

Serco Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2012

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A company registered in England and Wales, number 03970268

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Company Information

Registered office Serco House
16 Bartley Wood Business Park
Bartley Way
Hook
Hampshire
RG27 9UY

Auditor Deloitte LLP
London
United Kingdom

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012. As set out in note 1 to the financial statements, the directors consider it appropriate to prepare the accounts on the going concern basis.

The Company meets the definition of a qualifying entity under FRS100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. During the year the Company has undergone transition from reporting under UK GAAP to FRS 101 and therefore the comparative results have restated where applicable.

Principal activity

The Company is a holding company, which operates via its subsidiaries and its joint ventures to provide facilities management, systems management and equity investment management.

Business review

During the year, the Company acquired and disposed of shares in a number of companies, encompassing business in the United Kingdom and overseas. The net increase in investments in the year amounted to £140.2m (2011: £323.5m).

The profit on ordinary activities before taxation has increased by £53.9m from the previous year. This was due primarily to a £70.8m increase in dividends received from subsidiary and joint venture undertakings and by a decrease of £17.9m in amounts written off fixed asset investments, offset by a loss on disposal of fixed asset investments of £19.4m (2011: £10.4m gain) and an increase of £7.2m in net interest payable. Net assets have increased by £32.1m as a result of profits in the year less dividends paid. The directors have paid a dividend of £150m in respect of the year ended 31 December 2012 (2011: £100m).

The directors consider the results for the year to be satisfactory and the Company will continue to hold investments on behalf of Serco Group plc.

Financial risk management

The Company's principal financial instruments are its intercompany receivables and payables. The directors do not consider that the Company is exposed to significant interest rate or liquidity risk because the interest payments on its intercompany payables are expected to be funded by returns on intercompany receivables and reserves earned from the sale of previous investments. Further discussion of financial risk management is included in the consolidated Annual Report and Accounts of Serco Group plc.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus the going concern basis of accounting continues to be adopted in preparing the financial statements.

Directors of the Company

The directors who held office during the year and to the date of this report were as follows:

J Hickey

G Leach

J Roberts (resigned 15 May 2012)

A Crawshaw

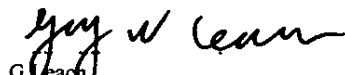
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the Company in general meeting and the reappointment of the auditor annually are currently in force. Deloitte LLP has expressed its willingness to continue in office and will therefore be deemed to be reappointed.

Approved by the Board on 28 June 2013 and signed on its behalf by


G Leach
Director

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 Financial Reporting Standard 101 Reduced Disclosure Framework. 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 apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Serco Holdings Limited

We have audited the financial statements of Serco Holdings Limited for the year ended 31 December 2012 comprising the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the balance sheet and the related notes 1 to 19 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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, 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

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

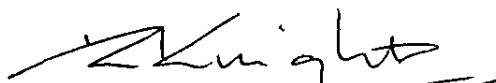
Opinion on other matter prescribed by the Companies Act 2006

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.



Richard Knights (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

28 June 2013

Profit and Loss Account for the Year Ended 31 December 2012

		2012 £ 000	2011 Restated £m	2011 Originally reported £000
Administrative expenses		(1,130)	(1,663)	(1,663)
Other operating income		2,498	-	-
Acquisition-related transaction costs		<u>(1,371)</u>	<u>(674)</u>	<u>(674)</u>
Operating loss		(3)	(2,337)	(2,337)
(Loss)/profit on disposal of investments	6	(19,425)	10,414	10,414
Investment income	7	226,590	155,811	155,811
Amounts written off fixed asset investments		(1,290)	(19,179)	(19,179)
Interest receivable and similar income	8	2,028	1,657	1,657
Interest payable and similar charges	9	(25,843)	(18,229)	(18,229)
Gain on hedging instruments		10,282	444	-
(Loss) on hedged items		<u>(10,282)</u>	<u>(444)</u>	<u>-</u>
Profit on ordinary activities before tax		182,057	128,137	128,137
Tax on profit on ordinary activities	10	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>182,057</u></u>	<u><u>128,137</u></u>	<u><u>128,137</u></u>

