This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

3 November 2021

Esken Limited

("Esken" or the "Group")

Results for the six months ended 31 August 2021

Simplified business delivering improved financial performance and positioned for growth

Esken Limited, the aviation and renewable energy group, today announces its unaudited interim results for the six months to 31 August 2021.

David Shearer, Executive Chairman of Esken said,

"We are pleased to report an improved financial performance and are executing our focused strategy to deliver long term growth. Following the successful completion of the capital raise and refinancing the Group has £90.5m of liquidity available to it at the half year – ahead of management expectations.

As previously indicated, Stobart Energy has had a strong start to the year with profitability and cash generation improving significantly and returning to pre COVID-19 levels. Improving gate fees and increased wood supply from the construction sector gives us confidence we should reach £18-20m of EBITDA in FY22 after Group recharges.

Continued global logistics income coupled with the long term strategic partnership with Carlyle provides LSA with optionality to focus on securing the right commercial airline agreements for Esken's shareholders. LSA continues to progress positive discussions with airline partners and is confident in its offering including its cost efficient operating base, proven routes, award winning passenger experience and proximity to London."

Financial highlights

- Positive EBITDA from our two core operating divisions, increasing from £1.5m in the six months ended 31 August 2020 to £9.9m, driven by a strong performance at Stobart Energy and management of costs and £3.5m of one off receipts within the Aviation businesses.
- Loss for the period of £6.4m compared to a loss of £88.1m for the six months ended 31 August 2020. The comparator period includes £73.0m of losses associated to discontinued businesses (Stobart Air, Propius and Stobart Rail & Civils).
- The £6.4m total loss during the period reflects £5.6m of positive EBITDA and a tax contribution of £9.0m, £10.1m of depreciation and an increase in net financing costs from £2.4m to £8.0m.
- Completed refinancing that included strategic funding in relation to LSA together with a new working capital facility and equity raise. This enabled Esken to repay all outstanding bank debt and will allow the business to meet its ongoing working capital requirements, whilst underpinning the business plan going forward. The management of costs associated with Stobart Air, following its liquidation in June 2021, and Propius, and work to dispose of the £39m portfolio of non-core assets remain in line with management expectations.
- £90.5m of liquidity available at the half year, ahead of management expectations set out at the time of the refinancing, including £19.7m of ring-fenced cash in LSA, and a £20m undrawn Revolving Credit Facility, supported by a continued focus on tight cost control.

£'m	2021	2020	% change
Revenue by division			
Aviation	12.9	13.5	*(4.0%)*
Energy	38.1	33.2	*14.8%*
Revenue for two core operating divisions	**51.0**	**46.7**	***9.2%***
Investments and Non-Strategic infrastructure	0.3	0.8	*(61.7%)*
Group central and eliminations	0.4	0.5	*(39.3%)*
Total revenue	**51.7**	**48.0**	***7.7%***
EBITDA by division			
Aviation	0.8	(0.9)	*181.4%*
Energy	9.1	2.4	*279.1%*
EBITDA for two core operating divisions	**9.9**	**1.5**	***573.1%***
Investments and Non-Strategic infrastructure	(0.5)	(0.8)	*31.9%*
Group central and eliminations	(3.8)	(4.5)	*16.2%*
Total EBITDA	**5.6**	**(3.8)**	***246.6%***

Loss before tax	(12.5)	(16.1)	21.9%
Discontinued operations, net of tax	(2.9)	(73.0)	96.0%
Loss for the period	(6.4)	(88.1)	92.7%
Non-cash loss on acquisition of Stobart Air and Propius	-	(14.3)	-
Net debt - excluding IFRS 16	(123.4)	(89.2)	(38.4%)
Net debt – total	(230.0)	(223.7)	2.8%
Cash and undrawn banking facilities	90.5	119.1	24.0%

Energy

- Stobart Energy experienced a strong financial recovery in line with management expectations at the time of the Company's refinancing. Revenue is up 14.8% to £38.1m and EBITDA is up 279.1% to £9.1m with market conditions returning to pre-COVID-19 levels as expected, with improvements in waste wood supply, gate fee pricing and plant availability.
- It supplied 706k tonnes of biomass fuel to energy plant customers during the period, representing a 14.5% increase in volumes compared to the six months ended 31 August 2020.
- Stobart Energy has continued to deliver on its biomass plant supply contracts whilst navigating market challenges, including the well-publicised HGV driver shortage.

Aviation

- Passenger numbers reduced by 63.2% to 46k during the period with the airport delaying a restart in commercial passenger operations to the start of Summer flying in April 2022, allowing the airport to minimise costs and cash burn during the traditionally quieter Winter period.
- Despite the market backdrop and the global retraction in airline operations, EBITDA improved by 181.4% during the period to £762k. This reflects the performance from the global logistics operation, continued cost management including a reduction in airline marketing support, and £3.5m of one off receipts associated with Connect Airways and the conclusion of its partnership with Teesside International Airport.
- LSA continues to retain £19.7m of ring-fenced cash following the completion of Esken's refinancing in July 2021.

ESG progress

- Esken has put in place a new ESG governance structure to provide performance visibility at Board and Audit Committee levels. ESG performance KPIs for the Executive Team and Division Boards will be agreed ahead of the new financial year.
- Esken is collecting data to enable it to report on Scope 1-3 environmental data at the time of its full year results, when it also intends to report on financial disclosure on climate change ahead of government requirements.
- Esken's divisions have each appointed charity partners for the year and are organising a series of fundraising events. Esken colleagues have also been supporting local schools with careers fairs and mentoring programmes.

Board and Senior Management changes

Esken also announces today an updated management structure which follows the resignation of Warwick Brady as Chief Executive Officer in February 2021. The Board has carefully considered the leadership requirements of the business given the simplified structure of the Group with two core operating divisions and has consulted with a number of its major shareholders.

It has been decided to retain the existing structure with some amendment to responsibilities. David Shearer will remain as Executive Chairman with responsibility for stakeholder management, execution of strategy and executive leadership. Lewis Girdwood, CFO, will take on the additional role as Executive Director - Aviation with main board responsibility for that division. Nick Dilworth, COO, will take on the additional role of Executive Director - Energy with main board responsibility for that business, in addition to his Executive responsibility for ESG.

The changes have the support of major shareholders and the Board believe it is in the best interests of investors. In order to maintain strong corporate governance, David Blackwood will become Deputy Chairman and Senior Independent Director so that the Board and shareholders have a point of reference independent from the Chairman. These changes take effect immediately.

Outlook

Stobart Energy has had a strong start to the year and Esken is now able to provide guidance for FY22.

Esken anticipates Stobart Energy will achieve EBITDA in the range of £18-20m after Group recharges based on the expectation it will maintain a supply run rate of 1.5m tonnes, normalised winter gate fees and that the plants that we supply do not experience any further unplanned outages. Esken further anticipates that Stobart Energy is well placed to build on the FY22 outlook as it continues to improve profitability.

The easing of travel restrictions due to the successful roll out of the COVID-19 vaccination programme means the outlook for aviation is becoming more positive. Whilst we do not expect to see any pick-up in activity during the traditionally quiet Winter season, the Group remains focused on a steady improvement in passenger numbers from the Summer season 2022, which commences in April 2022. LSA has £19.7m of ring fenced cash to support its development through to a cash positive position, which is targeted for FY24.

Conference call details
The Group will provide a live presentation relating to its results via the Investor Meet Company platform at 9:30am BST today. The presentation is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and add to meet Esken via:
https://www.investormeetcompany.com/esken-limited/register-investor. Investors who already follow Esken on the Investor Meet Company platform will automatically be invited.

Divisional Review

Energy

Stobart Energy sources waste wood from third party suppliers such as construction businesses and household waste and recycling centres. It charges these suppliers a gate fee for taking the waste wood, which is priced below the cost of sending the waste wood to landfill; the other viable alternative for disposing of waste wood, which results in the release of harmful methane into the atmosphere. It then stores that waste wood before processing it in to biomass fuel. It supplies that biomass fuel, along with waste wood processed by third parties and virgin wood supplied via managed woodlands and other sustainable sources, to biomass plant customers. Those plants use the fuel to generate renewable energy and pay Stobart Energy for the wood it supplies to them, based on long term, RPI linked contracts.

The business has experienced a strong recovery in market conditions. The availability of waste wood has increased significantly compared to the same period during the first lockdown. The construction industry, which generates the majority of the UK's waste wood, has remained open and has also been catching up with the lost construction activity experienced at the start of the pandemic. This has allowed Stobart Energy to utilise its significant storage capacity to manage supply dynamics toward higher gate fee pricing levels during the key Summer period. Higher gate fee prices, alongside improved plant performance and a reduction in unplanned plant outages, has resulted in a significantly improved financial performance.

The Energy division supplied 706k tonnes of biomass fuel to energy plant customers during the period, representing a 14.5% increase in volumes compared to the six months ended 31 August 2020. This increase in supply, coupled with improved gate fee income and plant availability led to revenue increasing by 14.8% to £38.1m and EBITDA increasing by 279.1% to £9.1m.

