Registered number: 04159077

LANDMARK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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COMPANY INFORMATION

DIRECTORS AND ADVISERS

Directors	John Spencer John Hunter James Farnworth
Secretary	Malcolm Clark
Registered office	4 Tilgate Forest Business Park Brighton Road Crawley West Sussex United Kingdom RH11 9BP
Bankers	The Royal Bank of Scotland plc Central Milton Keynes HSBC Bank plc London Barclays Bank plc London
Independent Auditor	Deloitte LLP Statutory Auditor London
Trading address	No.1 Royal Exchange London United Kingdom EC3V 3DG
Registered number	04159077

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION
The Board presents the Group Strategic Report of Landmark Limited and its subsidiary companies for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES
The Company is the holding company of a group whose principal activity continued to be that of a provider of pro-working flexible office accommodation, virtual offices, co-working space and meeting room facilities. This is delivered through the Company's Core Values of Proudly Professional, Genuinely Hospitable, Uncommonly Decent, Truly Responsible, and Embracing the Best.

BUSINESS REVIEW
On 31 January 2018, the Company acquired the entire issued share capital of Landmark Space Limited from its ultimate parent company O.C.S. Group Limited. This acquisition was funded by an issue of 29,994,099 Ordinary shares of £1 each issued at £1 per share to O.C.S. Group Limited. This acquisition has been accounted for under the principles of merger accounting. Accordingly, the comparative information for the nine months ended 31 December 2017 has been restated to reflect the activities of the Landmark group inclusive of those of Landmark Space Limited. As a result of the different length of financial periods, the comparatives are not directly comparable.

The Group is one of the largest national UK providers of Grade A serviced office space, currently operating 43 buildings providing 14,257 workstations of leasehold office accommodation. 31 of the buildings are in core London locations and 12 buildings are spread across 10 major UK cities.

Turnover for the year ended 31 December 2018 was £103.2m (nine months ended 31 December 2017 £75.6m). Increased demand for pro-working accommodation continues, as companies look to this as an alternative cost effective property solution for their businesses.

Details of the results for the period are set out in the Consolidated Statement of Comprehensive Income on page 12. The Group's adjusted EBITDA (note 5) for the year ended 31 December 2018 was £14.1m (nine months ended 31 December 2017: £11.6m). Adjusted EBITDA as well as occupancy, are key metrics for the business on which the business measures itself both internally and against its peers in the industry.

Occupancy at the Group's office centres at 31 December 2018 was 85%, down from 86% at the previous year end. This produced total licence fees and associated revenue for the year ended 31 December 2018 of £103.2m (nine months ended 31 December 2017: £75.6m). This translated into profits before interest and taxation of £6.6m (nine months ended 31 December 2017: £3.4m). The growth in revenue has been driven by new centres maturing and thus occupancy increasing at these sites. Profitability has further increased as synergies were realised in the period following the integration of Landmark Space Limited and the other group companies. The financial position at the year end is set out in the Consolidated Statement of Financial Position on page 14.

EMPLOYEE INVOLVEMENT
The Board and the Group recognise that one of its principal assets is its employees and their commitment to the Group's service, standards and customers. Where required, decisions are made in consultation with senior management. Communication methods to employees vary according to needs and include in-house monthly business updates, half yearly seminars, annual conference and regular management briefings.

The Group offers equal opportunities to all employees and applicants regardless of race, creed, sex, ethnic origin, age or disability. People with disabilities are considered for employment where they have the appropriate skills and abilities to perform the job required. Employees who become affected by a disability during their working life with the Group are retained in employment wherever possible and are given help with any necessary rehabilitation, reasonable adjustment and retraining.

HEALTH AND SAFETY

The Company places great importance on the health and safety of its employees, its clients and third parties involved in its business. The Group operates to O.C.S. Group standards. Training is undertaken, starting at induction, with health and safety awareness and risk assessment training for managers. The Group maintains an open dialogue concerning safety issues via the Colleague Forum, which is augmented by presentations on safety and reinforcement of its importance in the business.

THE COMMUNITY AND THE ENVIRONMENT

The Company through the Board aims to develop the business and achieve commercial success by respecting the environment and the communities in which the Group operates. To achieve this, the Board encourages behaviours and initiatives that will protect and enhance the environment, whilst facilitating wider economic quality of life. Procedures and processes are implemented using products and work methods which minimise risk to employees and clients, as well as limiting emissions and waste.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board identifies and evaluates risks and uncertainties and designs controls to mitigate these. Responsibility for management of each risk is delegated to specific members of the Company's Executive Leadership Team and other Senior Executives.

Brexit

The result of the Brexit referendum in June 2016 to leave the EU continues to be the most significant short term domestic risk to the UK commercial market in which the Group operates. In some instances, this has decreased availability of potential employees but to date this has not been problematic for the Group. There continues to be short-term volatility and this is likely to mask long-term trends. Nevertheless, this result is producing important opportunities for the Group in terms of a lowering of asking rents by landlords and continued occupier demand for the pro-working office space provided by the Group.

The Group is reliant in part on the reputation of its brand

The Group operates under its Landmark brand. If an event occurred that materially damaged the reputation of the brand, this could have an adverse impact on the Group's future earnings and value. To mitigate this, the Group has policies and procedures to employ accordingly.

Technology and systems disruption may adversely affect the Group's efficiency

The Group is reliant upon technologies and systems for the running of its businesses, particularly those which are highly integrated within its business processes. During the 12 month year ended 31 December 2018, major projects were continued to enhance the Group's customer relationship management and financial systems. These went live in June 2018 and have significantly enhanced the Group's operations and management of its financial performance. Any disruption to the Group's technologies or systems could adversely affect the efficiency of the business. As a result, the business makes use of various parties to assist with systems management to mitigate against such situations.

