COMPANY NO08325025

Maze 3 Limited

Reports and Financial Statements for the Financial Year ended 31 December 2018

Contents

Maze 3 Limited
Company number 08325025

Directors
Wesley Wheeler
Doaa Fathallah
Andrew Gravatt
Joseph Mozzali

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107 Power Road
Chiswick
London
W4 5PY

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London
E14 5AQ

Independent Auditors
Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Earlsfort Terrace
Dublin 2
Ireland

Solicitors
Clyde and Co LLP
Beaufort House
15 St Botolph Street
London
EC3A 7AR

Directors' report

The directors present their directors' report and audited financial statements for the year ended 31 December 2018.

Results and dividends

	Year ended 31 December 2018	Year ended 31 December 2017
	€'000	€'000
Loss for the financial year	(8,260)	(7,827)

The directors have not recommended the payment of a dividend *(2017: Nil)*.

Principal activities, business review and future developments

Principal activities

The company's principal activity is that of a holding company and it is the intention of the directors to continue as a holding company for the foreseeable future.

Business review

The company was incorporated in England, United Kingdom on 10 December 2012, and is a fully owned subsidiary of Maze 2 Limited. It is a private company limited by shares and is domiciled in the United Kingdom. It was set up together with Maze 2 Limited, to acquire Iridium France S.A.S. and its subsidiaries ('Iridium') by the syndicate of lenders to the vendor of Iridium.

On 21 December 2016, UPS Corporate Finance Sarl, a Luxembourg resident entity, purchased Maze 1 Limited, the then ultimate parent of Maze 3 Limited.

Going concern

The directors have prepared the financial statements on a going concern basis. More details can be found in Note 1 to these financial statements.

The company has support from the ultimate parent company, United Parcel Service, Inc ('UPS') a publicly listed company in the United States of America, which has confirmed that there is no intention to ask for repayment of amounts due to itself and other group companies in the foreseeable future, and not less than twelve months from the date of signing the financial statements. The directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Wesley Wheeler
Doaa Fathallah
Andrew Gravatt
Daniel Silvernale (appointed 1 April 2017, resigned 30 September 2018)
Joseph Mozzali (appointed 30 September 2018)

Directors' report *(continued)*

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of price, credit, liquidity, foreign exchange, interest rate, commodity price and political risks. Due to the size of the company's operations, it is not exposed to a number of these financial risks, with the exception of foreign currency risk arising on its UK sterling denominated balances. The exposure to foreign exchange risk within the company is monitored and managed closely by the directors.

Employees

There were no employees directly employed by the company during the year ended 31 December 2018. (2017: none)

Political contributions

The Company made no political donations nor incurred any political expenditure during the year. (2017: none)

Brexit

Marken Group is well-positioned to withstand any negative impact of Brexit in respect of labour mobility, regulatory and other government policies, as well as inward investment to the UK and the overall macroeconomic situation, as it is a fully international business with a diverse global customer base.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors
The auditors, Deloitte Ireland LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Andrew Gravatt
Director
13 September 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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. The directors 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the members of Maze 3 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Maze 3 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 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.

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Deloitte.

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Independent auditor's report to the members of Maze 3 Limited

Other information (continued)

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identified during the audit.

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Independent auditor's report to the members of Maze 3 Limited

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Sinéad McHugh
Sinéad McHugh ACA (Senior Statutory Auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Dublin, Ireland

Date: 16/09/2019

Income Statement
For the year ended 31 December 2018

	Note	Year ended 31 December 2018 €000	Year ended 31 December 2017 €000
Operating expenses		(5)	-
Operating (loss)/profit	*3*	**(5)**	-
Interest payable and other similar expenses	*5*	(8,255)	(7,827)
Loss before taxation		**(8,260)**	(7,827)
Tax (charge)/credit	*6*	-	-
Loss for the financial year		**(8,260)**	(7,827)

All results derive from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2018

	Year ended 31 December 2018 €000	Year ended 31 December 2017 €000
Loss for the financial year	**(8,260)**	(7,827)
Total comprehensive loss for the year	**(8,260)**	(7,827)

The notes on pages 13 to 23 form part of these financial statements.

Maze 3 Limited
Company number 08325025

Statement of Financial Position
As at 31 December 2018

	Note	2018 €000	2017 €000
Non-current assets			
Investments	7	**15,540**	15,540
Current assets			
Debtors	8	**2,578**	2,606
Total current assets		**2,578**	**2,606**
Creditors: amounts falling due within one year	9	**(176,007)**	(167,775)
Net current liabilities		**(173,429)**	(165,169)
Net liabilities		**(157,889)**	**(149,629)**
Capital and reserves			
Called up share capital	10	-	-
Revaluation reserve		(62)	(62)
Accumulated losses		(157,827)	(149,567)
Total Shareholders' deficit		**(157,889)**	**(149,629)**

The notes on pages 13 to 23 form part of these financial statements.

