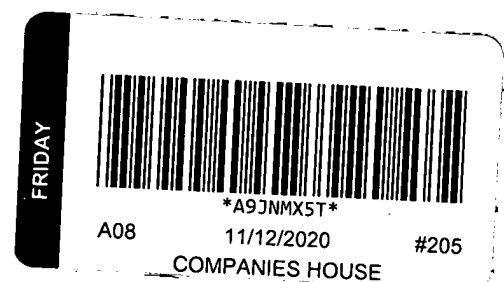


*Company Registration No. 04159077

LANDMARK LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2019



LANDMARK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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LANDMARK LIMITED

COMPANY INFORMATION

DIRECTORS

J.R. Spencer
J. Farnworth
J. Hunter

COMPANY SECRETARY

M. Clark

REGISTERED OFFICE

4 Tilgate Forest Business Park
Brighton Road
Crawley
West Sussex
United Kingdom
RH11 9BP

TRADING ADDRESS

No.1 Royal Exchange
London
United Kingdom
EC3V 3DG

BANKERS

Barclays Bank plc
HSBC Bank plc

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
London

COMPANY REGISTRATION NUMBER

04159077

LANDMARK LIMITED

STRATEGIC REPORT

The Directors presents their Strategic Report for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Group's principal activity continued to be that of a provider of professional flexible serviced offices, virtual offices, co-working space and meeting room facilities. This is delivered through the Group's Core Values of Proudly Professional, Genuinely Hospitable, Uncommonly Decent, Truly Responsible, and Embracing the Best.

BUSINESS REVIEW AND FUTURE PROSPECTS

Landmark Limited and its subsidiaries ('the Group') is one of the largest national UK providers of Grade A serviced office space, operating 54 buildings providing over 16,500 workstations of leasehold office accommodation. 42 of these buildings are in core London locations and 12 buildings are spread across nine major UK cities.

On 31 March 2019 the Company acquired the entire issued share capital of The Space Holdings London Limited, a serviced office business operating eight locations. This acquisition complements the Landmark brand, while further diversifying its client base. The Group also opened three new sites during the year, two in London and one in the Regions. Two centres were closed in the fourth quarter of the year, one being at the end of its lease and the other due to the disposal of a subsidiary company, Garden Studios Business Centre Limited.

Key performance indicators

Occupancy at the Group's office centres at 31 December 2019 was 91%, up from 85% at the previous year end. This produced total licence fees and associated revenue for the year ended 31 December 2019 of £120.4m (2018: £103.2m). This translated into operating profit before exceptional items of £7.3m (2018: £6.6m). The growth in revenue has been driven by the acquisition of The Space Holdings London Limited, the new centre openings with maturation of prior year new centres and thus occupancy increasing at these sites. Profitability has increased due to the acquisition and synergies achieved.

Further details of the results for the year are set out in the profit and loss account on page 13. The Group's adjusted EBITDA (note 6) was £18.0m (2018: £14.1m). Adjusted EBITDA and occupancy are key metrics on which the business measures itself both internally and against its peers in the industry.

The cash flows of the Group are set out in the cash flow statement on page 18 and the financial position at the year end is set out in the balance sheet on page 14.

COVID-19 pandemic

Following the year end, the COVID-19 pandemic has created an unprecedented period of disruption with significant impact on people's health and well-being, the global healthcare system, the global economy and the freedom of movement of people.

The Group entered the pandemic period in a solid operational and financial position. Although temporarily impacted by lower levels of new sales activity and ancillary revenues due to the lockdown period, the Group's position in the serviced office market makes it ideally placed to take advantage of the continuing trend towards flexible working solutions and helping businesses adapt to a new future. The Group has moved swiftly to flex its business model and has drawn on government support where available and relevant. The Group's baseline financial projections to mid-2021 and further scenario modelling (more fully discussed on pages 8 and 9) demonstrate that the Group will maintain strong levels of liquidity. Details of further scenario modelling are included in the consolidated accounts of the ultimate parent company O.C.S. Group Limited and its subsidiaries ('the OCS Group') and these demonstrate that the OCS Group will maintain strong levels of liquidity and remain within bank covenant requirements.

The Group has overcome logistical challenges, invoking its business continuity plans during a time when conditions in the economy and the government's response is continuing to change rapidly. The Board has maintained or enhanced processes of control and governance where necessary while challenged to think, work and live differently. Based on the trends of reported healthcare data, the Board expects that the pandemic will subside and the activities of the Group will return to a similar level to the pre COVID-19 period, most likely following a general U shaped economic recovery pattern in line with many economists' forecasts.

The Group is primarily focused during this period on the safety and well-being of its employees, many of whom have continued to work, adapting the business to fit changing requirements that result from the impact of the pandemic to ensure that clients can return safely to work and operate their own businesses. In addition, virtual tours have also been developed, to enable future clients to view selected space remotely.

LANDMARK LIMITED

STRATEGIC REPORT (continued)

Fundamentally during the pandemic and its recovery, the Board will at all times ensure that the Group holds fast to its purpose and continues to conduct business in line with its values. The Group will use its valued expertise and leverage its trusted reputation with its clients, whilst caring for and protecting the health and safety of employees. The pandemic has brought into sharp focus how companies will work in the future, with distributed workforces becoming a key way of working for businesses to reduce continuity risk. The Group is well placed to respond to an increased requirement for office flexibility, in terms of additional space to facilitate companies moving away from traditional leased space.

Whilst the effects of COVID-19 are likely to continue for some time to come, relaxations of lockdown are now being seen. Once confidence has fully returned and society normalises, the Board expects, as a result of the strength of the core business, increased recognition of the value of the flexibility that serviced offices provide and the changing nature of office space requirements, that the Group will emerge as a strong sustainable business.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Brexit

The result of the Brexit referendum in June 2016 and the subsequent exit of the EU in January 2020 continues to be a significant short term domestic risk to the UK commercial market in which the Group operates. Nevertheless, Brexit uncertainty 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. In some instances, there has been decreased availability of potential employees but to date this has not been problematic for 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 2019 major projects that had gone live in June 2018 were enhanced to improve the Group's customer relationship management and financial systems. 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.

Changes in the office market and 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 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 and 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.

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; these risks and their method of management are summarised below.

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.

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. Amounts owed to the ultimate parent company are described in notes 15 and 28.

LANDMARK LIMITED

STRATEGIC REPORT (continued)

COVID-19 pandemic

As part of the control environment to manage the OCS Group through the COVID-19 pandemic and recovery phases, a dedicated Project Management Office ('PMO') has been established to co-ordinate the OCS Group's response. The PMO connects directly with each territory on the execution of pandemic responses. The Company is prime in executing plans under a common framework. The role of the PMO is more fully described in the accounts of O.C.S. Group Limited and includes, but is not limited to, a review of the risks and opportunities arising from the pandemic.


