Compass Group International B.V.

Financial statements for the year ended 30 September 2016

Contents

Financial report

Directors' report

The Board of Directors of Compass Group International B.V. (the "Company") hereby presents its financial statements for the year ended on 30 September 2016.

General information

The Company's business objectives are being an intermediate holding company and providing financial support to other companies within the Compass Group. The Company is part of a group of companies of which Compass Group Plc, a company incorporated in England and Wales is the ultimate parent company. In undertaking its decisions the outcome of the decision for the Company as well as the outcome for Compass Group as a whole is taken into account. The Company is a wholly owned subsidiary of Compass Group International Coöperatief W.A.

Financial information

The financial year ended 30 September 2016 can be characterised as a period with a continuing strong financial position. The result for the year was mainly influenced by the sale of a subsidiaries to other Compass Group companies, which resulted in a profit of EUR 450 million. Further during the year ended 30 September 2016, the Company received dividends for a total amount of EUR 215 million from its subsidiaries.

In the year ended 30 September 2016, the investments in and loans to various countries were reviewed as part of the annual impairment review. Based upon the estimated future cash flows of the various countries, the Company decided that the realisable value of certain companies in these countries was lower than the carrying value. An impairment loss of EUR 58 million (2014-2015: impairment loss of EUR 2 million) was recorded in the profit and loss account. Further, the Company decided that for certain companies in these countries, the impairment allowance could be reversed. A reversal of the impairment loss of EUR 6 million (2014-2015: reversal of impairment loss of EUR 106 million) was recorded in the profit and loss account.

Significant risks, uncertainties and risk management

The Company has processes and procedures in place which ensures that the substantial risks of the Company are mitigated. As an intermediate holding company the main risks for the company relate to financial risks as discussed in a separate section of this report.

As part of the annual business cycle, the board of directors is requested by Compass Group Plc to participate in a formal risk assessment process on key financial controls. As part of the process the board of directors is required to identify and document major risks and appropriate mitigating activities and controls and monitor and report to Compass Group Plc on the effectiveness of these controls. The Board of Directors is also required to sign biannual confirmations of compliance with key procedures and report any breakdowns in, or exceptions to, these procedures.

The Company also has formal procedures in place, with clearly designated levels of authority, for approving acquisitions, new investments in participations, disposals and other capital investments.

The principal risks and uncertainties facing Compass Group and the subsidiaries of the Company at the date of this Report and the systems and processes the Company has in place to manage and mitigate these risks are as follows:

- Regulatory and political environment: Compass Group is a global company operating in countries and regions with diverse economic and political conditions. The operations and earnings may be adversely affected by political or economic instability. However, the Compass Group remains aware of these risks and looks to mitigate them wherever possible.
- Acquisitions and investments: Potential acquisitions are identified by the operating companies and subject to appropriate levels of due diligence and approval by the Company's and Compass Group Plc management.
- Information technology and infrastructure: The Company relies on a variety of IT systems in order to manage and deliver services and communicate with our customers, suppliers and employees. All IT systems are part of the Compass Group standard IT infrastructure and the Compass Group has appropriate disaster recovery plans in place.

Corporate responsibility

The Company adheres to the Group's strategy and approach to corporate responsibility. As part of this approach, the Group improves the business model to reflect more sustainable practices. Corporate Responsibility is a keystone of our commitment to provide the highest quality service to our customers. Across the business the safety of our colleagues and consumers is our number one operational priority and supports our growth strategy, increases trust and helps us attract the best talent.

Personnel related information

The directors' remuneration package links corporate and individual performance with an appropriate balance between short and long term elements, and fixed and variable components. The Company had an average of 11 employees during 2015/2016 (2014/2015: 13 employees). All employees are working in the Netherlands.

Information regarding financial instruments

The Company's financial instruments comprise cash, loans receivable, borrowings and preferred shares. The Company does not trade in financial instruments. The Company's policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates and to manage the Company's financial risks.

Foreign currency risk

The Company's policy is to match as far as possible its principal projected cash flows from long term receivables by currency to actual or effective borrowings in the same currency. Fluctuations in exchange rates have given and will continue to give rise to translation differences, mainly for receivables that are not matched by borrowings in the same currency.

The Company refers to note 14 for the information on the currencies of the receivables and borrowings.

Interest rate risk

The Company's policy is to ensure that it is not materially exposed to fluctuations in interest rates in its principal currencies. This policy is implemented by matching interest rates on borrowings and preferred shares to the interest rate on receivables.

Liquidity and cash flow risk

The Company's policy is to ensure that the repayment schedule of its loans due from related parties approximates the repayment schedule of its loans due to related parties, thereby reducing the company's exposure to liquidity and cash flow risk to an acceptable level.

Credit risk

Information on the credit risk of the Company is included in note 14 of the Financial Statements.

Under a limited recourse, security and guarantee agreement the Company has guaranteed towards Compass Group Plc and Compass Overseas Holdings No 2 Ltd the performance of the obligations by its parent company Compass Group International Coöperatief W.A. towards both parties. The Company has pledged part of its receivables, amounting to EUR 1,875 million as per 30 September 2016, against group companies to Compass Group Plc and Compass Overseas Holdings No 2 Ltd as security for this guarantee. As a result of the limited recourse, security and guarantee agreement the Company's exposure from this guarantee and its liabilities under the preferred shares are effectively limited to EUR 100 million at maximum for which amount an asset is retained by the Company in the form of an inter group loan receivable.

