

# 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 into five activity types.

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

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

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

	2019/20	2020/21	2021/22	2022/23	2023/24
Underlying rate (unadjusted for capital servicing)	5.86%	4.19%	5.86%	7.13%	4.59%
Capital servicing adjustment	-0.32%	-0.37%	-0.63%	-0.18%	-0.09%
Underlying rate	5.54%	3.82%	5.23%	6.95%	4.50%
Rolling average*	4.61%	4.57%	4.86%	5.39%	<b>4.52%</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.*

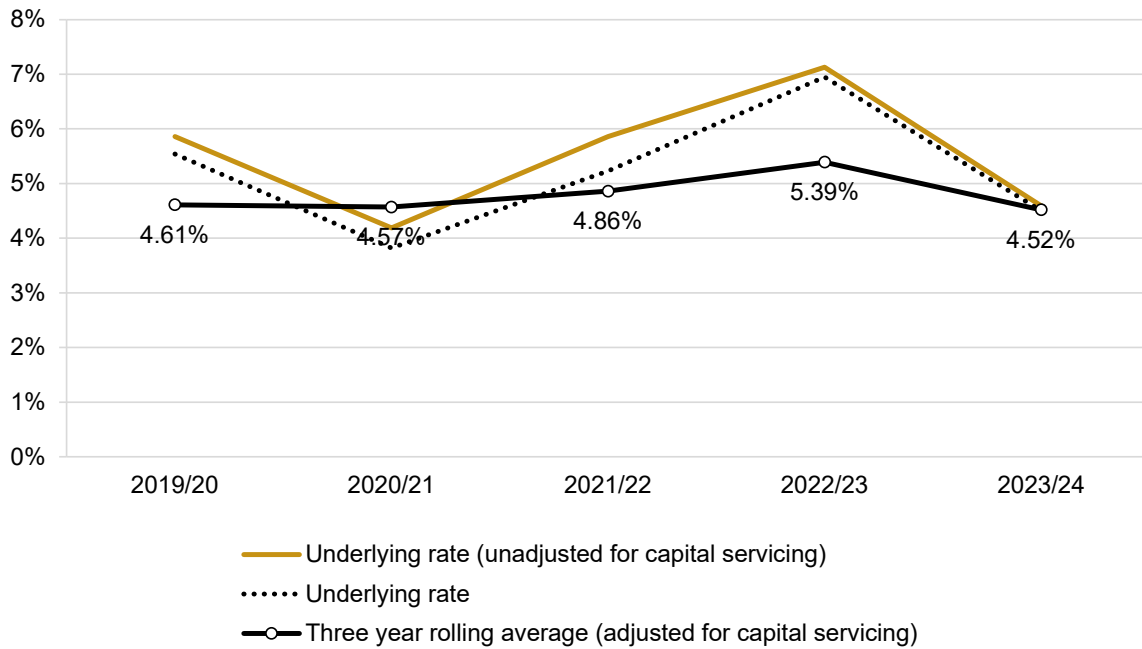
\*A four-year average was used for 2022/23; a three-year average for pre-2022/23 and a three year average (excluding 2022/23 underlying rate) for 2023/24.

The pre-2019/20 underlying rates used for the three-year average were: 2018/19: 4.35% and 2017/18: 3.95%.

