

Esken Realisations Limited

(formerly Stobart Realisations Limited)

Full Audited Financial Statements

For the year ended 28 February 2022

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COMPANIES HOUSE

Company number

03000614

Director

N Dilworth
L Girdwood

Auditor

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Registered Office

Third Floor
15 Stratford Place
London
W1C 1BE

Directors' report

The directors present their report and financial statements for the year ended 28 February 2022.

Strategic report

Esken Realisations Limited ("the Company") has met the requirements in The Companies Act 2006 to obtain the exemption provided, based on its size, from the presentation of a strategic report.

Results and dividend

The loss for the year after taxation amounted to £nil (2021: £54,315). During the year a dividend of £nil (2021: £1,074,717) was paid to the Company's immediate parent Esken Holdings Limited (formerly Stobart Holdings Limited).

Principal activity

The company did not trade in the year following the disposal of its trade and assets in the prior year on 7 May 2020 and is now non-trading.

Future developments

The Company will continue to be non-trading until it is liquidated.

Principal risks and uncertainties

During the prior year all stock was disposed of at book value so the Company has no trading risk.

Going concern

As described above, the entity ceased trading during the prior year and the financial statements are prepared on a non-going concern basis. No adjustments have been made to the value of assets and liabilities as a result of the non-going concern basis of preparation.

Directors

The directors who served the company during the year were as follows:

W Brady (resigned: 30 April 2021)

N Dilworth

L Girdwood

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director 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 Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the shareholders have agreed to the appointment of Mazars LLP as auditors for the year ending 28 February 2023. KPMG LLP will therefore cease to act as auditors.

On behalf of the board



L Girdwood
Director

31 August 2022

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Esken Realisations Limited (continued)

Opinion

We have audited the financial statements of Esken Realisations Limited (formerly Stobart Realisations Limited) ("the Company") for the year ended 28 February 2022 which comprise of Balance sheet, Profit and loss account and other comprehensive income, Statement of changes in equity and related notes, including the accounting policies in note 1. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We did not identify any additional fraud risks.

There were no accounting entries during the period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

Independent auditor's report to the members of Esken Realisations Limited (continued)

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report.
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent auditor's report to the members of Esken Realisations Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Christian Bower-Sloane (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square
Manchester
M2 3AE

31 August 2022

Profit and loss account and other comprehensive income

for the year ended 28 February 2022

	Notes	2022 £	2021 £
Revenue	2	-	7,330
Cost of sales		-	(2,422)
Gross profit		-	4,908
Profit on sale of trade and assets	3	-	4,649
Administrative expenses		-	(23,661)
Loss on ordinary activities before taxation	4	-	(14,104)
Tax on loss on ordinary activities	6	-	(40,211)
Loss for the financial year		-	(54,315)

The above results arise from a discontinued operation, see note 1 for further information.

There was no other comprehensive income in either year other than that recognised above, therefore no separate statement of other comprehensive income has been prepared.

The notes on pages 10 to 14 form part of the financial statements.

Balance sheet

at 28 February 2022

	Notes	2022 £	2021 £
Non-current assets			
Debtors	7	20,000	20,000
Net assets		<u>20,000</u>	<u>20,000</u>
Capital and reserves			
Called up share capital	8	<u>20,000</u>	<u>20,000</u>
		<u>20,000</u>	<u>20,000</u>

The notes on pages 10 to 14 form part of the financial statements.

The financial statements of Esken Realisations Limited were approved by the board of directors and were signed on its behalf by:



L Girdwood

Director

31 August 2022

Statement of changes in equity

at 28 February 2022

	Share capital £	Profit and loss account £	Total equity £
Balance as at 1 March 2021	20,000	-	20,000
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 28 February 2022	20,000	-	20,000

	Share capital £	Profit and loss account £	Total equity £
Balance as at 1 March 2020	20,000	1,129,032	1,149,032
Loss for the year	-	(54,315)	(54,315)
Total comprehensive expense for the year	-	(54,315)	(54,315)
Dividends paid	-	(1,074,717)	(1,074,717)
Balance as at 28 February 2021	20,000	-	20,000

The notes on pages 10 to 14 form part of the financial statements.

