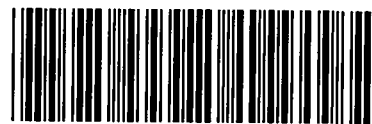


SERVICES SUPPORT (SEL) HOLDINGS LIMITED

**DIRECTORS' REPORT, STRATEGIC REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013**

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COMPANIES HOUSE

Registered Number 3912708

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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DIRECTORS AND ADVISORS

Directors

R J Newton	
J Heath	(appointed 16 August 2013)
D R Bradbury	(appointed 16 August 2013)
E G Wegener	(appointed 23 October 2013)
C L Corpetti	(resigned 16 August 2013)
M Baybutt	(resigned 16 August 2013)
A C Roper	(resigned 23 October 2013)

Company secretary and registered office

M Lewis
1 Kingsway
London
WC2B 6AN

Auditor

KPMG LLP
Arlington Business Park
Theale
Reading
West Berkshire

Principal bankers

CommerzBank
P.O. Box 52715
30 Gresham Street
London
EC2P 2XY

STRATEGIC REPORT

The Directors present the strategic report of Services Support (SEL) Holdings Limited for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the holding of 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.

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.

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 PERFORMANCE INDICATORS

The key performance indicator for Services Support (SEL) Limited is the level of performance and unavailability deductions levied by the client, the Mayor's Office for Policing and Crime, since this reflects the quality of service being provided. No deductions have been suffered during the year under review (2012 - £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's exposure to inflationary risk is mitigated by having an index linked unitary contract with the Mayor's Office for Policing and Crime.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk: The Company's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Company uses interest rate swap contracts to hedge these exposures.

Credit Risk: The Company's principal financial assets are cash, financial assets and trade and other debtors. The Company's credit risk is primarily attributable to its trade debtors which are with one counterparty although in the opinion of the board of directors this risk is limited as the main debtors are underwritten by the Secretary of State for Justice.

Liquidity Risk: At the start of the PFI contract, the company negotiated debt facilities with an external party and the immediate parent company to ensure that the Company has sufficient funds over the life of the PFI concession.

On behalf of the Board



J Heath
Director
17 June 2014

DIRECTORS' REPORT

The Directors present their Directors' Report and the audited financial statements for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £2,191,000 (2012 - £2,192,000). After a taxation credit of £2,008,000 (2012 charge - £623,000), profit for the year was £4,119,000 (2012 - £1,569,000).

The Directors recommended and paid a dividend of £297,000 (2012 - £1,283,000) during the year.

DIRECTORS

The Directors who served throughout the year are shown on page 1.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, KPMG Audit Plc, has instigated an orderly wind-down of its business and resigned as the company's auditor. The Board has appointed KPMG LLP as the company's auditor for the financial year ended 31 December 2013. Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



J Heath
1 Kingsway, London WC2B 6AN
Director
17 June 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group 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 2013 set out on pages 6 to 15. 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 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 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 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2013 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 Strategic Report and 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 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.



Amanda Moses (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
West Berkshire
RG7 4SD

28 June 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	10,616	11,305
Cost of sales		(9,359)	(9,960)
Operating profit	3	1,257	1,345
Net interest receivable	6	934	847
Profit on ordinary activities before taxation		2,191	2,192
Tax on profit on ordinary activities	7	2,008	(623)
Profit for the financial year	15	4,199	1,569

The notes on pages 10 to 15 form part of the financial statements.

A reconciliation of movements 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 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 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Debtors		82,242	82,790
- due within one year	10	8,056	5,169
- due after more than one year	10	74,186	77,621
Cash at bank and in hand		4,881	5,960
		87,123	88,750
Current liabilities			
Creditors: amounts falling due within one year	11	(5,418)	(5,592)
Net current assets		81,705	83,158
Total assets less current liabilities		81,705	83,158
Creditors: amounts falling due after more than one year	11	(66,925)	(70,272)
Provision for liabilities	13	(5,986)	(7,994)
Net assets		8,794	4,892
Capital and reserves			
Called up share capital	14	25	25
Profit and loss account	15	8,769	4,867
Shareholders' funds	16	8,794	4,892

The notes on pages 10 to 15 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 17 June 2014. They were signed on its behalf by:



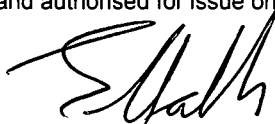
J Heath
1 Kingsway, London WC2B 6AN
Director
17 June 2014

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	9	25	25
Current assets			
Debtors		6,673	6,675
- due within one year	10	377	379
- due after more than one year	10	6,296	6,296
Current liabilities			
Creditors: amounts falling due within one year	11	(377)	(379)
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
Profit and loss account		-	-
Shareholders' funds	16	<u>25</u>	<u>25</u>

The notes on pages 10 to 15 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 17 June 2014. They were signed on its behalf by:



J Heath
1 Kingsway, London WC2B 6AN
Director
17 June 2014

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	18	2,073	5,479
Returns on investments and servicing of finance			
Interest received		6,187	6,364
Interest and other financing costs paid		(5,186)	(5,459)
Net cash outflow from returns on investments and servicing of finance		1,001	905
Equity dividends paid		(297)	(1,283)
Net cash inflow before use of liquid resources and financing		2,777	5,101
Financing			
Repayment of secured loan		(3,856)	(3,561)
Net cash outflow from financing		(3,856)	(3,561)
(Decrease) / increase in cash in the year	19	(1,079)	1,540
Reconciliation to net debt			
Net debt at 1 January		(68,106)	(73,135)
(Decrease) / increase in cash in the year		(1,079)	1,540
Movement in borrowings		3,856	3,561
Other non-cash changes		(66)	(72)
Net debt at 31 December	19	(65,395)	(68,106)

The notes on pages 10 to 15 form part of the financial statements.

Notes to the financial statements for the year ended 31 December 2013

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

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.

Group

The Directors have reviewed the cash flow forecast and taking into account reasonable possible risks in operations to the Company and the fact the obligations of the Company's sole customer are underwritten by the Secretary of State for Justice believe that the Company will be able to settle its liabilities as they fall due for the foreseeable future and therefore it is appropriate to prepare these financial statements on the going concern basis.

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 to the date on which control passed. Acquisitions are accounted for under the acquisition method. The Company made a profit before tax of £297,000 (2012 - £1,283,000) 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

All turnover and profit on ordinary activities before taxation originates in the United Kingdom. Turnover is recognised in accordance with the finance debtor and services income accounting policy below and excludes VAT.

c) Finance debtor and services income

The Company is an operator of a PFI contract. The underlying asset is not deemed to be a tangible asset of the Company under FRS 5 Application Note F because the risks and rewards of ownership as set in that standard are deemed to lie principally with the Mayor's Office for Policing and Crime.

During the construction phase of the project all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS 5 Application Note G.

The Company recognises income with regards to the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable for those services. Major maintenance costs are capitalised into the Finance debtor and interest receivable and amortisation adjusted accordingly.

d) Interest payable

Interest costs on borrowings were added to amounts recoverable on contract during the construction phase of the contract.

e) Taxation

The charge for taxation is based upon the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting based upon the provisions of FRS19 for lessors to calculate the life effective tax rate for the contract and applying this rate to the cumulative profits to date and deducting actual corporation tax payable or paid.

f) 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.

g) 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.

h) 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.

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 TURNOVER

	Group 2013 £'000	Group 2012 £'000
Turnover in the year is analysed as follows:		
Service fee revenue	10,427	9,689
Other revenue	189	1,616
	<u>10,616</u>	<u>11,305</u>

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 2013 £'000	Group 2012 £'000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's and the Company's subsidiary's annual accounts	11	10
Operating and maintenance costs	8,765	9,390
Other operating costs	<u>583</u>	<u>560</u>

4 DIRECTORS' REMUNERATION

£124,000 was paid for directors' services (not paid to directors' individually, see note 16) to the company during the current year (2012 - £121,000).

5 STAFF NUMBERS

The Company had no employees during the year (2012 - nil).

6 NET INTEREST RECEIVABLE

	Group 2013 £'000	Group 2012 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	31	61
Interest receivable on finance debtor	<u>6,155</u>	<u>6,303</u>
	<u>6,186</u>	<u>6,364</u>
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(4,424)	(4,682)
Amortised debt issue costs	(67)	(71)
Commitment fee on undrawn loan facility	(8)	(8)
Subordinated debt interest	<u>(753)</u>	<u>(756)</u>
	<u>(5,252)</u>	<u>(5,517)</u>
Net interest receivable	<u>934</u>	<u>847</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group 2013 £'000	Group 2012 £'000
Analysis of tax credit / (charge) for the year		
Deferred tax		
Accelerated capital allowances	(581)	(623)
Adjustments to prior periods	<u>2,589</u>	<u>-</u>
Total deferred tax	<u>2,008</u>	<u>(623)</u>
Total tax credit / (charge) on profit on ordinary activities	<u>2,008</u>	<u>(623)</u>

Notes to the financial statements for the year ended 31 December 2013 (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 blended rate of UK Corporation tax to the profit before tax are as follows:

	Group 2013 £'000	Group 2012 £'000
Profit on ordinary activities before taxation	2,191	2,192
Profit on ordinary activities multiplied by the blended rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(509)	(537)
Effects of:		
Utilisation of tax losses	509	537
Total current tax for the year	-	-

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

8 DIVIDENDS

	Group 2013 £'000	Group 2012 £'000
Equity shares:		
Interim and final dividend paid of £11.88 (2012 - £51.32) per £1 share	297	1,283

9 INVESTMENTS

	Shares in group undertaking £'000
Cost	
At 1 January 2013	25
At 31 December 2013	25
Net book value	
At 31 December 2012	25
At 31 December 2013	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	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Due within one year				
Finance debtor	2,646	1,318	-	-
Trade debtors	3,918	1,887	-	-
Subordinated debt interest owed from subsidiary undertaking	-	-	377	379
Other debtors	11	11	-	-
Unitary charge control account	1,463	1,895	-	-
Prepayments and accrued income	18	58	-	-
	8,056	5,169	377	379
Due after more than one year				
Finance debtor	74,186	77,621	-	-
Subordinated debt owed from subsidiary undertaking	-	-	6,296	6,296
	74,186	77,621	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 £3,207,000 (2012 - £3,305,000).