Information concerning application of code of conduct

The Company remains committed to the highest standards of business conduct and expects all of its employees to act accordingly. The Compass Group Speak Up policy (which is an extension of the Code of Ethics, now incorporated within the Compass Group's Code of Business Conduct, which is available on the Compass Group Plc website: www.compass-group.com) sets out arrangements for the receipt, in confidence, of complaints on accounting, risk issues, internal controls, auditing issues and related matters which would, as appropriate, be reported to the Compass Group Plc Audit Committee.

The Compass Group's anti-fraud policies are a subset of the Code of Business Conduct which does not tolerate any activity involving fraud, dishonesty or deception.

Information on male/female partitioning of board members

The management board consists of 50% male and 50% female members.

Future developments

The Board of Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future in view of the Company's cash flows and shareholders' equity, which amounts to more than 40% of the Company's assets. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Board of Directors of the Company does not expect any changes in their personnel structures.

On 21 December 2016, the Company went through a financial restructuring.

As a result of this restructuring the USD denominated loans, including accrued interest, were transferred to Compass Group International Coöperatief W.A. Further, the Company repaid and cancelled all outstanding preferred shares and received new loan funding from a group company amounting to EUR 353 million. Also, on 21 December 2016, the limited recourse, security and guarantee agreement between the Company, Compass Group Plc, Compass Overseas Holdings No. 2 Ltd and Compass Group International Coöperatief W.A. ended. A security agreement was signed between Hospitality Holdings Ltd and the Company as per the same day which, subject to an equity at risk amount of EUR 17 million, ensures that the Company is protected when it is requested to repay the new loan funding. As security for this protection, the Company has pledged its receivables in so far as related to the new loan funding.

As from 21 December 2016, the Company has become the head of a fiscal unity for corporate income tax purposes together with other Dutch Holding Companies.

As the Company is an intermediate holding company within the Compass Group, the assets consist principally of their shareholdings in and loans to related parties. The ability to satisfy any liabilities is dependent upon the Company's receipt of dividend and interest payments from its financing activities with related parties.

In the financial year 2016-2017, it is intended that the Company will be added as an issuer to Compass Group PLC's Euro Medium Term Note programme (the "programme"). It is further intended that any proceeds received by the Company from noteholders under the programme will be lent to Compass Group PLC under an inter-company loan and that any interest received from such loan will be used by the Company to fund payments due to noteholders. Under the terms of the programme, Compass Group PLC will unconditionally and irrevocably guarantee any amounts due by the Company in respect of notes issued by it under the programme.

Amsterdam, 19 May 2017

The Board of Directors:

P.N. Frans

H.A.M. Troost-Bosboom

Statement of financial position as at 30 September 2016

		30 September 2016	30 September 2015 restated	1 October 2014 restated
		EUR millions	EUR millions	EUR millions
Assets				
Investment in subsidiaries	*8*	**2,944**	2,987	2,860
Receivables from related parties	*9*	**2,291**	2,071	2,018
Deferred tax assets	*7*	**-**	-	-
Non-current assets		**5,235**	5,058	4,908
Receivables from related parties	*9*	**440**	629	370
Cash and cash equivalents	*10*	**31**	5	97
Current assets		**471**	634	467
Total assets		**5,706**	5,692	5,375

The notes on pages 10 to 32 are an integral part of these financial statements.

		30 September 2016	30 September 2015 restated	1 October 2014 restated
		EUR millions	EUR millions	EUR millions
Equity				
Share capital		**5**	5	5
Share premium		**2,024**	2,024	2,009
Retained earnings		**(285)**	(502)	(287)
Result for the year		**623**	825	503
Total equity	*11*	**2,367**	2,352	2,230
Liabilities				
Preferred shares	*13*	**1,874**	1,859	1,695
Total non-current liabilities		**1,874**	1,859	1,695
Preferred coupon	*13*	**3**	2	3
Short term part of preferred shares	*13*	**1**	26	-
Loans and borrowings to related parties	*13*	**1,453**	1,445	1,438
Interest payable to related parties	*13*	**7**	7	7
Trade and other payables		**1**	1	2
Total current liabilities		**1,465**	1,481	1,450
Total liabilities		**3,339**	3,340	3,145
Total equity and liabilities		**5,706**	5,692	5,375

The notes on pages 10 to 32 are an integral part of these financial statements.

Statement of profit or loss and comprehensive income for the year ended 30 September 2016

	Note	Year ended 30 September 2016 EUR millions	Year ended 30 September 2016 EUR millions	Year ended 30 September 2015 EUR millions	Year ended 30 September 2015 EUR millions
Revenue					
Dividend income from subsidiaries		**215**		704	
Operating income			**215**		704
Other income and expense					
Result on sale of subsidiaries	*8*	**450**		(1)	
Release impairment provision	*8*	**6**		106	
Impairment subsidiaries	*8*	**(58)**		(2)	
			398		103
General and Administrative Expenses					
Administrative expenses		**(2)**		(2)	
Administrative recharges		**2**		2	
			-		-
Financial income					
Financial income from related parties		**131**		129	
Foreign currency exchange results		**-**		7	
Total Financial Income		**131**		136	
Financial Expenses					
Preferred coupon		**(120)**		(116)	
Foreign currency exchange results		**(1)**		-	
Total Financial Expenses		**(121)**		(116)	
Net Financial income / (expenses)			**10**		20
Profit/(loss) before tax			**623**		827
Income tax (expense)/benefit	7		**-**		(2)
Net profit/(loss)			**623**		825
Other comprehensive income			**-**		-
Total comprehensive income attributable to Owners of the Company			**623**		825

The notes on pages 10 to 32 are an integral part of these financial statements.