This has allowed the Group to identify how best to act to mitigate commercial, operating and financial risks and initiate actions to maximise any opportunities arising. The Group's strategy will be reviewed for the resulting impact of actions taken, with a consideration of those areas most affected towards the end of 2020, and a re-validation of the strategy undertaken in early 2021. As demand is expected to rebound over time, it is not expected that a large-scale re-invention of the Group's value propositions is required.

Key risks to the Group identified as part of this process and mitigating actions are:

- **financial resilience: *in the event of a failure to mitigate the impact of COVID-19, insufficient liquidity and risk of not fulfilling bank facility covenants.*** In response, discretionary capital and operating expenditures have been postponed or cancelled, government grant and tax deferral support schemes have been enacted where possible and appropriate and the already high level of focus on working capital management and bad debt control has been increased.
- **employee related risks: *including inability to adapt to new working conditions, availability and continuity of government support, incapacity of key employees and complying with regulatory and safety requirements.*** The Group's primary focus has understandably been to ensure employees' well-being in the work environment, ensuring employees stay safe in line with our established rigorous processes to manage safety. The Group is aiming to protect as many jobs and retain as many employees as possible, implementing government support schemes, such as furlough as appropriate through the pandemic period. Strong technology and processes have supported remote working.
- **customer impacts: *inability to engage with our customer base under appropriate commercial terms and the financial vulnerability of customers.*** The Group has reacted swiftly to satisfy changing client requirements and preferences, collaborating to determine solutions that are going to help existing and new clients return to work as quickly and safely as possible under our CLEAN start initiative.
- **revenue levels: *reduction in the short term and the impact of longer-term economic recession, offset to some degree by opportunities arising from increasing demand for flexibility of office space.*** Capacity to deliver services has not been substantially affected. Pipeline opportunities show an interest from corporates needing short term space to allow employee disbursement over multiple locations and a partial move away from exclusive use of conventional long lease office space to a combination of flexible and conventional office space. The Group is delivering and consulting on pre-return services and employing technology to alleviate health and safety concerns, such as thermal imaging cameras, whilst continuing to maintain workplaces and ensure they are hygienic and safe.
- **cyber crime: *increased threat of cyber security breach or fraud.*** In response, the Group has increased prevention and early detection controls particularly in anomaly detection, and will continue to adapt to the challenges faced, seeking to avoid business disruption, increase awareness and communicate guidance to minimise risks and to protect data against breaches.

The expected impact on the going concern position of the Group, once consideration of these risks has been taken into account, is described in the Going Concern section of the Directors' Report on pages 8 and 9.

This Strategic Report was approved by the Board of Directors and signed on behalf of the Board.



J.R. Spencer
Director
25 June 2020

LANDMARK LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019.

The Strategic Report on pages 2 to 4 contains a fair review of the Group's business and a description of the principal risks and uncertainties facing the Group.

DIRECTORS

The Directors who served throughout the year and up to the date of this report were as follows:

J.R. Spencer
J. Farnworth appointed 1 January 2019
J. Hunter

CORPORATE GOVERNANCE

The Company is a wholly owned subsidiary of O.C.S. Group Limited ("OCS") and following a review by the board of OCS last year of its corporate governance arrangements it determined to adopt the Wates Corporate Governance Principles for Large Private Companies, following the introduction of The Companies (Miscellaneous Reporting) Regulations 2018 ("the Regulations"). Under the Regulations it is necessary for large companies as defined under the Regulations to publish a statement of their corporate governance arrangements in their directors' report and on their website, including whether they follow a formal code, for accounting periods commencing on or after the 1st January 2019. Also, under the Regulations there is a requirement to set out how a board has taken account of stakeholder views and met the requirements of s172 of the Companies Act 2016. Within the directors' report of OCS which can be found at www.ocs.com OCS has set out its corporate governance arrangements and how they have met the requirements s172 of the Companies Act 2006 and this report below serves as the Company's Section 172 statement. As set out in section 172(1)(a) to (f) of the Companies Act 2006 the directors have a duty to promote the success of the company and Section 172 states:

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
- (a) the likely consequences of any decision in the long term;
 - (b) the interests of the company's employees;
 - (c) the need to foster the company's business relationships with suppliers, customers and others;
 - (d) the impact of the company's operations on the community and the environment;
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct and;
 - (f) the need to act fairly as between members of the company.

Shareholders

As the Company is part of OCS Group the Board and the Senior Leadership Team of the Company work closely with the Executive Directors of OCS Group to develop the strategy of the Group which is to be a leading professional workspace provider in the UK and to operate in line with the OCS Group Shared Purpose which can be summarised as:

- Generate consistent, sustainable returns in line with industry peers from the portfolio of businesses in the OCS family. These returns will come from both income and capital growth, with consistent income generation of primary importance.
- Manage the business within an agreed level of debt and risk, thereby ensuring its safe passage to future family generations.
- Operate with sustainable core values that will deliver the desired future. These values to be based on sound ethical principles and recognising our responsibilities for colleagues, the communities in which we operate and the environment.

The Board supports the above principles and operates in line with the corporate governance arrangements which OCS have adopted under a scheme of delegated authority. The CEO and CFO submit and present a monthly operating report to OCS Group highlighting both financial and non-financial matters which ensures an open and transparent dialogue.

LANDMARK LIMITED

DIRECTORS' REPORT (continued)

Core Values

As part of the development of Landmark we engaged with several customers and other stakeholders in various sectors and markets to understand their views on what was important to them and how they expected us to operate. Through this consultation process we developed our Core Values and these have been adopted in the way we operate each day and are expressed as follows:

Proudly Professional

What does it say about our business if everyone looks and acts smart and proud? It shows you have the highest respect for your colleagues and clients.

So whatever your role, you'll enjoy looking and being ultra-professional. You'll show warmth and politeness, without leaving your personality outside. And while you're a stickler for high standards, you like to do everything with humour and a smile.

Genuinely Hospitable

Property businesses are about bricks and mortar. We're not. We're all about people, so you'll have an absolute passion for creating outstanding customer experiences.

You'll picture yourself as a warm, welcoming host; who makes colleagues and clients feel that they belong and are part of the family. You'll get to know them and resolve any niggles quickly and without fuss. You'll always have time for them, and do something unexpected or special that delights.

Uncommonly Decent

It's not just what we do, but how we go about it that makes us who we are. We'll take it as a given that you'll be honest in all your dealings with colleagues and customers, but you'll also have a strong moral compass: you know what's right and wrong, and you're not afraid to say so.

While you're not averse to speaking your mind, you'll actively listen to what other people have to say, and respect their right to say it. You live by the maxim 'do as you would be done by' and trust others to feel the same.

