REGISTERED NUMBER: 04396241 (England and Wales)

Strategic Report, Report of the Directors and Financial Statements for the Year Ended 31 March 2020

for

Landmarc Support Services Limited

Contents of the Financial Statements
for the Year Ended 31 March 2020

Landmarc Support Services Limited

Company Information
for the Year Ended 31 March 2020

DIRECTORS:	N Goodridge C Holden J Sands B Talbot
SECRETARY:	S Pound
REGISTERED OFFICE:	Capital Tower 91 Waterloo Road London SE1 8RT
REGISTERED NUMBER:	04396241 (England and Wales)
AUDITOR:	Grant Thornton UK LLP Chartered Accountants and Statutory Auditor Crawley United Kingdom

Landmarc Support Services Limited (Registered number: 04396241)

Strategic Report
for the Year Ended 31 March 2020

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

REVIEW OF THE BUSINESS

The company is a joint venture between Interserve Defence Ltd and PAE and has been trading since 2003. The principal activity of the company is the provision of Ministry of Defence training services to Defence Infrastructure Organisation Service Delivery (DIO SD) Training, the main client. These services include providing accommodation, booking of ranges and other facilities, catering, rural and building and range maintenance and rent collection.

The profit for the financial period after taxation amounted to £6,924,000 (2019: £6,515,000). The directors declared a dividend of £nil (2019: £nil). The full results for the period ended 31st March 2020 are set out in the financial statements.

The National Training Estate Prime (NTEP) contract is now into its sixth year.

On 30 January 2020 the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic resulting in the governments of many countries, states and cities taking preventative and protective actions such as imposing restrictions on travel and business operations and advising or requiring individuals to stay at home or quarantine in cases where people have been exposed to the virus.

The company has maintained delivery of the core service, but has experienced delays in project work and cancellation of third party activity. It is expected that the company will continue to trade as in prior years for the foreseeable future and there will be limited impact on service delivery and operations.

On 25 June 2020, Mitie PLC announced the proposed merger with Interserve Support Services for a combined consideration of £271 million comprising £120 million in cash and a 23.4% shareholding in the Mitie Group. Completion of the transaction is subject to certain conditions precedent including approval by the Competition and Markets Authority and the Pensions Regulator but is expected to complete by the end of this year.

KEY PERFORMANCE INDICATORS

The company delivers its core services to fully comply with key performance indicators mutually defined with the Ministry of Defence while maintaining an ongoing flow of information through operational and senior management meetings. These metrics cover all aspects of the company's service delivery including response levels, catering metrics, financial and project performance, health and safety plus asset and environmental management and compliance. Financial KPIs include revenue, gross profit and operating profit levels. Service levels continue to achieve or exceed the highest thresholds defined in the contract and with the local DIO SD client generally.

Landmarc is dedicated to delivering sustainable shareholder value by working in partnership with its client and other stakeholders using the training estate.

PRINCIPAL RISKS AND UNCERTAINTIES

Continued financial annuality pressures and the administration of budget within the customer community again led to an influx of injected works during the last quarter of the financial year, which created increased pressure to deliver at short notice.

Turnover is mainly guaranteed and based around estate usage which has been fairly constant over the years. This could change with the strategic Ministry of Defence plan to move troops back from Germany to the UK.

Business operational risks are highlighted, managed and mitigated at project, site, area, regional and head office levels via embedded processes along with escalation rights to ensure ownership and transparency. The management of risk is therefore undertaken by those best placed to remove, mitigate and control it.

The company has consistently achieved its financial targets since incorporation. Due to the collaborative approach to planning and control for delivery with the company's single client, the directors believe that it is well placed to manage its business risks.

FINANCIAL RISKS
The company's exposure to credit risk is limited, given that it is fully dedicated to a long-term government contract. The main contract is based upon fixed margins, and supplementary contracts are individually reviewed and approved by the directors on defined operational and commercial criteria before being undertaken. The financial risks of operations are thus fully anticipated and managed. Detailed procedures for the presentation, approval and payment of financial milestones under the contracts are maintained at every stage to ensure timely and efficient cash flow to the company's supply chain. Liquidity risk is controlled by careful timing of receipts and payments to ensure that these are matched at every stage of activity.

Pension employer contribution rates continued at agreed rates to mitigate future pension liabilities. Staff turnover is very low due to a stable working environment.