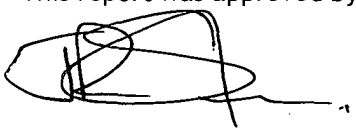
Reliance on key clients

The property market is currently experiencing changes in ways of working, increased flexibility of employment, differing models for office accommodation and adoption of technology benefits across workspaces If the property market changes significantly and landlords offer variations to existing leases such as materially shorter leases, more flexible lease terms, significant rent reductions, or providing significant rent-free periods to short term lessees, the Company's business may face additional competition than is currently experienced. As a result, the Group has a high number of SMEs and smaller corporates as clients, thereby protecting the Group against a reliance on a small number of larger clients.

Changes in the office market

The property market is currently experiencing changes in ways of working, increased flexibility of employment, differing models for office accommodation and adoption of technology benefits across workspaces. If the property market changes significantly and landlords offer variations to existing leases, such as materially shorter leases, more flexible lease terms, significant rent reductions, or providing significant rent-free periods to short term lessees, the Group's Business may face additional competition than currently experienced. As a result, the Group maintains a flexible approach in its business dealings in order to retain and attract clients.

This report was approved by the Board on 15 April 2019 and has been signed on its behalf.



John Spencer
Director

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION
The Directors present their annual report and financial statements for the year ended 31 December 2018.

DIVIDENDS
The Company declared and paid interim dividends totalling £1.8m (nine months ended 31 December 2017: £1.35m) to shareholders during the year ended 31 December 2018. The Company makes interim distributions to its shareholders at the rate of £150,000 per month. Accordingly, interim dividends totalling £450,000 have been paid by the Company between the period end of 31 December 2018 and the date of this report. The Directors do not recommend the payment of a final dividend.

DIRECTORS

The Directors who served during the year and to the date of this report are as follows:

John Spencer	
John Hunter	
Andrew Blurton	Retired 31 December 2018
James Farnworth	Appointed 1 January 2019
Malcolm Clark	Resigned 5 June 2018

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENT
It was with considerable pleasure that the Company completed a further UK based acquisition after the year end, on 31 March 2019. This acquisition further increases our presence in the serviced office business, adding eight highly desirable locations to the portfolio. See note 35 for further detail.

GOING CONCERN
The Group generates a profit after taxation and the Group's forecasts and projections, which take into account current and future business levels and possible changes in trading performance, confirm continued profitable and cash positive operations. The Consolidated Statement of Financial Position shows a small net current liability position at the period end, which is primarily the result of rent free period accruals, income received in advance, and client deposits, which do not typically result in payments of cash for the majority of the amounts recorded. The Directors are confident that the Company and the Group have adequate resources based on current forecast and available funding to continue in operational existence in the 12 months from the date of approval of the financial statements. Accordingly, they have continued to adopt the going concern basis of accounting in preparing the Company's consolidated financial statements.

FINANCIAL RISK MANAGEMENT
The Group's financial instruments comprise cash and cash equivalents and items such as trade creditors and trade debtors which arise directly from its operations. The Group's operations expose it to a variety of financial risks; principally credit risk, and liquidity risk; the Board's internal control policies to manage these are implemented by the Board. These risks and their method of management are summarised below.

CREDIT RISK
The Group's credit risk is primarily attributable to its trade debtors. The Group has implemented policies that require appropriate credit checks on potential clients before sales are made. The amount of exposure to any individual client is protected by deposits received from clients prior to commencement of their financial dealings with the Group.

LIQUIDITY RISK
The Group monitors its levels of working capital to ensure that it can meet its operational payments as they fall due. The Group has quarterly rent obligations under the leases governing its leasehold properties but it has no financial debt and does not hold derivative financial instruments.

DIRECTORS' INDEMNITIES AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE
In accordance with the Company's Articles of Association, an indemnity is provided by the Company to the Directors to the extent permitted by law in respect of liabilities incurred from their office as Directors.

DIRECTORS' RESPONSIBILITIES STATEMENT
The Directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS 102. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR
Each of the Directors has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- that 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 and the Group's auditor is aware of that information.

This confirmation is given, and should be interpreted in accordance with, the provision of s418 of the Companies Act.

AUDITOR
Nexia Smith & Williamson had been the auditor of the Company in previous years and until September 2018. On that date, they were succeeded by Deloitte LLP. A resolution to reappoint Deloitte LLP as auditor of the Company will be proposed at the Annual General Meeting.

This report was approved by the Board on 15 April 2019 and has been signed on its behalf.

John Spencer
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LANDMARK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Landmark Limited (the 'parent company') and its subsidiaries ('the group'):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated statement of Comprehensive income;
- the Consolidated and parent Company statements of financial position;
- the Consolidated and parent Company statements of changes in equity;
- the related notes 1 to 34.

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).

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 Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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 Group's of 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.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

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

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

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

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

Report on other legal and regulatory requirements

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; the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report or the Directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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 parent Company 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.

We have nothing to report in respect of these matters.

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.

Darren Longley; FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
15 April 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
Turnover	3	**103,171**	75,620
Cost of sales		**(86,302)**	(63,857)
Gross profit		**16,869**	11,763
Administrative expenses		**(10,299)**	(8,337)
Profit before interest and taxation	4	**6,570**	3,426
Interest receivable		**303**	-
Profit before taxation	4	**6,873**	3,426
Tax on profit	8	**(1,858)**	(1,143)
Profit for the financial year and total comprehensive income		**5,015**	2,283

All amounts relate to continuing operations.

