

LANDMARK GLOBAL (UK) LIMITED

Registered number: 03855411

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



LANDMARK GLOBAL (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

K Pierloot
L Cloet

REGISTERED NUMBER

03855411

REGISTERED OFFICE

Unit A1 Parkway
Cranford Lane
Heston
Hounslow
TW5 9QA

INDEPENDENT AUDITORS

Haines Watts
Chartered Accountants & Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

LANDMARK GLOBAL (UK) LIMITED

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LANDMARK GLOBAL (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The Company is a UK based mail, parcels and transport company providing services to the e-commerce and postal wholesale markets of the UK. The Company also acts as an inbound and outbound gateway for other entities of bPost group around the world.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,060,707 (2016 - loss £945,678).

The directors have not recommended a dividend.

DIRECTORS

The directors who served during the year were:

K Pierloot
D Mays (resigned 31 July 2017)
K Beeckmans (resigned 31 July 2017)
L Cloet (appointed 31 July 2017)

FUTURE DEVELOPMENTS

The directors consider that the Company is now well positioned to benefit from trading or opportunities following the measures that have been taken in 2017.

LANDMARK GLOBAL (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 to 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

Since the year end, the bPost Group approved a £4m capital increase for the Company.

AUDITORS

Under section 487(2) of the Companies Act 2006, Haines Watts will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

LANDMARK GLOBAL (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

This report was approved by the board and signed on its behalf.



.....
L. Cloet
Director

Date:

23/12/18

LANDMARK GLOBAL (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

BUSINESS REVIEW

2017 was an important year for the business with a focus on top line growth following the change in strategy and restructuring of last year. We have seen significant improvement in this area with an 85% increase from 2016. However, a highly competitive market combined with various uncontrollable factors such as volatility of the pound and general nervousness as a result of the Brexit have had a negative impact on overall financial performance.

Competition remains strong with Direct Link, Ascendia and Royal Mail continuing to be our main rivals for business in the wholesale sector.

The current outlook for 2018 will see the company continuing to grow its core revenue streams as well as acting as a hub for inbound and outbound European volumes for other group entities.

PRINCIPAL RISKS AND UNCERTAINTIES

Whilst some of the Company's turnover is invoiced in foreign currency, the Company also incurs substantial foreign currency cost. The Company has no measures in place to mitigate the risk of currency fluctuations other than a small amount of natural hedging and maintaining foreign currency bank accounts. In previous years this has been deemed sufficient to mitigate any risk, however due to domestic political events during the year, the Company is now investigating alternative means of protecting itself against ongoing currency turbulence.

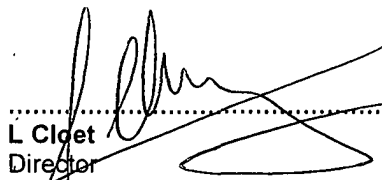
In addition to the above, there is some exposure to credit risk, and in this regard, the Company carries out appropriate credit checks on potential customers before sales are made and continually monitors and investigates any aged debts.

The impact of Brexit on both the core business as well as EU hub operations remains a significant and unquantifiable risk.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company regards turnover, gross profit and EBIT as their key performance indicators.

This report was approved by the board and signed on its behalf.



L Claret
Director

Date:

23/11/18

LANDMARK GLOBAL (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANDMARK GLOBAL (UK) LIMITED

OPINION

We have audited the financial statements of Landmark Global (UK) Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 December 2017 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditors' 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

LANDMARK GLOBAL (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANDMARK GLOBAL (UK) LIMITED (CONTINUED)

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.

OPINION 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

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 Directors' Responsibilities Statement on page 2, 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.

LANDMARK GLOBAL (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANDMARK GLOBAL (UK) LIMITED (CONTINUED)

AUDITORS' 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 Auditors' 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 Auditors' 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 Auditors' 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.

Haines Watts

Peter Wright BSc FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants
Statutory Auditors

Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

Date: *4 December 2018*

LANDMARK GLOBAL (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	28,042,806	15,080,864
Cost of sales		<u>(26,652,319)</u>	<u>(12,289,173)</u>
GROSS PROFIT		1,390,487	2,791,691
Administrative expenses		<u>(3,886,387)</u>	<u>(3,734,938)</u>
Exceptional administrative expenses		<u>(543,103)</u>	<u>-</u>
OPERATING LOSS	5	(3,039,003)	(943,247)
Interest payable and expenses	7	<u>(21,704)</u>	<u>(18,677)</u>
LOSS BEFORE TAX		(3,060,707)	(961,924)
Tax on loss	8	<u>-</u>	<u>16,246</u>
LOSS FOR THE FINANCIAL YEAR		<u>(3,060,707)</u>	<u>(945,678)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 11 to 23 form part of these financial statements.

