Company Registration No. 05687183 (England and Wales)

SELECT SERVICE PARTNER UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 SEPTEMBER 2023

SELECT SERVICE PARTNER UK LIMITED

COMPANY INFORMATION

Directors	M E Collins K Daniels J O Davies R Geling
Secretary	F Scattergood
Company number	05687183
Registered office	Jamestown Wharf 32 Jamestown Road London NW1 7HW
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Natwest Bank Plc 250 Bishopgate London EC2M 4AA

SELECT SERVICE PARTNER UK LIMITED

CONTENTS

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STRATEGIC REPORT

FOR THE PERIOD ENDED 27 SEPTEMBER 2023

The directors present the strategic report and financial statements for the 52-week period ended 27 September 2023.

Principal activities and operations

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

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

Business Review
The business review describes the main trends and factors underlying the performance of the Company during the 52-weeks ended 27 September 2023, as well as those factors affecting its future development.

The net asset position at period end was £446.5m (2022: £403.6m) The key contributors to the growth of net assets has been a return to profitability post Covid-19 restrictions.

Businesses and segments
Approximately 55% (2022: 57%) of the Company's sales were generated from concessions at railway stations, 41% (2022: 36%) from concessions at airports with the balance being generated from sales at shopping centres, leisure parks and hospitals. These sales derive principally from one activity, being the operation of catering and retail travel concession businesses within the UK.

The Company tests assets for impairment when impairment triggers are identified. The business faced headwinds in the form of cost inflation and rising interest rates. There were also several rail strikes which impacted the performance in the rail sector. An assessment of the impairment indicators was carried out, it was determined that there was no significant impact on the recoverability of any assets hence no impairment to either property, plant and equipment (2022: £2.8m) or right-of-use assets (2022: £5.4m). However, impairment reversals of £0.37m (2022: £1.4m) in property, plant and equipment and £2.25m (2022: £2.8m) in right-of-use assets were recognised.

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

The Company is part of the UK and Ireland division of SSP Group. The directors of SSP Group plc manage the Group's overall risk management strategy at a Group level, rather than on an individual company level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the 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 62 to 67 of SSP Group plc's 2022 annual report and accounts which do not form part of this report. The annual report and accounts of SSP Group plc are available to the public and may be obtained via the Investors section of the SSP website: www.foodtravelexperts.com. The directors of the Company have, however, reviewed the risks that may restrict or seriously impact the ability of the Company to carry on its activities.

The key risks affecting the Company are as follows:

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

Geopolitical instability and cost inflation
The Ukraine war has been a primary driver of significant utility price inflation. This together with the increase in labour, raw material and other operational costs continue to put pressure on margins. The higher cost of living is also adversely impacting purchasing power of the general population. Price increases to offset the impact of cost inflation may cause a decline in penetration of markets SSP operate in.

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

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

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

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

Key performance indicators	**2023**	**2022**
	£'000	**£'000**
Sales	**672,151**	**543,287**
Sales growth/(decline)	**23.7%**	**241.7%**
Same store like-for-like sales growth	**21.1%**	**95.8%**
EBITDA	**93,509**	**57,631**
Operating profit/(loss)	**47,789**	**16,870**
Operating profit margin	**7.1%**	**3.1%**
Capital expenditure on fixed assets	**46,924**	**20,284**

Revenue
Revenue of £672.1m represented an increase of 23.7% compared to 2022 and a recovery to c. 93% of 2019 levels. During the first half year, sales recovered to c. 85% of 2019 levels, reflecting an ongoing recovery in both leisure and commuter travel, despite the impact of regular strike action impacting the rail business. In the second half, underlying UK trading in both the air and rail channels continued to strengthen, with revenues averaging over c. 97% of 2019 levels, despite the rail sector continuing to be impacted by ongoing industrial action. Since our year-end trading in the UK has continued to strengthen, with sales currently running at c. 19% higher than those of 2023 levels.

Operating profit/(loss)

The operating profit was £47.8m for the period (2022: £16.9m). Despite the continued inflationary pressures and impact of rail strikes, the operating margin improved to 7.1% (2022: 3.1%) driven by efficient labour and overhead cost management and implementation of our value creation plan.

Capital expenditure

The capital expenditure during the period at c. £47m was the highest it has ever been for the entity with significant investment in both current units as well as mobilisation of new contracts. We have also made a significant investment in back-office locations and energy efficiency programmes. Going forward, we have a strong pipeline of new contracts which will be mobilised during 2024 as well as a programme of investment in existing units, resulting in even higher capital expenditure than in the current financial period.

