air or rail), whether the customer has access to some form of government support scheme, receivable ageing and other indicators of risk to recoverability.

Receivables excluding trade receivables

Due to the uncertainties caused by Covid-19, the Group has recorded expected credit losses of £1.4m in relation to other receivables at 30 September 2021 (2020: £1.5m).

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

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

	2021 £m	2020 £m
High grade	296.7	58.1
Upper medium grade	372.1	67.4
Medium grade	41.7	11.3
Non-investment grade	11.9	6.6
Unrated	38.4	39.0
	760.8	182.4
Cash in hand and in transit	12.8	2.6
	773.6	185.0

28. Financial instruments continued**(d) Financial risk management**

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

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

Liquidity risk

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

In April 2021, the Group completed a Rights Issue to strengthen the balance sheet, this raised gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, the Group secured the extension to January 2024 of its bank facilities that were previously due to mature in July 2022, and secured waivers and modifications of the existing covenants under those bank facilities and its US Private Placement Notes. Further detail on this is provided within note 19.

Furthermore, the Group has not paid or announced any dividends in the year.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

	Carrying amount £m	Contractual cash flows £m	2021			
			1 year or less £m	1 to <2 years £m	2 to <5 years £m	>5 years £m
Non-derivative financial liabilities						
Bank loans	(441.1)	(471.2)	(21.7)	(85.9)	(341.8)	(21.8)
Covid Corporate Financing Facility (CCFF)	(297.7)	(300.0)	(300.0)	-	-	-
US Private Placement notes	(342.4)	(443.5)	(21.7)	(23.0)	(30.2)	(368.6)
Lease liabilities	(1,172.8)	(1,288.8)	(299.9)	(229.4)	(506.2)	(253.3)
Trade and other payables	(495.1)	(495.1)	(487.9)	(0.1)	(2.8)	(4.3)
Derivative financial liabilities						
Interest rate swaps used for hedging	(2.1)	(1.9)	(1.9)	-	-	-
	(2,751.2)	(3,000.5)	(1,133.1)	(338.4)	(881.0)	(648.0)
	Carrying amount £m	Contractual cash flows £m	2020			
			1 year or less £m	1 to <2 years £m	2 to <5 years £m	>5 years £m
Non-derivative financial liabilities						
Bank loans	(411.3)	(435.2)	(42.6)	(362.9)	(20.2)	(9.5)
Covid Corporate Financing Facility (CCFF)	(123.9)	(125.0)	(125.0)	-	-	-
US Private Placement notes	(341.1)	(454.6)	(16.4)	(14.3)	(39.1)	(384.7)
Lease liabilities	(1,349.3)	(1,429.3)	(294.3)	(257.8)	(594.8)	(282.4)
Trade and other payables	(380.0)	(380.0)	(376.0)	(0.8)	(0.1)	(3.1)
Derivative financial liabilities						
Interest rate swaps used for hedging	(5.1)	(4.6)	(2.4)	(2.1)	-	-
	(2,610.7)	(2,828.7)	(856.7)	(637.9)	(654.2)	(679.7)

Market risk

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

Currency risk

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

The Group uses currency denominated borrowings to hedge the exposure of a portion of its net investment in overseas operations (with non-Sterling functional currency) against changes in value due to changes in foreign exchange rates. An economic relationship has been identified as both the net investment in overseas operations, and the currency denominated borrowings used as the related hedging instrument, are subject to currency risk, and changes in foreign exchange rates would cause their values to move in opposite directions.

As at 30 September 2021, the fair value of bank loans and US Private Placement debt used as hedging instruments was £522.9m (2020: £545.3m). Of this, £202.3m was in respect of Euro exposure, £263.6m in respect of the US Dollar exposure, £33.0m in respect of Norwegian Krone exposure and £24.0m for Swedish Krona exposure.

There were no reclassifications from foreign currency translation reserve and net investment hedge ineffectiveness was £nil during the year.

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

The currency profile of the cash balances of the Group at 30 September 2021 was as follows:

	2021 £m	2020 £m
Cash at bank and in hand		
Sterling	548.0	21.5
Other currencies	225.6	163.5
	773.6	185.0

28. Financial instruments continued

Interest rate risk

The Group entered into a series of interest rate swaps 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 2021, after taking into account interest rate swaps and before adjustments for unamortised bank fees of £4.9m (2020: £3.6m) and government grants of £5.4m (2020: £4.3m) received in the form of beneficial interest rates, was as follows:

	Floating-rate liabilities		Fixed-rate liabilities		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Currency						
Sterling	(51.8)	(43.2)	(428.6)	(262.2)	(480.4)	(305.4)
Euro	(64.8)	(60.1)	(192.7)	(186.3)	(257.5)	(246.4)
US Dollar	(9.8)	(8.5)	(253.8)	(266.3)	(263.6)	(274.8)
Swedish Krona	(9.0)	(7.7)	(15.0)	(16.8)	(24.0)	(24.5)
Norwegian Krone	(12.3)	(10.1)	(20.7)	(22.2)	(33.0)	(32.3)
Swiss Franc	-	-	(0.4)	(0.4)	(0.4)	(0.4)
Indian Rupee	(2.8)	(1.6)	-	-	(2.8)	(1.6)
	(150.5)	(131.2)	(911.2)	(754.2)	(1,061.7)	(885.4)

Interest rate swaps

All interest rate swap contracts exchanging floating-rate interest amounts for fixed interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. An economic relationship between the interest rate swaps and floating-rate liabilities has been identified, as both are subject to changes in interest rates that would cause their values to move in opposite directions. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to the income statement over the period that the floating rate interest payments on debt affect the income statement.

The fair value of the interest rate swaps was £2.1m as at 30 September 2021 (2020: £5.1m).

In 2021, a credit of £0.5m (2020: charge of £1.8m) was recognised in other comprehensive income representing the effective portion of changes in the fair value of the interest rate swaps in the year. There was no ineffectiveness recognised in the income statement in either year.

In 2021, a credit of £2.6m (2020: credit of £1.6m) in other comprehensive income arose on the reclassification of the cumulative changes in fair value of the interest rate swaps to the income statement (see note 8).

IBOR reform

During the year, the Financial Conduct Authority announced the dates that panel bank submissions for all London Interbank Offered Rate settings will cease, after which, some LIBOR rates will no longer be available. The Group has floating rate bank facilities in GBP, EUR, USD, NOK and SEK, of which, GBP and USD are impacted by this change as they are linked to reference rates based in London. 3-month LIBOR reporting will end for GBP in December 2021 and 3-month LIBOR will end for USD in June 2023.

