

REGISTERED NUMBER: 04396241 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2022
for
Landmarc Support Services Limited



Landmarc Support Services Limited (Registered number: 04396241)

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for the Year Ended 31 March 2022

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Landmarc Support Services Limited

Company Information
for the Year Ended 31 March 2022

DIRECTORS:

J Kay (from 01/10/21)
J Sands
B Talbot
S Venn (from 01/02/22)
C Harrity-Tun (from 26/08/22)

SECRETARY:

S Pound

REGISTERED OFFICE:

Level 12
The Shard
32 London Bridge Street
London
SE1 9SG

REGISTERED NUMBER:

04396241 (England and Wales)

AUDITOR:

Grant Thornton UK LLP
Chartered Accountants and
Statutory Auditor
1st Floor One Valpy,
20 Valpy Street
Reading
RG1 1AR
United Kingdom

Landmarc Support Services Limited (Registered number: 04396241)Strategic Report
for the Year Ended 31 March 2022

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 Mitie Group PLC and Amentum 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 £11,452k (2021: £4,277k). The directors declared a dividend of £6,393k (2021: £4,743k). The full results for the year ended 31st March 2022 are set out in the financial statements.

The company is a special purpose vehicle, with one contract- The National Training Estate Prime (NTEP). All employees only work on this contract. This contract is now into its eighth year. The next generation award for the Defence Training Estate is the Training Estate Support Contract (TESC). The company submitted their bid for the TESC contract under the FDIS framework in July 2021. Landmarc was announced as the successful bidder in August 2022. However, due to a challenge from one of the other bidders, we have not been able to proceed to official Contract Award. It is not known how long this legal standstill will continue for.

KEY PERFORMANCE INDICATORS

In addition to the Key Performance Indicators of profit and dividends discussed above, 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.

| KPI Ref | Definition | Monthly Target Performance | Annual Target Performance |
|---------|---|----------------------------|---------------------------|
| 001 | "Percentage of number of make safe tasks, Response Category Emergency , where immediate response achieved against total number of make safe tasks, Response Category Emergency ." | >96% | >94% |
| 002 | "Percentage of number of repairs (Restore Functionality) achieved within contractual timeframes for Reactive Maintenance tasks where the Response Category is Critical 12 hours against total number of Reactive Maintenance tasks with a target completion date in the reporting period." | >96% | >94% |
| 006 | "Percentage of number of repairs (Restore Functionality) achieved within contractual timeframes for Reactive Maintenance tasks where the Response Category is Urgent 5 days , against total number of Reactive Maintenance tasks with a target completion date in the reporting period." | >94% | >94% |
| 007 | "Percentage of number of repairs (permanent resolution) achieved within contractual timeframes for Reactive Maintenance tasks where the Response Category is Critical 20 days , against total number of Reactive Maintenance tasks with a target completion date in the reporting period." | >96% | >94% |

| | | | |
|-----|---|------|------|
| 010 | "Percentage of number of repairs (permanent resolution) achieved within contractual timeframes for Reactive Maintenance tasks where the Response Category is Urgent 20 days or Routine 20 days against total number of Reactive Maintenance tasks with a target completion date in the reporting period. | >94% | >94% |
| 011 | "Percentage of number of inspections where the work category is Statutory , achieved on time (target date scheduled in annual programme of inspections in agreed Establishment Specific Task Schedule) against total number of inspections where the work category is Statutory with a target completion date in the reporting period. | 100% | >97% |
| 013 | "Percentage of number of inspections where the work category is Mandatory , achieved on time (target date scheduled in annual programme of inspections in agreed Establishment Specific Task Schedule) against total number of inspections where the work category is Mandatory with a target completion date in the reporting period. | 100% | >97% |