All results derive wholly from continuing operations

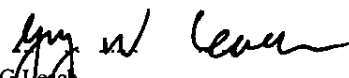
Statement of Changes in Equity for the Year Ended 31 December 2012

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2011	-	762,900	142,898	905,798
Comprehensive income for the financial year	-	-	128,137	128,137
Dividends	-	-	(100,000)	(100,000)
At 1 January 2012	-	762,900	171,035	933,935
Comprehensive expense for the financial year	-	-	182,057	182,057
Dividends	-	-	(150,000)	(150,000)
At 31 December 2012	-	762,900	203,092	965,992

(Registration number: 03970268)
Balance Sheet as at 31 December 2012

	Note	2012 £ 000	2011 £ 000
Fixed assets			
Investments	13	1,632,268	1,492,032
Current assets			
Debtors amounts falling due within one year	14	23,652	226
Debtors amounts falling due after more than one year	14	650	1,679
Cash at bank and in hand		35	35
Derivative financial instruments current	12	76	-
		<u>24,413</u>	<u>1,940</u>
Creditors: amounts falling within one year			
Creditors amounts falling due within one year	15	<u>(17,514)</u>	<u>(13,649)</u>
Net current assets/(liabilities)		<u>6,899</u>	<u>(11,709)</u>
Total assets less current liabilities		<u>1,639,167</u>	<u>1,480,323</u>
Creditors amounts falling due after more than one year			
Creditors amounts falling due after more than one year	16	<u>(673,175)</u>	<u>(546,388)</u>
Net assets		<u><u>965,992</u></u>	<u><u>933,935</u></u>
Capital and reserves			
Called up share capital	17	-	-
Share premium		762,900	762,900
Profit and loss account		<u>203,092</u>	<u>171,035</u>
Shareholder's funds	18	<u><u>965,992</u></u>	<u><u>933,935</u></u>

Approved by the Board on 28 June 2013 and signed on its behalf by


G Uetch
Director

Notes to the Financial Statements for the Year Ended 31 December 2012

1 General Information

Serco Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors report on pages 2 to 2.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the current and preceding year.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2012 the Company has undergone transition from reporting under UK GAAP to FRS 101 as issued by the Financial reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis and on the going concern basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Related parties

The Company is exempt under the terms of FRS 101 from disclosing related party transactions with entities that are 100% owned by Serco Group plc.

Going concern

As an investment holding company, the Company does not trade. This means that in considering the appropriateness of the going concern assumption, the directors have considered the underlying trade of their investments. These investments have broad based contract portfolios with the majority of their customers being government bodies which historically have been relatively resilient to changes in the general economy. These investments are therefore well placed to manage their business risks successfully, despite the current uncertain economic climate. The directors therefore do not believe that there is any additional risk over impairment of investments in the foreseeable future and as a result, these accounts have been drawn up on the going concern basis.

Exemption from preparing group accounts

These financial statements present information about the Company as an individual undertaking and not about its group. Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of a company incorporated in the United Kingdom and registered in England and Wales and is therefore exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare and deliver group accounts. The only group company for which consolidated financial statements are also prepared is Serco Group plc.

Exemption from preparing a cash flow statement

The Company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group, and the Company's results are included within the consolidated financial statements of Serco Group plc, which are publicly available.

Foreign currency transactions and balances

Transactions in currencies other than Sterling are recorded at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rate prevailing on the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in reserves.

Notes to the Financial Statements for the Year Ended 31 December 2012

Current tax

The tax expense represents the sum of current tax expense and deferred tax expense

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for accounting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which these items can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset and liability in a transaction other than a business combination and, at the time of the transaction, affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority where the Company intends to settle its current tax assets and liabilities on a net basis.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for impairment.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Hedge accounting

The Company designates certain hedging instruments, which include non-derivatives in respect of foreign currency risk, as fair value hedges or hedges of net investments in foreign operations.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item.

Notes to the Financial Statements for the Year Ended 31 December 2012

Fair value hedges

Changes in the fair value are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributed to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the profit or loss account relating to the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

3 Particulars of employees

The Company had no employees during either the current or preceding year.

4 Directors' remuneration

No director received any remuneration for services to the Company during either the current or preceding year.