The Group has managed this change by amending the main facility agreement during the March 2021 debt amendment to transition to new reference rates, plus a spread, on the relevant cessation date of each currency IBOR, covering all loan currencies. In addition, for derivative contracts, the Group has adopted the ISDA 2020 Protocol. This protocol amends the fallback provisions incorporated in the derivative contracts so that when a particular IBOR rate ceases to exist or to represent the underlying market, it will be replaced by an applicable risk-free rate plus a spread.

The first quarterly period impacted will be from January 2022 in GBP only. From this date, both the bank debt and derivatives will transition, from using 3-month Libor to Sterling Overnight Index Average (SONIA) based indices. Consequently, hedge accounting relationships will be maintained.

The Group continues to monitor the market and the output from various industry groups managing the transition to new benchmark interest rates and will look to implement changes if appropriate in the future.

Sensitivity analysis

A change of 50 basis points in interest rates at the balance sheet date would have increased/(decreased) equity by the amounts in the table below. This is driven by changes in the carrying value of derivative financial instruments. At 30 September 2021, these were in fully effective hedge relationships and the movement would have had no impact on the income statement.

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

	2021 £m	2020 £m
Equity		
Increase	0.9	2.2
Decrease	(0.9)	(2.3)

(e) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development. The Group's capital is represented by the share capital and reserves (as set out in note 24), retained earnings, and net debt (see below). The funding requirements of the Group are met by a mix of long-term borrowings, medium-term borrowings, short-term borrowings (under its RCF) and available cash.

In December 2020 the Group secured a further amendment from its lending group of banks and US Private Placement noteholders to waive existing financial covenants on interest and net debt cover until 31 March 2023. It has been agreed that these covenant tests will however continue to be replaced by two new covenant tests, each tested monthly, with the first of these based on SSP demonstrating a minimum level of liquidity and the second based on the Group not exceeding a maximum level of debt.

As mentioned in the liquidity section, during the year the Group completed a Rights Issue to strengthen the balance sheet, this raised gross proceeds of approximately £475m. Alongside and conditional upon the Rights Issue, the Group secured the extension to January 2024 of its bank facilities that were previously due to mature in July 2022.

29. Commitments

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

	2021 £m	2020 £m
Contracted for but not provided	67.5	47.3

Capital commitments relate to where the Group has contractually committed to acquire and/or build tangible assets that are not yet incurred as at 30 September 2021.

30. Related parties

Related party relationships exist with the Group's subsidiaries, associates (note 14), key management personnel, pension schemes (note 22) and employee benefit trust (note 24).

Subsidiaries

Transactions between the Company and its subsidiaries, and transactions between subsidiaries, have been eliminated on consolidation and are not disclosed in this note. Where the Group does not own 100% of its subsidiary, significant transactions with the other investors in the non-wholly owned subsidiary ('investor'), other than those listed in note 24, are disclosed within this note (in the table below). Sales and purchases with related parties are made at normal market prices.

Associates

Significant transactions with associated undertakings during the year, other than those included in note 14, are included in the table below.

Related party transactions

	2021 £m	2020 £m
Purchases from related parties	(0.5)	(1.7)
Management fee income	1.4	2.2
Other income	0.3	1.1
Other expenses ¹	(7.5)	(11.2)
Amounts owed by related parties at the end of the year	4.1	3.6
Amounts owed to related parties at the end of the year	(6.6)	(6.1)

¹ The majority of other expenses relates to £7.0m rent from Midway Partnership LLC (2020: £11.2m).

Bank guarantees

The Group has provided a number of guarantees to third parties and has given guarantees to partners of consolidated non-wholly owned subsidiaries in respect of obligations of its non-wholly owned subsidiaries, relating to, for example, concession agreements, franchise agreements and financing facilities. In addition, certain subsidiaries benefit from guarantees provided by the Group's non-controlling interest partners to similar third parties (in respect of obligations of the subsidiaries). These guarantees are consistent with those provided in the normal course of business in respect of the Group's wholly owned subsidiaries. At 30 September 2021 the value of the guarantees given by the various Group companies in respect of both wholly owned and other subsidiaries was £114.3m (2020: £119.0m). The Group does not expect these guarantees to be called on and as such no liability has been recognised in the financial statements.

Remuneration of key management personnel

The remuneration of key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. The Group considers key management personnel to be the Chief Executive Officer, Chief Financial Officer, Non-Executive Directors and the Group Executive Committee.

	2021 £m	2020 £m
Short-term employee benefits	(7.4)	(5.0)
Post-employment benefits	(0.6)	(0.6)
Share-based payments	(0.4)	(0.8)
	(8.4)	(6.4)

31. Business combinations

Business combinations 2020/2021

The Group made no business combinations during the year ended 30 September 2021.

Business combinations 2019/2020

During the year ended 30 September 2020, the Group purchased 100% of the share capital of two companies and the trade and assets comprising part of the business of two other companies for a total consideration, net of cash and cash equivalents acquired, of £21.5m.

These transactions were deemed to be business combinations within the scope of IFRS 3 'Business Combinations'.

A summary of the details of these acquisitions are shown in the table below:

Business/Company	Acquisition method	Sector	Country	Acquisition date
Land's End Pasty	Trade and assets	Rail	UK	1 October 2019
Red Rock's F&B business in Melbourne airport	Trade and assets	Air	Australia	23 December 2019
WA Airport Hospitality Pty Ltd	Share capital	Air	Australia	23 January 2020
Station Food GmbH	Share capital	Rail	Germany	29 February 2020

The acquisitions are in line with the Group's strategy to grow its geographic footprint and expand its operations in the UK, Australia and Germany.

These acquisitions are individually not material but are material in aggregate.

A summary of the aggregate effect of acquisitions completed in 2020 are shown below:

	£m
Property, plant and equipment	9.8
Right-of-use assets	24.1
Inventories	0.3
Trade and other receivables	0.6
Cash	1.0
Trade and other payables	(2.1)
Lease liabilities	(24.1)
Fair value of the assets acquired	9.6
Goodwill	12.9
Cash consideration	22.5
Reconciliation of consideration to the consolidated cash flow statement:	
Cash consideration	22.5
Less: cash and cash equivalents acquired	(1.0)
Cash consideration, net of cash and cash equivalents acquired	21.5

The Board believes that the excess consideration paid over fair value of the net identifiable assets is best considered as goodwill on acquisition, representing the operating synergies, derived from adding scale and other benefits to our local existing operations.