Truly Responsible

We need leaders at all levels of the business, people who can take ownership of issues and not expect others to pick up the pieces.

You won't blame others when things go wrong, as they will from time to time. You won't dwell on what has happened. You'll focus on finding a solution. You'll front up to making mistakes, and you'll be positive, proactive and collaborative in looking for opportunities.

Embracing the Best

The only constant in our world is change, so we'll only succeed if we wholeheartedly embrace it. That means taking the best the modern world can offer - whether it's buildings, fit-out, people or working practices - and continuously improving it.

You'll always be thinking about fresh ideas and never say: 'we've always done it this way'. You're thrilled by the idea of change and embrace the opportunity to learn, to grow and to experiment. You'll have the occasional failure, but your determination to pick yourself up and try again is an inspiration.

Employees

The success of the Group is dependent upon our colleagues living and delivering on our core values day in day and day out but their safety and that of others is paramount in everything we do. We operate on the principle that every colleague, client and visitor deserve to go home each day safely. We are committed to visible leadership from the Board downwards instilling safe behaviours and creating a strong safety culture which embraces our Core Values. This is undertaken by providing colleagues with the correct training and tools to enable them to do their job safely, adopting best practice in our work procedures, empowering colleagues to make the right decisions about their safety and others, reporting health and safety incidents promptly including 'near misses', monitoring, reviewing and reporting our health and safety performance accurately and thereby continually improving our health and safety procedures.

The wellbeing of our colleagues is important and we have a number of colleague assistance programmes available with a 24/7 helpline available to colleagues, providing support and advice for many lifestyle problems, helping to identify and resolve personal concerns that may affect job performance. The service is entirely confidential and helps us to retain a happier, healthier workforce.

At the beginning of 2019, we held a conference for our colleagues to clearly communicate the Group strategy and to develop our Core Values. This was to ensure total alignment of the strategy of the Group and to ensure colleagues had an opportunity to engage in the process. As part of our overall approach we engage with our colleagues in many forms to understand their views. The engagement process begins with induction programmes for new employees, training, compulsory e-learning modules, on the job chats, employee surveys and many other forms. This then continues with regular communication through the Company intranet which allows two-way feedback, regular management business updates and meetings.

Our colleagues are integral to delivering on the promises we make to our clients. It is therefore vital that we recognise and reward those colleagues who make such an important contribution to our business and place our Core Values at the heart of their day-to-day activities. We have various schemes in place way to say 'thank you' to our colleagues who have demonstrated our values and have performed in an exceptional way. All colleagues share in the success of the business through an annual profit performance bonus scheme.

LANDMARK LIMITED

DIRECTORS' REPORT (continued)

We are a proud supporter of Apprenticeship Programmes provided by LDN Apprenticeships. One of our Apprentices who assists in our technology team is currently working on his Level 4 Network Infrastructure Apprenticeship. The course is 18 months long and once completed will allow him to be accredited by the BSC, British Institute for IT. By the end of his apprenticeship he will be a full-time Systems and Infrastructure Engineer. In addition to his 4 professional vendor certifications from Level 3, he will also take on an additional 3 advanced level vendor certifications.

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.

Customers

We serve over 15,000 people every day, from fast-growing companies to established SMEs and we represent our clients' businesses, so our standards of service must be exceptional every time. During the year we undertook a Client Survey to understand how we were performing, and the results from the main areas were: **Reception services** - Overall satisfaction with the services provided by our reception teams is 9.2 out of 10; **Overall satisfaction** - Our average rating across the business increased again this year to 8.5 out of 10 and **Meeting rooms** - Overall satisfaction with the services provided by our meeting rooms is 9.7 out of 10.

Our teams are professionally trained to Institute of Customer Service standards to deliver an unrivalled service and this assists us in understanding the needs of our clients. We hold networking events for our clients at our various centres which assist in fostering good relationships and understanding of how we can continuously improve our customer experience. We engage on a daily basis with many of our clients and their guests which allows us the opportunity to understand their needs as they arise. We also use Net Promoter Score (NPS) for assessing our services and during the year our score has increase from 46 to 47 demonstrating that we are in the upper quartile of customer satisfaction ratings.

Landlords

We operate from 54 centres and have relationships with over 50 landlords and look to foster a positive, proactive and collaborative working relationship to ensure that they are fully aware of our strategy and the development of our business. Our dealings are both direct and through managing agents where we meet as appropriate to discuss any relevant issues under the terms of the leases. Under the terms of our leases we are required to pay service charges which represent a significant cost to the Group. The Group has no direct contractual relationship with the various suppliers of the services, but the Group works with the landlords and managing agents to ensure that the services meet the standards required by the Group and represent value.

Suppliers

We actively engage with our suppliers and have open conversations about how they can help us develop. We believe in the value of true collaboration within the supply chain and feel it is vital for success. As each of our clients use part of our supply chain, whether the IT infrastructure or the coffee machines we deploy at our centres, the relationship with our suppliers is key to our ability to provide services to our clients. This is particularly relevant when working with design teams and fit-out contractors to ensure the working environments we create meet the needs of our clients. It is therefore necessary that we require a high performing, sustainable supply chain that operates to a consistent set of operating standards. We require our suppliers to adhere to our Core Values and follow our various policies including Healthy and Safety, Modern Slavery and Bribery. This process builds on the strong preferred supplier contractual arrangements we have built up over many years which fosters an effective relationship. We recognise the importance of payment terms with our suppliers, and work to agree terms at the commencement of the trading relationship.

Funders

The Group participates in the OCS Group banking arrangements and has entered into unlimited multilateral cross company guarantees in respect of borrowings by certain companies in the OCS Group. The Board believes this participation will help promote the success of the Group for the benefit of its members as a whole and will allow the Group to have access to working capital as the needs arise.

Business Conduct

As stated above the Group operates in line with the corporate governance arrangements of OCS Group which are detailed in a Code of Conduct which is issued to all colleagues to help guide them in 'how' we go about our business day to day and give them the support mechanism to report any concerns or wrongdoing anonymously via our third-party whistleblowing provider. The policies we have in place and the eLearning platforms enable our colleagues to understand the sound ethical principles we operate under. The monitoring and review of the effectiveness of the Group's internal controls and risk management systems are undertaken by the Board and reviewed by the Audit and Risk Assurance Committee of OCS Group as part of their oversight in ensuring high standards of business conduct are operated throughout the OCS Group.

LANDMARK LIMITED

DIRECTORS' REPORT (continued)

Regulator

Our business is subject to the Money Laundering Regulations and the Group is supervised by HM Revenue and Customs ("HMRC"). The Group pro-actively undertakes training of colleagues in understanding their responsibilities under the Money Laundering Regulations and ensures that the system and processes are in place to ensure compliance. During the year HMRC undertook an audit of Landmark Space Limited to assess whether it was complying with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 from 26 June 2017. Based on the audits, HMRC were satisfied that the business had been able to demonstrate its understanding of, and compliance with, the Money Laundering Regulations.

