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REGISTERED NUMBER: 04396241 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2023

for

Landmarc Support Services Limited

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Contents of the Financial Statements
for the Year Ended 31 March 2023

Company Information for the Year Ended 31 March 2023

DIRECTORS:	J Sands B Talbot C Harrity-Tun P Dickinson
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 2023

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 £15,744k (2022: £11,452k). The directors declared a dividend of £16,119k (2022: £6,393k). The full results for the year ended 31 March 2023 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 ninth year. The next generation award for the Defence Training Estate is the Training Estate Support Contract (TESC) which Landmarc has been successful in securing. The contract was signed on 28 April 2023 and the In-Service Date is expected to be 1 April 2024, the contract term is 7 years with an option to extend by a further 3 years.

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. 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%

KPI Ref	Definition	Monthly Target Performance	Annual Target Performance
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%

		22-23 Total	21-22 Total
KPI 001 % AVE (>96%)	Emergency tasks	100.0%	100.0%
KPI 001 Tasks		457	414
KPI 002 % AVE (>96%)	Reactive Maintenance tasks critical 12 hours	99.6%	99.5%
KPI 002 Tasks		2,394	2,076
KPI 006 % AVE (>94%)	Reactive Maintenance tasks urgent 5 days	99.6%	99.3%
KPI 006 Tasks		4,514	3,950
KPI 007 % AVE (>96%)	Reactive Maintenance tasks critical 20 days	100.0%	100%
KPI 007 Tasks		233	203
KPI 010 % AVE (>94%)	Reactive Maintenance routine 20 days	98.9%	98.5%
KPI 010 Tasks		23,122	21,979
KPI 011 % AVE (>100%)	Statutory Inspections	99.9%	100%
KPI 011 Tasks		230,788	224,175
KPI 013 % AVE (>100%)	Mandatory Inspections	99.9%	100%
KPI 013 Tasks		15,892	15,818

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. During 2022-23 usage of the training estate increased to unprecedented levels due to support to UK international Defence commitments.

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 prices, 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 low due to a stable working environment.

ENVIRONMENTAL REPORT

UK energy usage:
Electricity: NIL
Gas: NIL
Diesel: 790,097L
Red Diesel: NIL
LPG: NIL
Electricity for Electric Vehicles 26 KwH
Petrol: 19,035L

UK Scope 1 and 2 greenhouse gas emissions:
Total Scope 1: 2,062,091 kg CO2e (tonnes CO2e).

Total Scope 2: 5 kg CO2e (tonnes CO2e).

Methodology of how the data has been collated and prepared

Landmarc as of September 2021 no longer operates any buildings and solely operates out of our customer's premises with all associated energy bills being met by the customer. Consequently, there are no associated carbon emissions from building operations.

Monthly usage figures per fuel type are routinely recorded for fleet vehicle use. In the period 1st April 2022 to 31st March 2023 790,097 litres of diesel (2021-22: 729,494 litres), 19,035 litres of petrol (2021-22: 31,992 litres) and 26kWh of electricity were used to power fleet vehicles. Fleet operations resulted in 2,062,096 kg CO2e of carbon emissions (2021-22: 1,968,494 kg), of which 5 kg CO2e come from use of electric fleet vehicles. The figure has been calculated using the 2022 carbon conversion factors published by DEFRA.

Narrative commentary on action taken in the year to improve energy efficiency
Landmarc Support Services is a low energy user (under 40MW) which operates no premises. Consequently, it is not required to make detailed disclosures of energy and carbon information but is doing so on a voluntary basis. Landmarc's 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.

Landmarc has published its Carbon Reduction Plan which outlines its target to achieve Net Zero by 2035. The plan has three target areas. The first outlines the targets needed for Landmarc to reduce its carbon emissions, associated with fleet vehicles and business and commuting emissions. This year Landmarc has launched electric and hybrid vehicle salary sacrifice schemes and Cycle2Work schemes to help meet these targets. The second area is work to help our customer reduce its carbon emissions. Landmarc is in the process of implementing an ISO50001 accreditation for our energy management of DIO buildings, creating an Energy Management Bureau for live energy monitoring and delivering a suite of energy audits across the estate. Third, working with DIO to manage the training estate's land to ensure it acts as a carbon sink though forestry, peatland and wetland creation and restoration projects.