There are no items of other comprehensive income for the current financial year and preceding financial period other than as stated above. Consequently, a statement of comprehensive income has not been presented.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2018

	Called-up share capital (note 16) £'000	Share premium account £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2017 (restated)	941	6,940	-	(309)	7,572
Total comprehensive income for the nine month period (restated)	-	-	-	2,283	2,283
Transactions with owners: Dividends paid on equity shares (note 9)	-	-	-	(1,350)	(1,350)
Issue of shares on acquisition of subsidiary (restated)	29,994	-	(29,994)	-	-
Merger reserve on acquisition of subsidiary (restated)	(891)	(4,696)	5,587	-	-
Balance at 31 December 2017 (restated)	**30,044**	**2,244**	**(24,407)**	**624**	**8,505**
Total comprehensive income for the year	-	-	-	5,015	5,015
Transactions with owners: Dividends paid on equity shares (note 9)	-	-	-	(1,800)	(1,800)
Balance at 31 December 2018	**30,044**	**2,244**	**(24,407)**	**3,839**	**11,720**

The difference between the cost of investment and the nominal value of the share capital acquired has been included in the merger reserve.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Notes	2018 £'000	Restated 2017 £'000
Fixed assets			
Intangible assets	10	**4,366**	3,635
Tangible assets	11	**45,453**	38,759
		49,819	44,910
Current assets			
Debtors: amounts falling due within one year	12	**24,645**	21,821
Debtors: amounts falling due after more than one year	12	**2,619**	2,516
Cash at bank and in hand		**15,209**	15,252
		42,473	37,073
Creditors: amounts falling due within one year	13	**(43,605)**	(40,414)
Net current liabilities		**(1,132)**	(3,341)
Total assets less current liabilities		**48,687**	41,569
Creditors: amounts falling due after more than one year	14	**(36,000)**	(32,166)
Provisions for liabilities	15	**(967)**	(898)
Net assets		**11,720**	8,505
Capital and reserves			
Called up share capital	16	**30,044**	30,044
Share premium account	17	**2,244**	2,244
Merger reserve	17	**(24,407)**	(24,407)
Retained earnings	17	**3,839**	624
Total capital employed		**11,720**	8,505

The financial statements (registered number 04159077) were approved and authorised for issue by the Board and were signed on its behalf on 15 April 2019.

John Spencer
Director

James Farnworth
Director

1. ACCOUNTING POLICIES

The accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding period.

1.1 PRINCIPAL ACTIVITIES AND REGISTERED OFFICE

The Company is incorporated in the United Kingdom and registered in England and Wales. Its registered office is 4 Tilgate Forest Business Park, Brighton Road, Crawley, West Sussex RH11 9BP. The Company is a private limited company, limited by shares.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The results presented are for the year ended 31 December 2018. The comparative results are for a period of 9 months ended 31 December 2017 when the Company and its subsidiaries shortened their accounting period to align it with that of its ultimate parent company. The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The preparation of financial statements in compliance with FRS 102 and the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies, as also referred to in note 2.

The Company acquired Landmark Space Limited on 31 January 2018 which was previously owned by O.C.S. Group Limited and the transfer of equity was a transfer under common control. The Directors chose to apply the principles of merger accounting, as a result of this the comparative figures for the Group are those of the combined Landmark Space Limited (formally i2office Limited) and Landmark Limited for the period ended 31 December 2017 except for the issued share capital and share premium being restated to reflect the position of the Group as if Landmark Ltd had been the parent company during both periods presented. The Group's functional currency and reporting currency is Pounds Sterling. All financial information has been rounded to the nearest thousand pounds in these financial statements.

Disclosure exemption

Landmark Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in these financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

1.3 BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Parent Company and its subsidiary undertakings drawn up to 31 December 2018, applying the principles of merger accounting as detailed above. The comparative information is for the nine months ended 31 December 2017. The results of subsidiaries acquired or sold are consolidated for the period from or to the date on which control passed. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases. In accordance with the transitional exemption in FRS 102, the Group chose not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2013.

1. ACCOUNTING POLICIES (continued)

1.4 GOING CONCERN

The Group generates a profit after taxation and the Group's forecasts and projections, which take into account current and future business levels and possible changes in trading performance, confirm continued profitable and cash positive operations. The Consolidated Statement of Financial Position shows a small net current liability position at the period end, which is primarily the result of rent free period accruals, income received in advance, and client deposits, which do not typically result in payments of cash for the majority of the amounts recorded. The Directors are confident that the Company and the Group have adequate resources based on current forecast and available funding to continue in operational existence in the 12 months from the date of approval of the financial statements. Accordingly, they have continued to adopt the going concern basis of accounting in preparing the Company's consolidated financial statements.

1.5 TURNOVER

Turnover from the supply of services and goods represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customer in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Rendering of services

Revenue from the provision of services is recognised in the period in which the services are provided when the amount of the revenue, the stage of completion of services at the period end, and the total costs incurred to provide the services, can all be measured reliably.

1.6 PENSIONS

The Group operates a defined contribution plan for its employees under which it pays annual contributions. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

1.7 HOLIDAY PAY ACCRUAL

The Group's holiday period runs from January to December in each year. A liability is recognised in the financial statements to the extent of any unused holiday pay entitlement which is accrued at the date of the Statement of Financial Position and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the date of the Statement of Financial Position.

1.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a tax change 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.

