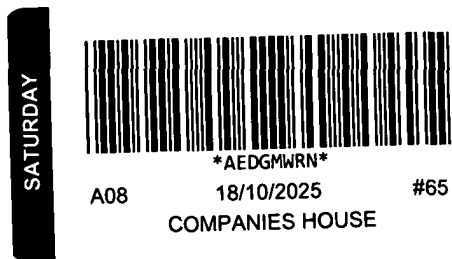


Eddie Stobart Limited

Annual Report and Financial Statements

Registered Number 00995045

31 December 2024



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Company Information

Company name:	Eddie Stobart Limited
Company number:	00995045
Company registered jurisdiction:	England and Wales
Company registered office address:	Stretton Green Distribution Park Langford Way Appleton Warrington Cheshire WA4 4TQ
Company type:	Private company limited by shares
Directors:	T P Held F Koehler L J McElroy S M Taylor
Independent auditors:	BDO LLP United Kingdom

Strategic Report

The directors present the Strategic Report of Eddie Stobart Limited ('the Company') for the year ended 31 December 2024. The comparative period is the year ended 31 December 2023 ("2023").

The Company is an indirect subsidiary of Unternehmensgruppe, Theo Müller S.e.c.s. (the "Parent"), an international group divided into the business segments of dairy, deli and services (the "UTM Group"). The Company is a member of the Culina Group (the "Culina Group"), a subgroup of the UTM Group. The Company's liquidity is managed centrally alongside other fellow subsidiaries within the UTM Group.

Principal activities

The principal activity of the Company is that of a leading supplier of logistics solutions to UK businesses encompassing road, rail and warehousing services.

Review of the business

These financial statements cover the year ended 31 December 2024 and during the year the Company has continued to build on its solid foundations as a unique transport network, strengthening its customer base and continuing to focus on the key strategic priorities:

- Management of central costs and overheads; and
- Driving efficiencies and improving profitability in the transport network through a re-focus of the customer base, ensuring customers and sectors remain balanced and profitable throughout the network.

As highlighted in more detail in the principal risks and uncertainties section of the Strategic Report, the challenging market conditions continue to impact the business, however the directors are satisfied that the Company continues to provide its customers with a market leading service. The Company is well funded and financially robust, so the directors are confident the business is well placed to meet the challenges of the on-going economic climate and market conditions.

Financial review

The Company produced a loss before taxation of £883k (2023: profit of £4,892k), the loss for the year after taxation was £1,094k (2023: loss £6,867k).

Revenues and operating profit

Revenue comprises amounts recognised by the Company in respect of goods and services supplied and increased to £556,811k (2023: £505,743k) which represents an increase of 10.1% following the addition of new customers and increased volume from existing customers. Operating profit has decreased to £12,799k (2023: £24,347k) which represents a decrease of 47.4% primarily due to increases in short term vehicle lease expenses.

Cash and cash equivalents

Cash and cash equivalents decreased to £7,971k (2023: £19,531k).

Net assets

Net assets decreased to £36,765k (2023: £37,859k).

Key Performance Indicators (KPIs)

The directors monitor the performance of the business both financially and operationally with a comprehensive suite of Key Performance Indicators (KPI) which cover all areas of the business and are shared with staff and customers as appropriate.

KPI	Measure	2024	2023
Financial KPIs			
Revenue (£000)	A measure of the work undertaken.	556,811	505,743
Operating profit (£000)	A measure of profit generated from core operations before the impact of financing and tax.	12,799	24,347
Trade receivable ageing	Working capital monitoring.	51.1 days	27.1 days
Trade payable ageing	Working capital monitoring.	24.4 days	28.4 days
Headcount KPIs			
Average monthly number of employees (including directors)	A measure of the resource required to support the business activity.	3,642	3,589

Strategic Report (continued)

Section 172(1) statement

In discharging their duty to promote the interests of the Company under section 172 Companies Act 2006, the directors of the Company have regard to a number of factors and stakeholder interests. These are described below. As a wholly owned subsidiary, the directors do not consider the factors listed in section 172(1)(f) (need to act fairly between the members of the Company) are relevant to the proper discharge of their duty under section 172.

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interests of the Company's employees;
- Need to foster the Company's business relationships with suppliers, customers and other stakeholders;
- Impact of the Company's operations on the community and the environment; and
- Desirability of the Company maintaining a reputation for high standards of business conduct.

The directors' regard to these matters is embedded in their decision-making process, through the Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, the board of directors of the Company ("the Board") takes into account the impact of relevant factors and stakeholder interests on the Company's performance. The Board also identifies principal risks facing the business and sets risk management objectives.

The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Board ensures these core values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Board recognizes that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate a sustainable business.

The directors are supported in the discharge of their duties by:

- A director training programme (held on an ad hoc basis) to further their understanding of their duties and obligations under applicable law and regulation;
- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the Company's business areas, its risk and control functions, support teams and committees of the Board; and
- Agenda planning for board and committee meetings to provide sufficient time for the consideration and discussion of key matters.

Key Decision: Impact of inflation

As a result of continuing inflationary pressures as measured by the Consumer Price Index (CPI) during 2024, the Company maintains its focus on managing the cost base effectively ensuring that the impact on customer rate increases is mitigated wherever possible.

All significant costs, for example energy prices, have been reviewed with appropriate strategies adopted to minimise the impact on the Company's overall cost base.

Strategic Report (continued)

Section 172(1) statement (continued)

Stakeholders

The Board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the Company.

The Board regularly discusses issues concerning employees, customers, suppliers, community and environment, regulators and its shareholder, which it takes into account in its discussions and in its decision-making process.

In addition to this, the Board seeks to understand the interests and views of the Company's stakeholders by engaging with them directly when required. The below table summarises the key stakeholders and how we engage with each:

Stakeholders	Engagement
Employees	<p>Our employees contribute to a positive working culture and safe working environment. Employees are key to the success of our business. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and our individual employees' potential within the business.</p> <p>We continually invest in employee development and wellbeing to create and encourage an inclusive culture within the organisation. Our employee appraisal programme encourages employee feedback and facilitates the opportunity for both employees and managers to set performance goals on an annual basis.</p> <p>Our culture invites different perspectives, new ideas and opportunities for growth. We work hard to ensure employees feel welcome and are valued and recognized for their hard work. All employees receive regular updates on the performance of the Company ranging from regular published updates to an annual Leadership Roadshow where the Culina Group CEO along with his Senior Management Team provides an update to all employees on key matters.</p>
Customers	<p>Customers are at the centre of our business.</p> <p>Our business development team allied with our customer service teams build lasting relationships with current and potential customers to understand their objectives and requirements. We are in regular contact with customers in order to meet their defined service and reporting requirements. This includes attending monthly and quarterly update calls, face to face meetings (quarterly/bi-annually/annually) depending on customer preferences.</p> <p>We take a consultative approach with customers focused on building long-term relationships and solving their supply-chain challenges.</p>
Suppliers	<p>We work with a wide range of suppliers both in the UK and the European Union. We remain committed to being fair and transparent in our dealings with all of our suppliers.</p> <p>The Company has procedures requiring due diligence of suppliers as to their internal governance, including for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters.</p> <p>The Company has systems and processes in place to ensure suppliers goods and services are provided in line with terms and conditions which are acceptable to the Company, in addition to ensuring suppliers are paid in a timely manner.</p>
Community and Environment	<p>The Board's approach to social responsibility, diversity and inclusion and the community is of high importance.</p> <p>Corporate social responsibility principles are part of our culture and decision-making process. We take a consultative approach focused on building long-term relationships and solving business problems.</p> <p>Diversity and inclusion is a key pillar for our Company. The Culina Group HR Officer is responsible for diversity and inclusion and aims to connect with affiliates and networks, updating the Board regularly.</p> <p>The Board continues to commit and broaden the Company's work and associations with local charitable organisations.</p>
Shareholders	<p>The Board also seeks to behave in a responsible manner towards our shareholders. The Board communicates information relevant to its shareholders on a regular basis to cover such items as financial performance, forecasting, annual budgeting, etc.</p>

Strategic Report (continued)

Non-Financial and Sustainability Information Statement (Climate-Related Financial Disclosures)

As noted within the *Streamline Energy & Carbon Reporting (SECR)* section of the Director' Report on page 14, the Company recognises the impact its operations have on the environment and we are committed to a sustainable future for all.

Culina Group, and the Company, comply with the requirements of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2023, which provide requirements for TCFD-aligned climate disclosures in Annual Reports ('TCFD recommendations'). The Company is committed to providing information about climate-related risks and opportunities that are relevant to our business and to evolving our strategy and governance framework to take account of such risks and opportunities. Stated below is the mandatory reporting of climate-related disclosures highlighted as part of the TCFD recommendations and we have split this into sections for each of the Pillars identified in the guidance.