Statement of changes in equity for the year ended 30 September 2016

	Note	Share capital	Share premium	Retained earnings	Result for the year	Total equity
		Attributable to owners of the Company				
		EUR millions	**EUR millions**	**EUR millions**	**EUR millions**	**EUR millions**
Balance as at 30 September 2014		5	2,009	(287)	503	2,230
Total comprehensive income		-	-	-	825	825
Transactions with owners of the Company						
Contributions and distributions:						
• Addition result prior year to retained earnings		-	-	503	(503)	-
• Dividends	*11*	-	-	(718)	-	(718)
• Share premium contributions	*11*	-	15	-	-	15
Total contributions and distributions		-	15	(215)	(503)	(703)
Balance as at 30 September 2015		5	2,024	(502)	825	2,352
Balance as at 30 September 2015		**5**	**2,024**	**(502)**	**825**	**2,352**
Total comprehensive income		**-**	**-**	**-**	**623**	**623**
Transactions with owners of the Company						
Contributions and distributions:						
• Addition result prior year to retained earnings		**-**	**-**	**825**	**(825)**	**-**
• Dividends	*11*	**-**	**-**	**(608)**	**-**	**(608)**
Total contributions and distributions		**-**	**-**	**217**	**(825)**	**(608)**
Balance as at 30 September 2016		**5**	**2,024**	**(285)**	**623**	**2,367**

The notes on pages 10 to 32 are an integral part of these financial statements.

Statement of cash flows for the year ended 30 September 2016

	Note	Year ended 30 September 2016 EUR millions	Year ended 30 September 2015 EUR millions
Cash flows from/(used in) operating activities			
Net profit / (loss)		**623**	825
Adjustments for dividends paid by transfer of receivables		**(121)**	(602)
Adjustment for			
- Result on sale of subsidiaries		**(450)**	1
- Net impairment (income) / expenses		**52**	(104)
- Net financial (income) / expenses		**(10)**	(20)
- Income tax expenses		**-**	2
		94	102
Change in:			
• Trade and other receivables		**1**	2
• Trade and other payables		**-**	-
Cash generated from operating activities		**95**	104
Taxes paid		**(1)**	(2)
Net cash from/(used in) operating activities		**94**	102
Cash flows from investing activities			
Payment for sale subsidiary		**-**	(1)
Acquisition of subsidiary	*8*	**-**	(5)
Net cash from/(used in) investing activities		**-**	(6)
Cash flows from financing activities			
Interest received		**126**	129
Interest paid (preferred coupon)		**(117)**	(18)
Proceeds from share premium contribution	*11*	**-**	-
Proceeds from issue of redeemable preference shares	*13*	**-**	-
Additional loans receivable from related parties		**(105)**	(120)
Repayment of loans receivable from related parties		**20**	-
New loans payable obtained from related parties		**9**	8
Dividends paid	*11*	**-**	(96)
Net cash from/(used in) financing activities		**(67)**	(197)
Net increase/(decrease) in cash and cash equivalents		**27**	(101)
Cash and cash equivalents at the beginning of the period		**5**	97
Effect of movements in exchange rates on cash held		**(1)**	9
Cash and cash equivalents at the end of the period	*10*	**31**	5

The notes on pages 10 to 32 are an integral part of these financial statements.

Notes to the financial statements for the year ended 30 September 2016

1 Reporting entity

Compass Group International B.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered office is Laarderhoogtweg 11, 1101 DZ Amsterdam. The Company is registered at the Chamber of Commerce in Amsterdam under registration number 33216017. The main activities of the Company are that of an intermediate holding company involved in targeting for acquiring participations in different companies active in the food-service industry and providing financing to Group Companies.

The Company applies Section 408 of the Netherlands Civil Code, which exempts the Company from preparing and filing consolidated financial statements of the Company and its subsidiaries. The separate financial statements of the Company and its subsidiaries are included in the consolidated financial statements of its ultimate parent company Compass Group Plc., which are filed with the Chamber of Commerce in Amsterdam.

2 Basis of preparation

(a) Restatement

Since further review of the Company's liabilities indicated that the long term liabilities in the 30 September 2015 annual accounts are repayable upon demand, the Company management decided to restate the long term liabilities to the current liabilities. This related to the interest free loan payable to a related party and the long term loans payable to related parties as further disclosed in Note 13. This restatement resulted in a decrease of long term liabilities in the 30 September 2015 balance sheet of EUR 1,414 million (2014: EUR 1,407 million) and an increase of short term liabilities in the 30 September 2015 balance sheet of EUR 1,414 million (2014: EUR 1,407 million).

In addition, the Company has made some changes in the presentation and classification of items in the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows. The comparative figures have been changed accordingly.

(b) Statement of compliance

The separate financial statements (hereafter "financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and in accordance with Article 362 sub 9 of Part 9 of Book 2 of the Netherlands Civil Code. The financial statements were authorised for issue by the Board of Directors on 19 May 2017.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(d) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the loans payable as disclosed in note 13.

