Eddie Stobart logistics plc

Annual Report and Accounts 2019

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Letter from the Chairman

Dear Shareholders

As your new Chairman, I am conscious that I join the business at a critical juncture for the Company as we continue to explore opportunities to become an AIM investment company. I am also conscious of the turbulent period the business has emerged from and the on-going uncertainty as we go through the COVID-19 pandemic.

Review of the year

The financial results for the year show an underlying EBIT loss of £9.9m (2018 restated: £9.0m profit) reflecting the issues faced by the Company in 2019. These results are discussed in detail in the Business and Financial Review. I'm mindful that shareholders have suffered a significant fall in share price and have seen their ownership of the Eddie Stobart business reduced to a 49 per cent minority stake.

DBAY transaction

I am confident that the DBAY transaction, overwhelmingly approved by shareholders on 9 December 2019, was the best option available to the Group to address the liquidity issues we encountered last year. At the end of 2019, the Company had an acute need for additional funding to ensure the Group could continue to meet its obligations to customers and suppliers, and to safeguard the long-term future of the business and its employees. This transaction injected £70m[1] of liquidity into the operating businesses of Eddie Stobart (which we refer to as the Eddie Stobart business, please see glossary) and also allowed shareholders to retain an economic interest in the operations. In addition, the Company was granted an option to acquire an interest in the 18% PIK loan facility provided to the Eddie Stobart business by DBAY, conditional on shareholders agreeing to convert the Company into an AIM investment company and entering into a management agreement with DBAY.

Changes to the Board

Saki Riffner, Chief Investment Officer of DBAY, joined the Board as a Non-executive Director in February, as agreed on completion of the DBAY transaction. This appointment broadens the experience of the Board and strengthen the Company's links with DBAY. Saki Riffner is also a director of Greenwhitestar Acquisitions Limited (GWSA) the operational holding company of the Eddie Stobart business.

Our investment in the Eddie Stobart group

Following the DBAY transaction, a new board and leadership team, led by Executive Chairman William Stobart, its former COO and CEO, was put in at GWSA, the holding company of the Eddie Stobart business. The Company is supportive of the measures being implemented by the new team to reorganise and streamline the operations of the business. As a 49 per cent shareholder, we expect that the Company will benefit from the changes being made and we look forward to continuing as a significant shareholder of the Eddie Stobart business.

The Company's links with the Eddie Stobart business have been further strengthened by the appointment of Stephen Harley, a member of our Board, to the board of GWSA. These links, and the contractual arrangements put in place at the time of the transaction enable the Board to monitor the Company's interest in the Eddie Stobart business and contribute to its future development. Further information about the governance structure relating to the Company's interest in the Eddie Stobart business is included on page 11 of this annual report.

Transition to being an investment company

The Board believes the best way forward for Eddie Stobart Logistics plc is to become an AIM investment company focussing on investment in the logistics sector. In our view this sector will benefit from changing market dynamics and an increasing demand for logistics services and the companies that can meet the developing needs of businesses and consumers will prosper. I look forward to working with DBAY and the Board to deliver on the strategy and create value for our shareholders. Further information on DBAY and our intention to develop an investment strategy for approval by shareholders is included in the strategy section on page 2 of this annual report. We had intended to complete this transition within six months of completion of the DBAY transaction. However, this timeline has been extended as a result of the COVID-19 pandemic. Our intention now is to move forward with this transition before the end of the financial year, subject to shareholder approval.

COVID-19

To date the COVID-19 impact upon the Company has been limited as the Company is essentially a cash shell, but it has delayed the planned transition into an AIM investment company as explained further in this report. We will continue to monitor the impact of the pandemic upon our investment and also the wider economy.

In the longer term we believe that the pandemic may give rise to changes in how businesses structure their supply chains and in particular will impact stock holding decisions. This may have a positive impact upon the Eddie Stobart business and parts of the wider logistics sector.

Final thoughts

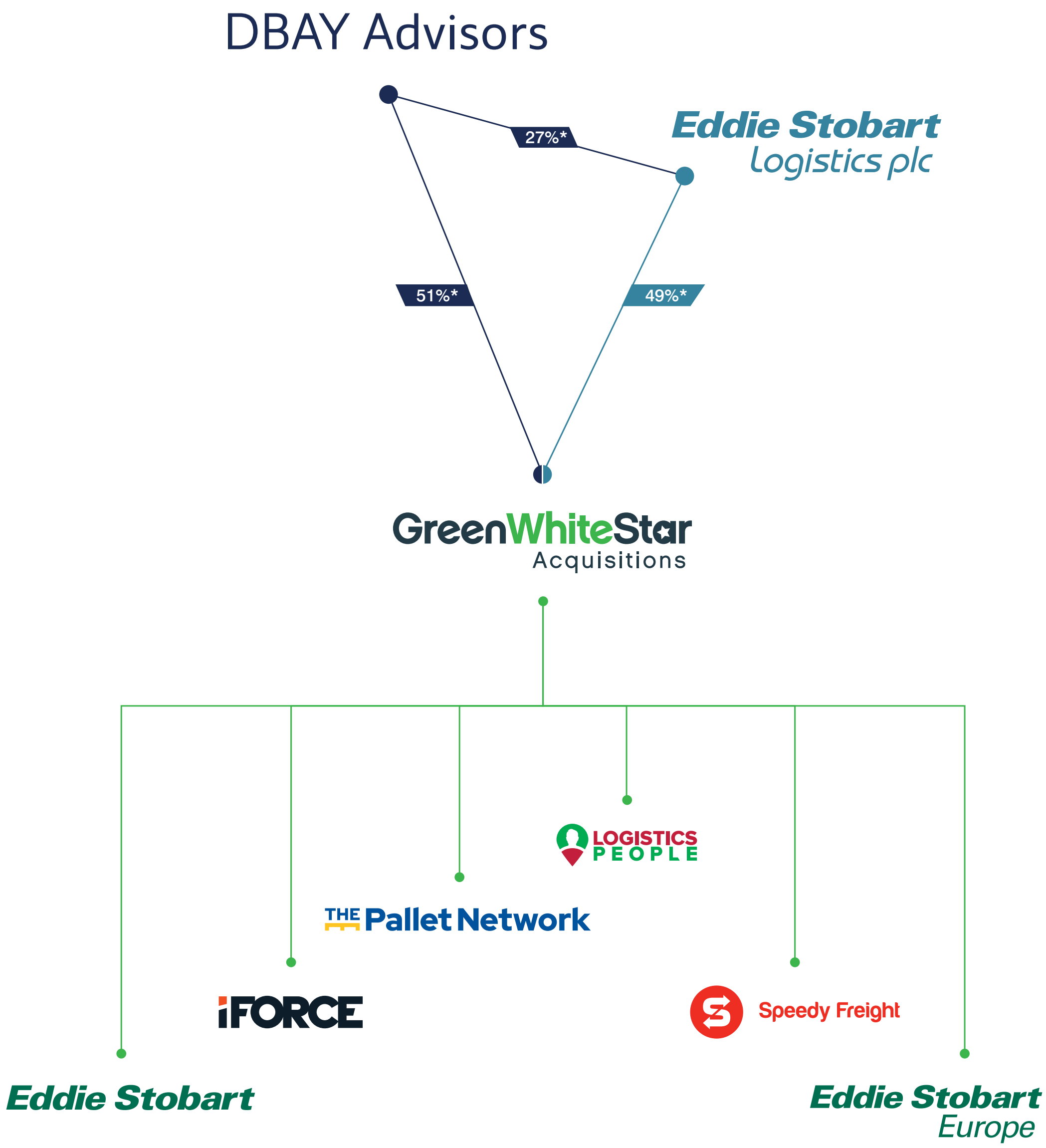
For obvious reasons much of this report deals with the past and makes for difficult reading. Since I have joined the Board I have been impressed with the calibre and dedication of the leadership team of the Eddie Stobart business, in which we have our investment, and look forward to the future with optimism.

Finally, I would like to thank shareholders for their continued support as the Company works towards becoming an AIM investment company.

Adrian Collins
Chairman

[1] £50m net of £5m retained in Marcelos Limited relating to transaction costs and £20m revolving credit facility

Illustration of ownership structure of Eddie Stobart



*percentages refer to ownership of issues share capital and control of voting rights This is an illustration of interests indirectly held in the Eddie Stobart business; it does not reflect entities and holding companies have not been included
Greenwhitestar Acquisitions ("GWSA") has a 100 per cent interest in each of the operating businesses except for Speedy Freight, which is accounted for as an investee company; its results are not consolidated
DBAY Advisors ("DBAY") refers to entities managed and controlled by DBAY Advisors Limited

DBAY

DBAY Advisors Limited is an Isle of Man-based asset management firm with offices in London and Douglas, Isle of Man. Founded in 2011, DBAY is owned by its partners and is regulated and licensed by the Isle of Man Financial Services Authority. The firm follows a value investing approach and invests in listed equities across Europe, as well as in private equity style control investments. Capital is managed on behalf of institutional investors, trusts, foundations, family offices and pension funds.

Over more than 20 years of working together, the core DBAY team has developed a diversified set of skills from financial and operational backgrounds, with deep insight into a number of industry sectors including UK logistics, having managed a variety of successful investments in the sector.

Strategy

The Board is working with its advisers to develop an investment strategy for presentation to existing shareholders and potential new investors in order to raise funds and convert the Company into an AIM investment company. In line with this strategy, the Company would seek to invest in opportunities in the logistics sector alongside its current investment in the Eddie Stobart business. An investment management agreement would be entered into with DBAY, who would manage these investments on behalf of the Company, as envisaged in the circular sent to shareholders in November 2019. In addition, as set out in the circular, existing and new shareholders will be given the opportunity to participate in the fund raising, with the intention to use part of the funds raised by the Company to acquire an interest in the PIK loan facility provided to the Eddie Stobart business. In accordance with the provisions of the AIM Rules for Companies approval of the proposed investment strategy will be sought from shareholders at a general meeting prior to conversion to an AIM investment company. The conversion must be completed prior to 9 December 2020 in order to avoid the Company's shares being suspended from trading on AIM.

Details of the proposed investment strategy will be set out in a circular to be sent to shareholders at the time of the conversion to an AIM investment company.

Business and Financial Review

Group Performance

Underlying Results	2019	2018[7]	Change
Revenue	**£857.5m**	£781.5m	£76.1m
EBIT[1]	**£(9.9)m**	£9.0m	£(18.9)m
EBIT[1] %	**-1.1%**	1.2%	-2.3%
EBITDA[2]	**£0.0m**	£16.8m	£(16.8)m
EBITDA[2] %	**0.0%**	2.1%	-2.1%
Adjusted (loss)/profit before tax[3]	**£(19.4)m**	£2.9m	£(22.3)m
Adjusted (loss)/profit after tax[4]	**£(11.7)m**	£3.6m	£(15.3)m
Adjusted free cash flow[5]	**£(21.7)m**	£(18.7)m	£(3.0)m
Adjusted earnings per share[6]	**-3.1p**	1.0p	-4.1p

Statutory Results	2019	2018[7]	Change
Revenue	**£857.5m**	£781.5m	£76.1m
Operating profit before exceptionals	**£(27.8)m**	£(9.0)m	£(18.8)m
Operating profit after exceptionals	**£(228.0)m**	£(14.1)m	£(213.9)m
Loss before tax	**£(238.9)m**	£(22.3)m	£(216.7)m
Loss after tax	**£(231.2)m**	£(21.5)m	£(209.7)m
Dividend per share	**nil**	6.3p	-6.3p
Net cash from operating activities	**£(8.0)m**	£(3.9)m	£(4.1)m
Earnings per share	**-61.0p**	-5.9p	-55.1p
Net debt	**£214.5m**	£159.6m	£(54.9)m

1 Underlying EBIT is defined as profit from operating activities before exceptional items, amortisation of acquired intangibles, employee share costs funded by previous parent holding group, charges to the income statement relating to the management incentive plan and long-term incentive plan, and including the Company's share of profit from equity accounted investees (and for FY18 also including force majeure and start-up costs associated with contract wins).
2 Underlying EBITDA is defined as Underlying EBIT before depreciation of property, plant and equipment.
3 Adjusted profit/loss before tax is defined as profit/loss before tax adding back exceptional items, amortisation of acquired intangibles, employee share costs funded by previous parent holding group, charges to the income statement relating to the management incentive plan and long term incentive plan (and for FY18 also including force majeure and start-up costs associated with contract wins).
4 Adjusted profit after tax is Adjusted profit before tax less tax
5 Adjusted Free Cash Flow is defined as Cash generated from operating activities less purchase of property, plant and equipment adding back proceeds from sale of property, plant and equipment and less taxes paid and adding back the cash impact of exceptional items.
6 Adjusted Earnings per share is defined as adjusted profit after tax divided by the weighted average basic number of shares in issue at 30 November 2019
7 Restated

Review of the year

A key element of the Group's strategy of becoming an end-to-end logistics solutions provider was to deliver double digit revenue growth. Since 2016, in pursuing that strategy, the Group expanded its warehousing portfolio taking into account customers' end to end logistics requirements. It was successful in securing several well positioned sites, however, the acceleration of that strategy outpaced immediate requirements. In the short term, costs of surplus properties could not be mitigated, though in the longer term the business should ultimately benefit from these properties through future revenue growth and potential changes in supply chain management giving rise to an increased demand for warehousing.

The development of the warehousing portfolio involved upfront cash receipts which obscured underlying movements in working capital and lessened disciplines around liquidity management. The warehousing strategy also distracted key management from activities in the core business, including assessing new contracts and the maximisation of the efficiency of our transport network. Meanwhile, increasing levels of profits were being generated from the recognition of development receipts as income in the period received.

The aggressive growth of the last few years led to higher working capital requirements. The combination of high growth and the reliance upon warehouse development income, which was at times unpredictable, contributed to the liquidity issues encountered in the second half of FY19. A lack of rigour in managing liquidity meant that these issues presented without due warning to the Board.

A significant amount of Board time was then spent in addressing these issues, devising a strategy, dealing with potential bidders and ultimately in securing the necessary funding from DBAY. This task was exacerbated by the significant accounting matters identified in the period.

Following the DBAY transaction a new board and leadership team at the Eddie Stobart business holding company level has been put in place led by Executive Chairman William Stobart, its former COO and CEO.

The business is being reviewed by the new leadership on an ongoing basis and while the COVID-19 pandemic has slowed implementation of some initiatives, the Eddie Stobart business has been able to accelerate steps taken in other areas, including the purchase of the "Eddie Stobart" and "Stobart" brands and the removal of two warehouses and the associated lease costs from the portfolio.

Business and Financial Review continued

Financial processes and controls are being improved with the addition of strong new financial oversight, with further improvements to be put in place. Management time is being spent on the core business, including assessing new contracts and ensuring that each group company is being adequately rewarded for the services it delivers.

The different operating businesses are described below:

- Eddie Stobart Limited is a leading supplier of logistics solutions to UK businesses encompassing road transport, rail and warehousing services. The road transport business operates a unique, technology enabled, pay-as-you-go model utilising a shared-user network to maintain high levels of service while delivering cost effective solutions to customers. The rail offering integrates with the road transport operations and allows customers more choice in how we transport their products to market while warehouse operations offer technology led storage and handling solutions to customers on both an open and closed book basis.

- The long-established European operations, headquartered in Belgium, provide automotive and general cargo transport and warehousing services. The business supports major car manufacturers, delivering and collecting vehicles from factories and dealerships in the United Kingdom, Benelux, Czech Republic, France and Germany. Up to 10,000 vehicles can be accommodated at the site in Genk. The general cargo business provides Europe-wide transport services to major brands. The warehousing business provides cross-dock and European fulfilment services for international customers in the e-commerce sector.

- iForce is a leading UK-based e-commerce related logistics services provider active in warehousing, fulfilment and returns management and also provides various add-on services such as carrier optimisation for transport requirements. iForce's proprietary software, developed in-house and used by all its customers, is central to its business. This software manages logistics optimisation, including packaging and the selection of carrier, as well as track and trace and returns management, an increasingly important service for e-commerce focussed retailers. iForce's operational expertise and consulting skills, combined with this leading technology, enable bespoke services to be provided to customers.

- The Pallet Network (TPN) offers palletised freight distribution in the UK, Ireland and internationally through its network of more than 100 members, each of whom is an independent transport company, with over 120 depot locations in the UK.

- The Logistics People (TLP) is a recruitment agency providing part-time and full-time drivers and warehousing staff. With a large pool of potential staff, the business provides workers for on average c. 4,800 driving and 1,300 warehousing shifts per week, mainly to the Eddie Stobart business.

The results for these businesses are included in the segmental analysis in note 3.

The Eddie Stobart business also holds a 47.5% investment in Speedy Freight, a 24-hour express same or next day delivery service provider operating across the UK for business and domestic customers via a franchise model.

Revenues

Revenues for the full year increased by 9.7% to £857.5m compared to £781.5m (2018 restated) in the previous year primarily due to the full year benefit of the acquisition of TPN in 2018. Excluding TPN, like for like revenues were 0.1% less than 2018.

Revenues were impacted by the Company exiting two loss making contracts in our MIB and Retail sectors. Excluding this impact year on year growth was 14.3% and all sectors other than MIB continued to grow during the period. The Company continued to deliver excellent service to its customers and generated organic growth from existing customers while also winning new business.

The annualised, full year benefit of new contract wins in the year was £27.4m. The high level of new contract wins and renewals demonstrates the continued attractiveness of the business model to customers.

Revenue by sector

Revenue by Sector	2019 £m	Weighting %	Restated 2018 £m	Weighting %	Growth %
Retail	**243.4**	**28.4%**	237.6	30.4%	2.4%
Consumer	**236.5**	**27.6%**	179.7	23.0%	31.6%
E-Commerce	**187.7**	**21.9%**	169.5	21.7%	10.7%
Manufacturing, Industrial & Bulk (MIB)	**169.1**	**19.7%**	189.3	24.2%	(10.7%)
Non sector specific	**20.8**	**2.4%**	5.4	0.7%	285.2%
Revenue	**857.5**	**100.0%**	781.5	100.0%	9.7%

Three of our four customer sectors grew in comparison to last year:

- Retail revenue grew 2.4% to £243.4m (2018: £237.6m) driven by the full year impact of the acquisition of TPN. Revenue from the underlying business (excluding TPN) decreased by £34.9m, resulting from lower revenues partly resulting from the exit of a loss making contract. We secured new contract wins with major retailers during the year worth £6.0m per annum.

- Consumer revenue was £236.5m (2018: £179.7m), a 31.6% increase compared to 2018, with contract wins worth £4.0m. We also continued to grow existing customer volumes with nine of our ten largest customers delivering year on year revenue growth.

- E-commerce related revenue grew 10.7% to £187.7m (2018: £169.5m). E-Commerce accounted for 21.9% of total Group revenue (2018: 21.7%).

- MIB decreased by £20.2m (10.7%) due to the exit from an underperforming contract during the year.

The Directors believe that a more relevant presentation of the financial results for the period is arrived at by adjusting for certain items, which otherwise could influence the understanding of the underlying trading performance of the Group year-on-year as they are of a non-recurring nature. By adjusting certain items, a more representative view of the underlying trading performance of the business is arrived at.

A full reconciliation of adjusting items to their statutory equivalent is set out in note 4 of the financial statements and definitions for these adjusting items are set out below.