Governance

a). A description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities (continued)

The Chief Financial Officer has board-level accountability for financial related sustainability, including climate-related financial disclosures.

The Chief People Officer has board-level responsibility for Sustainability and ensures that climate-related issues are reviewed.

The Culina Group Sustainability Lead has day-to-day responsibility for sustainability, including climate-related risks and ensuring that updates are provided to board members. Updates (including project updates and legislative updates) are provided in the form of a monthly report prepared for the Chief People Officer who shares with the Group CEO.

The Culina Group board meets at least quarterly, in which the most recent updates provided by the Group Sustainability Lead are shared. Renewable energy and alternative fuels are a key topic discussed at every Culina Group board meeting due to significance to Culina Group.

The Group Sustainability Lead is informed about climate-related issues through business-wide feedback as part of both regular and ad hoc meetings with stakeholders across the different business units.

Culina Group is in the process of setting group-level climate related goals and targets, including setting science-based targets through SBTi by October 2025. Once set, updates on these targets will be communicated to the Culina Group board at least quarterly.

Table below provides a visual overview of Governance structure of Culina Group in relation to climate-related issues:

Top-down risk management	Culina Group Board
Ongoing risk mitigation	Board accountable for financial related sustainability, including climate related financial disclosures. Culina Group board meets quarterly and reviews any progress updates provided by the Culina Group Sustainability Lead.
	Chief People Officer
	Board level responsibility for sustainability and ensures climate-related issues are reviewed by the board in quarterly meetings.
Bottom-up risk management	Group Sustainability Lead
Business leadership identifies, assesses, monitors and manages risk	The Chief Human Resources Officer has delegated day to day responsibility of sustainability and climate-related issues to the Group Sustainability Lead. Progress reports provided monthly to Chief Human Resources Officer who shares with CEO.
	Business Units
	Provision of information on climate-related issues identified across the business units. Shared with the Culina Group Sustainability Lead through ad hoc meetings.

Strategic Report (continued)

Non-Financial and Sustainability Information Statement (Climate-Related Financial Disclosures) (continued)

Risk management

b). A description of how the company identifies, assesses, and manages climate-related risks and opportunities.

Climate-related risks and opportunities have been identified at 'Culina Group' level through a risk and opportunity identification workshop in which key stakeholders and decision-makers from different business units were in attendance. Risks and opportunities were identified across the three core business functions: Ambient storage and transport, Chilled storage and transport, and Industrial Support Services.

All geographical areas and operations were considered when identifying relevant risks and opportunities and both physical and transition risks were considered.

The risks and opportunities identified by business unit were then assigned to the relevant business functions.

When identifying risks and opportunities, both internal inputs in the form of energy consumption data, carbon footprint data and stakeholder business knowledge, and external inputs in the form of customer feedback, legislation and industry best practice were considered.

The actual materiality of risks and opportunities were assessed using an impact and likelihood scale from which risk and opportunity prioritisation was possible.

The process by which Culina Group manages risks including how decisions are made to mitigate, transfer, accept or control these risks is not outlined in a formal manner. This is an area in which Culina Group is hoping to develop further over time.

c). A description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the company.

The identification, assessment and management of climate-related risks are subject to separate processes and procedures to existing risk management processes. To enable thorough identification of climate-related risks and opportunities by business stakeholders, a third party was engaged to deliver training on physical and transition risks and their actual and potential impacts on the Company.

Strategy

d). A description of – (i) the principal climate-related risks and opportunities arising in connection with the operations of the company, and (ii) the time periods by reference to which those risks and opportunities are assessed.

The key climate-related risks and opportunities (R&O's) identified were those considered to be material to the development, financial performance and financial position/prospects of Culina Group. The rationale for time horizons used can be seen in the below table:

Term	Period	Rationale
Short	Up to 2032	Aligns with the Culina Group near-term science-based target date.
Medium	2032 – 2040	Provides sufficient time to reflect transition events and acute physical climate events.
Long ¹	2040 – 2050	Aligns with the long-term science-based target date as well as broader industry and governmental target dates. Time horizon also provides sufficient time to reflect chronic physical climate events.

¹ Identified physical and transition risks were considered low materiality in the long term.

Short-term risks (up until 2032) focused on the impact of enhanced emissions reporting obligations and increased stakeholder concern. In the medium term (2032-2040), risks predominantly arise from a transition to a low carbon economy and to a lesser extent, physical risks from an increasingly warm world. Specifically, transition risks focused on mandates on and regulation of existing products and services such as internal combustion engines (ICE), associated costs to transition to lower emission technology and an increasing carbon price which could significantly affect Culina Group's operations. In the long term (2040-2050), transition risks are deemed lower due to significant technology changes coinciding with government 2040 target compliance affecting the whole industry.

To mitigate the future regulation of traditional fossil fuels the Company has been working with numerous customers to increase the volume of Hydro-treated Vegetable Oil (HVO) used in our fleet thereby offering an approximate emission reduction of 90% across Scopes 1 & 3. To prepare for the risks we have identified in the medium term the Company is working with HGV vehicle manufacturers to trial and look to implement Battery Electric HGVs in our operations to inform our decarbonisation strategy going forward.

In addition to climate-related risks, several business opportunities were identified. Opportunities predominantly relate to possible reduction in operating costs through investment in efficient vehicles and chiller units, and increased reliance on self-generated renewable electricity.

Strategic Report (continued)

Non-Financial and Sustainability Information Statement (Climate-Related Financial Disclosures) (continued)

(e) – (h) Further disclosures

To understand how the identified climate-related risks and opportunities may materialise in the short, medium and long term, scenario analysis was conducted. Two scenarios were considered to assess the potential impacts arising from physical climate change and the transition to a low carbon economy.

For physical climate risks, analysis used two Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 (AR6) representative concentration pathways (RCPs). To assess transition risks associated with a low carbon economy, information from the International Energy Agency (IEA) was used, supported by qualitative research on UK Government policies and commitments.

Table - Physical scenarios used for scenario analysis.

	RCP 4.5	RCP 8.5
Source	Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 (AR6)	
Description	An intermediate warming scenario in which global temperatures rise between 2 - 3°C by 2100. Emissions peak around 2040.	A high greenhouse gas emissions scenario without additional efforts to constrain emissions. Temperatures rise to more than 4°C by 2100.
Time horizons	2030 - 2050	

Table - Transition scenario used for scenario analysis. This was supplemented by specific research on UK Government policies and commitments.

	Net Zero Emissions by 2050
Source	International Energy Agency (IEA)
Description	A scenario which sets out a pathway for the global energy sector to achieve net zero CO2 emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals. Universal access to electricity and clean cooking are achieved by 2030.
Time horizons	Up to 2030.

The climate-related risks and opportunities identified and considered material to Culina Group and its business units are shown in the table below:

Table - A description of actual and potential impacts of the principal climate-related risks and opportunities

Theme	Impacts	Level of risk or opportunity (up to 2032)	Level of risk or opportunity (2032 – 2040)	
Transition risks	Technology Mandates on existing products and services	Operational limitations due to stricter regulation by UK Government (fuel, ICE vehicles). This is compounded by a lack of a clear government roadmap on which technologies to prioritise.	High	High
	Technology Costs to transition to lower emissions technology	Current technology available to reduce emissions of vehicles comes at a high capital cost.	High	High
	Technology Substitution of existing products and services with lower emissions options	The future electricity grid may not have the required capacity to charge electric truck fleets, impacting Culina Group's ability to decarbonise and achieve customer KPIs on delivery times.	High	High

Strategic Report (continued)

Non-Financial and Sustainability Information Statement (Climate-Related Financial Disclosures) (continued)

Strategy (continued)

(e) – (h) Further disclosures (continued)

Theme	Impacts	Level of risk or opportunity (up to 2032)	Level of risk or opportunity (2032 – 2040)	
	Policy & Legal Increased pricing of GHG emissions	Increased carbon taxes and levies in the future is expected to result in increased operating costs.	Medium	High
	Policy & Legal Enhanced emissions reporting obligations	Increased reporting in the future, both from mandated government reporting and customer requests, will come with increased costs to have external support.	Medium	Low
	Reputation Shifts in consumer preferences	Lower carbon options come with a higher cost. This cost will need to be passed onto customers or absorbed by Culina Group, impacting profits. Reputational damage could be experienced without a shift to lower carbon options due to higher price.	High	Low
Opportunities	Resource efficiency and energy sources Reduced energy costs	Investment in efficient vehicles and chillers could result in a significant reduction in operating costs.	Low	Medium
	Resource efficiency and energy sources Use of lower carbon energy sources	Use of onsite generated renewable electricity for chilled units will lead to cost savings. In summer, there is an additional opportunity to sell electricity back to the grid.	Medium	Medium

We have mapped our disclosures against the TCFD pillars to help chart our progress against the recognised framework adopted by many of our key stakeholders. The Group is continuing to develop its assessment of the identified risks and opportunities and reporting in this area will evolve in future periods. At this stage, the impact in the period to 2032 is considered to be less financially material. Climate-related risks and opportunities are anticipated to have a significant impact on our current operating model between 2032 and 2040 as mandates and regulation existing products and services require investment to fund changes to the current operating model. Beyond 2040, there is less clarity about the impact that climate change will have on the business at this stage given the maturity of current product innovation, but we consider the Company well-placed to take advantage of new technologies as they emerge.