ENVIRONMENTAL REPORT

UK energy usage:
Electricity: 10800 kWh (10.8 MwII)
Gas: NIL
Diesel: 667,259 L
Red Diesel: 27,536 L
Petrol: 29,834 L

UK Scope 1 and 2 greenhouse gas emissions:
Total scope 1 and 2 carbon emission are 1,865,821 kg CO2e (1866 tonnes CO2e)

Methodology of how the data has been collated and prepared
Electricity usage is from our single premises and based on billing. The building uses electrical heating and does not have any gas use or air conditioning units (therefore no leakage of emissions to report). Consequently, the energy usage for the building is the 10800kWh of electricity billed in the April 2019 to 31st March 2020 period, which resulted in 2995 kg CO2e carbon emissions. The figure has been calculated using the 'kWh' and 'transmission and distribution' (electricity lost in transmission) 2019 carbon conversion factors published by DEFRA.

Monthly usage figures per fuel type are routinely recorded for fleet vehicle use. In the period 1st April 2019 to 31st March 2020 667,259 litres of diesel, 27,536 litres of red diesel, and 29,834 litres of petrol where used resulted in 1,858,307 kg CO2e of carbon emissions. The figure has been calculated using the 2019 carbon conversion factors for Diesel (average biofuel blend) and Petrol (average biofuel blend) published by DEFRA.

Intensity metric (for example "kWh / headcount" or "kWh / revenue")
N/A

Narrative commentary on action taken in the year to improve energy efficiency
Landmarc Support Services is a low energy user (under 40MW) as it occupies only one premises, as such it is not required to make detailed disclosures of energy and carbon information but is doing so on a voluntary basis. The majority of our staff are located within our client's premises, and to avoid double counting any associated emissions for the services they provide are captured within the client's returns. Despite being a low energy user, Landmarc takes action to reduce emissions through a range of initiatives including behavioural change campaigns, travel plan initiatives such as a car share rate for business travel, promotion of home working and remote delivery, supporting our client with TRIAD campaigns, implementing spend to save initiatives such as LED lighting projects within our client's premises, and supporting our client with improving the energy performance of their buildings through additional works. Our Sustainability Strategy details our sustainability objectives in line with the UN Sustainable Development Goals and includes objectives linked to Goal 12 Sustainable Consumption & Production and Goal 13 Climate Action.

FUTURE DEVELOPMENTS

The NTEP contract covers existing and new sites and involves a new delivery model for the provision of a national service centre and other capabilities. Currently into the contract extension in the middle of Year 6, the directors consider that Landmarc is fulfilling the requirements of the contract well.

ON BEHALF OF THE BOARD:

Nick Goodridge

N Goodridge - Director

28 September 2020

Landmarc Support Services Limited (Registered number: 04396241)

Report of the Directors
for the Year Ended 31 March 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company provides management services to the DIO SD Training.

The fifteenth year of trading continued to be profitable, enhanced by a closer working relationship with our client, DIO SD Training under the new NTEP contract. The directors anticipate similar trading in the future.

The following matters have been included in the Strategic Report and are therefore not included in this report:

- Review of the business
- Key Performance Indicators
- Principal Risks and Uncertainties
- Post Balance Sheet Events
- Financial Risks
- Future Developments

Landmarc has continued performing the core service to DIO SD Training and we also continue to seek new opportunities to work with our principal customer, the Ministry of Defence.

DIVIDENDS
The directors declared a dividend of £nil (2019: £nil). At the year-end, £632,713 (2019: £5,692,000) remains unpaid in relation to prior year dividends.

DIRECTORS
The directors shown below have held office during the period from 1 April 2019 to the date of this report.

N Goodridge
B Talbot
C Holden
J Sands

SUSTAINABILITY

Landmarc has a Sustainable Development Policy Statement and a Sustainable Development Management System, which is accredited to ISO 14001. See the Strategic Report for further information on carbon emissions.

EMPLOYEES

The company's management policy seeks to ensure that all employees' careers are determined solely on merit. No employee will suffer because of gender, race, ethnic origin or religious belief.

It is the company's policy to consider for employment and enable suitably qualified disabled persons to seek and maintain employment and to assist them in overcoming their handicaps at work. The company recognises that special conditions are necessary in view of the nature of its main activities to ensure that disabled persons employed are properly trained for the tasks they perform.

Managers are tasked with developing employees' awareness of factors affecting the business and matters concerning them as employees and noting employees' views so they can be taken into account when making decisions which may affect them or the business.