Underlying EBIT[1] and underlying EBITDA[2], together with net debt and revenue per month and YTD are the primary financial key indicators by which the performance of the business is monitored. EBIT, EBITDA and revenue are assessed against board approved budgets.

Underlying EBIT[1] for the 12 months to 30 November 2019 was a loss of £9.9m (2018: profit of £9.0m) which was broadly in line with the Board's expectations as announced at the time of publication of the Group's half year results. The underlying EBIT[1] was impacted by the growth strategy and increase in the indirect cost base as referred to above. Underlying EBIT[1] margin was -1% (-£9.9m) compared to 1% (£9.0m) in 2018 as restated.

Underlying EBTIDA[2] for the year was £0.04m (0.01%), (2018: £16.8m, 2.1%). Adjusted loss before tax[3] was £19.4m (2018: profit of £2.9m). Adjusted loss after tax[4] was £11.7m (2018: profit of £3.6m).

Accounting matters

The Board recognised in a number of announcements made from July 2019 onwards that results for the 2019 financial year would be impacted by certain accounting-related matters (referred to as 'adjustments'). These matters were explained in the interim results published in February 2020. Restatement of audited accounts was also required for prior financial periods, and are summarised in note 30.

These adjustments were considered appropriate to reflect a more prudent approach to matters such as revenue recognition (related to customer contracts and property related services), provisions against customer recoveries and other matters such as dilapidations, balance sheet write-offs, lease accounting and cost accruals. There were also adjustments to reflect implementation of new accounting standards and a reconsideration of the decision made in 2017 to consolidate the results of Puro Ventures Limited ('Speedy Freight'). The total impact of these adjustments on underlying EBIT for the full year was a reduction of £32.1m.

[1] Underlying EBIT is defined as profit from operating activities before exceptional items, amortisation of acquired intangibles, employee share costs funded by previous parent holding group, charges to the income statement relating to the management incentive plan and long-term incentive plan, and including the Company's share of profit from equity accounted investees (and for FY18 also including force majeure and start-up costs associated with contract wins).

[2] Underlying EBITDA is defined as Underlying EBIT before depreciation of property, plant and equipment.

[3] Adjusted profit/loss before tax is defined as profit/loss before tax adding back exceptional items, amortisation of acquired intangibles, employee share costs funded by previous parent holding group, charges to the income statement relating to the management incentive plan and long term incentive plan (and for FY18 also including force majeure and start-up costs associated with contract wins).

[4] Adjusted profit after tax is Adjusted profit before tax less tax

Business and Financial Review continued

The key adjustments impacting the full year results (all of which were disclosed in the half year results) are:

(i) Property-related services

Under previously adopted policies, the Group attributed all consideration received from third parties in connection with combined lease and property consultancy transactions (where the Company provides consultancy services and advice to companies with whom they also enter into long-term lease commitments) to property consultancy services.

Since 2016, such consultancy services were provided as part of the Group's expansion of its warehouse footprint and capacity as it focused on developing a full-service logistics business aligned to the needs of its road transport and e-commerce focused customers. In recent years (excluding the 2019 financial year) a material proportion of the Group's profits were derived from opportunities afforded by this expansion, with the Company acting as anchor tenant for completed developments and receiving income from property consultancy services relating to development activities (including consultancy advice on process, planning, facilitation and debt structuring). The Board considered these activities to be integral to the Group's logistics activities and accounted for them as such.

Having reconsidered the relevant accounting guidance, the Group has determined that a more appropriate way to account for these combined lease and consultancy services transactions is to treat all the consideration as a lease incentive and allocate no revenue to consultancy services. The amount received in relation to these activities is then recognised over the life of the relevant lease. This also means that in future years, recognised lease costs are lower than would have been the case under the previously adopted policies.

This accounting treatment negatively impacted expected returns in FY19 by £18.1m and approximately £17m and £33m derived from such activities for the 2017 and 2018 financial year respectively and approximately £13m prior to financial year 2017 has been reversed and restated, and the amounts received related to these activities recognised over the life of the relevant leases. This resulted in a reduction in previously reported EBIT in those years and a net adjustment to the Group's net assets at 30 November 2018 of £60.6m, exclusive of an estimated tax reduction of £11.5m reflecting the benefit of the amortisation of lease incentives on unexpired leases entered into in the past.

(ii) Speedy Freight consolidation

Following the acquisition in 2017 of 50 per cent[2] of the shares of Puro Ventures Limited, which trades as Speedy Freight, it was determined that the Group exercised control over the business based on a number of factors including the on-going contractual arrangements with the other shareholders, which included put and call options. Consequently, the results of Speedy Freight were fully consolidated in the audited financial statements of the Group in FY17 and FY18.

This judgement has been reconsidered and it has been determined that a more appropriate treatment is to account for Puro Ventures Limited as an associate and therefore not to consolidate its results, in line with the requirements of the accounting standards. This has had a negative impact on the underlying operating EBIT for FY19 of £1.0m and for FY18 of £1.0m. The Company's consolidated results for FY18 are restated to reflect this.

(iii) Other accounting adjustments

A number of other accounting adjustments relating to provisions in connection with underperforming contracts, lease accounting, dilapidations and cost accruals and implementation of new accounting standards have adversely impacted earnings for HY19.

Restatements of results for FY18, and prior years is required to reflect the items noted above and other historical items. Please see note 30 for further information.

Net Debt

Net Debt	2019 £m	Restated 2018 £m
Finance leases	**17.7**	9.7
Bank loans	**128.2**	126.3
Invoice discounting facility	**78.0**	37.8
Overdraft / (cash)	**(9.4)**	(14.2)
Net Debt	**214.5**	159.6

During the year under review, the net debt increase of £54.9m (2018: £50.1m) was driven by cash outflows on purchases of property, plant equipment and intangibles (net of sale proceeds) of £16.3m (2018: £13.9m), exceptional costs of £12.3m (2018: £8.5m), interest payments of £8.8m (2018: £7.1m), tax payments of £8.1m (£3.4m), dividend payments of £18.1m (2018: £21.6m) and new finance leases of £11.9m (2018: £nil). Cash outflow generated from operating activities was £0.2m (2018: £4.7m) and property related activity inflow was £21.3m (2018 £19.8m).

Post year end the DBAY transaction injected £50m[1] of cash by way of loan notes and an increase of £20m in available facilities was agreed to fund working capital in the Eddie Stobart businesses. The new leadership team of the Eddie Stobart business have informed the Company that they remain confident that these businesses are sufficiently funded.

The bank loans, finance leases and other external funding remained with the Eddie Stobart business as part of the DBAY transaction.

Financing costs

Net finance expense increased in the year from £6.1m to £9.5m. This reflects the increased borrowings of the Group and the movement in the market value of the swap liability, see note 20.

There were £1.7m of exceptional finance costs in the year relating to the acceleration of the amortisation of bank fees on the legacy banking facilities prior to the transaction with DBAY which took place in December 2019. In 2018 we incurred £0.5m in repaying the pre-existing TPN financing facility at the time of the acquisition.

Further details are included in note 8.

Exceptional items

Exceptional items	2019 £m	Restated 2018 £m
Deferred consideration associated with acquisitions	**4.3**	2.8
Fees associated with acquisitions	**-**	1.9
Impairment charge	**169.2**	-
Property asset impairment and onerous lease provision	**6.4**	-
Software impairment and associated exit costs	**7.4**	-
Costs incurred relating to DBAY disposal	**9.2**	-
Specialist vehicle onerous lease provision	**3.1**	-
Restructuring costs	**0.6**	0.4
Total Exceptional Costs within Administrative expenses	**200.2**	5.1

[1]£50m net of £5m retained in Marcelos Limited relating to transaction costs

[2](Following the acquisition the Group's shareholding had been reduced to 47.5 per cent due to a share issue and re-classification but the Group retained 50 per cent of the voting rights).

The total exceptional costs within administrative expenses for the year were £200.2m (2018 restated: £5.1m), largely driven by an impairment charge of £169.2m that was included in the interim results published in February 2020. The Group was required to undertake an analysis of impairment of its goodwill and assets due to impairment indicators present during the review of its interim results. Impairment testing was undertaken on the Group's balance sheet at 31 May 2019 which involved applying revised discount factors and taking into account appropriate sensitivities on the forecasted profitability of the group. As a result a total impairment of £169.2m was recognised across General Transport (£150.0m) and iForce (£19.2m) Cash Generating Units (CGUs). Further analysis of impairment at the year end did not give rise to an adjustment to the impairment charge recognised in the first half. See note 13 for full analysis.

Of these costs, £174.4m were included in the interim results published in February 2020. Further exceptional costs were recognised in the second half of the year totalling £25.8m:

(i) The Group incurred £9.2m of costs in relation to exploring strategic options and the identification and successful conclusion of the transaction with DBAY that was approved by shareholders in December 2019, resulting in a new ownership structure under which the Company holds a 49% interest in the Eddie Stobart business as referred to above.
(ii) The Group recognised specific impairment and other charges of £7.4m in relation to the impairment of assets under construction for a specific software development project and related exit costs; due to the uncertainty and changes to the business these have been put on hold. The financial benefits of the project will need to be reviewed after the pandemic and therefore the project does not currently meet the recognition criteria for an intangible asset.
(iii) The Group recognised £6.4m of impairment and onerous lease charges against warehouse properties where either the properties were being held for disposal or that the carrying value of assets was below the likely realisable value.
(iv) The Group also provided for deferred consideration on past acquisitions of £4.3m during the year (2018: £1.8m) relating to the acquisition of TPN.
(v) The Group also recognised £3.1m relating to an onerous lease on assets following the exit from an underperforming contract and onerous lease costs incurred on specialist vehicles following the exit of that contract. These exceptional costs were recognised in the interim results published in February 2020.

Further details of exceptional costs are included in note 5.

Tax

Taxation	2019 £m	Restated 2018 £m
Loss before tax	**(238.9)**	(22.3)
Underlying tax at prevailing tax rate	**(45.4)**	(4.2)
Non-deductible items	**33.3**	2.8
Adjustments in respect of prior periods	**(0.2)**	(0.6)
Other	**4.6**	1.3
Tax as reported	**(7.7)**	(0.7)
Effective rate of tax	**3.2%**	3.1%

The effective tax rate at 3.2% is in line with the prior year. The non-deductible items have increased as a result of the large impairment in the period and also include, deferred consideration, amortisation of the brand and costs relating to employee and management incentive plans.

Dividends

The Company did not pay an interim dividend (2018: £5.8m) and no final dividend is being recommended (2018: £18.1m)

Earnings per share

Underlying basic and diluted earnings per share are both (3.1) pence (2018 restated: 1.0 pence). Statutory basic and diluted earnings per share are both (61.0) pence (2018 restated: 5.9 pence).

Acquisitions

These amounts represent deferred payments linked to conditions agreed at the time of the relevant acquisitions and are accounted for within exceptional items.

Fees associated with acquisitions were £nil (2018: £1.9m).

DBAY transaction

In November 2019, the Directors concluded that as a result of the impact of challenges faced by the Company as disclosed in public announcements from August onwards, the Group was facing increasing difficulty in being able to continue to trade without a significant injection of new liquidity and could become in breach of financial covenants under its facility agreements. Having considered other strategic options, the Directors recommended the transaction with DBAY that was overwhelmingly approved by shareholders in December 2019. This transaction, which was completed in early December, involved a £50m[1] cash injection by way of loan notes, an increase of £20m in revolving credit facilities and the Company's interest in the Eddie Stobart business was reduced to a 49 per cent minority holding. The financial results set out in this report are therefore to some extent historical; going forward the Company will not consolidate the results of the Eddie Stobart business but will account for its interest in the Eddie Stobart business as an associate.

Annual general meeting and accounts

The Company's annual results for the 2019 financial year are being published later than in previous years due to the impact on the audit process of changes in working practices as a result of the COVID-19 pandemic. An extension to the deadline for publication of the accounts has been obtained in line with regulatory guidance. The Company held its annual general meeting on 30 May 2020 in order to comply with its obligations under the Companies Act but due to the legal restrictions on public gatherings at the time, shareholders were unable to attend.

[1]£50m net of £5m retained in Marcelos Limited relating to transaction costs

Risk management and principal risks

Risk management framework

The Board is ultimately responsible for setting the Group's risk appetite and overseeing the effective management of risk. The Board has delegated oversight of risk management and internal controls to the Audit Committee.

During the 2019 financial year, day to day risk management was the responsibility of the senior management team. The risk management framework setting out the Group's risk management's processes and procedures was reviewed by the Audit Committee annually. The mitigating factors and actions in place for each risk was recorded on a Group level risk register and a report on the review of that register by senior management was submitted to the Audit Committee.

Principal risks

In its current form as a 'cash shell' with no executive team, the principal risks faced by the Company differ from those faced during the 2019 financial year when the Company was the owner of 100 per cent of the Eddie Stobart operating business. The risk management framework has been updated to reflect the differing nature of the principal risks faced by the Company. These risks are considered by the Directors as part of the strategic debate at each Board meeting.

During the 2019 financial year, when the Company was the holding company of the Eddie Stobart business, the principal risks faced as recorded on the risk register were grouped into the following categories:

Operating environment risk

Changes in customer demand for services reflecting changes in consumer behaviors, changes in property-related opportunities and emerging technologies that could change the nature of the logistics sector

People risk

Loss of one or more key members of the senior management team or failure to retain and attract experienced and skilled people at all levels across the business

Customer risk

Loss of one or more key customers having a material impact on Group revenues

Health and safety risk

Risk of harm to people working in the business or who are affected by it

Reputational risk

A material incident, such as a natural disaster or a material health and safety incident that could affect public perception of the Company and adversely impact customer relationships

Systems and technical risk

A failure or unavailability of a key IT system, unauthorised access or a cybersecurity breach that could have a significant impact on operational or financial performance or reputation

Financial risk

Failure to meet financing covenants could result in lack of available funding which could result in the Company being unable to meet its financial obligations;

Legal and regulatory risk

Non-compliance with legal and regulatory requirements could result in significant fines, reputational damage (and possibly criminal proceedings)

As the Company continues to explore opportunities to become an AIM investment company, the current principal risks identified by the Board, and corresponding mitigants for the Company, are set out below:

1. **Risk**	1. **Mitigants**
Failure to convert to an AIM investment company within the timeframe specified by AIM due to an inability to raise sufficient funds from investors or to obtain shareholder approval.	An extension until 9 December of the initial deadline for conversion to an AIM investment company has been obtained by the Company. Advisers have been appointed to assist the Board in developing an appropriate investment strategy to attract investment. Interactions with shareholders are planned to obtain feedback on the proposed strategy prior to finalisation. Effective shareholder communications are planned prior to seeking approval for the conversion to an AIM investment company.

2. **Risk**	2. **Mitigants**
Changes in the economic environment whether resulting from the COVID-19 pandemic, the withdrawal of the UK from the EU or otherwise, may adversely affect appetite for investment in the logistics sector resulting in a fall in the Company's share price and/or inability to secure investment to convert to an AIM investment company (see risk 1 above).	The Board monitors developments in the economic environment and other factors that may affect investment appetite. Advisers are retained to assist in minimising the impact of adverse changes in the economic environment.

3. **Risk**	3. **Mitigants**
Eddie Stobart, the supply chain, transport and logistics group which is the Company's sole investment, may not perform in line with its management team's expectations and/or may be adversely affected by an external risk (such as a change in economic or operating environment) such that it is unable to provide to the Company funds needed and/or services required in order for the Company to continue to operate until conversion to an AIM investment company can be achieved.	The Board receives regular financial and business performance information from Eddie Stobart under agreed governance arrangements enabling the Board to closely monitor its investment. Two of the Company's Directors have been appointed to the board of Greenwhitestar Acquisitions Limited, the operational holding company of the Eddie Stobart business, supporting close links and information flow between the Company and the group. An Executive Chairman with strong experience of the logistics sector and who knows the Eddie Stobart business well has been appointed and the Finance function has been significantly enhanced. Measures have been implemented to reorganise and streamline the Eddie Stobart operations and increase utilisation in the property portfolio which are expected to positively impact the full year results to November 2020. The strong leadership team is experienced in managing risk in a challenging economic environment.

4. **Risk**	4. **Mitigants**
The complexity of the structure of the Company's investment following completion of the transaction with DBAY in December 2019 gives rise to a risk of inadvertent non-compliance with legal and/or regulatory requirements.	The Company retains experienced advisers to assist in ensuring legal and regulatory compliance. The Board is closely involved in addressing any legal or regulatory matters as they arise.

The strategic report was approved by the Board on 4 July 2020 and signed on its behalf by;

Christopher Casey
Director

Governance

Board of Directors

Adrian Collins, Non-executive Chairman of the Board

Member of the Audit Committee.
Appointed in April 2020.

Skills and experience: Adrian has worked in the investment management industry for over 40 years most recently at Liontrust Asset Management where he served as Chairman from 2009 to 2019. Prior to that he was Managing Director at Gartmore Asset Management where he spent a large part of his career.

Other roles: Adrian is Chairman of CIP Merchant Capital, Bahamas Petroleum Company plc and Tri-Star Resources plc.

Christopher Casey, Non-executive Director

Chairman of the Audit Committee and member of the Remuneration Committee.
Appointed in April 2017.

Skills and experience: Christopher has over 30 years' strategic financial experience. He was previously a partner of KPMG LLP and its predecessor firms from 1992 until 2010. He has extensive experience as an audit committee chairman and non-executive director of publicly listed companies.

Other roles: He is currently Chairman of the TR European Growth Trust plc and a Non-Executive Director of BlackRock North American Income Trust plc, CQS Natural Resources Growth and Income plc, Mobius Investment Trust plc and Life Settlement Assets plc.

Stephen Harley, Non-executive Director

Member of the Audit Committee and the Remuneration Committee.
Appointed in April 2017.

Skills and experience: Stephen brings significant international logistics and supply chain expertise to the Board. He spent most of his 42 year career with Ford in logistics and supply chain management and held the most senior positions in this area as executive director for global material planning and logistics and for parts supply and logistics.

Other roles: Stephen is currently Managing Director, Advance Manufacturing for Laing O'Rourke.

Saki Riffner, Non-executive Director

Member of the Audit Committee.
Appointed in February 2020.

Skills and experience: Saki brings significant experience of the logistics sector having led acquisitions and managed logistics-related investments by DBAY such as the acquisition of TDG plc which was later sold to Norbert Dentressangle (now part of XPO Corp.). Saki also brings a deep understanding of the Company's operations having been closely involved in the listing of the Company on AIM in 2017 following the acquisition of the Eddie Stobart business by DBAY in 2014.

Other roles: Saki is Chief Investment Officer and co-founder of DBAY Advisors Ltd. Prior to his current role Saki worked for Rothschilds and Laxey Partners.

Chairman's Governance Statement

As the Company moves towards a new era as an AIM investment company, its governance will evolve to recognise the new role of the Board and to support good business practices in the way the Company makes and monitors its investment decisions.

As Chairman one of my key responsibilities is supporting and promoting the evolution of this governance framework to ensure it supports the successful achievement of the Company's new strategy. By which I mean making sure we have in place practices and endorse behaviours that support the Company in setting and reviewing its strategy, monitoring its performance, understanding its risks and opportunities, and taking decisive action at the right time based on the right information.