1. ACCOUNTING POLICIES (continued)

1.8 CURRENT AND DEFERRED TAXATION (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits in the foreseeable future;
- Deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- It is not recognised where it relates to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures, the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them, and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax for them. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.9 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when they are paid. Final equity dividends are recognised when approved by the shareholders an annual general meeting.

1.10 INTANGIBLE FIXED ASSETS

Intangible fixed assets include goodwill, being the difference between amounts paid on a business combination and the fair value of the Group's share of that business' identifiable assets and liabilities at the date of acquisition. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life, which for goodwill acquired is between three and ten years. Amortisation of software is provided within administrative expenses to write down cost to estimated residual value by equal annual instalments over its period of estimated useful economic life of five years.

1.11 TANGIBLE FIXED ASSETS

Tangible fixed assets 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.

The carrying amount of items in fixed assets only includes the cost of replacing part of that item if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of any replaced part is de-recognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

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

1. ACCOUNTING POLICIES (continued)

1.11 TANGIBLE FIXED ASSETS (continued)

Short term leasehold property	Over the term of the lease
Plant, machinery, fixtures and fittings	3-15 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The residual values of fixed assets, their useful lives, and their depreciation rates are reviewed at each reporting date and where there is an indication of a significant change since the previous reporting date, they are adjusted prospectively.

Artwork in the Group's properties is held at historical cost less impairment. An assessment is performed at each reporting date of the residual value of artwork at conclusion of its unexpired economic life and any impairment is charged to the Statement of Comprehensive Income in the period it occurs.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Consolidated Statement of Comprehensive Income.

1.12 IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income, as described below.

Non-financial assets

The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use. An asset is impaired where the estimated recoverable amount falls below its carrying value.

The recoverable amount of goodwill is derived from measurement of the present value of the future cashflows of the cash-generating units ("CGUs") of which the goodwill is part. Any impairment loss in is allocated first to the goodwill attached to that CGU, and thereafter to other assets within that CGU on a pro-rata basis.

Financial assets

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. The impairment loss is measured as the difference between a financial asset's carrying amount and the present value of estimated future 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 related contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the Board's best estimate of its fair value, with the latter being an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

1.13 CASH AT BANK AND IN HAND

Cash is represented by cash on hand and demand deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

1. ACCOUNTING POLICIES (continued)

1.14 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of an instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria for a basic financial instrument, are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Financial assets are de-recognised when:

(a) the contractual rights to the cash flows from the financial asset expire or are settled; or
(b) the Group transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
(c) the Group, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are only offset and the net amount reported in the Statement of Financial Position 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.

1.15 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease, including where payments are not required to be made on a straight line basis. Lease incentives are similarly spread on a straight line basis over the relevant lease terms.

1.16 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into Sterling using the spot exchange rate at the date of the transaction. 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. Foreign exchange gains and losses resulting from the settlement of transactions and from translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised within Profit before taxation in the Consolidated Statement of Comprehensive Income.

1. ACCOUNTING POLICIES (continued)

1.17 PROVISIONS

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that requires settlement by a transfer of economic benefit by the Group, and a reliable estimate of the amount of the obligation can be made.

Provisions are charged as an expense in the Consolidated Statement of Comprehensive Income in the period the Group confirms the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are subsequently made, they are charged to the provision carried in the Statement of Financial Position and any subsequent balance after the provision has been fully settled is reflected in the Consolidated Statement of Comprehensive Income.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Deferred tax assets

The recoverability of the Company's deferred tax assets of £3,145,000 (2017: £2,869,000), which relate to timing differences, is dependent on sufficient future taxable profits. Based on the Company's current forecasts, the Directors are satisfied that it is probable that there will be suitable taxable profits which can be deducted from recognised tax losses and therefore that the future reversal of the underlying timing differences will be achieved.

Key sources of estimation uncertainty

Impairment of fixed assets and provisions for onerous leases

Determining whether fixed assets are impaired and whether property leases are onerous requires an estimation of the value in use of the relevant cash generating units, being the individual buildings. The value in use calculation requires the estimation of future cash flows and suitable discount rates in order to calculate present values. The carrying value of the Company's tangible fixed assets at 31 December 2018 was £45,453,000 (2017: £38,759,000) after an impairment reversal of £366,000 (2017: impairment loss of £1,303,000) was recognised in the year. The provision for onerous leases at 31 December 2018 was £426,000 (2017: £137,000) due to loss making lease contracts.

3. TURNOVER

Turnover derives from one activity, being the provision of pro-working offices, flexible office accommodation, virtual offices, co-working space and meeting room facilities, in the United Kingdom.

4. PROFIT BEFORE TAXATION

		Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
The profit on ordinary activities before taxation is stated after charging:			
Depreciation of tangible fixed assets	note 11	**6,874**	6,297
Amortisation of intangible fixed assets	note 10	**754**	389
Movement in provisions and impairment		**(77)**	1,439
Fees payable to the Company's auditor for the audit of financial statements of the Group		**136**	88
Fees payable to the Company's auditor and its associates for other services		**-**	34
Lease payments		**35,154**	23,357

5. ADJUSTED EBITDA

	Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
The adjusted EBITDA of the Group is calculated as follows:		
Profit before taxation	**6,570**	3,426
Add depreciation of tangible fixed assets	**6,874**	6,297
Add amortisation of intangible fixed assets	**754**	389
Movement in provisions and impairment	**(77)**	1,439
	14,121	11,551

Adjusted EBITDA includes adjustments for onerous lease provisions to better reflect the trading position. Furthermore, adjusted EBITDA is a key metric in measuring the operation of the business.