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

Esken Realisations Limited is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Esken Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Esken Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Old Bank Chambers, La Grand Rue, St Martin's, Guernsey GY4 6RT.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Esken Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

In the prior year, on 7 May 2020 the company disposed of its trade and assets and from this date ceased trading. Therefore, the financial statements are prepared on a non-going concern basis. No adjustments to fair values have been made as a result of the non-going concern basis of preparation.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes to the financial statements

Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or held for distribution. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale or held for distribution, if earlier. Esken Realisations meets this definition following the disposal of its trade and assets.

2. Revenue

Revenue accounted for during the year can be categorised as follows:

Major product/service line

	2022	2021
	£	£
Sale of Promotional goods	-	1,245
Stobart club membership revenue	-	6,071
Royalty Income	-	14
	-	7,330

Primary geographical market

	2022	2021
	£	£
UK	-	7,330
	-	7,330

Timing of revenue recognition

	2022	2021
	£	£
Products and services transferred at a point in time	-	7,330

3. Profit on sale of trade and assets

In the prior year, on 7 May 2020 the trade and assets of the Company with net book value of £4,805 were sold to Logistics Development Group plc for £9,454 leading to a profit on disposal of £4,649. The sale was part of the disposal of the Stobart brands by the Company's ultimate parent Esken Limited.

Notes to the financial statements

4. Operating expenses

	2022	2021
	£	£
Loss before tax is stated after (crediting)/charging:		
Auditor's remuneration – audit of financial statements	-	(4)
Depreciation – owned assets	-	14,663

5. Directors' emoluments

Emoluments totalling £704,000 (2021: £975,000) and company pension contributions totalling £92,000 (2021: £176,000) were borne by a fellow group company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

6. Taxation on ordinary activities

	2022	2021
	£	£
<i>Current tax:</i>		
UK Corporation tax at 19% (2021: 19%)	-	-
Total current tax	-	-
<i>Deferred tax:</i>		
Charge for the year	-	56,290
Impact of rate change	-	(5,925)
Adjustment in respect of prior years	-	(10,154)
Total deferred tax	-	40,211
Total tax charge	-	40,211

Notes to the financial statements

6. Taxation on ordinary activities (continued)

Reconciliation of effective tax rate

The difference between the tax assessed in the year and the charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%) is reconciled as follows:

	2022 £	2021 £
Loss on ordinary activities before taxation	-	(14,104)
Tax at 19% (2021: 19%)	-	(2,680)
<i>Effects of:</i>		
Income not taxable	-	(3)
Tax losses carried forward not recognised	-	58,973
Adjustments in respect of prior years	-	(10,154)
Impact of rate change	-	(5,925)
Difference between current and deferred tax rates	-	(152)
Total tax charge for the year	-	40,211

7. Debtors

	2022 £	2021 £
Non-current		
Amount due from group companies	20,000	20,000
	20,000	20,000

The above amount due from a fellow Group undertaking is repayable on demand but is not expected to be settled within 12 months.

Notes to the financial statements

8. Share capital and reserves

	2022	2021
	£	£
Allotted, called up and fully paid:		
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

All shares rank pari passu for dividend rights and provide the holder with one vote.

The following describes the nature and purpose of each reserve within equity:

Share capital – Nominal value of share capital subscribed for.

Profit and loss account – All other net gains and losses and transactions with owners not recognised elsewhere.

9. Contingent liabilities

There is an unlimited bank cross guarantee arrangement between the company and its fellow subsidiary undertakings. The maximum potential liability at 28 February 2022 was £nil (2021: £55,000,000).

10. Ultimate parent undertaking and controlling party

The company is a subsidiary of Esken Holdings Limited which is the immediate parent company. The ultimate parent company and controlling party is Esken Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by Esken Limited, incorporated in Guernsey. No other group financial statements include the results of the Company.

The consolidated accounts in which the company is included are available from Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.