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 CREDITORS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Bank loans (note 12)	3,415	3,861	-	-
Less: unamortised debt issue costs	(64)	(67)	-	-
Subordinated debt interest	377	379	377	379
Trade creditors	1,036	950	-	-
Other taxation and social security	527	297	-	-
Accruals and deferred income	127	172	-	-
	5,418	5,592	377	379
Amounts falling due after more than one year				
Bank loans (note 12)	61,115	64,526	-	-
Less: unamortised debt issue costs	(486)	(550)	-	-
Subordinated debt	6,296	6,296	6,296	6,296
	66,925	70,272	6,296	6,296
Analysis of debt:				
Debt can be analysed as falling due:				
In one year or less	3,415	3,861	-	-
Between one and two years	2,601	3,415	-	-
Between two and five years	9,186	8,117	-	-
In five years or more	55,624	59,290	6,296	6,296
	70,826	74,683	6,296	6,296
Less: unamortised debt issue costs	(550)	(617)	-	-
	70,276	74,066	6,296	6,296

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

The unsecured subordinated debt of £6,295,911 (2012: £6,295,911) was issued as part of the committed shareholder funding for the project. The loan notes carry a 12% rate of interest and are scheduled to be repaid in 31 December 2027 and 39 June 2028.

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 30 June 2027.

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

Interest on the facilities is charged at a Margin of 0.9% over and above the Interbank Rate plus a Mandatory Costs Rate of 0.00274%. The Group has entered into fixed interest rate swaps at 5.5025% to mitigate its interest exposure which have a negative fair value at 31 December 2013 of £12,707,069 (2012 - £20,284,328).

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
	2013	2012
	£'000	£'000
Deferred Taxation		
At 1 January	7,994	7,371
Credited to the profit and loss account - prior year adjustment	(2,589)	-
Charged to the profit and loss account - current year	581	623
At 31 December	5,986	7,994

Notes to the financial statements for the year ended 31 December 2013 (continued)

14 CALLED UP SHARE CAPITAL

	Company	
	2013	2012
	£'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	Company Profit and loss account £'000
At 1 January 2013	4,867	-
Profit for the financial year	4,199	297
Dividends paid on equity shares (note 8)	(297)	(297)
At 31 December 2013	8,769	-

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Profit for the financial year	4,199	1,569	297	1,283
Dividends paid on equity shares (note 8)	(297)	(1,283)	(297)	(1,283)
Net addition to shareholders' funds	3,902	286	-	-
Opening shareholders' funds	4,892	4,606	25	25
Closing shareholders' funds	8,794	4,892	25	25

17 TRANSACTIONS WITH RELATED PARTIES

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

	2013	2012
	£'000	£'000
Details of payments made to John Laing plc and subsidiaries are as follows:		
Directors fees	62	60
Facilities fees	7,164	7,954
Management and other fees	433	412
	7,659	8,426

Details of amounts accrued to be paid to Infrastructure Investments General Partner Limited for and on behalf of Infrastructure Investments Limited Partnership are as follows:

	2013	2012
	£'000	£'000
Directors fees	62	60
	62	60
Balance payable at 31 December		
John Laing Integrated Services Limited	-	838
Laing Investments Management Services Limited	118	109

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. Laing Investments Management Services Limited is a subsidiary undertaking of John Laing plc. John Laing Integrated Services Limited was a subsidiary undertaking of John Laing plc until 16 October 2013.

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.

Notes to the financial statements for the year ended 31 December 2013 (continued)

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

	2013	2012
	£'000	£'000
Operating profit	1,257	1,345
Decrease in debtors	546	4,467
Increase / (Decrease) in creditors	270	(333)
Net cash inflow from operating activities	<u>2,073</u>	<u>5,479</u>

19 RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 January		Other non-	At 31
	2013	Cash flow	cash changes	December
	£'000	£'000	£'000	£'000
Cash in hand and at bank	5,960	(1,079)	-	4,881
Debt due within one year	(3,794)	3,856	(3,413)	(3,351)
Debt due after one year	(70,272)	-	3,347	(66,925)
Net debt	<u>(68,106)</u>	<u>2,777</u>	<u>(66)</u>	<u>(65,395)</u>

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013
	£'000
Decrease in cash in hand and at bank	(1,079)
Cash outflow from decrease in debt	3,856
Other non cash movements	<u>(66)</u>
Decrease in net debt	2,711
Net debt at 1 January 2013	(68,106)
Net debt at 31 December 2013	<u>(65,395)</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 financial statements are available to the public and can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ. The Directors consider there to be no ultimate controlling party or ultimate parent company.