6. STAFF NUMBERS AND COSTS

	Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
Staff costs, including Directors' remuneration, were as follows:		
Wages and salaries	**11,020**	8,557
Social security costs	**1,289**	1,041
Defined contribution pension scheme contributions	**239**	85
	12,548	9,683

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

	Year ended 31 December 2018	Nine months ended 31 December 2017
The average monthly number of employees including executive directors were:	**No.**	**No.**
Operating	**140**	102
Sales	**30**	23
Administration	**47**	31
	217	156

7. DIRECTORS' REMUNERATION

	Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
Directors' emoluments	826	619
Compensation for loss of office	-	56
Pension contributions	-	2
Benefits in kind	5	4
	831	681

The highest paid Director during the year ended 31 December 2018 received total remuneration of £500,000 (nine months ended 31 December 2017: £149,000). There were no pension contributions for this Director in 2018 (nine months ended 31 December 2017: £2,000).

8. TAX ON PROFIT

	Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
UK corporation tax		
Current tax on profits for the year	-	-
Group relief payable	2,386	1,138
Adjustment in respect of prior periods	(87)	(18)
Total current tax	2,299	1,120
Deferred tax (note 15)		
Current year	(388)	(75)
Adjustment in respect of prior periods	(53)	98
	(441)	23
Total tax on profit	(1,858)	1,143

8. TAX ON PROFIT (continued)

The tax charge for the year is higher than the standard rate of corporation tax in the UK of 19% applicable to the Group for both the current year and prior period. The principal differences are as follows:

	Year ended 31 December 2018 £'000	Restated Nine months ended 31 December 2017 £'000
Group profit on ordinary activities before taxation	6,873	3,426
Tax on Group profit on ordinary activities at standard UK corporation tax rate of 19%	1,306	651
Effects of:		
Depreciation and amortisation not allowable for taxation purposes	584	390
Expenditure not deductible for tax purposes	52	60
Deductions allowed for tax purposes	(114)	(46)
Adjustment in respect of prior periods	(87)	(19)
Other timing differences	117	107
	1,858	1,143

The Directors consider that adjustments similar to those above are likely to be relevant in calculating the Group's tax charge in future years.

The standard rate of tax applied to reported profit is 19% (2017: 19.25%). The Finance Act 2015 changed the rate from 20% to 19% during the prior year. The change of tax rates following the enactment of the Finance Act 2016 in September 2016 means that deferred tax balances should be calculated using 17%. The impact on deferred tax assets and liabilities is immaterial.

9. DIVIDENDS ON EQUITY SHARES

	Year ended 31 December 2018 £'000	Nine months ended 31 December 2017 £'000
Dividends paid	**1,800**	1,350

The Directors paid interim dividends to shareholders at the rate of £150,000 per month throughout the year ended 31 December 2018 totalling £1,800,000 for the year.

Dividend per ordinary share totalled 6.0p (2017: 4.5p).

10. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Software £'000	Total £'000
Cost restated			
At 1 January 2018	5,476	1,177	6,653
Additions	-	1,485	1,485
At 31 December 2018	**5,476**	**2,662**	**8,138**
Amortisation restated			
At 1 January 2018	2,941	77	3,018
Charge for the year	505	249	754
At 31 December 2018	**3,446**	**326**	**3,772**
Net book value			
At 31 December 2018	**2,030**	**2,336**	**4,366**
At 31 December 2017	2,535	1,100	3,635

11. TANGIBLE FIXED ASSETS

	Short Term Leasehold Properties £'000	Plant, machinery, fixtures and fittings £'000	Artwork £'000	Total £'000
Cost restated				
At 1 January 2018	40,135	18,795	498	59,428
Additions	10,577	2,980	10	13,567
At 31 December 2018	**50,712**	**21,775**	**508**	**72,995**
Depreciation restated				
At 1 January 2018	11,106	9,562	-	20,668
Charge for the year	4,896	1,978	-	6,874
At 31 December 2018	**16,002**	**11,540**	**-**	**27,542**
Net book value				
At 31 December 2018	**34,710**	**10,235**	**508**	**45,453**
At 31 December 2017	29,023	9,238	498	38,759

12. DEBTORS falling due within one year

	2018 £'000	Restated 2017 £'000
Trade debtors	**10,582**	8,384
Amount owed by ultimate parent company	**-**	133
Amount owed by fellow subsidiaries	**-**	159
Other debtors	**290**	617
Prepayments and accrued income	**13,247**	12,175
Deferred tax	**526**	353
	24,645	21,821
Net trade debtors		
Trade debtors	**10,582**	8,384
Less deferred income - licence fees in advance (note 13)	**(9,026)**	(7,062)
Net trade debtors at year end	**1,556**	1,322

12. DEBTORS (continued)

	2018 £'000	Restated 2017 £'000
Debtors falling due after more than one year		
Deferred tax	**2,619**	2,516

Intercompany balances are not interest bearing, are unsecured, are payable on demand and are transacted in the ordinary course of business.

13. CREDITORS: amounts falling due within one year

	2018 £'000	Restated 2017 £'000
Client deposits	**15,821**	14,594
Licence fees invoiced in advance	**9,026**	7,062
Trade creditors	**8,295**	8,373
Corporation tax	**-**	41
Amount owed to ultimate parent company	**3,488**	532
Amounts owing to fellow subsidiary undertakings	**-**	1,285
Taxation and social security	**318**	794
Unamortised lease incentives received	**463**	2,211
Deferred consideration	**757**	436
Other creditors	**391**	184
Accruals	**5,046**	4,902
	43,605	40,414

With the exception of amounts owed to the ultimate parent company, intercompany balances are not interest bearing, are unsecured, are payable on demand and are transacted in the ordinary course of business.