The culture we promote at Board level and within the businesses the Company invests in will be key to this success. This Board is committed to upholding high ethical standards that set the tone for how we expect the companies we invest in to do business. The Company has been open and transparent about the challenges it has faced in 2019. Much of this governance report covers how these challenges were addressed. As we move forward and our governance evolves we will continue to be open and transparent about how we manage our business and how we take into account the interests of our shareholders and other stakeholders.

Further information about the work of the Board, Audit Committee and Remuneration Committee in 2019 is set out on pages 12 to 17.

Adrian Collins
Chairman
4 July 2020

Code compliance

The Company complied with the requirements and recommendations of the QCA Governance Code, which is considered appropriate for an AIM listed company, throughout the financial year ended 30 November 2019.

The Board intends to continue to comply with the QCA Code in so far as the Code principles remain appropriate in the light of the Company's current status. Please see below and page 2 in relation to the Company's current structure and governance structure.

The Company has published a corporate governance statement, which explains how the Company satisfied the requirements of the QCA Governance Code during the 2019 financial year and where relevant disclosures made in accordance with the QCA Governance Code can be found.

The corporate governance statement is available on the Company's website at www.eddiestobart.com.

Governance Structure

Following completion of the DBAY transaction in December 2019, the Company holds, indirectly a 49 per cent interest in GWSA, the holding company of the Eddie Stobart trading entities, as illustrated on page 2. As described in the circular sent to shareholders in November 2019 in relation to the DBAY transaction, a shareholders agreement has been entered into under which the Company has certain rights including in relation to the conduct of the business of the ultimate holding company of the Eddie Stobart business and its subsidiaries, rights to receive management information and to approve any related party transactions with DBAY. The Company also has a right to appoint a director to the board of the holding company of the Eddie Stobart business and Stephen Harley has been appointed a director of GWSA to fulfil that role. Saki Riffner, Chief Investment Officer of DBAY, who is a Director of the Company is also a director of GWSA.

Upon completion of the DBAY transaction, the companies that employ the Eddie Stobart workforce ceased to be subsidiaries of the Company and the two former Executive Directors employed by the Company transferred to become employees of GWSA. Therefore, since the date of completion, the Company has not had an executive leadership team or any employees. A subsidiary of GWSA provides operational services to the Company under a transitional services agreement.

To reflect this new structure;

- arrangements have been agreed for the management of potential conflicts of interest that may arise in connection with Saki Riffner and Stephen Harley being directors of GWSA and Directors of the Company, as described on page 15;
- the terms of reference of Audit and Remuneration Committees have been revised as described on page 12; and
- as the Company does not have a chief executive or an executive team, the schedule of matters reserved to the Board and the document setting out the distinction between the roles of the Chairman and the Chief Executive, that were in place during the 2019 financial year, have been updated.

The Board

Role of the Board

The role of Board is to consider and approve the Company's strategy, budget, material transactions and corporate actions and oversee the Company's progress towards its strategic objectives.

Board members

The Board is comprised of four Non-executive Directors, three of whom are considered to be independent. Two of the independent Non-executive Directors, Christopher Casey and Stephen Harley, were appointed shortly before the IPO in April 2017.

Adrian Collins was appointed independent Non-executive Chairman in April 2020. Saki Riffner, Chief Investment Officer of DBAY Advisors Ltd was appointed in February 2020. The Directors have determined that, given the size of the Board, it is not appropriate to appoint a senior independent non-executive director.

Independence of Directors is reviewed annually and the Board has determined that each of the Directors demonstrates strong independent judgement. In the light of Saki Riffner's role with DBAY the Board has concluded that he should not be considered independent. No other Director has a relationship that could materially interfere with the exercise of their independent judgement.

Other Directors during the 2019 financial year were Philip Swatman from April 2017 until completion of the DBAYtransaction, Sebastien Desreumaux, Chief Executive from August 2019 until completion of the DBAY transaction, Anoop Kang, Chief Financial Officer from April 2019 until completion of the DBAY transaction, Alex Laffey, Chief Executive Officer from May 2015 until August 2019 and Damien Harte, Chief Financial Officer from December 2016 until March 2019.

Throughout the 2019 financial year there was a clearly documented division between the executive role of the Chief Executive and the role of the Non-executive Chairman. Since the completion of the DBAY transaction, the Company has not had a Chief Executive and there is therefore no current document setting out a division of responsibilities.

The Company has however published on its website a document describing the role of its Non-executive Chairman.

Skills and experience

The Board members bring a wealth of commercial and financial expertise to the Board from a variety of backgrounds. Please see the biographies of the Directors on page 10 for further information on their skills and experience.

The Directors believe the Board has an appropriate mix of skills and experience. Each Director is aware of the importance of keeping their skills up to date. During the 2019 financial year, members of the senior leadership team provided industry specific updates and the Company Secretary provided briefings on developments in corporate governance and the regulatory framework. Advisers have also provided briefings on regulatory obligations.

Time commitment

The time commitment expected of the Non-executive Directors is commensurate with the size and complexity of the Company and as necessary to properly perform their duties. Attendance at a minimum of twelve Board meetings a year and the Annual General Meeting is expected when appropriate.

Board Committees

The Board has established an Audit Committee and a Remuneration Committee. Given the size of the Board it is not considered necessary to establish a Nomination Committee.

During the 2019 financial year, each of the Non-executive Directors was a member of the Audit Committee and the Remuneration Committee and Executive Directors and members of senior management attended meetings of the Committees at the invitation of the relevant Chairman. Since the completion of the DBAY transaction, all Non-Executive Directors continue to be members of the Audit Committee and Christopher Casey and Stephen Harley are the members of the Remuneration Committee. As noted above, the terms of reference of these committees, which are available on the Company's website, have been updated to reflect the evolving governance structure of the Company.

Board

The Board is responsible for the Company's strategy.

Audit Committee

The Audit Committee has responsibility, in relation to the Company, for:

- Monitoring the integrity of the financial statements of the Company
- Advising on appropriate accounting policies and reviewing management judgements
- Reviewing risk management policies;
- Approving the external audit plan and reviewing the effectiveness of the external auditor; and
- Monitoring the provision of services by third parties.[1]

Remuneration Committee

The Remuneration Committee has responsibility for;

- recommending to the Board the remuneration of the Company's Non-executive Directors; and
- liaising with any company in which the Company has a direct or indirect shareholding on any remuneration or incentivisation policies or arrangements, if requested.[2]

Executive leadership team

Following completion of the DBAY transaction, the Company does not have an executive leadership team or any employees.[3]

[1] During the 2019 financial year the Audit Committee also had responsibility for matters relating to its subsidiaries and their accounts, group-wide policies and controls and internal audit services.

[2] During the 2019 financial year the Remuneration Committee also had responsibility for determining the Company's policy framework for the remuneration of its executive directors and members of senior management; and approving the design of any incentive schemes and the targets for any performance related schemes.

[3] During the 2019 financial year, the Board had delegated the authority to manage the day-to-day operations of the Company to the Chief Executive. Authority in relation to financial matters was delegated to the Chief Financial Officer. The Executive Leadership team supported the Chief Executive in discharging his responsibilities in relation to implementation of the Group's strategy and management of the day to day operations of the Group.

Board and Committee meetings and attendance

Board meetings are scheduled to be held monthly with ad hoc meetings called when needed. Twelve scheduled Board meetings were held in the financial year ended 30 November 2019 and ad-hoc meetings were held to facilitate Board oversight as matters required attention between regular scheduled meetings. All Directors attended all scheduled Board meetings they were entitled to attend during the year. The table below illustrates attendance by Directors at scheduled meetings in the 2019 financial year that they were entitled to attend as members

Director* Current Directors	Board	Audit Committee	Remuneration Committee
C Casey	12	4	2
S Harley	12	4	2
Former Directors	**Board**	**Audit Committee**	**Remuneration Committee**
P Swatman [1]	12	4	2
A Laffey [+ 2]	8	n/a	n/a
D Harte [+ 3]	5	n/a	n/a
A Kang [+ 4]	9	n/a	n/a
S Desreumaux [+ 5]	3	n/a	n/a

Note:*All Directors attended all Board meetings and all Committee meetings they were entitled to attend as members.

+ The Chief Executive and Chief Financial Officer were not members of the Audit or Remuneration Committees but attend some Committee meetings at the invitation of the Chair of the Committee.

1 P Swatman ceased to be a Director upon completion of the DBAY transaction.

2 A Laffey ceased to be a Director in August 2019.

3 D Harte ceased to be a Director in March 2019.

4 A Kang was a Director from April 2019 until completion of the DBAY transaction.

5 S Desreumaux was a Director from August 2019 until completion of the DBAY transaction.

Board activities

In the second half of 2019, the Directors devoted a significant amount of time to addressing the Company's emerging performance and cash management issues as well as the significant challenges arising following the suspension of the Company's shares in August. In addition to the regular scheduled Board activities outlined below, frequent meetings were held, at times on a daily basis and often with advisors present, as the Board considered the strategic options available to the Company and addressed matters such as:

- the appointment of a new Chief Executive following the departure of the former Chief Executive in August 2019;
- reforecasts of financial performance and cash-flow models and consequential liquidity and covenant compliance;
- discussions with the Company's lenders and other creditors;
- potential strategic options available to the Company, such as an equity raise or business sale, taking into account the interests of all stakeholders including shareholders, employees and suppliers;
- responses to third parties who expressed an interest in making an offer for the Company or otherwise providing finance to the Company;
- prompt disclosure to the market of material developments in relation to the Company's financial and operational position and approaches made by third parties, as appropriate;
- re-assessment of accounting policies and practices and management judgements in relation to accounting matters; and
- steps to facilitate the publication of the Company's half-year results and re-admission to trading of the Company's shares.

Board members also spent a significant amount of time liaising with senior members of the leadership team to understand the impact on the business, and employees, of the challenges being faced.

Scheduled Board activities in 2019 included review and consideration of:

- Strategy and progress towards strategic objectives;
- Annual budget and monitoring performance against budget;
- Updates on business activities, including implementation of new contracts, and financial performance;
- Business pipeline and future opportunities including for acquired businesses to work together;
- Strategic initiatives to improve efficiencies and streamline operations;
- Property-related opportunities to support business growth;
- Appointment of a new Chief Financial Officer;
- Approval of 2018 annual report and accounts;
- The external market environment including the risks and opportunities as a result of the referendum to leave the EU; and
- The Company's dividend policy.

Interactions with investors

Effective communication with investors is an important part of the Board's role. During the 2019 financial year, the Board focused in particular on keeping investors promptly informed, to the extent practicable, of all material matters relating to the challenges being faced by the Company and the steps being taken to address those issues. The Board also continued its practice of meeting with institutional investors to listen to their views. During the second half of 2019, the Non-executive Directors were closely involved in engaging with shareholders and potential investors, alongside the Chief Executive and the Chief Financial Officer at that time.

The Board continues to be committed to giving shareholders the opportunity to raise questions and to interact with the Directors. Directors meet with investors on request and shareholders generally have the opportunity to raise matters at the Annual General Meeting. Unfortunately, due to the impact of the COVID-19 pandemic, the Board was unable to invite shareholders to attend this year's Annual General Meeting (which the Company was legally obliged to hold before the end of May). Shareholders were invited to raise any questions by email.

Performance evaluation

In the light of recent changes to the Board and the Company's status and new strategy the Board agreed that an externally facilitated evaluation process would be of limited value this year and that an internal interview-based evaluation process should be conducted using a questionnaire based approach.

In addition to a review of the 2019 financial year, the evaluation process focused on identifying the skills, experience and personal characteristics needed for the Board to operate successfully in this new era for the Company and the governance structure that would best support effective decision-making going forward. The questionnaire covered a range of factors relevant to the effectiveness of the Board and its Committees including size, skills and experience, focus on strategy and quality of information.

The evaluation found that overall the Board was felt to have confronted the major challenges faced by the Company in 2019, acted decisively, with contributions from advisors, to seek to protect the interests of shareholders and other stakeholders and worked constructively with external auditors to ensure the accounting related matters which impacted the 2019 and prior years' results were properly addressed. It was also concluded that the Board and its committees have the right mix of skills and experience to operate effectively going forward. The assessment of views and suggested actions from the evaluation will be considered further and taken forward by the new Chairman.

Audit Committee report

Audit Committee

Christopher Casey is Chairman of the Audit Committee and the other three Non-executive Directors are members of the Committee. A majority of the members are therefore independent. During 2019 all Non-executive Directors, all of whom were independent, were members of the Committee.

Christopher Casey is the member identified as having 'recent and relevant financial experience'.

Meetings and attendance

The Audit Committee met six times during the financial year ended 30 November 2019. All members attended all Committee meetings. In addition to the four scheduled Audit Committee meetings, two additional meetings were held in the second half of 2019 at which reports were received from PwC on progress in relation to the 2019 half year results and relevant accounting matters.

During the 2019 financial year, meetings were usually attended by the Chief Financial Officer and the external auditor with other members of senior management attend meetings by invitation. Committee members meet at least once a year without management present and the Committee meets at least once a year with the external auditor and internal auditor without management present.

Attendance by Directors at meetings during the 2019 financial year is set out in the table on page 13.

Activities

Much of the Committee's time in 2019 was spent dealing with the review of the 2019 interim results referred to in announcements made by the Company from July 2019 onwards, the outcome of which is summarised under 'Accounting Matters' on page 5 and 6.

Areas of particular focus for the Committee in relation to the Accounting Matters were:

(a) to understand the basis on which it was appropriate for the Directors to re-assess the accounting treatment of transactions or re-assess the judgements made in prior periods accounts;
(b) to assess the impact on the financial statements of proposed changes in the treatment of individual balances or transactions upon the 2019 full year and half year results and the impact on, and restatement of, past periods' results;
(c) to assess the impact of new accounting standards impacting the Company's results for the first time in the 2019 financial year; and
(d) to satisfy itself and the Board that it was reasonable to conclude that all material accounting matters requiring reassessment had been identified during the review.

The Chairman of the Audit Committee spent a significant amount of time outside formal meetings liaising with PwC and the Finance team to better understand, and where possible resolve, outstanding issues in order to facilitate publication of the 2019 interim results.

Upon the conclusion of the review, the Audit Committee determined that it was appropriate to recommend to the Board a more prudent approach to the application of certain accounting policies and management judgements which impacted the half year and full year results for the 2019 financial year (and required restatement of results for prior periods) as disclosed in the half year results and described in note 30 of this annual report.

Other activities of the Audit Committee during the 2019 financial year included:

- Reviewing the financial results for the full and half year for approval by the Board;
- Considering the appropriateness of preparing the financial statements on a going concern basis;
- Recommending the appointment of PricewaterhouseCoopers LLP as the Company's auditor;
- Approving the audit plan for the 2019 financial year and considering the findings of the external auditor for the financial year ended 30 November 2018;
- Progressing the development of the 2019 internal audit plan and considering internal audit reports;
- Reviewing and considering principal risks faced, risk management and internal controls;
- Receiving reports and updates on potential control and legal/ regulatory compliance issues;
- Considering and investigating where appropriate reports of behaviours not aligned with the Company's values and ethical business policies;
- Receiving reports on specific risk areas such as insurance, operational licenses, health and safety, environmental compliance and IT; and
- Approving polices and statements adopted by the Company such as its treasury policy, conflicts policy, modern slavery act statement and gender pay gap report.

Significant accounting judgements

The Audit Committee considered areas of significant accounting judgement in connection with the preparation of the 2019 financial statements, taking into account the views of the Company's external auditors, including the following:

(i) Impact of DBAY transaction – the Committee has considered whether the sale of the controlling share of the Eddie Stobart business to DBAY on 9 December 2019 should result in the balance sheet and results of the trading subsidiaries being presented as discontinued operations in line with IFRS 5. For the disposal group to be classified as held for sale and presented as discontinued operations the sale must be highly probable. The sale of the Eddie Stobart business was dependent upon the shareholder vote which occurred on 6 December 2019 and given there was limited evidence of shareholder voting intention as at 30 November 2019 the sale could not be deemed highly probable and therefore the transaction does not meet the IFRS 5 recognition criteria at 30 November 2019.

(ii) Determination of Alternative Performance Measures (note 4) - alternative performance measures, such as underlying results, are used in the day-to-day management of the Group, and represent statutory measures adjusted for items which, in the Directors' view, could influence the understanding of comparability and performance of the Group year on year. These items include amortisation of acquired intangibles, share of profit from equity accounted investees, employee share scheme costs which were fully funded by the previous parent holding Group, exceptional costs, and in the prior year, start-up costs associated with contract wins and the profit impact of severe weather conditions.

(iii) Assessment of Agent versus Principal in considering whether to recognise revenue gross or net – judgement is required when determining whether an entity is acting as an agent or principal based on an evaluation of the risks and responsibilities taken by the entity. In the case of The Pallet Network Limited, the operating model has a number of mixed indicators. It is the view of management that the key determining factors such as the responsibility for the delivery of services and the provision of insurance, lead to the conclusion that the business acts as a Principal and therefore the revenue should be recognised gross for this entity.

(iv) Assessment of control – for non-wholly owned acquisitions judgement is required in evaluating the facts and circumstances in order to assess and determine whether and when the business has control. In making this determination, Directors look closely at whether the Group has the ability to influence the returns generated by the investee through being able to direct its activity and also whether the investee is exposed to variable rates of return.

(v) Prior year adjustments – consideration of the accounting matters giving rise to prior year adjustments at both the half and full year. Receiving and reviewing papers in relation to these adjustments and taking necessary advice as required. Further details of these matters are set out in note 30.

For further information see applicable notes to the financial statements.

External auditor

The Audit Committee oversees the relationship with the external auditor. Having conducted its annual review, which took into account a number of factors including the change in audit signing partner, the amount of non-audit work done in the 2019 financial year in relation to the review of the interim results and fact that PwC audits the statutory accounts of GWSA and its subsidiaries, the Committee concluded that PricewaterhouseCoopers LLP remains independent and is best placed to conduct the Company's audit for 2020. The Audit Committee has recommended PricewaterhouseCoopers LLP be re-appointed as auditor for the financial year ending 30 November 2020.

Risk management, internal controls and internal audit

The Board had delegated responsibility for reviewing the effectiveness of the Group's systems of internal control and oversight of its risk management system in 2019 to the Audit Committee. This covered all material controls including financial, operational and compliance controls. The Group's risk management systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. In undertaking its reviews, the Committee was supported by a number of sources of internal assurance from within the Eddie Stobart business, in particular assurance work done by the Health, Safety, Quality and Assurance (HSQA) team, presentations from senior management on risk areas and internal audits undertaken by BDO LLP.

It became apparent that the control environment was not sufficiently robust to prevent or detect some of the issues which gave rise to the Accounting Matters. Following the DBAY transaction the Audit Committee observed the appointment of new finance leadership to the Eddie Stobart business and an increased focus on internal financial controls. The Audit Committee has continued to monitor the work of the Eddie Stobart business Finance team as it relates to the finalisation of the financial statements for the Group to November 2019. The Board of GWSA has put in place an Audit Committee for the Eddie Stobart businesses with whom we will liaise in our capacity as a significant minority shareholder.

During the 2019 financial year, BDO continued to provide internal audit services and conducted internal audits as agreed with the Audit Committee including in relation to core financial and IT controls within stand-alone subsidiaries, certain human resource processes and governance around significant projects. BDO also reviewed the design and the operational effectiveness of certain processes and controls in relation to a new salary-related benefit system and the Group's compliance with data protection legislation. An internal audit charter for the year was agreed. The Audit Committee continued to receive reports from the HSQA team on internal reviews to assess compliance with internal policies. An ethical business policy and a whistleblowing policy were in place during 2019 which respectively set out the standards of behavior in business expected of employees and provided a mechanism to support employees in raising any concerns about inappropriate behaviours or malpractice. Any reports under these policies are reported to the Chairman of the Audit Committee for further action if considered appropriate.