Landmarc continues to roll out the multi award winning NetCAP buildings with our partner Reds10. The NetCAPs are carbon net zero transit accommodation and office block buildings. Over 82 buildings have been constructed which has resulted in 4,200 bed spaces and two offices being carbon net zero. The programme has replaced over 191 inefficient, fossil fuel consuming buildings.

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.

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 place" for example; ensuring warning 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 current contract year runs from November through to October. The reporting period covered within these Financial Statements therefore crosses 2 contract years, Year 8 (April to October 2022) and Year 9 (November 2022 to March 2023). The NTEP contract will run to the In Service Date of the TESC contract, 1 April 2024 with an initial contract term of 7 years.

ON BEHALF OF THE BOARD:

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P Dickinson - Director

20 December 2023

Report of the Directors
for the Year Ended 31 March 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company provides management services to the Defence Infrastructure Organisation.

The twentieth year of trading continued to be profitable, enhanced by a closer working relationship with our client. Contract Award for the TESC contract, was on 28 April 2023 with an in-service date of 1 April 2024. We now work towards mobilisation of the new contract whilst the business continues to deliver NTEP to the high standards that we are well known for.

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
- 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 £16,119k (2022: £6,393k). At the year-end, £nil (2022: £nil) remains unpaid in relation to prior year dividends.

DIRECTORS

The directors shown below have held office during the period from 1 April 2022 to the date of this report.

B Talbot
J Sands
J Kay (from 01/10/21 to 26/08/22)
S Venn (from 01/02/22 to 01/02/23)
C Harrity-Tun (from 26/08/22)
P Dickinson (from 01/02/23)

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
Landmarc Support Services Limited (Landmarc) takes its responsibilities towards equality and diversity very seriously. Landmarc will strive to employ and support a diverse workforce where employees are respected and appreciated for their contribution and not characterised or measured according to discriminatory factors. We recognise the benefits of a diverse workforce and proactively seek to create and maintain a balanced workforce that reflects the communities where we are located.

Landmarc seeks to ensure that all employees and job applicants receive equal opportunities for recruitment, pay, and access to benefits, training and promotion. Landmarc is committed to, and values, equality and diversity in employment. We select and promote employees based on their aptitudes and abilities, not their sex, sexual orientation, marital status, race, nationality, age, disability, ethnicity, or national origin. Everyone is different and has something unique to offer
In support of the company's commitment to the Armed Forces Covenant Landmarc offers a guaranteed interview to veterans who have the right skills and experience for the role. The company also actively supports the Business in the Community campaign 'Ban the Box' by removing the criminal record tick box from our job application forms to encourage people with convictions to apply for more jobs.

Supervisors and managers will be trained to recognise that a key part of their responsibility as a line manager is to ensure that all employees are treated with respect and have a chance to express their views about how the business can improve. Everyone should have a voice.

GOING CONCERN
The initial term of the Contract for Services between Landmarc and the MOD expired on 31 October 2019. Four contract extensions have been made, the most recent to 31 October 2024. This contract extension will be terminated early on the In-service date of the TESC contract on 1 April 2024. The TESC contract runs for an initial period of seven years to 31 March 2031.

The company has prepared cashflow forecasts for the first year of the TESC contract. 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 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 joint venture 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 1 April 2022 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. During the year, and at the date of this report, the Company has in place qualifying third party indemnity provisions for the benefit of the directors.

Shareholders

Mitie (Defence) Limited is an indirect subsidiary of Mitie Group plc. It provides a broad range of combined facilities services in the management and maintenance of operationally critical defence infrastructure.

Amentum is a premier global technical and engineering services partner supporting critical programs of national significance across defence, security, intelligence, energy, and environment.

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. 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.

Post balance sheet events

The TESC contract was signed on 28 April 2023 and the In-Service Date is expected to be 1 April 2024, the contract term is 7 years with an option to extend by a further 3 years.

