

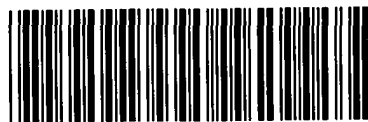
SSP Financing No. 2 Limited

Annual report and financial statements

Registered number 09113371

30 September 2019

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Company information

Directors

R Chaplin
M E Collins
J O Davies
R A Worrell

Company Secretary

H Byrne

Registered Office

Jamestown Wharf
32 Jamestown Road
London
NW1 7HW
United Kingdom

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

Strategic report

Principal activities and operations

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

The functional currency of the Company is Sterling.

The Company operates as a financing company for the Group. It has currency loans to various subsidiaries of SSP Group plc, which are based in different territories. It has also issued preference shares in multiple currencies to SSP Financing Limited, its immediate parent company.

Business review

On 14 December 2018, 9 million preference shares of CAD0.01 each, 100 million preference shares of SEK0.01 each and 150 million preference shares of NOK0.01 each were redeemed for CAD9 million, SEK100 million and NOK150 million respectively, and 50 million preference shares of USD0.01 each were issued to SSP Financing Limited for a total consideration of USD50 million.

The currency loans (amounts due to the Company) were all pre-paid on 14 December 2018, and new currency loans were advanced to various subsidiaries of SSP Group plc.

The Company made a profit in the year of £4.3 million (2018: £3.6 million) which includes net interest income of £5.2 million (2018: £4.5 million).

Principal risks and uncertainties

The Company is part of the SSP Group. The directors of SSP Group plc manage the Group's overall risk management strategy at a Group level, rather than on an individual company level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of this company. The principal risks and uncertainties of SSP Group plc, which include those of the Company, are included in the strategic report section on pages 17 to 24, and in note 24 to the consolidated financial statements on pages 112 to 116, of the Group's annual report and accounts which do not form part of this report. The annual report and accounts of SSP Group plc are available to the public and may be obtained via the Investors section of the SSP website: www.foodtravelexperts.com. The directors of the Company have, however, reviewed the risks that may restrict or seriously impact the ability of the Company to carry on its activities. The key risks affecting the Company are as follows:

Currency risk

Although the functional currency of the Company is Sterling, the Company's loan note receivables and interest income are denominated in a number of non-Sterling currencies. In order to minimise exchange rate risk on the loan note receivables, the Company has obtained funds in the same currencies by issuing currency preference shares and has treated this as a natural hedge.

Liquidity risk

In order to be able to redeem its preference shares if required to do so by the holder of the shares, the Company can request repayment of its loan note receivables.

Strategic report *(continued)*

Key Performance Indicators

The Group's directors manage the Group's operations on a consolidated basis using key performance indicators. For this reason, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company's business. The key performance indicators of SSP Group plc are set out on pages 15 to 16 of the Group's annual report which does not form part of this report. The annual report and accounts of SSP Group plc are available to the public and may be obtained via the Investors section of the SSP website: www.foodtravelexperts.com.

By order of the board



Russell Chaplin
Director

18 August 2020

Directors' report

Directors

The directors, who held office during the year, and at the date of this report, were as follows:

R Chaplin
M E Collins
J O Davies
C M Wright (resigned 1 November 2019)
R A Worrell (appointed 1 November 2019)

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Employees

The Company did not employ any members of staff during the year (2018: none). All accounting transactions were processed by employees of SSP Group plc.

Dividend payment

The directors recommend the payment of an ordinary dividend of £4,303,787. In 2019, they recommended a dividend of £3,588,323 which was paid out in the current financial year.

Political and charitable contributions

The Company made no political or charitable contributions during the year (2018: £nil).

Disclosure of information to auditor

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

Going concern

The Company is a wholly-owned subsidiary undertaking of SSP Group plc (the parent company of the SSP Group). It acts as a financing company to other group subsidiaries.

Despite the outbreak of the Covid-19 pandemic and the ensuing impact on the travel markets in which the SSP Group operates, the directors are satisfied that the Company's debtors can continue as going concerns due to the financial support available to them from the Company's immediate parent company, SSP Financing Limited.