Objectives and strategy

Our purpose is to be the best part of the journey, and our strategy centres on creating long term sustainable value for all our stakeholders. In FY23, the focus has been on continued sales and profit recovery, further enhancing our customer proposition and investment in our estate to create value and unlock efficiencies. In the new financial period, we will continue to build on our achievements from FY23 with a focus on accelerating profitable growth. The pillars of our strategy and key elements within each are:

Long-term growth and returns
- Value creation and sales focus
- The Refresh programme
- Portfolio development

During the period we enhanced our portfolio with exciting new openings including the Brigg & Stow at Bristol Airport and Breakfast Club at Gatwick Airport. We have also made a significant investment in new equipment in our estate under the Refresh programme covering coffee machines, ovens, lifts, dishwashers and back of house upgrades. These initiatives are value creation efficiency drivers, helping to reduce overheads whilst driving our sustainability agenda. In FY24, we will continue to focus on retention, agreeing new long-term deals and enhancing our brand portfolio. We will continue to invest in our estate with 27 projects in Air and 77 projects in Rail planned for FY24.

Skilled and engaged colleagues
- Digital colleague solutions
- Build our capability
- Engagement and inclusion

Various initiatives were rolled out during the period to support our attraction and aid retention including the launch of Success Factors, a comprehensive people management tool. We continued to build on training and development initiatives with focus on cross departmental experience sharing, coaching programmes and diversity and inclusion. In FY24, among other initiatives, we will further enhance benefits for our colleagues with launch of our new health and well being app offering nutritional consultations, remote GP appointments and virtual training sessions.

Leading customer proposition
- Refresh our own brands
- Digital, customer and analytical solutions
- Operational excellence

PowerBI is being used extensively at unit level allowing better and timely access to data resulting in improved decision making. There has also been increased focus on customer feedback with the use of reputation.com – we have consistently seen over 10,000 reviews per month. This has helped with sentiment analysis to determine key success factors as well as recognise colleagues who have gone above and beyond from a service perspective. We also refreshed the AMT brand during the year focussing on key aspects which has have made the brand iconic over the years. During the year we began converting our Pumpkin stores into Café Local, with a new offer, brand and customer proposition. FY24 will see the rollout of the Workforce Management programme which will help to enhance our operational planning and create greater alignment with sales trends. There will be greater focus on unlocking the growth potential of Millie's brand as well as evolving the Upper Crust brand by leveraging customer insights with a focus on its USP of freshness. Refreshing our M&S, Burger King and Starbucks units with refurbishments will continue in the new financial period. We have made a significant investment in new tills which will be rolled out across our estate in FY24, helping to support our front-line staff whilst enhancing customer service.

<u>Sustainability</u>

- Serving our customers
- Protecting our environment
- Supporting our colleagues and communities

During the period we have focussed on initiatives to increase healthier and sustainable choices for our customers, sustainably sourcing our products and reducing food waste through our partnership with Too Good to Go. As a part of the 'Invest to save' programme, we made a significant investment in replacing aged equipment which will help to minimise energy consumption, maintenance expenditure and operational inefficiencies whilst helping to protect the environment. Among other initiatives, we have made progress on our DE&I agenda with the launch of our iVibe multi-cultural network. The Company supports its charity partner, the SSP Foundation, who this year have donated £431,000 toc. 150 charities including MacMillan cancer support and FareShare. Going forward, we will continue to build on these initiatives and introduce new ones with a focus on making SSP feel more inclusive for our staff and achieving our sustainability targets.

Section 172 Statement

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

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

implementing such Group Board led decisions in the respect of the Company. In particular, considering the need to maintain a reputation for high standards of business conduct and the likely consequences of decisions in the long term by ensuring effective and appropriate adoption of the Group strategy, policies, and procedures.

The Company is a wholly owned subsidiary of SSP Group plc, which is listed on the London Stock Exchange and subject to the 2018 UK Corporate Governance Code. The SSP Group plc section 172(1) statement can be found on page 42 of its annual report and accounts for the period ended 30 September 2022.

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

Section 172 statement (continued)

The directors of the Company confirm that they considered their duties under section 172 of the Companies Act when discharging their section 172 duties.

An example of how the directors have had regard to the matters set out in section 172(1)(a)-(f) when discharging their section 172 duties during the year is in the consideration and approval of the Company's Modern Slavery Statement. .

Protecting human rights is a key priority in the Group's Sustainability Strategy In considering the Modern Slavery Statement, the Directors had regard to the short and long-term consequences of failing to prevent modern slavery on the business, including its reputation for high business standards and the potential impact on the communities in which we operate. The Directors also considered the how our Modern Slavery statement and the controls, policies and practices the Company has in place to prevent modern slavery could foster relationships with, and support the interests of, our stakeholders. For example:

Colleagues – by having robust controls in place, training our colleagues to identify signs of modern slavery, and encouraging them to report any concerns, we protect our colleagues from exploitation and foster a supportive and ethical culture built on integrity.