Following the completion of the DBAY transaction, the Company does not have an operating business or any employees (as described on page 11 of this annual report) and operational services are provided to the Company on a transitional basis by Eddie Stobart Limited, a subsidiary of GWSA. In the light of this structure the Audit Committee has determined that it is not currently appropriate for the Company to engage an internal auditor in respect of the Company's internal controls. This decision will be regularly reviewed. The Committee recognises that if the Company succeeds in converting to an AIM investment company, it is likely to be appropriate for the Company to seek additional assurance about the Company's own internal control system and those of any material third party provider of services to the Company and also to seek information and assurance about the internal control and risk management system of any investee company

Conflicts

The Committee undertakes an annual review of conflicts of interest of Directors. The Board has determined, based on the recommendation of the Audit Committee, that all Directors, with the exception of Saki Riffner, are independent. Saki Riffner is a representative of a significant shareholder, DBAY, and is also a Director of GWSA and the Audit Committee recommended that he should not be considered to be independent. The potential conflict of interest in relation to Saki Riffner's role with DBAY is managed under an information and conflicts protocol agreed with DBAY. The potential conflict of interest in relation to his role as a Director of GWSA is managed pursuant to a protocol agreed with between the Company and GWSA.

Stephen Harley is considered to be independent notwithstanding his appointment to the Board of GWSA as referred to on page 1. The potential conflict of interest in relation to this role is managed under an information and conflicts protocol agreed between the Company and GWSA.

New Committee members

The role of the Audit Committee will further evolve as the Board progresses the Company's strategy to become an AIM investment company with interests in the logistics sector, as referred to on page 2. Adrian Collins, our new Chairman, and Saki Riffner, the Chief Investment Officer of DBAY, have joined the Audit Committee and bring market, logistics sector and investment management experience that will be invaluable as we move into a new era for the Company.

Christopher Casey
Chairman of the Audit Committee
4 July 2020

Remuneration Committee report

Following the completion of the DBAY transaction, the role of the Remuneration Committee is more limited as the Company does not have an operating business and does not have any employees (as described on page 11 of this annual report). The Company's responsibilities are currently to make recommendations to the Board as to the remuneration of Non-executive Directors and liaise with an investee company on remuneration matters if requested. During the 2019 financial year the Remuneration Committee had a wider role including determining the Company's policy framework for the remuneration of its executive directors and members of senior management and approving the design of any incentive schemes and the targets for any performance related schemes. This remuneration report focuses on the activities of the Committee and the approach of the Group to remuneration related matters in the 2019 financial year.

Approach to remuneration

During the 2019 financial year the Committee aimed to ensure that the remuneration of Directors and senior management supported the delivery of the Group's strategy. Remuneration packages were set at a level appropriate for the market the Group was operating in whilst taking into account the need to attract and retain talented people. In addition to base salary, the Executive Directors and senior management had the opportunity to receive long term variable reward, dependent on achievement of appropriate performance conditions.

Directors' remuneration in the year ended 30 November 2019

The remuneration of the Directors during the year ended 30 November 2019 (current and former) is set out below together with comparable figures for the previous financial year.

	Salary/fees [1] £,000		Benefits [2] £,000		Pension costs [3] £,000		Long term incentives [4] £,000		Total £,000	
Current Directors	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
C Casey	71	70	-	-	-	-	-	-	71	70
S Harley	61	60	-	-	-	-	-	-	61	60
Former Directors	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
P Swatman	153	151	-	-	-	-	-	-	153	151
S Desreumaux	92	-	79	-	13	-	-	-	184	-
A Kang	187	-	36	-	-	-	-	-	223	-
A Laffey [5]	412	407	173	23	-	41	-	-	586	470
D Harte [5]	265	244	18	15	8	24	-	-	291	283

1 This column sets out salary and fees received for the full financial years ended 30 November 2019 and 30 November 2018. No payments were made to Adrian Collins or Saki Riffner who were appointed after the year-end. The increase in pay for Non-executive Directors was in line with the pay increase in 2019 to all employees of Eddie Stobart Limited.

2 Benefits includes private medical insurance, life assurance, car allowance and tax paid by the Company on such benefits.

3 A cash allowance was paid to two of the Directors in lieu of a pension contribution.

4 None of the Directors have received cash under any incentive arrangement in the financial ended 30 November 2019. Awards under the MIP were granted to A Laffey and D Harte in the financial period ended 30 November 2017 but no vesting has taken place and both have surrendered their entitlement under these MIP awards. The charge to the Company in connection with the MIP awards is set out in note 24 to the financial statements. For further information on LTIP awards granted to Executive Directors see page 17.

5 Salary/fees for A Laffey include an amount representing salary and benefits in lieu of notice (see note 5) and for D Harte includes fees of £168k under consultancy arrangements with a subsidiary company after he retired as Chief Financial Officer.

This table has been audited.

Other than as set out in the table above and its footnotes, no other payments were made to any past Director of the Company or in connection with the exit of any Director.

Please see section below headed 'Our approach to remuneration in 2019' for information about the remuneration of the Executive Directors in 2019.

Membership

Throughout the 2019 financial year, the Remuneration Committee consisted of Philip H Swatman as Chairman and the two other Non-executive Directors, Christopher Casey and Stephen Harley. The current members of the Committee are Christopher Casey and Stephen Harley. All members are, and were throughout 2019, therefore independent Non-executive Directors.

Meetings and attendance

The Committee meets at least once a year and at other times as appropriate. The Committee met once in the 2019 financial year.

Activities

Activities of the Remuneration Committee during the 2019 financial year included:

- Reviewing the Group's approach to remuneration
- Approving the individual packages of Executive Directors including the package agreed with the new Chief Financial Officer starting in April 2019 and the new Chief Executive starting in August 2019
- Approving the participation of the Executive Directors in the LTIP in the 2019 financial year
- Considering the grant of LTIP awards to members of the senior management team in in 2019
- Considering and approving the approach to disclosure of remuneration-related matters

Our approach to remuneration in 2019

Long-term incentives

As disclosed in our 2018 annual report, the Remuneration Committee determined that it was appropriate for Executive Directors to be granted LTIP awards in 2019 at the time that awards were being granted to other members of senior management. The awards, made in May 2019 to A Laffey and A Kang (as well as other members of senior management), set targets based on performance criteria related to total shareholder return and earnings per share as approved by the Remuneration Committee.

Awards were granted to Sebastien Desreumaux in May 2019 (prior to his appointment as Chief Executive in August 2019) when he was CEO of iForce). He was not granted any further LTIP awards upon or following his appointment as Chief Executive.

For information on the performance criteria and the value of LTIP awards granted in 2019 to the Executive Directors please see note 24 to the financial statements.

Executive Directors did not participate in the LTIP in 2017 or 2018 as the MIP was considered at the relevant time to be an appropriate incentive scheme for the individuals who were then Executive Directors. The awards granted to the Chief Executive, Alex Laffey, under the LTIP in 2019 (an award relating to 627,533 shares) replaced his entitlement under the MIP, an incentive scheme put in place at the time of the IPO. Damien Harte, former Chief Financial Officer is no longer entitled to exercise his rights under the MIP following his retirement on 31 March 2019.

In assessing the grant of awards to Executive Directors and senior managers in 2019 the Remuneration Committee took into account that 50 per cent of the LTIP awards granted to senior managers in 2017 lapsed (as the target of achievement of an EBITDA target for the 2018 financial year was not achieved) and it was considered highly unlikely that the target the for vesting of the remaining 50 per cent of these awards (linked to total shareholder return over a three year period ending in April 2020) would be achieved. The 50 per cent of the 2017 LTIP awards that did not lapse in 2018, lapsed in April 2020 as the performance criteria had not been met.

In line with guidelines issued by investor representative bodies, no more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under employee share based incentive schemes (which includes the LTIP and the SIP (described below)) in the ten year period from the date of IPO. No more than 5% of the issued ordinary share capital may be issued or committed to be issued under discretionary share plans in relation to senior executives of the Company in that period.

On completion of the DBAY transaction, the employing entity of members of the senior leadership team ceased to be a subsidiary of the Company and the Executive Directors ceased to be employed by the Company and became employees of GWSA. As a result a significant portion of the 2019 LTIP awards lapsed.

Annual bonus
In the 2018 annual report, the intention to introduce a cash bonus scheme in the 2019 financial year was noted. This scheme was not implemented and no cash bonuses were paid under the intended scheme.

Salaries
There were no increases in salaries or fees payable to Directors in 2019 other than the increase disclosed in the 2018 annual report which was in line with the pay increase for all employees of Eddie Stobart Logistics plc and Eddie Stobart Limited.

As at the date of this report, the fees payable to the Non-Executive Directors are as follows:

- Non-executive Director and Chairman of the Board
  £80,000 per annum
- Non-executive Director, Chairman of the Audit Committee
  £71,400 per annum
- Non-executive Director*
  £61,200 per annum

*Saki Riffner does not receive a fee as a Non-executive Director

Directors' interests in shares
The table below shows the interests of Directors in shares as at 30 November 2019, all of which were beneficial except where noted.

	Total interest in shares	Percentage of share capital as at 30 November 2019
Executive Directors		
S Desreumaux [1]	203,046	0.1%
A Kang [1]	284,264	0.1%
Non-executive Directors		
P Swatman [2]	50,000	0%
C Casey	7,500	0%
S Harley [3]	30,000	0%

[1] Interests under LTIP awards
[2] 25,500 shares beneficially owned by P Swatman's wife.
[3] 10,000 shares beneficially owned by S Harley's wife

As at 30 June 2020 the latest practicable date prior to the approval of this Document;

(i) there had been no change in the interests of Christopher Casey and Stephen Harley in shares of the Company;
(ii) Saki Riffner holds 1,118,496 ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") representing approximately 0.29 per cent of the Company's issued share capital. Given his role as Chief Investment Officer of DBAY Advisors Limited, he is also deemed for the purposes of the AIM rules to hold a beneficial interest in the total of 102,804,300 shares held by funds under the discretionary management of DBAY Advisors Limited, representing approximately 27.1 per cent of the Company's issued share capital;
(iii) Adrian Collins is not interested in any shares of the Company.

Letters of appointment
The Non-executive Directors have letters of appointment for an initial three year period, continuing thereafter subject to termination upon at least three months' notice by either party.

The appointment dates of the Directors are set out below:

A Collins	(appointed 3 April 2020)
S Riffner	(appointed 27 February 2020)
C Casey	(appointed 8 April 2017)
S Harley	(appointed 4 April 2017)

Share-based incentives schemes
Management Incentive Plan ("MIP")
As noted above the MIP was an incentive scheme established at the time of the IPO in which the Executive Directors as at the date of the IPO participated. Each of those Directors has surrendered their interest in the MIP and no further awards can be made.
Details in relation to the MIP are disclosed in the 2018 and 2017 annual reports and the documentation relating to the IPO.

Long-Term Incentive Plan ("LTIP")
The LTIP was established to reward members of the senior management team by offering them nil-cost options. The LTIP required participants who received an award to appoint Link Market Services Trustees Limited to hold applicable ordinary shares on trust for the LTIP participant for the applicable holding period following vesting of an award. Please see note 24 to the financial statements for details of the performance conditions for vesting of LTIP awards.

As noted above, LTIP awards were granted to members of the senior management team in the 2017 and 2019 financial years.

Share Incentive Plan ("SIP")
A UK HMRC-approved Share Incentive Plan was established on IPO and a grant of free shares was made to employees in order to ensure employees were incentivised and their interests aligned with those of the Company. No further awards have been made under this scheme. The trustee was Link Market Services Trustees, an independent professional body, which acquired 1,687,500 shares to be held in trust for the benefit of the participating employees.

Eligible employees who remained employed by the Eddie Stobart business immediately prior to completion of the DBAY transaction, became entitled to their shares.

Further information on the share-based incentive schemes is included in note 24 of the financial statements.

Directors' report

The Directors submit their report and the audited consolidated financial statements of Eddie Stobart Logistics plc for the year ended 30 November 2019.

Results

The loss before tax for the year ended 30 November 2019 from continuing operations was £238.9m (2018 restated: £22.3m).

Dividends

The Company did not pay an interim dividend (2018: 1.54 pence per share) and the Directors do not recommend a final dividend for the year (2018: 4.76 pence per share).

Principal activities, business review and future developments

The Strategic report on pages 1 to 9 describes the principal activities of the Company and its subsidiaries during the 2019 financial year, a review of the business for the financial year ended 30 November 2019 and an indication of likely future developments.

Directors

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

C Casey	(appointed 18 April 2017)
S Harley	(appointed 4 April 2017)
P Swatman [1]	(appointed 4 April 2017)
A Laffey [2]	(appointed 4 April 2017)
D Harte [3]	(appointed 4 April 2017)
A Kang [4]	(appointed 1 April 2019)
S Desreumaux [5]	(appointed 23 August 2019)
Saki Riffner	(appointed 27 February 2020)
Adrian Collins	(appointed 3 April 2020)

1 P Swatman left the Company on completion of the DBAY transaction
2 A Laffey left the Company on 22 August 2019
3 D Harte resigned with effect from 31 March 2019.
4 A Kang became employed by GWSA on completion of the DBAY transaction and subsequently resigned from the GWSA Board on 17 January 2020
5 S Desreumaux became employed by GWSA on completion of the DBAY transaction and subsequently resigned on 16 December 2020

Directors' remuneration, share options, long-term executive plan awards, pension contributions and benefits are set out in the Remuneration report on pages 16 and 17. The Company has Directors' and Officers' liability insurance in place.

Share capital

Details of the authorised and issued share capital of the Company are set out in note 23 to the financial statements.

Environmental policy

Maintaining and improving the quality of the environment in which we live is an important concern for the Board. During 2019 the Company maintained its policy of aiming to minimise the Group's impact on the environment wherever this is practical. Initiatives to reduce fuel consumption by encouraging more efficient driving practices and to reduce our energy consumption were continued in 2019. The Group also continues to be a member of the CRC Energy Scheme (formerly the 'Carbon Reduction Commitment') under which energy usage is monitored and assessed each year.

Interests in voting rights

As at 30 June 2020, the latest practicable date prior to the approval of this document, the Company had been notified of the following interests held by significant shareholders amounting to 3% or more of the voting rights attaching to the Company's issued share capital:

Significant Shareholders	Percentage of Voting Rights Held
DBAY	27%
Stobart Group Limited	11.8%
Invesco Asset Management Limited	3.58%

Employee engagement

Our policy during the 2019 financial year was to employ the best people irrespective of race, gender, nationality, disability or sexual orientation. Consultation with employees or their representatives occurred regularly, with the aim of ensuring employees' views were taken into account when decisions are made that are likely to affect their interests. Information on the SIP under which many of employees held shares, is given in note 24.

Factors affecting the performance of the Company are shared with employees as part of the notifications of half-yearly and annual results and updates about significant events are communicated on the internal intranet as well as on noticeboards and in cab devices for the driver community.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration, having regard to their particular aptitudes and abilities. In the event an employee becomes disabled, every effort is made to retrain them in order that their employment may continue. Our policy is that opportunities for training, career development and promotion should be available to all employees.

Health, safety and wellbeing

The Board recognises the importance of maintaining high standards of health, safety and wellbeing for everyone working within our business.

During 2019 the Company aimed to achieve high standards of health and safety management across all business activities.

Financial risk management

Information in respect of the financial risk management objectives and policies of the Group is contained in note 20 of the financial statements.

Political donations

The Group made no political donations during the year.

Research and development activities

Research and development activities were undertaken during the year, predominantly in connection with continued investment in IT systems and technologies that help us deliver logistics solutions to our customers.

Related party transactions

Any related party transactions required to be disclosed under the AIM rules are disclosed in note 26 to the financial statements.

Disclosure of information to auditor
The Directors in office on 4 July 2020 have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors has confirmed that he has taken all reasonable steps to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.taken all reasonable steps to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

Directors' indemnities
The Company's articles of association allow the indemnification of Directors out of the assets of the Company to the extent permitted by law.

Annual General Meeting
The Annual General Meeting was held on 30 May 2020 at 125 Old Broad Street London. All resolutions were passed and voting information is available on our website at www.eddiestobart.com.

Post balance sheet events
Post balance sheet events are disclosed in the financial statements (see note 29).

Engagement with stakeholders
The Company keeps up to date with the views of its shareholders by frequent dialogue and meetings with key investors and responding promptly to any questions or issues raised by shareholders.

Going concern
The Directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future and that it is appropriate to prepare the financial statements on the going concern basis. Please see note 1 to the financial statements on page 33 for further information.

This Directors' report was approved by the Board on 4 July 2020 and signed by its order by;

Christopher Casey
Director
4 July 2020

Eddie Stobart Logistics plc (registered office)
Stretton Green Distribution Park,
Langford Way,
Appleton,
Warrington,
WA4 4TQ

European branches during 2019 financial year*
Stobart Automotive Belgium
Eikelaarstraat 28,
3600 Genk Belgium

Stobart Automotive
Pripotocni 1519/10a,
100 00 Prague 201, Czech Republic

*as at the date of publication of this document the Company does not have any branches

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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent 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 IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, 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 Group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and parent 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 Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board;

Christopher Casey
Director
4 July 2020

Independent auditors' report to the members of Eddie Stobart Logistics plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Eddie Stobart Logistics plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 November 2019 and of the Group's loss and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2019 (the "Annual Report"), which comprise: the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Financial Position as at 30 November 2019, and the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

- Overall Group materiality: £4.25 million (2018: £1.5 million), based on 0.5% of total revenue.
- Overall Company materiality: £1.5 million (2018: £225,000), based on 2% of total assets.

- Our audit focused on those entities with the most significant contribution to the Group's results. Of the Group's 23 reporting components, we subjected 6 to full scope audits for Group purposes. The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed below and the information to be reported.
- The Group team allocated the component materialities which ranged from £0.57 million to £4.04 million, having regard to the mix and size and risk profile of the Group across the components.
- The components within the scope of our work accounted for 94%* of Group revenue and 97%* of the Group's loss before tax.

*Including consolidation journal entries

Key audit matters relate to:

- Going concern
- Carrying value of goodwill, intangible assets, tangible assets and investments in subsidiaries
- Revenue recognition
- Presentation and disclosure of prior period adjustments
- The impact of the Covid 19 pandemic

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of material misstatement due to fraud...

