

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011



Registered Number 3912708

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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DIRECTORS AND ADVISORS

Directors

M Baybutt

G E Leake

G A Quaife

A C Roper (appointed 12 October 2011)

R J Newton (appointed 30 January 2012)

K W Pickard (appointed 12 October 2011)

P J Cooper (resigned 1 October 2011)

Company secretary and registered office

R K Miller

Allington House

150 Victoria Street

London

SW1E 5LB

Auditor

KPMG Audit PLC

Chartered Accountants

London

Principal bankers

CommerzBank

P O Box 52715

30 Gresham Street

London

EC2P 2XY

DIRECTORS' REPORT

The Directors submit their Directors' Report and the audited financial statements for the year ended 31 December 2011

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) 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 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 (2010 - £nil).

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £2,136,000 (2010 - £1,981,000). After taxation of £622,000 (2010 - £606,000), profit for the year was £1,514,000 (2010 - £1,375,000).

The Directors recommended and paid a dividend of £416,000 (2010 - £444,000) 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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable donations or incurred any political expenditure during the year.

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 auditor is 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 auditor is 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 37 days (2010 - 32 days)

AUDITOR

KPMG Audit PLC were appointed as auditor as agreed in a written resolution by board of Directors on 13 December 2011

On behalf of the Board



M Baybutt
Director
23 April 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S 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 2011 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 2011 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, 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



W Meredith (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
London

23 April 2012

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Turnover	2	10,908	10,164
Cost of sales		(9,601)	(8,937)
Operating profit	3	1,307	1,227
Net interest receivable	6	829	754
Profit on ordinary activities before taxation		2,136	1,981
Tax on profit on ordinary activities	7	(622)	(606)
Profit for the financial year	15	1,514	1,375

The notes on pages 10 to 16 form part of the financial statements

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

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Debtors		87,258	87,744
- due within one year	10	8,589	6,930
- due after more than one year	10	78,669	80,814
Cash at bank and in hand		4,420	5,286
		<u>91,678</u>	<u>93,030</u>
Current liabilities			
Creditors amounts falling due within one year	11	(5,635)	(5,184)
Net current assets		<u>86,043</u>	<u>87,846</u>
Total assets less current liabilities		86,043	87,846
Creditors amounts falling due after more than one year	11	(74,066)	(77,589)
Provision for liabilities	13	(7,371)	(6,749)
Net assets		<u>4,606</u>	<u>3,508</u>
Capital and reserves			
Called up share capital	14	25	25
Profit and loss account	15	4,581	3,483
Shareholder's funds	16	<u>4,606</u>	<u>3,508</u>

The notes on pages 10 to 16 form part of the financial statements

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 April 2012. They were signed on its behalf by



M Baybutt
Director
23 April 2012

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	9	25	25
Current assets			
Debtors		6,677	6,677
- due within one year	10	381	381
- due after more than one year	10	6,296	6,296
Current liabilities			
Creditors amounts falling due within one year	11	(381)	(381)
Net current assets		<u>6,296</u>	<u>6,296</u>
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		<u>25</u>	<u>25</u>
Capital and reserves			
Called up share capital	14	25	25
Shareholder's funds	16	<u>25</u>	<u>25</u>

The notes on pages 10 to 16 form part of the financial statements

The financial statements of Services Support (SEL) Holdings Limited, registered number 3912708, were approved by the Board of Directors and authorised for issue on April 2012. They were signed on its behalf by



M Baybutt
Director
23 April 2012

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Net cash inflow from operating activities	18	8,283	9,601
Returns on investments and servicing of finance			
Interest received		44	35
Interest and other financing costs paid		(5,638)	(5,826)
Net cash outflow from returns on investments and servicing of finance		(5,594)	(5,791)
Equity dividends paid		(416)	(444)
Net cash inflow before use of liquid resources and financing		2,273	3,366
Financing			
Repayment of secured loan		(3,139)	(2,760)
Net cash outflow from financing		(3,139)	(2,760)
(Decrease) / Increase in cash in the year	19	(866)	606
Reconciliation to net debt			
Net debt at 1 January		(75,372)	(78,659)
(Decrease) / Increase in cash in the year		(866)	606
Movement in borrowings		3,139	2,760
Other non-cash changes		(36)	(79)
Net debt at 31 December	19	(73,135)	(75,372)