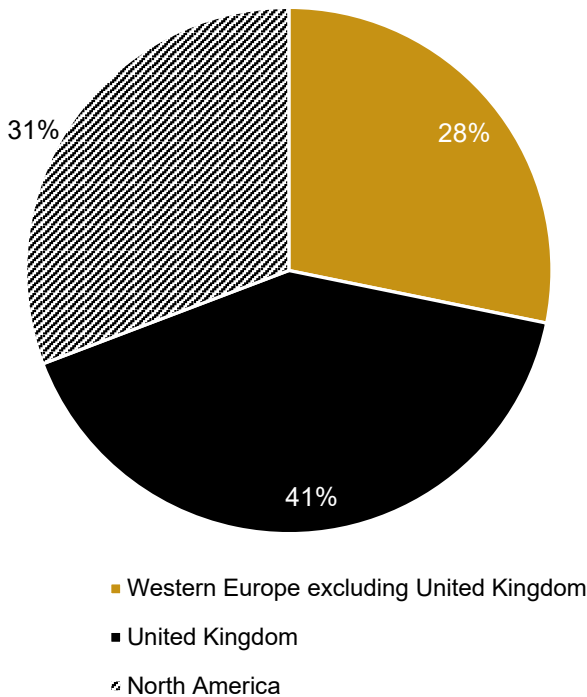
### Data sources

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 1 November 2022 on data update number 329001 using software version 329. The financial data for the calculation was extracted from Orbis at the same time.

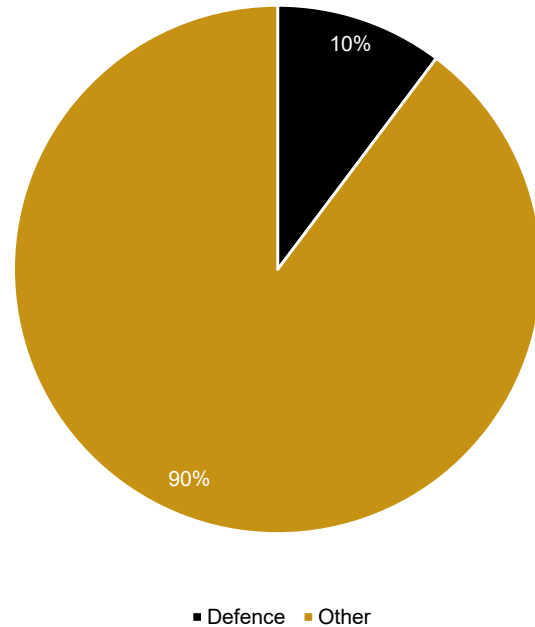
### Median capital servicing adjusted return on cost of production



### Proportion of companies by country



### Proportion of companies with defence keyword



### Supplementary statistics

Number of companies	44
<i>of which profit making</i>	39
Aggregate turnover (£billions)	£85
Total capital employed (CE) (£billions)	£8
Average company CP:CE ratio	9.48

Source: Orbis (Cash figures shown in rounded GBP Billions)

## Names of companies in the index

ABM Industries INC	Conduent Incorporated	Limpiezas Castilla de Salamanca SL (J)	THE Exclusive Services Group Limited (J)
Antac Support Services LTD (J)	Coor Service Management Holding AB	Mears Group PLC	Trinet Group, Inc.
Aramark (J)	CSG Systems International INC	Mitie Group PLC	Tyler Technologies INC
Automatic Data Processing INC	DWF Group PLC * (J)	Monetra Oulu Oy (J)	Vetasi Limited (J)
Blueglade Limited	Firstservice Corporation	Novasol (J)	
Building Energy Services Group Limited (J)	Formpipe Software AB (J)	O.C.S. Group Limited (J)	
Bulloughs Cleaning Services Limited	Glenthorp Limited * (J)	Paychex INC	
Carecloud, Inc. (J)	Grupo BN, Facility Services SA. (J)	Pedersen Contracting Services LTD (J)	
City Facilities Management Holdings Limited	Healthcare Services Group INC	Rentokil Initial PLC	
Claro SOL Cartera SL. * (J)	I3 Verticals, Inc. * (J)	Restore PLC	
Cliner SA * (J)	Iron Mountain INC (J)	Sarastia Oy (J)	
Cloudfm Group Limited (J)	ISS A/S (J)	Serco Group PLC	
Compass Group PLC (J)	Kinovo PLC	Servicios de Mantenimiento Y Limpieza Castor SL (J)	
	Lacera Servicios Y Mantenimiento SA		

\* Indicates that the company is a loss-maker in the year.

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