

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2009**

Registered Number 3912708



SERVICES SUPPORT (SEL) HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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DIRECTORS AND ADVISORS

Directors

M Baybutt (appointed 06 February 2009)
P J Cooper
G E Leake
M J Mercer-Deadman (resigned 06 February 2009)
G A Quaife

Company secretary and registered office

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

Auditors

Deloitte LLP
Chartered Accountants
London

Principal bankers

Commerz Bank
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 2009

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 (2008 - £nil).

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £1,778,000 (2008 - £2,057,000). After taxation of £790,000 (2008 - £1,122,000), profit for the year was £988,000 (2008 - £935,000).

The directors recommended and paid a dividend of £548,000 (2008 - £821,000) 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 provisions of section 418 of the Companies Act 2006.

DIRECTORS' REPORT (continued)

DIRECTORS

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

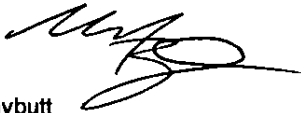
EMPLOYEES

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 section 386 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
01 April 2010

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 2009 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and Parent's Company's affairs as at 31 December 2009 and of the Group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

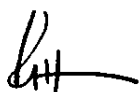
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in

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



Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
April 2010

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
Turnover	2	8,799	8,387
Cost of sales		(7,878)	(7,532)
Operating profit	3	921	855
Net interest receivable	6	857	1,202
Profit on ordinary activities before taxation		1,778	2,057
Tax on profit on ordinary activities	7	(790)	(1,122)
Profit for the financial year	15	988	935

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 2009

	Notes	2009 £'000	2008 £'000
Current assets			
Debtors		89,436	91,524
- due within one year	10	6,510	5,996
- due after more than one year	10	82,926	85,528
Cash at bank and in hand		4,680	4,618
		94,116	96,142
Current liabilities			
Creditors amounts falling due within one year	11	(4,737)	(5,316)
Net current assets		89,379	90,826
Total assets less current liabilities		89,379	90,826
Creditors amounts falling due after more than one year	11	(80,659)	(83,336)
Provisions for liabilities and charges	13	(6,143)	(5,353)
Net assets		2,577	2,137
Capital and reserves			
Called up share capital	14	25	25
Profit and loss account	15	2,552	2,112
Shareholders' funds	16	2,577	2,137

The financial statements of Services Support (SEL) Holdings Limited, registered number 3912708, were approved by the Board of Directors and authorised for issue on 01 April 2010 and were signed on its behalf by



M Baybutt
Director
01 April 2010

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	9	25	25
Current assets			
Debtors		6,296	6,296
- due within one year		-	-
- due after more than one year	10	6,296	6,296
Net current assets		6,296	6,296
Total assets less current liabilities		6,321	6,321
Creditors: amounts falling due after more than one year	11	(6,296)	(6,296)
Net assets		25	25
Capital and reserves			
Called up share capital	14	25	25
Shareholders' funds		25	25

The financial statements of Services Support (SEL) Holdings Limited, registered number 3912708, were approved by the Board of Directors and authorised for issue on 01 April 2010 and were signed on its behalf by



M Baybutt
Director
01 April 2010

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Net cash inflow from operating activities	20	9,159	10,300
Returns on investment and servicing of finance			
Interest received		57	278
Interest paid		<u>(5,949)</u>	<u>(5,582)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(5,892)</u>	<u>(5,304)</u>
Net cash inflow before use of liquid resources and financing		<u>3,267</u>	<u>4,996</u>
Financing			
Decrease in loan borrowings		<u>(2,657)</u>	<u>(2,391)</u>
Net cash outflow from financing		<u>(2,657)</u>	<u>(2,391)</u>
Dividend			
Dividend paid	8	<u>(548)</u>	<u>(821)</u>
Increase in cash in the year		<u>62</u>	<u>1,784</u>
Cash at bank and in hand			
Balance as at 1 January		4,618	2,834
Balance as at 31 December		<u>4,680</u>	<u>4,618</u>

Notes to the financial statements for the year ended 31 December 2009

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention, 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

Company

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.

Group

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 made profit before tax of £548,000 (2008 - £821,000). As permitted by s408 of the Companies Act 2006, 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

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 Authority. The underlying asset is therefore not a fixed asset of the Group under FRS5 Application Note F and SSAP21.

d) Finance debtor and income recognition

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.

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 2009 (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

i) Investments

Fixed asset investments are shown at cost less provision for impairments. Income from investments is included in the profit and loss account as declared

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

2 TURNOVER

	2009 £'000	2008 £'000
Turnover in the year is analysed as follows		
Concession unitary income	6,985	6,618
Other income	1,199	1,531
Variation income	615	238
	8,799	8,387

3 OPERATING PROFIT

The fee payable to the Group's auditors for the audit of the Group's annual accounts of £12,487 (2008 - £12,487) is borne by Services Support (SEL) Limited

4 DIRECTORS' REMUNERATION

Directors' Fees of £104,000 were paid as remuneration for services to the Company during the current year (2008 - £102,000) 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 (2008 - nil)

6 NET INTEREST RECEIVABLE

	2009 £'000	2008 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	57	278
Interest receivable on finance debtor	6,825	6,959
	6,882	7,237
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(5,186)	(5,198)
Interest payable on debenture loan	(756)	(756)
Amortised debt issue costs	(76)	(73)
Commitment fee on undrawn loan facility	(7)	(8)
	(6,025)	(6,035)
Net interest receivable	857	1,202