Goodwill recognised is not deductible for tax purposes.

For the year ended 30 September 2020, the acquisitions in aggregate contributed £6.6m to revenue and £2.7m to operating losses from the dates of acquisition. If the acquisitions had occurred at the beginning of the year, their contribution to revenue and operating loss would have been £16.0m and £3.3m respectively.

Total transaction costs and expenses incurred of £0.6m have been included in other overheads within the income statement and primarily related to professional fees for reviews and due diligence of these deals.

32. Post balance sheet event

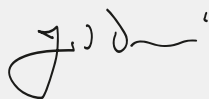
SSP Group's Spanish operating companies ('SSP Spain') operate F&B units in a number of Spanish airports. In late September 2021, a new law was passed in Spain that came into force on 2 October 2021 that should result in adjustments to the minimum guaranteed annual rents payable by SSP Spain for the period from 15 March 2020 onward. The law will lead to lower minimum guaranteed rent amounts to be paid until passenger numbers return to 2019 levels. As the new law is effective from 2 October 2021, we consider this to give rise to a non-adjusting post balance sheet event.

Company Balance Sheet

As at 30 September 2021

	Notes	2021 £m	2020 £m
Fixed assets			
Investments	34	1,199.3	947.8
		1,199.3	947.8
Current assets			
Debtors due within one year	35	300.9	98.5
Liabilities falling due within one year			
Creditors	36	(19.8)	(10.1)
Net current assets		281.1	88.4
Net assets		1,480.4	1,036.2
Capital and reserves			
Called up share capital	37	8.6	5.8
Share premium account	37	472.7	472.7
Treasury shares	37	(1.7)	(1.7)
Capital redemption reserve	37	1.2	1.2
Merger relief reserve	37	–	206.9
Profit and loss account	37	999.6	351.3
Total equity shareholders' funds		1,480.4	1,036.2

These financial statements were approved by the Board of Directors on 7 December 2021 and were signed on its behalf by:



Jonathan Davies
Deputy CEO and CFO

Registered number: 5735966

Company Statement of Changes in Equity

As at 30 September 2021

	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger relief reserve £m	Treasury shares £m	Profit and loss account £m	Total equity £m
At 1 October 2019	4.8	461.2	1.2	–	–	388.5	855.7
Loss for the year	–	–	–	–	–	(12.4)	(12.4)
Equity issue	1.0	11.5	–	206.9	–	–	219.4
Share buyback	–	–	–	–	(1.7)	–	(1.7)
Dividends paid to equity shareholders (note 37)	–	–	–	–	–	(26.8)	(26.8)
Share-based payments	–	–	–	–	–	2.0	2.0
At 30 September 2020	5.8	472.7	1.2	206.9	(1.7)	351.3	1,036.2
Loss for the year	–	–	–	–	–	(14.5)	(14.5)
Rights Issue	2.8	–	–	454.1	–	–	456.9
Reclassification to retained earnings	–	–	–	(661.0)	–	661.0	–
Share-based payments	–	–	–	–	–	1.8	1.8
At 30 September 2021	8.6	472.7	1.2	–	(1.7)	999.6	1,480.4

Notes to Company Financial Statements

33. Accounting policies

SSP Group plc (the Company) is a company incorporated in the UK.

These statements present information about the Company as an individual undertaking and not about its Group. The separate financial statements are presented as required by the Companies Act 2006.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) under the historical cost accounting rules.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- the cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- disclosures required by IFRS 13 'Fair Value Measurement' and IFRS 7 'Financial Instrument Disclosures'; and
- the effects of new but not yet adopted IFRSs.

Where relevant, equivalent disclosures have been given in the consolidated financial statements. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's balance sheet and related notes.

The Company uses Sterling as its presentational and functional currency and all values have been rounded to the nearest £0.1m unless otherwise stated.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement. The loss for the financial year (2020: loss) is disclosed in note 37 to these accounts. The Company has no other recognised gains or losses in the current or preceding year and, therefore, no statement of comprehensive income is presented.

Going concern

SSP Group plc is the ultimate parent company of the SSP Group. The Board has reviewed the Group's trading forecasts, incorporating the impact on SSP of Covid-19, as part of the Group's adoption of the going concern basis, in which context the Directors have reviewed cash flow forecasts prepared for a period of 16 months from the date of approval of these financial statements, with a number of different scenarios considered. Having carefully reviewed these forecasts, the Directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements for the reasons set out below. See pages 151 to 152 for consideration of the Group's going concern basis.

Investments

Investments in subsidiaries are stated at cost less provision for impairment losses.

Impairment

The carrying values of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. When a subsequent event or change in circumstances causes the recoverable amount of an asset to increase, the previously recognised impairment loss is reversed through the income statement.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Tax is recognised in the profit and loss account except where it relates to items taken directly to equity, in which case it is recognised in equity. Deferred tax is recognised in respect of all temporary differences between the treatment of items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 101.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Share-based payment compensation

The Company has granted equity-settled share awards to Group employees. Equity-settled awards are measured at fair value at grant date. The fair value of awards granted to employees of the Company is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will actually vest. The cost of awards to employees of subsidiary undertakings is accounted for as an additional investment.

34. Investments in subsidiary undertakings

	Shares in Group undertaking £m
Cost	
At 1 October 2020	947.8
Additions	251.5
At 30 September 2021	1,199.3
Net book value	
At 30 September 2021	1,199.3
At 30 September 2020	947.8

In June 2021, the Company applied for the allotment of 250,000,000 ordinary shares of £0.01 each (with a premium of £0.99 on each share) in SSP Group Holdings Limited for a consideration of £250.0m.

Impairment

The Directors have assessed whether the Company's fixed asset investments require impairment under the accounting principles set out in FRS 101. In making this assessment, the relationship between the Company's market capitalisation and the carrying value of its investments has been considered, in addition to the disruption attributable to the Covid-19 pandemic and the effect of this on future trading.

The assessment did not result in any impairment in 2021 (2020: £nil).