(e) Functional and presentation currency

These financial statements are presented in euros, which is the Company's functional currency. All financial information presented in euros has been rounded to the nearest million, except when otherwise indicated.

(f) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 30 September 2016 are included in the following notes:

- Note 8 – impairment test: key assumptions underlying recoverable amounts, future cash flows and discount rates.

(g) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has established a control framework with respect to the measurement of fair values. This includes a valuation team within the Compass Group that has overall responsibility for overseeing all significant fair value measurements.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 14 – financial instruments.

3 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

During the year, the Company has adopted minor improvements to existing IFRS and interpretations with no impact on its result or financial position.

(a) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established and when it is more likely than not that the dividend will be received.

(b) Finance income and finance costs

The Company's finance income and finance costs include:

- financial income;
- financial expenses;
- preferred coupon on preference shares issued classified as financial liabilities; and
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expenses are recognised in the income statement in the period in which they are earned or incurred.

(c) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items in a foreign currency that are measured based on historical cost are not translated.

(d) Income tax

The Company is part of a fiscal unity. Its shareholder, Compass Group International Coöperatief W.A. is the head of the fiscal unity. Consequently, the Company is jointly and severally liable for the income tax debts of the fiscal unity. The corporate income tax is accounted for by the head of the fiscal unity and is not charged to its subsidiaries. Therefore no corporate income taxes are accounted for by the Company.

(e) Investments in subsidiaries

Investments in subsidiaries are valued at cost less impairment losses.

For common control transactions the Company has elected the following accounting policies for similar common control transactions. For most similar upstream transactions the Company applies fair value accounting as if it had been carried out in an orderly manner between market participants. For downstream transactions in which the Company exchanges for equity in the same country the Company typically applies book value accounting in which the book value is the carrying amount of the subsidiary in the books of the Company. For other downstream transactions the Company typically applies fair value accounting.

(f) Financial instruments

The Company classifies non-derivative financial assets into loans and receivables category.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables issued on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(ii) Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Preference shares

The Company's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

(g) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security;
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

(iii) Impairment testing

For impairment testing, the investments and loans and other amounts receivable are grouped together into countries that generates cash inflows and that are largely independent of the cash inflows of other countries.

The recoverable amount of a country is the greater of its value while being part of the Compass Group and its investment value less costs to sell. Value while being part of the Compass Group is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the country.

An impairment loss is recognised if the carrying amount of an asset or a country exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. The Company assesses in subsequent financial periods, whether indications exist that impairment losses previously recognised may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that country is recalculated and its carrying amount is increased to the revised recoverable amount. The increase is recognised in profit or loss. A reversal is recognised only if it arises from a change in the assumptions used to calculate the recoverable amount and the extent that the country's carrying amount does not exceed the cost of the investment or loan or amounts receivable if no impairment loss had been recognised.

4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below.

IAS 7 (Amendment)	Disclosure Initiative	(effective 2017)
IFRS 9 (Revised)	Financial instruments	(effective 2018)
IFRS 15	Revenue recognition	(effective 2018)
IFRS 16	Leases	(effective 2019)

The Company has not yet assessed the impact of the application of these new and revised IFRSs on its financial statements.

5 Segmental reporting

The intermediate holding activities are treated as one segment. Financial information for the Company is provided to the Board of Directors on a combined basis. As a result, no segmental reporting is provided by the Company. The notes to these financial statements include the relevant geographical information.

6 Employee benefit expenses

	2015-2016 EUR millions	2014-2015 EUR millions
Wages and salaries	**1.1**	1.1
Social security contributions	**0.1**	0.1
Pension costs	**0.1**	0.0
Other employee benefits	**0.0**	0.1
	1.3	1.3

The Company had an average of 11 employees during 2015/2016 (2014/2015: 13 employees). All employees are working in the Netherlands and in general and administrative functions.

7 Income taxes

Income tax recognised in profit or loss

	2015-2016 EUR millions	2014-2015 EUR millions
Current tax expense		
Current year	-	-
Withholding taxes	-	(2)
	-	(2)
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognised tax losses	-	-
	-	-
Tax expense	-	(2)

Reconciliation of effective tax rate

	Year ended 30 September 2016		Year ended 30 September 2015	
	%	**EUR millions**	%	EUR millions
Profit/(loss) before tax from continuing operations		**718**		723
Tax using the Company's domestic tax rate	**25%**	**(180)**	25%	(181)
Tax allocated to the head of fiscal unity		**180**		181
Withholding taxes		-		(2)
Effective tax expense		-		(2)

8 Investment in subsidiaries

	30 September 2016 EUR millions	30 September 2015 EUR millions
Cost		
Balance at beginning of year	3,196	3,173
Additions and capital injections	615	23
Disposals, restructurings and other movements	(606)	-
Balance at end of year	3,205	3,196
Impairment provision		
Balance at beginning of year	(209)	(313)
Impairment loss	(58)	(2)
Reversal of impairment loss	6	106
Balance at end of year	(261)	(209)
Carrying amount		
At end of year	2,944	2,987

The additions and disposals are mainly due to changes in the group structure.

One of the Company's subsidiaries in Switzerland was sold to a parent company at fair value, resulting in a profit of EUR 450 million. The sales price was settled on a cashless basis with a related party.

The Company's subsidiary in Japan was transferred to another subsidiary of the Company in exchange for shares. The transfer was accounted at book value.