Stobart Energy is focused on optimising productivity throughout the business as it seeks to maintain sustainable profitability. The foundation for this has been to embed a 'solutions' mindset and shifted the focus of team performance, as well as the development and empowerment of its senior leadership team. It has placed significant focus on its biomass plant customer relationships, and strengthened its relationships with key partners.

The majority of the capital expenditure required to maintain its supply chain has already been invested and the infrastructure is now well established, with only fleet replacement financing required in order to maintain its core business. Attention has therefore turned to maximising return on capital and delivering strong cost discipline and cash management. Stobart Energy has reduced head count where necessary, and installed daily cashflow management and forecasting, as well as tight customer collection management controls.

The key driver of Stobart Energy's profitability is to manage the risks that can impact margins. Ultimately, Stobart Energy is a services business managing waste wood supply and demand dynamics across the UK. The key is to utilise its six strategically located storage sites to aggregate supply and manage gate fee pricing. Stobart Energy is exposed to various cost inflation risks, and is addressing expected price increases for red diesel and the HGV driver shortage. Stobart Energy actively mitigates these cost exposures, while benefitting from long-term RPI linked supply contracts.

Given the steps taken to manage risks and optimise its team, infrastructure and cash management, Stobart Energy is now on a fundamentally stable footing. This in turn has allowed Esken to reinstate market guidance for this business. It is anticipated that Stobart Energy will achieve EBITDA in the range of £18-20m after Group recharges based on the expectation it will maintain a supply run rate of 1.5m tonnes, achieve normalised winter gate fees and that the plants that we supply do not experience any further unplanned outages. Esken further anticipates that Stobart Energy is well placed to build on the FY22 outlook as it continues to develop profitability.

Aviation

The aviation sector continues to experience immense challenges. Throughout the majority of the period under review travel restrictions have limited people's ability to travel with confidence. While restrictions have started to ease, we are now entering the traditionally quieter Winter flying season.

In order to manage these challenges, airlines have retrenched to their previously established bases. The restrictions on travelling to long haul destinations have also freed up slots at Heathrow and Gatwick and these have been taken up by low cost, short haul operators on a short term basis. This retrenchment to core bases and utilisation of previous long haul slots is not expected to last. Airline fleets are expected to grow again with the delivery of aircraft ordered pre-pandemic and airlines will seek cost effective opportunities to establish long term bases with access to peak time slots in defined catchment areas. This will create an opportunity for LSA, which offers a cost effective base, peak time slots and access to a growing East London catchment.

While those opportunities provide confidence for the future, the challenges brought about by COVID-19 and the resulting impact on travel led to passenger numbers declining 63.2% to 46k. In order to manage the impact of this, LSA made use of the Government's furlough scheme and maintained tight cost control. The airport's capital expenditure plans are being managed to match a recovery in passenger demand. The airport is managing to minimise costs and cash burn at the airport as it prepares to recommence commercial passenger operations in April 2022.

The airport will continue to benefit from global logistics income through the Winter period. That operation has been affected by Brexit and its impact on border controls. This has led to a reduction in aircraft turns. However, flight volumes are expected to maintain a generally positive trend over the medium term as Brexit-related border controls begin to normalise.

The combination of reduced passenger numbers, partially offset by global logistics income and tight cost management, meant that the airport made an EBITDA loss. However, the division as a whole made a £762k EBITDA profit, up 181.4% on the same period last year. This performance was a result of profit contributions from the airport's hotel, the solar farm and Stobart Aviation Services. The main contributors to that EBITDA profit however were a result of £3.5m of one off receipts associated with Connect Airways and the conclusion of its partnership with Teesside International Airport.

Though passenger airport operations are currently paused, it is important to ensure LSA is well placed to rebound quickly for the Summer season 2022. While the majority of capital expenditure has been suspended, the airport has selected certain investments that had commenced pre-COVID-19 and that will deliver an enhanced passenger experience. These include next generation central search equipment to ensure it continues to have one of the fastest airport security queues in the UK and new baggage x-ray machines that will allow the airport to process 3,600 items of hold luggage per hour. The airport has also invested time and effort into developing its relationships with the community in which it operates. In June 2021 LSA launched its Connecting Communities Commitment, encompassing an Environmental Action Plan, its chosen charity partner, Mind, and details of one of the UK's first airport noise forums in order to listen to the views of the community.

LSA is also now working closely with its long term strategic partner, Carlyle. The two parties are closely aligned on the airport's strategic objectives and Carlyle representatives have joined the airport's operating board.

Esken, Carlyle and LSA are particularly aligned on the type of airline agreement that it is targeting. Commercial passenger flying has to be profitable for all parties to ensure it is sustainable. The team are in constant and continuing dialogue with a wide range of airlines, and the airport is able to offer a clear proposition of proven routes, peak slots, cost effective operations and an attractive and growing catchment area.

Airlines across the market are currently holding back on committing to fleet deployment and putting flights on sale for Summer 2022. We expect that to change following the aviation conferences including The World Routes Conference in October 2021, where LSA had a strong presence. Accordingly, LSA remains confident in both its consumer proposition and its ongoing discussions with airlines leading to an improvement in passenger numbers from Summer 2022.

Financial Review

Key events in the period
The Group signed an agreement with Carlyle Global Infrastructure Opportunity Fund (CGI) for a £125m investment in London Southend Airport Company Limited (LSA) through a 30% convertible debt instrument. Of the funding, £20m is ring-fenced for LSA for a forecast period of three years to support its development and recovery from the COVID-19 pandemic, and around £91m will provide liquidity to the rest of the Esken Group.

The Group completed a successful capital raise in the period raising gross proceeds of £55.2m. The capital raise resulted in the issue of 394.4m new shares in Esken Limited.

The CGI loan and capital raise enabled the Group to repay the old £120m Revolving Credit Facility (RCF), drawn at £108m, in full. A new £20m RCF, available through to February 2023, was agreed with the current bank lenders, replacing the £120m RCF, with a simplified covenant structure reflecting the forecast performance of the business going forward.

These transactions have reduced the Group's overall bank debt, allowing it to meet certain residual legacy obligations, and underpin the business plan for the Group. In addition, the CGI transaction provides a valuable strategic partner for LSA, with CGI bringing its expertise in investing in and developing airports around the world.

As mentioned in the Group's annual report for the year ended 28 February 2021, Stobart Air entered liquidation in the period. This resulted in the de-consolidation of the Stobart Air balance sheet and reclassification of the results of Stobart Air and Propius to discontinued operations. The disposal of the net liabilities of Stobart Air has resulted in a profit of £10.4m, after costs. The operations of Stobart Air contributed a loss of £1.8m in the period up to disposal and Propius contributed a £11.3m loss in the period. While the results of Propius are presented as discontinued, in the period up to February 2024 there will be ongoing cashflows in respect of aircraft leases and maintenance obligations with the corresponding liabilities remaining on the Group's consolidated statement of financial position.

The Energy division has seen a strong recovery from the pandemic, with improvements in waste wood supply and gate fee pricing as market conditions returned to pre-COVID-19 levels, whilst navigating market risks such as the national HGV driver shortage. The division supplied 706k tonnes of biomass material in the period, an increase of 14.5% on the period ended 31 August 2020.

The Aviation division continues to experience intense challenges caused by the COVID-19 pandemic with varying levels of travel restrictions remaining in place during the entire period. The number of passengers at LSA in the period was 46k, compared to 124k in the period to 31 August 2020, a reduction of 63.2%, with the prior period including a month of pre-lockdown travel. To mitigate this the division has maintained tight cost control, including utilising the UK Government furlough scheme. Despite the lifting of some travel restrictions, the division has taken the decision to delay a restart in commercial operations at LSA to the new year to minimise costs and cash burn during the traditionally quieter winter period. The division is positioning itself to rebound strongly during the summer 2022 season, including LSA working closely with its new long-term strategic partner, CGI.

Revenue
Revenue from continuing operations has increased by 7.7% to £51.7m (2020: £48.0m) in the six months to 31 August 2021, primarily driven by the Energy division which has seen an improvement in biomass material sales and gate fee revenue. Aviation revenue has decreased by 4.0% to £12.9m (2020: £13.5m) with passenger numbers through LSA decreasing by 63.2% to 46k period-on-period. Energy revenue has increased by 14.8% to £38.1m (2020: £33.2m) and biomass tonnages supplied rose by 14.5% to 706k period-on-period.

Profitability

Divisional Continuing Profit Summary	**31 August 2021** **£m**	**31 August 2020** **£m**
Aviation	0.8	(0.9)
Energy	9.1	2.4
EBITDA[1] from operating divisions	**9.9**	**1.5**
Investments	(0.2)	(0.1)
Non-Strategic Infrastructure	(0.3)	(0.7)
Group central and eliminations	(3.8)	(4.5)
EBITDA[1]	**5.6**	**(3.8)**
Depreciation	(10.1)	(9.9)
Finance costs (net)	(8.0)	(2.4)
Loss before tax	**(12.5)**	**(16.1)**
Tax	9.0	1.0
Loss from discontinued operations, net of tax	(2.9)	(73.0)
Loss for the period	**(6.4)**	**(88.1)**

[1] Defined in glossary in note 17.