Independent auditors' report to the members of Eddie Stobart Logistics plc continued

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit. We performed the following procedures:

Key audit matter	How our audit addressed the key audit matter
Going concern	
Refer to note 1 (Principal accounting policies) The Company held 100% of the shares of Greenwhitestar Acquisition Ltd ("the investee" or "GWSA") until 9 December 2019, at which point, the shares were sold to an intermediate holding company of Marcelos Limited (Alpha Cassiopeiae Limited) for a consideration of 49% of the shares in Marcelos Limited, the remaining 51% are owned by Douglas Bay Capital III Fund LLP ("DBAY managed fund") . The Group ceased to exist at that point. In preparing these financial statements, the Directors have considered the going concern of the Company which now only holds an indirect 49% interest in GWSA. Subsequent to the disposal of GWSA the Company has been dependent on a funding stream provided by Marcelos via loan agreements. The Directors have considered the sufficiency of the funds available compared to forecast operating costs and are satisfied that the Company will be able to meet its obligations as they fall due. The Board, therefore, concluded that it was appropriate to prepare the financial statements on a going concern basis.	We performed the following procedures: • We examined the shareholder agreement between DBAY managed fund, Marcelos and the Company; • We examined a signed copy of the current loan agreement between Marcelos and DBAY Advisors Ltd and the irrevocable offer of loan funding made by Marcelos to the Company; • We assessed the ongoing expenses, based on forecasts and an understanding of the costs of the Company, to consider whether the funding streams plus the Company's current working capital position are sufficient to cover forecast future operating expenses; • We assessed the ability of DBAY Advisors Ltd to provide funding to enable Marcelos to fulfil its commitment to the Company. • We reviewed the disclosures in the financial statements. Based on all of the above, we concluded that there was sufficient evidence to support the preparation of the financial statements on a Going Concern basis and that the disclosure provided is sufficient.
Carrying value of goodwill,intangible assets, tangible assets and investments in subsidiaries	
Refer to note 1 (Principal accounting policies), to note 12 (Property, plant and equipment) to note 13 (Goodwill and Intangible Assets) and to note 2 of the Company financial statements (Significant accounting policies). The Group recorded an impairment charge of £169m in its interim results for the period to 31 May and for the full year to 30 November 2019. Goodwill and intangible assets of £114m and property, plant and equipment of £63m remain on the consolidated balance sheet at 30 November 2019. Investment in subsidiaries of £45m remain on the company balance sheet as at 30 November 2019. *Group – goodwill, intangible and tangible assets* When undertaking the impairment review, determining the cash generating units (CGUs) required management judgement. Management amended the CGUs in FY19 reflecting changes in the way in which the business is run. The value of CGUs was then compared to the estimated recoverable amount. Ascertaining the recoverable amount for each CGU required estimates to be made of key inputs in the value in use calculation including budgets, forecasts, discount rates and long term growth rates. Management calculated that an impairment was required at 31 May 2019, which was then reassessed at 30 November 2019. The assessment in November involved calculating the Fair Value less Cost to Dispose ("FVLCD"), based on the consideration paid by Marcelos. The Directors concluded that there was no further impairment.	We performed the following procedures: *Group – Value in use impairment test as at 31 May 2019* • We evaluated the appropriateness of revised CGUs adopted by management; • We obtained management's forecasts that had been prepared for the reporting period to 31 May 2019. • We assessed the reasonableness of the trading forecasts used at 31 May 2019 and the assumptions underpinning them, within the cash flow forecast model in the light of recent trading performance and suggested material amendments to management that they accepted; • We engaged an internal valuation expert to review the proposed discount rates and long term growth rates. We challenged management on their proposed discount rates and the discount rates finally adopted by management are with the range that we would expect; • We ran sensitivities on individual CGUs, to reflect lower than budgeted growth, cost savings and pressure on margins to assess the impact of the recoverable amounts of management's assumptions not being met; Based on the above, we concluded that there was sufficient evidence to support the treatment and disclosure adopted. *Group – Fair value less cost to dispose impairment test as at 30* November 2019 • We audited management's estimate of Fair Value less Cost to Dispose, prepared as at 30 November 2019 using the proceeds of the post year end transaction and an estimate of the fair value of debt assumed.

Key audit matter	How our audit addressed the key audit matter
	• We reperformed the allocation of Fair Value less Cost to Dispose to CGUs and the comparison of impairment calculated at 31 May 2019 compared to 30 November 2019. • We considered the extent of the disclosures made. Based on the above, we concluded that there was sufficient evidence to support the treatment and disclosure adopted.
Group - Other Intangibles In respect of other intangibles, specifically software development, the Board assessed the plans of GWSA's management for a new logistics planning tool and determined that it no longer satisfied the criteria for holding on the balance sheet. Amounts of £4.2m previously capitalised were written off in full, together with the recognition of further costs of £3.2m relating to contractual arrangements with suppliers.	*Group - Other intangibles* Specifically for other intangible assets, we performed the following: • We challenged management over the carrying values of intangible assets under development, particularly in connection with capitalised internal costs by understanding the expected use case and benefit calculation. We also considered whether there was evidence that the write off should have been made in a prior period, by assessing management's plans at that time; and • We evaluated the approach adopted by management in capitalising other intangible assets. Based on the above, we concluded that there was sufficient evidence to support the treatment and disclosure adopted.
Company – Investment in subsidiaries The Company held its investment in the trading entities at cost. The Board considered whether any adjustments were required to the results for the year ended 30 November 2019 to reflect the DBAY transaction. The Board determined that an impairment of £119m (comprised of a £99m impairment of intercompany debtors that required to be written off under the terms of the transaction and a £20m impairment of the investment in subsidiary balance) was required to reflect the recoverable value of the investment that was sold post year end, but that the business was not "held for sale " at 30 November 2019, due to the need for a shareholder vote and other uncertainties.	*Company – Investment in subsidiaries* • We audited management's calculation of recoverable value for the Company's investment in GWSA, which is based on share price data immediately after the AIM suspension of the shares was lifted. We confirmed that the calculation was correctly applied to the carrying value of the investment in the Company. Based on the above, we concluded that there was sufficient evidence to support the treatment and disclosure adopted.
Revenue recognition Refer to note 30 (Prior Year Restatements) and note 16 (Accounts receivable) The Group has multiple revenue streams across its subsidiaries with differing points of revenue recognition. Following the implementation of IFRS 15 management was required to reassess revenue from contracts with customers. Primarily, a determination was made whether revenue is earned over time, or at a point in time. Appropriate adjustments have been made to decrease revenue by £1.3m for the year to 30 November 2018, as set out in note 30. Given the billing cycle, the differing revenue streams and certain customer contracts, revenue not yet invoiced is accrued at the year end. The value of accrued revenue depends upon an understanding of contract terms and prices. Management assessed the amounts recognised within revenue for the year to 30 November 2019 which remain held in accounts receivable as at 30 November 2019 and concluded that amounts have been correctly included in the period.	We performed the following procedures: • We evaluated management's assessment of the impact of adopting IFRS 15 on revenue recognition practices for the Group; • We examined a sample of original contracts across all the material revenue streams to ensure that management's conclusions on the timing of revenue recognition were consistent with the underlying contracts; • We reperformed, on a sample basis, the calculations required to ensure compliance with IFRS 15. • We tested a further sample of recognised revenue across all the material revenue streams to bank statements to demonstrate existence • We selected a sample of invoices issued, which we checked to source documentation showing the time of delivery, in order to ensure that revenue has been recognised in the correct period. • For accrued revenue, we understood the process adopted by management to record the amounts due and we sampled revenue accrued at the period end and confirmed that it was subsequently invoiced and paid; and • We considered the adequacy of the Group's disclosure in respect of the accounting policies and the key areas of judgement in connection with recognition of revenue. Based on the above, we found that revenue was recognised in accordance with IFRS 15 and with the evidence that we obtained

Independent auditors' report to the members of Eddie Stobart Logistics plc continued

Key audit matter	How our audit addressed the key audit matter
Presentation and disclosure of prior period adjustments Refer to note 30 (Prior Year Restatements) Management reassessed the reasonableness of a number of key accounting policies and critical accounting judgements during FY 19 (including the treatment of property income, accounting for leased properties and the investment in Speedy) and concluded that these were not supportable. A revised approach was adopted and where the new approach resulted in a material impact to the primary statements an adjustment has been made to the FY18 comparatives and opening balances accordingly. The total impact of the prior period adjustments was £49.8m on net assets as at 30 November 2017 and £85.1m on net assets as at 30 November 2018; and the impact on the result for the year ended 30 November 2018 was £37.8m.	We performed the following procedures: • We reviewed the policies used by management and discussed alternatives that would be more aligned with Accounting Standards. • We assessed management's response and choices and determined that the revised accounting policies were appropriate in the circumstances. • We examined the key accounting policies and critical accounting judgments to check the completeness of management's assessment. • We audited the underlying documentation for the prior period adjustments to check compliance with the revised approach adopted by management. Underlying documentation included, reading property leases, arrangements for property services, motor insurance arrangements, customer contracts and supplier invoices. • We reperformed management's calculations of the adjustments. • We checked whether the adjustments were correctly classified as relating to the prior year by reference to the underlying documentation; and • We evaluated the adequacy of the disclosures made in connection with these prior period adjustments. Based on the above, we found that the completeness of the adjustments is supported by the evidence obtained, and that the disclosure provided sufficient explanation of the adjustments made.
The impact of the Covid 19 pandemic Refer to note 29 (Subsequent events). Similar to most businesses, Covid 19 has had an overall adverse impact on the business, with that impact varying across the components of the business. The guidance issued by the FRC on the impact of Covid 19 is that it should be considered a non-adjusting post balance sheet event for entities with year ends ending on or after 31 December 2019. As a consequence, the impact of Covid 19 on the business did not need to be reflected in the financial statements as at 30 November 2019 and for the year then ended. Management have, however, made a number of disclosures over the impact of Covid 19 and incorporated its impact into their going concern considerations, as noted above.	We performed the following procedures: • We obtained management information outlining the expected impact and understood management's response to Covid 19. • We assessed whether the nature and extent of the disclosure made by management was sufficiently complete to articulate the impact of the pandemic on the business and was supported by the information available. Based on the above, we determined that management has correctly assessed that the impact of Covid 19 is a non-adjusting post balance sheet event and that the disclosures made are supported by the information and evidence available.

We determined that there were no key audit matters applicable to the Company to communicate in our report other than relating to the carrying value of the investment in subsidiaries balance as discussed above.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

We identified two financially significant components, being Eddie Stobart Limited and The Pallet Network, where full scope audits were performed. We identified four additional components where full scope audits were performed; being iForce and The Logistics People and two non-trading entities within the group which hold material balances such as the group's debt facilities and the investment in Speedy Freight. Finally, we performed specified procedures over a material cash balance in one other entity and audited the consolidation adjustments. The components where we performed audit procedures covered 94% of group revenue and 97% of the group's loss before tax.

Where work was performed by component auditors, detailed instructions were issued by us. All component teams are UK-based and we maintained regular contact with the component auditors during the planning, execution and completion stages of the audit via telephone calls and video conferences. Specific audit procedures over central functions, such as tax, and areas of significant judgment, such as the adoption of new accounting standards in the year and impairment reviews, were performed centrally.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£4.25 million (2018: £1.5 million).	£1.5 million (2018: £225,000).
How we determined it	0.5% of total revenue.	2% of total assets.
Rationale for benchmark applied	Based on greater level of understanding from the prior year audit and the sequence of events during the year 2019 resulting in a significant loss, total revenues is considered as a more stable measure and as an appropriate benchmark.	We believe that total assets is an appropriate measure to assess the performance of the entity as a holding company and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £570,000 and £4,035,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £100,000 (Group audit) (2018: £75,000) and £100,000 (Company audit) (2018: £75,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

Independent auditors' report to the members of Eddie Stobart Logistics plc continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 November 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Pauline Campbell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
4 July 2020

Consolidated Income Statement
for the year ended 30 November 2019

	Note	**Year ended 30 November 2019 £'000**	Year ended 30 November 2018 £'000
Continuing operations			
Revenue	3	**857,526**	781,462
Cost of sales		**(712,263)**	(642,975)
Gross profit		**145,263**	138,487
Administrative expenses: before amortisation of acquired intangibles and exceptional items		**(158,340)**	(131,338)
Movement in credit gain/(loss) on contractual assets	16	**692**	(2,978)
Amortisation of intangibles	6, 13	**(15,442)**	(13,158)
Administrative expenses: before exceptional items		**(173,090)**	(147,474)
Administrative expenses: exceptional items	5	**(200,171)**	(5,112)
Total administrative expenses		**(373,261)**	(152,586)
Loss from operating activities		**(227,998)**	(14,099)
Loss from operating activities: before exceptional items	4	**(27,827)**	(8,987)
Finance income	8	**9**	12
Finance expenses: before exceptional items	8	**(9,519)**	(6,101)
Finance expenses: exceptional items	5	**(1,679)**	(489)
Total finance expense		**(11,198)**	(6,590)
Net finance expense		**(11,189)**	(6,578)
Share of profit from equity accounted investees, net of tax	14	**1,022**	1,339
Equity accounted investees: exceptional items	5	**(772)**	(2,917)
Loss before tax	6	**(238,937)**	(22,255)
Loss tax expense	9	**7,715**	714
Loss for the year from continuing operations		**(231,222)**	(21,541)
Earnings per share			
Basic – total operations	11	**(61.0p)**	(5.9p)
Diluted – total operations	11	**(61.0p)**	(5.9p)

The accompanying notes form part of the financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 30 November 2019

	Note	**Year ended 30 November 2019 £'000**	Year ended 30 November 2018 £'000
Loss for the year		**(231,222)**	(21,541)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		**(256)**	655
Foreign currency translation differences - equity accounted investees	14	**(68)**	(89)
Total Other Comprehensive income/(loss) for the year		**(324)**	566
Total comprehensive loss for the year		**(231,546)**	(20,975)

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 November 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Share options reserves £'000	Own shares £'000	Retained earnings £'000	Total equity £'000
Balance at 30 November 2017	**3,579**	**117,257**	**7,950**	**(487)**	**1,079**	**(2,700)**	**85,710**	**212,388**
Prior year adjustments	-	-	-	-	-	-	(49,803)	**(49,803)**
Restated balance at 30 November 2017	3,579	117,257	7,950	(487)	1,079	(2,700)	**35,907**	**162,585**
Restated loss for year ended 30 November 2018 (1)	-	-	-	-	-	-	(21,541)	**(21,541)**
Total other comprehensive income	-	-	-	566	-	-	-	**566**
Issue of capital (net of costs) (note 23)	214	28,745	-	-	-	-	-	**28,959**
Share based payment charges	-	-	-	-	1,679	-	-	**1,679**
Dividends paid	-	-	-	-	-	-	(21,572)	**(21,572)**
Restated balance at 30 November 2018	**3,793**	**146,002**	**7,950**	**79**	**2,758**	**(2,700)**	**(7,206)**	**150,676**
Loss for year ended 30 November 2019	-	-	-	-	-	-	(231,222)	**(231,222)**
Total other comprehensive loss	-	-	-	(324)	-	-	-	**(324)**
Share based payment charges	-	-	-	-	1,460	-	-	**1,460**
Dividends paid	-	-	-	-	-	-	(18,057)	**(18,057)**
Balance at 30 November 2019	**3,793**	**146,002**	**7,950**	**(245)**	**4,218**	**(2,700)**	**(256,485)**	**(97,467)**

(1) The above table has been restated for prior year adjustments in the comparative period as follows:

	Reported 30 November 2018 £'000	Total prior year adjustments £'000	Restated 30 November 2018 £'000
Profit for year ended 30 November 2018	16,245	(37,786)	(21,541)
Foreign currency movement	(2,507)	2,507	-
Balance at 30 November 2018	**13,738**	**(35,279)**	**(21,541)**

Consolidated Statement of Financial Position
as at 30 November 2019

	Note	30 November 2019 £'000	Restated 30 November 2018 £'000	Restated 30 November 2017 £'000
Assets				
Non-current assets				
Property, plant and equipment	12	**62,676**	65,907	60,371
Goodwill	13	**25,420**	172,584	155,207
Intangible assets	13	**88,482**	117,713	90,235
Investments in equity accounted investees	14	**7,436**	8,079	8,564
Deferred tax asset	22	**13,761**	3,142	12,270
		197,775	367,425	326,647
Current assets				
Inventories	15	**2,416**	3,126	2,396
Trade and other receivables	16	**174,697**	194,806	141,128
Current tax recoverable		**11,078**	2,569	(2,770)
Cash and cash equivalents	17	**9,345**	14,203	11,777
		197,536	214,704	152,531
Total assets		**395,311**	582,129	479,178
Liabilities				
Current liabilities				
Loans and borrowings	20	**(83,653)**	(44,817)	(7,096)
Trade and other payables	18	**(153,976)**	(160,839)	(127,674)
Provisions	21	**(12,818)**	(8,748)	(8,870)
		(250,447)	(214,404)	(143,640)
Non current liabilities				
Loans and borrowings	20	**(140,211)**	(128,989)	(113,666)
Trade and other payables	19	**(73,849)**	(68,612)	(35,318)
Deferred tax liabilities	22	**(14,342)**	(11,006)	(16,421)
Provisions	21	**(13,929)**	(8,442)	(7,548)
		(242,331)	(217,049)	(172,953)
Total liabilities		**(492,778)**	(431,453)	(316,593)
Net assets		**(97,467)**	150,676	162,585
Equity				
Share capital	23	**3,793**	3,793	3,579
Share premium	23	**146,002**	146,002	117,257
Merger reserve	23	**7,950**	7,950	7,950
Translation reserve	23	**(245)**	79	(487)
Own shares	23	**(2,700)**	(2,700)	(2,700)
Share option reserve	23	**4,218**	2,758	1,079
Retained earnings	23	**(256,485)**	(7,206)	35,907
Total equity		**(97,467)**	150,676	162,585

The Consolidated Group Financial Statements on pages 28 to 79 were approved by the Board of Directors on 4 July 2020 and were signed on its behalf by:

Christopher Casey
Director
Company number 08922456

Consolidated Cash Flow Statement

for the year ended 30 November 2019

	Note	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Cash flows from operating activities			
Profit for the year from continuing operations		**(231,222)**	(21,541)
Adjustments for:			
Tax credit	9	**(7,715)**	(714)
Share of profit of equity-accounted investees, net of tax	14	**(1,022)**	(1,339)
Net finance costs	8	**11,189**	6,578
Exceptional items (excluding finance expenses)	5	**200,943**	8,029
Amortisation of intangible assets	6,13	**15,442**	13,158
Depreciation	6,12	**9,946**	7,743
Tangible and intangible fixed asset write offs		**-**	875
Loss/(gain) on sale of property, plant and equipment		**1,846**	(2,779)
Equity settled share-based payment expenses		**1,460**	2,004
Foreign exchange		**(355)**	695
Changes in:			
Inventories		**710**	(730)
Trade and other receivables		**(1,128)**	(72,542)
Trade and other payables		**(277)**	55,429
Provisions and employee benefits		**-**	464
Cash outflow from operating activities	4	**(183)**	(4,670)
Cash outflow from exceptional items	4	**(12,292)**	(8,499)
Net interest paid		**(8,780)**	(7,120)
Property related activity inflow - treated as lease incen-tives		**21,340**	19,790
Income taxes paid		**(8,114)**	(3,400)
Net cash outflow from operating activities		**(8,029)**	(3,899)
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		**3,412**	3,570
Acquisition of subsidiaries, net of cash acquired		**-**	(22,127)
Acquisition of associates		**-**	(1,967)
Purchase of property, plant and equipment		**(16,788)**	(14,155)
Purchase of intangibles		**(2,890)**	(3,313)
Interest received		**-**	15
Dividends received from equity accounted investees	14	**1,597**	1,735
Net cash used in investing activities		**(14,669)**	(36,242)
Cash flows from financing activities			
Proceeds from issue of share capital (net of costs)		**-**	28,960
(Repayment) / drawdown of invoice discounting facility		**40,159**	38,510
Draw down of new borrowings (net of costs)		**(300)**	23,355
Repayment of financing facility (net of costs)		**-**	(21,530)
Payment of capital element of finance lease liabilities		**(3,877)**	(5,077)
Prior year and interim dividends paid during the year	10	**(18,057)**	(21,572)
Net cash generated from financing activities		**17,925**	42,646
Net (decrease)/increase in cash and cash equivalents		**(4,773)**	2,505
Cash and cash equivalents at the start of the financial year		**14,203**	11,777
Effect of exchange rate fluctuations on cash held		**(85)**	(79)
Cash and cash equivalents at the end of the financial year		**9,345**	14,203

Notes to the Consolidated Financial Statements
for the year ended 30 November 2019

1. Principal Accounting Policies

Eddie Stobart Logistics plc (the Company) is a company limited by share capital, incorporated and domiciled in the United Kingdom. The address of the Company's registered office is Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ. The Company's shares are publicly traded on the AIM market of the London Stock Exchange. The Consolidated Financial Statements of the Company as at and for the year ended 30 November 2019 and the restated comparative year ended 30 November 2018 comprise the financial statements of the Company and its subsidiaries (referred to as the 'Group') and the Group's interest in associates and jointly controlled entities. The Group and its subsidiaries provide value added logistics, distribution and warehousing services for its clients across a wide range of service sectors and industries.

Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the IFRS Interpretation Committee ('IFRS IC') interpretations endorsed by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation

The Group and Company accounting policies set out below have been applied consistently to all years in these Consolidated Financial Statements, with the exception of the new accounting standards applied for the first time in the period, as set out in note 30. Accounting policies have been applied consistently by Group entities unless otherwise stated.

Going concern

On 9 December 2019 DouglasBay Capital III Fund LP, a fund managed by DBAY Advisors Limited ("DBAY"), has, through Marcelos Limited, acquired a 51% stake in Greenwhitestar Acquisitions Limited ("Greenwhitestar"), which until immediately prior to completion of the transaction was a wholly-owned subsidiary of the Company and in turn held the Company's interests in the trading entities of the Group. DBAY has injected approximately £50m[3] of new financing into Greenwhitestar and the trading entities of the Group by way of a payment-in-kind facility (the "PIK Facility").

The completion of the transaction included the extension of the existing banking facilities and an additional invoice discounting facility as follows:

- The ongoing provision of the £124m term loan which has been extended to November 2024 and subject to repayment of £35m in stages by August 2021;
- The ongoing provision of the £100m invoice discount facility until 22 November 2024; and
- The provision of an incremental £20m revolving credit facility which has been made available at the same time as the £50m PIK note was issued, which is due for repayment on 9 December 2025.

The Directors have considered going concern on the basis of the post transaction structure. The Company indirectly holds a 49% interest in Greenwhitestar Acquisitions Limited (GWSA) and generates no trading income in its own right. The Company is reliant on loan funding that Marcelos Limited has agreed to provide to enable the Company to settle its expenses and liabilities as they fall due. The Directors have seen evidence that Marcelos Limited has sufficient funding to meet this obligation. The Directors believe that the funding available is sufficient to enable the Company to meet its obligations as they fall due for at least 12 months from the date of the approval of these financial statements.

Having considered all the above, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

[3] £50m net of £5m retained in Marcelos Limited relating to transaction costs.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

1. Principal Accounting Policies continued

Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except derivative financial instruments which are measured at fair value.

The Directors have considered the fair values of all debtors and creditors and have determined that their fair values equate to their carrying values.

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries as at 30 November 2019. Control is identified when the Group has rights to variable returns from its involvement with the investee and has the ability to affect those returns from its power over the investee. The Group controls an investee where:

- Power over the investee exists (the ability to direct the relevant activities of the investee).
- Exposure or rights to variable returns via its involvement with the investee exists.
- The Group has the ability to use its power over the investee to affect those returns
- he ongoing provision of the £124m term loan which has been extended to November 2024 and subject to repayment of £35m in stages by August 2021;

There is a general presumption that majority voting rights results in control, however where the Group has less than a majority of voting rights, or similar rights, the Group considers all relevant fact and circumstances in assessing whether it has control over an investee including:

- Contractual arrangements with the other vote holders of the investee
- Rights arising from the other contractual arrangements
- he Group's voting rights and potential voting rights

The Group reassess whether or not it controls the investee if facts and circumstances indicate that there are changes to elements of control. Consolidation arises when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income, expenses and cash flows of a subsidiary which has been acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control and until the date the Group ceased control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Financial Statements of subsidiaries used in the preparation of the Consolidated Financial Statements are prepared for the same reporting year as the Parent Company, except for the iForce Group, which operates a 53 week reporting period ending 1 December 2019. A change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Any investment retained is recognised at fair value.

i. Business combinations - business combinations are accounted for using the acquisition method as at the acquisition date (when control is transferred to the Group). The Group measures goodwill at the acquisition date as:
   - the fair value of the consideration transferred; plus
   - the recognised amount of any non-controlling interests in the acquiree; plus
   - if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
   - the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

   Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

ii. Non-controlling interests - for each business combination, the Group measures any non-controlling interest in the acquiree at its proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

   Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

iii. Subsidiaries - subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

1. Principal Accounting Policies continued

iv. Loss of control of a subsidiary - on a loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Statement of Comprehensive Income.

v. Investments in associates and jointly-controlled entities (equity-accounted investees) - associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly-controlled entities are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

vi. Transactions eliminated on consolidation - intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors, collectively the Group's chief operating decision maker, to assess performance and allocate capital or resources.

During the period, the Group provided contract logistics services in the UK and Europe. In the year to 30 November 2019 the Group managed its operations via distinct functions as well as via a sector-based view. General Transport represents road transport and associated contract logistics and warehouse services in the UK and Ireland, Ports and Special Operations (consisting of work relating to the FIA Formula 1 World ChampionshipTM and Truckstops). iForce group and The Pallet Network group are considered to be single segments. EU Transport represents transport and vehicle transportation in Europe. Other represents head office costs, interest costs and central costs such as HR, IT, Finance, Payroll and other departments which are not directly allocated to business units, as well as driver related services including The Logistic People.

Foreign currency

i. Foreign currency transactions - transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

ii. Foreign operations - the assets and liabilities of foreign operations, are translated at exchange rates at the reporting date. Goodwill and fair value adjustments arising on acquisition are translated at the historic rate. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Financial instruments

i. Non-derivative financial assets - loans and receivables, including financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables. Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

1. Principal Accounting Policies continued

ii. Non-derivative financial liabilities - financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities comprise loans and borrowings, debt securities issued, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

iii. 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.

iv. Derivative financial instruments and hedging – the Group uses interest rate swap derivative financial instruments to hedge its risks associated with interest rate fluctuations. All derivative financial instruments are initially recognised and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the consolidated income statement.

Property, plant and equipment

Items of property, plant and equipment 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.

Items of property, plant and equipment 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 property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Depreciation is generally recognised within administrative expenses in profit or loss, unless the amount is included in the carrying amount of another asset. Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for significant items of property, plant and equipment are as follows:

- Land and buildings: 20 to 100 years straight line, or period of lease if shorter
- Plant and machinery: 3-7 years straight line and between 15%-20% reducing balance as appropriate
- Fixtures fittings and equipment: 3-7 years straight line and between 15%-33% reducing balance as appropriate
- Commercial vehicles: 3-10 years straight line and 25% reducing balance as appropriate

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets under construction

Assets under construction at operating depots are capitalised as assets-under-construction. 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. Assets-under-construction are not depreciated. Once the asset is complete and available for use, depreciation is commenced.

Intangible assets and goodwill

These comprise software development and implementation costs (internally generated intangible assets), trademarks and brands and are stated at cost less accumulated amortisation and impairment (see below). Costs incurred in developing the Group's own brands are expensed as incurred and are included within admin expenses.

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.

These assets are deemed to have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

Goodwill that arises on the acquisition of subsidiaries is presented within intangible assets. The measurement of goodwill at initial recognition is explained in the basis of consolidation policy set out above. Subsequently, goodwill is measured at cost less accumulated impairment losses.

1. Principal Accounting Policies continued

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group 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.

Computer software development costs recognised as assets are amortised over the estimated useful lives.

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the asset.

These are as follows:

- Software development and licences; 3 years
- Rights to trademarks, brand names and customer relationship lists; 6 to 15 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

i. Non-derivative 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 Group applies this model to its trade receivables and accrued income, using the simplified approach as permitted by IFRS 9. The determination of expected credit losses requires judgment and the Group has developed a methodology for estimating the probability of default using historic information and also considering the impact of any relevant forward-looking information.

ii. Non-financial assets - the carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment or earlier if there are impairment indicators present. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

1. Principal Accounting Policies continued

Financial assets

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

All of the Group's financial assets are held at amortised cost with the exception of derivatives, which are held at fair value through profit and loss.

Trade receivables

Trade and other receivables are stated at their fair value on initial recognition and subsequently at amortised cost, i.e. fair value less any expected credit losses.

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

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers that the 'held to collect' business model remains appropriate for these receivables, and hence it continues measuring them at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. No expected credit loss provision is held against cash and cash equivalents as the expected credit loss is negligible.

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 the estimated costs of completion and estimated costs necessary to make the sale.

Employee benefits

i. Short-term 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 Group 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.

ii. Defined contribution plans - a defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into 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.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value is measured by an independent third party to review and calculate fair values using the Log-normal Monte-Carlo stochastic model and Black Scholes Option pricing model. The fair values of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:
- including any market performance condition (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

1. Principal Accounting Policies continued

When the options are exercised, the Company either issues new shares, or uses own shares purchased for this purpose. For issued new shares, the proceeds received net of any directly attributable transaction costs are credited to share capital nominal value and share premium.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash settled transaction.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Consolidated Financial Statements in the period in which the dividends are approved by the Company's shareholders.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Provisions

A provision is recognised if, as a result of a past event, the Group 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:

i. 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.
ii. Motor Insurance – a provision is recognised based on the expected costs of claims related to motor accidents that are not covered by insurance premiums. The expected costs of claims is based on the advice of the Group's external insurance advisers.
iii. Onerous contracts - a provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.
iv. Employee claims - a provision for employee claims is recognised on an individual basis based on the advice of the Group's external advisers.

Revenue

The Group has applied IFRS 15 Revenue from Contracts with Customers and has adopted the fully retrospective method with restatement of comparatives.

The Group's contracts are for the provision of transport and warehousing services and the Group 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 provided or control is passed to the customer for goods provided. The Group 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 amounts are billed in advance of revenue being recognised this is included as deferred income.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

1. Principal Accounting Policies continued
Customer contracts are disaggregated into their component performance obligations. Further detail is given in the table below:

Area	Explanation	Operating segment	Revenue recognition
Open book revenue	Open book contracts will typically cover costs plus an agreed fixed or variable management fee.	General Transport EU	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	General Transport EU iForce TPN	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.
Membership fees	Membership fees (fixed)	TPN	Membership fees are recognised over the term of the contract.
Performance-related revenue	Revenue linked to performance measures, such as Key Performance Indicators (KPIs) and gain-share mechanisms.	General Transport	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.
Carrier management	Licensing of carrier management software and provision of carrier management services	iForce	Revenue related to licensing of carrier management software and provision of services is recognised over the term of the contract.
Sale of goods	Sale of goods to final consumers	General Transport	Revenue on sale of goods is recognised at the point in time the customer receives control of the goods.

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 Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in the profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

Leases
i. Leased assets - assets held by the Group under leases which transfer substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's Consolidated Statement of Financial Position.

ii. Lease payments - payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Where leases contain escalation clauses that stipulate specific increases to the rental payable, the operating lease expense is recorded on a straight-line basis. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income
Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Finance income and finance costs
Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

1. Principal Accounting Policies continued

Exceptional items

Items that are material in size or nature are presented as exceptional items in the income statement. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group's underlying business performance. Events which may give rise to the classification of items as exceptional include restructuring of business units and the associated legal and employee costs, costs associated with business acquisitions, and other significant gains or losses.

In the current year items related to the impairment charge, costs associated with the sale transaction, deferred consideration, onerous lease and associated exit and asset impairment costs, intangible asset impairment and associated contract exit costs, restructuring costs and the impairment of unamortised bank fees have been treated as exceptional costs (see note 5).

Alternative performance measures (APMs)

Underlying results are used in the day-to-day management of the Group. They represent statutory measures adjusted for items which in the Directors view could influence the understanding of performance and comparability year on year. Note 4 provides a reconciliation between APMs and statutory IFRS measures.

Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. 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 reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

ii. Deferred tax - is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
   - temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
   - temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
   - taxable temporary differences arising on the initial recognition of goodwill.

New standards and interpretations

The Group have implemented IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers, both effective for the first time for the financial year beginning on 1 December 2018. See note 30 for full details of the implementation and its effects. The Group have applied the fully retrospective method and therefore the comparative periods have been restated.

At the date of approval of these Consolidated Financial Statements, the following standards and interpretations, relevant to the Group, which have not been applied to these financial statements, were in issue, but not yet effective:

Title	Key Issues	Effective Date	Impact on Eddie Stobart Logistics plc
IFRS 16 Leases	IFRS 16 was issued by the IASB in January 2016 and is effective for the Group for the year ended 30 November 2020. IFRS 16 eliminates the classification of leases as operating leases or finance leases and sets out a single lease accounting model.	Periods beginning on or after 1 January 2019, subsequent to EU endorsement.	The transition will be recognised by the Group on 1 December 2019 however as Eddie Stobart Logistics plc disposed of its controlling share in the Group on 9 December 2019 there is not expected to be a significant impact on either the balance sheet, income statement or profit on disposal for the year ended 30 November 2020 as for the majority of the year the results of the Eddie Stobart business will be equity accounted and presented after interest and tax.

No other standards which are in issue but not yet effective are expected to have a material impact on the Group.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

2. Summary of Significant Accounting Judgements and Fair Value estimates

Significant accounting judgements

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Groups accounting policies, which are described above, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below) and have been identified as being particularly complex or involve subjective assessments.

i. Impact of DBAY transaction – the directors have considered whether the sale of the controlling share of the Eddie Stobart business to DBAY on 9 December 2019 should result in the balance sheet and results of the trading subsidiaries being presented as discontinued operations in line with IFRS 5. For the disposal group to be classified as held for sale and presented as discontinued operations the sale must be highly probable. The sale of the Eddie Stobart business was dependent upon the shareholder vote which occurred on 6 December 2019 and given there was limited evidence of shareholder voting intention as at 30 November 2019 the sale could not be deemed highly probable and therefore the transaction does not meet the IFRS 5 recognition criteria at 30 November 2019.

ii. Determination of Alternative Performance Measures (note 4) - alternative performance measures, such as underlying results, are used in the day-to-day management of the Group, and represent statutory measures adjusted for items which, in the Directors' view, could influence the understanding of comparability and performance of the Group year on year. These items include amortisation of acquired intangibles, share of profit from equity accounted investees, employee share scheme costs which were fully funded by the previous parent holding Group, exceptional costs, and in the prior year, start-up costs associated with contract wins and the profit impact of severe weather conditions.

iii. Assessment of Agent versus Principal in considering whether to recognise revenue gross or net – judgement is required when determining whether an entity is acting as an agent or principal based on an evaluation of the risks and responsibilities taken by the entity. In the case of The Pallet Network Limited, the operating model has a number of mixed indicators. It is the view of management that the key determining factors such as the responsibility for the delivery of services and the provision of insurance, lead to the conclusion that the business acts as a Principal and therefore the revenue should be recognised gross for this entity.

iv. Assessment of control – for non-wholly owned acquisitions judgement is required in evaluating the facts and circumstances in order to assess and determine whether and when the Group has control. In making this determination, Directors look closely at whether the Group has the ability to influence the returns generated by the investee through being able to direct its activity, whether the investee is exposed to variable rates of return and shareholder voting patterns.

Key sources of estimation in applying the Group's accounting policies

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Eddie Stobart business within the next financial year have been noted below. The Eddie Stobart business will be equity accounted for from 9 December 2019.

i. Impairment - the Group is required to perform an annual impairment test on the carrying value of each of its CGU's assets, or if there are indicators of impairment present by reference to its recoverable amount, being the higher of value in use or its fair value, less costs of disposal. This requires an estimate of future business performance, cash flows and discount rates all of which rely on estimates and judgements of future events and may therefore be subject to change. The future business performance is sensitive to forecasted revenue, staff and overhead costs as well as assumptions made in improved efficiency and profitability. Whilst the Group is able to manage the majority of costs the revenue projections are inherently short term in nature and can be affected by factors outside of the business's control in the medium to long term such as market conditions and consumer trends. At 31 May 2019 a total impairment of £169.2m was recognised by referencing to the value in use of each CGU compared to the carrying value of assets. Reasonably possible sensitivities were applied to these forecasts such as a reduction in forecasted revenue and delays to any efficiency improvements included within the forecasts which by their nature are subjective and may have a material impact on the impairment recognised. At the 30 November 2019 a further impairment test has been performed on a fair value less cost to sell basis with reference to the DBAY transaction that completed the 9 December 2019. No further impairment has been recognised.

ii. Dilapidations – the Group has a significant warehouse portfolio. In assessing the potential liability at the end of each lease the Group commissioned a third party qualified surveyor report and sought advice from other property specialists who have extensive industry and portfolio knowledge. Such an estimate is in its nature subjective due to the variations between the different sites, the future use of the building and overall level of dilapidations required at the end of the lease which could have a material impact on the provision. The provision held as at 30 November 2019 is £14.4m. In estimating this provision, management has made the judgment that certain sites will be subject to redevelopment by the landlord, which reduces the dilapidation obligation. In addition, management have made judgments around how potential lease extensions may impact dilapidation obligations. Four sites are impacted by these particular judgments and, if the outcome is different to the judgment made, this could (decrease)/increase the provision by c£(1.6)m/£7.3m. It is also possible that the dilapidation liabilities may be settled, in negotiation, for less than the amount provided. Management will continue to assess its estimate in line with experience.

2. Summary of Significant Accounting Judgements and Fair Value estimates continued

iii. Onerous leases – the Group has identified an onerous lease relating to a number of specialist vehicles as at 30 November 2019. This has resulted in an onerous lease provision of £1.5m and impairment of assets of £0.4m, based on the remaining term of the lease as there is no contractual break clause, unless, an early termination date is known and confirmed. This involves an estimate of the residual values of the assets on lease and any sale gain/loss that could occur upon disposal of the assets prior to the end of the lease term. Unless an early termination date is confirmed it is assumed that all leases will run to the end of the term, the earliest of which is July 2022, the latest November 2025. The Group has also identified an onerous lease provision in relation to property leases. On review of its leases the Group has identified a number of leases that are surplus to operational requirements and are therefore onerous as at 30 November 2019 and a provision of £1.4m and an impairment of assets of £5.0m has been recognised. This involves an estimate of the expected running costs of the buildings and also an expected lease exit date based on the Groups intention to surrender the leases as well as an estimated recoverable value of assets within these properties. There could be a material release of the provision or impairment based on the timing of any sale/surrender of assets/leases or the recoverable value.