Following the annual impairment calculations that incorporated market and business developments, based upon the expected future cashflows from the various subsidiaries, the Company recognised an impairment loss of EUR 58 million relating to investments in three different subsidiaries. The value in use for these subsidiaries was calculated with a discount rate varying from 6.5% to 12.5%. Further, the Company also decided that the expected future cashflows for one subsidiary has increased and therefore resulted in a reversal of the impairment loss of EUR 6 million.

9 Receivables from related parties

Long term receivables

	30 September 2016 EUR millions	30 September 2015 EUR millions
Loans receivable from related parties	2,707	2,684
Less – current portion of loans receivable	(416)	(613)
	2,291	2,071

Short term receivables

	30 September 2016 EUR millions	30 September 2015 EUR millions
Current portion of loans receivable from related parties	416	613
Impairment provision loans	(3)	(3)
Interest receivable from related parties	18	16
Impairment provision interest	(2)	(2)
Current account with related party	9	3
Other receivables from related parties	2	2
	440	629

Information about the Company's exposure to interest rate, foreign currency and liquidity risk is included in note 14.

Terms and repayment schedule

The terms and conditions of outstanding loans receivable are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount 30 September 2016	Fair value 30 September 2016	Carrying amount 30 September 2015	Fair value 30 September 2015
		%		EUR millions	EUR millions	EUR millions	EUR millions
Loans receivable from related parties	EUR	Between 6M Euribor – 0,15% and 2.32%	2016-2023	**827**	**829**	762	762
Loans receivable from related parties	AUD	5.46%	2023	**41**	**45**	38	39
Loans receivable from related parties	CAD	3M CAD BID rate + 1%	2018	**5**	**5**	5	5
Loans receivable from related parties	CLP	3M CLP Libor + 1.5%	2019	**7**	**7**	7	7
Loans receivable from related parties	CZK	3M CZK BID rate + 1.5%	2017	**11**	**11**	11	11
Loans receivable from related parties	DKK	3M DKK BID rate + 1%	2020	**20**	**20**	20	20
Loans receivable from related parties	HKD	3M HKD BID rate + 1%	2017	**1**	**1**	1	1
Loans receivable from related parties	MXN	91 day TIIE rate + 2%	2020-2021	**7**	**7**	8	8
Loans receivable from related parties	SEK	6M Middle Market rate (ASK) – 0.05%	2015	**-**	**-**	33	33
Loans receivable from related parties	USD	Between 6.25% and 7.25%	2019-2023	**1,786**	**1,944**	1,798	1,782
Loans receivable from related parties	Other	Various variable rates	2016-2019	**2**	**2**	1	1
Total loans from related parties				**2,707**	**2,871**	2,684	2,669

10 Cash and cash equivalents

	30 September 2016 EUR millions	30 September 2015 EUR millions
Bank balances	31	5
Call deposits	-	-
Total	31	5

All cash and cash equivalents are freely available to the Company

11 Capital and reserves

Share capital and share premium

Ordinary shares

The Company's authorised ordinary share capital consists of ordinary shares with a nominal value each of EUR 1. As at 30 September 2016 5,447,200 ordinary shares were issued and fully paid up (2014-2015: 5,447,200). All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Preferred shares

Preferred shareholders participate only to the extent of the face value of the shares, which is a nominal value of EUR 1.

Preferred shares are issued to the shareholder of the Company in certain cases when the Company issues a loan in a non-EUR denominated currency towards a subsidiary or Compass Group company. The class calculation amount (amount paid in addition to the nominal value of the share) is denominated in the same currency as the loan and bears a non-discretionary coupon interest.

Preferred shares are classified as liabilities and disclosed in note 13.

Dividends

The following dividends were declared and paid by the Company:

	Year ended 30 September 2016 EUR millions	Year ended 30 September 2015 EUR millions
EUR 111.63 per ordinary share (2014-2015: EUR 131.93)	608	718
	608	718

12 Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the business.

For capital management purposes, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents.

The Company's adjusted net debt to equity ratio at 30 September 2016 was as follows:

	30 September 2016 EUR millions	30 September 2015 EUR millions
Total liabilities	3,339	3,340
Less: cash and cash equivalents	(31)	(5)
Adjusted net debt	3,308	3,335
Equity	2,367	2,248
Adjusted net debt to equity ratio	1.40	1.48

13 Loans and borrowings

Non-current liabilities

	30 September 2016 EUR millions	30 September 2015 restated EUR millions	1 October 2014 restated EUR millions
Redeemable preference shares	1,875	1,885	1,695
	1,875	1,885	1,695
Less: current portion of redeemable preference shares	(1)	(26)	-
	1,874	1,859	1,695

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount 30 September 2016	Fair value 30 September 2016	Carrying amount 30 September 2015 restated	Fair value 30 September 2015 restated
		%		EUR millions	EUR millions	EUR millions	EUR millions
Redeemable preference shares	AUD	4.564%	2023	41	46	38	42
Redeemable preference shares	CAD	90% of 3M CAD BID rate + 0.55%	2018	5	5	5	5
Redeemable preference shares	CLP	96% of 3M CLP Libor + 1.44%	2018	7	7	7	7
Redeemable preference shares	CZK	3M CZK BID rate + 1.15%	2017	11	11	11	11
Redeemable preference shares	DKK	3M DKK BID rate + 0.65%	2020	20	20	20	20
Redeemable preference shares	HKD	3M HKD BID rate + 0.65%	2017	1	1	1	1
Redeemable preference shares	MXN	90% of 91 day TIIE rate + 1.45%	2020-2021	7	7	8	8
Redeemable preference shares	USD	Between 5.9% and 6.9%	2019-2023	1,783	1,939	1,795	1,787
Total interest-bearing liabilities				1,875	2,036	1,885	1,881