EBITDA has increased by 246.6% to a profit of £5.6m (2020: £3.8m loss). In Aviation EBITDA has increased to a profit of £0.8m (2020: £0.9m loss) due to receipts of £3.5m associated with Connect Airways and the conclusion of the partnership with Teesside International Airport alongside continued cost management. Energy EBITDA has increased by 279.1% to £9.1m (2020: £2.4m) due to market conditions returning to pre-COVID levels leading to the increased revenue mentioned above, in addition to the receipt of a £0.8m research and development tax credit.

The loss before tax from continuing operations is £12.5m (2020: £16.1m). Depreciation of £10.0m (2020: £9.9m) is broadly in line with the prior period. Finance costs of £9.9m (2020: £6.1m) have increased principally due to the increased cost of borrowing on the RCF. Finance income of £1.9m (2020: £3.7m) has reduced mainly because of a lower period-on-period gain on the revaluation of financial liabilities and minimal foreign exchange gains in the current period, see note 7.

A summary of divisional profitability and further details of divisional performance are set out in the Divisional Reviews section.

Discontinued operations and restatement
Following the liquidation of Stobart Air, the results of Stobart Air and Propius for the period have been included within discontinued operations. The prior period results have been restated within the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Cash Flows and accompanying notes accordingly.

Taxation

The tax credit of £9.0m (2020: £1.0m) has arisen predominantly due to the release of tax provisions in the period.

Loss per share

Loss per share from continuing operations[1] was 0.55p (2020: 3.31p) (see note 9 for further details).

[1] Defined in glossary in note 17.

Balance sheet

	31 August 2021 £m	28 February 2021 £m
Non-current assets	367.4	369.4
Current assets	115.3	55.4
Total assets	**482.7**	**424.8**
Non-current liabilities	(269.0)	(172.6)
Current liabilities	(122.4)	(203.9)
Net assets	**91.3**	**48.3**

The increase in the net asset position of £43.0m principally relates to the £55m capital raise, partially offset by the loss for the period of £6.4m.

Non-current assets have decreased in the period, largely due to depreciation in the period partially offset by the increase in the value of the LDG investment.

Current assets have increased primarily due to the increase in cash balance in the period, see the Cash flow section below for more detail.

The £96.4m increase in non-current liabilities is mainly due to the recognition of the CGI loan on the balance sheet, net of debt issue costs, partially offset by a decrease in lease liabilities due to capital repayment.

Current liabilities have decreased by £81.5m, largely due to the repayment of the RCF, drawn at £55.0m at 28 February 2021, and a reduction in trade creditors across the Group.

Debt and gearing

	31 August 2021	28 February 2021
Asset-backed finance	£82.2m	£139.8m
Convertible loan	£111.7m	-
IFRS 16 lease obligations	£106.6m	£123.4m
Cash	(£70.5m)	(£12.4m)
Net debt	**£230.0m**	**£250.8m**
EBITDA[1]/interest	0.8	(1.4)
Net debt/total assets	47.7%	59.0%
Gearing	251.9%	519.2%

[1] Defined in glossary in note 17.

In the period a new £20m RCF was signed with the current bank lenders replacing the old £120m RCF, which was fully repaid in the period. At 31 August 2021 the committed undrawn headroom on the £20m (28 February 2021: £120m) RCF was £20m (28 February 2021: £65m), and with a cash balance of £70.5m (28 February 2021: £12.4m), total headroom was £90.5m (28 February 2021: £77.4m).

Cash flow

	31 August 2021 £m	31 August 2020 £m
Operating cash flow	0.1	(0.7)
Investing activities	(6.5)	2.0
Financing activities	96.0	10.5
Increase/(decrease) in the period	89.6	11.8
Discontinued operations	(31.5)	(11.5)
Cash at beginning of period	12.4	9.8
Cash at end of period	**70.5**	**10.1**

Discontinued cash flow in the period relates to the operations of Stobart Air, Propius and £0.2m relates Stobart Rail & Civils, which was disposed of in the prior year.

Investing outflows include £2.5m for the purchase of plant property and equipment, mainly related to development at London Southend Airport.

The principal financing inflows include a receipt of £111.5m for the CGI convertible debt instrument and £53.3m received following the capital raise. The main financing outflows were the £56.9m repayment of the RCF, £8.3m for the repayment of the principal element of leases and interest payments of £5.4m.

Key Risks and Uncertainties

As with any business, risk assessment and the implementation of mitigating actions and controls are vital to successfully achieving the Group's strategy. The Board has overall responsibility for risk management and internal control within the context of achieving the Group's objectives. The key risks are set out in our statutory accounts for the year ended 28 February 2021 and are still applicable.

Going concern

The directors have a reasonable expectation that the Group will have sufficient funds to continue to meet its liabilities as they fall due over the going concern assessment period and therefore have prepared the interim financial statements on a going concern basis. However, the substantial achievement of forecasts and the availability of sufficient funding indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

In forming the conclusion on going concern the Directors have extended the forecasts to cover the maturity of the RCF and aircraft lease obligations. Accordingly, the going concern assessment period is the 21 months to August 2023 (the going concern assessment period). The going concern assessment period has not been extended further to cover the expected maturity of the exchangeable bond in 2024, though the Directors note that additional funding is expected to be required to settle the bond at maturity. The base case forecasts demonstrate compliance with all funding covenants, with additional levers available to Management to further improve covenant headroom if required.

The Directors have considered a severe but plausible downside forecast. This scenario indicates that, before non-controllable mitigating actions such as asset disposals, the Group will require additional funding over and above the base case, from February 2023. As the current covenant thresholds are based on the availability of the existing RCF facility (which extends to February 2023), no covenant breaches are forecast prior to the maturity of the Group's RCF. The covenant calculations are also based on the Group excluding LSA (in line with RCF facility), as the funding for LSA was ring-fenced following the completion of the £125m convertible debt instrument and as noted above has sufficient liquidity throughout the review period. This has the effect of mitigating the risk of uncertainties around the recovery of the Aviation industry against the Group's covenant compliance.

Further details on the Directors' assessment of the going concern position of the Group is set out in the notes to the financial statements in this results announcement. This section must be read in order to fully understand the significant judgements the Directors have made and the material uncertainty that exists in respect of the going concern assumption for the Group.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and

- The interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the statutory accounts for the year ended 28 February 2021 that could do so.

The above statement of Directors' responsibilities was approved by the Board on 3 November 2021.

Lewis Girdwood
Director
3 November 2021

Esken Limited

Condensed Consolidated Income Statement
For the six months ended 31 August 2021

Continuing operations	Notes	Six months ended 31 August 2021 Unaudited £'000	Restated[1] Six months ended 31 August 2020 Unaudited £'000
Revenue	4	51,684	48,002
Other operating income		914	255
Reversal of Impairment – loan receivables from joint venture	5	1,963	-
Operating expenses – other		(48,899)	(51,626)
Share of post-tax losses of associates and joint ventures		(146)	(148)
Gain/(loss) on swaps		58	(286)
EBITDA		**5,574**	**(3,803)**
Depreciation		(10,089)	(9,923)
Operating loss		**(4,515)**	**(13,726)**
Finance costs	7	(9,940)	(6,103)
Finance income	7	1,906	3,751
Loss before tax		**(12,549)**	**(16,078)**
Tax	8	9,023	933
Loss for the period from continuing operations		**(3,526)**	**(15,145)**
Discontinued operations			
Loss from discontinued operations, net of tax	6	(2,915)	(72,953)
Loss for the period		**(6,441)**	**(88,098)**
Loss per share expressed in pence per share – continuing operations			
Basic	9	(0.55p)	(3.31p)
Diluted	9	(0.55p)	(3.31p)
Loss per share expressed in pence per share – total			
Basic	9	(1.01p)	(19.27p)
Diluted	9	(1.01p)	(19.27p)

[1] The 2020 results have been restated where required due to IFRS 5 Discontinued Operations. Refer to note 6 for more details.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 August 2021

	Six months ended 31 August 2021 Unaudited £'000	Restated Six months ended 31 August 2020 Unaudited £'000
Loss for the period	**(6,441)**	**(88,098)**
Exchange differences on translation of foreign operations	(975)	18
Discontinued operations, net of tax, relating to exchange differences	635	-
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods, net of tax	**(340)**	**18**
Re-measurement of defined benefit plan	1,258	(1,702)
Change in fair value of financial assets classified as FVOCI	(1,927)	(1,354)
Tax on items relating to components of other comprehensive income	(262)	323
Other comprehensive expense not being reclassified to profit or loss in subsequent periods, net of tax	**(931)**	**(2,733)**
Other comprehensive expense for the period, net of tax	**(1,271)**	**(2,715)**
Total comprehensive expense for the period	**(7,712)**	**(90,813)**