However, the ability of SSP Financing Limited to continue to provide this support is dependent on the ability of its ultimate parent company, SSP Group plc, and the wider SSP Group to continue as a going concern as, under a severe but plausible downside scenario, there is a risk that the Group will breach its financial covenants at 30 September 2021 unless a waiver of the covenants is agreed with the lenders

The directors of SSP Group plc prepared cash flow forecasts for a period of 16 months from the date of approval of the interim results, being 3 June. These forecasts assume an almost total shutdown of the SSP Group's travel markets for the whole of the second half of the 2020 financial year. The projections then assume a progressive recovery in those travel markets and therefore the Group's sales during the 2021 financial year. The SSP Group has raised additional funds, both through an equity issue by SSP Group plc and through access to the Covid Corporate Financing Facility operated by HM Treasury and the Bank of England. In addition, the Group has secured an agreement from its lending banks and its US private placement noteholders to waive existing financial covenants for the next two testing periods covering the twelve months to 30 September 2020 and 31 March 2021, with these covenants to be replaced between now and 30 September 2021 by two new covenant tests (requiring a minimum level of liquidity and a maximum level of net debt) which the directors of SSP Group plc are confident can be met. Accordingly, the directors of SSP Group plc are confident that they have adequate liquidity and covenant head room to ensure that the SSP Group can meet its liabilities as they fall due for the foreseeable future. The directors of SSP Group plc therefore adopted the going concern basis of preparation for the condensed consolidated half yearly financial statements for the period ended 31 March 2020, issued on 3 June 2020.

Directors' report (*Continued*)

Going concern (*continued*)

In adopting the going concern basis of preparation, the directors of SSP Group plc also took account of the fact that there is likely to be continued disruption to travel markets during 2021, and as a consequence it is difficult to predict with confidence the overall impact of Covid-19 on the Group's profitability in the 2021 financial year at this stage. Given this level of uncertainty over the duration and severity of any disruption, there are scenarios in which the Group could breach its interest cover and leverage covenants at the end of September 2021 when these tests are reinstated.

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

Auditor

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

By order of the board



Russell Chaplin
Director

18 August 2020

Registered Office:
Jamestown Wharf
32 Jamestown Road
London
NW1 7HW
United Kingdom

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of SSP Financing No. 2 Limited

Opinion

We have audited the financial statements of SSP Financing No. 2 Limited ("the company") for the year ended 30 September 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that the ability of the company to continue as a going concern is dependent on the wider SSP Group's ability to continue as a going concern and that under a severe but plausible scenario there is a risk of the group breaching its financial covenants as at 30 September 2021. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Brexit other matter

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Independent auditor's report to the members of SSP Financing No. 2 Limited

(continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

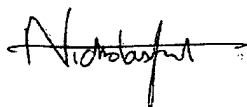
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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



Nicholas Frost (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square,
London, E14 5GL,
United Kingdom

18 August 2020

Profit and loss account

For the year ended 30 September 2019

	<i>Note</i>	2019 £	2018 £
Operating profit	2	-	-
Interest receivable	4	5,236,800	4,462,117
Interest payable	5	-	-
Foreign exchange gain/(loss)		76,519	(32,088)
Profit on ordinary activities before tax		5,313,319	4,430,029
Tax on profit on ordinary activities	6	(1,009,532)	(841,706)
Profit for the year		4,303,787	3,588,323

Statement of comprehensive income

For the year ended 30 September 2019

	2019 £	2018 £
Profit for the financial year	4,303,787	3,588,323
Total comprehensive income for the year	4,303,787	3,588,323

The accompanying notes on pages 11 to 15 are an integral part of the financial statements.

Balance sheet

At 30 September 2019

	<i>Note</i>	2019 £	2018 £
Current assets			
Debtors: amounts due within one year	7	151,169,205	148,414,533
Current liabilities			
Creditors falling due within one year	8	(133,865,418)	(131,826,210)
Net current assets		17,303,787	16,588,323
Total net assets		17,303,787	16,588,323
Capital and reserves			
Called up share capital	9	130,000	130,000
Share premium account	10	12,870,000	12,870,000
Profit and loss account	10	4,303,787	3,588,323
Equity shareholders' funds		17,303,787	16,588,323

The accompanying notes on pages 11 to 15 are an integral part of the financial statements.

These financial statements were approved by the board of directors on 18 August 2020 and were signed on its behalf by:



Russell Chaplin

Director

Company registered number: 09113371

Statement of changes in equity

At 30 September 2019

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 October 2017	130,000	12,870,000	3,488,230	16,488,230
Profit for the year	-	-	3,588,323	3,588,323
Dividends paid	-	-	(3,488,230)	(3,488,230)
At 30 September 2018	130,000	12,870,000	3,588,323	16,588,323
Profit for the year	-	-	4,303,787	4,303,787
Dividends paid	-	-	(3,588,323)	(3,588,323)
At 30 September 2019	130,000	12,870,000	4,303,787	17,303,787

The accompanying notes on pages 11 to 15 are an integral part of the financial statements.