5 Auditor's remuneration

Auditor's remuneration of £10,000 (2011: £10,000) for the audit of the Company's annual accounts was borne by another group company in both current and preceding financial years. There have been no non-audit fees incurred by the Company and payable to Deloitte LLP during the year (2011: £nil).

6 (Loss)/profit on disposal of investments

	2012 £ 000	2011 £ 000
(Loss)/profit from disposals of investments	<u>(19,425)</u>	<u>10,414</u>

7 Investment income

	2012 £ 000	2011 £ 000
Income from shares in group undertakings	169,488	102,320
Income from shares in joint venture undertakings	<u>57,102</u>	<u>53,491</u>
	<u>226,590</u>	<u>155,811</u>

8 Interest receivable and similar income

	2012 £ 000	2011 £ 000
Interest receivable from group companies	<u>2,028</u>	<u>1,657</u>

Notes to the Financial Statements for the Year Ended 31 December 2012

9 Interest payable and similar charges

	2012 £ 000	2011 £ 000
Interest on bank overdrafts and borrowings	25,454	17,752
Other interest payable	389	477
	<u>25,843</u>	<u>18,229</u>

10 Taxation

Tax on profit on ordinary activities

The current year total tax charge is £nil (2011 £nil)

Factors affecting current tax charge for the year

The tax on profit before tax for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

The differences are reconciled below

	2012 £ 000	2011 £ 000
Profit on ordinary activities before tax	182,057	128,137
Corporation tax at 24.5% (2011 26.5%)	44,604	33,956
Tax exempt income	(56,125)	(44,050)
Expenses not deductible for tax purposes	1,001	5,829
Group relief for no consideration	5,789	4,287
Current year temporary differences not recognised	(28)	(22)
Non-deductible loss on disposal	4,759	-
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Unprovided deferred tax asset

The Company has an unprovided deferred tax assets of £95,336 (2011 £153,000) in relation to short-term temporary differences

11 Equity dividends

	2012 £ 000	2011 £ 000
Equity dividend of £9,375,000 (2011 £6,250,000) per ordinary share	<u>150,000</u>	<u>100,000</u>

12 Derivative financial instruments

	2012 £ 000	2011 £ 000
Non-designated forward contracts	<u>76</u>	<u>-</u>

Notes to the Financial Statements for the Year Ended 31 December 2012

13 Investments held as fixed assets

	Subsidiary undertakings £ 000	Joint Ventures £ 000	Total £ 000
Cost and net book value			
At 1 January 2012	1,411,526	80,506	1,492,032
Additions	168,478	-	168,478
Disposals	(16,667)	(3)	(16,670)
Impairment of investments	(15)	(335)	(350)
Writedown of investments against dividend income	(940)	-	(940)
Foreign exchange on investments in subsidiaries	(10,282)	-	(10,282)
Transfer from JV on recognition as a subsidiary	160	(160)	-
At 31 December 2012	<u>1,552,260</u>	<u>80,008</u>	<u>1,632,268</u>

Additions

On 1 June 2012, the Company acquired 100% of the issued share capital of Priority Properties North West Limited (PPNW). PPNW is a property management company specialising in the provision of short and long term housing. The cash cost of the acquisition in the period was £2.7m. In addition, deferred consideration of up to £1.1m is payable contingent on the financial performance of the acquired business. The fair value of this deferred, contingent consideration is £0.5m.

On 11 June 2012, the Company acquired 100% of the issued share capital of Vertex Public Services Limited (Vertex), a provider of high quality business process outsourcing services to UK local and central government. The cost of the acquisition was £55.5m.

On 29 June 2012, immediately prior to disposal, Serco Holdings Limited purchased Serco Services GmbH from Serco GmbH for a consideration of £25.8m.

During the year the Company invested a further £83.4m in Serco International S à r l in return for additional equity share capital.

The remaining additions relate to a number of smaller acquisitions and investments.

Disposals

On the 29 June 2012, the Group disposed of its interest in Serco GmbH. The fair value of consideration received was £m1. The business provides support services for the German air defence radar systems, engineering and administrative support services for the defence sector as well as training services, facilities management, field installation and maintenance services, and IT consulting and related services. Loss on disposal was £19.4m, after accounting for disposal costs of £5.6m.