The Community and the Environment

The Group proactively promotes participation in volunteer activities within the communities the business operates within and all colleagues are entitled to two paid volunteer days per annum. These activities range from volunteering at animal shelters to helping school aged children to write their own resumes.

Our business is managing its energy consumption and associated costs through the adoption of robust energy management strategies. These include periodically upgrading plant and equipment to improve its reliability and overall efficiency. Many more of our centres are now fitted with highly efficient LED lighting with automatic presence detection. We ensure best value is obtained on all our utility energy contracts and monitor our consumption and costs every month against specific energy benchmarks. Energy audits have been undertaken on key sites to identify and implement potential energy saving opportunities. Finally, we are continually working in partnership with our landlords, staff and clients to raise awareness on the mutual benefits of better energy efficiency and a lower carbon footprint.

GOING CONCERN

The Group entered 2020 structurally sound, trading profitably with a diverse client base and in a position of financial strength. The Group reported a profit after tax in 2019 of £2.2m (2018: £5.0m) and generated an adjusted EBITDA return in 2019 of £18.0m (2018: £14.1m). At 31 December 2019 the Group had cash balances of £15.8m (2018: £15.2m). The speed of our reaction to the COVID-19 pandemic and our adaptation to date has meant we continue to hold our own as a stable business and believe the outlook for the Group is positive. The Company is a guarantor of the OCS Group's £100m revolving credit facility which is fully committed to 30 April 2021 and £70m is committed to 30 April 2022.

The pandemic will adversely impact our EBITDA in H2 2020 but we continue to project a positive net cash position in our baseline forecasts.

To be able to conclude that it is appropriate to prepare the financial statements as a going concern, the Directors have performed a detailed analysis of the expected impacts of the pandemic on the Group, including baseline projections and scenario modelling. OCS Group management have carried out scenario modelling from the OCS Group's baseline to stress test the robustness of the OCS Group projections against the OCS Group's funding capacity and banking covenants. In doing so, it has been necessary to make estimates and judgements that are critical to the outcome of these considerations and the baseline projections prepared at a subsidiary level have therefore been subject to considerable internal review and scrutiny at country, regional and OCS Group Board level to assess reasonableness. This has included a consideration of all key contracts, as the extent of impact of the pandemic on the OCS Group is variable by sector and geography.

Baseline projections

Reference has been made to latest general economic projections when establishing the Group's baseline forecast. A U shaped recovery, rather than a more optimistic V shape, has been presumed with the speed of the recovery and the depth of the initial downturn modelled to incorporate the specificities of the client base.

The position in Q2 2020 has followed the expected economic model and revenue is forecast to be 10% below Q1 2020. Revenue is expected to be at its low point in Q3 2020, 9% lower than the previous quarter and then flat in Q4 2020. Subsequent forecast growth gives Q2 2021 revenue slightly below pre-COVID-19 levels. Our revenue projection in the baseline model reflects site-based differences.

Direct operating costs have been modelled in line with the revenue assumptions, with employee and supplier related costs flexed where possible to reflect their alignment with activity levels and including the benefit of government support measures. There is a pronounced impact in the downturn period, as our other direct property costs are relatively fixed in nature, but we have demonstrated the ability to achieve some level of cost mitigation in Q2 2020 and are reviewing further opportunities.

The level of overheads included in the base case is in line with identified and implemented cost saving measures such as reductions to discretionary spend. The benefit of government support measures as applicable to overhead staff costs has also been reflected. Within the model period, overhead and capital restrictions are gradually lifted to enable the Group to leverage opportunities as they arise.

Reflective of the downturn, discretionary capital expenditure has been partly cancelled or delayed whilst retaining site-specific spend to support the revenue base. Other cash flow impacts arising from decisions made directly as a result of the pandemic are discussed in the financial resilience section of the Group's risk assessment in the Strategic Report on page 4. In addition, following the year end O.C.S. Group Limited has provided long term committed cash funding as described in note 28.

The baseline projections show the Group's cash balance exceeding the 31 December 2019 position throughout the period and the OCS Group's baseline projections show substantial liquidity headroom and demonstrate compliance with banking covenants.

LANDMARK LIMITED

DIRECTORS' REPORT (continued)

Scenario modelling

In line with general economic projections, the main downside scenario to the baseline forecast is a model using a W shaped economic recovery with a secondary outbreak of the coronavirus in 2020 and a second downturn in Q4 2020. Temporary cost reduction actions have been extended under this scenario. Under this scenario, the Group still maintains cash balances in excess of the 31 December 2019 position throughout the period to Q2 2021.

As described in the accounts of O.C.S. Group Limited, scenario modelling at a Group level demonstrates liquidity headroom and compliance with banking covenants throughout the forecast period.

It is inevitable in these unprecedented times that there is a level of uncertainty associated with the Group's forecasting assumptions. Whilst actual outcomes could be better or worse than forecast, and reverse stress testing has been considered in this assessment, from a going concern perspective management have considered the further actions that could be taken to mitigate a more extreme downturn in performance. Given the liquidity headroom throughout the forecast period, the Directors do not consider that the forecasting uncertainties are material to the Group in terms of its ability to meet its obligations as and when they fall due in the forecast period.

Going concern conclusion

The Group provides flexible serviced office solutions in an environment where many businesses will be considering the need to flex their office arrangements. Whilst forecasting is by its nature uncertain, the Group remains cash positive under the baseline and downside scenarios modelled and the Directors therefore have a reasonable expectation that the Group is in a position to meet its obligations as and when they fall due. Based on this forecast, the Directors have concluded that the financial statements can be prepared on the going concern basis.

DIVIDENDS

Dividends of £1.8m were paid in the year (2018: £1.8m). The Directors do not recommend the payment of a final dividend (2018: £nil).

SUBSEQUENT EVENTS

There have been no subsequent events other than the impacts of the COVID-19 pandemic described in the Strategic Report and in this Directors' Report and the receipt of long term committed cash funding from O.C.S. Group Limited as described in note 28. Whilst there may be impacts arising from COVID-19 on the carrying values of assets and liabilities in 2020, a reliable estimate of the net financial impact, if any, cannot currently be made.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 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 judgements 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LANDMARK LIMITED

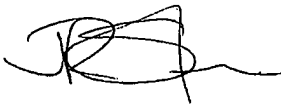
DIRECTORS' REPORT (continued)

INDEPENDENT AUDITOR

Each of the current Directors confirms that as far as he is aware, there is no relevant audit information of which the auditor is unaware; and he has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

This Directors' Report is approved by the Board of Directors and signed on behalf of the Board.