Suppliers – engaging with our suppliers to ensure compliance with our ethical standards and providing constructive feedback or identifying areas for improvement in their practices and policies, fosters better relationships based on trust, transparency and shared values.

Regulators – continually evolving and developing our modern slavery statement and setting measurable KPIs for progress, ensures we not only comply with our obligations to prevent modern slavery but meet the government's expectation for our statement to demonstrate progress and improvements year-on-year.

On behalf of the board

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R Geling
Director

14 December 2023

The directors present their annual report and financial statements for the 52-week period ended 27 September 2023.

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

The directors do not propose the payment of a final dividend (2022: £nil).

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

N S Campbell (resigned 7 October 2022)
K Daniels (appointed 23 January 2023)
M E Collins
J O Davies
R Geling
R Lewis (resigned 14 January 2023)

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

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

Employees
The Company recognises that its principal asset is its employees and their commitment to the Company's service standards and customers.

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

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

Business relationships
Details of the Company's business relationships are included in the Section 172 Statement on page 4 and corporate governance on page 8.

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

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

Climate related disclosures
As the consolidated financial statements of SSP Group plc include the equivalent disclosures, pages 54-57 of the 2022 annual report, the company has applied an exemption for such disclosures in these accounts.

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

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

Company law requires the directors to prepare financial statements for each financial period. 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.

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.

Corporate governance arrangements

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

During the prior period the Company adopted the 'SSP Subsidiary Governance Code' (the Subsidiary Code), which defines the specific governance arrangements adopted by the Company. The principles of the Subsidiary Code, and how the Company has applied them during the financial period ended 27 September 2023, are detailed below.

Principle		**Application in 2023**
Purpose and Leadership	The board should promote the purpose of the Company, and ensure that its values, strategy and culture align with that of SSP Group plc.	In accordance with their duties as directors of the Company, during the period the directors continued to promote the purpose of the Company, and ensured that its strategy supports, and its values and culture are aligned to, those of the SSP Group.
Board Composition	The board should be chaired effectively and should have a balance of skills, backgrounds, experience and knowledge. Individual directors should have sufficient capacity to make a valuable contribution.	The Board is formed of senior management across both the Group and UK teams. Together, the directors have the right balance of skills, backgrounds, experience and knowledge to lead the Company in fulfilling its purpose.
Director Responsibilities	The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's procedures should support effective decision-making and independent challenge.	The directors have a clear understanding of their accountability and responsibilities Board procedures were supported by the SSP Group Secretariat.
Opportunity And Risk	The board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value. The board should adhere to SSP Group plc's internal policies for the identification and mitigation of risks and should review and consider reports from the UK Risk Committee.	Throughout the period, the Board sought opportunities to create and preserve value. The Board adhered to SSP Group's internal policies for the identification and mitigation of risks throughout the period.
Remuneration	The board should ensure that executive remuneration structures align to the remuneration policies of SSP Group plc, it being noted that such polices shall be set by the SSP Group plc Remuneration Committee, which in turn has responsibility for reviewing remuneration across the Group.	All directors of the Company were paid in-line with SSP Group remuneration policies. The SSP Group plc Remuneration Committee were responsible for reviewing remuneration across the Group during the period.
Stakeholder Relationships and Engagement	The board should encourage the Company to foster effective stakeholder relationships aligned to the purpose of the company and the purpose of SSP Group plc. The board is responsible for having regard to the views of stakeholders, including the workforce, when taking decisions.	During the period, the directors ensured the Company fostered effective stakeholder relationships aligned to the purpose of both the Company and SSP Group.

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

The Group is committed to engaging with its different stakeholder groups, so that they can better understand our business, and we, in turn, can understand what is important to them and can then take their views and expectations into account when taking business decisions. Last year, the Group undertook a detailed review of our stakeholders and the effectiveness of our engagement mechanisms which included identifying the most material issues for each stakeholder group to help ensure we keep pace with emerging expectations. More information can be found in pages 42 to 51 of SSP Group plc's annual report and accounts for the period ended 30 September 2022. The Company also engages with a wide range of our stakeholders at local level. The below is a summary of our key stakeholder groups and how we have engaged with them throughout the period.

Our colleagues - the Board and management regularly receives updates from the Human Resources function on employee engagement. The Company held periodic town hall meetings, conferences, and team briefings and we also engage with employees through the group's European Works Council. Our annual employee survey also allows the Company to better understand the views of colleagues.

Our customers – we receive feedback from customers in a number of ways, including through our customer care line and online review sites as well as customer surveys and direct engagement and dialogue with customers by our colleagues. The Company also considers insights gained from our digital customer listening solution, 'Reputation'.

Our clients – we maintain regular contact with our clients to develop, maintain and optimise our offer and performance in line with their expectations. This includes both formal reviews and ongoing dialogue as part of our day-to-day business. We continued to strengthen our client relationships, responding to client feedback and expectations. For example, during the year the SSP Group sustainability team met with key clients in to discuss shared sustainability goals and opportunities for collaboration.