LANDMARK GLOBAL (UK) LIMITED
REGISTERED NUMBER: 03855411

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets	10	53,636	45,000
Tangible assets	11	283,408	357,798
Investments	12	-	543,103
		<u>337,044</u>	<u>945,901</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	6,275,064	4,189,663
Cash at bank and in hand	14	1,250,293	1,794,224
		<u>7,525,357</u>	<u>5,983,887</u>
Creditors: amounts falling due within one year	15	(10,365,075)	(6,371,755)
NET CURRENT LIABILITIES		(2,839,718)	(387,868)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,502,674)	558,033
NET (LIABILITIES)/ASSETS		(2,502,674)	558,033
CAPITAL AND RESERVES			
Called up share capital	18	33,042,210	33,042,210
Profit and loss account	17	(35,544,884)	(32,484,177)
		<u>(2,502,674)</u>	<u>558,033</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
L Claret
Director
Date:

25/1/18

The notes on pages 11 to 23 form part of these financial statements.

LANDMARK GLOBAL (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	33,042,210	(32,484,177)	558,033
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(3,060,707)	(3,060,707)
AT 31 DECEMBER 2017	33,042,210	(35,544,884)	(2,502,674)

The notes on pages 11 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	33,042,210	(31,538,499)	1,503,711
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(945,678)	(945,678)
AT 31 DECEMBER 2016	33,042,210	(32,484,177)	558,033

The notes on pages 11 to 23 form part of these financial statements.

LANDMARK GLOBAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Landmark Global (UK) Limited is a company limited by share capital, incorporated in England. Its primary trading activities derive from its address in Heston, Hounslow. These financial statements represent the results of the Company alone, and do not include the results of its subsidiaries.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Company had net current liabilities of £2.8m at the balance sheet date and recorded an operating loss in 2017 of £3.0m, including an exceptional loss of £0.5m due to impairment of an investment in a subsidiary company.

The Company is a member of the bPost NV group. The Company's management have agreed a restructuring plan which should result in the company returning to profitability in 2019. The restructuring plan involves a cashflow injection of £4.0m from the group.

The Company's directors, having made suitable enquiries, are satisfied that the financial statements should be prepared on a going concern basis.

2.3 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Short-term leasehold property	- 10 years
Plant and machinery	- 5 years
Computer equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.6 OPERATING LEASES

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 FINANCIAL INSTRUMENTS

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.13 FINANCE COSTS

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 TAXATION

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.16 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

LANDMARK GLOBAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.17 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include the useful economic life of tangible fixed assets, provision for doubtful debts and the accrual of certain costs.

4. TURNOVER

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	24,781,548	11,414,225
Rest of Europe	1,365,463	2,325,153
Rest of the world	1,895,795	1,341,486
	<u>28,042,806</u>	<u>15,080,864</u>

LANDMARK GLOBAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. OPERATING LOSS

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	121,728	126,740
Amortisation of intangible assets	10,084	5,000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,000	13,000
Exchange differences	106,717	72,575
Other operating lease rentals	283,093	251,940
Defined contribution pension cost	67,313	27,113
	<u> </u>	<u> </u>

6. EMPLOYEES

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,407,068	1,745,760
Social security costs	151,758	145,540
Cost of defined contribution scheme	67,313	27,113
	<u>2,626,139</u>	<u>1,918,413</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Management and administration	21	14
Operational and warehouse	31	42
	<u>52</u>	<u>56</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Loans from group undertakings	21,704	18,677
	<u>21,704</u>	<u>18,677</u>

LANDMARK GLOBAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. TAXATION

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	-	(16,246)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>-</u>	<u>(16,246)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(3,060,708)</u>	<u>(961,924)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(589,186)	(192,385)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,071	2,470
Unrelieved tax losses carried forward	526,900	59,020
Group relief	61,215	114,649
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>(16,246)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

9. EXCEPTIONAL ITEMS

	2017 £	2016 £
Impairment of investment in subsidiary company	543,103	-
	<u>543,103</u>	<u>-</u>