35. Debtors

	2021 £m	2020 £m
Due within one year		
Amount receivable from Group undertakings	300.7	97.9
Other debtors	0.2	0.4
Deferred taxation	-	0.2
	300.9	98.5

36. Creditors

	2021 £m	2020 £m
Due within one year		
Amounts payable to Group undertakings	(2.3)	(2.6)
Accruals and deferred income	(12.0)	(3.9)
Trade and other payables	(2.4)	(0.6)
Other taxation and social security	(3.1)	(3.0)
	(19.8)	(10.1)

37. Capital and reserves

Share capital and share premium

	Number of shares	Share capital £m	Share premium £m
Issued, called up and fully paid:			
Ordinary shares of £0.01085 each			
At 30 September 2020	537,596,432	5.8	472.7
Ordinary shares issued as part of the April Rights Issue	258,076,764	2.8	
Ordinary shares issued in relation to the Group's share incentive plans	63,500		
At 30 September 2021	795,736,696	8.6	472.7
Comprised of:			
Issued, called up and fully paid:			
Ordinary shares of £0.01085 each	795,736,696	8.6	472.7

37. Capital and reserves continued

Reserves

	Treasury shares £m	Capital redemption reserve £m	Merger relief reserve £m	Profit and loss account £m	Total £m
At 1 October 2019	–	1.2	–	388.5	389.7
Loss for the year	–	–	–	(12.4)	(12.4)
Excess of proceeds over share capital of the March 2020 equity placement, net of fees incurred	–	–	206.9	–	206.9
(1.7) Effect of the share buyback	(1.7)	–	–	–	(1.7)
Dividends paid to equity shareholders	–	–	–	(26.8)	(26.8)
Share-based payments	–	–	–	2.0	2.0
At 30 September 2020	(1.7)	1.2	206.9	351.3	557.7
Loss for the year	–	–	–	(14.5)	(14.5)
Excess of proceeds over share capital of the April 2021 Rights Issue, net of fees incurred	–	–	454.1	–	454.1
Reclassification to retained earnings	–	–	(661.0)	661.0	–
Share-based payments	–	–	–	1.8	1.8
At 30 September 2021	(1.7)	1.2	–	999.6	999.1

Capital redemption reserve

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

Merger relief reserve

Rights Issue 2021

On 22 April 2021 the Company undertook a Rights Issue which was effected by the Company's placing agent subscribing for shares in a subsidiary of the Company for an amount broadly equal to the proceeds of the placing, and then transferring those shares to the Company in exchange for the allotment of the Company's new shares to investors.

The excess of the gross proceeds raised over the nominal value of the shares issued of £472.1m, and the issue costs and other related fees incurred from the placing of £18.0m, are both netted and recorded in the merger relief reserve, in accordance with Section 612 of the Companies Act 2006.

Subsequent to this recognition, the Company reclassified the full amount of the merger relief reserve to retained earnings, as it relates to realised profits as a result of receiving qualifying consideration on the issue of shares.

Equity placement 2020 (prior financial year)

On 25 March 2020 the Company undertook an equity placement which was effected by the Company's placing agent subscribing for shares in a subsidiary of the Company for an amount broadly equal to the proceeds of the placing, and then transferring those shares to the Company in exchange for the allotment of the Company's new shares to investors.

The excess of the gross proceeds raised over the nominal value of the shares issued of £214.5m, and the issue costs and other related fees incurred from the placing of £7.6m, are both netted and recorded in the merger relief reserve, in accordance with Section 612 of the Companies Act 2006.

Profit and loss account

The Company's loss for the financial year was £14.5m (2020: loss of £12.4m).

Dividends

	2021 £m	2020 £m
Final dividend of £nil per share (2020: 6.0p)	–	(26.8)
	–	(26.8)

The prior year final dividend of 6.0p per share was approved at the Group's Annual General Meeting in February 2020 and £26.8m was paid in June 2020. No dividend for the 2021 financial year is proposed.

38. Employee share plans

Awards over shares of the Company have been granted to employees of the Company under the Performance Share Plan (PSP), Restricted Share Plan (RSP) and the UK Share Incentive Plan (UK SIP).

Details of the terms and conditions of each share-based payment plan and the Group's TSR comparator group are provided on pages 116 to 122 and page 119 respectively, as part of the Annual Report on Remuneration.

PSP and RSP

	2021 Number of shares	2020 Number of shares
Outstanding at the beginning of the period	1,443,688	1,605,885
Granted during the year	849,630	582,880
Exercised during the year	(40,242)	(729,984)
Lapsed during the year	(1,065,440)	(15,093)
Outstanding at the end of the period	1,187,636	1,443,688
Exercisable at the end of the period	138,413	157,643
Weighted average remaining contracted life (years)	1.6	1.3
Weighted average fair value of awards granted in the year (£)	5.00	5.81
Expense recognised for the year (£m)	0.3	0.4

The exercise price for the PSP and RSP is £nil.

Information on awards granted in the year can be found in note 25 to the Group accounts.

UK SIP

See note 25 to the Group accounts for information on awards granted under the UK SIP in 2021.

39. Directors' remuneration

The remuneration of the Directors of the Company is disclosed in note 30 to the Group accounts and in the Annual Report on Remuneration on pages 113 and 118. Details of PSP awards made to Executive Directors are given on page 183.

40. Related parties

The Company has identified the Directors of the Company and the Group Executive Committee as related parties for the purpose of FRS 101. Details of the relevant relationships with these related parties are disclosed in note 30 to the Group accounts.

The Company has no transactions with or amounts owed to or from partly owned subsidiary undertakings. All holdings in partly owned undertakings are held through indirectly held wholly owned subsidiaries of the Company.

41. 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 2021 was approximately £2.0m (2020: £nil).

In addition, the Company is a guarantor for the Group's main bank facilities, CCFF and US Private Placement borrowings. The borrowings under the facilities at 30 September 2021 were £1,003.3m (2020: £885.4m).

The Company has also provided guarantees in relation to certain operating liabilities of operating subsidiaries. All such liabilities are expected to be paid by the relevant subsidiary in the normal course of business.

42. Other information

The fee for the audit of the Company's annual financial statements was £0.6m (2020: £0.4m).

The average number of persons employed by the Company (including Directors) during the year was 57 (2020: 68).

Total staff costs (excluding charges for share-based payments) were £10.4m (2020: £8.9m).

43. Group companies

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries, associates and other investments (held directly and indirectly by the Company) at the year end are as disclosed below.