Our brand partners and suppliers – We maintain close relationships with our brand partners and suppliers to ensure we are preserving our brand partners' standards and identity whilst also ensuring an efficient and secure supply chain. We hold regular meetings and maintain an open dialogue with our brand partners and suppliers, through regular formal and informal meetings and correspondence.

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

Our communities and NGOs – we are committed to making the communities in which we work a better place to live and do business. The SSP Foundation, a UK registered charity, supports this aim including by making donations to charities nominated by the Company's employees. We also maintain continuous formal and informal correspondence with various non-governmental organisations who provide guidance on key areas of our sustainability strategy.

Government and regulators – we participate in consultations, submissions and government reviews where relevant, as well as complying with statutory reporting and data submission requirements, such as our gender pay gap report, payment reporting and modern slavery statement.

On behalf of the board

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R Geling
Director
14 December 2023

Registered address
Jamestown Wharf, 32 Jamestown Road,
London, NW1 7HW

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SELECT SERVICE PARTNER UK LIMITED

Opinion

We have audited the financial statements of Select Service Partner UK Limited ("the Company") for the period ended 27 September 2023 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 September 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

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

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

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

We did not identify any additional fraud risks.

We also performed procedures including:

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

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

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

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

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

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

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Emily Sills

Emily Sills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL
United Kingdom

14 December 2023

SELECT SERVICE PARTNER UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 27 SEPTEMBER 2023

	Notes	2023 £000	2022 £000
Turnover	**2**	672,151	543,287
Cost of sales		(546,673)	(455,724)
Impairment	**12/13**	2,619	(4,063)
Gross profit		128,097	83,500
Administrative expenses		(80,308)	(66,735)
Other operating income	**4**	-	105
Operating profit	**3**	47,789	16,870
Interest receivable from group undertakings	**7**	9,929	1,743
Other interest receivable and similar income	**7**	13	193
Interest payable and similar charges	**8**	(9,527)	(4,456)
Profit before taxation		48,204	14,350
Tax	**9**	(6,074)	(2,831)
Profit for the financial period	**23**	42,130	11,519

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

The accompanying notes form part of these financial statements.

SELECT SERVICE PARTNER UK LIMITED

BALANCE SHEET

AS AT 27 SEPTEMBER 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Intangible assets - goodwill	11	133,582	132,883
Other intangible assets	11	1,044	790
Tangible fixed assets	12	90,812	57,641
Right-of-use assets	13	122,904	96,638
		348,342	287,952
Current assets			
Deferred tax	18	15,479	21,127
Inventory	14	8,478	7,362
Debtors	15	373,186	344,533
Cash at bank and in hand		-	-
		397,143	373,022
Creditors: amounts falling due within one year			
Creditors	16	149,470	131,685
Lease liabilities	17	34,046	28,027
		183,516	159,712
Net current assets		213,637	213,310
Total assets less current liabilities		561,969	501,262
Creditors: amounts falling due after more than one year			
Lease liabilities	17	102,668	84,565
Provisions for liabilities			
Other provisions	19	12,813	13,111
Net assets		446,488	403,586

SELECT SERVICE PARTNER UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 27 SEPTEMBER 2023

	Notes	2023 £000	2022 £000
Capital and reserves			
Called up share capital	21	10,100	10,100
Share premium account	22	328,473	328,473
Profit and loss account	23	107,915	65,013
Equity shareholders' funds		446,488	403,586

The financial statements were approved by the board of directors on 14 December 2023 and are signed on its behalf by:

....

R Geling

Director

Company Registration No. 05687183

The accompanying notes form part of these financial statements.

SELECT SERVICE PARTNER UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 27 SEPTEMBER 2023

	Notes	Share capital £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 29 September 2021		10,100	328,473	52,908	391,481
Period ended 28 September 2022:					
Loss and total comprehensive loss for the period		-	-	11,519	11,519
Credit to equity for equity settled share-based payments		-	-	586	586
Tax on share-based payment transactions		-	-	-	-
Balance at 28 September 2022		10,100	328,473	65,013	403,586
Period ended 27 September 2023:					
Profit and total comprehensive income for the period		-	-	42,130	42,130
Credit to equity for equity settled share-based payments		-	-	772	772
Tax on share-based payment transactions		-	-	-	-
Balance at 27 September 2023		10,100	328,473	107,915	446,488

The accompanying notes form part of these financial statements.