Culina Group continues to implement the use of alternative fuels, working in partnership with customers to deploy HVO and other low emission transport solutions in the delivery fleet.

In response to enhanced reporting obligations, Culina Group is investing in IT processes and software to ease data collection and collation for ease of reporting. Additionally, Culina Group engages with external consultancies to support in external reporting requirements.

Culina Group has an opportunity to improve its resource efficiency and reduce energy costs and is investing in onsite renewable energy generation and efficiency projects. These include investments in solar panels, lighting, and chiller efficiencies. In addition, HVAC units are replaced regularly to maximise efficiency and minimise operator heat stress.

Culina Group has made a public commitment to set near-term and net zero science-based targets to reduce its carbon emissions. These targets will be set in the course of 2025 with the help of an external consultancy.

Strategic Report (continued)

KPI's

Emissions & Energy

Scope 1, 2 and a subset of Scope 3 emissions can be found in the SECR section of the Annual Report. To support in tracking year-on-year carbon changes, Culina Group uses an intensity metric of tCO₂e/£ million revenues as shared in the SECR section of the report. Measurement of Culina Group's carbon emissions allow the group to monitor the risk associated with increased pricing of greenhouse gas emissions.

Culina Group's annual energy use can be found in the SECR section of the Annual Report, shared in kWh. This is split into fuel type and fuel use volume, allowing Culina Group to monitor the percentage of renewable energy (including electricity and fuel) used in the reporting year.

In addition to energy reporting in kWh, Culina Group monitors average miles per gallon to track the efficiency of the vehicle fleet. This metric is supported by telematics data on driver behaviour to increase driving efficiency.

Principal risks and uncertainties

The directors consider the following to be the principal risks and uncertainties facing the Company, including an explanation of how they are mitigated where possible:

Risks	Examples of impacts	Mitigating Controls in place
Operational		
Environmental risks A number of environmental risks have been considered as part of the Non-Financial and Sustainability Information Statement (Climate-Related Financial Disclosures) within the Strategic Report.	Certain seasonal weather conditions and isolated weather events can disrupt our operations. Operating a significant fleet of commercial vehicles impacts the environment in terms of fuel storage and consumption (eg; management of fuel spills).	Investment in facilities management to minimise the risk of such events impacting the operational performance. Investment in facilities and fleet management ensures the Company has the most modern fuel storage facilities and fuel efficient fleet in operation reducing the impact on the environment and the possibility of polluting the environment.
Health and Safety risks	Failure to adhere to Health and Safety requirements could lead to reputational damage, fines and potential loss of business.	Significant investment in human resources and associated training procedures provide mitigation of incidents occurring which could impact the health and safety of the Company's employees.
IT/Power failures	Loss of business through reduced availability of essential operational systems.	Disaster recovery procedures exist which would be implemented in the event of power and IT outages.
Commercial		
Market influences such as competitive forces impacting on prices.	Reduced margins.	Mitigated through the continuous improvement of our operations and building long-term relationships with our customers.
Economic		
The Company's performance is influenced by general economic conditions such as increased cost of living and interest rates.	Increased inflation. During the year this has led to the Company facing increased operating costs and finance charges.	A mixture of strategies ranging from escalator mechanisms in customer contracts to fixing electricity and gas prices has resulted in the Company being able to mitigate the impact to customers, whilst maintaining profit margins.
The Company's ability to recruit drivers and warehouse staff is impacted by the UK labour market.	Insufficient availability of suitable employees.	The Company reviews its usage technology to ensure efficient work practices are in place. In addition, strong recruitment procedures allied the use of temporary colleagues ensure a stable workforce is maintained.

Strategic Report (continued)

Approved by and on behalf of the Board:



T P Held

Director

13 October 2025

Directors' Report

The directors present their Annual Report and Audited Financial Statements for the year ended 31 December 2024.

Results and dividends

The results for the year are set out on page 18.

No ordinary dividends were paid in the current or previous year. The directors do not recommend payment of a final dividend.

Future developments

The future strategic direction of the Company is to continue to target significant growth in road and rail transport.

Economic and environmental risk

The Company's performance is influenced by general economic conditions such as increased cost of living and interest rates. These are discussed in more detail in the Strategic Report.

Going concern

The Company's directors have considered the trading forecasts until November 2026 ("the forecast period") of the Culina Group (Culina Group Limited and its subsidiary undertakings) of which the Company is a member.

In addition to preparing the trading forecasts, the directors of the Company and of the overall Culina Group have considered potential downside sensitivities within the forecast period which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to the Company and the wider Culina Group. Sensitivities considered primarily relate to the impact of material reductions in trading volumes and potential impact on operating costs.

The Culina Group, encompassing each of its subsidiaries, is satisfied that it has sufficient contracted facilities from both third parties and members of the UTM Group to provide sufficient headroom against the sensitised cash flow forecasts for the Culina Group as a whole, and the Company. Shortly after the end of the forecast period, loans from other members of the UTM Group fall due for repayment. UTM Group have indicated a willingness to renew these facilities on their maturity.

On this basis, the directors of the Company believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

Charitable contributions

The Company and its employees made charitable donations of £2k during the year (2023: £2k).

Financial risk management

The Company's operations expose it to certain financial risks. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company's borrowings are amounts due to fellow group undertakings and lease liabilities based on interest rates implicit in the leases or the Company's incremental borrowing rate. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Liquidity risk

Given the nature of the Company's activities, a significant amount of the Company's funding comes from other fellow group undertakings. Ultimate responsibility for liquidity risk management rests with the Board, which is drawn from the board of directors of other fellow group undertakings. Other fellow group undertakings maintain sufficient funds in order to ensure the Company has sufficient available funds for operations and planned expansions. The Company utilises a non-recourse invoice discounting facility to further mitigate liquidity risk.

Exchange risk

The Company transacts primarily in Sterling and therefore has minimal foreign exchange risk, there are no forward foreign exchange contracts in place.

Credit risk

The Company's credit risk is primarily attributable to its trade receivables which is managed through the use of trade credit insurance, and/or sale of the receivables on non-recourse basis, however certain of the risk and rewards of trade receivables remain with the Company. The amounts presented in the Statement of Financial Position are net of impairment and expected credit loss provision.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Directors' Report (continued)

Directors

The directors who held office during the year and up to the date of signature of the financial statements, except if noted, were as follows:

T P Held (appointed 12 June 2025)
F Koehler (appointed 15 March 2025)
L J McElroy (appointed 13 March 2025)
T van Mourik (resigned 1 October 2024)
D B Pickering (resigned 29 November 2024)
C L Price (resigned 30 September 2025)
I S Smith (appointed 1 October 2024; resigned 13 March 2025)
W Stobart (resigned 1 October 2024)
S M Taylor (appointed 30 April 2025)

Directors' indemnities

The Company has qualifying third party indemnity provisions for the benefit of its directors which remained in force at year end.

Corporate governance

The Company is required by The Companies (Miscellaneous Reporting) Regulations 2018 to make a statement in relation to its corporate governance practices. For the year ended 31 December 2024, as the Company has more than 2,000 employees, the Company has adopted the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website). The purpose of this report is to explain these principles and how they apply to the Company for the financial year reported.

Principle 1 – Purpose and leadership

The purpose of the Company is to provide storage and distribution services for companies in the United Kingdom. The Company has adopted a clear statement of its strategic vision, which is communicated to senior management biannually. This strategy is actively promoted throughout the year.

Principle 2 – Board composition

The Board comprises four executive directors and is the principal decision making forum for the Company. The directors represent Culina and operational management. The directors are nominated by the board of the Company's parent undertaking, Culina Group Limited.

The Board considers that its size and composition is appropriate to its function.

Principle 3 – Directors' responsibilities

The Board is responsible for oversight of the Company's activities, within the strategic framework set by the Culina Group Board. Each board member has a clear understanding of their respective responsibilities and their accountability for discharging this role.

The Culina Group has adopted a formal governance matrix and business approvals framework which prescribes the scope of authority of the Chief Executive Officer and other members of the executive management team and reserves key business decisions to an appropriate decision-maker within the Culina Group.

Principle 4 – Opportunity and risk

Opportunities:

For the financial year reported, the Board was the principal forum for the assessment of strategic opportunities, which were considered as part of its monthly meetings. Identified opportunities were considered and approved at board level where required by the governance matrix and business approvals framework.