Esken Limited

Condensed Consolidated Statement of Financial Position
As at 31 August 2021

	Notes	31 August 2021 Unaudited £'000	28 February 2021 Audited £'000
Non-current assets			
Property, plant and equipment	10	279,424	285,621
Investment in associates and joint ventures		1,226	1,372
Other financial assets	11	13,688	10,392
Intangible assets		54,669	54,669
Net investment in lease		16,868	15,824
Other receivables		1,495	1,495
		367,370	**369,373**
Current assets			
Inventories		12,388	15,334
Corporation tax	8	-	324
Trade and other receivables		32,419	27,378
Cash and cash equivalents	11	70,523	12,408
		115,330	**55,444**
Total assets		**482,700**	**424,817**
Non-current liabilities			
Loans and borrowings	11	(223,358)	(122,116)
Defined benefit pension obligations		(736)	(2,418)
Other liabilities		(8,808)	(8,271)
Deferred tax		-	(261)
Provisions	12	(36,071)	(39,534)
		(268,973)	**(172,600)**
Current liabilities			
Trade and other payables		(37,946)	(52,735)
Financial liabilities	11	-	(1,581)
Loans and borrowings	11	(25,003)	(89,121)
Exchangeable bonds	11	(52,198)	(52,010)
Provisions	12	(7,246)	(8,457)
		(122,393)	**(203,904)**
Total liabilities		**(391,366)**	**(376,504)**
Net assets		**91,334**	**48,313**
Capital and reserves			
Issued share capital	13	102,534	62,492
Share premium	13	403,131	390,336
Foreign currency exchange reserve		1,701	3,826
Reserve for own shares held by employee benefit trust		(7,596)	(7,480)
Retained deficit		(408,436)	(400,861)
Total Equity		**91,334**	**48,313**

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 August 2021

For the six months ended 31 August 2021
Unaudited

	Issued share capital £'000	Share premium £'000	Foreign currency exchange reserve £'000	Reserve for own shares held by EBT £'000	Retained deficit £'000	Total equity £'000
Balance at 1 March 2021	62,492	390,336	3,826	(7,480)	(400,861)	48,313
Loss for the period	-	-	-	-	(6,441)	(6,441)
Other comprehensive expense for the period	-	-	(340)	-	(931)	(1,271)
Total comprehensive expense for the period	-	-	(340)	-	(7,372)	(7,712)
Issue of ordinary shares	40,042	12,795	-	-	(600)	52,237
Employee benefit trust	-	-	-	(116)	(3)	(119)
Reclassification of exchange differences on liquidation of subsidiary	-	-	(1,785)	-	-	(1,785)
Share-based payment charge	-	-	-	-	400	400
Balance at 31 August 2021	**102,534**	**403,131**	**1,701**	**(7,596)**	**(408,436)**	**91,334**

For the six months ended 31 August 2020
Unaudited

	Issued share capital £'000	Share premium £'000	Foreign currency exchange reserve £'000	Reserve for own shares held by EBT £'000	Retained deficit £'000	Total equity £'000
Balance at 1 March 2020	37,465	324,368	-	(7,161)	(251,574)	103,098
Loss for the period	-	-	-	-	(88,098)	(88,098)
Other comprehensive income/(expense) for the period	-	-	18	-	(2,733)	(2,715)
Total comprehensive income/(expense) for the period	-	-	18	-	(90,831)	(90,813)
Issue of ordinary shares	25,027	66,043	-	-	-	91,070
Employee benefit trust	-	-	-	-	(318)	(318)
Share-based payment credit	-	-	-	-	(8)	(8)
Tax on share-based payment credit	-	-	-	-	160	160
Balance at 31 August 2020	**62,492**	**390,411**	**18**	**(7,161)**	**(342,571)**	**103,189**

Esken Limited

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 August 2021

For the six months ended 31 August 2020
Unaudited

	Notes	Six months ended 31 August 2021 Unaudited £'000	Restated Six months ended 31 August 2020 Unaudited £'000
Cash used in continuing operations	15	**(137)**	**(738)**
Cash outflow from discontinued operations		(15,133)	(7,125)
Income taxes received		232	-
Net cash flow from operating activities		**(15,038)**	**(7,863)**
Purchase of property, plant and equipment		(2,513)	(1,476)
Proceeds from the sale of property, plant and equipment		360	314
Proceeds from disposal of asset held for sale		-	6,000
Receipt of capital element of IFRS 16 net investment in lease		641	129
Acquisition of subsidiary undertakings (net of cash acquired and fees)		-	603
Cash disposed on liquidation/disposal of subsidiary undertakings		(362)	(3,529)
Acquisition of other financial assets		(4,900)	-
Interest received		323	-
Cash outflow from discontinued operations		(7,808)	(54)
Net cash flow from investing activities		**(14,259)**	**1,987**
Issue of ordinary shares (net of costs)		53,262	91,071
Proceeds from issue of convertible debt (net of costs)		111,459	-
Proceeds from grants		1,937	-
Principal element of lease payments		(8,331)	(5,117)
Net repayment of revolving credit facility (net of costs)		(56,936)	(68,247)
Repayment of borrowings		-	(4,500)
Interest paid		(5,383)	(2,722)
Cash outflow from discontinued operations		(8,596)	(4,302)
Net cash flow from financing activities		**87,412**	**6,183**
Increase in cash and cash equivalents		58,115	307
Cash and cash equivalents at beginning of period		12,408	9,802
Cash and cash equivalents at end of period		**70,523**	**10,109**

Notes to the Condensed Consolidated Financial Statements
For the six months ended 31 August 2021

1 Accounting policies

Corporate information
The Condensed Consolidated Financial Statements of the Group for the six months ended 31 August 2021 (interim financial statements) were authorised for issue in accordance with a resolution of the Directors on 3 November 2021. Esken Limited is a Guernsey registered company whose ordinary shares are publicly traded on the London Stock Exchange. The principal activities of the Group are described in note 3.

Basis of preparation
The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 28 February 2021. Except for the 28 February 2021 statutory comparatives, the financial information set out herein is unaudited but has been reviewed by the auditors, KPMG LLP, and their report to the Company is attached.

The audited comparative financial information set out in these interim financial statements does not constitute the Group's statutory accounts for the year ended 28 February 2021 but has been derived from those accounts. Statutory accounts for the year ended 28 February 2021 have been published and KPMG LLP has reported on those accounts. Their audit report was unqualified, however, it highlighted a material uncertainty regarding going concern in respect of securing the necessary funds from: i) the banks not recalling the existing RCF; ii) the banks allowing the further planned drawdowns through to August 2021; iii) executing the term sheet in respect of the convertible debt instrument; iv) successful completion of the Capital Raise; and v) obtaining the new RCF. The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU.

Restatement
Following the liquidation of Stobart Air and subsequent abandonment of Propius (see note 6), all prior period results have been restated where applicable to remove the results of Stobart Air and Propius from continuing operations.

Going concern
Position adopted at year end February 2021
The Group's financial statements for the year ended 28 February 2021 were issued on 30 June 2021. Those financial statements were prepared on the basis that the Group was a going concern although there was a material uncertainty in respect of going concern. In arriving at that conclusion, the Directors had reviewed the Group's updated cash flow forecasts together with the projected covenant compliance of the Group, which covered a period up to January 2023 when the Group's RCF facilities were due for renewal. The Directors were satisfied the Group had sufficient cash headroom to continue trading for the period assessed.

Update to position
Subsequent to the issue of the February 2021 financial statements, the Group successfully raised £125m of gross proceeds from the convertible debt instrument issued by its 100% owned subsidiary London Southend Airport Company Limited to Carlyle Global Infrastructure Opportunity Fund, in addition to £55m of cash proceeds from an equity raise by Esken Limited. Following the completion of the debt issue and equity raise, the existing £120m RCF was fully repaid and replaced with a new £20m RCF that remained undrawn as at 31 August 2021 and to the date of this report. In addition, the Group also has aircraft lease and maintenance obligations of £55.4m related to Propius as at 31 August 2021, falling due prior to August 2023, and a £53.1m exchangeable bond maturing in 2024 (see note 11) presented in current liabilities.

In forming the conclusion on going concern the Directors have extended the forecasts to cover the maturity of the RCF and aircraft lease obligations. Accordingly, the going concern assessment period is the 21 months to August 2023 (the going concern assessment period). The going concern assessment period has not been extended further to cover the expected maturity of the exchangeable bond in 2024, though the Directors note that additional funding is expected to be required to settle the bond at maturity.

As further explained below, the Directors have prepared cash flow forecasts for the going concern assessment period that reflect both base and severe but plausible downsides. Those forecasts indicate that in the base and downside scenarios the Group will require significant additional funding to meet its liabilities as they fall due over the going concern assessment period. The Directors are confident that sufficient appropriate funding will be available, including the replacement of the RCF and such additional funding as is needed, though there can be no certainty that that will be the case.