Redeemable preference shares

	2015-2016 EUR 1,000
Opening balance at 30 September 2015	**1,885**
Proceeds from issue of redeemable preference shares	**-**
Exchange results	**(10)**
Repayment of redeemable preference shares	**-**
Carrying amount at 30 September 2016	**1,875**

During the year ended 30 September 2016, no redeemable preference shares were issued (2014-2015: 1). The redeemable preference shares are mandatorily redeemable at par on various dates and the Company is obliged to pay holders of these shares annual dividends depending on the class of shares on various dates until and including on maturity.

Current liabilities

	30 September 2016	30 September 2015 restated	1 October 2014 restated
	EUR millions	EUR millions	EUR millions
Interest free loan payable to a related party	1,345	1,336	1,329
Loan payable to a related party	78	78	78
Coupon on redeemable preference shares	3	2	3
Current portion of preference shares	1	26	-
Current portion of loans payable to related parties	30	31	31
Interest payable to related parties	7	7	7
	1,464	1,480	1,448

Information about the Company's exposure to interest rate, foreign currency and liquidity risk is included in note 14.

14 Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2016	**Carrying amount**			**Fair value**	
	Loans and receivables	**Other financial liabilities**	**Total**	**Fair value**	**Total**
	EUR millions	**EUR millions**	**EUR millions**	**EUR millions**	**EUR millions**
Financial assets not measured at fair value					
Receivables from related parties at fixed rate	2,024	-	2,024	2,188	2,188
Receivables from related parties at variable rate	683	-	683	683	683
Cash and cash equivalents	31	-	31	-	-
	2,738	-	2,738	2,871	2,871
Financial liabilities not measured at fair value					
Preferred shares at fixed rate	-	(1,824)	(1,824)	(1,985)	(1,985)
Preferred shares at variable rates	-	(51)	(51)	(51)	(51)
Interest free loans towards related parties	-	(1,345)	(1,345)	(1,345)	(1,345)
Payables to related parties at variable rates	-	(108)	(108)	(108)	(108)
	-	(3,328)	(3,328)	(3,489)	(3,489)

All fair value calculations are determined by level 2 inputs as defined by the fair value hierarchy of IFRS 13 Fair Value measurement.

30 September 2015	Carrying amount			Fair value	
	Loans and receivables	Other financial liabilities	Total	Fair value	Total
	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions
Financial assets not measured at fair value					
Receivables from related parties at fixed rate	1,835	-	1,835	1,820	1,820
Receivables from related parties at variable rate	849	-	849	849	849
Cash and cash equivalents	5	-	5	-	-
	2,689	-	2,689	2,669	2,669
Financial liabilities not measured at fair value					
Preferred shares at fixed rate	-	(1,832)	(1,832)	(1,828)	(1,828)
Preferred shares at variable rates	-	(53)	(53)	(53)	(53)
Interest free loans towards related parties	-	(1,339)	(1,339)	(1,339)	(1,339)
Payables to related parties at variable rates	-	(106)	(106)	(106)	(106)
	-	(3,330)	(3,330)	(3,326)	(3,326)

All fair value calculations are based upon level 2 valuation techniques.

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

Risk management framework

The Company is part of the Compass Group risk management framework and leverages the framework of the Compass Group. The Compass Group risk management policies are established to identify and analyse the risks faced by the Group as a whole, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by Compass Group to reflect changes in market conditions and the Group's activities. Compass Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Compass Group Plc Audit Committee oversees how management monitors compliance with the Compass Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Compass Group Plc Audit Committee is assisted in its oversight role by the Compass Group Plc Internal Audit Department. The Compass Group Plc Internal Audit Department undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Compass Group Plc Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from related parties.

The carrying amount of financial assets represents the maximum credit exposure:

	30 September 2016 EUR millions	30 September 2015 EUR millions
Receivables from related parties	2,731	2,700
Cash balances	31	5
Total	2,762	2,705

Loans and receivables

The Company granted loans to related parties of EUR 2,731 million at 30 September 2016 (30 September 2015: EUR 2,700 million). The loans to related parties can be split as follows:

	30 September 2016 EUR millions	30 September 2015 EUR millions
Loans to related parties in North America	1,790	1,802
Loans to related parties in Europe	880	840
Loans to related parties in Rest of the World	61	58
	2,731	2,700

Cash and cash equivalents

The Company held cash and cash equivalents of EUR 31 million at 30 September 2016 (30 September 2015: EUR 5 million). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to A based on rating agency Standard & Poor ratings.