A handwritten signature in black ink, appearing to be 'J.R. Spencer', with a stylized, cursive script.

J.R. Spencer
Director
25 June 2020

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 parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including 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 Profit and Loss Account;
- the Consolidated and parent Company Balance Sheets;
- the Consolidated and parent Company Statements of Changes in Equity;
- the Consolidated Cash Flow Statement; and
- the related notes 1 to 28.

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 or the parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDMARK LIMITED (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent 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 Group or the parent 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 period 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.

In the light of the knowledge and understanding of the Group and of the parent Company and their 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

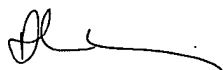
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent Company, 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
London, United Kingdom

25 June 2020

LANDMARK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019 £'000	2018 £'000
TURNOVER	3	120,392	103,171
Cost of sales		(104,089)	(86,302)
GROSS PROFIT		16,303	16,869
Administrative expenses		(8,966)	(10,299)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		7,337	6,570
Exceptional items	5	(2,751)	-
OPERATING PROFIT		4,586	6,570
Net finance income	4	158	303
PROFIT BEFORE TAXATION	5	4,744	6,873
Tax on profit	7	(2,533)	(1,858)
PROFIT FOR THE FINANCIAL YEAR		2,211	5,015

All activities derive materially from continuing operations.

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

LANDMARK LIMITED

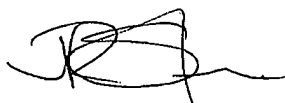
CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2019

	NOTE	2019 £'000	2018 £'000
FIXED ASSETS			
Intangible assets	11	18,852	4,366
Tangible assets	12	54,570	45,453
		73,422	49,819
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	29,286	24,645
Debtors: amounts falling due after more than one year	13	3,186	2,619
Cash at bank and in hand		15,810	15,209
		48,282	42,473
Creditors: amounts falling due within one year	14	(57,439)	(43,605)
NET CURRENT LIABILITIES		(9,157)	(1,132)
TOTAL ASSETS LESS CURRENT LIABILITIES		64,265	48,687
Creditors: amounts falling due after more than one year	15	(45,502)	(36,000)
Provisions for liabilities	17	(6,632)	(967)
NET ASSETS		12,131	11,720
CAPITAL AND RESERVES			
Called up share capital	19	30,044	30,044
Share premium account	20	2,244	2,244
Merger reserve	20	(24,407)	(24,407)
Profit and loss account	20	4,250	3,839
SHAREHOLDERS' FUNDS		12,131	11,720

These financial statements were approved by the Board of Directors and authorised for issue on 25 June 2020.

Signed on behalf of the Board of Directors



J.R. Spencer
Director



J. Farnworth
Director

LANDMARK LIMITED

COMPANY BALANCE SHEET

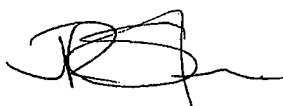
AS AT 31 DECEMBER 2019

	NOTE	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	24	48,942	33,265
CURRENT ASSETS			
Debtors	13	1,624	3,198
Cash at bank and in hand		-	10
		1,624	3,208
Creditors: amounts falling due within one year	14	(3,547)	(3,128)
NET CURRENT (LIABILITIES)/ASSETS		(1,923)	80
TOTAL ASSETS LESS CURRENT LIABILITIES		47,019	33,345
Creditors: amounts falling due after more than one year	15	(8,000)	-
Provisions for liabilities	17	(5,950)	-
NET ASSETS		33,069	33,345
CAPITAL AND RESERVES			
Called up share capital	19	30,044	30,044
Share premium account	20	2,244	2,244
Profit and loss account	20	781	1,057
SHAREHOLDERS' FUNDS		33,069	33,345

The Company's profit for the financial year was £1,524,000 (2018: £1,552,000).

These financial statements were approved by the Board of Directors and authorised for issue on 25 June 2020.

Signed of behalf of the Board of Directors



J.R. Spencer
Director



J. Farnworth
Director

LANDMARK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	CALLED UP SHARE CAPITAL	SHARE PREMIUM ACCOUNT	MERGER RESERVE	PROFIT AND LOSS ACCOUNT	TOTAL
	£'000	£'000	£'000	£'000	£'000
At 31 December 2017	30,044	2,244	(24,407)	624	8,505
Profit for the financial year	-	-	-	5,015	5,015
Dividends paid on equity shares	-	-	-	(1,800)	(1,800)
At 31 December 2018	30,044	2,244	(24,407)	3,839	11,720
Profit for the financial year	-	-	-	2,211	2,211
Dividends paid on equity shares	-	-	-	(1,800)	(1,800)
At 31 December 2019	30,044	2,244	(24,407)	4,250	12,131

LANDMARK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	CALLED UP SHARE CAPITAL	SHARE PREMIUM ACCOUNT	PROFIT AND LOSS ACCOUNT	TOTAL
	£'000	£'000	£'000	£'000
At 31 December 2017	30,044	2,244	1,305	33,593
Profit for the financial year	-	-	1,552	1,552
Dividends paid on equity shares	-	-	(1,800)	(1,800)
At 31 December 2018	30,044	2,244	1,057	33,345
Profit for the financial year	-	-	1,524	1,524
Dividends paid on equity shares	-	-	(1,800)	(1,800)
At 31 December 2019	30,044	2,244	781	33,069

LANDMARK LIMITED

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTE	2019 £'000	2018 £'000
Cash flows from operating activities	21(A)	18,920	16,174
Cash flows from investing activities	21(B)	(16,519)	(14,417)
Cash flows from financing activities	21(C)	(1,800)	(1,800)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		601	(43)
Cash and cash equivalents at beginning of year		15,209	15,252
CASH AND CASH EQUIVALENTS AT END OF YEAR		15,810	15,209

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior year.

PRINCIPAL ACTIVITIES AND REGISTERED OFFICE

The Company is incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given on page 1. The Company is a private company limited by shares. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 4.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The results presented are for the year ended 31 December 2019. The comparative results are for the year ended 31 December 2018. 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 Group's functional currency and reporting currency is Pounds Sterling, the currency of the economic environment in which the Group operates.

Landmark Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, related party disclosures and remuneration of key management personnel.

GOING CONCERN

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report on pages 2 to 10. Principal risks and the impact of the COVID-19 pandemic are summarised on pages 3 and 4.

The Group meets its day to day working capital requirements through working capital facilities and longer term bank debt which are managed by the OCS Group's centralised treasury function. The OCS Group's main bank facility of £100m is fully committed to 30 April 2021 and £70m is committed to 30 April 2022. In addition, the Directors have obtained long term committed cash funding from the Company's ultimate parent company as described in note 28.