Base case forecast
In considering the going concern position for the purpose of these interim financial statements, the Directors have reviewed the Group's updated base case cash flow forecasts through to August 2023, based on the Directors' expectations around the return to flying at London Southend Airport and growth in passenger numbers. The base case indicates that the Group will have sufficient funds to meet its liabilities for the period prior to the maturity of the RCF in February 2023, when headroom becomes limited. Those same forecasts indicate that significant additional funding would then be required in excess of the existing RCF in order to continue to meet liabilities to the end of the going concern assessment period in August 2023. The base case forecasts demonstrate compliance with all funding covenants until maturity in February 2023, with additional actions available to the Directors to further improve covenant headroom if required.

Severe but plausible downside forecast
The Directors have also considered a severe but plausible downside scenario that includes the following:

- Passengers previously forecast pre specific airline exit announcements are not replaced, with a downside scenario including a 39% reduction in passenger volume (albeit this will not impact on the covenant calculations);
- Reduction in Energy tonnes sold and an 8% increase in net material costs, resulting in remaining volumes having an adverse margin mix;
- Net reduction in gate fees received by the Energy division, driving a 24% decrease in gate fee revenue; and
- Non-renewal of the Group RCF.

This scenario indicates that, before non-controllable mitigating actions such as asset disposals, the Group will require further additional funding over and above the base case, from February 2023. As the current covenant thresholds are based on the availability of the existing RCF facility (which extends to February 2023), no covenant breaches are forecast prior to the maturity of the Group's RCF. The covenant calculations are also based on the Group excluding LSA (in line with RCF facility), as the funding for LSA was ring-fenced following the completion of the £125m convertible debt instrument and as noted above has sufficient liquidity throughout the review period. This has the effect of mitigating the risk of uncertainties around the recovery of the Aviation industry against the Group's covenant compliance.

Any shortfall against the substantial achievement of forecasts will increase the timing and amount of additional funding required.

The Board will of course seek to mitigate the financial impact of this severe but plausible downside forecast should it arise.

Conclusion
Overall, the directors have a reasonable expectation that the Group will have sufficient funds to continue to meet its liabilities as they fall due over the going concern assessment period and therefore have prepared the interim financial statements on a going concern basis.

However, the substantial achievement of forecasts and the availability of sufficient funding indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Significant accounting policies
Aside from the new convertible debt policy below, adopted in the period, the accounting policies applied in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 28 February 2021. These accounting policies are expected to be applied for the full year to 28 February 2022.

Convertible debt
The financial liability element of the convertible debt instrument, see note 11, is measured at amortised cost. The convertible debt includes three derivatives in relation to conversion into shares in London Southend Airport Company Limited. These have been accounted for as one single compound derivative, as they are not considered independent of each other, which is separate from the host contract. The fair value of the embedded derivative is considered at each reporting date and the movement in fair value is recognised through profit and loss.

Key estimates and judgements
The estimates and judgements taken by the Directors in preparing these interim financial statements are comparable with those disclosed in the annual financial statements for the year ended 28 February 2021.

Presentation of Condensed Consolidated Income Statement
EBITDA, a non-GAAP measure, is the key profitability measure used by management for performance review in the day-to-day operations of the Group. Non-GAAP measures are used as they are considered to be both useful and necessary. They are used for internal performance analysis; the presentation of these measures facilitates comparability with other companies, although management's measures may not be calculated in the same way as similarly titled measures reported by other companies.

The post-tax results of discontinued operations along with any gain or loss recognised on the disposal of the assets or disposal groups constituting the discontinued operation are disclosed as a single amount in the Condensed Consolidated Income Statement. The comparative period results are restated accordingly.

2 Seasonality of operations

COVID-19 has impacted the effect of seasonality in the current and prior periods; however, this does not alter the long-term seasonality of operations of the Group. There is a material effect of seasonality in both of our largest operating divisions. In the Aviation division there are higher seasonal sales in summer, due to increased demand for overseas travel, and this is partly offset by higher seasonal sales in winter in the Energy division, due to higher energy consumption.

3 Segmental information

The reporting segments are Aviation, Energy, Investments and Non-Strategic Infrastructure. In the prior period, the results of Stobart Air and Propius were included in the Investments reporting segment. However, following the liquidation of Stobart Air, the results of Stobart Air and Propius are no longer included in the Investments segment but are presented as discontinued operations on the face of the Condensed Consolidated Income Statement, see note 6.

The Aviation segment specialises in the operation of a commercial airport and the provision of ground handling services. The Energy segment specialises in the supply of sustainable biomass for the generation of renewable energy.

The Investments segment holds a non-controlling interest in a logistics services investing business and a baggage handling business. The Non-Strategic Infrastructure segment specialises in management, development, and realisation of a portfolio of property assets, including Carlisle Lake District Airport, as well as an investment in a renewable energy plant.

The Executive Directors are regarded as the Chief Operating Decision Maker. The Directors monitor the results of each business unit separately for the purposes of making decisions about resource allocation and performance assessment. The main segmental profit measure is EBITDA, which is calculated as loss before tax, interest and depreciation. Income taxes and certain central costs are managed on a Group basis and are not allocated to operating segments. No segmental assets or liabilities information is disclosed because no such information is regularly provided to, or reviewed by, the Chief Operating Decision Maker.

Six months ended 31 August 2021	**Aviation £'000**	**Energy £'000**	**Investments £'000**	**Non-Strategic Infrastructure £'000**	**Group central and eliminations £'000**	**Total £'000**
Revenue						
External	12,902	38,144	-	259	379	51,684
Internal	22	-	-	50	(72)	-
Statutory revenue	**12,924**	**38,144**	**-**	**309**	**307**	**51,684**
EBITDA	**762**	**9,106**	**(152)**	**(382)**	**(3,760)**	**5,574**
Depreciation	(5,046)	(4,229)	-	(181)	(633)	(10,089)
Net interest	(937)	(844)	(789)	(154)	(5,310)	(8,034)
(Loss)/profit before tax	**(5,221)**	**4,033**	**(941)**	**(717)**	**(9,703)**	**(12,549)**

Restated Six months ended 31 August 2020	**Aviation £'000**	**Energy £'000**	**Investments £'000**	**Non-Strategic Infrastructure £'000**	**Group central and eliminations £'000**	**Total £'000**
Revenue						
External	13,402	33,223	-	730	647	48,002
Internal	65	-	-	76	(141)	-
Statutory revenue	**13,467**	**33,223**	**-**	**806**	**506**	**48,002**
EBITDA	**(936)**	**2,402**	**(148)**	**(636)**	**(4,485)**	**(3,803)**
Depreciation	(4,599)	(4,333)	-	(498)	(493)	(9,923)
Net interest	(418)	(961)	(760)	(221)	8	(2,352)
Loss before tax	**(5,953)**	**(2,892)**	**(908)**	**(1,355)**	**(4,970)**	**(16,078)**

Internal revenue above relates to inter-segment revenues that are eliminated within Group central and eliminations. Intra-segment revenues are eliminated within each segment.

In the prior period EBITDA was presented before the impact of swaps. This period the gain on swaps of £58,000 (2020: £286,000 loss) is included within EBITDA.

4 Revenue

Revenue is primarily from contracts with customers. Other sources of revenue are from owned and leased fixed assets. The following tables detail the split between revenue from contracts with customers and other revenue, and disaggregate the revenue from contracts with customers.

Six months ended 31 August 2021	**Aviation £'000**	**Energy £'000**	**Investments £'000**	**Non-Strategic Infrastructure £'000**	**Group central and eliminations £'000**	**Total £'000**
Revenue from contracts with customers	12,711	38,144	-	63	-	50,918
Other revenue – lease income	191	-	-	196	379	766
	12,902	**38,144**	**-**	**259**	**379**	**51,684**

Six months ended 31 August 2021	Aviation £'000	Energy £'000	Investments £'000	Non-Strategic Infrastructure £'000	Group central and eliminations £'000	Total £'000
Major product/service line						
Sale of goods	2,139	33,387	-	-	-	35,526
Rendering of services	10,572	4,757	-	63	-	15,392
	12,711	**38,144**	**-**	**63**	**-**	**50,918**
Primary geographical markets						
United Kingdom	10,882	38,144	-	63	-	49,089
Europe and Ireland	1,827	-	-	-	-	1,827
Rest of world	2	-	-	-	-	2
	12,711	**38,144**	**-**	**63**	**-**	**50,918**
Timing of revenue recognition						
Products and services transferred at a point in time	12,711	38,144	-	63	-	50,918
	12,711	**38,144**	**-**	**63**	**-**	**50,918**

Restated Six months ended 31 August 2020	Aviation £'000	Energy £'000	Investments £'000	Non-Strategic Infrastructure £'000	Group central and eliminations £'000	Total £'000
Revenue from contracts with customers	13,017	33,223	-	104	214	46,558
Other revenue – lease income	385	-	-	626	433	1,444
	13,402	**33,223**	**-**	**730**	**647**	**48,002**