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

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

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

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

Accounting judgement and estimates

Impairment of assets in CGUs

The Company is required to test the assets (both tangible fixed assets and right-of-use assets) within a cash-generating unit (CGU) for impairment annually if there is a trigger for impairment. The business faced headwinds in the form of cost inflation and rising interest rates. There were also several rail strikes which impacted the performance in the rail sector. The recoverable amount of a CGU is determined from value in use calculations. The key assumptions for these calculations are cash flow forecasts. The cash flow forecast period is based on length of the lease term of contracts held within a site. The values applied to the key assumptions in the value in use calculations are derived from a combination of internal and external factors, based on past experience together with management's future expectations about business performance. There are three CGUs for which recoverable amounts are the fair value less costs to dispose. The recoverable amounts of all other impaired CGUs are based on value in the use. Note 12 provides further details of impairment reviews performed and associated sensitivities.

Changes in accounting policies and disclosures

During the period ended 27 September 2023 there were no policy or disclosure changes noted that had a significant impact on the current period accounts.

1 Accounting policies

1.2 Going concern

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

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

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

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

The Board of SSP Group plc has reviewed the Group's financial forecasts as part of the preparation of its financial statements, including cash flow forecasts prepared for a period of twelve months from the date of approval of these financial statements ('the going concern period') and taking into consideration a number of different scenarios. 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.

In making the going concern assessment, the Directors of SSP Group plc have considered forecast cash flows and the liquidity available over the going concern period. In doing so they assessed a number of scenarios, including a base case scenario and a severe but plausible downside scenario. The base case scenario reflects an expectation of a continuing recovery in passenger numbers in most of our key markets during the forecast period, augmented by the ongoing roll-out of our new business pipeline.

With some uncertainty surrounding the economic and geo-political environment over the next twelve months, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a pessimistic view of the travel markets for the remainder of the current financial year, assuming sales that are around 10% lower than in the base case scenario. In both its base case and downside case scenarios, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, and that it will have headroom against all applicable covenant tests throughout this period of assessment.

Based on the considerations above, the Board of SSP Group plc believe the ultimate parent company, SSP Group plc, and the wider SSP Group will continue as a going concern and therefore the directors of the Company believe that SSP Financing Limited will be able to provide cash as is needed by the Company for the period covered by the forecasts. An extended assessment for 12 months to December 2024 highlighted no concerns around the group's ability to continue as a going concern.

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

1 Accounting policies

1.3 Turnover

Revenue represents amounts for retail goods and catering services supplied to third party customers (predominantly passengers) excluding discounts, value-added tax and similar sales taxes.

Sale of goods

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

1.4 Goodwill

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

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

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

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

1.5 Intangible assets other than goodwill

Trademarks and licences

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

Computer software and development

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

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

1 Accounting policies

1.6 Tangible fixed assets

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

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

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

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

1.7 Impairment of tangible and intangible assets

The Company reviews the carrying amounts of its tangible and intangible assets when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generate income largely independent of the income streams from other assets or group of assets.

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

Calculation of recoverable amount

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

Reversals of impairments

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

1 Accounting policies

1.8 Inventory

Inventory comprise goods purchased for resale and consumable stores, and are stated at the lower of cost and net realisable value. Cost is calculated using the first in first out method.

1.9 Fair value measurement

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

1.10 Cash and cash equivalents

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

1.11 Financial assets

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

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses and doubtful debts. The allowance for doubtful debts is recognised based on an expected loss model which is a probability weighted estimate of credit losses.

1.12 Financial liabilities

Non derivative financial liabilities compromise of trade and other payables.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous periods.

1 Accounting policies

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No provision is made for the following temporary differences: the initial recognition of goodwill; and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the temporary difference can be utilised.

1.15 Provisions

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

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

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

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

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

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

1.18 Share-based payments

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

Equity-settled share-based payments to employees are measured at fair value at the grant date. The fair value of awards granted to employees of the Company is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will actually vest. A corresponding adjustment is made to equity.

1 Accounting policies

1.19 Government grants

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

1.20 Foreign exchange

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

1.21 Purchasing rebates and other amounts received from suppliers

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

1.22 IFRS16 Leases

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset in a similar economic environment with similar terms and conditions. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate or a change in the Company's assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset. Variable lease payments are recognised as an expense in the income statement in the period they are incurred. For short-term leases and low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Judgements on lease reassessment are highlighted in note 17.

1.23 Interest income and expense

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.

2 Turnover

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

	2023	2022
	£000	£000
Turnover		
Food and drink revenue	669,434	541,436
Leisure revenue	561	498
Vending revenue	286	146
Other revenue	1,870	1,207
	672,151	543,287

3 Operating profit/(loss)

	2023 £000	2022 £000
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange losses/(gains)	(54)	(55)
Fees payable to the Company's auditor for the audit of the Company's financial statements	372	320
Depreciation of tangible fixed assets	15,012	12,677
Gain on derecognition of leases	(1,509)	(4,245)
Depreciation of right-of-use asset	30,391	27,833
Amortisation of intangible assets	317	251
Rentals payable under leases	75,838	68,408
IFRS16 rent credit	-	(10,403)
Share-based payments	772	586

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent company, SSP Group plc.