14. CREDITORS: amounts falling due after more than one year

	2018 £'000	Restated 2017 £'000
Unamortised lease incentives received	**33,456**	31,420
Accruals	**2,544**	746
	36,000	32,166

15. PROVISIONS FOR LIABILITIES

Provisions arose as follows:

	Contingent consideration £'000	Other provisions £'000	Total 2018 £'000
At beginning of year restated	380	353	733
Movement during year	-	614	614
Reclassified to creditors	(380)	-	(380)
At 31 December	-	967	967

Contingent consideration arose on the purchase of Landmark Business Centres (Garden Studios) Limited in 2016. This is payable over the three years to September 2020 dependent on the achievement of certain pre-agreed performance criteria. Contingent consideration is £nil as at the year end date as occupancy required by the vendor is not likely to be met.

Other provisions relate to onerous leases and dilapidation provisions.

16. CALLED UP SHARE CAPITAL

	2018 £'000	Restated 2017 £'000
Authorised, allotted, called up and fully paid		
30,044,000 Ordinary shares of £1 each (2017: 30,044,000 Ordinary shares of £1 each)	**30,044**	30,044

All the Company's Ordinary shares are non-redeemable. They rank equally in terms of voting rights, participation in approved dividend distributions for that class of share, and participation in any capital distribution on a winding up.

On 31 January 2018, the Company acquired the entire issued share capital of Landmark Space Limited from its ultimate parent company O.C.S. Group Limited. This acquisition was funded by an issue of 29,994,099 Ordinary shares of £1 each issued at £1 per share to O.C.S. Group Limited. This acquisition has been accounted for under the principles of merger accounting. Accordingly, the comparative information for the nine months ended 31 December 2017 has been restated to reflect the activities of the Landmark group inclusive of those of Landmark Space Limited.

17. RESERVES

Share premium account

Share premium contains the premium that arose on the issue of equity shares, net of issue expenses.

Retained earnings

Retained earnings represent cumulative profits and losses, after payment of dividends.

Merger reserve

The difference between the cost of investment and the nominal value of the share capital acquired has been included in the merger reserve.

18. FINANCIAL INSTRUMENTS

	2018 £'000	Restated 2017 £'000
Financial assets measured at amortised cost:		
Trade debtors	10,582	8,384
Other debtors	290	617
Cash at bank and in hand	15,209	15,252
	26,081	24,253

Financial liabilities measured at amortised cost:	2018 £'000	Restated 2017 £'000
Client deposits	15,821	14,594
Trade creditors	8,295	8,373
Other creditors	391	184
Accruals	7,590	4,902
Unamortised lease incentives	33,919	33,631
	66,016	61,684

19. COMMITMENTS AND CONTINGENCIES

At 31 December 2018, the Group had outstanding commitments for future minimum lease payments relating to tangible fixed assets and other costs under non-cancellable operating leases relating to tangible fixed assets as follows:

	2018 £'000	Restated 2017 £'000
Not later than one year	**38,149**	34,415
Later than one year and not later than five years	**144,480**	135,825
Later than five years	**84,553**	106,851
	267,182	277,091

At 31 December 2018, the Group had the following capital commitments relating to tangible fixed assets:

	2018 £'000	Restated 2017 £'000
Contracted but not provided	**5,377**	699

20. GUARANTEES

The Group has entered into unlimited multilateral cross company guarantees in respect of borrowings by certain companies in the group headed by O.C.S. Group Limited. At 31 December 2018 the borrowings outstanding were £33,836,000 (2017: £128,280,000). The Directors consider it to be highly unlikely that any amounts will be payable under these guarantees.

At 31 December 2018 £198,000 (2017: £674,000) of the Group's cash and cash equivalents was charged as security for the Group's rental obligations at one of its business centres.

21. CONTROLLING PARTY

At the date of approval of these financial statements, the immediate parent company, controlling party and ultimate parent company of Landmark Limited, and the largest group which incorporates the financial statements of Landmark Limited, is O.C.S. Group Limited. Copies of the financial statements of O.C.S. Group Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	25	-	502
Investments	26	33,265	3,271
		33,265	3,773
Current assets			
Debtors	28	3,198	2,509
Cash at bank and in hand		10	259
		3,208	2,768
Creditors: amounts falling due within one year	29	(3,128)	(2,491)
Net current assets		80	277
Total assets less current liabilities		33,345	4,050
Provisions for liabilities	30	-	(451)
Net assets		33,345	3,599
Capital and reserves			
Called up share capital		30,044	50
Share premium account	31	2,244	2,244
Retained earnings	31	1,057	1,305
Shareholders' funds		33,345	3,599

In accordance with the exemption permitted under section 408 of the Companies Act, the Parent Company has not presented its own Statement of Comprehensive Income in these financial statements. The total comprehensive income of the Parent Company for the year ended 31 December 2018 was £1,552,000 (nine months ended 31 December 2017: £2,386,000).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 15 April 2019.