Restated Six months ended 31 August 2020	Aviation £'000	Energy £'000	Investments £'000	Non-Strategic Infrastructure £'000	Group central and eliminations £'000	Total £'000
Major product/service line						
Sale of goods	2,268	33,223	-	27	7	35,525
Rendering of services	10,749	-	-	77	-	10,826
Royalties/commissions	-	-	-	-	207	207
	13,017	**33,223**	**-**	**104**	**214**	**46,558**
Primary geographical markets						
United Kingdom	10,840	33,223	-	102	214	44,379
Europe and Ireland	2,175	-	-	2	-	2,177
Rest of world	2	-	-	-	-	2
	13,017	**33,223**	**-**	**104**	**214**	**46,558**
Timing of revenue recognition						
Products and services transferred at a point in time	13,017	33,223	-	104	7	46,351
Products and services transferred over time	-	-	-	-	207	207
	13,017	**33,223**	**-**	**104**	**214**	**46,558**

Opening and closing receivables, contract assets and contract liabilities from contracts with customers are as follows:

	31 August 2021 Unaudited £'000	28 February 2021 Audited £'000
Receivables	11,158	9,301
Contract assets	4,096	5,463
Contract liabilities	-	(6,326)

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on contracts in the Energy division. Contract liabilities relate to an entity's obligation to transfer goods or services to a customer for which the entity has received consideration.

Receivables have increased in the period mainly due to the billing of contract assets in the Energy division.

Contract liabilities at year ended 28 February 2021 related to advance consideration received from flights booked in advance but not flown. The deconsolidation of Stobart Air's has resulted in the decrease in the period.

5 Reversal of Impairment – loan receivables from joint venture

During the period, the Group received £813,000 from the administrators of Connect Airways Limited (Connect), relating to a secured first ranking loan that was fully impaired in the year ended February 2020. Subsequent to this, the Group sold its rights to all fully impaired loans due from Connect for £1,150,000.

6 Discontinued operations

In the prior year on 27 April 2020, the Group acquired Stobart Air. On 14 June 2021, the Ireland High Court appointed liquidators to Stobart Air. Due to the liquidation the Stobart Air balance sheet was deconsolidated in the Group accounts. Net liabilities deconsolidated totalled £15,562,000 and £5,810,000 of costs in relation to the liquidation were incurred, resulting in a profit on liquidation of £9,752,000.

Following the liquidation of Stobart Air, the results of Propius, our aircraft leasing business that leased all eight of its aircraft to Stobart Air, have been presented as discontinued. Propius is abandoned in line with the IFRS 5 definition of a discontinued operation. While the results of Propius are presented as discontinued, in the period up to February 2024 there will be ongoing finance charges and cashflows in respect of aircraft leases and cashflows in respect of maintenance obligations, with the corresponding liabilities remaining on the Group's consolidated statement of financial position.

The results of Stobart Air and Propius in the period, which were both separately considered major lines of business, and the profit on liquidation, have been reported on a single line, net of tax on the face of the Condensed Consolidated Income Statement. The Condensed Consolidated Income Statement for the period ended 31 August 2020 has been restated on the same basis.

The loss for the period from discontinued operations, net of tax includes £301,000 of costs in relation to Stobart Rail which was disposed in year ended 28 February 2021.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 31 August 2021

A summary of the Stobart Air results included in discontinued operations is as follows:

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Revenue	3,449	5,169
Operating expenses	(5,156)	(6,469)
Depreciation	-	(2,535)
Net finance costs	602	440
Results from operating activities before tax	**(1,105)**	**(3,395)**
Loss on acquisition	-	(17,351)
Profit on liquidation	9,752	-
Profit/(loss) before tax	**8,647**	**(20,746)**
Tax	-	-
Profit/(loss) for the period from discontinued operations, net of tax	**8,647**	**(20,746)**

A summary of the Propius results included in discontinued operations is as follows:

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Operating expenses	(9,486)	(240)
Depreciation	-	(1,988)
Net finance costs	(1,727)	(764)
Results from operating activities before tax	**(11,213)**	**(2,992)**
Loss on acquisition	-	(37,626)
Loss before tax	**(11,213)**	**(40,618)**
Tax	(48)	-
Loss for the period from discontinued operations, net of tax	**(11,261)**	**(40,618)**

A summary of the discontinued operations recognised in the Condensed Consolidated Income Statement is as follows:

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Stobart Air discontinued operations, net of tax	8,647	(20,746)
Propius discontinued operations, net of tax	(11,261)	(40,618)
Stobart Rail discontinued operations, net of tax	(301)	(11,589)
Loss from discontinued operations, net of tax	**(2,915)**	**(72,953)**

The above losses are attributable to the owners of the company.

The effect of the deconsolidation of Stobart Air on individual assets and liabilities is as follows:

	£'000
Inventories	3,096
Trade and other receivables	6,377
Cash and cash equivalents	362
Trade and other payables	(12,992)
Lease liabilities	(7,265)
Provisions	(3,356)
Foreign currency exchange reserve	(1,784)
Net assets and liabilities	**(15,562)**

The cash flows in relation to Stobart Air are as follows:

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Net cash used in operating activities	(14,301)	(5,977)
Net cash (used in)/generated from investing activities	-	(78)
Net cash used in financing activities	(2,143)	(1,050)
Net cash flows for the period	**(16,444)**	**(7,105)**

The cash flows in relation to Propius are as follows:

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Net cash used in operating activities	(1,002)	(4,298)
Net cash (used in)/generated from investing activities	(7,808)	-
Net cash used in financing activities	(6,453)	(3,045)
Net cash flows for the period	**(15,263)**	**(7,343)**

A summary of cash flows from discontinued operations is follows:

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Stobart Air	(16,444)	(7,105)
Propius	(15,263)	(7,343)
Stobart Rail	170	2,967
Net cash flows for the period	**(31,537)**	**(11,481)**

7 Finance costs and income

	Six months ended 31 August 2021 Unaudited £'000	Restated Six months ended 31 August 2020 Unaudited £'000
Bank loans	3,125	2,008
Interest on defined benefit pension scheme	21	33
Finance charges payable under leases	2,065	2,762
Amortisation of deferred issue costs	3,866	769
Other interest	99	403
Foreign exchange losses	764	128
Total finance costs	**9,940**	**6,103**

	Six months ended 31 August 2021 Unaudited £'000	Six months ended 31 August 2020 Unaudited £'000
Fair value of financial liabilities	1,581	2,378
Interest received from net investment in lease	324	674
Foreign exchange gains	1	699
Total finance income	**1,906**	**3,751**

Finance costs on bank loans has increased period on period due to increased interest charges on the RCF. A new £20m RCF was agreed in the period replacing the old £120m RCF. As a result, debt issue costs of £1,717,000 relating to the old RCF were released in full, driving the increase in amortisation of debt issue costs in the period. The decrease in foreign exchange gains and increase in foreign exchange losses is due to adverse fluctuations in US Dollar and Euro exchange rates impacting the Group's foreign-currency denominated intercompany loans.

The Group entered into a put option with fellow Connect Airways shareholder Cyrus Capital Partners (Cyrus) on 11 January 2019. This agreement gave Cyrus the option to exchange £23m of second ranking six-year 8% RCF debt with Connect Airways, for equity shares in Esken Limited at 247p per share. The option was exercisable two years following the acquisition of Flybe plc by Connect Airways and required 30 days' notice. On 7 May 2021 the put option was exercised and 6 million shares were issued. The exercise meant that the associated financial liability had a fair value of £nil and £1,581,000 (2020: £2,378,000) was released and presented within finance income in the Condensed consolidated Income Statement. The share issue resulted in an increase in share capital and an increase in retained deficit.

8 Taxation

Taxation on profit on ordinary activities

Total tax in the Condensed Consolidated Income Statement from continuing and discontinued operations	**Six months ended 31 August 2021 Unaudited £'000**	**Restated Six months ended 31 August 2020 Unaudited £'000**
Corporation tax:		
Overseas corporation tax	48	-
Adjustments in respect of prior years	(8,500)	1,000
Total corporation tax	**(8,452)**	**1,000**
Deferred tax:		
Origination and reversal of temporary differences	(500)	(2,728)
Impact of change in rate	(23)	675
Total deferred tax	**(523)**	**(2,053)**
Total credit in the income statement	**(8,975)**	**(1,053)**
Split between:		
Continuing	(9,023)	(933)
Discontinued	48	(120)

Included in the above tax charges are total current tax credit on continuing operations of £8,500,000 (2020: £1,000,000 charge) and a total deferred tax credit on continuing operations of £523,000 (2020: £1,933,000) giving a total tax credit on continuing operations in the Condensed Consolidated Income Statement of £9,023,000 (2020: £933,000). In addition, there is a current tax credit on discontinued operations of £48,000 (2020: £nil) and a deferred tax charge on discontinued operations of £nil (2020: £120,000) giving a total tax credit on continuing and discontinued operations in the Condensed Consolidated Income Statement of £8,975,000 (2020: £1,053,000).