3. Operating Segments

During the period, the Group provided contract logistics services in the UK and Europe. In the year to 30 November 2019 the Group managed its operations via distinct functions as well as via a sector-based view. General Transport represents road transport and associated contract logistics and warehouse services in the UK and Ireland, Ports and Special Operations (consisting of work relating to the FIA Formula 1 World ChampionshipTM and Truckstops). iForce group[4] and The Pallet Network group[5] are considered to be single segments. EU Transport represents transport and vehicle transportation in Europe. Other represents head office costs, interest costs and central costs such as HR, IT, Finance, Payroll and other departments which are not directly allocated to business units, as well as driver related services including The Logistic People.

The Group has reassessed the presentation of its operating segments, based on the way in which the chief operating decision maker both evaluates performance and allocates resources. The chief operating decision maker previously received information that splits the General Transport segments for income statement items only. Assets and liabilities were not split, and could not be reliably split. The operating segment is considered as a single offering to our customers as part of the continued strategy towards delivering a full end to end supply chain capability. Given the inability to split assets and liabilities and the way the business operates in practice it was concluded that General Transport is a more appropriate reflection of the segments. This has resulted in a change in presentation for the financial statements as road transport and contract logistics services (excluding iForce and TPN) are now treated a single operating segment, General Transport. iForce group and The Pallet Network group are presented separately. Comparative information has been restated accordingly, revenue and cost allocation of the Other Divisions sector has been reassessed since the interim results and the changes are reflected below.

All operations are continuing for each segment.

Analysis of operating segments

Segmental	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Revenues		
General Transport	**618,639**	602,671
iForce	**82,771**	78,903
TPN	**135,646**	58,713
EU Transport	**20,470**	40,981
Other Divisions	**-**	194
	857,526	781,462
Underlying EBITDA		
General Transport	**(5,465)**	10,050
iForce	**4,166**	5,823
TPN	**6,920**	3,978
EU Transport	**3,393**	3,348
Other Divisions	**(8,971)**	(6,435)
	43	16,764
Underlying EBITDA Margin		
General Transport	**(0.9)%**	7.4%
iForce	**5.0%**	7.4%
TPN	**5.1%**	6.8%
EU Transport	**16.6%**	8.2%
Other Divisions	**n/a**	n/a
	0.0%	2.1%

[4] The iForce group means iForce Group Limited and its subsidiaries, Buyforce Limited, iForce Holdings Limited, iForce Auctions Limited, iForce Limited and iForce Trading Limited

[5] The TPN group means The Pallet Network Group Limited and its subsidiaries The Pallet Network Limited and Eezehaul Limited

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

3. Operating Segments continued

The revenue from one customer amounted to more than 10% of the Group's total revenue. The revenue from that customer was £157.3m for the year ended 30 November 2019 (2018: £174.2m) and this was reported in the General Transport Operating Segment.

For Board reporting purposes the balance sheet is not disaggregated or produced segmentally for the chief operating decision maker, a reconciliation of segment underlying EBITDA to reported profit from operating activities before exceptional items is detailed in note 4.
Within the General Transport operational segment all revenue relates to the transport services other than £124.5m (2018 £112.6m) related to warehousing services.

By Geographical Segment	**Year ended 30 November 2019 £'000**	Restated year ended 30 November 2018 £'000
United Kingdom	**837,056**	740,481
EU	**20,470**	40,981
	857,526	781,462

The Group also presents and reviews revenues organised by customer sector.

Analysis of revenue by sector

Sector	**Year ended 30 November 2019 £'000**	Restated year ended 30 November 2018 £'000
Revenues		
Retail	**243,365**	237,586
Consumer	**236,545**	179,732
E-commerce	**187,684**	169,528
Manufacturing, Industrial & Bulk (MIB)	**169,064**	189,262
Non sector specific	**20,868**	5,354
	857,526	781,462

4. Alternative Performance Measures Reconciliations

Alternative performance measures (APMs)

Alternative performance measures (APMs), such as underlying results, are used in the day-to-day management of the Group, and represent statutory measures adjusted for items which, in the Directors' view, could influence the understanding of comparability and performance of the Group year on year. These items include amortisation of acquired intangibles, share of profit from equity accounted investees, employee share scheme costs which were fully funded by the previous parent holding group, exceptional costs, start-up costs associated with contract wins and the profit impact of severe weather conditions.

4. Alternative Performance Measures Reconciliations continued

Reconciliation to underlying EBITDA

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Reported loss from operating activities before exceptional items	**(27,827)**	(8,987)
Amortisation of acquired intangibles	**15,442**	13,158
Share of profit from equity accounted investees	**1,022**	1,339
Employee share scheme costs funded by previous parent holding group	**717**	568
Management Incentive Plan and Long-Term Incentive Plan	**743**	1,111
Force majeure - severe weather	**-**	445
Start-up costs associated with contract wins	**-**	1,387
Underlying EBIT[6]	**(9,903)**	9,021
Depreciation	**9,946**	7,743
Underlying EBITDA[6]	**43**	16,764
Loss after tax attributable to owners of the company	**(231,222)**	(21,541)
Amortisation of acquired intangibles	**15,442**	13,158
Employee share scheme costs funded by previous parent holding group	**717**	568
Management Incentive Plan and Long-Term Incentive Plan	**743**	1,111
Force majeure - severe weather	**-**	445
Start up costs associated with contract wins	**-**	1,387
Exceptional items	**202,622**	8,518
Adjusted (loss)/profit after tax (note 11)	**(11,698)**	3,646
Income tax credit	**(7,715)**	(714)
Adjusted (loss)/profit after before (note 11)	**(19,413)**	2,932
Cash generated from operating activities	**(183)**	(4,670)
Purchase of property, plant and equipment	**(16,788)**	(14,155)
Proceeds from sale of property, plant and equipment	**3,412**	3,570
Income taxes paid	**(8,114)**	(3,400)
Adjusted free cash flow	**(21,673)**	(18,655)
Cash impact of exceptional items		
Exceptional items (note 5)	**(202,622)**	(8,518)
Adjusted for:		
Costs incurred related to DBAY disposal	**3,257**	-
Asset impairment and dilapidations provisions	**6,444**	-
Software impairment and associated exit costs	**6,692**	-
Impairment charge	**169,206**	-
Onerous lease provision	**1,877**	-
Remuneration related to the acquisition of an associ-ate	**772**	-
Deferred consideration associated with business acquisitions	**-**	19
Impairment of bank fees	**1,679**	-
Other non-cash exceptional items	**403**	-
Non-cash exceptional items	**190,330**	19
Cash impact of exceptional items	**(12,292)**	(8,499)

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

5. Exceptional Items

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Exceptional items included in administrative expenses		
Deferred consideration associated with business acquisitions	**(4,331)**	(2,767)
Restructuring costs	**(550)**	(475)
Costs associated with business acquisitions	**-**	(1,870)
Specialist vehicle onerous lease provision	**(3,063)**	-
Costs incurred relating to the DBAY disposal	**(9,162)**	-
Impairment charge	**(169,206)**	-
Property asset impairment and onerous lease provision	**(6,444)**	-
Software impairment and associated exit costs	**(7,415)**	-
Total exceptional items included in administrative expenses	**(200,171)**	(5,112)
Exit of lending arrangements of The Pallet Network Group	**-**	(489)
Impairment of bank fees	**(1,679)**	-
Total exceptional items included in finance expenses	**(1,679)**	(489)
Remuneration related to the acquisition of an associate	**(772)**	(2,917)
Total exceptional items included in equity accounted investees	**(772)**	(2,917)
Total exceptional items before tax	**(202,622)**	(8,518)

Deferred consideration associated with business acquisitions relates to contingent consideration which is dependent on continued service and is therefore accounted for as remuneration relating to the acquisitions The Logistic People at £nil (2018: £0.8m) and The Pallet Network Group at £4.3m (2018: £2.0m).

Restructuring costs relate to the exit of the previous CEO Alex Laffey who left the business on 23 August 2019 and the cost of his 12 month notice period has been charged to the income statement.

Onerous lease provision of £3.1m has arisen due to an impairment of and onerous lease on specialist assets following the exit from an underperforming contract in the year.

Costs incurred relating to the DBAY disposal represent those costs incurred by the Group from the initial review of options by the Board to the acceptance and conclusion of the DBAY transaction. The £9.2m includes legal, due diligence and other transaction related costs.

The Group recognised an impairment charge of £169.2m across two CGU's (General Transport £150.0m and iForce £19.2m) in the six months to 31 May 2019 following a value in use impairment analysis. No additional impairment has been recognised as at 30 November 2019. See note 13.

Asset impairment and onerous lease costs of £6.4m relates to the assets within three properties where the net book value of assets held at 30 November 2019 is higher than the expected recoverable value at the exit of the property and the property lease is surplus to operational requirements and it is the Groups intention to surrender the lease.

Software impairment and exit costs relates to an ongoing software development project that due to the uncertainty and changes to the business has been put on hold. The financial benefits of the project will need to be reviewed after the pandemic and as a result the project no longer meets the recognition criteria for an intangible asset and therefore an impairment has been recognised for the full asset value along with a provision recognised for the expected costs of exiting the project.

Remuneration related to the acquisition of an associate relates to deferred consideration accounted for as remuneration as it is dependent on continued service relating to the acquisition of 47.5% of the share capital of Puro Ventures trading as Speedy Freight at £0.8m (2018: £2.9m).

Impairment of bank fees relates to unamortised fees at 30 November 2019 which due to the refinancing on 9 December 2019 have been released in full.

6. Profit Before Tax

The following items have been charged / (credited) in arriving at profit before income tax:

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Employee benefits (note 7)	**215,599**	204,439
Depreciation of property, plant and equipment (note 12)	**9,946**	7,743
Amortisation of intangible assets (note 13)	**15,442**	13,158
Loss/(gain) on disposal of property, plant and equipment	**1,846**	(2,779)
Government grants	**553**	553
Operating lease rentals payable:		
- land and buildings	**34,899**	40,241
- plant and equipment	**9,019**	4,815
- commercial vehicles	**54,150**	43,871
(Gain) / loss from foreign exchange arising in the year	**(355)**	695

Auditors' remuneration

During the year, the Group (including overseas subsidiaries) obtained the following services from the Group's auditors, the costs of which are detailed below:

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Audit services		
Fees payable to the Company's auditors for the audit of the Parent Company and the Consolidated Financial Statements	**657**	44
Fees payable to the Company's auditors for the review of the Parent Company and the Consolidated Interim Statements[7]	**1,233**	-
Fees payable to the Company's auditors for the audit of the Subsidiaries for current and prior year overrun[8]	**1,556**	347
Fees payable to the Company's previous auditors for the audit of the Subsidiaries	**-**	157
Non-Audit Services		
Tax, share based payment advice and other services payable to the Company's previous auditors	**-**	92

[7] The interim review was not performed by the Company's auditors in the prior year

[8] Fees relating to the overrun costs of the finalisation of the prior year subsidiary audits was £0.8m (2018: £nil)

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

7. Employees and Directors
Details concerning the remuneration of Directors are highlighted in the table, referenced as audited, on page 16 of the Directors' Remuneration Report. Staff costs and the average number of persons (including Directors) employed by the Group during the year

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Staff costs for the Group during the year		
Wages and salaries, including payments on termination	**192,364**	181,854
Social security	**17,899**	18,451
Pension	**5,336**	4,134
	215,599	204,439
Average monthly number of employees		
Total operational	**4,358**	4,133
Total administration	**2,051**	1,851
Total management	**82**	94
Total employees	**6,491**	6,078

Pensions - Defined contribution scheme
The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plan are held separately from those of the Group under the control of trustees. The only obligation of the Group with respect to the retirement benefit plan is to make specified contributions.

Share based payments
Costs relating to the SIP, MIP and LTIP totalled £1.5m in the year (2018: £1.7m). Further details are provided in note 24.

Directors' Remuneration
A summary of Directors' remuneration is detailed below;

	Year ended 30 November 2019 £'000	Year ended 30 November 2018 £'000
Emoluments, bonus and benefits in kind	**1,547**	970
Pension costs	**22**	65
Total Directors' remuneration	**1,569**	1,035

Key management compensation (including Executive Directors):

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Emoluments, bonus and benefits in kind	**3,131**	2,486
Pension costs	**96**	172
Total management compensation	**3,227**	2,658

8. Finance Income and Finance Expense

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Finance income		
Bank interest receivable	**9**	12
Finance expense		
Interest payable on bank loans and overdrafts	**(7,400)**	(5,182)
Interest rate swaps: fair value through P&L	**(934)**	399
Interest rate swaps: interest charged	**(123)**	(66)
Amortisation of bank fees	**(694)**	(574)
Interest payable on loan notes	**-**	(91)
Interest payable on finance leases	**(368)**	(587)
Total finance expense	**(9,519)**	(6,101)
Finance expense: exceptional items		
Impairment of bank fees	**(1,679)**	-
Exit of lending arrangements of The Pallet Network Group	**-**	(489)
Total Finance expense: exceptional items	**(1,679)**	(489)
Total Finance expense	**(11,189)**	(6,578)

9. Tax expense/(credit)

Total tax charged/(credited) in the Income Statement in respect of continuing operations

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Current income tax		
UK Corporation tax	**-**	497
Overseas corporation tax	**1,164**	571
Adjustments in respect of prior periods	**(1,584)**	(163)
Total current income tax charge	**(420)**	905
Deferred taxation (credit) / charge		
Current tax year	**(8,659)**	(1,670)
Adjustments in respect of prior periods	**1,364**	(21)
Effect of rate change on opening balance	**-**	72
Total deferred income tax credit	**(7,295)**	(1,619)
Total credit in the income statement	**(7,715)**	(714)

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

9. Tax expense/(credit) continued

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Loss before tax on continuing operations	**(238,937)**	(22,255)
Loss before tax on continuing and discontinued operations multi-plied by the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	**(45,398)**	(4,228)
Effects of:		
Post-tax profits of Associates	**(194)**	(271)
Expenses / (income) not deductible for tax purposes including prof-it on disposal	**1,248**	697
Expenses not deductible – exceptional items	**3,365**	1,404
Effect of different tax rates on overseas profits	**493**	562
Impact of change in rate	**1,018**	144
Non-deductible intangibles	**28,645**	706
Deferred tax not recognised from prior year	**3,320**	905
Adjustments in respect of prior periods	**(212)**	(633)
Total tax credit – continuing operations	**(7,715)**	(714)

A reduction in the UK corporation tax rate from 20% to 19% became effective from 1 April 2017. The rate applied for the year ended 30 November 2019 was 19% (2018: 19%). Following a review of the expected maturity profile of the deferred tax liability a rate of 17% has been applied at 30 November 2019 (2018: 17%).

Factors that may affect future tax expenses
The Group has not recognised deferred tax assets in respect of losses and loan relationships with a tax value of £7.5m (2018: £3.1m) in the UK and therefore, to the extent that these losses may be used against profits arising in future periods, the effective tax rate on these profits may be reduced. Other than certain items noted in the tax reconciliation above, there are no other significant factors that may affect future tax expenses. See note 22.

10. Dividends
At the date of approving these Financial Statements, no final dividend has been approved or recommended by the Directors (2018: recommended dividend 4.76p per share).

A final dividend of £18.1m for the 2018 financial year was approved by the shareholders on 28 May 2019 and paid during the year on 7 June 2019 to shareholders on the register at 10 May 2019.

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Final dividend for the year ended 30 November 2018 of 4.76p per share (2018: 4.4p)	**18,057**	15,735
Interim dividend for the year ended 30 November 2019 of Nil p per share (2018: 1.5p)	**-**	5,837

11. Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive instruments into ordinary shares.

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Loss attributed to equity shareholders	**(231,222)**	(21,541)
Weighted average number of ordinary shares – Basic	**'000**	'000
Issued ordinary shares at the beginning of the year	**379,347**	357,918
Net effect of shares issued and purchased during the year	**-**	9,041
	379,347	366,959
Weighted average number of ordinary shares – Diluted		
Weighted average number of Ordinary Shares - Diluted	**379,347**	366,959
Net effect of share options in issue[9]	**2,477**	3,040
	381,824	369,999
Basic earnings per share for total operations	**(61.0p)**	(5.9p)
Diluted earnings per share for total operations[9]	**(61.0p)**	(5.9p)

An alternative earnings per share measure is set out below, being earnings, before amortisation of acquired intangibles and exceptional items including related tax and exceptional tax items where applicable, since the Directors consider that this provides further information on the underlying performance of the Group:

	Year ended 30 November 2019	Restated year ended 30 November 2018 £'000
Adjusted earnings per share		
Basic	**(3.1p)**	1.0p
Diluted[9]	**(3.1p)**	1.0p
	£'000	£'000
Adjusted profit after tax (Note 4)	**(11,698)**	3,646

[9] The share options in issue have not been considered as these shares have an anti-dilutive effect due to the Group being loss making

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

12. Property, Plant and Equipment

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Assets under construction £'000	Total £'000
Restated cost at 30 November 2017	**32,935**	**8,179**	**9,546**	**20,137**	**1,453**	**72,250**
Assets purchased on business acquisition	2,164	804	2,797	738	-	6,503
Effects of movements in foreign exchange	145	33	24	73	-	275
Additions in the year	6,409	1,589	2,002	2,225	5,253	17,478
Additions transferred from assets under construction	5,249	97	-	-	(5,346)	-
Disposals	(764)	(61)	(286)	(6,605)	(553)	(8,269)
Reclass adjustments	(268)	134	(11)	(602)	-	(747)
Restated cost at 30 November 2018	**45,870**	**10,775**	**14,072**	**15,966**	**807**	**87,490**
Effects of movements in foreign exchange	(301)	(64)	(56)	(171)	-	(592)
Additions in the year	7,357	1,954	3,121	13,509	3,359	29,300
Transfers between asset categories	(83)	7	76	-	-	-
Transfers to intangible assets	-	-	-	-	(492)	(492)
Impairment	(651)	-	(1,493)	-	-	(2,144)
Disposals	(642)	(1,132)	(420)	(7,761)	(140)	(10,095)
Cost at 30 November 2019	**51,550**	**11,540**	**15,300**	**21,543**	**3,534**	**103,467**
Restated accumulated depreciation at 30 November 2017	**1,465**	**2,292**	**3,067**	**5,055**	**-**	**11,879**
Assets purchased on business acquisition	566	661	2,468	302	-	3,997
Effects of movements in foreign exchange	84	26	21	69	-	200
Charge for the year	2,379	1,250	1,655	2,459	-	7,743
Disposals	53	(44)	(189)	(2,065)	-	(2,245)
Reclass adjustments	4	19	(19)	5	-	9
Restated accumulated depreciation at 30 November 2018	**4,551**	**4,204**	**7,003**	**5,825**	**-**	**21,583**
Effects of movements in foreign exchange	(185)	(58)	(50)	(156)	-	(449)
Charge for the year	2,337	2,126	2,125	3,358	-	9,946
Disposals	(326)	(849)	(280)	(4,418)	-	(5,873)
Transfers between asset categories	(9)	(34)	35	8	-	-
Impairment (note 5)	12,148	1,689	208	1,539	-	15,584
Accumulated Depreciation at 30 November 2019	**18,516**	**7,078**	**9,041**	**6,156**	**-**	**40,791**
Net book value at 30 November 2019	**33,034**	**4,462**	**6,259**	**15,387**	**3,534**	**62,676**
Restated net book value at 30 November 2018	**41,319**	**6,571**	**7,069**	**10,141**	**807**	**65,907**

As at 30 November 2019, the balances held in respect of assets held under finance leases and hire purchase agreements are:

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Assets under construction £'000	Total £'000
Cost	-	1,966	1,036	21,540	-	24,542
Aggregate depreciation	-	(282)	(467)	(5,956)	-	(6,705)
Net book value at 30 November 2019	**-**	**1,684**	**569**	**15,584**	**-**	**17,837**

As at 30 November 2018, the balances held in respect of assets held under finance leases and hire purchase agreements are:

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Assets under construction £'000	Total £'000
Cost	1,687	846	1,121	16,180	-	19,834
Aggregate depreciation	(210)	(357)	(187)	(5,435)	-	(6,189)
Net book value at 30 November 2018	**1,477**	**489**	**934**	**10,745**	**-**	**13,645**

The value of land not depreciated is £nil (2018: £nil).