| | | 21-22 Total | 20-21 Total |
|-----------------------|--|-------------|-------------|
| KPI 001 % AVE (>96%) | Emergency tasks | 100.0% | 100.0% |
| KPI 001 Tasks | | 414 | 312 |
| KPI 002 % AVE (>96%) | Reactive Maintenance tasks critical 12 hours | 99.5% | 99.7% |
| KPI 002 Tasks | | 2,076 | 2,371 |
| KPI 006 % AVE (>94%) | Reactive Maintenance tasks urgent 5 days | 99.3% | 99.8% |
| KPI 006 Tasks | | 3,950 | 4,013 |
| KPI 007 % AVE (>96%) | Reactive Maintenance tasks critical 20 days | 100.0% | 100% |
| KPI 007 Tasks | | 203 | 179 |
| KPI 010 % AVE (>94%) | Reactive Maintenance routine 20 days | 98.5% | 99.1% |
| KPI 010 Tasks | | 21,979 | 20,900 |
| KPI 011 % AVE (>100%) | Statutory Inspections | 100% | 100% |
| KPI 011 Tasks | | 224,175 | 207,389 |
| KPI 013 % AVE (>100%) | Mandatory Inspections | 100% | 100% |
| KPI 013 Tasks | | 15,818 | 15,115 |

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.

Under the NTEP contract, turnover is mainly guaranteed and based around estate usage which has been fairly constant over the years. This is changing and expected to increase in future years, with the strategic Ministry of Defence plan to move troops back from Germany and Canada to the UK. This will continue once the TESC contract is awarded. As explained in the Review of the Business above, there is current uncertainty over the timing of this award.

Landmarc Support Services Limited (Registered number: 04396241)Strategic Report
for the Year Ended 31 March 2022

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.

SUPPLIERS

Landmarc Support Services actively supports small and medium-sized enterprises, and local, voluntary, charity and social enterprise suppliers. Circa 70% of the company's annual spend for core business is with these organisations.

CUSTOMERS

Landmarc contracts with the Defence Infrastructure Organisation (DIO) for the National Training Estate Prime Contract (NTEP). As DIO's Industry Partner (IP), Landmarc delivers support services on behalf of the Army's Basing & Infrastructure Team to authorised users of the UK Defence Training Estate (DTE).

The business manages a complex customer stakeholder group through a well-established Relationship Management Plan as part of its ISO 44001:2017 accreditation.

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.

The company submitted their bid for the TESC contract under the FDIS framework. The company currently have an extension under NTEP until 31st May 2023. As a result of the ongoing legal challenge from another bidder, it is not known when the FDIS contract will be awarded, nor when the new In Service Date will be. In the unlikely event that the contract is not awarded to Landmarc, the majority of employees will TUPE over to the new contractor and the company will be gradually wound down. For the next 12 months however, we are certain of continuing as a Going Concern.

Landmarc Support Services Limited (Registered number: 04396241)

Strategic Report
for the Year Ended 31 March 2022

ENVIRONMENTAL REPORT

UK energy usage:

Electricity: 7,466.5 kWh (7.5 MWh)

Gas: NIL

Diesel: 729,494 L

Red Diesel: 24,300 L

LPG: 217 L

Petrol: 31,992 L

UK Scope 1 and 2 greenhouse gas emissions:

Total Scope 1 1,969,494 kg CO₂e (1,968 tonnes CO₂e).

Total Scope 1,725 kg CO₂e (1.7 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 7,466kWh of electricity billed in the 1st April 2021 to 1st September 2021 period, which resulted in 1,725kg CO₂e carbon emissions. The figure has been calculated using the 'kWh' and 'transmission and distribution' (electricity lost in transmission) 2021 carbon conversion factors published by DEFRA. The Codford sign shop moved to a building within the DIO estate in September 2021 and as such, no further carbon emissions from electricity will be recorded.

Monthly usage figures per fuel type are routinely recorded for fleet vehicle use. In the period 1st April 2021 to 31st March 2022 729,494 litres of diesel, 24,300 litres of red diesel, 217 litres of LPG and 31,992 litres of petrol where used resulted in 1,968,494 kg CO₂e of carbon emissions. The figure has been calculated using the 2021 carbon conversion factors for Diesel (average biofuel blend), LPG and Petrol (average biofuel blend) published by DEFRA.

Landmarc Support Services is a low energy user (under 40MW) as it occupied only one premises, which was disposed of in September 2021. Consequently, it is not required to make detailed disclosures of energy and carbon information but is doing so on a voluntary basis. Landmarc 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 carbon footprint.

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 TRI Annual Demand (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.

This year Landmarc Support Services, the Defence Infrastructure Organisation (DIO) and Reds10 have won the MOD Sanctuary Net Zero and Resources Efficiency Award for the Net-Zero Carbon Accommodation Programme. The buildings are the new modular carbon net zero transit accommodation, which are being erected across the training estate for use by troops. At present 10% of the accommodation available for training troupes has been replaced with Net Zero Accommodation. .