The Company's rentals payable consists of fixed and variable elements depending on the nature of the contract and the levels of revenue earned from the respective sites. £65,456k of the expense relates to variable elements, and the remaining £10,382k relates to rent in respect of short-term leases. These payments are not capitalised under IFRS 16.

4 Other operating income

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

	2023 £000	2022 £000
Government grants	-	105
	-	105

There were other receipts from local councils within which the business operates relating to grants for which the Company was eligible after re-opening units. These grants amount to £nil (2022: £105k). The claims made under both schemes were based on the directors being satisfied that the Company met the qualifying criteria.

5 Employees

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

	2023 Number	2022 Number
Operations	7,070	6,635
Administration	189	158
	7,259	6,793

Their aggregate remuneration comprised:

	2023 £000	2022 £000
Wages and salaries	127,387	119,909
Social security costs	9,934	8,147
Pension costs	3,113	2,682
	140,434	130,738

6 Directors' remuneration

	2023 £000	2022 £000
Remuneration for qualifying services	1,830	1,406
Company pension contributions to defined contribution schemes	33	43
	1,863	1,449

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

	2023 £000	2022 £000
Remuneration for qualifying services	982	642
Company pension contributions to defined contribution schemes	3	5

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

No directors exercised share options (over shares in SSP Group plc) in the period and two (2022: three) directors provided qualifying services to the Company as a result of which they have been granted RSP awards (nil cost options) which should vest (subject to meeting performance criteria) in the next 3 years.

7 Interest receivable and similar income

	2023 £000	2022 £000
Interest income		
Interest receivable from group companies	9,929	1,743
Other interest income	13	193
Total interest income	9,942	1,936

8 Interest payable and similar expenses

	2023 £000	2022 £000
Interest on financial liabilities:		
Interest payable to group undertakings	2,113	55
Other interest payable	8	13
Lease interest expense	6,942	4,047
	9,063	4,115
Other interest costs:		
Unwinding of discount on provisions	464	341
Total interest costs	9,527	4,456

Both interest receivable and payable are charged on intercompany loans (repayable on demand) using SONIA interest rate benchmarking as a basis to calculate interest monthly.

9 Income tax

	2023 £000	2022 £000
Current tax		
UK corporation tax on profit for the current period	-	-
Adjustments in respect of prior periods	426	-
Total UK current tax	426	-
Deferred tax		
Origination and reversal of temporary differences	9,685	3,346
Adjustment in respect of prior periods	(4,037)	(515)
	5,648	2,831
Total tax charge	6,074	2,831

The tax charge for the period differs from the standard rate of corporation tax applicable for the period in the UK of 22% (2022: 19%) applied to the profit before tax for the period. The differences are explained below.

9 Income tax

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

	2023 £000	2022 £000
Profit before taxation	48,204	14,350
Expected tax charge based on a corporation tax rate of 22% (2022: 19%)	10,605	2,726
Tax benefit arising from super-deduction regime	(1,073)	(584)
Previously unrecognised deferred tax	-	61
Permanent differences	(612)	(114)
Depreciation on assets not qualifying for tax allowances	272	457
Impact of deferred tax being at a different rate to current tax rate	1,154	800
Group relief received for no consideration	(661)	-
Adjustment in respect of prior periods	(3,611)	(515)
Tax charge for the period	6,074	2,831

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

	2023 £000	2022 £000
Deferred tax:		
Tax on share-based payments	-	-

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

Following legislation enacted during 2021, the main rate of corporation tax in the UK increased from 19% to 25% with effect from 1 April 2023.

10 Dividends

There were no dividends paid in the current period (2022: £nil).

11 Intangible fixed assets

	Goodwill £000	Software £000	Trademarks £000	Total £000
Cost				
At 28 September 2022	284,656	13,478	300	298,434
Additions	699	71	500	1,270
Disposals	-	(11,029)	-	(11,029)
At 27 September 2023	285,355	2,520	800	288,675
Amortisation and impairment				
At 29 September 2021	151,773	12,688	300	164,761
Charge for the period	-	317	-	317
Disposals	-	(11,029)	-	(11,029)
At 28 September 2022	151,773	1,976	300	154,049
Carrying amount				
At 27 September 2023	133,582	544	500	134,626
At 28 September 2022	132,883	790	-	133,673

Impairment of Goodwill

Goodwill is allocated to a single cash generating unit for the UK business as a whole. An impairment assessment is performed on Goodwill at least annually, or when there is a trigger or activity which would indicate a potential impairment. There were no specific triggers noted as compared to Covid-19 being a factor last year but an impairment exercise has been performed in part due to the impact of cost inflation and other market factors such as rail strikes. The recoverable amount was determined based on value in use calculations.

