SERVICES SUPPORT (SEL) HOLDINGS LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2010

Registered Number 3912708

TUESDAY

AGKW1U01
A29 10/05/2011 173
COMPANIES HOUSE

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

CONTENTS **Page**

Directors and advisors	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditors' report to the members of Services Support (SEL) Holdings Limited	5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 16

DIRECTORS AND ADVISORS

Directors
M Baybutt
P J Cooper
G E Leake
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
CommerzBank
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 2010

The Company is owned and jointly controlled by John Laing Social Infrastructure Limited, The John Laing Pension Trust 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 the holding of an investment in Services Support (SEL) Limited, a special purpose company whose activity is to design, construction, financing and operation of three sector police stations and one divisional headquarters in South East London, under the Private Finance Initiative

Services Support (SEL) Limited continued operating during the year

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

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

FUTURE DEVELOPMENTS

Services Support (SEL) Holdings Limited will continue to hold the investments 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 PEFORMANCE INDICATORS

The key performance indicator for the Company 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 (2009 - £nil)

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £1,981,000 (2009 - £1,778,000) After taxation of £606,000 (2009 - £790,000), profit for the year was £1,375,000 (2009 - £988,000)

The directors recommended and paid a dividend of £444,000 (2009 - £548,000) 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

DIRECTORS' REPORT (continued)

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 information

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006

DIRECTORS

The Directors who served throughout the year 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

PAYMENT TO CREDITORS

It is the Company's policy to settle terms of payment with suppliers when agreeing the term of the transaction, to ensure that suppliers are aware of these terms and to abide by them Trade creditors at the period end amount to 32 days (2009 - 32 days)

AUDITORS

Pursuant to section 386 Companies Act 1985, an elective resolution was passed on 18 December 2002 dispensing 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
22 March 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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 year In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,

- make judgements and accounting estimates that are reasonable and prudent,

- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 financial statements of Services Support (SEL) Holdings Limited for the year ended 31 December 2010 which comprise the consolidated profit and loss account, the consolidated and Company balance sheet, 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 Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 and express an opinion on 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 Group's and parent 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 Company's affairs as at 31 December 2010 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 our opinion

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company 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
23 March 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	**10,164**	8,799
Cost of sales		**(8,937)**	(7,878)
Operating profit	3	**1,227**	921
Net interest receivable	6	**754**	857
Profit on ordinary activities before taxation		**1,981**	1,778
Tax on profit on ordinary activities	7	**(606)**	(790)
Profit for the financial year	15	**1,375**	988

A reconciliation of movements in shareholder's 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 consolidated 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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
Current assets			
Debtors		**87,744**	89,436
- due within one year	10	**6,930**	6,510
- due after more than one year	10	**80,814**	82,926
Cash at bank and in hand		**5,286**	4,680
		93,030	94,116
Current liabilities			
Creditors amounts falling due within one year	11	**(5,184)**	(4,737)
Net current assets		**87,846**	89,379
Total assets less current liabilities		**87,846**	89,379
Creditors amounts falling due after more than one year	11	**(77,589)**	(80,659)
Provision for liabilities	13	**(6,749)**	(6,143)
Net assets		**3,508**	2,577
Capital and reserves			
Called up share capital	14	**25**	25
Profit and loss account	15	**3,483**	2,552
Shareholder's funds	16	**3,508**	2,577

The consolidated financial statements of Services Support (SEL) Holdings Limited, registered number 3912708, were approved by the Board of Directors and authorised for issue on 22 March 2011 They were signed on its behalf by

M Baybutt
Director
22 March 2011

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	9	**25**	25
Current assets			
Debtors - 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
Shareholder's funds	16	**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 22 March 2011 They were signed on its behalf by

M Baybutt
Director
22 March 2011

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
Net cash inflow from operating activities	18	**9,601**	9,159
Returns on investments and servicing of finance			
Interest received		**35**	57
Interest and other financing costs paid		**(5,826)**	(5,949)
Net cash outflow from returns on investments and servicing of finance		**(5,791)**	(5,892)
Equity dividends paid		**(444)**	(548)
Net cash inflow before use of liquid resources and financing		**3,366**	2,719
Financing			
Repayment of secured loan		**(2,760)**	(2,657)
Net cash outflow from financing		**(2,760)**	(2,657)
Increase in cash in the year	19	**606**	62
Reconciliation to net debt			
Net debt at 1 January		**(78,659)**	(81,302)
Increase in cash in the year		**606**	62
Movement in borrowings		**2,760**	2,657
Other non-cash changes		**(79)**	(76)
Net debt at 31 December	19	**(75,372)**	(78,659)

Notes to the financial statements for the year ended 31 December 2010

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 law and accounting standards A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout 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 Company 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 Company expects to be able to continue to operate

