

**Stobart Realisations Limited**

**(formerly Eddie Stobart Promotions Limited)**

**Full Audited Financial Statements**

For the year ended 28 February 2021

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COMPANIES HOUSE

**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 2021.

### Strategic report

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 £54,315 (2020: £4,251 profit). During the year a dividend of £1,074,717 (2020: £nil) was paid to the Company's immediate parent Stobart Holdings Limited.

### Principal activity

The company ceased trading in the year following the disposal of its trade and assets 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 year all stock was disposed of at book value leaving the Company with no trading risk.

### Going concern

As described above, the entity ceased trading during the year and the financial statements are now 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 for the Companies Act 2006, the auditor will be deemed to be reappointed, and KPMG LLP will therefore continue in office.

On behalf of the board



L Girdwood  
Director

27 August 2021

## 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 Stobart Realisations Limited

## Opinion

We have audited the financial statements of Stobart Realisations Limited ("the company") for the year ended 28 February 2021 which comprise the Profit and loss account, the Balance sheet, the 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 2021 and of its loss 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 basis of preparation

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 revenue relates to non-complex merchandise income with no judgement involved.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual offset accounts when posted to cash and borrowings and those with blank descriptions that could indicate fraudulent posting.

### *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.

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

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

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.

### **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.

## **Independent auditor's report to the members of Stobart Realisations Limited (continued)**

### **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](http://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

27 August 2021

## Profit and loss account

for the year ended 28 February 2021

	Notes	2021 £	2020 £
Revenue	2	7,330	155,143
Cost of sales		<u>(2,422)</u>	<u>(54,816)</u>
<b>Gross profit</b>		<b>4,908</b>	<b>100,327</b>
Profit on sale of trade and assets	3	4,649	-
Administrative expenses		<u>(23,661)</u>	<u>(94,749)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	4	<b>(14,104)</b>	<b>5,578</b>
Tax on (loss)/profit on ordinary activities	6	<u>(40,211)</u>	<u>(1,327)</u>
<b>(Loss)/profit for the financial year</b>		<b><u>(54,315)</u></b>	<b><u>4,251</u></b>

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 19 form part of the financial statements.



**Balance sheet**

at 28 February 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	7	-	14,663
Debtors	9	<u>20,000</u>	-
		<b>20,000</b>	14,663
<b>Current assets</b>			
Stock	8	-	5,501
Debtors	9	-	1,132,731
Cash at bank and in hand		-	<u>13,255</u>
		<b>20,000</b>	1,151,487
<b>Creditors: amounts falling due within one year</b>	10	-	(17,118)
<b>Net current assets</b>		<u><b>20,000</b></u>	<u>1,134,369</u>
<b>Net assets</b>		<u><b>20,000</b></u>	<u>1,149,032</u>
<b>Capital and reserves</b>			
Called up share capital	12	<b>20,000</b>	20,000
Profit and loss account		-	<u>1,129,032</u>
		<u><b>20,000</b></u>	<u>1,149,032</u>

The notes on pages 10 to 19 form part of the financial statements.

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



L Girdwood  
Director

27 August 2021

**Statement of changes in equity****at 28 February 2021**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>Balance as at 28 February 2021</b>	<b>20,000</b>	<b>–</b>	<b>20,000</b>

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 March 2019	20,000	1,124,781	1,144,781
Profit for the year	–	4,251	4,251
Total comprehensive income for the year	–	4,251	4,251
<b>Balance as at 29 February 2020</b>	<b>20,000</b>	<b>1,129,032</b>	<b>1,149,032</b>

The notes on pages 10 to 19 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**

Stobart Realisations Limited ("the Company") 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 a 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 Stobart Group 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**

On 7 May 2020 the company disposed of its trade and assets and from this date ceased trading. Consequently, 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.

#### **Revenue recognition**

Revenue is recognised in line with IFRS 15. The company sells a range of promotional goods and receives royalty payments for goods sold under licence. Product sales are recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific customer address provided on order. Royalty income is recognised when a contractual sale has been made by the licensee.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Motor vehicles	–	3 years straight line
Plant and equipment	–	5 years straight line
Fixtures, fittings and computers	–	3 years straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value.

#### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### ***Financial assets***

Financial assets are classified at initial recognition and subsequently measured at amortised cost, FVOCI or fair value through profit or loss. The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost, if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. It is initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

## Notes to the financial statements

### 1. Accounting policies (continued)

All equity instruments and other debt instruments are recognised at fair value. For equity instruments, on initial recognition, an irrevocable election (on an instrument-by-instrument basis) can be made to designate these as at FVOCI instead of fair value through profit and loss. Dividends received on equity instruments are recognised in profit or loss when the right of payment has been established.

#### *Financial liabilities*

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss, such as instruments held for trading, derivatives or the Group has opted to measure them at fair value through profit or loss. Debt and trade payables are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method, and other than interest capitalised, is recognised in profit or loss.

#### *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.

#### *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. Stobart Realisations meets this definition following the disposal of its trade and assets.

