

# SSRO

Single Source  
Regulations Office

## Activity type factsheet Ancillary Services

Under the Defence Reform Act 2014, the SSRO must provide the Secretary of State with its assessment of the appropriate rates used to determine the contract profit rate for pricing qualifying defence contracts and qualifying sub-contracts. Part of the methodology is the categorisation of comparator companies in to four activity types.

- Develop and Make
- Provide and Maintain
- Ancillary Services
- Construction

The results of these groups are separately analysed and this fact sheet describes the Ancillary Services group.

The baseline profit rate combines results from “Develop and Make” and “Provide and Maintain”, as set out in the *Recommendation Factsheet*. For further information on the methodology used to calculate these rates please see the *Single Source baseline profit rate, capital servicing rates and funding adjustment methodology*.

### Ancillary services

Companies undertaking comparable activities considered as ‘ancillary services’ are expected to deliver either one of administrative, facilities or IT support activities. Companies undertaking these support services are not expected to bear any significant risks other than that of failing to provide the contracted outputs. This captures risk in relation to the delivery of the services, contract risk, procurement risk, staff risk and some quality control risk in respect of these activities.

### Profit on cost of production

	2017/18	2018/19	2019/20	2020/21	2021/22
Underlying rate (unadjusted for capital servicing)	4.31%	4.49%	5.86%	4.19%	5.86%
Capital servicing adjustment	-0.36%	-0.14%	-0.32%	-0.37%	-0.63%
Underlying rate	3.95%	4.35%	5.54%	3.82%	5.23%
Three-year rolling average	6.11%	4.27%	4.61%	4.57%	<b>4.86%</b>

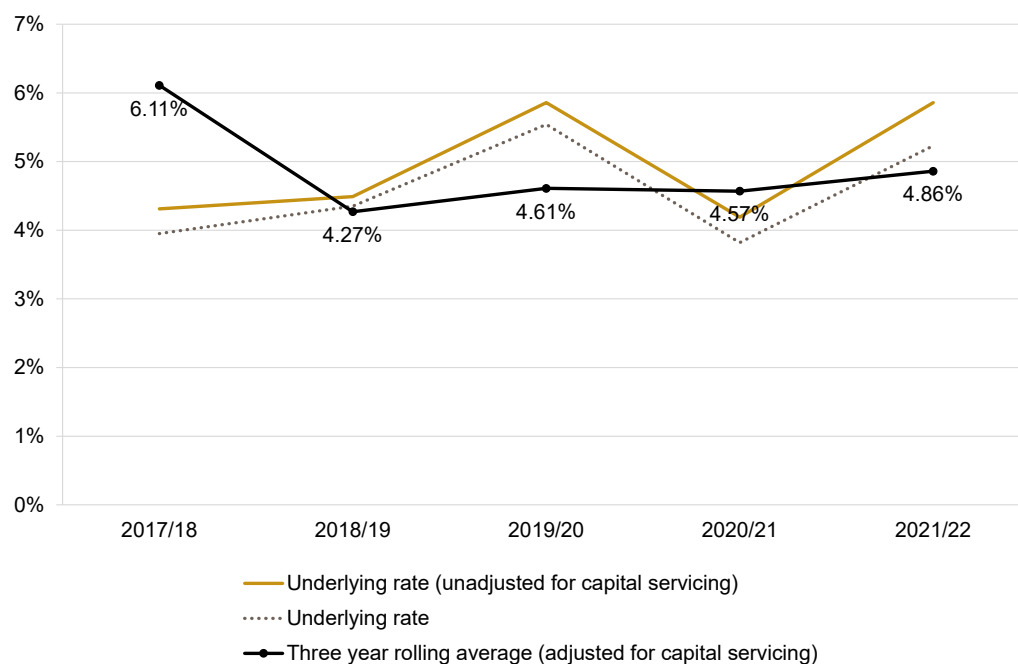
*Note: The capital servicing adjustment accounts, at an aggregate level, for different levels of capital employed across the companies in the index and so sets a baseline upon which step 6 of the contract profit rate applies.*

*The pre-2017/18 underlying rates used for the three-year average were: 2016/17: 4.50%; 2015/16 (calculated using the Review Board’s methodology): 9.88%.*