The notes on pages 10 to 16 form part of the financial statements

Notes to the financial statements for the year ended 31 December 2011

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 £416,000 (2010 - £444,000) for the financial year. 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 Mayor's Office for Policing and Crime. 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 2011 (continued)

1 ACCOUNTING POLICIES (continued)

g) Taxation

Current tax, including United Kingdom Corporation 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 settled in the period in which they arise

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

2 TURNOVER

	Group	Group
	2011	2010
	£'000	£'000
Turnover in the year is analysed as follows		
Service fee revenue	9,399	8,747
Other revenue	1,509	1,417
	10,908	10,164

All turnover and profit before tax originates in the United Kingdom and relates to one segment, being the construction, operating and financing of a Private Finance Initiative contract

3 OPERATING PROFIT

	Group	Group
	2011	2010
	£'000	£'000
Operating profit is stated after charging		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	10	12
Operating and maintenance costs	9,085	8,429
Other overhead and administrative costs	506	496

4 DIRECTORS' REMUNERATION

Directors' Fees' of £118,000 were paid as remuneration for services to the Company during the current year (2010 - £112,000). 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 (2010 - nil)

6 NET INTEREST RECEIVABLE

	Group	Group
	2011	2010
	£'000	£'000
Interest receivable and similar income		
Interest receivable on bank deposits	44	35
Interest receivable on finance debtor	6,472	6,628
	6,516	6,663
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(4,887)	(5,063)
Amortised debt issue costs	(36)	(80)
Commitment fee on undrawn loan facility	(8)	(8)
Interest payable on debenture loan	(756)	(758)
	(5,687)	(5,909)
Net interest receivable	829	754

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group	Group
	2011	2010
	£'000	£'000
<u>Analysis of tax charge for the year</u>		
Deferred tax		
Accelerated capital allowances	(622)	(606)
Total deferred tax	(622)	(606)
Total tax charge on profit on ordinary activities	(622)	(606)

Notes to the financial statements for the year ended 31 December 2011 (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 2011 £'000	Group 2010 £'000
Profit on ordinary activities before taxation	2,136	1,981
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	(566)	(555)
Effects of Utilization of tax losses	566	555
Total current tax for the year	-	-

For the year ended 31 December 2011, the blended UK rate of 26.5% is applied due to the change in the UK corporation tax rate from 28% to 26% with effect from 1 April 2011

8 DIVIDENDS

	Group 2011 £'000	Group 2010 £'000
Equity shares - Interim and final dividend paid of £16.64 (2010 - £17.77) per share	(416)	(444)

9 INVESTMENTS

	Shares in group undertaking £'000
Cost	
At 1 January 2011	25
At 31 December 2011	25
Net book value	
At 31 December 2010	25
At 31 December 2011	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 Mayor's Office for Policing and Crime

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	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Due within one year				
Finance debtor	2,223	2,184	-	-
Trade debtors	3,768	1,851	-	-
Amounts owed from subsidiary undertaking	-	-	381	381
Other debtors	11	11	-	-
Prepayments and accrued income	2,587	2,884	-	-
	8,589	6,930	381	381
Due after more than one year				
Finance debtor	78,669	80,814	-	-
Amounts owed from subsidiary undertaking	-	-	6,296	6,296
	78,669	80,814	6,296	6,296

The amounts owed from subsidiary undertaking in the current and prior year are repayable in line with repayments schedules. Interest is charged at agreed arms length interest rates

The finance debtor includes cumulative net interest costs of £3,396,000 (2010 - £3,480,000)