GOING CONCERN

The Directors expect the general level of activity to remain consistent in the forthcoming year. The initial term of the Contract for Services between Landmarc Support Services Ltd and the MOD expired on 31 October 2019. A 2 year contract extension was granted, until 31 October 2021. The pipeline of additional works continues to be strong. Accordingly, the directors have concluded that the company will have sufficient cash resources available to it for a period of at least a year from the date of these financial statements to honour the company's obligations and liabilities as they fall due and as a result continue to prepare the financial statements on the going concern basis.

The COVID 19 pandemic is not anticipated to have a material impact on the activity of the business. The level of training on the estate has been maintained post year end and there has been no change to the core activity. Projects have been postponed but full recovery is expected within the year, as supported by detailed cash and profit forecasts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 including FRS101 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

SECTION 172(1) STATEMENT

Section 172 of the Companies Act requires directors to take the following matters into consideration in their decision making: the likely consequences of any decision in the long term; the interests of employees and shareholders; the need to build relationships with other key stakeholders, including customers and suppliers; the impact of the Company's operations on the communities and environment they operate in; and the benefits of maintaining a reputation for high standards of business conduct.

When considering key or strategic matters the Directors have regard for their duties owed on a company basis, as well as with respect to their position as a joint venture both shareholders. The Directors have access to expert legal advice through the shareholders' panel of internal and external legal advisors when considering such matters. The Directors also receive updates and refreshers on their duties and responsibilities as directors from Interserve Group legal advisors.

The Directors of the Company meet on a regular basis as part of the Support Services Divisional Leadership team, and matters are regularly tabled, which the Directors should have regard to under Section 172, at their meetings and they recognise that the success of the Company is dependent on the way it works with its key stakeholders. When making decisions, particularly of a strategic nature, the Directors have regard to the likely long-term impact of these decisions and also their responsibilities and duties to the Company's shareholders and other stakeholders. The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of the Company, and the Company's shareholders, creditors, employees and other stakeholders having regard to those matters. The following explains how the Directors have done this for the period 1st January 2019 to the date of this Report.

The Directors of the Company are committed to operating in accordance with the Group's values and to considering the interests of all its stakeholders in the decisions they make.

Shareholders

On 15th March 2019, Interserve Plc, the previous ultimate controlling party of the Company was placed into Administration and the new ultimate controlling party, Interserve Group Limited, was formed. The Directors of the Company maintain regular engagement with Group and the Group's shareholders/lenders regarding the Company's business and associated risks and opportunities.

Employees

The Directors recognise that engagement with the Company's employees is key to ensuring the success of the Company and to maintain its competitive advantage and to meet the challenges of the uncertain and changing environment the Company operates in. The Directors recognise that the success of the Company is dependent on the Company's employees' commitment to the Company and through them demonstrating the values of the Group. The Directors also need to retain their key people and recruit, and train effective new people where necessary. The health, safety and wellbeing of the Company's employees is fundamental to the way the Company operates.

The Directors undertake regular site visits to review operations, health and safety performance and to engage with employees across the business. The Directors also actively promote the Employee Engagement Forums and other employee engagement initiatives. As a result of the engagement initiatives, robust action planning is in place to support feedback from employees.

Suppliers, Customer and Others

Details of the Directors engagement with suppliers, customers and others are contained within the Strategic Report.

Community

The Directors recognise that it is vital that the Company engages with the local communities in which the Company operates and that strong community relationships are key.

The Directors continue to support the Group's 'Give a day of your time' initiative allowing staff to proactively work with customers and suppliers to support local community causes and charities. The Directors actively support a range of charitable giving and partnership, including Armed Forces Week, X-Forces and SSAFA.

Environment

The Directors recognise that Sustainability is a key part of the Company's core values as a business, so engagement in relation the environment in which the Company operates is a key part of its operations.

Further details of the Company's Environmental Impact are contained within the Strategic Report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each 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 auditors are aware of that information.

Each of the persons who is a director at the date of approval of this report confirms that:

- so 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/she ought to have taken as a director in order to make himself/herself 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 provisions of s418 of the Companies Act 2006.

AUDITOR
The auditors, Grant Thornton UK LLP, were re-appointed following the Annual General Meeting to conduct the audit for the period ended 31 March 2020.

However, depending upon the outcome of the proposed sale of the entity to the Mitie Group plc, which is anticipated to take place before the end of 2020, Grant Thornton UK LLP may not be the auditor for the period ending 31 March 2021.