Group companies included in the consolidation are those companies controlled by the Group. Control exists when the Group has the power to direct the activities of an entity so as to affect the return on investment. In certain cases an entity may be consolidated when the percentage of shares held may be less than 50% as the Group has the power to control such activities.

Notes to Company Financial Statements

continued

43. Group companies continued

Part A – Subsidiaries

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Subsidiaries (all of which are included in the Group consolidation):		
Australia		
SSP Australia Airport Concessions Pty Ltd	Holding company	
Level 3, 69 Christie Street, St Leonards, NSW 2065, Australia		
SSP Australia Airport F&B Pty Ltd		
Level 3, 69 Christie Street, St Leonards, NSW 2065, Australia		
SSP Australia Catering Pty Limited[®]		
Level 3, 69 Christie Street, St Leonards, NSW 2065, Australia		
WA Airport Hospitality Pty Limited		
Level 3, 69 Christie Street, St Leonards, NSW 2065, Australia		
Austria		
SSP Österreich GmbH		
Office Park 3/Top 144, 1300 Wien-Flughafen, Austria		
Bahrain		
SSP Bahrain WLL		51%
Falcon Tower, Office 614, Building No 60, Road 1701, Block 317, Diplomatic Area, Manama, Kingdom of Bahrain		
Belgium		
Rail Gourmet Belgium NV	Inactive company	
Prins Bisschopssingel, 36-3 B-3500, Belgium		
Rail Gourmet Services Belgium NV	Inactive company	
Prins Bisschopssingel, 36-3 B-3500, Belgium		
SSP Aérobel SPRL		
Rue des Frères Wright, 8 Boite 12, 6041 Charleroi, Belgium		
SSP Belgium SPRL		
Korte Ambachtstraat 4, 9860, Oosterzele, Belgium		
Bermuda		
Bermuda Travel Concessions, LLC		51%
4 Burnaby Street, Hamilton, Bermuda HM 11		
Brazil		
SSP DFA Restaurantes Brasil Ltda		50% ¹
Rua Goethe, 54 – Botafogo Rio de Janeiro - RJ, 22281-020		
Cambodia		
Select Service Partner (Cambodia) Limited	Inactive company	49% ¹⁷
No 4B, Street Vat Ang Taming, Sangkat Kakab, Khan Poh Sen Chey, Phnom Penh		
Canada		
SSP Canada Airport Services Inc.		
30th Floor, 360 Main Street, Winnipeg MBR3C 4G1, Canada		
SSP Canada Food Services Inc.		
McLachlan Brown Anderson Solicitors, 938 Howe Street, 10th Floor, Vancouver BC V6Z 1N9, Canada		
SSP Québec Food Services Inc.		16
2200-1010 rue Sherbrooke O Montréal (Québec) H3A2R7, Canada		
China		
Select Service Partner Hainan Co. Limited[®]		
2/F, Departure Halls, Passenger Terminal Building, Haikou Meilan International Airport, Hainan, Haikou 571126, China		
SSP Shanghai Co. Limited[®]		
Intl Airside and Intl Departure Area Landside, 3/F, Pudong Int'l Airport Terminal, No.6000, Yingbin Road, Pudong New District, Shanghai, China		

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Cyprus		
SSP Catering Cyprus Limited	Holding and Management Services company	
67 Limassol Avenue, Lamda Vision, Vision Tower 1st Floor, 2121 Aglantzia, Nicosia, Cyprus, P.O.Box 14144, CY-2154 Aglantzia, Nicosia, Cyprus		
SSP Louis Airport Restaurants Limited	Holding company	60%
67 Limassol Avenue, Lamda Vision, Vision Tower 1st Floor, 2121 Aglantzia, Nicosia, Cyprus, P.O.Box 14144, CY-2154 Aglantzia, Nicosia, Cyprus		
Denmark		
Monarch A/S		
Lufthavnsboulevarden 14, 1. sal, 2770, Kastrup, Denmark		
Select Service Partner Denmark A/S		
Lufthavnsboulevarden 14, 1. sal, 2770, Kastrup, Denmark		
SSP Denmark Financing ApS	Holding company	
Lufthavnsboulevarden 14, 1. sal, 2770, Kastrup, Denmark		
Egypt		
SSP Egypt JSC		
Cairo International Airport, Airmall Building, 1st Floor, Cairo, Egypt		
Estonia		
Select Service Partner Eesti A/S		
Endla 45, 10142 Tallinn, Estonia		
Finland		
Select Service Partner Finland Oy		
Helsinki Airport, Vantaa, FI-01530, Finland		
France		
Bars et Restaurants Aéroport Lyon Saint Exupéry SAS		
Immeuble l'Arc, BP 197, Lyon Saint Exupéry Aéroport, 69125, Colombier-Saugnieu, France		
Les Buffets Boutiques et Services des Autoroutes de France SNC	Inactive company	
5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville, France		
Select Service Partner SAS	Holding and Management Services company	
5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville, France		
SSP Aéroports Parisiens SASU		
5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville, France		
SSP Caraïbes SASU	Inactive company	
5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville, France		
SSP France Financing SAS	Holding company	
Immeuble le Virage, 5, Allée Marcel Leclerc, CS60017 13417 Marseille Cedex 08, France		
SSP Paris SASU		
5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville, France		
SSP Province SAS		
5, rue Charles de Gaulle, Immeuble Equalia 94140, Alfortville, France		
Germany		
SSP Deutschland GmbH		
The Squire 24, 60549 Frankfurt am Main, Germany		
SSP Financing Germany GmbH	Holding company	
The Squire 24, 60549 Frankfurt am Main, Germany		
Station Food GmbH		
The Squire 24, 60549 Frankfurt am Main, Germany		