Business Risk:

The Board is responsible for the identification and management of risk within the Company. This involves consideration of the principal strategic, operational and financial risks.

Industry-specific operational risks:

The Company operates in an industry where the assessment and management of operational safety risks is of paramount importance. The Company holds monthly Health and Safety Executive reviews.

Directors' Report (continued)

Corporate governance (continued)

Principle 5 – Remuneration

The Company is committed to attracting, retaining and incentivising a talented workforce to deliver the strategic objectives.

The Board meets annually to review the remuneration of the executive management team. In conjunction with the Culina Group Human Resources function, the Company benchmarks executive pay against a number of comparators. For the wider employee base, remuneration is set by the Culina Group Chief Executive Officer, again subject to regular external benchmarking against an appropriate peer group.

Principle 6 – Stakeholders

The Board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the Company. The Board regularly discusses issues concerning employees, customers, suppliers, community and environment, regulators and its shareholder, which it takes into account in its discussions and in its decision-making process.

In addition to this, the Board seeks to understand the interest and views of the Company's stakeholders by engaging with them directly when required.

Stakeholder engagement

For information regarding how the directors have engaged with stakeholders, such as suppliers, customers, and others during the financial year, including the effect of that on principal decisions taken during the year, please see the Section 172 Statement in the Strategic Report, which is incorporated into this Director's Report by reference and forms an integral part of this report.

Employee engagement

For information regarding how the directors have engaged with employees during the financial year please see the Section 172 Statement in the Strategic Report, which is incorporated into this Director's Report by reference and forms an integral part of this report.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through formal and informal meetings supplemented by a regular internal employee newsletter. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Employment of disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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).

Statement of directors' responsibilities in respect of the financial statements (continued)

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 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 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.

Directors' Report (continued)

Directors' confirmations

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.

Streamlined Energy & Carbon Reporting (SECR)

The business recognises the impact its operations have on the environment, and we are committed to a sustainable future for all. As part of working towards the UK's goal of net zero carbon emissions by 2050, in October 2024 we committed to the Science Based Targets Initiative as part of the Culina Group. We will aim to have calculated carbon emission reduction targets in line with the latest climate science and submit these to the Science Based Targets Initiative.

Stated below is the mandatory reporting of energy and greenhouse gas emissions for the period 1st January 2024 to 31st December 2024, pursuant to the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Our methodology used to calculate our greenhouse gas emissions is based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard using the latest set of emissions factors issued by DEFRA.

The table below includes greenhouse gas emissions and total energy consumption for our fleet, buildings and employee business travel, along with our intensity ratio for both this reporting year and our previous reporting year:

	2024	2023
	tCO2e	tCO2e
Emissions resulting from combustion of gas and fuel (Scope 1)	213,593	215,163
Emissions resulting from the purchase of electricity (Scope 2)	553	575
Emissions resulting from business travel in private/rental vehicles (Scope 3)	91	59
Total gross reported emissions (tCO2e)	214,237	215,797
Total energy consumption (kWh)	908,435,144	849,527,515
Intensity ratio (tCO2e emissions per £m of Revenue)	383.6	426.7

The Company's commitment to net zero carbon emissions by 2050 is an absolute target for carbon emissions reduction, irrespective of future growth, and we strive to decouple emissions performance from business performance through a number of initiatives. Examples of these initiatives are contained within the Non-Financial and Sustainability Information Statement (Climate-Related Financial Disclosures) within the Strategic Report.

The Company continues to focus on continuous improvement energy efficiency programmes across the whole business, including driver training use of HVO fuel and further energy-efficient fleet replacement.

Business relationships

The Company discloses how it manages its business relationships with suppliers, customers and others in the Strategic Report.

Independent auditors

The independent auditors, BDO LLP, have indicated their willingness to continue in office and a resolution that they be appointed will be proposed at the Annual General Meeting.

Approved by and on behalf of the Board:

T P Held

Director

13 October 2025



Independent auditor's report to the members of Eddie Stobart Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Eddie Stobart Limited ("the Company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including material accounting policy information. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Considering the appropriateness of management's forecasts for the wider Culina Group, which include those of this Company, by reviewing and challenging the key assumptions applied by management, assessing both historical accuracy and mathematical accuracy;
- Assessment of the Culina Group's potential downside sensitivities within the forecast period, including challenging the directors' assumptions and evaluating the financial headroom of the wider Culina Group as it relates to the Company; and
- Assessment of the Culina Group's contracted facilities from both third parties and members of the UTM Group, to the extent they are available to the Company, to provide sufficient headroom against the sensitised cash flow forecasts, including consideration of the effect of loan repayment dates shortly after the end of the forecast period on the sensitised cash flow forecasts of the company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Company's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Company operates and how climate change affects this particular sector; and
- Review of the minutes of Board meeting and other papers related to climate change and performed a risk assessment as to how the impact of climate change may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of management's disclosures included as 'Statutory Other Information' on pages 5-9 with the financial statements and with our knowledge obtained from the audit.

Independent auditors' report to the members of Eddie Stobart Limited (continued)

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management, the Board and legal counsel; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, the Companies Act 2006, Corporation Taxes Act 2010, VAT legislation and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Independent auditors' report to the members of Eddie Stobart Limited (continued)

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety legislation, Employment legislation, Data Protection Act 1998, Anti-Money Laundering Regulations, Bribery Act 2010, Modern Slavery legislation, BRC Food Safety Standards 1999, Road Transport regulations.

Our procedures in respect of the above included:

- Review of minutes of meetings of the Board for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Involvement of tax specialists in the audit

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and the Board regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of the Board for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's capability to override controls and revenue recognition (in particular unusual journal combinations which impact revenue).

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, and those made in preparation of the financial statements, which met a defined risk criteria, by obtaining and understanding of the business rationale for the journal and agreeing to supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements to check that they are free from management bias; and
- Review of the revenue nominal accounts to identify unusual journal combinations, for which an understanding of the business rationale for the journal was obtained and verified to supporting documentation

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Gavin Crawford

Gavin Crawford (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Reading, UK

14 October 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

<i>For the year ended 31 December</i>	<i>Note</i>	2024 £000	2023 £000
Revenue	4	556,811	505,743
Cost of sales		(495,111)	(431,834)
Gross profit		<u>61,700</u>	<u>73,909</u>
Administrative expenses		(55,493)	(55,108)
Other operating income	4	6,592	5,546
Operating profit	7	<u>12,799</u>	<u>24,347</u>
Finance income	8	39	-
Finance expense	9	(13,721)	(19,455)
(Loss)/Profit before taxation		<u>(883)</u>	<u>4,892</u>
Tax on (loss)/profit	10	(211)	(11,759)
Loss and total comprehensive expense for the year		<u><u>(1,094)</u></u>	<u><u>(6,867)</u></u>

All results are derived from continuing operations. The notes on pages 22 to 42 form part of the financial statements.

Statement of Financial Position

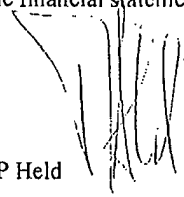
<i>As at 31 December</i>	<i>Note</i>	2024 £000	2023 £000
Non-current assets			
Intangible assets	11	11,182	10,868
Property, plant and equipment	12	32,992	31,287
Right-of-use assets	13	89,376	91,301
Investments	14	750	750
Trade and other receivables	19	121,822	123,509
Deferred tax asset	22	2,218	-
		<u>258,340</u>	<u>257,715</u>
Current assets			
Inventories	18	1,901	1,527
Trade and other receivables	19	135,638	92,119
Current tax recoverable		2,499	-
Cash at bank and in hand		7,971	19,531
		<u>148,009</u>	<u>113,177</u>
Total current assets		<u>406,349</u>	<u>370,892</u>
Current liabilities			
Lease liabilities	21	(4,697)	(1,435)
Current tax payable		-	(6,457)
Trade and other payables	20	(205,699)	(208,006)
Provisions	23	(6,651)	(5,882)
Taxation and social security		(4,544)	(5,187)
		<u>(221,591)</u>	<u>(226,967)</u>
Net current liabilities		<u>(73,582)</u>	<u>(113,790)</u>
Total assets less current liabilities		<u>184,758</u>	<u>143,925</u>
Non-current liabilities			
Trade and other payables	20	(41,059)	-
Deferred tax liability	22	-	(344)
Provisions	23	(3,938)	(4,268)
Lease liabilities	21	(102,996)	(101,454)
		<u>(147,993)</u>	<u>(106,066)</u>
Net assets		<u>36,765</u>	<u>37,859</u>

Statement of Financial Position (continued)

<i>As at 31 December</i>	<i>Note</i>	2024	2023
		£000	£000
Equity and reserves			
Share capital	24	21,435	21,435
Retained earnings		15,330	16,424
Total equity		36,765	37,859

The notes on pages 22 to 42 form part of the financial statements.