ON BEHALF OF THE BOARD:

Nick Goodridge

N Goodridge - Director

28 September 2020

Independent Auditor's Report to the Members of
Landmarc Support Services Limited

Opinion
We have audited the financial statements of Landmarc Support Services Limited (the 'company') for the year ended 31 March 2020 ,which comprise the income statement, statement of total comprehensive income, balance sheet, statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit
Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of
Landmarc Support Services Limited

Other information
The directors are responsible for the other information. The other information comprises the information included in the report of the directors, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- 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; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements
As explained more fully in the directors' responsibilities statement set out on page 8 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

Jonathan Maile BSc (Hons), FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
United Kingdom

28 September 2020

Landmarc Support Services Limited (Registered number: 04396241)

Income Statement
for the Year Ended 31 March 2020

	Notes	2020 £'000	2019 £'000
TURNOVER		119,577	116,938
Cost of sales		(103,219)	(100,856)
GROSS PROFIT		16,358	16,082
Administrative expenses		(8,111)	(7,981)
OPERATING PROFIT		8,247	8,101
Interest receivable and similar income	3	246	184
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	8,493	8,285
Tax on profit on ordinary activities	5	(1,569)	(1,770)
PROFIT FOR THE FINANCIAL YEAR		6,924	6,515

The notes on pages 19-34 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)

Statement of Total Comprehensive Income
for the Year Ended 31 March 2020

	Notes	2020 £'000	2019 £'000
PROFIT FOR THE YEAR		6,924	6,515
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Actuarial loss	14	(2,167)	(5,343)
Income tax relating to item of other comprehensive income	5	412	1,015
Past service cost		-	100
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(1,755)	(4,228)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,169	2,287

The notes on pages 19-34 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)

Balance Sheet
31 March 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible assets	7	2,872	2,151
Investments	8	-	-
		2,872	2,151
CURRENT ASSETS			
Debtors	10	17,586	14,421
Cash in hand		13,338	23,431
		30,924	37,852
CREDITORS			
Amounts falling due within one year	11	(23,299)	(34,675)
NET CURRENT ASSETS		7,625	3,177
TOTAL ASSETS LESS CURRENT LIABILITIES		10,497	5,328
PENSION ASSET	14	-	-
Deferred tax thereon		-	-
NET ASSETS		10,497	5,328
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Retained earnings	13	10,497	5,328
SHAREHOLDERS' FUNDS		10,497	5,328

The financial statements were approved by the Board of Directors on 28 September 2020 and were signed on its behalf by:

Nick Goodridge

N Goodridge - Director

The notes on pages 19-34 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)

Statement of Changes in Equity
for the Year Ended 31 March 2020

	Retained earnings £'000	Total equity £'000
Balance at 31 March 2018	3,041	3,041
Changes in equity		
Dividends	-	-
Total comprehensive income	2,287	2,287
Balance at 31 March 2019	5,328	5,328
Changes in equity		
Total comprehensive income	5,169	5,169
Balance at 31 March 2020	10,497	10,497

1. ACCOUNTING POLICIES

Basis of preparation
Landmarc Support Services Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 3. The nature of the company's operation and its principal activities are set out in the strategic report on page 4.

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 March 2016 the company changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and, in doing so, applied the requirements of IFRS 1.6 to 33 and related appendices.

The financial statements have been prepared on the historical cost basis.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share based payment, non-current assets held for sale, financial instruments, capital measurement, presentation of comparative information in respect of certain assets, presentation of a cashflow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of Interserve Group Limited.

Changes in significant accounting policies

IFRS 16 Leases replaces IAS 17 Leases along with three Interpretations (IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

The adoption of this new Standard has resulted in the company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as a lease under IAS 17 and IFRIC 4.

At this date, the company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

Leases

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the right-of-use asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company;

- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the company has the right to direct the use of the identified asset throughout the period of use; and

- the company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use;

The company calculates the outstanding liability for existing operating leases using its incremental borrowing rate at date of transition.

Measurement and recognition of leases as a lessee
At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The lease liability is measured at an amount equal to the present value of future lease payments over the lease term, and subsequently adjusted for interest and lease payments. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, an estimate of any costs to dismantle and remove the asset at the end of the lease, payments made at or before lease commencement date, less any incentives received. The right-of-use asset is measured at cost less accumulated depreciation.

The company is required to reassess the lease liability for changes in cash flows that are the result of contractual clauses that have been a part of the contract since inception. The liability will, therefore, be reassessed for changes in lease term due to extension or termination options being exercised, variable lease payments that are dependent on an index or a rate, the exercise of a purchase option and changes in amounts expected to be paid under a residual value guarantee. The company also assesses the right-of-use asset for impairment when such indicators exist.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has applied the recognition exemption available for short-term leases (lease term of 12 months or less) and leases of low-value assets; £5,000 or less. Where this exemption has been applied, lease payments are recognised as a straight-line operating expense over the lease term.