The accounts have been prepared in accordance with the provisions applicable to company's subject to the small companies' regime.

The financial statements were approved by the Board on 13 September 2019 and signed on its behalf by:

A.S. Gravett

Andrew Gravatt
Director
13 September 2019

Maze 3 Limited
Company number 08325025

Statement of Changes in Equity
For the year ended 31 December 2018

	Called up share capital	Revaluation reserve	Accumulated losses	Total shareholders' deficit
	€000	€000	€000	€000
Balance as at 1 January 2017	-	(62)	(141,740)	(141,802)
Total comprehensive loss for the financial year	-	-	(7,827)	(7,827)
Balance as at 31 December 2017	-	(62)	(149,567)	(149,629)
Total comprehensive loss for the financial year	-	-	(8,260)	(8,260)
Balance as at 31 December 2018	-	(62)	(157,827)	(157,889)

The notes on pages 13 to 23 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2018

1 General Information

Maze 3 Limited (the Company) is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 2 to 3.

These financial statements are presented in Euros which is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of United Parcel Service Inc. The group accounts of United Parcel Service Inc are available to the public and can be obtained as set out in note 11.

New and amended IFRS Standards that are effective for the current year

Impact of initial application of IFRS 9 *Financial Instruments*

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

The company's accounting policies for financial instruments are disclosed in Note 2. IFRS 9 has not resulted in changes in the carrying amounts of the company's financial instruments due to changes in measurement categories. All financial assets that were classified as Trade and other receivables and measured at amortised cost continue to be measured at amortised cost. Financial liabilities continue to be classified as amortised cost and measured at amortised cost.

In addition, the application of the ECL model under IFRS 9 has not changed the carrying amounts of the company's financial assets. The carrying amounts of financial assets continued to approximate their fair values on the date of transition to IFRS 9.

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the company has considered the impact of IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

The company has no contracts with customer and there is no revenue that falls under the scope of IFRS 15, directors are satisfied that there is no impact of IFRS 15.

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

Impact of initial application of other amendments to IFRS Standards and Interpretations

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2018, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRS

	Effective for annual periods beginning on or after
IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions	*1 January 2018*
IAS 40 (amendments) Transfers of Investment Property	*1 January 2018*
IFRIC 22 Foreign Currency Transactions and Advance Consideration	*1 January 2018*

The following standards are not yet mandatorily effective and have not been early adopted by the company;

- IFRS 16 Leases (1 January 2019)
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- IFRIC 23 Uncertainty over Income Tax Treatments

The company does not believe adoption of the above standards will have a material impact on the financial statements.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Maze 3 Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The company is exempt by virtue of s.400 of the Companies Act 2006 from the requirement to prepare group financial statements as its results are included within the consolidated financial statements of its ultimate parent United Parcel Services Inc, which are publicly available (see note 11). These financial statements therefore present financial information about the company as an individual undertaking and not about its group.

The company is also exempt from the requirement to prepare a strategic report as it meets the definition of a small company under the Companies Act 2006.

As the company is a wholly owned subsidiary of United Parcel Services Inc, the company has taken advantage of the disclosure exemptions permitted by FRS 101. The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS I 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f)7 16: 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

Accounting policies *(continued)*

- the requirements of pargraphs 134 (d) – 34(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of paragraphs 134(d)-134(f) and1 35(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of IFRS 3 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 [FRS 101: 8(b)]

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical judgements required when preparing the Company's financial statements are as follows:

(i) Impairment of investments – Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recovered. When a review for impairment is conducted the recoverable amount of an asset or cash-generating unit is determined based on the high of fair value, less costs to sell, and value in use calculations prepared on the basis of management's assumptions and estimates. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the cash generating unit and the choice of a suitable discount rate in order to calculate the present value.

Going concern

The company has support from the ultimate parent company, United Parcel Service, Inc ('UPS'), which has confirmed that there is no intention to ask for repayment of amounts due to itself and other Group companies in the foreseeable future, and not less than 12 months from the date of signing the audit report. The directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The financial statements do not reflect any adjustment should the going concern basis not be appropriate.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

Impairment of Investments

The carrying amounts of the company's investments are reviewed for impairment annually or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. A reversal of an impairment loss is recognised whenever there is an indication that an impairment loss previously recognised in a previous period no longer exists or has decreased. Impairment losses and reversals are recognised in the income statement.