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.

Landmarc Support Services Limited (Registered number: 04396241)Strategic Report
for the Year Ended 31 March 2022**UK energy usage:**

Landmarc does not have carbon emissions associated with the built part of the Training Estate because the business is operated out of customer owned buildings. Consequently, Landmarc is not charged for electric and heating fuels used to run those buildings and these emissions form part of the customers' carbon footprint.


Landmarc's Carbon Emissions originate from Fleet Vehicles which are used to maintain the estate and to create a "safe space" for example, ensuring flags are up around live firing areas.

This activity is not directly linked to annual turnover as this includes the additional works programme or staffing numbers which remain broadly consistent.

FUTURE DEVELOPMENTS

The contract year runs from November through to October. The reporting period covered within these Financial Statements therefore crosses 2 contract years, Year 7 (April to October 2021) and Year 8 (November 2021 to March 2022). The contract is anticipated to run to the In Service Date of the TESC contract, April 2023 and we have a current extension until May 31st 2023.

ON BEHALF OF THE BOARD:

DocuSigned by:

34E186931D42465

B Talbot - Director

13th December 2022

Landmarc Support Services Limited (Registered number: 04396241)Report of the Directors
for the Year Ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company provides management services to the Defence Infrastructure Organisation.

The nineteenth year of trading continued to be profitable, enhanced by a closer working relationship with our client. The bid for the new contract for the Training Estate is currently 'in standstill' following a legal challenge from another bidder. Preferred bidder for the FDIS contract was due to be announced in mid-2022 with a likely In Service Date of April 2023. The company has an extension in place to be the service provider until the 31st May 2023, during which preparation for the new Training Estate Services Contract will commence should we be awarded the new contract.

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
- Greenhouse gas emissions data

Landmarc has continued performing the core service to DIO 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 £6,393k (2021: £4,743k). At the year-end, £nil (2021: £nil) remains unpaid in relation to prior year dividends.

DIRECTORS

The directors shown below have held office during the period from 1 April 2021 to the date of this report.

N Goodridge (to 01/02/22)
B Talbot
C Holden (to 01/10/21)
J Sands
J Kay (from 1/10/21 to 26/08/22)
S Venn (from 01/02/22)
C Harrity-Tun (from 26/08/22)

Landmarc Support Services Limited (Registered number: 04396241)Report of the Directors
for the Year Ended 31 March 2022**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.

In support of the company's commitment to the Armed Forces Covenant, they also offer guaranteed interviews for veterans who have the right skills and experience for the role and have signed up to the BITC campaign 'Ban the Box' to remove the criminal record tick box from job application forms to encourage people with convictions to apply for more jobs.

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 initial term of the Contract for Services between Landmarc Support Services Ltd and the MOD expired on 31 October 2019. An initial 2 year contract extension was granted, until 31 October 2021. This was further extended to May 2022, then further extended to May 2023.

The company has prepared cashflow forecasts representing different scenarios for the future. This includes modelling downside scenarios, one of which is the assumption that the TESC contract is not awarded to Landmarc, resulting in the loss of the Core and AWS business. The model has been stress tested, and all scenarios indicate that the entity has sufficient cash funds. All operating expenses are linked directly to the delivery of the contract, and the entity has no external debt. Should Landmarc not be awarded the TESC contract, the majority of staff will TUPE transfer over to a new contract. All other expenses will cease beyond winding the company up. 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

Landmarc Support Services Limited (Registered number: 04396241)Report of the Directors
for the Year Ended 31 March 2022**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 of Mitie Group PLC.

The Directors of the Company meet on a regular basis as part of the Civil Government and Defence 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 April 2021 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 the 25th of October 2021 our Joint Venture Partner Company PAE announced that they have entered into an agreement to be acquired by Amentum. Amentum is a premier global technical and engineering services partner supporting critical programs of national significance across defence, security, intelligence, energy, and environment. The acquisition was confirmed in March 2022.

Landmarc is a Joint Venture as each parent company has equal voting rights.

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.