The company has taken certain practical expedients available under the IFRS 16 Standard:

Separation of lease components from non-lease components:
The company has elected not to separate lease components from associated non-lease components on vehicle leases, and instead account for these as a single lease component. The service costs on leased vehicles are regarded as a non-lease component, and incorporated into the fixed rental payments.

Initial direct costs:
Costs incurred in negotiating or securing a lease arrangement form part of the initial measurement of the right of use asset. The company has taken a practical expedient to exclude such costs from the right of use assets recognised under IFRS 1

Onerous lease provisions

The company has applied IAS 37 Provisions, Contingent Liabilities and Contingent Assets to assess whether leases are onerous as an alternative to performing an impairment review. The right-of-use asset is adjusted at date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application. Thereafter the right-of-use asset is tested for impairment if events indicate that the carrying value may not be recoverable. See Note 8 for the impact of IFRS 16.

Going Concern

The Directors expect the general level of activity to remain consistent in the forthcoming year. The initial term of the Contract for Services between Landmarc Support Services Ltd and the MOD expired on 31 October 2019. A 2 year contract extension was granted, until 31 October 2021. The pipeline of additional works continues to be strong. Accordingly, the directors have concluded that the company will have sufficient cash resources available to it for a period of at least a year from the date of these financial statements to honour the company's obligations and liabilities as they fall due and as a result continue to prepare the financial statements on the going concern basis.

The COVID 19 pandemic is not anticipated to have a material impact on the activity of the business. The level of training on the estate has been maintained post year end and there has been no change to the core activity. Projects have been postponed but full recovery is expected within the year, as supported by detailed cash and profit forecasts

Turnover

Turnover represents sales to United Kingdom customers, excluding value added tax, and all arises from the principal activities of the company. Turnover for such services is accounted for over time in the accounting period when services are rendered. Fee arrangements from services include fixed fee arrangements (where the customer pays a regular invoice to reflect the service provided), one-off additional fees for the performance of a specific service and certain variable fee arrangements which are dependent on achieving required KPIs.

For fixed fee arrangements, turnover is recognised based on the actual services provided to date as the provision and consumption of service occur simultaneously. Turnover for one-off additional fees are recognised when the associated performance obligations have been met (i.e. completion of service) and variable consideration is recognised using a most likely amount approach on a contract by contract basis. Variable consideration is only recognised in the accounts to the extent that it is highly probable that the amount will not be subject to a significant reversal when the uncertainty is resolved.

Analysis of turnover by category:	**2020 £'000**	**2019 £'000**
Contractual	67,338	66,501
Non contractual	52,239	50,437
	119,577	116,938

All turnover originates from the UK.

1. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-linc basis ovcr its cxpected useful life, as follows;

Asset category	**% per annum**
Fixtures and fittings	20.0%
Motor vehicles	33.3%

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

Impairment of tangible and intangible assets
At each balance sheet date, the company reviews the carrying amounts of its tangible and intangibles assets, where applicable, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating) unit in prior years. A reversal of an impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1. **ACCOUNTING POLICIES - continued**

Taxation
Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) or other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Consolidation
The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Pensions
For the defined benefit scheme the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

1. **ACCOUNTING POLICIES - continued**

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, together with the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Under IFRC 14 IAS 19, "the limit on a defined benefit asset, minimum funding requirements and their interaction", where the company has an unconditional right to a refund of surplus on their participation of the defined benefit pension scheme during the lifetime of that plan, or when it expires and where there is expected to be surplus assets, there is no limit on the asset the company can show on its balance sheet. If however, the company does not have an unconditional right to a refund of surplus, the asset the company can show on its balance sheet will be limited to the value of its potential future contributions to fund future service benefits, these values being based on the company's IAS 19 assumptions.

Critical accounting judgements and key sources of estimation uncertainty
In the preparation of the financial statements, management makes certain judgements and estimates that impact the financial statements. While these judgements are continually reviewed the facts and circumstances underlying these judgements may change resulting in a change to the estimates that could impact the results of the company. In particular:

Revenue and margin recognition
The policy for revenue recognition on service contracts is set out in note 1. Judgements are made on an ongoing basis with regard to the recoverability of amounts due, liabilities arising and the requirement for forward loss provisions. Regular forecasts are compiled on the outcomes of these types of contracts, which require assessments and judgements relating to the recovery of pre-contract costs, changes in work scopes, contract programmes and maintenance liabilities.