Loans and payables

The Company has liabilities from preferred shares payable towards group companies for an amount of EUR 1,875 million (30 September 2015: EUR 1,885 million). Under a limited recourse, security and guarantee agreement the Company has guaranteed towards Compass Group Plc and Compass Overseas Holdings No 2 Ltd the performance of the obligations by its parent company Compass Group International Coöperatief W.A towards both parties. As security for this guarantee, the Company has pledged part of its receivables, amounting to EUR 1,875 million as per 30 September 2016 (30 September 2015: EUR 1,885 million), against group companies to Compass Group Plc and Compass Overseas Holdings No 2 Ltd. As a result of the limited recourse, security and guarantee agreement the Company's exposure from the liabilities under the preferred shares and the guarantee are effectively limited to EUR 100 million at maximum for which amount an asset is retained by the Company in the form of an inter group loan receivable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next 60 days and the amount of guarantees issued to subsidiaries for cash overdrafts and any guarantees that can be directly called upon by the counterparty.

The interest free loan to a related party which is presented under short term liabilities consists of a loan in a partnership for which the Company is its general partner. Therefore any requests for payment of this liability can be settled by a repayment of capital from the partnership.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and excluding the impact of netting agreements:

30 September 2016	Carrying amount	Contractual cash flows					
		Total	2 months or less	2 -12 months	1 - 2 years	2 - 5 years	More than 5 years
	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions
Non-derivative financial assets							
Loans receivable from related parties	2,707	2,707	47	124	135	2,174	817
Interest on receivables	18	18	18	-	-	-	-
	2,725	2,725	65	124	135	2,174	817
Non-derivative financial liabilities							
Loans and borrowings	(108)	(108)	(108)	-	-	-	-
Interest free loan to related party	(1,345)	(1,345)	(1,345)	-	-	-	-
Interest on loans and borrowings	(7)	(7)	(7)	-	-	-	-
Redeemable preference shares	(1,875)	(1,875)	-	(105)	(120)	(1,535)	(638)
Coupon on redeemable preference shares	(3)	(3)	(3)	-	-	-	-
	(3,338)	(3,338)	(1,463)	(105)	(120)	(1,535)	(638)

30 September 2015	Carrying amount		Contractual cash flows				
Restated		Total	2 months or less	2 -12 months	1 - 2 years	2 - 5 years	More than 5 years
	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions	EUR millions
Non-derivative financial assets							
Loans receivable from related parties	2,684	2,684	365	364	120	732	1,793
Interest on receivables	16	16	16	-	-	-	-
	2,700	2,700	381	364	120	732	1,793
Non-derivative financial liabilities							
Loans and borrowings	(109)	(109)	(109)	-	-	-	-
Interest free loan to related party	(1.336)	(1,336)	(1,336)	-	-	-	-
Interest on loans and borrowings	(7)	(7)	(7)	-	-	-	-
Redeemable preference shares	(1,885)	(1,885)	-	(131)	(106)	(674)	(1,607)
Coupon on redeemable preference shares	(2)	(2)	(2)	-	-	-	-
	(3,339)	(3,339)	(1,454)	(131)	(106)	(674)	(1,607)

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial assets and liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The future cash flows on the non EUR denominated financial assets and liabilities may be different from the amount in the above table as exchange rates or the relevant conditions underlying the contingency change. Except for these financial assets and liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates– will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Company assets. The currencies in which these transactions are primarily denominated are EUR USD and AUD.

Generally, non EUR borrowings are denominated in currencies that match the cash flows generated by the non EUR assets of the Company, primarily USD, but also AUD. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

The Company's investments in subsidiaries are not hedged.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	30 September 2016				30 September 2015			
	EUR	**USD**	**AUD**	**Other**	EUR	USD	AUD	Other
Loans receivable from related parties	**827**	**1,786**	**41**	53	762	1,798	38	86
Loans payable to related parties	**(1,453)**	-	-	-	(1,445)	-	-	-
Redeemable preference shares	-	**(1,783)**	**(41)**	**(51)**	-	(1,795)	(38)	(52)
Net exposure	**(626)**	**3**	-	2	(683)	3	-	34

The following significant exchange rates have been applied during the year:

	Average rate		**Year-end spot rate**	
	2015-2016	2014-2015	**2015-2016**	2014-2015
	EUR	EUR	**EUR**	EUR
USD 1	**0.90329**	0.87011	**0.88984**	0.89583
AUD 1	**0.66345**	0.68145	**0.68094**	0.62911

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD or AUD against the EUR at 30 September would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	Strengthening	**Weakening**
	EUR millions	**EUR millions**
30 September 2016		
USD (5 % movement)	-	-
AUD (5 % movement)	-	-
30 September 2015		
USD (5 % movement)	-	-
AUD (5 % movement)	-	-

Interest rate risk

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management of the Company is as follows:

	Carrying amount	
	30 September 2016	30 September 2015
	EUR millions	EUR millions
Fixed-rate instruments		
Receivables related parties	2,024	1,835
Preferred shares	(1,834)	(1,832)
Loans and borrowings related parties	(1,345)	(1,339)
	(1,155)	(1,336)
Variable rate instruments		
Receivables related parties	683	849
Preferred shares	(51)	(53)
Loans and borrowings related parties	(108)	(106)
	524	690

A change of 100 basis points in interest rates would have increased or decreased equity by EUR 5 million after tax (2014-2015: EUR 7 million).