Landmarc Support Services Limited (Registered number: 04396241)Report of the Directors
for the Year Ended 31 March 2022**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. As a result, the company has an active community engagement programme comprising the provision of an annual Community Fund to support projects and initiatives within the communities that surround the UK Defence Training Estate, many of which are remote and rural. The company's volunteering programme 'Be the Difference' also provides employees with an additional two days leave per year to support community projects and key partnerships have been developed with a range of charitable and supportive organisations within the Armed Forces community including X Forces Enterprise, Soldiering On and SSAFA. Landmarc has held the Employer Recognition Scheme Gold Award since 2018 for its commitment to supporting veterans and reservists in the workplace. The overall programme is run by the Defence Relationship Management of the MOD.

Environment

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

Landmarc Support Services Limited (Registered number: 04396241)

Report of the Directors
for the Year Ended 31 March 2022

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:

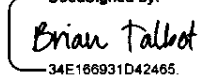
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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 auditor for the year commencing 1st April 2022 will be appointed pursuant to Sections 485 and 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

DocuSigned by:

34E186931D42465

B Talbot - Director

13th December 2022

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 2022, which comprise Income Statement, Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 2022 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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 annual report, 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, 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.

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and industry in which it operates through our commercial and sector experience; making enquiries of management and those charged with governance; and inspection of the company's relevant external correspondence. We corroborated our enquiries through inspection of board minutes and other relevant information obtained during the course of the audit.
- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework'; the Companies Act 2006; Contract Law; and the relevant taxation legislation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas with a risk of fraud, including potential management bias, of recognition of revenue which we considered to be the amounts that were unbilled at the year end; and through management override of controls.
- Our audit procedures included:
 - Gaining an understanding of the controls that management has in place to prevent and detect fraud;
 - Journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business;
 - Gaining an understanding of and testing significant identified related party transactions;
 - Performing audit procedures to consider the compliance of disclosures in the financial statements with applicable financial reporting requirements.

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

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the company operates;
 - Understanding of the relevant legal and regulatory frameworks specific to the company including: the provisions of the applicable legislation; and the applicable statutory provisions.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the estimation and judgemental areas with a risk of fraud including potential management bias, of recognition of revenue, which we considered to be the amounts that were unbilled at the year end; and through management override of controls in the preparation of the financial statements.

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.

DocuSigned by:

Grant Thornton UK LLP

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Paul Holland BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
13 December 2022

Landmarc Support Services Limited (Registered number: 04396241)Income Statement
for the Year Ended 31 March 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|--|-------|------------------|------------------|
| TURNOVER | | 164,605 | 123,743 |
| Cost of sales | | <u>(138,289)</u> | <u>(113,306)</u> |
| GROSS PROFIT | | 26,316 | 10,437 |
| Administrative expenses | | <u>(13,052)</u> | <u>(5,197)</u> |
| OPERATING PROFIT | | 13,264 | 5,240 |
| Interest receivable and similar income | 3 | <u>147</u> | <u>221</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | 13,411 | 5,461 |
| Tax on profit on ordinary activities | 5 | <u>(1,959)</u> | <u>(1,184)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>11,452</u> | <u>4,277</u> |

The notes on pages 22-37 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)Statement of Total Comprehensive Income
for the Year Ended 31 March 2022

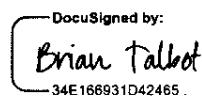
| | Notes | 2022 £'000 | 2021 £'000 |
|---|-------|---------------|----------------|
| PROFIT FOR THE YEAR | | 11,452 | 4,277 |
| OTHER COMPREHENSIVE INCOME | | | |
| Item that will not be reclassified to profit or loss: | | | |
| Actuarial gain/ (loss) relating to pension scheme asset | | 2,931 | (3,642) |
| Other tax on remeasurement of retirement benefit surplus | 5 | (1,635) | 1,619 |
| | | <hr/> | <hr/> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | <u>1,296</u> | <u>(2,023)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>12,748</u> | <u>2,254</u> |

The notes on pages 22-37 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)Balance Sheet
31 March 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|--|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 2,625 | 2,722 |
| Investments | 8 | - | - |
| | | <u>2,625</u> | <u>2,722</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 14,481 | 6,141 |
| Cash in hand | | <u>28,678</u> | <u>24,004</u> |
| | | 43,159 | 30,145 |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | <u>(31,449)</u> | <u>(21,852)</u> |
| NET CURRENT ASSETS | | <u>11,710</u> | <u>8,293</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 14,335 | 11,015 |
| PENSION ASSET | 13 | 7,361 | 4,326 |
| NET ASSETS | | <u>21,696</u> | <u>15,341</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | - | - |
| Retained earnings | 12 | <u>21,696</u> | 15,341 |
| SHAREHOLDERS' FUNDS | | <u>21,696</u> | <u>15,341</u> |