The Group's forecasts to 30 June 2021, more fully described in the Directors' Report on pages 8 and 9, show that the Group will be able to operate within the level of its current facilities and the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries and applying plausible sensitivities, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for twelve months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The results of subsidiaries acquired or sold are consolidated for the period from or to the date on which control passed.

With the exception of Landmark Space Limited, where the principles of merger accounting have been applied, the consolidated financial statements incorporate the results of business combinations using the purchase method. Under the purchase method, the results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passes. 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 2014.

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 difference between the cost of investment of Landmark Space Limited and the nominal value of the share capital acquired has been included in the merger reserve and the comparative figures for the Group reflect the aggregation of Landmark Space Limited and the remainder of the Landmark Limited group for the year ended 31 December 2018 except for the issued share capital and share premium being restated to reflect the position of the Group as if Landmark Limited had been the parent company during both years presented.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

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 a customer in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

PENSIONS

The Group operates a defined contribution plan for its employees under which it pays annual contributions and the pension cost is charged to the profit and loss account in line with contributions payable. The assets of the plan are held separately from the Group in independently administered funds.

CURRENT AND DEFERRED TAXATION

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (or more) than the value at which it is recognised, a deferred tax liability (or asset) is recognised for the additional (or reduced) tax that will be paid in respect of that difference. Similarly, a deferred tax asset (or liability) is recognised for the reduced (or additional) tax that will be paid because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Where items recognised in other comprehensive income or equity are chargeable or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off the current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

INTANGIBLE FIXED ASSETS - GOODWILL

On the acquisition of a subsidiary undertaking or business, goodwill represents the excess of the fair value of the purchase consideration over the aggregate of the fair values of the net assets acquired.

Goodwill is included on the balance sheet and amortised within administrative expenses in equal annual instalments over its expected useful economic life of 3 - 10 years. Provision is made for any impairment.

INTANGIBLE FIXED ASSETS - SOFTWARE

Software assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is provided within administrative expenses to write down cost to estimated residual value by equal annual instalments over the period of estimated useful economic lives of 3 - 5 years.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Leasehold property includes capitalised lease costs incurred during the vacant fit out period. Depreciation is provided within cost of sales or administrative expenses depending on the nature of the asset to write down cost to estimated residual value by equal annual instalments over the period of estimated useful economic lives as follows:

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

Artwork in the Group's properties are 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 Profit and Loss Account in the period it occurs.

IMPAIRMENT OF ASSETS

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

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

With the exception of goodwill, where impairment losses are not reversed, where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied to the assets (other than goodwill) of the CGU on a pro rata basis.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled, or substantially all of the risks and rewards of ownership of the financial asset are transferred to a third party, or control and some of the significant risks and rewards of ownership of the financial asset are transferred to a third party.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

OPERATING LEASES

Rentals under operating leases and benefits received and receivable as incentives to sign operating leases are recorded in the profit and loss account in equal annual amounts over the lease term. For leases commencing up to 31 March 2014, in accordance with Section 35 of FRS 102 the lease term is the non-cancellable period of the lease and for leases commencing from 1 April 2014 the lease term is the non-cancellable period of the lease together with any further terms for which the Group has the option to continue to lease the asset when at the inception of the lease it is reasonably certain that the Group will exercise the option.

Contingent rentals include rent increases based on future inflation indices or non-guaranteed rental payments based on centre turnover or profitability and are excluded from the calculation of minimum lease payments. Contingent rentals are recognised in the profit and loss account as they are incurred.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at the rate of exchange at that date.

PROVISIONS

Provisions for liabilities, including contingent consideration on acquisitions and onerous contracts/operating leases where future costs are expected to exceed future revenues, are made at the amounts expected to be paid in respect of present obligations relating to past events where the timing of payments or the amounts involved are uncertain. With the exception of deferred tax, amounts are discounted to present value when the time value of money is material.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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.

There are no critical accounting judgements apart from those involving estimations which are described below.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Deferred tax assets

The recoverability of the Group's deferred tax assets of £2,988,000 (2018: £3,145,000), which relate to timing differences, is dependent on sufficient future taxable profits. Based on the Group'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.

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 2019 was £54,570,000 (2018: £45,453,000) after an impairment cost of £nil (2018: impairment reversal of £366,000) was recognised in the year. The provision for onerous leases at 31 December 2019 was £118,000 (2018: £426,000) due to loss making lease contracts.

The key sensitivities underlying the future cash flows in the impairment of fixed assets and provisions for onerous leases calculations are the medium and long term sales growth rates that can be achieved in each of the cash generating units, being the individual buildings. The sales growth rates are a function of the occupancy rates and workstation rates. The lowest headroom was in respect of fixed assets of £186,000 in a cash generating unit where calculations allow for forecast occupancy rates to fall by 3% or forecast workstation rates to fall by 1% before an impairment provision would be needed.

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. NET FINANCE INCOME

	2019	2018
	£'000	£'000
Interest payable to ultimate parent company	(192)	-
Interest receivable from ultimate parent company	350	303
	158	303

5. PROFIT BEFORE TAXATION

	2019	2018
	£'000	£'000
Profit before taxation is after charging:		
Depreciation of tangible fixed assets	9,037	6,874
Amortisation of goodwill	1,518	505
Amortisation of software	563	249
Auditor's remuneration - audit of the Company's annual accounts	103	136
Rentals under land and building operating leases	45,601	35,154
Exceptional loss on sale of subsidiary undertakings	2,751	-

Fees payable to Deloitte LLP and its associates for non-audit services to the Company are not required to be separately disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

6. ADJUSTED EBITDA

	2019	2018
	£'000	£'000
The adjusted EBITDA of the Group is calculated as follows:		
Operating profit before exceptional items	7,337	6,570
Add depreciation of tangible fixed assets	9,037	6,874
Add amortisation of intangible fixed assets	2,081	754
Movement in provisions and impairment	(483)	(77)
	17,972	14,121

Adjusted EBITDA excludes exceptional items and onerous lease provisions to better reflect the trading position. Furthermore, adjusted EBITDA is a key metric in measuring the operation of the business.

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2019	2018
	£'000	£'000
Emoluments	618	826
Benefits in kind	7	5
Pension contributions	14	-
Directors' remuneration	639	831

The highest paid Director received total remuneration of £455,000 (2018: £500,000).

Other Directors' remuneration in the current and prior year was borne by companies in the O.C.S. Group Limited group.

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

	GROUP	
	2019	2018
	No.	No.
The average number of employees including Directors was:		
Operations	149	140
Sales and administration	84	77
	233	217

	GROUP	
	2019	2018
	£'000	£'000
Staff costs, including Directors, incurred in respect of these employees were:		
Wages and salaries	9,383	11,020
Social security costs	911	1,289
Other pension costs	318	239
	10,612	12,548

The Company had no employees (2018: nil).