LANDMARK GLOBAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INTANGIBLE ASSETS

	Development £	Goodwill £	Total £
COST			
At 1 January 2017	50,000	1	50,001
Additions	18,720	-	18,720
At 31 December 2017	<u>68,720</u>	<u>1</u>	<u>68,721</u>
AMORTISATION			
At 1 January 2017	5,000	1	5,001
Charge for the year	10,084	-	10,084
At 31 December 2017	<u>15,084</u>	<u>1</u>	<u>15,085</u>
NET BOOK VALUE			
At 31 December 2017	<u>53,636</u>	<u>-</u>	<u>53,636</u>
At 31 December 2016	<u>45,000</u>	<u>-</u>	<u>45,000</u>

LANDMARK GLOBAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
COST				
At 1 January 2017	306,011	332,446	195,331	833,788
Additions	11,080	36,924	17,831	65,835
Disposals	(17,881)	(32,739)	(34,353)	(84,973)
At 31 December 2017	299,210	336,631	178,809	814,650
DEPRECIATION				
At 1 January 2017	103,849	234,130	138,012	475,991
Charge for the year on owned assets	31,030	60,040	30,658	121,728
Disposals	(8,660)	(32,091)	(25,726)	(66,477)
At 31 December 2017	126,219	262,079	142,944	531,242
NET BOOK VALUE				
At 31 December 2017	172,991	74,552	35,865	283,408
At 31 December 2016	202,163	98,316	57,319	357,798

LANDMARK GLOBAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 January 2017	543,103
At 31 December 2017	543,103
IMPAIRMENT	
Charge for the period	543,103
At 31 December 2017	543,103
At 31 December 2017	-
At 31 December 2016	543,103

SUBSIDIARY UNDERTAKINGS

bPost Hong Kong Limited, a company incorporated in Hong Kong, was a subsidiary undertaking of the Company by virtue of the 100% ownership of ordinary share capital.

13. DEBTORS

	2017 £	2016 £
Trade debtors	5,117,330	2,516,052
Amounts owed by group undertakings	544,779	724,138
Other debtors	22,875	177,948
Prepayments and accrued income	590,080	771,526
	<u>6,275,064</u>	<u>4,189,664</u>

LANDMARK GLOBAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	1,250,293	1,794,224
	<u>1,250,293</u>	<u>1,794,224</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	1,228,027	474,033
Amounts owed to group undertakings	6,757,272	3,461,518
Other taxation and social security	245,867	59,544
Accruals and deferred income	2,133,909	2,376,661
	<u>10,365,075</u>	<u>6,371,756</u>

16. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	1,250,293	1,794,224
Financial assets that are debt instruments measured at amortised cost	6,019,118	3,807,471
	<u>7,269,411</u>	<u>5,601,695</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(10,119,208)</u>	<u>(6,312,211)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group companies and certain other debtors.

Financial assets that are equity instruments measured at cost less impairment comprise...

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, other creditors and accruals.

LANDMARK GLOBAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

17. RESERVES

Profit and loss account

The Profit and loss account represents the cumulative profits and losses net of dividends and other adjustments.

18. SHARE CAPITAL

	2017 £	2016 £
ALLOTTED, CALLED UP AND FULLY PAID		
32,497,599 (2016 - 32,497,599) Ordinary shares of 1.00 each	32,497,599	32,497,599
6,867,000 (2016 - 6,867,000) Ordinary shares of 0.10 each	544,611	544,611
	33,042,210	33,042,210

19. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme for employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounts to £67,313 (2016 - £27,123). There were no contributions outstanding at the balance sheet date (2016 - £Nil).

LANDMARK GLOBAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Property		
Not later than 1 year	345,476	345,476
Later than 1 year and not later than 5 years	1,281,140	1,381,904
Later than 5 years	-	244,712
	<u>1,626,616</u>	<u>1,972,092</u>
	2017 £	2016 £
Other		
Not later than 1 year	18,577	13,416
Later than 1 year and not later than 5 years	43,648	14,534
	<u>62,225</u>	<u>27,950</u>

During the year a total of £283,093 (2016 - £251,940) was charged to the Profit and loss account in respect of commitments under operating leases.

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with other wholly owned group members.

22. CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is bPost NV, a company incorporated in Belgium. The financial statements of bPost NV can be obtained from Muntcentrum, 1000 Brussel / Centre Monnaie, 1000 Bruxelles.