

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008**

Registered Number: 3912708

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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DIRECTORS AND ADVISORS

Directors

P R Armstrong	(resigned 01 June 2008)
M Baybutt	(appointed 06 February 2009)
P J Cooper	
G E Leake	(appointed 01 June 2008)
D B Marshall	(resigned 01 February 2008)
M J Mercer-Deadman	(resigned 06 February 2009)
G A Quaife	(appointed 01 February 2008)

Company secretary and registered office

R K Miller
Allington House
150 Victoria Street
London SW1E 5LB

Auditors

Deloitte LLP
Chartered Accountants
London

Principal bankers

Dresdner Bank (London)
P.O. Box 52715
30 Gresham Street
London
EC2P 2XY

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2008.

The Directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

At 31 December 2008 the Company is owned and jointly controlled by John Laing Social Infrastructure Limited and Amalie PFI (UK) Limited. The Directors consider there to be no ultimate controlling party or ultimate parent company.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the Company is to hold an investment in Services Support (SEL) Limited, a special purpose company whose activity is the design, construction, financing and operation of three sector police stations and one divisional headquarters in South East London, under the Private Finance Initiative.

There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

Services Support (SEL) Limited continued operations during the year.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the current market conditions and concluded that it is appropriate. In reaching this conclusion, the Directors have specifically considered the Company's relationships with its shareholders. More information is provided in note 1 to the financial statements.

FUTURE DEVELOPMENTS

Services Support (SEL) Holdings Limited will continue to hold the investment in Services Support (SEL) Limited.

Services Support (SEL) Limited will operate the three police stations and a divisional headquarters in the South East London area until the end of concession on 16 January 2029.

KEY PERFORMANCE INDICATORS

The key performance indicator for Services Support (SEL) Limited is the level of performance and unavailability deductions levied by the client since this reflects the quality of service being provided. No deductions have been suffered during the year under review (2007 - £nil).

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £2,057,000 (2007 - £2,509,000). After taxation of £1,122,000 (2007 - £808,000), profit for the year was £935,000 (2007 - £1,701,000).

The directors recommended and paid a dividend of £821,000 (2007 - £661,000) during the year.

FINANCIAL RISK MANAGEMENT

The Company's exposure to interest rate risk is managed through the use of interest rate swaps, details of which are set out in note 12 to the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:

- as far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that

This confirmation is given and should be interpreted in accordance with the provision of S234ZA of the Companies Act 1985.

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1.

EMPLOYEES

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 12.

AUDITORS

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 18 December 2002 to dispense with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore, Deloitte LLP are deemed to continue as auditors.

On behalf of the Board



M Baybutt
Director

9 March 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company, and the group and of the profit or loss of the group for that year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERVICES SUPPORT (SEL) HOLDINGS LIMITED

We have audited the group and parent company financial statements of Services Support (SEL) Holdings Limited for the year ended 31 December 2008 which comprise the consolidated profit and loss account, the consolidated balance sheet, the Company balance sheet, the consolidated cashflow statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent Company's and the Group's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

9 March 2009

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £'000	2007 £'000
Turnover	2	8,387	7,166
Cost of sales		<u>(7,532)</u>	<u>(6,477)</u>
Operating profit	3	855	689
Net interest receivable	6	1,202	1,820
Profit on ordinary activities before taxation		<u>2,057</u>	<u>2,509</u>
Tax on profit on ordinary activities	7	(1,122)	(808)
Profit on ordinary activities after taxation		<u>935</u>	<u>1,701</u>
Dividends on equity shares	8	(821)	(661)
Retained profit for the year transferred to reserves	15	<u>114</u>	<u>1,040</u>

A reconciliation of movement in shareholders' funds is given in note 16.

All items in the profit and loss account relate to continuing operations.

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents.

All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented.