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 CREDITORS

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Bank loans (note 12)	3,560	3,142	-	-
Less unamortised debt issue costs	(71)	(73)	-	-
Amounts owed to parent undertakings	381	381	381	381
Trade creditors	965	800	-	-
Other taxation and social security	514	415	-	-
Other creditors	24	343	-	-
Accruals and deferred income	262	176	-	-
	5,635	5,184	381	381
Amounts falling due after more than one year				
Bank loans (note 12)	68,387	71,944	-	-
Less unamortised debt issue costs	(617)	(651)	-	-
Amounts owed to parent undertakings	6,296	6,296	6,296	6,296
	74,066	77,589	6,296	6,296
Analysis of debt				
Debt can be analysed as falling due				
In one year or less	3,560	3,142	-	-
Between one and two years	3,861	3,560	-	-
Between two and five years	8,735	9,876	-	-
In five years or more	62,087	64,804	6,296	6,296
	78,243	81,382	6,296	6,296
Less unamortised debt issue costs	(688)	(724)	-	-
	77,555	80,658	6,296	6,296

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

The amounts owed to parent undertakings in the current and prior year are repayable in line with repayments schedules. Interest is charged at agreed arms length interest rates.

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 through to 2026.

The loan is secured by a charge over the shares of Services Support (SEL) Limited.

Interest on the facility is charged at rates linked to LIBOR. Services Support (SEL) Limited has entered into two interest rate swaps to mitigate its interest exposure which have a negative fair value at 31 December 2011 of £19,222,223 (2010 - £11,403,687).

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
	2011	2010
	£'000	£'000
Deferred Taxation		
At 1 January	6,749	6,143
Charged to the profit and loss account	622	606
At 31 December	7,371	6,749

Notes to the financial statements for the year ended 31 December 2011 (continued)

14 CALLED UP SHARE CAPITAL

	Group / Company	
	2011 £'000	2010 £'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 2011	3,483
Profit for the financial year	1,514
Dividends paid on equity shares (note 8)	(416)
At 31 December 2011	4,581

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Profit for the financial year	1,514	1,375	416	444
Dividends paid on equity shares (note 8)	(416)	(444)	(416)	(444)
Net addition to shareholder's funds	1,098	931	-	-
Opening shareholder's funds	3,508	2,577	-	-
Closing shareholder's funds	4,606	3,508	-	-

17 TRANSACTIONS WITH RELATED PARTIES

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

	2011 £'000	2010 £'000
Details of payments made to John Laing plc and subsidiaries are as follows		
Directors fees	59	56
Facilities fees	7,494	8,358
Management and other fees	355	334
	7,908	8,748
Details of payments made to Infrastructure Investments General Partner Limited are as follows		
Directors fees	59	56
	59	56
Balance payable at 31 December		
John Laing Integrated Services Limited	852	755
Laing Investments Management Services Limited	37	33
Infrastructure Investments General Partner Limited	71	-

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.

Infrastructure Investments General Partner Limited is the investment adviser to HICL Infrastructure Company Limited, which is the ultimate parent and controlling entity of Amalie PFI (UK) Limited.

All transactions with related parties were at arm's length.

SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

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

	2011	2010
	£'000	£'000
Operating profit	1,307	1,227
Decrease in debtors	6,955	8,330
Increase in creditors	21	44
Net cash inflow from operating activities	<u>8,283</u>	<u>9,601</u>

19 RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 January 2011 £'000	Cash flow £'000	Other non- cash changes £'000	At 31 December 2011 £'000
Increase in cash in hand and at bank	5,286	(866)	-	4,420
Debt due within one year	(3,069)	3,139	(3,559)	(3,489)
Debt due after one year	(77,589)	-	3,523	(74,066)
Net debt	<u>(75,372)</u>	<u>2,273</u>	<u>(36)</u>	<u>(73,135)</u>

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £'000
Decrease in cash in hand and at bank	(866)
Cash outflow from decrease in debt	3,139
Other non cash movements	<u>(36)</u>
Decrease in net debt	2,237
Net debt at 1 January 2011	<u>(75,372)</u>
Net debt at 31 December 2011	<u>(73,135)</u>

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.