The financial statements were approved by the Board of Directors on 13th December 2022 and were signed on its behalf by:

DocuSigned by:

 34E166931D42465

B Talbot - Director

The notes on pages 22-37 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)Statement of Changes in Equity
for the Year Ended 31 March 2022

| | Retained earnings £'000 | Total equity £'000 |
|---------------------------------|--|-----------------------------------|
| Balance at 31 March 2020 | 17,830 | 17,830 |
| Changes in equity | | |
| Dividends | (4,743) | (4,743) |
| Total comprehensive income | 2,254 | 2,254 |
| Balance at 31 March 2021 | <u>15,341</u> | <u>15,341</u> |
| Changes in equity | | |
| Dividends | (6,393) | (6,393) |
| Total comprehensive income | 12,748 | 12,748 |
| Balance at 31 March 2022 | <u><u>21,696</u></u> | <u><u>21,696</u></u> |

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements
for the Year Ended 31 March 2022**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 Mitie Group PLC.

Going Concern

The initial term of the Contract for Services between Landmarc Support Services Ltd and the MOD expired on 31 October 2019. An initial 2 year contract extension was granted, until 31 October 2021. This was further extended to May 2022, then further to May 2023.

The award of the FDIS contract was announced in August 2022 to Landmarc. However, a subsequent legal challenge submitted by another bidder has prevented Contract Award being finalised. It is not known when this will be resolved.

The company has prepared cashflow forecasts representing different scenarios for the future. This includes modelling downside scenarios, one of which is the assumption that the TESC contract is not awarded to Landmarc, resulting in the loss of the Core and AWS business. The model has been stress tested, and all scenarios indicate that the entity has sufficient cash funds. All operating expenses are linked directly to the delivery of the contract, and the entity has no external debt. 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.

Leases

For any new contracts entered into on or after 1 April 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.

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements
for the Year Ended 31 March 2022

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 7 for the impact of IFRS 16.

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements
for the Year Ended 31 March 2022**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.

| | 2022 £'000 | 2021 £'000 |
|-----------------------------------|----------------|----------------|
| Analysis of turnover by category: | | |
| Contractual | 75,209 | 72,145 |
| Non contractual | 89,396 | 51,598 |
| | <u>164,605</u> | <u>123,743</u> |

All turnover originates from the UK.

The Non Contractual turnover consists primarily of Projects works outside of the core contract. The resource required to deliver this is fee earning and is provided to suit the customer demands.

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-line basis over its expected 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.

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**1. ACCOUNTING POLICIES - continued**

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.

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

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**1. ACCOUNTING POLICIES - continued****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.

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.

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). Whilst a surplus is recognised on the Company’s balance sheet based on the accounting value of the liabilities in practice the Company’s contributions are set based on the liability calculated using a different approach which typically results in a higher liability. As a result whilst recognising an accounting surplus it is possible that contributions could continue to be required to fund a shortfall on the ongoing funding basis assessed as part of the actuarial valuation.

It is worth noting that as at 31st March 2022, there were no more active members of the Defined Benefit Pension Scheme. This was as a result of Project Solstice which was concluded in the prior year.

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.

Landmarc Support Services Limited (Registered number: 04396241)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES - continued

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 13 provides further detail) is expected to cease only when the last deferred member leaves the scheme. As a result of Project Solstice in the prior year, there are no longer any active members in the Defined Benefit Scheme as at 31st March 2022.

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**2. EMPLOYEES AND DIRECTORS**

| | 2022 | 2021 |
|--|----------------------|----------------------|
| | £'000 | £'000 |
| Staff costs during the year (including directors): | | |
| Wages and salaries | 36,112 | 35,906 |
| Social security costs | 3,504 | 3,502 |
| Other pension costs | <u>3,962</u> | <u>3,602</u> |
| | <u>43,578</u> | <u>43,010</u> |

The average number of employees during the year was 1,243 (2021: 1,251 employees).