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 basis points increase EUR millions	**100 basis points decrease EUR millions**
30 September 2016		
Variable-rate instruments	**5**	**(5)**
Cash flow sensitivity (net)	**5**	**(5)**
30 September 2015		
Variable rate instruments	7	(7)
Cash flow sensitivity (net)	7	(7)

15 List of subsidiaries

Set out below is a list of material subsidiaries (including partnerships) of the Company, a full list of subsidiaries of the Compass Group is included in the annual accounts of Compass Group Plc.:

Name	Country	% 30 September 2016	% 30 September 2015
Compass Group Danmark Holding A/S	Denmark	100	100
Compass Group Italia S.p.A.	Italy	100	100
Seiyo Food – Compass Group Inc.	Japan	-	100
Seiyo Food – Compass Group Holdings Inc.	Japan	100	-
Compass Group International Finance C.V.	Netherlands	1	1
Compass Group International Finance 2 B.V.	Netherlands	100	100
Compass Group International Finance 1 B.V.	Netherlands	100	100
Sevita Group AG	Switzerland	-	67
Compass Group Finance No 3 Ltd	United Kingdom	62	-

16 Contingencies

A subsidiary of the Company is involved in legal proceedings incidental to the nature of its business. Where appropriate, provisions are made to cover any potential losses.

Although it is not possible to predict the outcome or quantify the financial effect of these proceedings, or any claim against the Company related thereto, in the opinion of the Board of Directors, any losses resulting from the ultimate resolution of these matters will not have a material effect on the financial position of the Company. The timing of the settlement of these proceedings or claims is uncertain.

17 Related parties

Parent and ultimate controlling party

At 26 June 2013, 100% of the Company's shares were acquired by Compass Group International Coöperatief W.A.. The ultimate parent of the Company is Compass Group Plc, a company incorporated in England and Wales.

There were no transactions or outstanding balances with Compass Overseas Holdings No. 2 Ltd., the previous parent Company.

Transactions

Transactions with related parties occur when a relationship exists between the Company, its participating interests, directors and key management personnel (and their close family members) and the (ultimate) parent company (and entities that they control).

Unless disclosed differently, there were no transactions with related parties that were not on a commercial basis.

The Company is part of a fiscal unity. Its shareholder, Compass Group International Coöperatief W.A. is the head of the fiscal unity. Consequently, the Company is jointly and severally liable for the income tax debts of the fiscal unity. The corporate income tax is accounted for by the head of the fiscal unity and is not charged to its subsidiaries.

As disclosed in the financial statements, balances and transactions exist with related parties. Main transactions are disclosed in note 8.

18 Subsequent events

On 21 December 2016, the Company went through a financial restructuring.

As a result of this restructuring the USD denominated loans receivable from related parties, including accrued interest, were transferred to Compass Group International Coöperatief W.A. Further, the Company repaid and cancelled all outstanding preferred shares. This resulted in a reduction of the total assets and liabilities of EUR 1.8 billion. In addition, the Company received new loan funding from a related party amounting to EUR 353 million. A related transaction resulted in a reduction in equity of a similar amount.

Also on 21 December 2016, the limited recourse, security and guarantee agreement ended. A security agreement was signed as per the same date between Hospitality Holdings Ltd and the Company which, subject to an equity at risk amount of EUR 17 million, ensures that the Company is protected when it is requested to repay the new loan funding. As security for this protection, the Company has pledged its receivables in so far as related to the new loan funding.

As from 21 December 2016, the Company is the head of a fiscal unity for corporate income tax purposes together with other Dutch Holding Companies.

19 Off-balance sheet commitments

Guarantees

	30 September 2016 EUR millions	30 September 2015 EUR millions
Guarantees	119	86
	119	86

The Company has, in the normal course of business, given various guarantees in respect of subsidiaries' own contracts. Where the Company enters into such guarantees it does so in order to provide assurance to the beneficiary that the subsidiary will fulfil its contractual obligations.

Tax entity

The Company is part of a fiscal unity. Its shareholder, Compass Group International Coöperatief W.A. is the head of the fiscal unity. Consequently, the Company is jointly and severally liable for the income tax debts of the new fiscal unity.

The Company constitutes a tax entity with its parent entity and Compass Group Vending Holding B.V. for value added tax purposes; the standard conditions prescribe that all companies of the tax entity are liable for the value added tax payable.

20 Fees of the auditor

The remuneration of the independent auditor is not disclosed in accordance with section 2:382a subsection 3, Book 2 of the Netherlands Civil Code.

21 Emoluments of directors

The emoluments for managing directors, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in respect of 2015/2016 to the Company, amounted to EUR 460,000 (2014/2015: EUR 522,000).

Amsterdam, 19 May 2017

The Board of Directors:

P.N. Frans

H.A.M. Troost-Bosboom

Other information

Provisions in the Articles of Association governing the appropriation of profit

In accordance with article 20 of the company's Articles of Association, the result is at the disposal of the General Meeting of Shareholders, only if the outstanding and due preferred coupon amounts are paid to the preferred shareholders and the loss of previous years which is not covered by a reserve, is fully absorbed.

Proposal for profit appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2015-2016 profit after tax: an amount of EUR 623 million to be added to retained earnings.

The company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as (1) the company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, management of the company shall not approve the distribution.

Auditor's report

The auditor's report is set out on pages 34 through 35.

KPMG

Independent auditor's report

To: the General Meeting of Shareholders of Compass Group International B.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended on 30 September 2016 of Compass Group International B.V., Amsterdam, which comprise the statement of financial position as at 30 September 2016, the statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

The Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Compass Group International B.V. as at 30 September 2016 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b – h has been annexed. Further, we report that the director's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amstelveen, 19 May 2017

KPMG Accountants N.V.

C.A. Bakker RA