John Spencer
Director

James Farnworth
Director

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital (note 16) £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2017	50	2,244	269	2,563
Total comprehensive income for the nine month period restated	-	-	2,386	2,386
Transactions with owners: Dividends paid on equity shares (note 9)	-	-	(1,350)	(1,350)
Issue of shares on acquisition of subsidiary	29,994	-	-	29,994
Balance at 31 December 2017 (restated)	30,044	2,244	1,305	33,593
Total comprehensive income for the year	-	-	**1,552**	**1,552**
Transactions with owners: Dividends paid on equity shares (note 9)	-	-	**(1,800)**	**(1,800)**
Balance at 31 December 2018	**30,044**	**2,244**	**1,057**	**33,345**

22. ACCOUNTING POLICIES

22.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The results presented are for the year ended 31 December 2018. The comparative results are for a period of 9 months ended 31 December 2017 when the Company shortened its accounting period to align it with that of its ultimate parent company.

Disclosure exemptions

In preparing the separate financial statements of the Parent Company, the following disclosure exemptions in FRS 102 have been adopted:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented, as the reconciliations for the Group and the Parent Company would be identical;
- A Statement of Cash Flows has not been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been provided for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The Company's functional currency and reporting currency is Pounds Sterling. The following principal accounting policies have been applied in the preparation of these financial statements:

22.2 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Parent Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, 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 the provision of services is recognised in the period in which the services are provided when the amount of the revenue, the stage of completion of services at the period end, and the total costs incurred to provide the services, can all be measured reliably.

22.3 PENSIONS

The Parent Company operates a defined contribution plan for its employees under which it pays annual contributions. Once the contributions have been paid, the Parent Company has no further payments obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Parent Company in independently administered funds.

22.4 HOLIDAY PAY ACCRUAL

The Group's holiday period runs from January to December in each year. A liability is recognised in the financial statements to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the Statement of Financial Position date.

22. ACCOUNTING POLICIES (continued)

22.5 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change 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 reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits in the foreseeable future;
- Deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- It is not recognised where it relates to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures where the Parent Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them, and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax for them. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

22.6 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when they are paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

22.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

22.8 CASH AT BANK AND IN HAND

Cash is represented by cash on hand and demand deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

22. ACCOUNTING POLICIES (continued)

22.9 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost less accumulated depreciation and any 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.

The carrying amount of items in fixed assets only includes the cost of replacing part of that item if the replacement part is expected to provide incremental future benefits to the Parent Company. The carrying amount of any replaced part is de-recognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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:

The estimated useful lives are as follows:

Short term leasehold property	Over the term of the lease
Plant machinery, fixtures and fittings	3-15 years

The residual values of fixed assets, their useful lives, and depreciation rates are reviewed at each reporting date, and where there is an indication of a significant change since the previous reporting date, they are adjusted prospectively. Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Artwork in the Company's properties is held at historical cost less impairment. An assessment is performed at each reporting date of the residual value of artwork at conclusion of its unexpired economic life and any impairment is charged to the Statement of Comprehensive Income in the period it occurs.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

22.10 IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

Non-financial assets

The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use. An asset is impaired where the estimated recoverable value of the asset has been reduced.

The recoverable amount of goodwill is derived from measurement of the present value of the future cashflows of the cash-generating units (CGU) of which the goodwill is a part. Any impairment loss in respect of the CGU is allocated first to the goodwill attached to that CGU, and thereafter to other assets within that CGU on a pro-rata basis.

Financial assets

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. The impairment loss is measured as the difference between a financial asset's carrying amount and the present value of estimated future 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 related contract.

22. ACCOUNTING POLICIES (continued)

22.10 IMPAIRMENT OF ASSETS (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the Board's best estimate of its value, with the latter being an approximation of the amount that the Parent Company would receive for the asset if it were to be sold at the reporting date.

22.11 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Parent Company becomes a party to the contractual provisions of an instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for similar debt instruments.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria for a basic financial instrument are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Financial assets are de-recognised when:
(a) the contractual rights to the cash flows from the financial asset expire or are settled; or
(b) the Parent Company transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
(c) the Parent Company, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are only offset and the net amount reported in the Statement of Financial Position 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.

23. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

Estimates and judgments are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Parent Company are outlined below.

23.1 Investments - impairment

Key estimates are applied in determining whether investments are impaired. This assessment requires the recoverable amount of the investment at each reporting date to be estimated and is based on the present value of future cashflows expected to arise from the investment. The carrying amount of investments at 31 December 2018 was £33,265,000 (2017: £3,271,000) after accumulated impairment of £2,294,000 (2017: £2,294,000).

24. EMPLOYEES OF PARENT COMPANY

During the year ended 31 December 2018, the Company had no employees (2017: 15 employees), all of whom were engaged in sales and administration.

The staff costs of these employees were as follows:

	Year ended 31 December 2018	Nine months ended 31 December 2017
Wages and salaries	-	1,268
Social security costs	-	190
Defined contribution pension scheme contributions	-	3
	-	1,461

During the year ended 31 December 2018, the highest paid Director received remuneration of £nil (2017: £149,000) from the Company.

25. TANGIBLE FIXED ASSETS

	Plant, Machinery, Fixtures & Fittings £'000	Artwork £'000	Total £'000
Cost			
At 1 January 2018	181	498	679
Disposals	(181)	(498)	(679)
At 31 December 2018	-	-	
Depreciation			
At 1 January 2018	177	-	177
Disposals	(177)	-	(177)
At 31 December 2018	-	-	-
Net book value			
At 31 December 2018	-	-	-
At 31 December 2017	4	498	502

26. FIXED ASSET INVESTMENTS

Investment in subsidiary companies	2018 £'000	2017 £'000
Cost		
At 1 January	5,565	6,110
Reduction in consideration payable	-	(545)
Additions	29,994	-
	35,559	5,565
Impairment		
At 1 January	(2,294)	(2,294)
At 31 December	33,265	3,271

On 31 January 2018, the Company acquired the entire issued share capital of Landmark Space Limited from its ultimate parent company O.C.S. Group Limited. This acquisition was funded by an issue of 29,994,099 Ordinary shares of £1 each issued at £1 per share to O.C.S. Group Limited. This acquisition has been accounted for under the principles of merger accounting. Accordingly, the comparative information for the nine months ended 31 December 2017 has been restated to reflect the activities of the Landmark group inclusive of those of Landmark Space Limited.