No emoluments were payable to the directors for their services to the company during the year to 31 March 2022 (2021: £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 Mitiefm Limited, Mitie (Defence) Limited and Amentum accounts respectively.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2022 | 2021 |
|----------------------------------|-------------------|-------------------|
| | £'000 | £'000 |
| Bank interest income | (8) | 33 |
| Interest income on pension asset | <u>155</u> | <u>188</u> |
| | <u>147</u> | <u>221</u> |

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Depreciation on owned assets | 924 | 1,171 |
| Operating lease rentals: | | |
| - Hire of Plant and equipment | 132 | 163 |
| Remuneration payable to auditor: | | |
| - Fees payable to the company's auditor for the annual audit of the company's accounts* | <u>77</u> | <u>23</u> |

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**5. TAXATION****Analysis of tax expense**

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| UK current tax on profits for the year | 2,122 | 1,211 |
| Adjustments in respect of prior periods | (88) | 131 |
| | <u>2,034</u> | <u>1,342</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 123 | 13 |
| Changes in tax rates | (185) | - |
| Adjustments in respect of prior periods | (13) | (171) |
| | <u>(75)</u> | <u>(158)</u> |
| Total tax expense in income statement | <u>1,959</u> | <u>1,184</u> |

Reconciliation of tax charge

| | 2022 | 2021 |
|--|---------------|--------------|
| | £'000 | £'000 |
| Profit before tax | <u>13,411</u> | <u>5,461</u> |
| Tax using the UK corporation tax rate of 19% (2021: 19%) | 2,548 | 1,037 |
| Effects of: | | |
| Expenses not deductible for tax purposes | (256) | 187 |
| Impact of capital allowances super deduction | (49) | - |
| Change in statutory tax rate | (226) | - |
| Adjustments in respect of prior periods | <u>(60)</u> | <u>(40)</u> |
| Tax expense | <u>1,959</u> | <u>1,184</u> |

The main rate of UK corporation tax will increase from 19% to 25% from 1 April 2023. This change has been substantively enacted at the balance sheet date and is therefore incorporated into the amounts contained in these financial statements.

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

| Deferred tax asset | 2022 £'000 | 2021 £'000 |
|---|-----------------------|-----------------------|
| Balance at the beginning of the year | (836) | (678) |
| Net charge to the profit and loss account | (75) | (158) |
| | <u>(911)</u> | <u>(836)</u> |

The deferred tax asset consists of the following amounts:

| | | |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | (825) | (777) |
| Short term timing differences | (86) | (59) |
| | <u>(911)</u> | <u>(836)</u> |

Tax effects relating to effects of other comprehensive income

| | 2022 £'000 | 2021 £'000 |
|--|-----------------------|-----------------------|
| Actuarial gains/ (losses) arising due to change in financial assumptions | 1,635 | (1,619) |
| Actuarial losses arising from liability experience | | |
| Return on scheme assets excluding interest | | - |
| | <u>1,635</u> | <u>(1,619)</u> |
| Recognised in OCI before tax | 1,635 | (1,619) |

The amounts included in the balance sheet are as follows:

| | 2022 £'000 | 2021 £'000 |
|-------------------------------|-----------------------|-----------------------|
| Fair value of scheme assets | 11,325 | 6,655 |
| Deferred tax on pension asset | <u>(3,964)</u> | <u>(2,329)</u> |
| Net pension asset | <u>7,361</u> | <u>4,326</u> |

6. DIVIDENDS

The directors declared a dividend of £6,393k (2021: £4,743k). At the year-end £nil remains unpaid (2021: £nil) in relation to prior year dividends. This balance is interest free and repayable on demand.

Landmarc Support Services Limited (Registered number: 04396241)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £'000 | Motor vehicles £'000 | Totals £'000 |
|--------------------------|--|-------------------------------------|-------------------------|
| COST | | | |
| At 1 April 2021 | 4,546 | 10,571 | 15,117 |
| Additions | - | 853 | 853 |
| Disposals | - | (64) | (64) |
| At 31 March 2022 | <u>4,546</u> | <u>11,361</u> | <u>15,907</u> |
| DEPRECIATION | | | |
| At 1 April 2021 | 4,491 | 7,904 | 12,395 |
| Charge for year | 38 | 886 | 924 |
| Depreciation on disposal | - | (37) | (37) |
| At 31 March 2022 | <u>4,529</u> | <u>8,753</u> | <u>13,282</u> |
| NET BOOK VALUE | | | |
| At 31 March 2022 | <u>17</u> | <u>2,607</u> | <u>2,625</u> |
| At 31 March 2021 | <u>55</u> | <u>2,667</u> | <u>2,722</u> |