After making enquiries, the Directors have a reasonable expectation that the Company 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 undertaking drawn up to 31 December each year The results of subsidiaries acquired or sold are consolidated for the periods from or the date on which control passed Acquisitions are accounted for under the acquisition method The Company made a profit before tax of £1,981,000 (2009 - £1,778,000) for the financial year As permitted by s408 of the Companies Act 2006, no separate profit and loss account in 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, Metropolitan Police Authority The underlying asset is therefore not a fixed asset of the Group under FRS5 Application Note F and SSAP 21

d) Finance debtor and income recognition

During the construction phase of the project, all attributable expenditure including finance costs is 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 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 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 2010 (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 Company'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) Investments

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

i) Financial Instruments

The subsidiary uses financial instruments to reduce exposure to interest rate movements The company does not hold or issue derivative financial instruments for speculative purpose

j) Bank Borrowings

Interest-bearing bank loans and overdraft are recorded at the proceeds received, net of direct issue costs Finance Charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settle in the period in which they arise

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 TURNOVER

	Group 2010 £'000	Group 2009 £'000
Turnover in the year is analysed as follows		
Service fee revenue	8,747	6,985
Variation other revenue	143	615
Other revenue	1,274	1,199
	10,164	8,799

3 OPERATING PROFIT

	Group 2010 £'000	Group 2009 £'000
Operating profit is stated after charging		
Fees payable to the Group's auditors for the audit of the Group's annual accounts	12	12
Operating and maintenance costs	7,130	5,603
Other overhead and administrative costs	464	449

4 DIRECTORS' REMUNERATION

Directors Fees' of £112,000 were paid as remuneration for services to the Company during the current year (2009 - £104,000) The group is managed by secondees from the shareholders under a management services contract

5 STAFF NUMBERS

The Company had no employees during the year (2009 - nil)

6 NET INTEREST RECEIVABLE

	Group 2010 £'000	Group 2009 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	35	57
Interest receivable on finance debtor	6,628	6,825
	6,663	6,882
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(5,063)	(5,186)
Amortised debt issue costs	(80)	(76)
Commitment fee on undrawn loan facility	(8)	(7)
Interest payable on debenture loan	(758)	(756)
	(5,909)	(6,025)
Net interest receivable	754	857

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group 2010 £'000	Group 2009 £'000
Analysis of tax charge for the year		
Deferred tax		
Accelerated capital allowances	(606)	(790)
Total deferred tax	(606)	(790)
Total tax charge on profit on ordinary activities	(606)	(790)

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax for the year

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

	Group 2010 £'000	Group 2009 £'000
Profit on ordinary activities before taxation	**1,981**	1,778
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	**(555)**	(497)
Effects of		
Utilization of tax losses	**555**	497
Total current tax for the year	**-**	-

As at 31 December 2010 there is an unrecognised deferred tax asset in respect of excess losses of £5,219,000 (2009 - £6,469,000)

8 DIVIDENDS

	Group 2010 £'000	Group 2009 £'000
Equity shares		
- Interim and final dividend paid of £17 77 (2009 - £21 94) per share	**(444)**	(548)

9 INVESTMENTS

	Shares in group undertaking £'000
Cost	
At 1 January 2010	25
At 31 December 2010	**25**
Net book value	
At 31 December 2009	**25**
At 31 December 2010	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 aggregate value of the investment is not less than the amount stated in the balance sheet

10 DEBTORS

	Group		Company	
	2010	2009	2010	2009
Due within one year	**£'000**	£'000	**£'000**	£'000
Finance debtor	**2,184**	2,020	**-**	-
Trade debtors	**1,851**	1,576	**-**	-
Other debtors	**11**	11	**-**	-
Prepayments and accrued income	**2,884**	2,903	**-**	-
	6,930	6,510	**-**	-
Due after more than one year				
Finance debtor	**80,814**	82,926	**-**	-
Debenture Loan	**-**	-	**6,296**	6,296
	80,814	82,926	**6,296**	6,296

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

The finance debtor includes cumulative net interest costs of £3,480,000 (2009 - £3,561,000)

Notes to the financial statements for the year ended 31 December 2010 (continued)

11 CREDITORS

	Group		Company	
	2010	2009	**2010**	2009
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year				
Bank loans (note 12)	**3,142**	2,755	**-**	-
Less unamortised debt issue costs	**(73)**	(75)	**-**	-
Amounts owed to group undertakings	**-**	1,068	**-**	-
Trade creditors	**800**	-	**-**	-
Other taxation and social security	**415**	340	**-**	-
Other creditors	**343**	343	**-**	-
Accruals and deferred income	**557**	306	**-**	-
	5,184	4,737	**-**	-
Amounts falling due after more than one year				
Bank loans (note 12)	**71,944**	75,092	**-**	-
Less unamortised debt issue costs	**(651)**	(729)	**-**	-
Debenture loans	**6,296**	6,296	**6,296**	6,296
	77,589	80,659	**6,296**	6,296
Analysis of debt				
Debt can be analysed as falling due				
In one year or less	**3,142**	2,755	**-**	-
Between one and two years	**3,560**	3,141	**-**	-
Between two and five years	**9,876**	10,834	**-**	-
In five years or more	**64,804**	67,413	**6,296**	6,296
	81,382	84,143	**6,296**	6,296
Less unamortised debt issue costs	**(724)**	(804)	**-**	-
	80,658	83,339	**6,296**	6,296