27. SUBSIDIARY UNDERTAKINGS

All subsidiaries of the Company are incorporated in the United Kingdom and their details at 31 December 2018 are below. The registered address of all Group companies is 4 Tilgate Forest Business Park, Brighton Road, Crawley, West Sussex RH11 9BP. The holdings included in the table below are all ordinary shares.

Name	Holding
Owners of office accommodation in London:	
Landmark Business Centres (Bank) Limited	100%
Landmark Business Centres (Bishopsgate) Limited	100%
Landmark Business Centres (Dover Street) Limited	100%
Landmark Business Centres (Garden Studios) Limited	100%
Landmark Business Centres (Holland House) Limited	100%
Landmark Business Centres (OBS) Limited	100%
Landmark Space Limited	100%
Information technology:	
Landmark Technologies (UK) Limited	100%
Non-trading:	
i2 Office Limited (formerly Landmark Space Limited)	100%

28. DEBTORS: Due within one year

	2018 £'000	2017 £'000
Amounts owed by subsidiary undertakings	3,198	2,492
Other debtors	-	17
	3,198	2,509

Intercompany balances are not interest bearing, are unsecured, are not payable on demand, but are transacted in the ordinary course of business.

29. CREDITORS: Amounts falling due within one year

	2018 £'000	2017 £'000
Due within one year		
Amounts owed to subsidiary undertakings	-	1,521
Other taxation and social security	-	74
Other creditors	-	2
Deferred consideration	757	436
Amounts owing to fellow subsidiary companies	2,284	159
Accruals and deferred income	87	299
	3,128	2,491

30. PROVISIONS FOR LIABILITIES

	Contingent Consideration £'000	Deferred Tax £'000	2018 Total £'000
Provisions arose as follows:			
At beginning of year	380	71	451
Reclassified to creditors	(380)	-	(380)
Credited to profit and loss	-	(71)	(71)
At 31 December 2018	-	-	-

Contingent consideration arose on the purchase of Landmark Business Centres (Garden Studios) Limited in 2016. This is payable over the three years to September 2020 dependent on the achievement of certain pre-agreed performance criteria. Contingent consideration is £nil as at the year end date as occupancy required by the vendor is not likely to be met. Deferred taxation of £- (2017: £71,000) relates primarily to timing differences between capital allowances claimed and depreciation charged on the Company's fixed assets.

31. RESERVES

Share premium
Share premium contains the premium that arose on the issue of equity shares, net of issue expenses.

Retained earnings
Retained earnings represent cumulative profits and losses, after payment of dividends.

32. CONTINGENT LIABILITIES

The Company has entered into unlimited multilateral cross company guarantees in respect of borrowings by certain companies in the group headed by O.C.S. Group Limited. At 31 December 2018 the borrowings outstanding were £nil (2017: £100,000,000). The Directors consider it to be highly unlikely that any amounts will be payable under these guarantees.

The Company has agreed to provide financial support to a subsidiary that had net liabilities at 31 December 2018 of £nil (2017: £177,000).

The Company has guaranteed the rental obligations of another subsidiary to its landlord for its rental obligations until the end of the lease totalling £nil (2017: £2,012,000). The subsidiary has traded profitably for a number of years; it was a going concern at 31 December 2018 and had net assets at that date.

33. CONTROLLING PARTY

At the date of approval of these financial statements, the immediate parent company, controlling party and ultimate parent company of Landmark Limited, and the largest group which incorporates the financial statements of Landmark Limited, is O.C.S. Group Limited. Copies of the financial statements of O.C.S. Group Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

34. EVENTS AFTER THE BALANCE SHEET DATE

On 31 March 2019 the Company acquired a serviced office business with eight locations, for an initial cash consideration of £10,350,000.

GLOSSARY OF TERMS AND DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"the Act"	the Companies Act 2006 for the time being in force.
"business centres" or "offices"	commercial premises used by occupiers on flexible terms, typically for periods of between six months and three years, with occupiers charged a monthly licence fees covering full service accommodation, security, information technology, telephony and telecoms infrastructure.
"Landmark", the "Company" and the "Parent Company"	Landmark Limited, company number 04159077.
"Directors" or "the Board"	the Directors of the Company during the year ended 31 December 2018 referred to on page 3 and at the date of approval of these financial statements.
"EBITDA"	Earnings before interest, taxation, depreciation and amortisation.
"FRS 102"	the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland which is mandatory for accounting periods beginning on or after 1 January 2015.
the "Group" or the "Landmark Group"	Landmark and its subsidiaries at 31 December 2018.
"licence fee"	the fee payable for occupation of office space in a business centre operated by the Group which is inclusive of rates, service charges, building management, building insurance excluding client contents, lighting, heating, air conditioning, cleaning, security and the use of reception and related facilities.
"REVPOW" or "revenue per occupied workstation"	licence fees, information technology services and services income receivable by the Group, divided by the average number of occupied workstations.
"SME"s	small and medium-sized enterprises
"UK GAAP"	UK Generally Accepted Accounting Practice
"workstation"	an area occupied by one individual in a business centre, which typically includes a desk, chair, pedestal and IT and telecoms equipment.