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £'000	2007 £'000
Current assets			
Debtors		91,524	94,560
- due within one year	10	5,996	7,203
- due after more than one year	10	85,528	87,357
Cash at bank and in hand		4,618	2,834
		96,142	97,394
Current liabilities			
Creditors: amounts falling due within one year	11	(5,316)	(6,669)
Net current assets		90,826	90,725
Total assets less current liabilities		90,826	90,725
Creditors: amounts falling due after more than one year	11	(83,336)	(84,471)
Provisions for liabilities and charges	13	(5,353)	(4,231)
Net assets		2,137	2,023
Capital and reserves			
Called up share capital	14	25	25
Profit and loss account	15	2,112	1,998
Shareholders' funds	16	2,137	2,023

The financial statements were authorised and approved for issue by the Board of Directors on ⁹ March 2009 and were signed on its behalf by:


M Baybutt
Director
⁹ March 2009

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
Fixed assets			
Investments	9	25	25
Current assets			
Debtors		6,296	6,296
- due within one year		-	1,454
- due after more than one year	10	6,296	4,842
Current liabilities			
Creditors: amounts falling due within one year	11	-	(1,454)
Net current assets		6,296	4,842
Total assets less current liabilities		6,321	4,867
Creditors: amounts falling due after more than one year	11	(6,296)	(4,842)
Net assets		25	25
Capital and reserves			
Called up share capital	14	25	25
Shareholders' funds		25	25

The financial statements were authorised and approved for issue by the Board of Directors on March 2009 and were signed on its behalf by:


 M Baybutt
 Director
 March 2009

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
Net cash inflow from operating activities	20	10,300	7,496
Returns on investment and servicing of finance			
Interest received		278	277
Interest paid		(5,582)	(5,730)
Net cashflow from returns on investments and servicing of finance		(5,304)	(5,453)
Net cash inflow before use of liquid resources and financing		4,996	2,043
Financing			
Decrease in debenture loans		-	(518)
Decrease in loan borrowings		(2,391)	(2,246)
Net cash outflow from financing		(2,391)	(2,764)
Dividend			
Dividend paid	8	(821)	(661)
Increase/(decrease) in cash in the year		1,784	(1,382)
Cash at bank and in hand			
Balance as at 1 January		2,834	4,216
Balance as at 31 December		4,618	2,834

Notes to the financial statements for the year ended 31 December 2008

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently in the current and preceding year, is shown below.

The Company exists to hold investments in its subsidiary that provides services under certain private finance agreements. The subsidiary is set up as a Special Purpose Company under non-recourse arrangements and therefore the Company has limited its exposure to the liabilities. In the event of default of the subsidiary, the exposure is limited to the extent of the investment it has made. Having reviewed the Company's investment portfolio including the associated future cash requirements and forecast receipts, the Directors are satisfied that they have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The current economic conditions create some uncertainty, including with respect to:

- (a) the ability of key sub-contractors to continue to meet contractual commitments;
- (b) the ability of the debt provider to continue to meet its contractual commitments; and
- (c) the ability of the SWAP provider to continue to meet their commitments.

The Directors have also considered the ability of government authorities to continue to pay unitary fees due to the Group and do not consider this to be a material risk.

The Group's forecasts and projections, taking account of reasonably possible changes in counterparty performance, show that the Group expects to be able to continue to operate.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of Consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The Company did not trade during the year and has made neither profit nor loss, nor any other recognised gain or loss. As permitted by s230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company. A reconciliation of movements in equity shareholders' funds is given in note 16.

b)

Turnover

During the construction phase of the project, all attributable expenditure including finance costs are included in amounts recoverable on contracts and turnover. Upon the asset becoming operational, the costs are transferred to the finance debtor. During the operational phase, income is allocated between interest receivable and turnover using a constant operating margin on costs. The remainder of the PFI income will be allocated to the finance debtor.

Turnover excludes value added tax and is derived entirely in the United Kingdom

c)

Finance debtor

The Group is an operator under a PFI contract. Under the terms of the contract, substantially all the risks and rewards of ownership of the property asset remain with the Metropolitan Police Service. The underlying asset is therefore not a fixed asset of the Group under FRS5 Application Note F and SSAP21.

d)

Capitalised Interest

Interest costs on borrowings used to fund the construction of the project are added to amounts recoverable on the contract during the construction period. This treatment ceases on commissioning.

e)

Operating costs

Operating costs are added to amounts recoverable on the contract during the construction period. Following commissioning, regular operating costs will be expensed to the profit and loss account as incurred

f)

Interest payable

Interest costs on borrowings are added to amounts recoverable on the contract during the construction phase of the contract, and then written off to the profit and loss account as incurred.

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 ACCOUNTING POLICIES (continued)

g) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

h) Financial Instruments

The Company uses financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2008

2 TURNOVER

Turnover in the year is analysed as follows:

	2008 £'000	2007 £'000
Concession unitary income	6,618	5,820
Other income	1,531	1,181
Variation income	238	165
	<u>8,387</u>	<u>7,166</u>

3 OPERATING PROFIT

The fee payable to the Company's auditors for the audit of the Company's annual accounts of £2,416 (2007 - £2,334) is borne by Services Support (SEL) Limited.