During the year, as part of its ongoing exercise to rationalise its legal entity structure and liquidate entities which are no longer required, the Company liquidated its investments in Serco Europe Limited. Prior to the liquidation of this entity, the value of the investment was written down, following receipt of dividend income of the same amount.

Additionally, ER Consultants Limited was written down ahead of a planned liquidation in 2013.

During the period the Company identified that the control it asserts over Aeradio Technical Services WLL (Bahrain) was sufficient for the venture to be recognised as a subsidiary. The Company has therefore accounted for the investment as a subsidiary rather than a joint venture for the year ended 31 December 2012.

Notes to the Financial Statements for the Year Ended 31 December 2012

Details of undertakings

The companies listed below are, in the opinion of the directors, the principal subsidiaries and joint venture undertakings of Serco Holdings Limited. The percentage of equity capital directly or indirectly held by Serco Holdings Limited is shown below.

Full details of related undertakings will be attached to the Company's Annual Return to be filed with the Registrar of Companies.

Undertaking	Country of incorporation	Proportion of voting rights and shares held	
		2012	2011
Subsidiary undertakings			
Serco Limited	United Kingdom	100%	100%
NPL Management Limited	United Kingdom	100%	100%
Serco Australia Pty Limited	Australia	100%	100%
Serco Inc	USA	100%	100%
Intelenet Global Services Private Limited	India	100%	100%
Joint ventures			
AWE Management Limited	United Kingdom	33%	33%
Northern Rail Holdings Limited	United Kingdom	50%	50%

14 Debtors

a) Amounts falling due within one year

	2012 £ 000	2011 £ 000
Amounts owed by group companies	19,704	101
Other debtors	1,659	125
Interest receivable	2,289	-
	<u>23,652</u>	<u>226</u>

Amounts owed to group companies are due within 30 days of the balance sheet date and do not bear interest.

b) Amounts falling due after more than one year

	2012 £ 000	2011 £ 000
Amounts owed by group companies	<u>650</u>	<u>1,679</u>

Amounts owed by group companies have no fixed repayment date and bear interest based at LIBOR minus 0.2%.

Notes to the Financial Statements for the Year Ended 31 December 2012

15 Creditors: Amounts falling due within one year

	2012 £ 000	2011 £ 000
Trade creditors	2	31
Accruals and deferred income	935	925
Amounts owed to group companies	8,682	894
Other creditors	7,895	11,799
	<u>17,514</u>	<u>13,649</u>

Amounts owed to group companies are due within 30 days of the balance sheet date and do not bear interest

16 Creditors: Amounts falling due after more than one year

	2012 £ 000	2011 £ 000
Amounts owed to group companies	662,216	540,514
Other loans	10,254	-
Other creditors	705	5,874
	<u>673,175</u>	<u>546,388</u>

Amounts owed to group companies have no fixed repayment date and bear interest based on LIBOR plus 2%

Analysis of loan repayments

	2012 £ 000	2011 £ 000
Between two to five years	<u>10,254</u>	<u>-</u>

17 Called up share capital

Allotted, called up and fully paid

	2012 £	2011 £
16 (2011: 16) ordinary shares of £1 each	<u>16</u>	<u>16</u>

Notes to the Financial Statements for the Year Ended 31 December 2012

18 Reconciliation of movement in shareholders' funds

	2012 £ 000	2011 £ 000
Profit attributable to members of the Company	182,057	128,137
Equity dividends paid	<u>(150,000)</u>	<u>(100,000)</u>
Net addition to shareholder's funds	32,057	28,137
Shareholder's funds at 1 January	<u>933,935</u>	<u>905,798</u>
Shareholder's funds at 31 December	<u>965,992</u>	<u>933,935</u>

The amount of reserves deemed to be distributable is £94,435,000 (2011 £62,378,000)

19 Control

The Company's immediate parent is Serco Group plc. The ultimate parent company and controlling party is Serco Group plc, a company incorporated in the United Kingdom and registered in England and Wales. Serco Group plc is the parent undertaking of the smallest and largest group to consolidate these financial statements. These financial statements are available upon request from the Company Secretary, Serco Group plc, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire RG27 9UY.