The current period effective tax rate in the year was 4.17% which was driven by the non-qualifying depreciation, expenses not deductible, and which were partially offset by deferred tax assets previously not recognised being utilised. The adjustment in respect of prior years' tax credit of £8,500,000 has arisen due to a change in the tax provisions held by the Group, see note 12.

The main rate of corporation tax is to increase to 25% with effect from 1 April 2023. As this rate change was substantively enacted on 24 May 2021 (before the interim balance sheet date) its effects have been reflected in computing the deferred tax numbers. As such, the deferred tax assets/liabilities as at 31 August 2021 have been recognised/provided at 25%.

9 Loss per share

The following table reflects the income and share data used in the basic and diluted earnings per share calculations:

Numerator	Six months ended 31 August 2021 Unaudited £'000	Restated Six months ended 31 August 2020 Unaudited £'000
Continuing operations		
Loss for the period used for basic and diluted earnings	(3,526)	(15,145)
Discontinued operations		
Loss for the period used for basic and diluted earnings	(2,915)	(72,953)
Total		
Loss for the period used for basic and diluted earnings	**(6,441)**	**(88,098)**
Denominator	**Number**	**Number**
Weighted average number of shares used in basic EPS	635,625,609	457,090,082
Effects of employee share options	-	-
Weighted average number of shares used in diluted EPS	**635,625,609**	**457,090,082**
Own shares held and therefore excluded from weighted average number	3,800,802	3,254,037

10 Property, plant and equipment

Additions and disposals

During the six months ended 31 August 2021, the Group acquired or developed property, plant and equipment assets with a cost of £2,937,000 (2020: £2,222,000). This mainly consisted of development work at London Southend Airport and plant and machinery equipment in the Energy division. Property, plant and equipment assets with a book value of £318,000 (2020: £291,000) were disposed of by the Group during the six months ended 31 August 2021, resulting in a profit on disposal of £42,000 (2020: £24,000).

Capital commitments

At 31 August 2021, the Group had capital commitments of £499,000 (2020: £331,000), principally relating to plant and equipment at London Southend Airport.

Impairment testing of property, plant and equipment where no charge for impairment has been recognised

The London Southend Airport (LSA) CGU comprises the business operations of the commercial airport, airport hotel and railway station ancillary operations. The Group has estimated the Fair Value Less Costs to Sell (FVLCS) of the CGU and determined that no charge for impairment was necessary. The completion of the investment in LSA through a £125m convertible loan from Carlyle Global Infrastructure Opportunity Fund that completed on 26 August 2021 provides evidence towards the FVLCS recoverable amount. The announcement that Ryanair will close its base at LSA with effect from 1 November 2021 does not have a material impact on the LSA CGU. Management is actively implementing mitigating actions in the medium term, such as attracting new airlines.

Taking into account climate change factors in addition to the current aviation market due to COVID-19, it is the view of the Directors that the FVLCS is approximately £400m and as such is more than sufficient to cover the carrying amount of the LSA CGU assets. The carrying amount of the LSA CGU asset base as at 31 August 2021 is £158,359,000. The assumptions used to determine this recoverable amount include future forecast EBITDA and multiples achieved by London airports.

11 Financial assets and liabilities

Loans and borrowings	31 August 2021 Unaudited £'000	28 February 2021 Audited £'000
Non-current		
Obligations under leases	111,662	122,116
Convertible debt (net of costs)	111,696	-
	223,358	**122,116**
Current		
Exchangeable bonds (net of costs)	52,198	52,010
Obligations under leases	25,003	36,792
Revolving credit facility (net of arrangements fees)	-	52,329
	77,201	**141,131**
Total loans and borrowings	**300,559**	**263,247**
Cash	(70,523)	(12,408)
Net debt	**230,036**	**250,839**

Esken Limited provides support to its subsidiaries where required. Examples of support include intercompany funding arrangements and the provision of guarantees in relation to financing lines provided by a number of lenders. In addition, one Energy contract has a covenant relating to the market capital of Esken Limited, where a breach would be remedied by additional letters of credit.

The exchangeable bonds have a May 2024 maturity, with repayment being the difference between the £53.1m gross bonds and shares in LDG plc into which the bonds are convertible. At 31 August 2021, this amounted to £46.0m.

Convertible debt

On 2 July 2021 the Group announced that it had signed an agreement with Carlyle Global Infrastructure Opportunity Fund (CGI) for a £125m investment in London Southend Airport Company Limited (LSA) through a 30% convertible debt instrument. Proceeds from the instrument were drawn on 26 August 2021 and can be converted by CGI at any time following this date until maturity in seven years. If CGI does not convert prior to maturity the loan is repayable at the greater of an amount achieving 10% IRR for CGI or £193.75m. The loan term is seven years from the draw down date unless conversion occurs. Interest accrues at 8% per annum to be paid in cash if LSA generates sufficient revenues in the previous year and meets liquidity tests, in addition 2% per annum PIK interest is rolled into the principal. The convertible debt includes three derivatives in relation to conversion, however these have been accounted for as one single compound derivative, as they are not considered independent of each other, which has been fair valued at £1,332,000 and is included in the convertible debt line above. The option will be revalued at each reporting date, with any gain or loss recognised in finance costs in the consolidated income statement, and the host contract measured at amortised cost.

Revolving Credit Facility (RCF)
On 26 August 2021, the current bank lenders signed a new £20m RCF which matures on the 1 February 2023. This facility replaced the old £120m RCF which was fully repaid in the period. The new RCF is at a similar margin to the old RCF and has a simplified covenant structure which reflects the forecast performance of the business going forward. The Group has incurred legal and professional fees of £1,865,000 in relation to the new RCF. These fees have been capitalised and will be released over the life of the RCF. The new RCF was undrawn at the period end (Feb 2021: £55,000,000). The Group was in compliance with, or received waivers for, all financial covenants throughout both the current and prior periods.

A reconciliation of movements of liabilities to cash flows arising from financing is as follows:

	Exchangeable bond £'000	**Revolving credit facility £'000**	**Convertible debt £'000**	**Obligations under leases £'000**	**Total £'000**
Balance at 1 March 2021	**52,010**	**52,329**	**-**	**158,908**	**263,247**
Changes from financing cash flows:					
Additional loans	-	-	125,000	-	125,000
Net cash repaid	-	(55,000)	-	-	(55,000)
Cash outflow from debt issue costs	-	(1,936)	(13,541)		(15,477)
Principal elements of lease payments - continuing operations	-	-	-	(13,362)	(13,362)
Principal elements of lease payments - discontinued operations	-	-	-	(1,909)	(1,909)
Total changes from financing cash flows	**-**	**(56,936)**	**111,459**	**(15,271)**	**39,252**
Release of deferred issue costs	188	3,647	31	-	3,866
New leases entered into	-	-	-	3,762	3,762
Termination of lease	-	-	-	(4,269)	(4,269)
Unwind of discount	-	-	-	97	97
Reclass of debt issue costs to other debtors	-	1,688	-	-	1,688
Liquidation of subsidiary undertaking	-	-	-	(7,265)	(7,265)
The effect of changes in foreign exchange rates	-	-	-	360	360
Non-cash accruals	-	(728)	206	343	(179)
Balance at 31 August 2021	**52,198**	**-**	**111,696**	**136,665**	**300,559**

	Exchangeable bond £'000	Revolving credit facility £'000	Obligations under leases £'000	Total £'000
Balance at 1 March 2020	**51,689**	**74,757**	**118,811**	**245,257**
Changes from financing cash flows:				
Net cash repaid	-	(64,000)	-	(64,000)
Cash outflow from debt issue costs	(51)	(4,247)	-	(4,298)
Principal elements of lease payments - continuing operations	-	-	(7,188)	(7,188)
Principal elements of lease payments - discontinued operations	-	-	(983)	(983)
Total changes from financing cash flows	**(51)**	**(68,247)**	**(8,171)**	**(76,469)**
Release of deferred issue costs	184	587	-	771
New leases entered into	-	-	1,894	1,894
Unwind of discount	-	-	74	74
Acquisition of subsidiary	-	-	64,708	64,708
Disposal of subsidiary undertaking	-	-	(1,707)	(1,707)
The effect of changes in foreign exchange rates	-	-	(2,951)	(2,951)
Non-cash accruals	-	-	2,241	2,241
Balance at 31 August 2020	**51,822**	**7,097**	**174,899**	**233,818**

The book value and fair values of financial assets and financial liabilities are as follows:

	Book Value 31 August 2021 Unaudited £'000	Fair Value 31 August 2021 Unaudited £'000
Financial assets		
Cash	70,523	70,523
Other investments	13,688	13,688
Trade receivables	11,658	11,658
Other receivables	11,119	11,119
Swaps	99	99
Financial Liabilities		
Trade payables	14,050	14,050
Exchangeable bonds	52,198	48,704
Convertible debt	111,696	125,561
Lease obligations	136,665	131,041
Other payables	109	109
Swaps	135	135

	Book Value 28 February 2021 Audited £'000	Fair Value 28 February 2021 Audited £'000
Financial assets		
Cash	12,408	12,408
Other investments	10,211	10,211
Trade receivables	15,658	15,658
Other receivables	9,258	9,258
Swaps	310	310
Financial Liabilities		
Trade payables	19,558	19,558
Revolving credit facility	52,329	52,329
Exchangeable bonds	52,010	47,920
Lease obligations	158,908	148,647
Other payables	2,034	2,034
Swaps	404	404

Other financial assets
During the period, the Group utilised a Protected Captive Cell (PCC) arrangement as part of its insurance portfolio. The PCC had to be fully funded once the policies were issued, thus of the £5,000,000 paid, £100,000 relates to insurance premium which has been expensed to the Condensed Consolidated Income Statement, and £4,900,000 is included within other financial assets on the Condensed Consolidated Statement of Financial Position. This financial asset is presented within other investments in the current year table above.