The financial statements were approved by the Board and authorised for issue on 13 October 2025 and signed on its behalf by:



T P Held
Director

Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2023	21,435	23,291	44,726
Loss for the year	-	(6,867)	(6,867)
At 31 December 2023 and 1 January 2024	21,435	16,424	37,859
Loss for the year	-	(1,094)	(1,094)
At 31 December 2024	21,435	15,330	36,765

The notes on pages 22 to 42 form part of the financial statements.

Notes to the financial statements

1 Company information

Eddie Stobart Limited is a private company limited by shares domiciled and incorporated in the United Kingdom. The registered office is Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ.

The Company's principal activities and nature of its operations are disclosed in the Strategic Report.

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.

2.1 Reporting period

The current year is the year ended 31 December 2024 ("2024"). The prior year was the year ended 31 December 2023 ("2023").

2.2 Basis of preparation

The financial statements 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.

The Company does not amortise the intangible asset related to the brand in accordance with the requirements of IFRS as applied under FRS 101. Instead an annual impairment test is performed and any impairment that is identified is recognised in the income statement. The non-amortisation of the brand conflicts with paragraph 22 of Schedule 1 to 'The Large and Medium-sized Companies and Groups (Accounts and Reports Regulations 2008 (SI 2008/410)', which requires acquired intangible assets to be written off over their useful economic life. As such the non-amortisation of the brand is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

It is not possible to quantify the effect of the departure from the Companies Act, because a finite life for the brand has not been identified. However, the effect of amortising over a useful economic life of 25 years would be a charge of £400k (2023: £400k) against operating profit and a reduction of £1,600k (2023: £1,200k) in the carrying value of the brand.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

In accordance with FRS101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS in the preparation of these financial statements, where relevant, equivalent disclosures have been made in the group accounts of the ultimate parent company, Unternehmensgruppe Theo Muller S.e.c.s. at the reporting date:

- Presentation of a cash flow statement and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Inclusion of an explicit and unreserved statement of compliance with IFRS;
- Disclosure of key management compensation;
- Disclosure of the categories of financial instruments and nature and extent of risks arising on these financial instruments;
- Comparative period reconciliations for tangible fixed assets, intangible assets and share capital;
- The valuation technique and details of key assumptions used to determine recoverable amount for cash generating units containing significant goodwill or intangible assets with an indefinite useful life and sensitivity to assumptions if a reasonable change in a key assumption would result in impairment;
- Related party disclosures for transactions with the parent or wholly owned members of the group;
- Disclosure of the future impact of new IFRSs in issue but not yet effective at the reporting date;
- Disclosure of the effect of financial instruments on the Statement of Comprehensive Income;
- Disclosure of revenue recognised from contracts with customers, changes in contracts assets and liabilities during the period, certain information relating to performance obligations and the transaction price, and judgements made in applying IFRS 15; and
- Disclosure of the net cash flows attributable to the operating, investing and financing activities of discontinued operations as required by IFRS 5:33(c).

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.2 Basis of preparation (continued)

The Company's immediate parent undertaking is Eddie Stobart Group Limited. The group accounts of Unternehmensgruppe Theo Muller S.e.c.s., a partnership registered in Luxembourg are available to the public and can be obtained from its registered office Unternehmensgruppe Theo Muller S.e.c.s., 2b rue Albert Borschette, L-1246 Luxembourg.

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

2.3 New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2024 that have a material impact on the Company's financial statements.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The Company does not expect any accounting standards or IFRIC interpretations issued by the IASB, but are yet to be effective, to have a material impact on the Company.

2.4 Going concern

The Company's directors consider the going concern basis of preparation to be appropriate for these financial statements for the following reasons.

The Company's directors have considered the trading forecasts until November 2026 ("the forecast period") of the Culina Group (Culina Group Limited and its subsidiary undertakings) of which the Company is a member.

In addition to preparing the trading forecasts, the directors of the Company and of the overall Culina Group have considered potential downside sensitivities within the forecast period which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to the Company and the wider Culina Group. Sensitivities considered primarily relate to the impact of material reductions in trading volumes and potential impact on operating costs.

The Culina Group, encompassing each of its subsidiaries, is satisfied that it has sufficient contracted facilities from both third parties and members of the UTM Group to provide sufficient headroom against the sensitised cash flow forecasts for the Culina Group as a whole, and the Company. Shortly after the end of the forecast period, loans from other members of the UTM Group fall due for repayment. UTM Group have indicated a willingness to renew these facilities on their maturity.

On this basis, the directors of the Company believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

2.5 Currency

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Sterling (£), which is also the Company's functional currency, these values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Comprehensive Income.

2.6 Revenue

The Company's contracts are for the provision of transport and warehousing services, including sublet of warehouse space and the Company recognises revenue from contracts as the performance obligations under these contracts are satisfied. Revenue is recognised over time as the customer will simultaneously receive and consume the services or goods provided. The Company does not adjust its transaction price for the time value of money as it does not expect to have any contracts which include a significant financing arrangement. Where revenue is recognised in advance of amounts being invoiced this is included as accrued income. Where payment is received in advance of revenue being recognised this is included as deferred income.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.6 Revenue (continued)

Contract receivables relate to revenue earned but not billed yet.

Customer contracts are disaggregated into their component performance obligations. Further detail is given below:

Open book revenue

Open book contracts will typically cover costs plus an agreed fixed or variable management fee.

Revenue relating to costs to serve the customer are invoiced in line with the customer receiving and consuming benefits under the contract, and is recognised in the period in which it is earned.

Performance obligations are measured against minimum service level agreements.

Closed book revenue

Revenue for closed book contracts is recognised based on a pre-agreed rate-card per unit/ delivery.

Revenue based on a pre-agreed rate-card is recognised as services are provided, in line with the customer receiving and consuming benefits under the contract.

Performance related revenue

Revenue linked to performance measures, such as Key Performance Indicators and gain-share mechanisms, is considered to be variable revenue.

Variable revenue is recognised to the extent the performance obligation has been satisfied and it is highly probable a significant Revenue reversal will not occur.

Sale of goods

Revenue on sale of goods to final consumers is recognised at the point in time the customer receives control of the goods.

2.7 Intangible assets other than goodwill

Intangible assets are stated at cost less accumulated amortisation and impairment.

Costs incurred in developing the Company's own brands are expensed as incurred.

Separately acquired brands and customer lists are shown at historical cost. Software, brands and customer lists acquired in a business combination are recognised at fair value at the acquisition date.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets-under-construction comprises of purchase price and development costs in bringing an asset to a useable or sellable condition. Assets under construction are not amortised until they are brought into use.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.8 Intangible assets other than goodwill (continued)

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each statement of financial position date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Assets under construction	Not depreciated
Brand names	Indefinite
Software development and licences	3 years straight line

2.8 Property, plant and equipment

Property, plant and equipment assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including any directly attributable capitalised borrowing costs and an estimate of any future costs of dismantling and removing the items and restoring the site on which they are located. The cost of assets under construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use.

Items of property, plant and equipment assets are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of tangible fixed assets less their estimated residual values using the straight-line basis over their estimated useful lives.

Assets under construction	Not depreciated
Land and buildings	1%-5% per annum straight line, or period of lease if shorter. Land is not depreciated
Fixtures and fittings	3-7 years straight line and between 15%-33% reducing balance as appropriate
Plant and machinery	3-7 years straight line and between 15%-20% reducing balance as appropriate
Commercial vehicles	3-10 years straight line and 25% reducing balance as appropriate

Gains and losses on the disposal of property, plant and equipment assets are reported by deducting the proceeds on disposal, the carrying amount of the tangible fixed assets and related selling expenses. Gains/(losses) are recognised within 'Other income/(expense)' in the Statement of Comprehensive Income.

2.9 Fixed asset investments

Interests in subsidiaries, associates and joint ventures are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the Company has a long term interest and shares control under a contractual arrangement are classified as joint ventures.

2.10 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand. No expected credit loss provision is held against cash and cash equivalents as cash and cash equivalents are held with reputable financial institutions. Bank overdrafts are included in current liabilities.

2.13 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

2.14 Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

2.15 Impairment of financial assets

A financial asset not classified as fair value through profit or loss, is subject to the expected credit loss model for impairment as required by IFRS 9. The Company applies this model to its trade debtors and accrued income, using the simplified approach as permitted by IFRS 9. The determination of expected credit losses requires judgment and the Company has developed a methodology for estimating the probability of default using historic information and also considering the impact of any relevant forward looking information.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.16 Trade receivables

The Company applies the simplified approach permitted by IFRS 9 to trade receivables, which requires the use of the lifetime expected loss provision for all debtors, including contract receivables (accrued income). The provision calculations are based on historic credit losses and relevant forward-looking data. This approach is followed for all debtors unless there are specific circumstances, such as the bankruptcy of a customer or emerging market risks, which would render the debt irrecoverable and therefore require a specific provision.