Note a Opening depreciation has been reclassified from Fixture and Fittings to Motor Vehicles due to historic misclassification

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**8. 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 2021, the net assets of Landmarc Gulf were £1,412,000 and retained earnings was £1,210,000.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|--------------------------------|----------------------|---------------------|
| | £'000 | £'000 |
| Trade debtors | 419 | 459 |
| Other debtors | 31 | 40 |
| Corporation tax | 803 | - |
| Deferred tax asset | 911 | 836 |
| Prepayments and accrued income | <u>12,317</u> | <u>4,806</u> |
| | <u>14,481</u> | <u>6,141</u> |

Deferred tax assets have been recognised as at 31 March 2022 in respect of capital allowances of £825,147 (2021: £776,640) and other short-term timing differences of £85,573 (2021: £59,000), which are expected to reverse as profits arise in the foreseeable future.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2021 |
|-------------------------|----------------------|----------------------|
| | £'000 | £'000 |
| Trade creditors | 762 | 14 |
| Payroll and other taxes | 4,809 | 3,223 |
| Corporation tax | - | 167 |
| Other creditors | 340 | 340 |
| Cost accruals | 18,796 | 13,063 |
| Deferred income | 6,742 | 5,045 |
| | <u>31,449</u> | <u>21,852</u> |

11. CALLED UP SHARE CAPITAL**Allotted, issued and fully paid:**

| Number: | Class: | Nominal value: | 2022 | 2021 |
|----------------|-----------------------------|-----------------------|-------------------|-------------------|
| | | | £ | £ |
| 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 | <u>2</u> | <u>2</u> |
| | | | <u>100</u> | <u>100</u> |

The A and B shares rank pari passu in all respects, the C shares have no voting rights attached.

12. RETAINED EARNINGS

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

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**13. EMPLOYEE BENEFIT OBLIGATIONS**

For some employees, the company has operated a funded pension Scheme providing benefits 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. From that date, entry to membership was only available at the discretion of the Company, with the majority of new employees being provided with purely defined contribution benefits under a separate arrangement.

The LPS was merged with the Interserve Pension Scheme ("IPS") through a transfer of all the assets and liabilities of the LPS to a segregated section of the IPS on 31 March 2016. The benefits and terms which applied under the LPS were kept unchanged in the Landmarc Section of the IPS so this merger did not impact the Company's balance sheet.

On 31 October 2020, 112 active members in the LPS ceased accrual. From 1 November 2020, these members re-joined and accrue benefits in the Civil Service Pension Arrangements ("CSPA"). These members had the right to an option to transfer their past-service benefits to the CSPA. This resulted in a curtailment event as at 1 November 2020, reflecting both the fact that these members became deferred members in the LPS and that the company's expectation was now that the majority of eligible members opt for a transfer of their past-service benefits. Given the curtailment event, "stop-start" accounting was applied from 1 November 2020 (at which point the discount rate was 1.6% per annum, the assumption for RPI inflation was 2.9% per annum and CPI inflation was 2.1% per annum). Over 2021/22 the payments in respect of those members taking a transfer was paid to the CSPA with a total of £18.97m being transferred. This has been recognised as a settlement of assets and liabilities.

As at 31 March 2021, there were two active members remaining and accruing benefits in the Landmarc Section of the IPS. On 1 July 2021, these members ceased accrual and joined the Company's DC arrangement resulting in a curtailment being recognised.

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 £1.5m over the year to 31 March 2022 (2020/21: £2m).

For members not accruing benefits in the CSPA, the membership data used for the formal actuarial valuation as at 31 December 2020 has 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 at least every three years. The valuation currently underway has an effective date of 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. Under the current Schedule of Contributions the estimated amount of total employer contributions expected to be paid to the Landmarc Section of the IPS during 2022/23 is £2.0m (2021/22 actual: £1.5m).

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). Whilst a surplus is recognised on the Company's balance sheet based on the accounting value of the liabilities in practice the Company's contributions are set based on the liability calculated using a different approach which typically results in a higher liability. As a result whilst recognising an accounting surplus it is possible that contributions could continue to be required to fund a shortfall on the ongoing funding basis assessed as part of the actuarial valuation.