The following financial assets and liabilities, included in the above tables, are measured at fair value: other investments, swaps, £nil (February 2021: £1,581,000) within other payables and £1,332,000 within convertible debt. All others are measured at amortised cost. For trade and other receivables/payables with a remaining life of less than one year, the carrying amount is considered to reflect the fair value.

The fair values of loans and borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of the exchangeable bonds includes an immaterial derivative instrument, valued using an option pricing model, and a debt component where the fair value has been calculated by discounting the expected future cashflows at prevailing interest rates.

Fair Value Hierarchy

The fair value hierarchy is explained in the statutory accounts for the year ended 28 February 2021.

As at 31 August 2021	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets				
Other financial assets	13,812	8,788	4,900	124
Currency swaps	96	-	96	-
Diesel swaps	3	-	3	-
Financial liabilities				
Other financial liabilities	1,332	-	-	1,332
Currency swaps	135	-	135	-

As at 28 February 2021	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets				
Other financial assets	10,516	10,392	-	124
Currency swaps	310	-	310	-
Financial liabilities				
Other financial liabilities	1,581	-	-	1,581
Currency swaps	358	-	358	-
Diesel swaps	46	-	46	-

During the six months ended 31 August 2021, the Cyrus put option was derecognised, see note 7, leading to a movement in level 3 other financial liabilities. The £1,332,000 conversion option of the convertible debt instrument is included as a level 3 other financial liability in the above table. There were no transfers between Level 1 and Level 2 fair value measurements.

12 Provisions

	Site restoration £'000	Onerous contracts £'000	Tax £'000	Litigation and claims £'000	Development commitments £'000	Maintenance reserves £'000	Total £'000
At 1 March 2021	**3,036**	**508**	**16,136**	**3,781**	**4,466**	**20,064**	**47,991**
Provisions used	-	(26)	-	(1,280)	-	(2,041)	(3,347)
Provisions made	-	2,360	-	15	-	8,034	10,409
Provisions utilised	-	(46)	(26)	-	-	-	(72)
Provisions reversed	-	-	(8,500)	-	-	-	(8,500)
Unwind of discount	38	11	-	-	-	-	49
Currency retranslation	-	-	-	(6)	(5)	153	142
Liquidation of subsidiary	-	-	-	(963)	(519)	(1,873)	(3,355)
At 31 August 2021	**3,074**	**2,807**	**7,610**	**1,547**	**3,942**	**24,337**	**43,317**
Analysis of provisions							
Current	-	2,388	3,311	1,547	-	-	7,246
Non-current	3,074	419	4,299	-	3,942	24,337	36,071

In the period there was a reduction in provisions of £3,355,000 due to the liquidation of Stobart Air and subsequent de-consolidation of their balance sheet, see note 6. The Stobart Air provisions related to maintenance of £1,873,000, flight cancellation claims of £963,000 and development commitments of £519,000. Following the liquidation, a review of maintenance reserves required to cover all amounts payable on the eight ATR aircraft prior to redelivery was completed. This was the main driver for the £8,034,000 maintenance provision made in the period. The estimate of maintenance reserves is sensitive to changes in market prices and the level of wear on specific components once in the process of overhaul. There was also a review of other unavoidable costs related to the ATR aircraft which led to an onerous contract provision of £2,360,000.

During the interim period ended 31 August 2021, the Group has released £8,500,000 from provisions, following a reassessment of all open enquiries at the period end. The Group changed tax advisors to PWC in late 2020 and since this appointment there has been an increase in engagement with HMRC which has provided a better understanding and clarity regarding the open enquiries. Consequently, the range of potential exposure as disclosed in the February 2021 year-end financial statements has also reduced accordingly.

13 Issue of ordinary shares

On 7 May 2021 the Group issued 6,000,000 ordinary shares in Esken Limited to Cyrus Capital Partners (Cyrus). The Shares were issued to satisfy the put option between Esken and Cyrus, see note 7. The share issue resulted in an increase in share capital and an increase in retained deficit of £600,000.

On 26 August 2021 the Group issued 394,410,618 ordinary shares in Esken Limited at 14p per share raising £55.2m. The share capital increased by £39,441,000 and share premium increased by £12,795,000, net of costs.

14 Contingent liabilities

The Group is subject to a number of ongoing unprovided legal cases, none of which has yet reached trial, that will be vigorously defended. The Group considers that the net liability in respect of these claims, if any, is unlikely to exceed approximately £1 million.

At the year ended 28 February 2021, Logistics Development Group (LDG), formerly Eddie Stobart Logistics plc (ESL), property rent guarantees were considered a contingent liability. An outflow from the Group would only occur if ESL failed in its lease obligations to the landlord. In the period LDG's interest in Greenwhitestar Acquisitions Limited, the holding company for ESL, was sold to Culina Group Limited. Following the sale, the Directors have assessed the financial strength of Culina Group Limited and consider the likelihood of any future economic outflow from the Group under the lease guarantees to be remote and so are no longer considered as contingent liabilities.

15 Cash used in operations

	Six months ended 31 August 2021 Unaudited £'000	Restated Six months ended 31 August 2020 Unaudited £'000
Loss before tax	**(12,549)**	**(16,078)**
Adjustments to reconcile loss before tax to net cash flows:		
Realised profit on sale of property, plant and equipment	(50)	(24)
Share of post-tax losses of associates and joint ventures accounted for using the equity method	146	148
Depreciation of property, plant and equipment	10,089	9,923
Finance income	(1,905)	(2,378)
Finance costs	9,176	5,303
Release of grant income	(694)	(234)
Release of deferred premiums	-	(207)
Charge/(credit) for share-based payments	400	(8)
(Gain)/loss on fuel swaps mark to market valuation	(58)	286
Retirement benefits and other provisions	(1,694)	(1,636)
Working capital adjustments:		
Decrease/(increase) in inventories	19	(571)
Decrease/(increase) in trade and other receivables	1,570	(429)
(Decrease)/increase in trade and other payables	(4,587)	5,167
Cash used in continuing operations	**(137)**	**(738)**

16 Related parties

During the period, the Group made sales of £3,392,000 (2020: £2,706,000) to its associate Mersey Bioenergy Limited (a subsidiary of Mersey Bioenergy Holdings Limited) relating to the sale of biomass material. At 31 August 2021, £509,000 (28 February 2021: £507,000) was owed to the Group.

17 Glossary - Alternative performance measures (APMs)

In the reporting of financial information, the Directors have adopted various APMs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' APMs.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. Non-GAAP APMs are used as they are considered to be both useful and necessary as well as enhancing the comparability of information between reporting periods, by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for internal performance analysis, planning, reporting and incentive-setting purposes. The presentation of these measures facilitates comparability with other companies, although management's measures may not be calculated in the same way as similarly titled measures reported by other companies.

EBITDA

EBITDA is the key profitability measure used by management for performance review in the day-to-day operations of the Group. EBITDA represents loss before interest, tax and depreciation. Refer to note 3 for reconciliation to statutory loss before tax.

Earnings per share from continuing operations

This APM is based on loss after tax, which is loss for the year from continuing operations, see note 9 for further details.

Net debt and net debt pre IFRS 16

Net debt is defined as the sum of obligations under leases, revolving credit facility, exchangeable bond and convertible loan, less cash. Net debt pre IFRS 16 is net debt less obligations under IFRS 16 leases. See note 11 for reconciliations of these measures.

Gearing

This is defined as Group shareholders' equity per the consolidated statement of financial position, divided by net debt as defined above.

Independent Review Report to Esken Limited

Conclusion
We have been engaged by Esken Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2021 of the Company and its subsidiaries (together the "Group") which comprises the Condensed consolidated income statement, Condensed consolidated statement of comprehensive income, Condensed consolidated statement of financial position, Condensed statement of changes in equity, Condensed consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2021 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Material uncertainty relating to going concern
We draw attention to note 1 of the condensed financial statements which describes uncertainties in respect of the substantial achievement of forecasts and availability of sufficient funding. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

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

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Michael Froom
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
3 November 2021