On 10 October 2023 the Shareholders agreed to redesignate Mitie's 2% interest in class C shares as class A shares (see note 11). This change of control required a mandatory notification under the UK National Security and Investment Act 2021. On 16 November 2023 the Cabinet Office confirmed the Secretary of State has determined that he will be taking no further action in relation to this acquisition.

CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	from 10/10/2023 £
51	"A" Class shares of £1 each	1	51
49	"B" Class shares of £1 each	1	49
-	"C" Class shares of £1 each	1	-
			100

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors confirm 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 1 April 2023 will be appointed pursuant to Sections 485 and 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

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P Dickinson - Director

20 December 2023

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 2023, which comprise the income statement, the statement of total comprehensive income, the balance sheet, the 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 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 the cost of living crisis, 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.

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 themselves. 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

As explained more fully in the statement of directors' responsibilities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 judgmental 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, accrued expenditure, defined benefit pension scheme 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.
- 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 judgmental 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, accrued expenditure, defined benefit pension scheme and through management override of controls in the preparation of the 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.

DocuSigned by:

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Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
20 December 2023

Landmarc Support Services Limited (Registered number: 04396241)

Income Statement
for the Year Ended 31 March 2023

	Notes	2023 £'000	2022 £'000
TURNOVER		196,568	164,605
Cost of sales		(159,066)	(138,289)
GROSS PROFIT		37,502	26,316
Administrative expenses		(18,615)	(13,052)
OPERATING PROFIT		18,887	13,264
Interest receivable and similar income	3	344	147
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	19,231	13,411
Tax on profit on ordinary activities	5	(3,487)	(1,959)
PROFIT FOR THE FINANCIAL YEAR		15,744	11,452

The notes on pages 21-34 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)

Statement of Total Comprehensive Income
for the Year Ended 31 March 2023

	Notes	2023 £'000	2022 £'000
PROFIT FOR THE YEAR		15,744	11,452
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Actuarial (loss)/gain relating to pension scheme asset		(7,041)	2,931
Other tax on remeasurement of retirement benefit surplus	5	2,403	(1,635)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(4,638)	1,296
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11,106	12,748

The notes on pages 21-34 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)

Balance Sheet
31 March 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible assets	7	2,175	2,625
Investments	8	-	-
		2,175	2,625
CURRENT ASSETS			
Debtors	9	19,262	14,481
Cash in hand		35,425	28,678
		54,687	43,159
CREDITORS			
Amounts falling due within one year	10	(43,077)	(31,449)
NET CURRENT ASSETS		11,610	11,710
TOTAL ASSETS LESS CURRENT LIABILITIES		13,785	14,335
PENSION ASSET	13	2,898	7,361
NET ASSETS		16,683	21,696
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Retained earnings	12	16,683	21,696
SHAREHOLDERS' FUNDS		16,683	21,696

The financial statements were approved by the Board of Directors on 20 December 2023 and were signed on its behalf by:

DocuSigned by:

9153130E17564CC...

P Dickinson - Director

The notes on pages 21-34 form part of these financial statements

Landmarc Support Services Limited (Registered number: 04396241)

Statement of Changes in Equity
for the Year Ended 31 March 2023

	Retained earnings £'000	Total equity £'000
Balance at 31 March 2021	15,341	15,341
Changes in equity		
Dividends	(6,393)	(6,393)
Total comprehensive income	12,748	12,748
Balance at 31 March 2022	21,696	21,696
Changes in equity		
Dividends	(16,119)	(16,119)
Total comprehensive income	11,106	11,106
Balance at 31 March 2023	16,683	16,683

The notes on pages 21-34 form part of these financial statements

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 is due to expire on or before 30 October 2024. Landmarc was awarded to successor contract on 28 April 23 and this contract is currently expected to have an in-service date of 1 April 2024 with an initial duration of seven years.

The company has prepared cashflow forecasts for the first year of the TESC contract. 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.