4 DIRECTORS' REMUNERATION

Directors' Fees of £102,000 were paid as remuneration for services to the Company during the current year (2007 - £100,000). The Company is managed by secondees from the shareholders under a management services contract.

5 STAFF NUMBERS

The Company had no employees during the year (2007 - nil).

6 NET INTEREST RECEIVABLE

	2008 £'000	2007 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	278	277
Interest receivable on finance debtor	6,959	7,084
	<u>7,237</u>	<u>7,361</u>
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(5,198)	(5,456)
Interest payable on debenture loan	(756)	-
Amortised debt issue costs	(73)	(77)
Commitment fee on undrawn loan facility	(8)	(8)
	<u>(6,035)</u>	<u>(5,541)</u>
Net interest receivable	<u>1,202</u>	<u>1,820</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £'000	2007 £'000
<u>Analysis of charge for the year</u>		
Current tax	-	-
Deferred tax		
Accelerated capital allowances	(897)	(1,039)
Prior year adjustment	(225)	231
Total deferred tax (note 13)	<u>(1,122)</u>	<u>(808)</u>
Total tax on profit on ordinary activities	<u>(1,122)</u>	<u>(808)</u>

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax charge for the current period

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	2,057	2,509
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	(586)	(753)
Effects of:		
Tax losses brought forward	586	753
Total current tax charge for the year	-	-

For the year ended 31 December 2008, the blended UK rate of 28.5% is applied due to the change in the UK corporation tax rate from 30% to 28% with effect from 1 April 2008.

8 DIVIDENDS PAID AND PROPOSED

	2008 £'000	2007 £'000
Equity shares:		
- paid £32.83 (2007 - £26.44)	821	661
	821	661

9 INVESTMENTS

Shares in Group Undertakings

	Shares £'000	Total £'000
Cost and net book value At 1 January and 31 December 2008	25	25

The sole investment is a 100% interest in Services Support (SEL) Limited, which is incorporated in Great Britain and registered in England and Wales and its principal activity is to design, build, finance and operate police stations in accordance with an agreement with the Metropolitan Police Authority.

In the opinion of the Directors the value of the investment in subsidiary undertaking is not less than the amount stated in the balance sheet.

10 DEBTORS

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
<u>Due within one year:</u>				
Debenture Loan	-	-	-	1,454
Finance debtor	1,899	1,755	-	-
Trade debtors	1,519	1,541	-	-
Other debtors	11	-	-	-
Amounts owed by group undertakings	5	-	-	-
Prepayments and accrued income	2,562	3,907	-	-
	5,996	7,203	-	1,454
<u>Due after more than one year:</u>				
Debenture Loan	-	-	6,296	4,842
Finance debtor	85,528	87,357	-	-
	85,528	87,357	6,296	4,842

The finance debtor balance includes cumulative net interest costs of £3,665,000 (2007 - £3,736,000).

Notes to the financial statements for the year ended 31 December 2008 (continued)

11 CREDITORS

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Debenture loan	-	1,454	-	1,454
Bank loans and overdrafts (note 12)	2,659	2,396	-	-
Less: unamortised debt issue costs	(75)	(83)	-	-
Trade creditors	-	81	-	-
Amounts owed to group undertakings	1,047	1,139	-	-
Taxation and social security	346	440	-	-
Other creditors	343	343	-	-
Accruals and deferred income	996	899	-	-
	<u>5,316</u>	<u>6,669</u>	<u>-</u>	<u>1,454</u>
Amounts falling due after more than one year				
Debenture loan	6,296	4,842	6,296	4,842
Bank loans and overdrafts (note 12)	77,844	80,499	-	-
Less: unamortised debt issue costs	(804)	(870)	-	-
	<u>83,336</u>	<u>84,471</u>	<u>6,296</u>	<u>4,842</u>
Analysis of debt:				
Debt can be analysed as falling due:				
In one year or less, on demand	2,659	3,850	-	1,454
Between one and two years	2,754	3,796	-	1,137
Between two and five years	10,561	12,098	-	2,643
In five years or more	<u>70,825</u>	<u>69,447</u>	<u>6,296</u>	<u>1,062</u>
	86,799	89,191	6,296	6,296
Less: unamortised debt issue costs	(879)	(953)	-	-
Net debt	<u>85,920</u>	<u>88,238</u>	<u>6,296</u>	<u>6,296</u>

The unsecured debenture loan notes of £6,296,000 (2007 - £6,296,000) were issued by the parent undertaking as part of the committed shareholder funding for the project. The loan notes previously carried a zero percent rate of interest and were repayable by the Company no later than the end of the agreement with the Metropolitan Police Authority (16 January 2029). A coupon rate of 12% was introduced on the loan notes applying from 1 January 2008. The loan notes are now repayable at 2029.