Carrying value of trade and other receivables
Allowance for doubtful debt and provisions against other receivables and the carrying value of accrued income, are made on a specific basis, based on estimates of irrecoverability determined by market knowledge and past experience.

Recognition of Employee Benefit Obligations
With effect from March 2019, the Company has a policy to proactively seek to settle Defined Benefit pension liability when feasible. Whilst this does not necessarily mean settlement will occur in this, or the next, accounting period, it does mean that the Section (see Note 14 provides further detail) is expected to cease only when the last deferred member leaves the scheme. As such, it does not appear reasonable to recognise the economic benefit from the potential pension surplus as realisable. Therefore, the surplus has been restricted to nil, with effect from 31 March 2019. This judgement will be kept under review as the company's approach to pension liability settlement emerges.

2. EMPLOYEES AND DIRECTORS

Staff costs during the year (including directors):	2020 £'000	2019 £'000
Wages and salaries	34,688	33,236
Social security costs	3,478	3,253
Other pension costs	2,176	2,107
	40,342	38,596

The average number of employees during the year was 1,228 (2019: 1,193 employees).

No emoluments were payable to the directors for their services to the company during the year to 31 March 2020 (2019: £nil).

The directors are remunerated by the two investing parties for their services to the company. It is not considered practicable to allocate their remuneration between the companies of which they are directors. Details of the directors remuneration can be found in the Interserve fm Limited, Interserve (Defence) Limited and PAE accounts respectively.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Bank interest income	209	45
Interest income on pension asset	37	139
	246	184

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Operating profit on ordinary activities
before taxation is stated after charging:

	2020 £'000	2019 £'000
Depreciation on owned assets	835	864
Operating lease rentals:		
- Hire of Plant and equipment	153	103
Remuneration payable to auditor:		
- Fees payable to the company's auditor for the annual audit of the company's accounts*	-	-

* Audit fees of £23k have been borne by Interservefm Limited for 2020 (2019: £23k).

5. TAXATION

Analysis of tax expense

	2020 £'000	2019 £'000
UK current tax on profits for the year	1,542	1,701
Adjustments in respect of prior periods	-	(117)
	1,542	1,584
Deferred tax		
Origination and reversal of timing differences	98	(123)
Changes in tax rates	(71)	-
Adjustments in respect of prior periods	-	309
	27	186
Total tax expense in income statement	1,569	1,770

Factors affecting the tax expense

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 19% (2019: 19%). The current tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation:

	2020 £'000	2019 £'000
Profit on ordinary activities before income tax	8,493	8,285
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,613	1,598
Effects of:		
Expenses not deductible for tax purposes	27	(21)
Differences in tax rates	(71)	-
Adjustments in respect of prior periods	-	193
Tax expense	1,569	1,770

Deferred tax asset	2020 £'000	2019 £'000
Balance at the beginning of the year	(705)	(891)
Net charge to the profit and loss account	27	186
	(678)	(705)

The deferred tax asset consists of the following amounts:		
Accelerated capital allowances	(631)	(676)
Short term timing differences	(47)	(29)
	(678)	(705)

Tax effects relating to effects of other comprehensive income

	2020		
	Gross	**Tax**	**Net**
	£'000	**£'000**	**£'000**
Actuarial gain/ (loss) (19%)	(2,167)	412	(1,755)
	2,167)	412	(1,755)

	2019		
	Gross	**Tax**	**Net**
	£'000	**£'000**	**£'000**
Actuarial gain/ (loss) (19%)	(5,343)	1,015	(4,327)
	(5,343)	1,015	(4,327)

6. DIVIDENDS

The directors declared a dividend of £nil (2019: £nil). At the year-end £633,000 remains unpaid (2019: £5,692,000) in relation to prior year dividends. This balance is interest free and repayable on demand.

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 April 2019	4,412	8,690	13,102
Additions	134	1,582	1,716
Disposals	-	(287)	(287)
At 31 March 2020	4,546	9,985	14,531
DEPRECIATION			
At 1 April 2019	4,334	6,615	10,949
Charge for year	118	716	835
Depreciation on disposal	-	(125)	(125)
At 31 March 2020	4,453	7,206	11,659
NET BOOK VALUE			
At 31 March 2020	93	2,779	2,872
At 31 March 2019	78	2,073	2,151

Right of use assets	Short leasehold £'000
COST	
As at 1 April 2019	82
Additions	-
As at 31 March 2020	82
DEPRECIATION	
As at 1 April 2019	30
Charge for year	17
As at 31 March 2020	47
NET BOOK VALUE	
As at 31 March 2020	35
As at 31 March 2019	50

8. LEASING

Lease liabilities

Minimum lease payments fall due as follows:	**2020**
	£'000
Current (within one year)	19
Non-current (between one and five years)	19
After five years	-
Total minimum lease payments	38
Future finance charges	(3)
Present value of lease liabilities	35

Bridge for operating lease commitment as at 31st March 2019 to lease liability on adoption at 1st April 2019:

	£'000
Operating lease commitments at 31 March 2019	51
Less short term and low value leases recognised on a straight line basis as expense	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	(1)
Finance lease liabilities recognised as at 31 March 2019	-
Lease liabilities as at 1 April 2019	50

The incremental borrowing rate is 8.422%.