Revenue recognition
The company has one main contract to provide support services to the UK Defence Training Estate. These services include providing accommodation, booking of ranges and other facilities, catering, rural and building and range maintenance and rent collection. Other revenue is incidental to this contract and includes one off project work, forestry harvesting operations and income generated from use of the training estate by third parties. Revenue represents income recognised in respect of services provided during the year based on the delivery of performance obligations and an assessment of when control is transferred to the customer.IFRS15 provides a five step model as outlined below.

Step 1 – identify the contract(s) with a customer.
For all contracts with customers the company determines if the arrangement creates enforceable rights and obligations. Usually a work order and any compensation events together with the main NTEP contract will constitute the IFRS 15 contract.

Where the company's contracts are amended for changes to customer requirements, such as change orders and variations, a contract modification takes place when the amendment creates new enforceable rights and obligations or changes to the price or scope (or both) of the contract, and the modification has been approved. Contract modifications can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. If a change in scope has been approved but the corresponding change in price is still being negotiated, change to the total price is estimated.

Step 2 – Identify the performance obligations in the contract
Performance obligations are the contractual promises by the company to transfer distinct goods or services to a customer. For arrangements with multiple components to be delivered to customers, judgement is applied to consider whether those promised goods or services are:

- Distinct and accounted for as separate performance obligations;
- Combined with other promised goods or services until a bundle is identified that is distinct; or
- Part of a series of distinct goods or services that are substantially the same and have a pattern of transfer over time i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract, the company treats the series as a single performance obligation.

Step 3 – determine the transaction price
At contract inception the total contract price is determined, being the amount to which management expects the company to be entitled and has rights under the contract. This includes the fixed price stated in the contract and an assessment of any variable consideration. Variable consideration is typically estimated on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal.

Step 4 – allocate the transaction price to the performance obligations in the contract
The company allocates the total transaction price to the identified performance obligations based on their relative stand-alone selling prices. This is generally based on an observable price or a cost plus margin arrangement. It is necessary to estimate the stand-alone selling price when the company does not sell equivalent goods or services in similar circumstances on a stand-alone basis. When estimating the stand-alone selling price, the company uses external inputs by observing stand-alone selling prices for similar goods and services using an industry recognised price list or cost indices in applying a cost plus reasonable margin approach.

Step 5 – recognise revenue when or as the entity satisfies its performance obligations
For each performance obligation, management determines if revenue will be recognised over time or at a point in time. Where revenue is recognised over time, the company applies the relevant output or input revenue recognition method for measuring progress that depicts the company's performance in transferring control of the goods or services to the customer.

Certain long-term contracts use output methods based upon surveys of performance completed, appraisals of results achieved, or milestones reached which allow the company to recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services under the contract.

Under the input method, measured progress and revenue are recognised in direct proportion to the costs incurred where the transfer of control is most closely aligned to the company's efforts in delivering the service.
Where deemed appropriate, the company will utilise the practical expedient within IFRS 15, allowing revenue to be recognised at the amount which the company has the right to invoice, where the amount corresponds directly with the value to the customer of the company's performance obligations completed to date.

Accrued income and deferred income
The company's customer contracts include a diverse range of payment schedules which are often agreed at the start of long-term contracts under which it receives payments throughout the term of the arrangements. Payments for goods and services transferred at a point in time may be at the delivery date, in arrears or part payment in advance.

Where revenue recognised at the year-end date is more than the amount invoiced, the company recognises accrued income for the difference. Where revenue recognised is less than amounts invoiced, the company recognises deferred income for the difference.

Tangible fixed assets
Depreciation is provided on tangible fixed assets other than freehold land, calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected 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.

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.

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 31 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.

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 is expected to cease only when the last deferred member leaves the scheme. There are no longer any active members in the Defined Benefit Scheme.

2. EMPLOYEES AND DIRECTORS

Staff costs during the year (including directors):	2023 £'000	2022 £'000
Wages and salaries	39,855	36,112
Social security costs	4,048	3,504
Other pension costs	4,226	3,962
	48,129	43,578

The average number of employees during the year was 1,247 (2022: 1,243 employees).