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)	Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Greece			Netherlands		
Select Service Partner Restaurants Hellas SA Athens International Airport, Building 17 Office 2/06-01, 19019 Spata, Greece			Rail Gourmet Netherlands BV Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, the Netherlands	Holding company	
Hong Kong			SSP Nederland BV Leidseveer 2, 3511 SB, Utrecht, Netherlands		
Select Service Partner Asia Pacific Limited Unit 1702-05, Wing On Kowloon Centre, 345 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong, S.A.R. China	Holding and Management Services company		Norway		
Select Service Partner Hong Kong Limited Unit 1702-05, Wing On Kowloon Centre, 345 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong			Select Service Partner AS Henrik Ibsens veg 7, 2060 Gardermoen, Norway		
SSP China Development Limited⁵ Unit 1702-05, Wing On Kowloon Centre, 345 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Holding company	³	SSP Norway Financing AS Henrik Ibsens veg 7, 2060 Gardermoen, Norway	Holding company	
Hungary			Oman		
SSP Hungary Catering Kft Liszt Ferenc International Airport, Terminal 2B, 1185 Budapest, Hungary			Gourmet Foods LLC PO Box 3340, Ruwi, Sultanate of Oman, 112, Oman	Holding company	24.01% ¹¹²
India			Philippines		
BLR Lounge Services Private Limited Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		34.3% ¹⁰	Select Service Partner Philippines Corporation JME Building No. 35, Calbayog Street, Barangay, Highway Hills, City of Mandaluyong, NCR, Second District, Philippines	Holding company	52%
Mumbai Airport Lounge Services Private Limited Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		21.756% ¹¹⁵	SSP-Mactan Cebu Corporation⁶ Terminal 1 Mactan Cebu International Airport, Pusok, Lapu-Lapu City, Cebu 6015, Philippines		26% ¹⁸
Travel Food Services Chennai Private Limited Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		49% ¹¹⁰	Russia		
Travel Food Services (Delhi) Private Limited Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		49% ¹¹⁰	Select Service Partner Russia LLC⁶ 141400, Moscow region, Khimki, Sheremetyevo Airport, Premises 3, Russia	Inactive company	
Travel Food Services (Delhi Terminal 3) Private Limited New Udaan Bhawan, Opposite Terminal 3, IGI Airport, New Delhi, 110 037, India		29.4% ¹¹¹	Singapore		
Travel Food Services Kolkata Private Limited Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		49% ¹¹⁰	Select Service Partner (Singapore) Pte Limited 112 Robinson Road, #05-01, 068902, Singapore		
Travel Food Services Private Limited Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		49% ¹	Spain		
Ireland			Foodlase, SLU Camino de la Zarzuela, 19-21, 2 ^a planta., 28023, Madrid, Spain		
RG Onboard Services (Ireland) Limited 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland	Inactive company		Select Service Partner SAU Camino de la Zarzuela, 19-21, 2 ^a planta., 28023, Madrid, Spain		
Select Service Partner Ireland Limited 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland			Select Service Partner Spain Financing SLU Camino de la Zarzuela, 19-21, 2 ^a planta., 28023, Madrid, Spain	Holding company	
Israel			SSP Airport Restaurants SLU Camino de la Zarzuela, 19-21, 2 ^a planta., 28023, Madrid, Spain		
Select Service Partner Israel Ltd Derech Menachem Begin 132, Azrieli One Center, Round Building, 6701101, Tel Aviv, Israel			Sweden		
Luxembourg			Scandinavian Service Partner AB Arlanda Airport, P.O. Box 67, S-19045, Stockholm Arlanda, Sweden		
SSP Luxembourg SA Aéroport de Luxembourg, L-1110 Luxembourg			SSP Newco AB Arlanda Airport, P.O. Box 67, S-19045, Stockholm Arlanda, Sweden	Inactive company	
Malaysia			SSP Sweden Financing AB Arlanda Airport, P.O. Box 67, S-19045, Stockholm Arlanda, Sweden	Holding company	
Select Service Partner Malaysia SDN C-2-3A, TTDI Plaza, Jalan Wan Kadir 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur		74.551% ²³	Switzerland		
Mauritius			Rail Gourmet Holding AG Bahnhofstrasse 10, CH-6300, Zug, Switzerland	Holding company	
Travel Food Services Global Private Ltd Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Inactive company	49% ¹¹⁰	Select Service Partner (Schweiz) AG Shopping center/Bahnhofterminal, 8058 Zurich-Flughafen, Switzerland, PO Box: Postfach 2472		
			Taiwan		
			SSP Taiwan Limited 1F, No.13, Ln. 84, He 1st Rd, Keelung City, Jhongjheng District, 202, Taiwan, Republic of China		

Notes to Company Financial Statements

continued

43. Group companies continued

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)	Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Thailand			Whistlestop Operators Limited	Inactive company	
Select Service Partner Co. Limited⁶		49% ¹	SSP Group Head Office		
88 The Parq Building, 11th Fl. Ratchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok Metropolis Thailand			United States of America		
United Arab Emirates			ATL Dine and Fly, LLC	Inactive company	
SSP Emirates LLC		51% ²¹	1210 Peachtree Street, NE, Atlanta, GA 30361, United States		
Mussafah, SH MBX Area ME11, Building 85, Mezzanine floor, Hamed Al-Kurby Building, P.O. Box 133357 Abu Dhabi, United Arab Emirates			CBC SSP America DAL, LLC		49% ¹
United Kingdom			CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		
Bellevue Holdings Limited	Inactive company		CBC SSP America DFW, LLC		49% ¹
Jamestown Wharf, 32 Jamestown Road, London, United Kingdom, NW1 7HW ('SSP Group Head Office')			CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		
Bellevue Limited	Inactive company		Creative PTI, LLC		62.8% ¹⁷
SSP Group Head Office			CT Corporation System, 160 Mine Lake Court, Suite 200, Raleigh NC 27615-6417, United States		
Millie's Cookies (Franchise) Limited	Inactive company		Flavor of ATL, LLC	Inactive company	
SSP Group Head Office			CT Corporation System, 289 S Culver Street, Gwinnett, Lawrenceville GA 30046, United States		
Millie's Cookies Limited	Agency company		Harry's Airport²⁰		51%
SSP Group Head Office			111 Monument Circle, Suite 2700, Indianapolis, IN 46204, United States		
Millies Limited	Inactive company		Jackson Airport Concessions, LLC	Inactive company	
SSP Group Head Office			CT Corporation System, 1200 S. Pine Island Road, Plantation FL 33324, United States		
Millie's Cookies (Retail) Limited	Agency company		Select Service Partner LLC	Inactive company	
SSP Group Head Office			Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		
Procurement 2U Limited			SSP America AZA, LLC	Inactive company	
SSP Group Head Office			CT Corporation System, 3800 N Central Avenue, Suite 460, Phoenix AZ 85012, United States		
Rail Gourmet Group Limited	Holding company		SSP America BOS, LLC		60%
SSP Group Head Office			CT Corporation System, 155 Federal Street, Ste 700, Boston MA 02110, United States		
Rail Gourmet UK Holdings Limited	Holding and Management Services company		SSP America CID, LLC		90%
SSP Group Head Office			CT Corporation System, 400 E Court Ave, Des Moines IA 50309, United States		
Rail Gourmet UK Limited			SSP America CVG, LLC	Inactive company	
SSP Group Head Office			306 W Main Street, Suite 512, Frankfort KY 40601 United States		
Select Service Partner Limited	Agency company		SSP America DEN, LLC	Inactive company	
SSP Group Head Office			The Corporation Company, 1675 Broadway – Suite 1200, Denver CO 80202, United States		
Select Service Partner Retail Catering Limited	Inactive company		SSP America DFW, LLC		51%
SSP Group Head Office			CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		
Select Service Partner UK Limited			SSP America DFWI, LLC	Inactive company	90%
SSP Group Head Office			CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		
SSP Air Limited	Agency company		SSP America EWR, LLC		60%
SSP Group Head Office			Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		
SSP Asia Pacific Holdings Limited	Holding company		SSP America Gladco, Inc		
SSP Group Head Office			CT Corporation System, 600 N 2nd Street, Suite 401, Harrisburg, PA 17101-1071, United States		
SSP Bermuda Holdings Limited	Holding company		SSP America GSP, LLC	Inactive company	
SSP Group Head Office			2 Office Park Court, Suite 103, Columbia SC 29223, United States		
SSP Euro Holdings Limited	Holding company		SSP America HOU, LLC	Inactive company	
SSP Group Head Office			1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		
SSP Financing Limited	Holding and Treasury company		SSP America Houston, LLC	Inactive company	
SSP Group Head Office			CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		
SSP Financing No. 2 Limited	Financing company	³			
SSP Group Head Office					
SSP Financing UK Limited	Holding and Management Services company				
SSP Group Head Office					
SSP Group Holdings Limited	Holding company	⁴			
SSP Group Head Office					
SSP South America Holdings Limited	Holding company				
SSP Group Head Office					
Whistlestop Airports Limited	Inactive company				
SSP Group Head Office					
Whistlestop Foods Limited	Inactive company				
SSP Group Head Office					