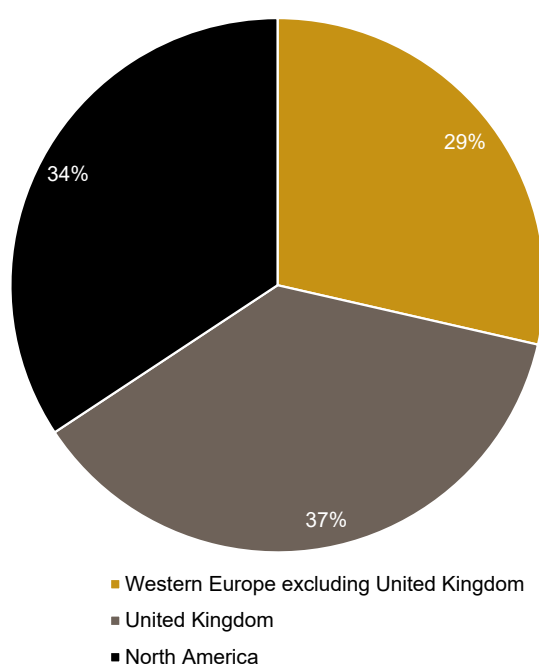
### Data sources

For further information on the data selection approach please see section 7 of the *Single Source baseline profit rate, capital servicing rates and funding adjustment methodology*. A company update search of the [Orbis database](#) was carried out on 5 November 2020 on data update number 202001 using software version 202. The financial data for the calculation was extracted from Orbis at the same time.

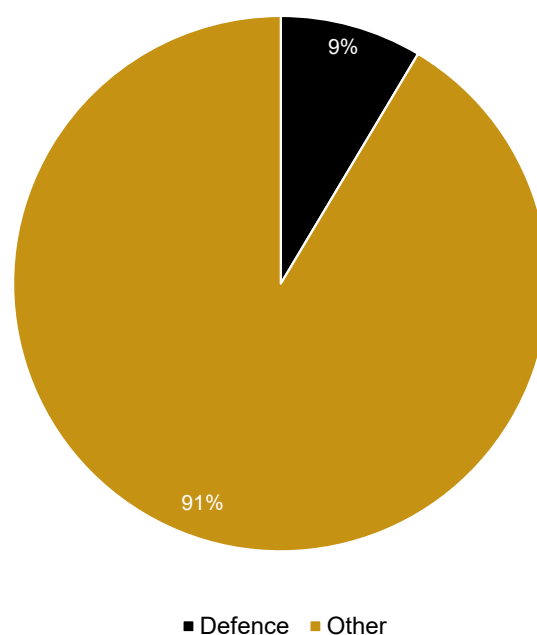
## Median capital servicing adjusted return on cost of production



## Proportion of Companies by country



## Proportion of companies with defence keyword



## Supplementary statistics

Number of companies	38
<i>of which profit making</i>	35
Aggregate turnover	£106
Total capital employed (CE)	£0.37
Average company CP:CE ratio	258.53

Source: Orbis (Cash figures shown in GBP Billions)

## Names of companies in the index

ABM Industries INC	CSG Systems International INC	O.C.S. Group Limited
Aramark	DOC Cleaning Limited	OCO Limited
Atlas FM Limited	Elior Group	Paychex INC
Automatic Data Processing INC	Endurance International Group Holdings, Inc.	prego services GmbH
AUX Nettoyeurs Encaustiqueurs Reunis	Firstservice Corporation *	Puligest S.R.L.
Bilby PLC	Fiserv INC	Rentokil Initial PLC
Blueglade Limited	Healthcare Services Group INC	Restore PLC
Bulloughs Cleaning Services Limited	ISS A/S	Serco Group PLC
City Facilities Management Holdings Limited	Lacera Servicios Y Mantenimiento SA	Softcat PLC (J)
Cliner SA	Limpieza Y Mantenimiento Impacto Sociedad Limitada	Sykes Enterprises INC
Compass Group PLC	Mears Group PLC *	Trinet Group, Inc.
Conduent Incorporated *	Mitie Group PLC	Tyler Technologies INC
Coor Service Management Holding AB	Netapp, Inc.	

\* Indicates that the company is a loss-maker in the year. The data for loss-makers are not included in the 2021/22 assessment, but the companies will be taken forward for consideration next year.

(J) Indicates a company which was not in the activity group last year, but had been added this year.