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 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 wind-up of the IPS or if the Company ceases to participate in the Landmarc Section of the IPS, the Company is responsible for the Landmarc Section of the IPS only

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**13. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in profit or loss are as follows:

| | Defined benefit pension plans | |
|---|--------------------------------------|--------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Current service cost | 8 | 363 |
| Net interest from net defined benefit asset/liability | (155) | (188) |
| Past service cost | (80) | - |
| | <u>(227)</u> | <u>175</u> |

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

| | Defined benefit pension plans | |
|--|--------------------------------------|---------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Opening defined benefit obligation | 75,993 | 60,384 |
| Current service cost | 8 | 363 |
| Past service cost | - | - |
| Contributions by scheme participants | 2 | 44 |
| Interest on scheme liabilities | 1,222 | 1,408 |
| Benefits paid | (1,804) | (1,681) |
| Actuarial (gains)/losses from changes in financial assumptions | (2,731) | 14,882 |
| Actuarial gains from changes in experience on benefit obligation assumptions | (745) | (500) |
| Actuarial losses due to changes in demographic assumptions | (73) | - |
| Curtailments and Settlements | (19,049) | 1,093 |
| | <u>52,823</u> | <u>75,993</u> |

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

| | Defined benefit pension plans | |
|---|--------------------------------------|---------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Opening fair value of scheme assets | 82,648 | 71,665 |
| Interest on scheme assets | 1,377 | 1,596 |
| Contributions by employer | 1,512 | 2,645 |
| Contributions by scheme participants | 2 | 44 |
| Benefits paid | (1,804) | (1,681) |
| Actual return on Scheme assets less interest on Scheme assets | (618) | 10,740 |
| Curtailments and settlements | (18,969) | (2,361) |
| | <u>64,148</u> | <u>82,648</u> |

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**13. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised outside profit or loss:

| | 2022 | 2021 |
|---|----------------|--------------|
| | £'000 | £'000 |
| Remeasurements | (2,931) | 3,642 |
| Change in asset limit other than interest | - | - |
| | <u>(2,931)</u> | <u>3,642</u> |

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

| | Defined benefit pension plans | |
|--------------------|--------------------------------------|---------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Equities | 16,152 | 15,206 |
| Insurance policy | 23,935 | 26,383 |
| LDI | 7,632 | 6,476 |
| Property | 3,025 | 2,475 |
| Diversified Growth | 6,432 | 6,195 |
| Other | <u>6,972</u> | <u>25,913</u> |
| | <u>64,148</u> | <u>82,648</u> |

Under FRS 101, the Landmarc Section is represented on the balance sheet at 31 March 2022 as an asset of £11,325 (2021: £6,655), made up as follows-

| | 2022 | 2021 |
|--|-----------------|----------------|
| | £'000 | £'000 |
| Present value of defined benefit obligation | 52,823 | 75,993 |
| Fair value of scheme assets | (64,148) | (82,648) |
| Surplus | (11,325) | (6,655) |
| Impact of asset ceiling | - | - |
| Net liability/ (asset) in financial statement position | <u>(11,325)</u> | <u>(6,655)</u> |

Over the year to 31 March 2022, contributions by the company were made to the Landmarc Section totalling £1,500,000 (2021: £2,000,000). 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.

Landmarc Support Services Limited (Registered number: 04396241)Notes to the Financial Statements – continued
for the Year Ended 31 March 2022

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

| | 2022 | 2021 |
|--------------------------|-------|-------|
| Discount rate | 2.80% | 2.10% |
| Future salary increases | N/A | 3.00% |
| Future pension increases | - | 3.20% |
| Price inflation | 3.70% | 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 25.6 to 29.0 years (2021: 24.5 to 29.0 years), depending upon membership category. Allowance is made for future improvements in life expectancy.

14. RELATED PARTY NOTE

During the year the company had intercompany transactions with Mitie Defence Ltd of £142,444 (2021: £180,968); and Mitie Property Services of £nil (2021: £12,533). At the year end nothing was outstanding (2021: nil).

15. ULTIMATE PARENT COMPANY

Mitie Defence Ltd, a company registered in England and Wales, is the company regarded by the directors as the immediate parent company. The company is commonly referred to as a Joint Venture because the 2 parent companies have equal voting rights.

As at 31 March 2022, Mitie Group plc, 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 Mitie Group plc can be obtained via the Mitie website at www.mitie.com.