The calculations require the use of estimates and assumptions consistent with the most up-to-date budgets and plans that have been formally approved by the Board. The assessment indicated there was no impairment required within this asset class and there are no reasonably possible changes to assumptions used in that assessment which would result in an impairment.

The terminal growth rate applied to the impairment calculations was 2.0% (2022: 2.0%) and the discount rate used was 13.2% (2022: 12.4%).

12 Tangible fixed assets

	Short term leasehold property	Assets under construction	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
Cost				
At 28 September 2022	144,195	2,561	92,391	239,147
Additions	24,569	10,349	12,006	46,924
Disposals	(59,594)	-	(27,092)	(86,686)
Transfer between classes	464	-	(464)	-
Other movements	-	-	890	890
At 27 September 2023	109,634	12,910	77,731	200,275
Accumulated depreciation and impairment				
At 28 September 2022	119,396	1,312	60,798	181,506
Charge for the period	8,367	-	6,645	15,012
Impairment reversal	(369)	-	-	(369)
Disposals	(59,594)		(27,092)	(86,686)
At 27 September 2023	67,800	1,312	40,351	109,463
Carrying amount				
At 27 September 2023	41,834	11,598	37,380	90,812
At 28 September 2022	24,799	1,249	31,593	57,641

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

Impairment of property, plant and equipment and right-of-use assets
The Company tests assets for impairment when impairment triggers are identified. The business faced headwinds in the form of cost inflation and rising interest rates. There were also several rail strikes which impacted the performance in the rail sector. An assessment of the impairment indicators was carried out and it was determined that there was no significant impact on the recoverability of any assets. As such, no impairment was recognised in the current year. However, impairment reversals of £0.37m in property, plant and equipment and £2.25m in right-of-use assets were recognised.

Each operating site, such as an airport or rail station, is identified as a cash-generating unit (CGU) on the basis that within one site the units are interdependent because the market dynamics (and thus cash inflow and outflows) in one unit could impact other units. The recoverable amount of a CGU is determined from value in use calculations. There are three CGUs for which recoverable amounts are the fair value less costs to dispose. The recoverable amounts of all other impaired CGUs are based on value in the use. The key assumptions for these calculations are discount rates and cash flow forecasts. The cash flow forecast period is based on length of the lease term of contracts held within a site. The values applied to the key assumptions in the value in use calculations are derived from a combination of internal and external factors, based on past experience together with management's future expectations about business performance. The pre-tax discount rates used reflect the time value of money and are based on the Company's weighted average cost of capital.

Sensitivity analysis
A sensitivity analysis has been performed on each of these key assumptions with the other variables held constant. An increase in the discount rate by 2% or an adverse movement in EBITDA by 10% would not result in any material change to the above.

13 Right of Use Asset

	Concession contracts £000	Leasehold property £000	Total £000
Balance as at 28 September 2022	88,969	7,669	96,638
Additions	54,241	209	54,450
Remeasurement adjustments	(55)	12	(43)
Depreciation charge	(29,069)	(1,322)	(30,391)
Impairment reversal	2,250	-	2,250
As at 27 September 2023	116,336	6,568	122,904

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

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

14 Inventory

	2023 £000	2022 £000
Food and beverages	7,032	5,888
Other consumables	1,446	1,474
	8,478	7,362

Food and Beverages and other consumables recognised as cost of sales in the period amounted to £293.2m (2022: £232.7m). There were write downs of inventory amounting to £0.1m in the current period (2022: £0.1m) and no reversal of write downs from prior periods (2022: £nil).

15 Debtors

	2023 £000	2022 £000
Trade debtors	4,011	3,373
Amounts due from group undertakings	360,875	334,487
Prepayments and accrued income	7,887	5,753
Current tax recoverable	413	920
	373,186	344,533

Amounts due from group undertakings are repayable on demand. £322.4m (2022: £334.5m) of the balance has been deposited with SSP Financing Limited (which operates as the group treasury function).

16 Creditors

	Due within one	
	2023	**2022**
	£000	**£000**
Bank overdraft	14,448	8,692
Trade creditors	17,669	25,419
Taxation and social security	13,714	13,990
Accruals and deferred income	91,489	83,584
Amounts due to group undertakings	12,150	-
	149,470	131,685

SSP UK are part of a group pooling arrangement, and the overdraft is due to cash pooling timing differences arising between the daily sweep of cash between accounts within the SSP Plc group and transactions clearing the bank.