12 LOANS

Services Support (SEL) Limited (SPC) has a £101 million facility provided by a syndicate of banks in order to finance the construction of the project. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum over the next 20 years.

The loan is secured by a charge over the shares of the SPC.

Interest on the facility is charged at rates linked to LIBOR. The SPC has entered into fixed interest rate swaps to mitigate its interest exposure which have a negative fair value at 31 December 2008 of £14,252,337 (2007 - £3,757,950).

13 PROVISIONS FOR LIABILITIES AND CHARGES

There were no unprovided deferred tax amounts in the current or the previous year.

	2008	2007
	£'000	£'000
Deferred taxation		
At 1 January 2008	4,231	3,423
Charged to profit and loss account	1,122	808
At 31 December 2008	<u>5,353</u>	<u>4,231</u>

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

14 CALLED UP SHARE CAPITAL

	2008 No.	2007 No.
Authorised:		
Ordinary shares at £1 each	<u>25,000</u>	<u>25,000</u>
	£'000	£'000
Allotted, called up and fully paid:		
25,000 ordinary shares at £1 each	<u>25</u>	<u>25</u>

15 MOVEMENT IN RESERVES

	Profit and loss account £'000
At 1 January 2008	1,998
Retained profit for the year	935
Dividends paid (Note 8)	(821)
At 31 December 2008	<u>2,112</u>

16 RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2008 £'000	2007 £'000
Retained profit for the financial year	935	1,701
Dividends paid (Note 8)	(821)	(661)
Net addition to shareholders' funds	<u>114</u>	<u>1,040</u>
Opening shareholders' funds	2,023	983
Closing shareholders' funds	<u>2,137</u>	<u>2,023</u>

17 TRANSACTIONS WITH RELATED PARTIES

There were related party transactions between the Group with the following parties:

	2008 £'000	2007 £'000
John Laing plc and subsidiaries	6,704	6,379
Details of payments made to John Laing plc and subsidiaries are as follows:		
Management fees	324	310
Directors fees	51	50
Tax compliance	-	5
Facilities management	<u>6,329</u>	<u>6,014</u>
	<u>6,704</u>	<u>6,379</u>
Details of payments made to Amalie PFI (UK) Limited are as follows:		
Directors fees	51	50
Balances at year end		
John Laing Integrated Services Limited	633	1,101
Laing Investments Management Services Limited	<u>31</u>	<u>38</u>
	<u>664</u>	<u>1,139</u>

John Laing plc is the parent company of John Laing Social Infrastructure Limited. John Laing Social Infrastructure Limited jointly control Services Support (SEL) Limited.

Notes to the financial statements for the year ended 31 December 2008 (continued)

18 ANALYSIS OF NET DEBT

	At 1 January 2008 £'000	Cashflow £'000	Non-cash movements £'000	At 31 December 2008 £'000
Cash in hand and at bank	2,834	1,784	-	4,618
Debt due less than 1 year	(3,767)	2,391	(1,208)	(2,584)
Debt due more than 1 year	(84,471)	-	1,135	(83,336)
NET GROUP DEBT	(85,404)	4,175	(73)	(81,302)

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£'000
Increase in cash in the year	1,784
Decrease in borrowings due within one year	1,191
Decrease in borrowings due in more than one year	1,200
Decrease in unamortised debt issue costs	(73)
Decrease in net debt	<u>4,102</u>
Net debt at 1 January 2008	(85,404)
Net debt at 31 December 2008	<u>(81,302)</u>

20 RECONCILIATION OF OPERATING RESULT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2008 £'000	2007 £'000
Operating profit	855	689
Decrease in debtors	9,997	6,795
(Decrease)/increase in creditors	(552)	12
Net cash inflow from operating activities	<u>10,300</u>	<u>7,496</u>

21 ULTIMATE PARENT UNDERTAKING

At 31 December 2008 the Company is owned and jointly controlled by John Laing Social Infrastructure Limited and Amalie PFI (UK) Limited. The Directors consider there to be no ultimate controlling party or ultimate parent company.