No emoluments were payable to the directors for their services to the company during the year to 31 March 2023 (2022: £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

	2023 £'000	2022 £'000
Bank interest income	27	(8)
Interest income on pension asset	317	155
	344	147

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2023 £'000	2022 £'000
Depreciation on owned assets	1,379	924
Operating lease rentals:		
- Hire of Plant and equipment	136	132
Remuneration payable to auditor:		
- Fees payable to the company's auditor for the annual audit of the company's accounts	91	77

5. TAXATION

Analysis of tax expense

	2023 £'000	2022 £'000
UK current tax on profits for the year	3,554	2,122
Adjustments in respect of prior periods	(195)	(88)
	3,359	2,034
Deferred tax		
Origination and reversal of timing differences	16	123
Changes in tax rates	(247)	(185)
Adjustments in respect of prior periods	359	(13)
	128	(75)
Tax on profit on ordinary activities	3,487	1,959

Reconciliation of tax charge

	2023 £'000	2022 £'000
Profit before tax	19,231	13,411
Tax using the UK corporation tax rate of 19% (2022: 19%)	3,654	2,548
Effects of:		
Expenses not deductible for tax purposes	(23)	(256)
Impact of capital allowances super deduction	(60)	(49)
Change in statutory tax rate	(247)	(226)
Adjustments in respect of prior periods	163	(60)
Tax expense	3,487	1,959

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.

Deferred tax asset	**2023**	**2022**
	£'000	**£'000**
Balance at the beginning of the year	(911)	(836)
Net charge to the profit and loss account	128	(75)
	(783)	(911)

The deferred tax asset consists of the following amounts:		
Accelerated capital allowances	(697)	(825)
Short term timing differences	(86)	(86)
	(783)	(911)

Tax effects relating to effects of other comprehensive income

	2023	**2022**
	£'000	**£'000**
Actuarial (losses)/gains arising due to change in financial assumptions	(2,403)	1,635
Actuarial losses arising from liability experience		
Return on scheme assets excluding interest	-	-
Recognised in OCI before tax	(2,403)	1,635

The amounts included in the balance sheet are as follows:

	2023	**2022**
	£'000	**£'000**
Fair value of scheme assets	4,459	11,325
Deferred tax on pension asset	(1,561)	(3,964)
Net pension asset	2,898	7,361

6. DIVIDENDS

The directors declared dividends of £16,119k (2022: £6,393k). At the year-end £nil remains unpaid (2022: £nil) 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 2022	4,546	11,361	15,907
Additions	-	1,048	1,048
Disposals	(2,803)	(402)	(3,205)
At 31 March 2023	1,743	12,007	13,750
DEPRECIATION			
At 1 April 2022	4,529	8,753	13,282
Charge for year	17	1,362	1,379
Depreciation on disposal	(2,803)	(282)	(3,085)
At 31 March 2023	1,743	9,833	11,576
NET BOOK VALUE			
At 31 March 2023	-	2,174	2,174
At 31 March 2022	17	2,607	2,625

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 2022, the net assets of Landmarc Gulf were £736,000 and retained earnings were £1,641,000.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade debtors	405	419
Other debtors	32	31
Corporation tax	921	803
Deferred tax asset	783	911
Other	87	-
Prepayments and accrued income	17,034	12,317
	19,262	14,481

Deferred tax assets have been recognised as at 31 March 2023 in respect of capital allowances of £697,470 (2022: £825,147) and other short-term timing differences of £85,573 (2022: £85,573), which are expected to reverse as profits arise in the foreseeable future.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	815	762
Payroll and other taxes	7,363	4,809
Corporation tax	-	-
Other creditors	396	340
Cost accruals	33,169	18,796
Deferred income	1,334	6,742
	43,077	31,449

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2023** **£**	**2022** **£**
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 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.

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 1 July 2021 the last remaining active members ceased accrual and the LPS closed to future accrual.

In December 2022 the Trustee of the LPS entered into an insurance buy-in to secure the remaining uninsured benefits in the LPS.

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 £4,226k over the year to 31 March 2023 (2021/22: £3.962k).