17 Lease Liabilities

Amounts payable under lease agreements:	**2023**	**2022**
	£000	**£000**
Opening balance	112,592	154,472
Additions	54,450	15,200
Interest charge in period	6,942	4,047
Payment of lease liabilities	(35,718)	(28,029)
Remeasurement adjustment	(1,552)	(33,098)
	136,714	112,592

The lease liability balance is split below:

	2023	**2022**
	£000	**£000**
Current liabilities	34,046	28,027
Non-current liabilities	102,668	84,565
	136,714	112,592

17 Lease Liabilities (continued)

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

The Company has applied this practical expedient to all Covid-19 rent reductions/waivers that meet the requirements of the amendment. This has resulted in a credit in the profit and loss account of £nil for the period ended 27 September 2023 (2022: £10.4m). This is also reflected in the remeasurement adjustment line in the movement of the lease liability above.

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

Detail	Carrying amount £000	Contractual cashflows £000	1 year or less £000	1 to < 2 years £000	2 to <5 years £000	>5 years £000
Lease liability	136,713	160,569	34,837	28,036	57,958	39,738

The payment of lease liabilities for the period was £35.7m (2022: £28.0m). There was an immaterial cash outflow for low-value leases. At 27 September 2023, the Company had no leases which had been committed to but not yet started.

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

	Increase/(decrease) in lease liability recognised £m
Increase in IBR of 1%	(2.1)
Decrease in IBR of 1%	4.2

The lease term is a key determinant of the size of the lease liability and right-of-use asset recognised. Determining the lease term requires judgement to evaluate whether we are reasonably certain to exercise extension options or will not exercise termination options. Key facts and circumstances that create an incentive to exercise those options are considered; these include:
– Our anticipated operational, retail property requirements in the mid and long term.
– The performance and profitability of the site.
– The availability of suitable alternative sites.
– Costs or penalties associated with exiting lease arrangements relative to the benefits to be gained, including costs of removing leasehold improvements or relocating, and indirect costs such as disruption to business. Benefits include any contractual compensation due from the landlord if SSP is asked to vacate the site.

We have elected not to recognise lease liabilities and right of use assets for short term leases that have a lease term of 12 months or less. We recognise payments for these items as an expense on a straight-line basis over the lease term as disclosed in Note 3. A proportion of these leases relate to arrangements with landlords which are either rolling or can be exited with 6 months' notice. We have exercised significant judgement in determining the lease term to be less than 12 months based on the factors noted above. An alternative conclusion could have a material impact of on right of use assets and liabilities of £15m-30m having regard to the most feasible alternative lease terms. However, the impact on net asset will be immaterial.

18 Deferred taxation

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

	Capital allowances £000	Tax Losses £000	Other £000	Total £000
Deferred tax asset at 29 September 2021	15,473	6,664	1,821	23,958
Deferred tax movements in prior period				
Credit/(Debit) to profit or loss	(3,125)	384	(90)	(2,831)
Deferred tax asset at 28 September 2022	12,348	7,048	1,731	21,127
Deferred tax movements in current period				
(Debit)/Credit to profit or loss	(5,940)	(2)	294	(5,648)
Deferred tax asset at 27 September 2023	6,408	7,046	2,025	15,479

The other category includes provisions £1.9m (2022:£1.5m) and Share based payments £0.1m (2022:£0.2m)

	2023 £000	2022 £000
Deferred tax assets	15,479	21,127

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

Deferred tax assets have not been recognised in respect of the following items disclosed below as the gross value of each temporary difference:

Provisions £2,672k (2022: £2,672k), other £nil (2022: £10,024k), total £2,672k (2022: £12,696k).

19 Provisions for liabilities

Movements on provisions:	Restoration costs £000	Other £000	Total £000
At 28 September 2022	10,079	3,032	13,111
Additional provisions in the period	890	-	890
Utilised during the period	(1,594)	-	(1,594)
Amounts reversed	-	(58)	(58)
Interest on discount unwinding	464	-	464
At 27 September 2023	9,839	2,974	12,813

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

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

20 Retirement benefit schemes

Defined contribution schemes

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

The total costs charged to the income statement in respect of defined contribution plans is £3,113k (2022: £2,682k).

21 Share capital

	2023 £000	2022 £000
Ordinary share capital		
Issued, called up and fully paid		
101,000,100 Ordinary shares of 10p each	10,100	10,100

22 Share premium account

	2023 £000	2022 £000
At 28 September 2022 and 27 September 2023	328,473	328,473

23 Profit and loss reserves

	2023	2022
	£000	£000
At 28 September 2022	65,013	52,908
Profit/(loss) for the period	42,130	11,519
Share based payment transactions	772	586
Deferred tax on share-based payment transactions	-	-
At 27 September 2023	107,915	65,013

24 Contingent liabilities

The Company, together with certain other group companies, is a guarantor of borrowings made by SSP Financing Limited under various borrowing facilities. The borrowings under the facilities at the balance sheet date were £648.3 million (2022: £759.6 million).

25 Parent undertaking and ultimate controlling party

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

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

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