The carrying amounts of the trade receivables include debtors which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant debtors to the factor in exchange for cash and is prevented from selling or pledging the debtors. The risks and rewards related to the factored debtors are transferred under the factoring arrangement. The Company therefore has de-recognised the transferred assets in their entirety from the Statement of Financial Position.

2.17 Invoice discounting receivable classification

The Company participates in an invoice discounting arrangement whereby the Company has transferred, without recourse, relevant trade receivables to the factor and is prevented from selling or pledging the debtors. The Company determines the timing of drawdown against available facility. Based on historical experience, the Company does not, as a matter of course, drawdown against the facility as part of its day-to-day financing of working capital. In the case of the Company holding undrawn amounts as a result of the invoice discounting arrangement, it is the judgement of the directors that the undrawn amounts should be classified as other receivable in the Statement of Financial Position and not classified as cash-equivalent as a result of the undrawn amounts not being utilised as part of day to day cash management purposes.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.18 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities include lease liabilities and other financial liabilities.

2.19 Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

2.20 Equity instruments

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Retained earnings

Retained earnings represent the cumulative profit and loss of the Company and capital contributions received from the parent, net of distributions to owners.

2.21 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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 statement of financial position 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 statement of financial position 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.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.22 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined based on the expected future cash flows. When it has a material effect, these are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of any discount is recognised as a finance cost. The policies used to determine specific provisions are:

Dilapidations	Provisions are established over the life of leases to cover remedial work necessary at termination under the terms of those leases. Guidance for the total cost is made with reference to independent third party quantity surveyors reports and spread over the terms of the lease.
Claims	Provisions for claims are recognised on an individual basis based on the advice of the Company's advisors.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

2.23 Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.24 Retirement benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

2.25 Leases

The Company leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 15 years but may have extension options. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

- Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments;
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the Statement of Financial Position based on their nature.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Notes to the financial statements (continued)

2 Accounting policies (continued)

2.26 Government grants

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for Revenue are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis which is consistent with when the staff costs were incurred. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

A grant received before the recognition criteria are satisfied is recognised as a liability.

3 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenue and expenses during the period. However, the nature of estimates means that actual outcomes could differ from those estimates or judgements. The directors do not consider there to be any significant accounting estimates that would cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The following judgements have had the most significant effect on amounts recognised in the financial statements:

3.1 Incremental borrowing rate

Incremental borrowing rate lease liabilities are measured at the present value of future lease payments, which are discounted using the incremental borrowing rate. The incremental borrowing rate ("IBR") has been determined based on the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset.

The rates applied to the lease payments ranged from 5.56% to 8.49% (2023: 5.56% to 7.98%).

See note 21 for details of lease liabilities.

3.2 Lease terms

The inclusion of a lease extension period or lease break period in the lease term is a key judgement for the Company and considers all relevant factors that create an economic incentive for it to exercise them. For leased properties, this includes the current and expected profitability of the respective site, as well as the length of time until the option can be exercised. Any changes to the Company's judgements on the lease terms will impact both the right-of-use asset and lease liability. As at 31 December 2024, no lease breaks are expected to be exercised.

4 Revenue and other operating income

	2024	2023
	£000	£000
Revenue analysed by class of business:		
Transportation services	546,543	496,747
Warehousing services	10,268	8,996
	<u>556,811</u>	<u>505,743</u>

All material revenues arose from within the United Kingdom.

	2024	2023
	£000	£000
Other operating income:		
Grants received	81	102
Other warehouse related income	6,511	5,444
	<u>6,592</u>	<u>5,546</u>

In the current year rail grants of £81k (2023: £102k) were received. Other warehouse related income is wholly contributable to the passthrough of lease related costs to another fellow group undertaking.

Notes to the financial statements (continued)

5 Employees

The average number of persons (including directors) employed by the Company during the year was:

	2024 Number	2023 Number
Operational	3,327	3,102
Administration	253	414
Management	62	73
	<u>3,642</u>	<u>3,589</u>

Their aggregate remuneration comprised:

	2024 £000	2023 £000
Wages and salaries	167,351	150,110
Social security costs	15,949	14,736
Pension costs	2,935	2,582
	<u>186,235</u>	<u>167,428</u>

Included in the above is £1,864k of agency and subcontractor costs (2023: £1,508k).

6 Directors' remuneration

	2024 £000	2023 £000
Remuneration for qualifying services	1,164	1,090
Compensation for loss of office	505	-
Company pension contributions to defined contribution schemes	92	100
	<u>1,761</u>	<u>1,190</u>

There is one director (2023: 1) participating in the Company's defined contribution plan during the year.

In addition to the above, other directors are paid by the parent company, Culina Group Limited (2023: Culina Group Limited), and, as those directors are remunerated for their services to the Culina Group as a whole, it is not possible to allocate their emoluments specifically to Eddie Stobart Limited. Accordingly, the above details do not include emoluments in respect of these directors

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024 £000	2023 £000
Remuneration for qualifying services	647	666
Compensation for loss of office	305	-
Company pension contributions to defined contribution schemes	92	100
	<u>1,044</u>	<u>766</u>

Notes to the financial statements (continued)

7	Operating profit	2024	2023
		£000	£000
	Operating profit for the is stated after (crediting)/charging:		
	Amortisation of intangible assets (note 11)	343	342
	Cost of inventories recognised as an expense	74,859	76,703
	Depreciation of property, plant and equipment (note 12)	2,971	2,911
	Depreciation of right-of-use assets (note 13)	6,993	8,569
	Exchange losses/(gains)	50	(43)
	Audit fees payable to the Company's auditor	465	392
	Government grants	(81)	(102)
	(Loss) on disposal of property, plant and equipment	-	(5)
	Gain on disposal of right-of-use assets	-	(878)
	Gain on disposal of finance lease asset	-	(2,195)
	Short-term lease expense	68,231	50,501
		<u>68,231</u>	<u>50,501</u>
	Short-term lease expense recognised in the current year relates to asset contract hire charges from Culina Asset Management Limited, a fellow group undertaking.		
8	Finance income	2024	2023
		£000	£000
	Interest income:		
	Other interest income	39	-
		<u>39</u>	<u>-</u>
9	Finance expense	2024	2023
		£000	£000
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	932	4,872
	Interest on overdue taxation	35	2,456
	Interest payable to fellow group undertakings	5,030	1,896
		<u>5,997</u>	<u>9,224</u>
	Interest on other financial liabilities:		
	Interest on lease liabilities	7,724	10,231
		<u>7,724</u>	<u>10,231</u>
		<u>13,721</u>	<u>19,455</u>

Notes to the financial statements (continued)

10 Taxation

	2024	2023
	£000	£000
Current tax:		
UK corporation tax on profit for the year	1,038	2,415
Adjustments in respect of prior years	1,735	7,091
Total current tax charge	2,773	9,506
Deferred tax:		
Origination and reversal of temporary differences	424	966
Adjustment in respect of prior periods	(2,986)	1,226
Impact of change in tax rates	-	61
Total deferred tax (credit)/charge	(2,562)	2,253
Total tax charge	211	11,759

The total tax charge for the period is higher (2023: *higher*) than that arising from applying the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024	2023
	£000	£000
(Loss)/profit before taxation	(883)	4,892
(Loss)/profit before taxation multiplied by standard rate of UK corporation tax rate of 25% (2023: 23.5%)	(221)	1,150
Effects of:		
Non-taxable income	(8)	-
Expenses not deductible in determining taxable profit	730	617
Transfer pricing adjustments	961	1,614
Effect from change in tax rates	-	61
Adjustment to current tax for prior periods	1,735	7,091
Adjustment to temporary differences for prior periods	(2,986)	1,226
Taxation charge for the period	211	11,759

Changes to the UK corporation tax rates were enacted as part of the Finance Act 2021 to increase the main rate of corporation tax from 19% to 25% from 1 April 2023.

The Company is part of Unternehmensgruppe Theo Müller S.e.c.s. Group and is therefore exposed to the legislation of 11 July 2024 related to "Pillar 2" introducing a worldwide global minimum level of taxation in the UK for multinational groups having a consolidated revenue of at least EUR 750 million. This new law is effective from 1 January 2024 and foresees additional taxation where the Pillar 2 Effective Tax Rate of a company (or a group of companies) within a jurisdiction is less than 15%. In accordance with the transitional safe harbour provisions, the Company is satisfied that there is no current exposure to the Pillar 2 IIR taxes at the end of the reporting period. At 31 December 2024, in accordance with the mandatory exception prescribed by FRS 101, the Company has not recognised nor disclosed any information in relation to deferred tax on Pillar 2 income taxes.

Adjustments in respect of prior years relates to a settlement being reached with HMRC in respect of tax liabilities from prior years.