The bank loan is secured by a charge over the shares of the Company

The unsecured debenture loan notes of £6,296,000 (2009 - £6,296,000) were issued by the parent undertakings as part of the committed shareholder funding for the project The loan notes carry a 12 percent rate of interest and are repayable by the company no later than the end of the agreement with the Metropolitan Police Authority (16 January 2029)

12 LOANS

Services Support (SEL) Limited has a £101 million credit 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 two interest rate swaps to mitigate its interest exposure which have a negative fair value at 31 December 2010 of £11,403,687 (2009 - £8,600,682)

13 PROVISIONS FOR LIABILITIES

There were no unprovided deferred tax amounts in the current or the previous year The deferred tax in the current and prior year relates to accelerated capital allowances

	Group	Group
	2010	2009
	£'000	£'000
Deferred Taxation		
At 1 January	**6,143**	5,353
Charged to the profit and loss account	**606**	790
At 31 December	**6,749**	6,143

Notes to the financial statements for the year ended 31 December 2010 (continued)

14 CALLED UP SHARE CAPITAL

	Group / Company	
	2010	2009
	£'000	£'000
Allotted, called up and fully paid		
25,000 ordinary shares of £1 each	**25**	25

15 MOVEMENT IN RESERVES

	Group Profit and loss account
	£'000
At 1 January 2010	**2,552**
Profit for the financial year	**1,375**
Dividends paid on equity shares (note 8)	**(444)**
At 31 December 2010	**3,483**

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Group		Company	
	2010	2009	**2010**	2009
	£'000	£'000	**£'000**	£'000
Profit for the financial year	**1,375**	988	**444**	548
Dividends paid on equity shares (note 8)	**(444)**	(548)	**(444)**	(548)
Net addition to shareholder's funds	**931**	440	**-**	-
Opening shareholder's funds	**2,577**	2,137	**-**	-
Closing shareholder's funds	**3,508**	2,577	**-**	-

17 TRANSACTIONS WITH RELATED PARTIES

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

	2010	2009
	£'000	£'000
John Laing plc and subsidiaries	**8,748**	7,526
Details of payments made to John Laing plc and subsidiaries are as follows		
Directors fees	**56**	52
Facilities fees	**8,358**	7,143
Management and other fees	**334**	331
	8,748	7,526
Details of payments made to Amalie PFI (UK) Limited are as follows Gross costs		
Directors fees	**56**	52
	56	52
Balance payable at 31 December		
John Laing Integrated Services Limited	**755**	658
Laing Investments Management Services Limited	**33**	31

John Laing plc is the parent company of John Laing Social Infrastructure Limited John Laing Social Infrastructure Limited, Amalie PFI (UK) Limited and the John Laing Pension Trust Limited jointly control Services Support (SEL) Holdings Limited John Laing Integrated Services Limited and Laing Investments Management Services Limited are subsidiary undertakings of John Laing plc

Notes to the financial statements for the year ended 31 December 2010 (continued)

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

	2010 £'000	2009 £'000
Operating profit	1,227	921
Decrease in debtors	8,330	8,908
Increase / (decrease) in creditors	44	(670)
Net cash inflow from operating activities	9,601	9,159

19 RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 January 2010 £'000	Cash flow £'000	Other non-cash changes £'000	At 31 December 2010 £'000
Increase in cash in hand and at bank	4,680	606	-	5,286
Debt due within one year	(2,680)	2,760	(3,149)	(3,069)
Debt due after one year	(80,659)	-	3,070	(77,589)
Net debt	(78,659)	3,366	(79)	(75,372)

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 £'000
Increase in cash in hand and at bank	606
Cash outflow from decrease in debt	2,760
Other non cash movements	(79)
Decrease in net debt	3,287
Net debt at 1 January	(78,659)
Net debt at 31 December	(75,372)

21 ULTIMATE PARENT UNDERTAKING

The Company is a joint venture between John Laing Social Infrastructure Limited (25%),The John Laing Pension Trust Limited (25%) and Amalie PFI (UK) Limited (50%) The companies are incorporated in Great Britain and registered in England and Wales The Directors consider there to be no ultimate controlling party or ultimate parent company