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

8. TAX ON PROFIT

	2019 £'000	2018 £'000
Current tax		
Group relief payable	2,538	2,386
Adjustment in respect of prior years	6	(87)
	2,544	2,299
Deferred tax		
Origination and reversal of timing differences	(229)	(388)
Adjustment to prior years' tax provisions	218	(53)
	(11)	(441)
Total tax on profit	2,533	1,858
Reconciliation of total tax charge:		
Profit before tax	4,744	6,873
Tax on profit at standard UK corporation tax rate of 19% (2018: 19%)	901	1,306
Factors affecting charge for the year:		
- expenses not deductible for tax purposes	685	52
- deductions allowed for tax purposes	(133)	(114)
- Depreciation and amortisation not allowable for taxation purposes	658	584
- other timing differences	198	117
- adjustments in respect of prior years	224	(87)
Total tax charge for the year	2,533	1,858

9. RESULT OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account and the statement of comprehensive income of the Company is not presented as part of these financial statements. The Company's profit for the financial year was £1,524,000 (2018: £1,552,000).

10. DIVIDENDS

	2019 £'000	2018 £'000
Dividends paid	1,800	1,800

The Directors paid interim dividends to shareholders at the rate of £150,000 per month throughout the current and prior year. Dividends per ordinary share totalled 6.0p (2018: 6.0p).

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

11. INTANGIBLE FIXED ASSETS

	GROUP		
	GOODWILL £'000	SOFTWARE £'000	TOTAL £'000
Cost			
At 1 January 2019	5,476	2,662	8,138
Additions (see note 24)	16,744	1,239	17,983
Disposals	(1,975)	(192)	(2,167)
At 31 December 2019	20,245	3,709	23,954
Amortisation			
At 1 January 2019	3,446	326	3,772
Charge for the year	1,518	563	2,081
Disposals	(559)	(192)	(751)
At 31 December 2019	4,405	697	5,102
Net book value			
At 31 December 2019	15,840	3,012	18,852
At 31 December 2018	2,030	2,336	4,366

12. TANGIBLE FIXED ASSETS

	GROUP			TOTAL £'000
	SHORT TERM LEASEHOLD PROPERTIES £'000	PLANT, MACHINERY, FIXTURES AND FITTINGS £'000	ARTWORK £'000	
Cost				
At 1 January 2019	50,712	21,775	508	72,995
Additions	9,812	2,399	7	12,218
Acquisitions (see note 24)	5,086	1,072	-	6,158
Disposals	(544)	(1,089)	-	(1,633)
At 31 December 2019	65,066	24,157	515	89,738
Depreciation				
At 1 January 2019	16,002	11,540	-	27,542
Charge for the year	6,455	2,582	-	9,037
Disposals	(367)	(1,044)	-	(1,411)
At 31 December 2019	22,090	13,078	-	35,168
Net book value				
At 31 December 2019	42,976	11,079	515	54,570
At 31 December 2018	34,710	10,235	508	45,453

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

13. DEBTORS

	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	9,602	10,582	-	-
Amounts owed by subsidiary undertakings	-	-	1,624	3,198
Other debtors	2,968	290	-	-
Deferred tax (see note 16)	-	526	-	-
Prepayments and accrued income	16,716	13,247	-	-
	29,286	24,645	1,624	3,198
Net trade debtors				
Trade debtors	9,602	10,582	-	-
Less deferred income - licence fees in advance	(8,837)	(9,026)	-	-
	765	1,556	-	-
Amounts falling due after more than one year:				
Deferred tax (see note 16)	3,186	2,619	-	-

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Client deposits	20,052	15,821	-	-
Licence fees invoiced in advance	8,837	9,026	-	-
Trade creditors	7,734	8,295	-	-
Amount owed to ultimate parent company	8,728	3,488	2,731	-
Amount owed to fellow subsidiary undertakings	-	-	-	2,284
Taxation and social security	783	318	-	-
Unamortised lease incentives received	4,591	463	-	-
Deferred consideration	753	757	753	757
Other creditors	299	391	-	-
Accruals	5,662	5,046	63	87
	57,439	43,605	3,547	3,128

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Unamortised lease incentives received	37,502	33,456	-	-
Amounts owed to ultimate parent company	8,000	-	8,000	-
Accruals	-	2,544	-	-
	45,502	36,000	8,000	-

The amount owed to ultimate parent company of £8,000,000 (2018: £nil) is repayable by instalments falling due between one and five years. In addition, £2,000,000 (2018: £nil) is included within creditors falling due within one year. Interest is payable at a fixed rate of 2.50% per annum.

16. DEFERRED TAX

The amounts of deferred tax recognised in the financial statements are as follows:

	GROUP	
	2019	2018
	£'000	£'000
Depreciation in excess of capital allowances	2,986	2,715
Other temporary differences	2	430
	2,988	3,145

The net deferred tax asset shown above comprises deferred tax assets of £3,186,000 (2018: £3,145,000) and deferred tax provisions of £198,000 (2018: £nil).

During 2020 the net reversal of deferred tax assets and liabilities is expected to increase the Group corporation tax charge for the year by £105,000. This is due to the reversal of timing differences.

On 11 March 2020 the cancellation of the previously enacted future reduction to the UK corporation tax rate was announced. If this change had been in place at 31 December 2019 the UK deferred tax rate would have increased from 17% to 19%, the Group's net deferred tax asset would have increased by £352,000.

17. PROVISIONS FOR LIABILITIES

	GROUP				COMPANY
	DEFERRED TAX	DEFERRED CONSIDERATION	OTHER PROVISIONS	TOTAL	DEFERRED CONSIDERATION
	£'000	£'000	£'000	£'000	£'000
At 1 January 2019	-	-	967	967	-
Utilised in the year	-	-	(308)	(308)	-
Released unused	-	-	(488)	(488)	-
Charged to profit and loss account	30	-	313	343	-
Acquisition of subsidiary undertakings	168	5,950	-	6,118	5,950
At 31 December 2019	198	5,950	484	6,632	5,950

Deferred tax provision relates to timing differences that have originated but not reversed at the balance sheet date. During 2020 the net reversal of deferred tax assets and liabilities is expected to increase the Group corporation tax charge for the year by £105,000.

Deferred consideration provisions arise where future consideration is payable in respect of acquisitions, contingent upon their future results. This is in respect of the acquisition of The Space Holdings London Limited during 2019. The provision at 31 December 2019 is payable in 2020.