Notes to the financial statements (continued)

11 Intangible assets

	Brands	Software	Software under construction	Total
	£000	£000	£000	£000
Cost:				
At 1 January 2024	10,000	1,209	349	11,558
Additions	-	197	529	726
Transfers	-	505	(505)	-
Disposals	-	(72)	-	(72)
At 31 December 2024	10,000	1,839	373	12,212
Amortisation and impairment:				
At 1 January 2024	-	690	-	690
Charges	-	343	-	343
Disposals	-	(3)	-	(3)
At 31 December 2024	-	1,030	-	1,030
Carrying amount:				
At 31 December 2024	10,000	809	373	11,182
At 31 December 2023	10,000	519	349	10,868

Amortisation for the year has been charged to the Statement of Comprehensive Income, within Administrative Expenses.

Brands are considered to have an indefinite useful life because there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Company.

Notes to the financial statements (continued)

12 Property, plant and equipment

	Assets under construction	Commercial vehicles	Fixtures and fittings	Land and buildings	Plant and machinery	Total
	£000	£000	£000	£000	£000	£000
Cost:						
At 1 January 2024	1,045	1,722	14,537	24,202	26,711	68,217
Additions	2,214	-	311	149	3,444	6,118
Re-classifications	-	-	4,333	(3,808)	(525)	-
Disposals	(144)	(1,722)	(11,663)	(2,707)	(15,366)	(31,602)
Transfers	(3,061)	-	733	2,328	-	-
At 31 December 2024	54	-	8,251	20,164	14,264	42,733
Accumulated depreciation and impairment:						
At 1 January 2024	-	424	12,939	5,848	17,719	36,930
Charges	-	-	888	1,042	1,041	2,971
Disposals	-	(424)	(11,663)	(2,707)	(15,366)	(30,160)
At 31 December 2024	-	-	2,164	4,183	3,394	9,741
Carrying amount:						
At 31 December 2024	54	-	6,087	15,981	10,870	32,992
At 31 December 2023	1,045	1,298	1,598	18,354	8,992	31,287

Included within Land and buildings is £3,160k (2023: £3,160k) related to Freehold Land.

Depreciation for the year has been charged to the Statement of Comprehensive Income, within cost of sales and administrative expenses.

Notes to the financial statements (continued)

13 Right-of-use assets

	Land and buildings
	£000
Cost:	
At 1 January 2024	107,434
Additions	5,068
At 31 December 2024	112,502
Accumulated depreciation and impairment:	
At 1 January 2024	16,133
Charges	6,993
At 31 December 2024	23,126
Carrying value:	
At 31 December 2024	89,376
At 31 December 2023	91,301

Depreciation for the year has been charged to the Statement of Comprehensive Income, under Administrative Expenses.

14 Investments

	2024	2023
	£000	£000
Investments in subsidiaries	750	750

Financial assets carried at amortised cost.

Investments in subsidiaries are carried at cost less impairments.

Movements in investments

	Investments in subsidiaries
	£000
Cost and carrying amount:	
At 1 January 2024 and 31 December 2024	750

Notes to the financial statements (continued)

15 Subsidiaries

Details of the Company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Stobart Truckstops Limited	1	100.00	100.00	Logistics support
Eddie Stobart Distribution Limited	1	100.00	100.00	Dormant

Address: (1) Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ.

16 Associates

Details of the Company's associates at 31 December 2024 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Eddie Stobart Logistics Europe NV	2	0.01	0.01	Contract Logistics

The remaining 99.90% is held by immediate parent undertaking Eddie Stobart Group Limited.

Address: (2) Eikelaarstraat 28, 3600 Genk, Belgium.

17 Joint ventures

Details of the Company's joint ventures at 31 December 2024 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
IPS at Eddie Stobart Limited	3	50.00	50.00	Contract Logistics

IPS at Eddie Stobart Limited was dissolved on 25 February 2025. At 31 December 2024, the carrying value was £nil.

Address: (3) C/O Culina Group Limited, Shrewsbury Road, Market Drayton, TF9 3SQ.

18 Inventories

	2024	2023
	£000	£000
Fuel and lubricants	1,792	1,418
Consumable supplies	109	109
	<u>1,901</u>	<u>1,527</u>

Purchases of inventories during the year are charged directly to the Statement of Comprehensive Income.

19 Trade and other receivables

	Current	Non-current	Current	Non-current
	2024	2024	2023	2023
	£000	£000	£000	£000
Trade receivables	68,406	-	17,804	-
Other receivables	10,704	-	17,300	-
VAT recoverable	-	-	2,468	-
Amounts owed by fellow group undertakings	29,594	121,594	21,513	121,614
Prepayments and accrued income	26,934	228	33,034	1,895
	<u>135,638</u>	<u>121,822</u>	<u>92,119</u>	<u>123,509</u>

Amounts owed by fellow group undertakings are repayable on demand, unsecured and interest free. Those amounts classified as non-current are held with non-trading entities within the Culina Group and are unlikely to be demanded within 12 months of the year end.

Notes to the financial statements (continued)

19 Trade and other receivables (continued)

Trade receivables and accrued income as at 31 December 2024 include contract receivables of £94,467k (31 December 2023: £42,550k and 1 January 2023: £32,599k). In all material respects, contract receivables at the end of the current year were recognised as revenue during the financial year. Other than business-as-usual movements there were no significant changes in contract receivable balances during the year. The amount of incremental costs to obtain a contract which have been recognised as an asset within prepayments and accrued income is £1,895k (2023: £3,561k) and the amount of costs recognised as an expense in the year is £1,667k (2023: £1,335k). No amount has been impaired in 2024 or 2023.

20 Trade and other payables

	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
	£000	£000	£000	£000
Trade payables	12,916	-	6,468	-
Amounts owed to fellow group undertakings	117,292	41,059	145,232	-
Accruals and deferred income	65,392	-	56,306	-
VAT payable	10,099	-	-	-
Other payables	-	-	-	-
	<u>205,699</u>	<u>41,059</u>	<u>208,006</u>	<u>-</u>

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates to fair value.

Amounts owed to fellow group undertakings includes a loan of £41,059k (2023: £31,900k) which accrues interest at an annual interest rate of 5.21%, which is due for repayment on 20 December 2027. All other amounts owed to fellow group undertakings are repayable on demand, unsecured and interest free.

Included in accruals and deferred income is a contract liability of £15,740k (2023: £12,682k). The balance at the beginning of the previous year was £16,827k. In all material respects, contract liabilities in the form of customer advances at 1 December 2024 and 31 December 2024 were recognised as revenue during the respective following year.

21 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024	2023
	£000	£000
Current liabilities	4,697	1,435
Non-current liabilities	102,996	101,454
	<u>107,693</u>	<u>102,889</u>

Notes to the financial statements (continued)

21 Lease liabilities (continued)

Future minimum lease payments are as follows:

	2024	2023
	£000	£000
Not later than one year	14,279	9,062
Later than one year but not later than five years	51,270	48,034
Later than five years	115,018	124,357
	<hr/>	<hr/>
Total gross payments	180,567	181,453
Impact of finance expense	(72,874)	(78,564)
	<hr/>	<hr/>
Carrying amount of liability	107,693	102,889
	<hr/> <hr/>	<hr/> <hr/>

The Company leases land and buildings, fleet assets, plant and equipment, motor vehicles and IT equipment for use within the business. The remaining lease term for land and buildings leases range between 8-23 years. Annual lease payments are initially fixed and subsequently are subject to rent reviews at certain intervals during the lease term, which are based on open market values of properties. As such, the variable payments arising from future rent reviews have not been included in the calculation of the lease liability. The rent reviews for some land and buildings leases are also subject to cap and collar rent increases, whereby the annual rent increases over the lease term by a percentage within a defined range. Cap and collar rent increases have been included within the lease liability based on the minimum percentage increase, where relevant for a lease.

The Company sub-leases a number of its land and building leases for which a lease liability is recognised on the Statement of Financial Position. Sub-leases are categorised as either operating sub-leases or finance sub-leases. Operating sub-leases continue to hold the lease asset as a right-of-use asset on the Statement of Financial Position. Finance sub-leases de-recognise the lease asset from right-of-use assets and instead recognise a net investment in finance lease receivable on the Statement of Financial Position. A number of land and buildings leases contain options to extend or terminate the lease beyond or prior to the expiry of the original lease term. For each lease, Management has made an assessment as to whether it is reasonably certain to exercise the option and has concluded that no early terminations or extension options should be reflected in these financial statements.

The movements in the lease liability during the year are shown in the table below:

	£000
Lease liability at 1 January 2024	102,889
Interest	7,724
Repayments	(7,988)
Additions	5,068
Disposals	-
	<hr/>
Lease liability at 31 December 2024	107,693
	<hr/> <hr/>

The total cash outflow for leases during the year was £7,988k (2023: £10,211k). Additionally, there were cash outflows for short term leases disclosed as short-term lease expenses (note 7).