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)	Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
SSP America IAH²⁰ CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States		70.7%	SSP America SAN, LLC 330 N Brand Blvd., Glendale, California, United States		70%
SSP America IAH ITRP, LLC 1999 Bryan St, Suite 900, Dallas, Texas 75201, United States	Inactive company		SSP America SAT, LLC 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201, United States	Inactive company	
SSP America, Inc. 330 N Brand Blvd., Glendale, California, United States			SSP America SEA, LLC CT Corporation System, 711 Capitol Way S, Ste 204, Olympia, WA 98501-1267, United States		51%
SSP America IND, LLC 150 West Market Street, Suite 800, Indianapolis, IN 46204, United States		70%	SSP America SEA II, LLC CT Corporation System, 711 Capitol Way S, Ste 204, Olympia, WA 98501-1267, United States	Inactive company	
SSP America JFK, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		82%	SSP America Services, Inc. 820 Bear Tavern Road, West Trenton NJ 08628, United States	Inactive company	
SSP America KCGI JFK T7, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		55%	SSP America SFO, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		65%
SSP America LGA, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801 United States		70%	SSP America SFO II, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States	Inactive company	
SSP America MCO, LLC CT Corporation System, 515 East Park Avenue, Tallahassee, FL 32301, United States		65%	SSP America SJC, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		55%
SSP America MCO II, LLC CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, United States	Inactive company		SSP America SLC, LLC 1108 East South Union Avenue, Midvale, UT 84047, United States		60%
SSP America MDW, LLC CT Corporation System, 208 SO Lasalle Street, Suite 814, Chicago, IL 60604, United States		51%	SSP America SMF, LLC 330 N Brand Blvd., Glendale, California, United States		60%
SSP America Milwaukee, LLC CT Corporation System 301 S. Bedford Street, Suite 1, Madison WI 53703, United States		61.5%	SSP America SNA, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States	Inactive company	
SSP America Minneapolis, LLC 6121 Excelsior Blvd., Suite 101B, St. Louis Park, MN 55416, United States	Inactive company	51%	SSP America Tampa, LLC CT Corporation System, 1200 S Pine Island Road, #250, Plantation FL 33324, United States		52%
SSP America MSN, LLC CT Corporation System 301 S. Bedford Street, Suite 1, Madison WI 53703, United States		90%	SSP America Texas, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		
SSP America MSP, LLC 1010 Dale Street N, St Paul, MN 55117-5603, United States		80%	SSP America Texas, Inc. CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201-3136, United States	Holding company	
SSP America MSY, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States	Inactive company		SSP America (USA), LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States	Holding company	³
SSP America OAK, LLC Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		65%	SSP D&B DFW, LLC 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201, United States		60%
SSP America OKC, LLC 1833 South Morgan Road, Oklahoma City, OK 73128, United States	Inactive company		SSP Four Peaks PHX, LLC CT Corporation System, 3800 N Central Avenue, Suite 460, Phoenix AZ 85012, United States		69.885% ¹⁹
SSP America PDX, LLC CT Corporation System, 780 Commercial Street SE, Suite 100, Salem OR 97301, United States		80%	SSP Hudson SAT, LLC 1999 Bryan Street, Suite 900, Dallas County, Dallas TX 75201, United States	Inactive company	
SSP America PHX, LLC 3800 N. Central Avenue, Suite 460, Phoenix, AZ 85012, United States		77.65%			
SSP America PHX T3, LLC 3800 N. Central Avenue, Suite 460, Phoenix, AZ 85012, United States		57.65%			
SSP America PIE, LLC CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, United States		80%			
SSP America PVD, LLC 450 Veterans Memorial Parkway, Suite 7A, East Providence RI 02914 United States	Inactive company				
SSP America RDU, LLC CT Corporation System, 160 Mine Lake Court, Suite 200, Raleigh NC 27615-6417, United States		62.8%			