## Notes to the financial statements

### 2. Revenue

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

#### Major product/service line

	2021	2020
	£	£
Sale of Promotional goods	1,245	50,477
Stobart club membership revenue	6,071	93,756
Royalty Income	14	10,910
	<u>7,330</u>	<u>155,143</u>

#### Primary geographical market

	2021	2020
	£	£
UK	<u>7,330</u>	<u>155,143</u>
	<u>7,330</u>	<u>155,143</u>

#### Timing of revenue recognition

	2021	2020
	£	£
Products and services transferred at a point in time	<u>7,330</u>	<u>155,143</u>

### 3. Profit on sale of trade and assets

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

	2021	2020
	£	£
(loss)/profit before tax is stated after (crediting)/charging:		
Auditor's remuneration – audit of financial statements	(4)	9,004
Depreciation – owned assets	<u>14,663</u>	<u>3,682</u>

Remuneration in respect of the company's auditor in the current year was borne by the ultimate parent undertaking. The above credit represents the release of an accrual for audit fees.

### 5. Directors' emoluments

Emoluments totalling £975,000 (2020: £783,000) and company pension contributions totalling £176,000 (2020: £135,000) 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

	2021	2020
	£	£
<i>Current tax:</i>		
UK Corporation tax at 19% (2019: 19%)	–	–
Total current tax	<u>–</u>	<u>–</u>
<i>Deferred tax:</i>		
Charge for the year	56,290	1,295
Impact of rate change	(5,925)	–
Adjustment in respect of prior years	(10,154)	32
Total deferred tax (note 10)	<u>40,211</u>	<u>1,327</u>
Total tax charge	<u>40,211</u>	<u>1,327</u>

## 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% (2020: 19%) is reconciled as follows:

	2021 £	2020 £
(Loss)/profit on ordinary activities before taxation	(14,104)	5,578
Tax at 19% (2020: 19%)	(2,680)	1,060
<i>Effects of:</i>		
Income not taxable	(3)	
Tax losses carried forward not recognised	58,973	387
Adjustments in respect of prior years	(10,154)	32
Group relief not paid for	–	–
Impact of rate change	(5,925)	–
Difference between current and deferred tax rates		(152)
Total tax charge for the year	40,211	1,327

A change to the UK corporation tax rate was announced in the March 2021 Budget. Following this announcement on 3 March 2021, the corporation tax rate will now increase from 19% to 25% on 1 April 2023. Given the change is yet to be substantively enacted, the deferred tax assets/liabilities as at 28 February 2021 have all been recognised/provided at the current enacted rate of 19%.



## Notes to the financial statements

### 7. Tangible fixed assets

	Motor vehicles £	Plant & equipment £	Fix/fit & comps £	Total £
<b>Cost:</b>				
At 1 March 2020	18,191	2,763	15,996	36,950
Disposals	(18,191)	(2,763)	–	(20,954)
At 28 February 2021	–	–	<b>15,996</b>	<b>15,996</b>
<b>Depreciation:</b>				
At 1 March 2020	18,191	2,763	1,333	22,287
Charge for the year	–	–	14,663	14,663
Disposals	(18,191)	(2,763)	–	(20,954)
At 28 February 2021	–	–	<b>15,996</b>	<b>15,996</b>
<b>Net book value:</b>				
At 28 February 2021	–	–	–	–
At 29 February 2020	–	–	14,663	14,663

### 8. Stocks

	2021 £	2020 £
Goods for resale	–	<b>5,501</b>

During the year £2,422 (2020: £33,370) of stock purchases was recognised as an expense. On 7 May 2020 the Company sold its stock balance of £4,805 to Logistics Development Group plc (LDG) as part of the sale of trade and assets of the Company to LDG, see note 3.

## Notes to the financial statements

### 9. Debtors

	2021	2020
	£	£
<b>Non-current</b>		
Amount due from group companies	20,000	–
	<u>20,000</u>	<u>–</u>

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

	2021	2020
	£	£
<b>Current</b>		
Trade debtors	–	3,416
Amounts due from group companies	–	1,088,302
Prepayments and accrued income	–	801
Deferred taxation (note 10)	–	40,211
	<u>20,000</u>	<u>1,132,731</u>

### 10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	–	4,397
Accruals and deferred income	–	11,804
Other taxes	–	917
	<u>–</u>	<u>17,118</u>

## Notes to the financial statements

### 11. Deferred taxation

The movement on the deferred tax asset during the year was as follows:

	£
At 1 March 2020	40,211
Adjustments in respect of prior years	10,154
Charged to profit and loss account	(50,365)
<b>At 28 February 2021</b>	<b>–</b>

The deferred tax asset is analysed as follows:

	2021	2020
	£	£
Capital allowances	–	34,098
Other timing differences	–	6,113
	<b>–</b>	<b>40,211</b>

The deferred tax asset at 28 February 2021 has been calculated based on the rate of 19% (2020: 17%) substantively enacted at the balance sheet date. The unrecognised deferred tax asset at 28 February 2021 is £61,418 (2020: £346).

### 12. Share capital and reserves

	2021	2020
	£	£
Allotted, called up and fully paid:		
20,000 ordinary shares of £1 each	<b>20,000</b>	<b>20,000</b>

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.

### 13. 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 2021 was £55,000,000 (2020: £75,000,000).

## Notes to the financial statements

### **14. Ultimate parent undertaking and controlling party**

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