At 31 December 2024, the directors made the assumption that none of the break clauses will be exercised.

Notes to the financial statements (continued)

22 Deferred taxation

	Fixed assets	Other temporary differences	Tax losses	Total
	£000	£000	£000	£000
Deferred tax (liability)/asset at 1 January 2024	(78)	(1,075)	809	(344)
Deferred tax movements in current year:				
Credited to Statement of Comprehensive Income	227	133	2,202	2,562
Deferred tax asset/(liability) at 31 December 2024	149	(942)	3,011	2,218

The deferred tax liability reflected in the Company's Statement of Financial Position at 31 December 2024 has been calculated at the rate of 25% (2023: 25%), being representative of the enacted rate that prevailed at the Statement of Financial Position date.

23 Provisions

Movements on provisions:

	Dilapidations	Motor vehicle insurance	Employee claims	Total
	£000	£000	£000	£000
At 31 December 2023	4,268	3,840	2,042	10,150
Additional provisions in the year	164	7,517	2,574	10,255
Reversal of provision	(524)	-	-	(524)
Utilisation of provision	-	(6,341)	(2,981)	(9,322)
Unwinding of discount	30	-	-	30
At 31 December 2024	3,938	5,016	1,635	10,589
<i>Analysed as:</i>				
Due within one year or less	-	5,016	1,635	6,651
Due after more than one year	3,938	-	-	3,938
At 31 December 2024	3,938	5,016	1,635	10,589

At 31 December 2024, all provisions for motor vehicle insurance and employee claims were deemed to be due within one year or less and all dilapidations provisions were deemed to be due in more than one year.

Dilapidations:

The Company has a significant warehouse portfolio. In assessing the potential liability at the end of each lease the Company commissioned a third-party qualified surveyor report and sought advice from other property specialists who have extensive industry and portfolio knowledge. In estimating this provision, management have made the judgement that certain sites will be subject to redevelopment by the landlord, which reduces the dilapidation obligation. In addition, management have made judgements around how potential lease extensions may impact dilapidation obligations. Management expect the settlement of the provisions to be on the termination of the leases which will occur between 2026 and 2047.

Motor vehicle insurance:

The Company has various ongoing claims relating to motor accidents that our vehicles have been involved in. These cases are being managed through a specialist independent claims management handler and a provision is held to cover the estimated future liability to the Company.

Notes to the financial statements (continued)

23 Provisions (continued)

Employee claims:

The Company has various ongoing and potential litigation and claims, principally relating to accidents in the workplace. These cases are being managed through a specialist independent claims management handler and a provision is held to cover the estimated future liability to the Company.

24 Share capital

	2024	2023
	£000	£000
Ordinary share capital, issued and fully paid:		
21,434,709 (2023: 21,434,709) ordinary shares of £1 each	21,435	21,435
	<u>21,435</u>	<u>21,435</u>

The Company has one class of ordinary shares which carry no right to fixed income, each carry the right to one vote at general meetings of the Company. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

25 Contingent liabilities

There is a notional cash pool arrangement in place between the Company and certain of its fellow group undertakings held with The Royal Bank of Scotland ("the Bank"). This maximum guarantee is limited to the cash amount in the accounts the Company holds with the Bank, which amounted to £7,709k at 31 December 2024 (2023: £19,176k).

ESLL Group Limited, a fellow Culina Group undertaking, has a contingent liability in respect of a bond covering its motor insurance to a maximum aggregate liability of £11,581k (2023: £11,500k). The bond has been indemnified by a number of companies in the ESLL Group Limited group including the Company.

26 Related party transactions

Transactions with fellow group undertakings

The Company is a wholly controlled, but not wholly owned, indirect subsidiary of Unternehmensgruppe Theo Müller S.e.c.s., the ultimate parent undertaking of the UTM Group. The Company is a wholly owned and controlled indirect subsidiary of Culina Group Limited, the intermediate parent undertaking of the Culina Group, a subgroup of the UTM Group. All Culina Group subsidiaries are wholly owned and controlled, directly or indirectly, by Culina Group Limited. The Company is therefore required to provide details of related party transactions with any fellow members of the UTM Group that are not fellow members of the Culina Group.

Transactions entered into, and balances outstanding at 31 December, with fellow group undertakings are as follows:

2024	Description	Sales	Purchases	Finance expense	Receivables	Payables
		£000	£000	£000	£000	£000
Müller Service GmbH	(1)	126	-	-	-	-
Müller UK & Ireland Group LLP	(1)	209	35	-	47	12
TM Corporate Holdings UK Limited	(1)	-	-	4,126	-	-
UTM Hungary Finance Kft	(1)	-	-	59	-	41,059
2023	Description	Sales	Purchases	Finance expense	Receivables	Payables
		£000	£000	£000	£000	£000
Müller Service Limited	(1)	625	-	-	-	-
Müller UK & Ireland Group LLP	(1)	-	134	-	-	1,419
TM Corporate Holdings UK Limited	(1)	-	-	1,000	-	31,905

(1) Fellow subsidiary undertaking of Unternehmensgruppe Theo Müller S.e.c.s.

Notes to the financial statements (continued)

26 Related party transactions (continued)

Other transactions with related parties

Transactions entered into, and trading balances outstanding at 31 December 2024 with other related parties are as follows:

2024	Description	Sales £000	Purchases £000	Receivables £000	Payables £000
	April's Kitchen Limited (1)	-	448	-	-
	AST Signs Limited (1)	21	276	2	20
	Corporate Trade Supplies UK Limited (1)	-	379	-	48
	Esken Limited (1)	-	476	-	-
	Graylaw Heysham Limited (1)	66	155	7	1
	Graylaw International Freight Group (1)	49	133	8	-
	Landex Limited (1)	-	27	-	-
	MvM Media Solutions Ltd (1)	-	19	-	2
	Oakfield Manor Estates Limited (1)	-	28	-	4
	SMII Limited (1)	-	172	-	172
	Smith & Co (Holdings) Limited (1)	1,200	-	-	-
	Smith Bros. Services Limited (1)	11	-	-	-
	Stocalfe Response Ltd (1)	29	53	10	-
	Tech Wash Limited (1)	-	3,651	-	237
	Total FM Group Ltd (1)	-	1,154	-	-
	William Stobart & Son Limited (1)	1,856	-	385	-
	WS Digital Freight Ltd (1)	34	425	17	101
	WS Freight Services Limited (1)	-	-	3	-
	WS Specialist Logistics Limited (1)	79	4,040	70	409
	WS Storage Solutions Limited (1)	-	3	-	3
	WS Temporary Buildings Limited (1)	-	1,259	-	70
	WS Transportation Limited (1)	39	2	62	-

Notes to the financial statements (continued)

26 Related party transactions (continued)

2023	Description	Sales £000	Purchases £000	Receivables £000	Payables £000
	April's Kitchen Limited (1)	-	468	-	-
	AST Signs Limited (1)	10	250	-	6
	Corporate Trade Supplies UK Limited (1)	-	154	-	140
	Esken Limited (1)	-	1,488	-	(476)
	Graylaw International Freight Group (1)	-	101	-	15
	Landex Limited (1)	-	1,668	-	51
	MvM Media Solutions Ltd (1)	-	18	-	-
	Oakfield Manor Estates Limited (1)	82	38	-	2
	Smith Bros. Services Limited (1)	8	-	2	-
	Stairs Property Ltd (1)	-	99	-	-
	Stocalfe Response Ltd (1)	21	639	8	-
	Tech Wash Limited (1)	-	1,598	-	-
	Total FM Group Ltd (1)	-	5,886	-	306
	William Stobart & Son Limited (1)	1,222	-	427	-
	WS Digital Freight Ltd (1)	77	3	-	3
	WS Freight Services Limited (1)	5	-	3	-
	WS Specialist Logistics Limited (1)	17	3,647	-	516
	WS Storage Solutions Limited (1)	-	47	-	-
	WS Temporary Buildings Limited (1)	-	875	-	-
	WS Transportation Limited (1)	35	-	22	-

(1) These companies provide various services to the Company and became related parties with the appointment of a new director on 10 April 2020.

27 Post-employment benefits

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £2,935k (2023: £2,582k). Contributions amounting to £775k (2023: £718k) were payable to the scheme and are included in payables.

28 Controlling party

The immediate parent undertaking is Eddie Stobart Group Limited.

The ultimate parent undertaking, and the smallest and largest group to consolidate these financial statements is Unternehmensgruppe Theo Muller S.e.c.s., a partnership registered in Luxembourg. This entity prepares group financial statements which are publicly available and can be obtained from Unternehmensgruppe Theo Muller S.e.c.s., 2b rue Albert Borschette, L-1246 Luxembourg. The ultimate controlling party is Herr Theo Muller.