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
<u>Analysis of charge for the year</u>		
Current tax	-	-
Deferred tax		
Accelerated capital allowances	(790)	(897)
Prior year adjustment	-	(225)
Total deferred tax (note 13)	(790)	(1,122)
Total tax on profit on ordinary activities	(790)	(1,122)

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (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

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	1,778	2,057
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	(497)	(586)
Effects of Tax losses brought forward	497	586
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

	2009 £'000	2008 £'000
Equity shares		
- Interim dividend paid of £21.94 (2008 - £32.83) per share	548	821
	548	821

9 INVESTMENTS

	Shares in Group Undertakings	
	Shares £'000	Total £'000
Cost and net book value		
At 1 January and 31 December 2009	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	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
<u>Due within one year</u>				
Finance debtor	2,020	1,899	-	-
Trade debtors	1,576	1,519	-	-
Other debtors	11	11	-	-
Amounts owed by group undertakings	-	5	-	-
Prepayments and accrued income	2,903	2,562	-	-
	6,510	5,996	-	-
<u>Due after more than one year</u>				
Debenture loan	-	-	6,296	6,296
Finance debtor	82,926	85,528	-	-
	82,926	85,528	6,296	6,296

The finance debtor balance includes cumulative net interest costs of £3,561,000 (2008 - £3,665,000)

The amount owed by group undertakings in the current and prior year is repayable on demand. Interest is charged on the loan at 1% above bank base rate

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 CREDITORS

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Bank loans and overdrafts (note 12)	2,755	2,659	-	-
Less unamortised debt issue costs	(75)	(75)	-	-
Amounts owed to group undertakings	1,068	1,047	-	-
Taxation and social security	340	346	-	-
Other creditors	343	343	-	-
Accruals and deferred income	306	996	-	-
	<u>4,737</u>	<u>5,316</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year				
Debenture loan	6,296	6,296	6,296	6,296
Bank loans and overdrafts (note 12)	75,092	77,844	-	-
Less unamortised debt issue costs	(729)	(804)	-	-
	<u>80,659</u>	<u>83,336</u>	<u>6,296</u>	<u>6,296</u>
Analysis of debt				
Debt can be analysed as falling due				
In one year or less, on demand	2,755	2,659	-	-
Between one and two years	3,141	2,754	-	-
Between two and five years	10,834	10,561	-	-
In five years or more	67,413	70,825	6,296	6,296
	<u>84,143</u>	<u>86,799</u>	<u>6,296</u>	<u>6,296</u>
Less unamortised debt issue costs	(804)	(879)	-	-
Net debt	<u>83,339</u>	<u>85,920</u>	<u>6,296</u>	<u>6,296</u>

The unsecured debenture loan notes of £6,296,000 (2008 - £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 2009 of £8,600,682 (2008 - £14,252,337).

13 PROVISIONS FOR LIABILITIES AND CHARGES

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

	2009	2008
	£'000	£'000
Deferred taxation		
At 1 January 2009	5,353	4,231
Charged to profit and loss account	790	1,122
At 31 December 2009	<u>6,143</u>	<u>5,353</u>

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

14 CALLED UP SHARE CAPITAL

	2009	2008
	£'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 2009		2,112
Profit for the financial year		988
Dividends paid on equity shares (note 8)		(548)
At 31 December 2009		<u>2,552</u>

16 RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2009	2008
	£'000	£'000
Profit for the financial year	988	935
Dividends paid on equity shares (note 8)	<u>(548)</u>	<u>(821)</u>
Net addition to shareholders' funds	<u>440</u>	<u>114</u>
Opening shareholders' funds	2,137	2,023
Closing shareholders' funds	<u>2,577</u>	<u>2,137</u>

17 TRANSACTIONS WITH RELATED PARTIES

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

	2009	2008
	£'000	£'000
John Laing plc and subsidiaries	7,526	6,704
Details of payments made to John Laing plc and subsidiaries are as follows		
Management fees	326	324
Directors fees	52	51
Tax compliance	5	-
Facilities management	<u>7,143</u>	<u>6,329</u>
	<u>7,526</u>	<u>6,704</u>

Details of payments made to Amalie PFI (UK) Limited are as follows

Directors fees	52	51
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Balances at year end

John Laing Integrated Services Limited	658	633
Laing Investments Management Services Limited	<u>31</u>	<u>31</u>
	<u>689</u>	<u>664</u>

John Laing plc is the parent company of John Laing Social Infrastructure Limited. John Laing Social Infrastructure Limited jointly controls Services Support (SEL) Limited, John Laing Integrated Services Limited and Laing Investments Management Services Limited, which are subsidiary undertakings of John Laing plc.

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

18 ANALYSIS OF NET DEBT

	At 1 January 2009 £'000	Cashflow £'000	Non-cash movements £'000	At 31 December 2009 £'000
Cash in hand and at bank	4,618	62	-	4,680
Debt due less than 1 year	(2,584)	2,657	(2,753)	(2,680)
Debt due more than 1 year	(83,336)	-	2,677	(80,659)
NET GROUP DEBT	(81,302)	2,719	(76)	(78,659)

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£'000
Increase in cash in the year	62
Increase in borrowings due within one year	(96)
Decrease in borrowings due in more than one year	2,753
Decrease in unamortised debt issue costs	(76)
Decrease in net debt	<u>2,643</u>
Net debt at 1 January 2009	(81,302)
Net debt at 31 December 2009	<u>(78,659)</u>

20 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £'000	2008 £'000
Operating profit	921	855
Decrease in debtors	8,908	9,997
Decrease in creditors	(670)	(552)
Net cash inflow from operating activities	<u>9,159</u>	<u>10,300</u>

21 ULTIMATE PARENT UNDERTAKING

At 31 December 2009 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.