Borrowing

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Finance cost comprises interest expense on borrowings, unwinding of the discount on provisions and the cost of forward foreign exchange contracts.

Foreign currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Euro' (€), which is also the company's functional currency. Transactions in currencies other than the company's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions.

At each year-end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items denominated in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period.

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

Accounting policies ***(continued)***

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the year-end date.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at amortised cost.

Financial assets subsequently measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company includes in this category cash, trade receivables, amounts owed by group and parent undertakings and other short-term receivables.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Notes to the financial statements *(continued)*

For the year ended 31 December 2018

Financial instruments *(continued)*

Impairment of financial assets

The company only holds receivables at amortized cost, with no significant financing component and which have maturities of less than 12 months and as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the company does not track changes in credit risk, but instead, recognizes a loss allowance based on lifetime ECLs at each reporting date.

The carrying value of interest receivable, receivables on unsettled trades and other short-term receivables, measured at amortized cost less any expected loss, is an approximation of fair value given their short-term nature.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The company includes in this category trade payables and other short-term payables.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the company exchanges with the existing lender one debt instrument for another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

3 Operating loss

The average number of persons employed by the company during the year (including Directors) was nil *(2017: nil)*.

The auditors' remuneration for the audit of these financial statements is borne by another Marken undertaking.

4 Remuneration of directors

The directors' remuneration is borne by other Marken undertakings in both years.

5 Interest payable and similar expenses

	Year ended 31 December 2018 €'000	Year ended 31 December 2017 €'000
Financial debt management	-	(3)
Interest payable	(8,269)	(7,855)
Foreign exchange gain	14	31
Interest payable and similar expenses	**(8,255)**	(7,827)

Notes to the financial statements *(continued)*

For the year ended 31 December 2018

6 Tax on loss

	Year ended 31 December 2018 €'000	Year ended 31 December 2017 €'000
Current tax	-	-

Factors affecting the tax charge for the current year

The tax charge for the year is lower (2017: lower) from the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19.00% *(2017: 19.25%)*. The differences are explained below:

	Year Ended 31 December 2018 €'000	Year ended 31 December 2017 €'000
Current tax reconciliation		
Loss before taxation	(8,260)	(7,827)
Loss on ordinary activities multiplied by the standard rate in the UK of 19.00% *(2017: 19.25%)*	(1,569)	(1,506)
Effects of:		
Group relief for nil consideration	(2)	-
Expenses not deductible for tax purpose	1,571	1,506
Total tax charge for the year	-	-

The UK Government has announced a staged reduction in the main rate of corporation tax. From 1 April 2015 the main rate of corporation tax was reduced from 21% to 20% and from 1 April 2017 it reduced to 19% and further reductions to 17% are scheduled from 1 April 2020.

Deferred tax

The Company has a Deferred Tax Asset as at 31 December 2018 of €nil (2017: €97k) which was not recognised in the Financial Statements in the prior year because the Directors were not certain of the recoverability of the asset.

Deferred Tax Assets are recognised for tax loss carry forwards and other timing differences to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred Income tax assets as follows:

	Year Ended 31 December 2018 €'000	Year ended 31 December 2017 €'000
Losses carried forward	-	97
Unrecognised deferred tax asset	-	97

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

7 Investments

	2018 €'000	2017 €'000
Beginning of the financial year	15,540	15,540
End of the financial year	15,540	15,540

On 21 December 2012, Maze 3 Limited paid a total consideration of £1 to acquire 100% of the ordinary shares of Iridium France S.A.S. Included below are all the subsidiaries that fall below Maze 3 Limited as a result of this purchase.

On 8 December 2014, Maze 3 Limited assumed the rights and obligations of the €135,000 senior term debt agreement originally held by Iridium France S.A.S. in exchange for an unsecured loan note of €135,000. On the same date, Iridium France S.A.S. issued 135,000 shares with a par value of €1 to Maze 3 Limited, which were paid by offsetting the above-mentioned unsecured loan note. The investment of €135,000 was recognised initially at fair value at €15,540.

A call option agreement was entered into between Maze 3 Limited and UPS (UK) Limited, whereby Maze 3 Limited granted UPS (UK) Limited a 5-year option to purchase Iridium SAS at fair market value, effective from 25th October 2017.