9. INVESTMENTS

The company owns 100% of the issued share capital of Landmarc Pension Scheme Trustees Limited, which is incorporated in Great Britain. Landmarc Pension Scheme Trustees Limited is a dormant company.

The company owns 49% of Landmarc Gulf Consultancy Management LLC, a company registered in Abu Dhabi, UAE, PO Box 41394. As at 31 December 2019, the net assets of Landmarc Gulf were £1,115,000 and retained earnings was £1,015,000.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade debtors	1,918	741
Intercompany debtors	8,000	6,000
Other debtors	39	43
Deferred tax asset	678	705
Intercompany recharge	646	
Prepayments and accrued income	6,305	6,932
	17,586	14,421

Deferred tax assets have been recognised as at 31 March 2020 in respect of capital allowances of £630,999 (2019: £675,970) and other short-term timing differences of £42,002 (2019: £28,810), which are expected to reverse as profits arise in the foreseeable future.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade creditors	4,351	727
Corporation tax	273	881
Declared dividends	633	5,692
Payroll and other taxes	3,890	4,439
Other payroll	288	194
Cost accruals	11,456	13,396
Deferred income	2,408	9,346
	23,299	34,675

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2020 £**	**2019 £**
~~49~~	~~"A" Class shares of £1 each~~	~~1~~	~~49~~	~~49~~
49	"B" Class shares of £1 each	1	49	49
2	"C" Class shares of £1 each	1	2	2
			100	100

The shares rank pari passu in all respects.

13. RETAINED EARNINGS

Retained earnings are the profits since inception generated by the company that have not yet been distributed as dividends to the shareholders.

14. EMPLOYEE BENEFIT OBLIGATIONS

For some employees, the company operates a funded pension Scheme providing benefits for its employees based on final pensionable pay. The assets of the Scheme are held in a separate trustee-administered fund.

The Landmarc Pension Scheme (LPS) commenced on 1 July 2003, at the same time as approximately 1,000 employees became employed by the company. Going forward, entry to membership will only be available at the discretion of the company, with the majority of new employees being provided with purely defined contribution benefits under a separate Stakeholder arrangement.

The LPS was merged with Interserve Pension Scheme (IPS) through a transfer of all the assets and liabilities of the LPS to a segregated section (the "Landmarc Section") of the IPS on 31 March 2016. The benefits and terms which applied under the LPS have been kept unchanged in the Landmarc Section of the IPS so this merger has not impacted on the Company's balance sheet at 31 March 2016. The Company's future running costs are expected to be reduced by the efficiencies of combining the ongoing administration of the LPS with the IPS.

All other pension benefits sponsored by the company (including the defined contribution arrangement) are accounted for on a purely defined contribution basis, and have been consistently excluded from the notes below. Contributions to such arrangements totalled £2,000,000 over the year to 31 March 2020 (2019: £2,003,000).

The results of the formal actuarial valuation as at 31 December 2017 have been rolled forward and used to calculate results under IAS19 by an independent qualified actuary. As required by IAS19, the value of the defined benefit liabilities has been measured using the projected unit method.

Company contributions are set based upon funding valuations carried out every three years. The next valuation will be carried out at 31 December 2020. If there is a shortfall in the Landmarc Section's assets against this funding target, then the Company and Trustee of the IPS will agree on deficit contributions to meet this deficit over a period. The estimated amount of total employer contributions expected to be paid to the Landmarc Section of the IPS during 2020/21 is £2.7m (2019/20 actual: £2m).

The Company has an unconditional right to a refund of surplus assuming the gradual settlement of the Landmarc Section's liabilities over time until all members have left the Section. Accordingly, there is no restriction on the recognition of surplus on the Company's balance sheet (or additional minimum liability to be recognised).