Other provisions relate to onerous leases and dilapidations which will crystallise over the periods of the leases unless they can be mitigated or are settled by way of early termination.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

18. FINANCIAL INSTRUMENTS

	GROUP	
	2019	2018
	£'000	£'000
Financial assets measured at amortised cost:		
Trade debtors	9,602	10,582
Other debtors	2,968	290
Cash at bank and in hand	15,810	15,209
	28,380	26,081
Financial liabilities measured at amortised cost:		
Client deposits	20,052	15,821
Trade creditors	7,734	8,295
Other creditors	299	391
Accruals	5,662	7,590
	33,747	32,097

19. CALLED UP SHARE CAPITAL AND RESERVES

	2019	2018
	£'000	£'000
Called up share capital		
Allotted and fully paid		
30,044,099 (2018: 30,044,099) 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.

20. RESERVES

Share premium account

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

Profit and loss account

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

Merger reserve

The difference between the cost of investment of Landmark Space Limited in 2018 and the nominal value of the share capital acquired has been included in the merger reserve.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	GROUP	
	2019	2018
	£'000	£'000
(A) Cash flows from operating activities		
Operating profit	4,586	6,570
Depreciation of tangible fixed assets	9,037	6,874
Amortisation of goodwill	1,518	505
Increase in unamortised lease incentives received	3,988	288
Amortisation of software	563	249
Loss on sale of operations	2,751	-
Increase in debtors	(1,718)	(2,651)
(Decrease)/increase in creditors	(1,127)	3,766
(Decrease)/Increase in provisions	(483)	614
UK corporation tax paid	(195)	(41)
Net cash flows from operating activities	18,920	16,174
(B) Cash flows from investing activities		
Purchase of tangible fixed assets	(13,478)	(12,873)
Purchase of intangible fixed assets	(1,239)	(1,485)
Sale of operations - exceptional item	(1,066)	-
Purchase of subsidiary undertakings and businesses	(1,219)	(59)
Cash at bank and in hand acquired	483	-
Net cash flows from investing activities	(16,519)	(14,417)
(C) Cash flows from financing activities		
Dividends paid	(1,800)	(1,800)
Net cash flows from financing activities	(1,800)	(1,800)

(D) Analysis of changes in net funds

The increase in cash at bank and in hand in the year of £601,000 results from a net cash inflow of £118,000 and amounts acquired of £483,000.

(E) Non-cash transactions

The cash consideration for the acquisition of The Space Holdings London Limited (see note 24) was mainly paid by O.C.S. Group Limited and details of the corresponding £10,000,000 loan agreement are disclosed in note 15.

22. CAPITAL COMMITMENTS

	GROUP	
	2019	2018
	£'000	£'000
Future capital expenditure		
Contracted for but not provided	896	5,377

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

23. OPERATING LEASE COMMITMENTS

At 31 December 2019 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:

	GROUP	
	2019	2018
	£'000	£'000
Payments due:		
Within one year	45,974	38,149
Between one and five years	172,455	144,480
After five years	79,994	84,553
	298,423	267,182

24. FIXED ASSET INVESTMENTS

	COMPANY
	2019
	£'000
Investment in subsidiary companies	
Cost	
At 1 January 2019	35,559
Additions	17,742
Disposals	(2,065)
At 31 December 2019	51,236
Impairment	
At 1 January 2019 and 31 December 2019	(2,294)
Net book value	
At 31 December 2019	48,942
At 31 December 2018	33,265

On 30 November 2019 Garden Studios Business Centre Limited was disposed, thereby exiting an under-performing lease. The Group incurred an exceptional loss on sale of £2,751,000.

On 31 March 2019 the Company acquired 100% of the share capital of The Space Holdings London Limited. The following values were attributed to the major categories of assets and liabilities acquired:

	BOOK VALUES AND FAIR VALUES
	£'000
Tangible fixed assets	6,158
Cash at bank and in hand	483
Debtors	3,468
Creditors: amounts falling due within one year	(4,753)
Creditors: amounts falling after more than one year	(4,190)
Provisions for liabilities	(168)
Net assets acquired	998
Goodwill	16,744
Total consideration	17,742
Discharged by:	
Cash paid in the year (including cash paid by O.C.S. Group Limited, the Company's ultimate parent company)	11,792
Deferred contingent cash consideration (see note 17)	5,950
	17,742

In the year ended 31 December 2019, turnover of £10,238,000 and profit after taxation of £1,450,000 are included in the consolidated profit and loss account in respect of the group of companies headed by The Space Holdings London Limited.

The useful life of goodwill for this acquisition is ten years.

LANDMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

25. SUBSIDIARY UNDERTAKINGS

All subsidiaries of the Company are incorporated in the United Kingdom and their details at 31 December 2019 are listed below. The holdings included in the table below are all ordinary shares.

Name	Holding	Registered office address (key)
Serviced offices:		
Landmark Business Centres (Bank) Limited	100%	1
Landmark Business Centres (Bishopsgate) Limited	100%	1
Landmark Business Centres (Dover Street) Limited	100%	1
Landmark Business Centres (Holland House) Limited	100%	1
Landmark Business Centres (OBS) Limited	100%	1
Landmark Space Limited	100%	1
The Space Aldgate Limited	100%	2
The Space Holborn Limited	100%	2
The Space Holdings London Limited	100%	2
The Space Liverpool Street Limited	100%	2
The Space Management London Ltd	100%	2
The Space Mayfair Limited	100%	2
The Space Old Street Limited	100%	2
The Space Regent Street Limited	100%	2
The Space Shoreditch Limited	100%	2
Non-trading:		
Landmark Technologies (UK) Limited	100%	1
i2 Office Limited	100%	1

Registered office address key

1. 4 Tilgate Forest Business Park, Brighton Road, Crawley, West Sussex, RH11 9BP
2. 4 Irongate House, 22-30 Dukes Place, London, United Kingdom, EC3A 7LP

26. CONTINGENT LIABILITIES

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 2019 the borrowings outstanding were £43,332,000 (2018: £33,836,000) including £8,000,000 (2018: £nil) in respect of amounts guaranteed by the Company. The Directors consider it to be highly unlikely that any amounts will be payable under these guarantees.

At 31 December 2019 £nil (2018: £198,000) of the Group's cash and cash equivalents was charged as security for the Group's rental obligations.

27. 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.

28. SUBSEQUENT EVENTS

Following the year end the Group has received £17,000,000 of long term committed cash funding from O.C.S. Group Limited. In addition to the loan referred to in note 15, further loan agreements are now in place confirming that £27,500,000 owed to O.C.S. Group Limited (which includes £10,500,000 of other amounts previously due on demand to O.C.S. Group Limited) is not repayable until 31 December 2021. Early repayment is permitted without penalty and interest is payable at a fixed rate of 2.50% per annum.

The impacts of the COVID-19 pandemic are described in the Strategic Report and Directors' Report. The COVID-19 pandemic is classified as a non-adjusting subsequent event. Whilst there may be impacts arising from COVID-19 on the carrying values of assets and liabilities in 2020, a reliable estimate of the net financial impact, if any, cannot currently be made.