Notes to the financial statements

1 Accounting policies

SSP Financing No. 2 Limited (the “Company”) is a company incorporated and domiciled in the UK. The Company’s functional currency is Sterling.

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

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2017 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006.

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

- the cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management; and
- the effects of new but not yet adopted IFRSs;

Going concern

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

The directors have prepared a going concern assessment for the Company for a period 14 months from the date of approval of these financial statements, which indicate that, taking account of reasonably possible downsides and the anticipated impact of the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

However, the ability of SSP Financing No. 2 Limited to continue as a going concern is dependent on the ability of its ultimate parent company, SSP Group plc, and the wider SSP Group to continue as a going concern as, under a severe but plausible downside scenario there is a risk that the Group will breach its financial covenants at 30 September 2021 unless a waiver of the covenants is agreed with the lenders.

The directors of SSP Group plc prepared cash flow forecasts for a period of 16 months from the date of approval of the interim results, being 3 June 2020. These forecasts assume an almost total shutdown of the SSP Group’s travel markets for the whole of the second half of the 2020 financial year. The projections then assume a progressive recovery in those travel markets and therefore the Group’s sales during the 2021 financial year. The SSP Group has raised additional funds, both through an equity issue by SSP Group plc and through access to the Covid Corporate Financing Facility operated by HM Treasury and the Bank of England, and has secured an agreement from the Group’s lending banks and its US private placement noteholders to waive existing financial covenants for the next two testing periods covering the twelve months to 30 September 2020 and 31 March 2021, with these covenants to be replaced up to 30 September 2021 by two new covenant tests (requiring a minimum level of liquidity and a maximum level of net debt for the SSP Group) which the directors of SSP Group plc are confident can be met, and accordingly the directors of SSP Group plc are confident that they have adequate liquidity and covenant head room to ensure that the SSP Group can meet its liabilities as they fall due for the foreseeable future.

Notes to the financial statements (*Continued*)

1 Accounting policies (*continued*)

Going concern (continued)

The directors also prepared a severe but plausible downside scenario which took account of the fact that there is likely to be continued disruption to travel markets during 2021, and as a consequence it is difficult to predict with confidence the overall impact of Covid-19 on the Group's profitability in the 2021 financial year at this stage. Given this level of uncertainty over the duration and severity of any disruption, there are scenarios in which the SSP Group could breach its interest cover and leverage covenants at the end of September 2021 when these tests are reinstated. Following the SSP Group's recent successful negotiations with its lenders to obtain covenant waivers for the 30 September 2020 and 31 March 2021 testing periods, the directors of SSP Group plc are confident that the Group will be able to obtain such a waiver for the 30 September 2021 testing period should the need arise, or take alternative mitigating action by that date.

Nevertheless, the possibility of a covenant breach at the end of September 2021 cannot be discounted, and as such represents a material uncertainty that may cast significant doubt on the ability of SSP Group plc and the Group to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business

Based on these indications the directors of SSP Financing No. 2 Limited believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Foreign currencies

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

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Taxation

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

Current tax 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. 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.

2 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
<i>Auditor's remuneration:</i>		
Audit of these financial statements	<u>-</u>	<u>-</u>

The auditor's remuneration of £2,000 (2018: £2,000) was borne by the Company's ultimate parent company, SSP Group plc.

3 Remuneration of directors and employees

The directors of the Company provide qualifying services to the SSP Group and a number of its subsidiaries. The directors' emoluments in respect of qualifying services to the Company have not been disclosed in these accounts as they are considered immaterial. The directors' emoluments were borne by the Company's ultimate parent company, SSP Group plc, and by a fellow subsidiary, Select Service Partner UK Limited. The Company does not employ any staff.

4 Interest receivable

	2019 £	2018 £
Interest receivable from group undertakings	<u>5,236,800</u>	<u>4,462,117</u>

5 Interest payable

	2019 £	2018 £
Interest payable - other	<u>-</u>	<u>-</u>

Notes to the financial statements *(continued)*

6 Taxation

	2019 £	2018 £
<i>Current tax charge</i>		
Current year	(1,009,532)	(841,706)
Total tax charge	(1,009,532)	(841,706)

Reconciliation of effective tax rate

The tax expense for the year is the same as the standard rate of corporation tax applicable in the UK of 19.0% (2018: 19.0%) applied to the profit (2018: profit) on ordinary activities before tax for the year. The reason for this is explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	5,313,319	4,430,029
Tax charge using the corporation tax rate of 19.0% (2018: 19.0%)	(1,009,532)	(841,706)
<i>Effects of:</i>		
Foreign taxation	(4,015)	(19,405)
Double taxation relief	4,015	19,405
Total tax charge	(1,009,532)	(841,706)

Under existing legislation, the main rate of corporation tax in the UK will remain at 19% until 31 March 2022.