The subsidiary undertakings at 31 December 2018 were:

Subsidiary name and address of registered office	Country of incorporation/ registration	Nature of business	Ordinary shares directly held by the Company (%)	Ordinary shares directly held by the Group (%)
Iridium France SAS. 11-15 Quai Dc Dion Bouton, 92800 Puteaux, France	France	Intermediate holding company	100%	
Platinum France Investissements S.A.S. 11-15 Quai Dc Dion Bouton, 92800 Puteaux, France	France	Intermediate holding company		100%
Marken Services Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Head office financing company		100%
De Facto 1341 Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Intermediate holding company		100%
Marken Time Critical Express SA (Argentina) Suipacha 268, floor 12, 1008 - Buenos Aires, Argentina	Argentina	Trading company	1.61%	98.39%
Marken S.A.S. 11-15 Quai Dc Dion Bouton, 92800 Puteaux, France	France	Trading company		100%
Marken Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Trading company		100%
Marken Time Critical Express Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Trading company		100%

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

Investments (continued)

Subsidiary name and address of registered office	Country of incorporation/ registration	Nature of business	Ordinary shares directly held by the Company (%)	Ordinary shares directly held by the Group (%)
Marken Switzerland AG Ground Floor, 107 Baarerstrasse 112,6302 Zug, Switzerland	Switzerland	Trading company		100%
Marken Time Critical Express GmbH 11-15 Monchhofallee 13, 65451 Kelsterbach Germany	Germany	Intermediate holding company		100%
Marken Germany GmbH GroBmoorrin 4,21079 Hamburg, Germany	Germany	Trading company		100%
Marken Korea LLC Room 1611, 16th Floor, 220 Yeongsin-ro, Yeongdeungpo-gu, Seoul	South Korea	Trading company		100%
Marken LLC (Russia) Russia, 129301, Moscow, Kasatkina street. 13, bld. 5.	Russia	Trading company		100%
Marken Brasil Servicos de Cadeia de Suprimentos Ltda. Avenida VereadorJoao de Luca, 1.8 10, Jardim Prudencia, 0438 1-001, Sao Paulo, State of Sao Paulo, Brazil	Brazil	Trading company		100%
Marken (South America) Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Trading company		100%
Marken Time Critical Express (Beijing) Limited	China	Trading company		100%
Touchdown International Logistics	Taiwan	Trading company		100%
Marken Japan Holdings Kabushiki Kaisha	Japan	Intermediate holding company		100%
Marken Japan Kabushiki Kaisha	Japan	Trading company		100%

8 Debtors

	2018	2017
	€'000	€'000
Amounts owed from group undertakings	2,578	2,606
	2,578	2,606

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements *(continued)*
For the year ended 31 December 2018

9 Creditors: amounts falling due within one year

	2018	2017
	€'000	€'000
Amounts owed to group undertakings	12,329	12,372
Amounts owed to parent	163,671	155,402
Other creditors	7	1
	176,007	167,775

On 8 December 2014, Maze 3 Limited assumed the rights and obligations of the €135,000 senior term debt agreement originally held by Iridium France S.A.S. Repayment of this debt is by way of mandatory and voluntary repayment. The maturity date of this debt was 31st December 2017 with any balance outstanding repayable in full on that date.

The senior term debt was recognised initially at fair value at €15,540. Subsequently, the debt was measured at amortised cost using the effective interest rate, with the difference between the fair value and redemption value being recognised in the Income Statement over the term of the borrowing as a finance cost.

On 21 December 2016, the ultimate parent company of Maze 3 Limited, Maze 1 Limited was purchased by UPS Corporate Finance Sarl, a Luxembourg resident company whose ultimate parent company is United Parcel Service, Inc. As part of the acquisition arrangement, the external debt of Maze 3 Limited, of €147,310 (€135,000 plus interest capitalised), was settled by UPS Corporate Finance Sarl, in exchange for an intercompany loan. At the date of the acquisition the amortisation on the senior debt needed to be fully unwound resulting in finance costs of €101,528 being recognised in the Income Statement.

The intercompany loan is repayable on demand whereby any balance outstanding including interest and expenses were repayable in full.

The remainder of the amounts owed to group undertakings, €12,372 are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Called up share capital

	2018	2017
	€	€
Allotted, called up and fully paid		
1 (2016:1) Ordinary share of €1 each	1	1

The Company was incorporated on 10 December 2012 and issued 1 ordinary share of €1 for a total consideration of €1.

11 Ultimate controlling party

The immediate parent undertaking is Maze 2 Limited, a company incorporated in the UK. The financial statements of this company are available to the public and can be obtained from the Companies House web site at http://www.companieshouse.co.uk.

The ultimate parent company is United Parcel Service, Inc. ('UPS'), a company incorporated in the United States of America. Maze 3 Limited and its subsidiaries including Iridium France were acquired by UPS on 21st December 2016. Copies of the consolidated financial statements of United Parcel Service Inc, which is the largest and smallest group into which the company is consolidated are available to the public and can be obtained from the Company's website http://www.investors.ups.com.

12 Subsequent events

There are no significant subsequent events.