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 most recent valuation has an effective date of 31 December 2020. A new Schedule of contributions was agreed from 26 January 2023. Under the revised Schedule of Contributions, an escrow arrangement was set up to receive contributions, from 27 July 2022, which were originally expected to be paid to the Scheme. Over 2022/23 £1.5m has been paid into the escrow arrangement. Further, the costs incurred in running the Scheme and the respective PPF levies will now be met directly from the Scheme assets from 6 December 2022, instead of being paid directly by the company.

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.

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 (although this has been largely mitigated by the buy-in completed in December 2022). 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.

13. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Current service cost	-	8
Net interest from net defined benefit asset/liability	(317)	(155)
Past service cost	-	(80)
Administrative expense	142	-
	(175)	(227)

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

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Opening defined benefit obligation	52,823	75,993
Current service cost	-	8
Past service cost	-	-
Contributions by scheme participants	-	2
Interest on scheme liabilities	1,453	1,222
Benefits paid	(1,903)	(1,804)
Actuarial (gains)/losses from changes in financial assumptions	(14,504)	(2,731)
Actuarial gains from changes in experience on benefit obligation assumptions	1,750	(745)
Actuarial losses due to changes in demographic assumptions	(389)	(73)
Curtailments and Settlements	-	(19,049)
	39,230	52,823

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

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Opening fair value of scheme assets	64,148	82,648
Interest on scheme assets	1,770	1,377
Contributions by employer	-	1,512
Contributions by scheme participants	-	2
Benefits paid	(1,903)	(1,804)
Actual return on Scheme assets less interest on Scheme assets	(20,184)	(618)
Curtailments and settlements	-	(18,969)
Administration expenses	(142)	-
	43,689	64,148

13. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised outside profit or loss:

	2023 £'000	2022 £'000
Remeasurements	7,041	(2,931)
Change in asset limit other than interest	-	-
	7,041	(2,931)

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

	Defined benefit pension plans	
	2023 £'000	2022 £'000
Equities	-	16,152
Insurance policy	40,784	23,935
LDI	-	7,632
Property	-	3,025
Diversified Growth	-	6,432
Other	2,905	6,972
	43,689	64,148

Under FRS 101, the Landmarc Section is represented on the balance sheet at 31 March 2023 as an asset of £4,459 (2022: £11,325), made up as follows-

	2023 £'000	2022 £'000
Present value of defined benefit obligation	39,230	52,823
Fair value of scheme assets	(43,689)	(64,148)
Surplus	(4,459)	(11,325)
Impact of asset ceiling	-	-
Net (asset) in financial statement position	(4,459)	(11,325)

Over the year to 31 March 2023, contributions by the company were made to the Landmarc Section totalling £nil (2022: £1,500,000). The effective date of the latest valuation is 31 December 2020.

13. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	2023	2022
Discount rate	4.80%	2.80%
Future salary increases	N/A	N/A
Future pension increases	-	-
Price inflation	3.40%	3.70%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 25.4 to 28.9 years (2022: 25.6 to 29.0 years), depending upon membership category. Allowance is made for future improvements in life expectancy.

14. ANALYSIS OF TURNOVER BY CATEGORY

	2023 £'000	2022 £'000
Contractual	93,788	75,209
Non contractual	102,780	89,396
	196,568	164,605

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.

15. RELATED PARTIES

During the year the company had intercompany transactions with Mitie (Defence) Limited of £133,431 (2022: £142,444). At the year-end nothing was outstanding (2022: nil).

16. SUBSEQUENT EVENTS

The TESC contract was signed on 28 April 2023 and the In-Service Date is expected to be 1 April 2024, the contract term is 7 years with an option to extend by a further 3 years.

On 10 October 2023 the Shareholders agreed to redesignate Mitie's 2% interest in class C shares as class A shares (see note 11). This change of control required a mandatory notification under the UK National Security and Investment Act 2021. On 16 November 2023 the Cabinet Office confirmed the Secretary of State has determined that he will be taking no further action in relation to this acquisition.

CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**from 10/10/2023 £**
51	"A" Class shares of £1 each	1	51
49	"B" Class shares of £1 each	1	49
-	"C" Class shares of £1 each	1	-
			100

17. 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.

As at 31 March 2023, 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.