43. Group companies continued
Part B – Associates

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
Belgium		
Railrest SA ⁶		49%
Rue De France 95, Be-1070 Brussels, Belgium		
Cyprus		
Cyprus Airports (F&B) Limited		29.988% ⁹
Larnaca International Airport, P.O.Box 43024 6650, Larnaca, Cyprus		
Denmark		
Motorvejscenterselskabet af 1990 A/S		50% ²
c/o Circle K Danmark A/S, Borgmester Christiansens Gade 50, 2450 København SV		
France		
Epigo SAS		50% ²
Continental Square I, Batiment Uranus, 3 place de Londres, Aeroport Paris-Charles de Gaulle, 93290, Tremblay-en-France, France		
Epigo Présidence Sarl	Management Services company	50% ²
Continental Square I, Batiment Uranus, 3 place de Londres, Aeroport Paris-Charles de Gaulle, 93290, Tremblay-en-France, France		
India		
FLFL Travel Retail Bhubaneswar Private Limited ⁵		21.609% ¹⁴
Knowledge House, Shyam Nagar, Off. JVL R. Jogeshwari (East), Mumbai, 400 060, India		
FLFL Travel Retail Guwahati Private Limited ⁵		21.609% ¹⁴
Knowledge House, Shyam Nagar, Off. JVL R. Jogeshwari (East), Mumbai, 400 060, India		
FLFL Travel Retail Lucknow Private Limited ⁵		21.609% ¹⁴
Knowledge House, Shyam Nagar, Off. JVL R. Jogeshwari (East), Mumbai, 400 060, India		
FLFL Travel Retail West Private Limited ⁵		21.609% ¹⁴
Knowledge House, Shyam Nagar, Off. JVL R. Jogeshwari (East), Mumbai, 400 060, India		
Muffin Design Solutions Private Limited	Design and architectural services	25%
No F-7 NVT Arcot Vaksanna Sarjapur, Attibelle Road, Sariapur, Bangalore, KA 562125, India		
Travel Food Works Private Limited		49% ²
Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		
Travel Retail Services Private Limited		44.1% ²¹³
Block A, South Wing, 1st floor, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018 India		
Qatar		
Qatar Airways SSP LLC ⁵		49%
Second Floor, Building No: 272, Street No. 310, Al-Matar St., Area No. 45, P.O Box: 47644, Doha		
United States of America		
Midway Partnership, LLC ⁶		50% ²¹⁸
CT Corporation System, 208 SO Lasalle Street, Suite 814, Chicago, IL 60604, United States		
SSP America BTR, LLC		51% ²
Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle DE 19801, United States		
SSP Hudson Pie Concessions, LLC		50% ²
Corporation Service Company, 1201 Hays Street, Tallahassee, FL 32301		

Part C – Other Investments

Name	Principal activity (catering and/or retail concessions unless otherwise stated)	Class and percentage of shares held (100% ordinary shares* unless otherwise stated)
KCorp Charitable Foundation ²²		N/A ²
Shop 1, Floor G, Rashid Mansion, Dr Annie Besant Road, Lotus Junction, Worli, MUMBAI Maharashtra 400018 India		

Notes

- * Ordinary shares includes references to equivalent in other jurisdictions.
- 1 SSP has control over the relevant activities of these entities including establishing budgets and operating plans, appointment of key management personnel and ongoing review of performance and reporting procedures, and as such meets the consolidation requirements of IFRS 10 'Consolidated Financial Statements'.
- 2 SSP does not have control as defined by IFRS 10 'Consolidated Financial Statements'.
- 3 Includes 100% of preference shares.
- 4 Holding held directly by the Company.
- 5 This undertaking has a 31 March year end.
- 6 These undertakings have a 31 December year end.
- 7 100% of the shares are held by Select Service Partner Co. Limited (Thailand).
- 8 50% of the shares are held by Select Service Partner Philippines Corporation.
- 9 49.98% of the shares are held by SSP Louis Airports Restaurants Limited.
- 10 100% of the shares are held by Travel Food Services Private Ltd.
- 11 60% of the shares are held by Travel Food Services Private Ltd.
- 12 49% of the shares are held by Travel Food Services Global Private Ltd.
- 13 90% of the shares are held by Travel Food Works Private Ltd.
- 14 49% of the shares are held by Travel Retail Services Private Ltd.
- 15 44.4% of the shares are held by Travel Food Services Private Ltd.
- 16 91% of the shares are held by the other shareholder as bare nominee.
- 17 100% of the shares are held by SSP America RDU, LLC.
- 18 50% of the Class A shares are held by SSP America, Inc.
- 19 90% of the shares are held by SSP America PHX, LLC.
- 20 The principal place of business of the unincorporated entities in the USA is 20408 Bashan Drive, Suite 300, Ashburn, VA 20147, USA.
- 21 2% of the shares are held by the other shareholder as bare nominee.
- 22 This company has no share capital but it has corporate members which include Travel Food Services Private Ltd, Travel Food Services Chennai Private Ltd, Travel Food Services Kolkata Private Ltd, Travel Food Services (Delhi) Private Ltd and Travel Retail Services Private Ltd.
- 23 50.1% of the ordinary shares and 100% of the preference shares are held by SSP Asia Pacific Holdings Limited and 49.9% of the ordinary shares are held by Travel Food Services Private Ltd.

Subsidiary undertakings exempt from audit

The following subsidiaries, all of which are incorporated in England and Wales, are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of that Act.

Company	Company Registration Number
Rail Gourmet Group Limited	06180162
SSP Asia Pacific Holdings Limited	06180177
SSP Bermuda Holdings Limited	11815274
SSP Euro Holdings Limited	08654008
SSP Financing No. 2 Limited	09113371
SSP Group Holdings Limited	05736092
SSP South America Holdings Limited	11508434

Company Information

Forward-looking statements

Certain information included in this Annual Report and Accounts is forward looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements.

Forward-looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans, expected expenditures and divestments, risks associated with changes in economic conditions, the strength of the food and support services markets in the jurisdictions in which the Group operates, fluctuations in food and other product costs and prices and changes in exchange and interest rates. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as 'believes', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'plans', 'projects', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements in this Annual Report and Accounts are not guarantees of future performance. All forward-looking statements in this Annual Report and Accounts are based upon information known to the Company on the date of this Annual Report and Accounts. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements, which speak only at their respective dates.

Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Nothing in this Annual Report and Accounts shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

SSP Group plc

Jamestown Wharf
32 Jamestown Road
London
NW1 7HW

+44 20 7543 3300
www.foodtravelexperts.com

Company number: 5735966

Investor relations

+44 20 3714 5251
investor.relations@ssp-intl.com

Media relations

press.office@ssp-intl.com

Recruitment

www.foodtravelexperts.com/international/careers/



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SSP Group plc

Jamestown Wharf
32 Jamestown Road
London
NW1 7HW

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