In March 2019, the Company's controlling Board discussed its pension strategy and made the decision to change the strategy going forward. In the past, the intention has been to maintain the Section until the last deferred member leaves the scheme, as previously disclosed, there was potential economic benefit to be obtained from the pension scheme accounting surplus. However, the new strategy is to proactively seek to settle the pension liability when feasible. Whilst this does not necessarily mean settlement will occur in this, or the next, accounting period, it does mean that the Section is not expected to run-on in perpetuity. As such, the justification for obtaining economic benefit from the pension surplus no longer exists. The surplus as at 31 March 2020 has therefore been restricted to nil.

The figures in this disclosure do not include the expenses of running the Landmarc Section, or PPF levies, as these are met directly by the Company.

There is a risk to the company that the adverse experience could lead to a requirement for the Company to make additional contributions to recover any deficit that arises. The assets and liabilities of the Landmarc Section of the IPS are segregated from the other assets and liabilities of the IPS. In the event of Scheme wind-up or if the Company ceases to participate in the Scheme, the Company is responsible for the Landmarc Section of the IPS only.

14. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Current service cost	769	808
Net interest from net defined benefit asset/liability	(37)	(139)
Past service cost	103	100
	835	769

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening defined benefit obligation	68,816	65,991
Current service cost	769	808
Past service cost	103	100
Contributions by scheme participants	72	80
Interest on scheme liabilities	1,630	1,754
Benefits paid	(1,817)	(2,059)
Actuarial (gains)/losses from changes in financial assumptions	(8,776)	5,369
Actuarial gains from changes in experience on benefit obligation assumptions	(413)	(18)
Actuarial losses due to changes in demographic assumptions	-	(3,209)
	60,384	68,816

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening fair value of scheme assets	74,382	70,078
Interest on scheme assets	1,800	1,893
Contributions by employer	3,002	2,025
Contributions by scheme participants	72	80
Benefits paid	(1,817)	(2,059)
Actual return on Scheme assets less interest on Scheme assets	(5,774)	2,365
	71,665	74,382

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised outside profit or loss:

	2020 £'000	2019 £'000
Remeasurements	(3,415)	(223)
Change in asset limit other than interest	5,581	5,566
	2,167	5,343

The interest on the asset limit is £134k.

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020 £'000	2019 £'000
Equities	22,034	22,426
Insurance policy	22,897	25,673
LDI	10,293	12,027
Property	4,680	4,669
Diversified Growth	10,119	8,666
Other	1,642	921
	71,665	74,382

Under FRS 101, the Landmarc Section is represented on the balance sheet at 31 March 2020 as an asset of £nil (2019: £nil), made up as follows-

	2020 £'000	2019 £'000
Present value of defined benefit obligation	60,384	68,816
Fair value of scheme assets	(71,665)	(74,382)
Surplus	(11,281)	(5,566)
Impact of asset ceiling	11,281	5,566
Net liability/ (asset) in financial statement position	-	-

Over the year to 31 March 2020, contributions by the company were made to the Landmarc Section totalling £2,025,000 (2019: £2,463,000). Following the actuarial valuation of the Landmarc Section as at 31 December 2017 the company agreed to ongoing contributions of 22.2% of Pensionable Pay. Deficit contributions of £2m pa were agreed with the Pension Trustees. The company contribution rate will be reviewed when the full results of the next actuarial valuation are available. In addition, the Landmarc Pension Scheme administration expenses and the insurance premiums in respect of Life Assurance members are paid directly by the company.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020	2019
Discount rate	2.50%	2.40%
Future salary increases	2.20%	3.10%
Future pension increases	2.50%	3.30%
Price inflation	2.50%	3.30%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 26.1 to 29.6 years (2019: 26.1 to 29.6 years), depending upon membership category. Allowance is made for future improvements in life expectancy.

15. RELATED PARTY NOTE

At the year end the company had an intercompany debtor with Interserve Finance Ltd of £8,000,000. This loan was fully repaid after the year end. Interserve Finance Ltd is a fully owned subsidiary of the Interserve Group Ltd.

During the year the company had intercompany transactions with Interserve Defence Ltd of £49,000 (2019: £112,000). At the year end nothing was outstanding (2019: nil).

16. ULTIMATE PARENT COMPANY

Interserve Defence Ltd, a company registered in England and Wales, is the company regarded by the directors as the immediate parent company.

As at 31 December 2019, Interserve Group Limited, a company registered in England and Wales was the company regarded by the directors as the ultimate parent company and controlling party and was the smallest and largest group for which group financial statements were prepared. A copy of the financial statements of Interserve Group Limited can be obtained via the Interserve website at www.interserve.com.