7 Debtors: amounts due within one year

	2019 £	2018 £
Amounts owed by group undertakings (principal)	133,865,418	131,826,210
Amounts owed by immediate parent company	13,089,914	16,417,359
Amounts owed by group undertakings (accrued interest net of withholding tax)	4,213,873	170,964
	151,169,205	148,414,533

The amounts owed by group undertakings comprise loan notes and associated accrued interest. The loan notes are redeemable at the request of the Company at any time, and unless previously redeemed must be repaid on 15 December 2021 (2018: 15 December 2018). The loan notes outstanding at the beginning of the year were all pre-paid on 14 December 2018, at which time new loan notes were acquired.

Notes to the financial statements (continued)

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Preference shares issued to immediate parent company	<u>(133,865,418)</u>	<u>(131,826,210)</u>

The preference shares are redeemable at the request of the shareholder, SSP Financing Limited, at any time. Further details are provided in note 9.

9 Called up share capital

	2019 £	2018 £
<i>Issued, called up and fully paid</i>		
13,000,001 ordinary shares of £0.01	<u>130,000</u>	<u>130,000</u>

The allotted, called up and fully paid preference shares have been issued to the Company's immediate parent company, SSP Financing Limited. These shares do not carry voting rights and are redeemable at the option of the shareholder. The preference shares have been classified as liabilities.

On 14 December 2018, 9 million preference shares of CAD0.01 each, 100 million preference shares of SEK0.01 each and 150 million preference shares of NOK0.01 each were redeemed for CAD9 million, SEK100 million and NOK150 million respectively, and 50 million preference shares of USD0.01 each were issued to SSP Financing Limited for a total consideration of USD50 million.

	2019			
	Number of shares	Nominal value	Premium on redemption	Redemption value
USD preference shares	90,000,000	USD 0.01	USD 0.99	USD 90,000,000
SEK preference shares	300,000,000	SEK 0.01	SEK 0.99	SEK 300,000,000
NOK preference shares	400,000,000	NOK 0.01	NOK 0.99	NOK 400,000,000

10 Share premium and reserves

	Share premium account £	Profit and loss account £
At beginning of the year	12,870,000	3,588,323
Profit for the year	-	4,303,787
Dividends paid	-	(3,588,323)
At end of the year	<u>12,870,000</u>	<u>4,303,787</u>

Notes to the financial statements *(continued)*

11 Dividends

The aggregate amount of dividends proposed subsequent to the year end and therefore not recognised as liabilities as at the year-end is £4,303,787 (2018: £3,588,323).

12 Parent undertaking and ultimate controlling party

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

SSP Group plc is the Company's ultimate parent undertaking and controlling party, and it is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and in respect of which the Company is a member.

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

13 Post balance sheet event

Coronavirus

The Company acts as a financing company, making loans to other companies in the SSP Group.

There has been a significant impact of the Covid-19 pandemic, since the spread of the virus in the first quarter of the calendar year 2020, on the business of the overall SSP Group, with the effective shut down of the global travel market. However the Group took rapid and decisive action to preserve liquidity, effectively hibernating the business, and raising additional funding which, it believes, will put the Group in a strong position to manage through this crisis.

SSP Group plc raised over £209m (net of fees) through an issue of new share capital at the end of March 2020, and SSP Financing Limited has secured waivers from the covenant tests in its existing loan facilities (replaced by new covenants which the Group feels confident can be met), and is now participating in the Covid Corporate Financing Facility established by HM Treasury and the Bank of England (a facility to support liquidity amongst larger companies), that in aggregate are expected to secure sufficient liquidity for the SSP Group to take it through this global crisis.

Although the final repercussions of the pandemic are unknown at present, the condensed consolidated financial statements in the half-yearly financial report of SSP Group plc reported a material uncertainty in relation to going concern for the reasons set out in note 1. There is an uncertainty over the ability of the Company to recover receivables balances owed by Group companies, but the financial statements do not include any adjustment for this.