13. Goodwill and Intangible Assets

Goodwill	General Transport £'000	EU Transport £'000	iForce £'000	TPN £'000	Total £'000
Restated 30 November 2017	127,824	1,000	26,383	-	155,207
Additions / (write downs) during the year	-	-	-	17,377	17,377
Restated 30 November 2018	**127,824**	**1,000**	**26,383**	**17,377**	**172,584**
Impairment	(127,824)	-	(19,221)	-	(147,045)
Adjustment	-	-	-	(119)	(119)
30 November 2019	**-**	**1,000**	**7,162**	**17,258**	**25,420**

Intangible Assets	Software £'000	Brand names £'000	Customer relationships £'000	Assets under construction £'000	Total £'000
Restated cost at 30 November 2017	**4,827**	**22,300**	**99,425**	**-**	**126,552**
Additions in the year	3,755	-	-	3,531	7,286
Additions in the year arising from acquisition	2,089	1,033	30,154	-	33,276
Restated cost at 30 November 2018	**10,671**	**23,333**	**129,579**	**3,531**	**167,114**
Effects of movements in foreign exchange	(1)	-	-	-	(1)
Additions in the year	1,148	20	-	1,722	2,890
Impairment	-	-	-	(4,215)	(4,215)
Transfers from property, plant and equip-ment	-	-	-	492	492
Disposals in the year	(518)	-	(2)	(538)	(1,058)
At 30 November 2019	**11,300**	**23,353**	**129,577**	**992**	**165,222**
Restated amortisation and impairment at 30 November 2017	**872**	**13,646**	**21,799**	**-**	**36,317**
Amortisation charge for the year	1,716	3,735	7,632	-	13,083
Effects of movements in foreign exchange	1	-	-	-	1
Restated amortisation and impairment at 30 November 2018	**2,589**	**17,381**	**29,431**	**-**	**49,401**
Effects of movements in foreign exchange	(1)	-	-	-	(1)
Amortisation charge for the year	2,293	3,884	9,265	-	15,442
Disposals	(22)	-	-	-	(22)
Impairment	1,102	564	10,254	-	11,920
At 30 November 2019	**5,961**	**21,829**	**48,950**	**-**	**76,740**
Net book value at 30 November 2018	**8,082**	**5,952**	**100,148**	**3,531**	**117,713**
Net book value at 30 November 2019	**5,339**	**1,524**	**80,627**	**992**	**88,482**

There were no business combinations made during the year.

Software comprises internally generated software packages, developed by the individual business units in order to support their operations. These are being amortised between 3 and 5 years.

Brand names comprise the Eddie Stobart trademark and designs, which have been licensed by the Group and are being amortised between 6 and 15 years, being the period of the licence agreement.

Customer relationships represent the existing contractual and expected future relationships with customers of the Group at the point of acquisition and are being amortised over 15 years.

Goodwill is considered to have an indefinite life because there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group. Factors taken into consideration in this judgement are the long period over which the business has been established, the strength of brand awareness and the longevity of the industries in which the business is involved.

Due to impairment indicators being present at the interim reporting date for the period ended 31 May 2019 an impairment test was performed and an impairment recognised of £169.2m.

The Group recognised a total asset impairment of £169.2m across the General Transport and iForce CGUs. The assets of the General Transport CGU were impaired in total by £150m, goodwill was impaired by £127.8m, with the remaining £22.2m of impairment being allocated between property, plant and equipment and intangible assets in line with their carrying value, £10.2m and £12m respectively. The goodwill carried on the iForce CGU has been impaired by £19.2m.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

13. Goodwill and Intangible Assets continued

The pre-tax discount rates applied to the forecast cash flows for the 31 May 2019 impairment review were, for General Transport and TPN 13.0% (Nov 2018: 10.7%), EU Transport 12% (Nov 2018: 10.7%) and iForce 12% (Nov 2018: 10.7%).

The Group applied reasonably possible contingencies at the 31 May 2019 to its most recent approved budgets and forecasts to determine the recoverable amount of all CGUs and therefore determine the total asset impairment. Where a CGU was not impaired, the reasonably possible contingencies applied did not result in an impairment. These contingencies related to CGU specific revenue and gross margin reduction and a delay in forecast operational improvements and other cost savings, and had a total impact on value in use of £43.9m.

At the 30 November 2019 a further impairment test has been performed on a fair value less cost to sell basis with reference to the DBAY transaction that completed the 9 December 2019. Details of the post balance sheet event are set out in note 29 .Given the consideration of £1, the deemed value to the Eddie Stobart business is the transfer of liabilities which has been measured as the fair value of net debt and long-term liabilities disposed of, this excluded items such as deferred income where cash has already been received.

The deemed value has been allocated to the CGUs (iForce, TPN and EU Transport) based predominantly on the use of recent market transaction multiples of EBITDA and in the knowledge that some subsidiaries had been recently acquired. Value was attributed, as relevant to each subsidiary acquisition, with the balance of the deemed consideration being allocated to the General Transport CGU where no such benchmark exists.

Following this exercise, no further adjustment to impairment was required.

To the extent that the EBITDA multiples and/or forecast EBITDA are more or less than what has been assumed in the impairment calculation which we do not foresee, a further impairment may be possible. The impact of these sensitivities can be seen below:

	(Impairment)/Surplus			
Segment	**iForce £'000**	**TPN £'000**	**EU Transport £'000**	**General Transport £'000**
Increase of forecast EBITDA by 15%	8,084	18,413	6,381	(15,299)
Decrease of forecast EBITDA by 15%	(1,691)	2,062	475	16,733
Increase in EBITDA multiples by 1x	8,563	19,185	6,240	(16,409)
Decrease in EBITDA multiples by 1x	(2,170)	1,290	616	17,843

14. Investments in Equity Accounted Investees

	Year ended 30 November 2019 £'000	Restated year ended 30 November 2018 £'000
Balance at 30 November	**8,079**	8,564
Foreign exchange movement	**(68)**	(89)
Post-tax share of profits	**1,022**	1,339
Dividends received from equity accounted investees	**(1,000)**	(1,735)
Loans from equity accounted investees	**(597)**	-
Closing Balance	**7,436**	8,079
Represented by		
Property, plant and equipment	**103**	100
Goodwill and intangible assets	**5,796**	5,766
Current assets	**5,887**	7,096
Current liabilities	**(4,323)**	(4,871)
Non-current liabilities	**(27)**	(12)
Share of net assets	**7,436**	8,079

All joint ventures have a reporting year end of 31 December. The Group has taken advantage of the exemption from producing additional financial statements for those joint ventures whose financial year end is not co-terminus with the Group's financial year. IAS 27 allows the use of an alternative financial year end date for Joint ventures on the basis that it would be impractical to align the joint venture year end as it is currently aligned to the year end of the other parties participating in the joint venture. Under IAS 27 the Group is required to make adjustment to the financial statements for any significant transactions or events that may arise at the date of signing these statements. No such adjustments are necessary.

During the financial year, the Group received dividends of £1.0m (2018: £1.7m).

The prior year has been restated following the reclassification of Puro Ventures Limited (trading as Speedy Freight) to an associate. See note 30.

15. Inventories

	30 November 2019 £'000	30 November 2018 £'000
Fuel and lubricants	**1,983**	2,410
Consumable supplies	**433**	716
Total	**2,416**	3,126

Inventories represent the value of fuel, lubricants and consumable supplies as at 30 November 2019. There is no impairment provision in respect of inventories. Purchases of these goods during the year are charged directly to the Consolidated Income Statement.

16. Trade and Other Receivables

	30 November 2019 £'000	Restated 30 November 2018 £'000
Trade receivables	**124,979**	138,108
Less expected credit loss of trade receivables	**(2,726)**	(7,281)
Trade receivables – net	**122,253**	130,827
Balances with associate	**24**	-
Other receivables, accrued income and prepayments	**52,420**	63,979
	174,697	194,806

Included within 'Other receivables, accrued income and prepayments' is £28.6m of accrued income, £7.6m of prepayments and £16.2m relating to other debtors.

The ageing of trade receivables and accrued income with their associated provision for impairment is detailed below:

	Trade receivables & accured income £'000	Expected credit loss £'000	Total £'000
Other receivables and prepayments - accrued income	**28,630**	**-**	**28,630**
Current	**78,415**	**-**	**78,415**
Overdue less than 1 month	**32,180**	**-**	**32,180**
Overdue 1 - 2 months	**9,543**	**-**	**9,543**
Overdue more than 2 months	**4,841**	**(2,726)**	**2,115**
	153,609	**(2,726)**	**150,883**

Movement in accrued income has only been affected by normal trading fluctuations.

The movement in the expected credit loss is as follows:

	30 November 2019 £'000
Current	**(4,118)**
Overdue less than 1 month	**692**
Overdue more than 2 months	**700**
Closing Balance	**(2,726)**

Notes to the Consolidated Financial Statements continued
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17. Cash and Cash Equivalents

	30 November 2019 £'000	Restated 30 November 2018 £'000
Cash at bank and in hand	**9,345**	14,203

18. Trade and Other Payables (Current)

	Year ended 30 November 2019 £'000	Restated 30 November 2018 £'000
Trade payables	**80,846**	96,254
Tax and social security	**9,810**	16,140
Other payables, accruals and deferred income	**63,320**	48,445
	153,976	160,839

Within 'Other payables, accruals and deferred income' includes £7.7m of payments received in advance of revenue being recognised and as such has been treated as deferred income. Movement in deferred income is only impacted by normal trading fluctuations. Also included within 'Other payables, accruals and deferred income' is £40.1m of accruals, £6.8m other creditors and £8.7m relating to lease incentives.

19. Trade and Other Payables (Non-current)

	30 November 2019 £'000	Restated 30 November 2018 £'000
Deferred lease liability	**12,537**	11,616
Deferred income – lease incentives	**55,886**	53,665
Other financial liability	**5,229**	3,062
Other long term payables	**197**	269
	73,849	68,612

The other financial liability includes £4.7m of deferred consideration relating to the acquisitions of The Pallet Network Group £2.9m and associate acquisition of Speedy Freight £1.8m. A liability of £0.5m (2018: £0.4m asset) has been recognised in relation to the fair value of the interest rate swap.

Deferred income relates to lease incentives that amortised over the life of their respective leases.

20. Financial Assets and Liabilities

	30 November 2019 £'000	Restated 30 November 2018 £'000
Current		
Fixed rate		
Finance lease and hire purchase obligations	**4,942**	5,009
Variable rate		
Invoice discounting facility	**77,957**	37,798
Bank loans	**754**	2,010
	83,653	44,817
Non-current		
Fixed rate		
Finance lease and hire purchase obligations	**12,745**	4,646
Bank loans	**-**	2,714
Variable rate		
Bank loans	**127,466**	121,629
	140,211	128,989
Total loans and borrowings	**223,864**	173,806
Cash	**(9,345)**	(14,203)
Net debt	**214,519**	159,603

Finance facilities

Borrowing facilities

The Group has an existing senior facility agreement to borrow £124.0m. The facility is secured on the shares of subsidiaries of the Group, is subject to a variable rate of interest and subject to certain conditions is repayable in full in April 2022. During the year fees of £2.4m (2018: £0.6m) were amortised through the Consolidated Income Statement, £1.7m (2018: £nil) related to the full release of the unamortised fees as at 30 November 2019 in relation to the senior finance debt which was re-financed on 9 December 2019.

In the UK, the Group has access to an invoice discounting facility of up to £110.0m (2018: £85.0m) though normally restricted to £100.0m (2018: £75.0m), which is dependent upon and secured against assets within the Group. The facility is subject to a variable rate of interest and is in place until 2021. As at 30 November 2019 that balance drawn down against the invoice discounting facility is £78.0m (2018: £37.8m).

The Group has finance facilities in Belgium which are secured against assets in that region and comprise loans totalling €7.0m, subject to a fixed rate of interest repayable in either quarterly or monthly instalments over a period of between 5-15 years until 2021 through to 2031. The facilities are secured against specific assets of the Group.

The completion of the transaction with DBAY on 9 December 2019 included the extension of the existing banking facilities with an additional invoice discounting facility, see note 29.

Notes to the Consolidated Financial Statements continued
for the year ended 30 November 2019

20. Financial Assets and Liabilities continued

Maturity Profile of Financial Liabilities

The maturity profiles (including interest payments in respect of finance lease and hire purchase liabilities) of financial liabilities are shown in the table below:

Maturity profile at 30 November 2019	Due within 1 year £'000	Between 1 and 5 years £'000	Due after 5 years £'000	Total £'000
Financial liabilities				
Bank loans and interest	754	125,814	1,652	128,220
Invoice discounting facility	77,957	-	-	77,957
Trade payables	80,846	-	-	80,846
Finance lease and hire purchase obligations	4,942	12,745	-	17,687
Other financial liability	-	5,229	-	5,229
	164,499	**143,788**	**1,652**	**309,939**

Maturity profile at 30 November 2018	Due within 1 year £'000	Between 1 and 5 years £'000	Due after 5 years £'000	Total £'000
Financial liabilities				
Bank loans and interest	2,010	124,343	-	126,353
Invoice discounting facility	37,798	-	-	37,798
Trade payables	96,254	-	-	96,254
Finance lease and hire purchase obligations	5,009	2,617	2,029	9,655
Other financial liability	-	3,062	-	3,062
	141,071	**130,022**	**2,029**	**273,122**

Foreign exchange differences on retranslation of these assets and liabilities are taken to the Consolidated Income Statement except where those assets and liabilities are held in entities denominated in foreign currency in which case differences are taken to reserves as described in note 1.

The minimum lease payments under finance leases fall due as follows:

	30 November 2019 £'000	Restated 30 November 2018 £'000
Within one year	**5,936**	5,285
Between one and five years	**13,259**	2,743
After five years	**70**	2,149
	19,265	10,177
Future finance charges on finance leases	**(1,578)**	(522)
Present value of finance lease liabilities	**17,687**	9,655

The obligations under finance leases and hire purchase contracts are taken out with various lenders at interest rates prevailing at the inception of the contracts.

Financial risks and capital management

Through its operations, the Group is exposed to the following financial risks:

- Funding and liquidity risk
- Credit risk from trade receivables
- Interest rate cash flow risk from variable rate bank loans
- Foreign exchange risk

In the process of managing these financial risks, the Group uses the following financial instruments:

- Cash at bank
- Bank loans
- Trade receivables, including amounts owed by associates and joint ventures
- Trade and other payables, including amounts owed to associates and joint ventures
- Finance leases and hire purchase agreements

20. Financial Assets and Liabilities continued

The Group's overall risk management programme focuses on reducing financial risk as far as possible and therefore seeks to minimise potential adverse effects on the Group's financial performance. The policies and strategies for managing specific financial risks are summarised as follows:

(i) Funding and liquidity risk

The Group finances its operations by a combination of equity, bank loans, leases, working capital and retained profits. The Group undertakes short-term cash forecasting to monitor its expected cash flows against its cash availability and finance facilities. The Group also undertakes longer-term cash forecasting to monitor its expected funding requirements in order to meet its current business plan, in the context of its existing facilities and to identify any requirement for future funding facilities. The Group monitors its current and forecast financial performance against its banking covenants to ensure that it remains compliant with their requirements. The Group also maintains an active dialogue with a wide range of finance providers in order to ensure that it is aware of all possible sources of finance when it is assessing the availability and cost of providing for the funding requirements in the current business plan.

ii) Credit risk

The Group's principal exposure to credit risk is in its trade receivables arising from credit sales. A large proportion of the Group's trade receivables are covered by insurance, with £115.1m covered at 30 November 2019 (2018: £88.7m). In accordance with this insurance policy, and also carried out as Group policy in other uninsured credit sales, the Group carries out procedures to assess the credit risk of new customers before entering into new contracts, sets credit limits accordingly and monitors outstanding receivables balances in accordance with these. The Board places significant emphasis on credit control and any changes in debtor payment profiles are identified and acted upon. The age profile of outstanding trade debtors as at 30 November 2019 is shown in note 16, together with associated provisions against recoverability, which gives an indication of the level of credit risk to which the Group is exposed.

(iii) Interest rate cash flow risk

Some of the Group's borrowings are issued at variable rates that expose the Group to interest rate cash flow risk. The Group's exposure to floating rate interest is modelled in its budgets and forecasts. The Group's principal strategy is to manage its treasury position to reduce borrowing requirements and therefore its exposure to interest cost. As such, the current exposure to volatility in interest rates is limited and the Group estimates that a rise of 0.5% in interest rates would have reduced pre-tax profits by approximately £1.0m for the year ended 30 November 2019 (2018: £0.8m pre-tax profits).

(iv) Foreign exchange risk

The Company's functional and presentational currency is Pound Sterling. The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the Euro. Due to the significant degree of natural hedging arising from purchases and receipts in Euros, which largely mitigates the transactional and financial reporting foreign exchange risk, the Board does not currently seek to hedge its exposure to foreign exchange risk. The Group estimates that a 5% weakening of the Euro from the year end exchange rate would decrease net assets by approximately £0.4m (2018: £0.8m decrease in net assets).

Capital management

Capital comprises share capital £3.8m (2018: £3.8m), retained profits £(256.5)m (2018 restated: £(7.2)m) and borrowing facilities £241.0m (2018 restated: £213.5m). The Group's short-to medium-term strategy continues to be to strengthen its capital base in order to sustain the future development of the business and therefore the current policy is to reinvest profits rather than recommend the payment of dividends. The Group also focuses on the management and control of working capital in order to reduce net debt, whilst allowing for capital investment in assets for the future development of the business. The Group has also secured finance facilities that contain sufficient headroom to allow for business growth in the event that market volumes significantly increase or incremental turnover is obtained through organic growth or acquisition.

Fair Value of Financial Assets and Liabilities

The book value and comparable fair value of the Group's financial assets and liabilities are shown in the table below.

		2019		2018	
Classification	Valuation method	Book value £'000	Fair value £'000	Book value £'000	Fair Value £'000
Financial assets					
Cash	Level 1	**9,345**	**9,345**	14,203	14,203
Trade receivables	Level 2	**124,979**	**124,979**	138,108	138,108
Interest rate swap	Level 2	**(536)**	**(536)**	399	399
Financial liabilities					
Trade payables	Level 2	**80,846**	**80,846**	96,254	109,125
Bank loans	Level 2	**128,220**	**128,220**	126,353	126,353
Invoice discounting facility	Level 2	**77,957**	**77,957**	37,798	37,798
Finance lease and hire purchase obliga-tions	Level 2	**17,687**	**17,687**	9,655	9,655
Other financial liability (note 19)	Level 3	**5,229**	**5,229**	3,062	3,062

The Group uses the following valuation methods for measuring the fair value of financial instruments

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are based on data from active markets.
Level 3: Other techniques for which all inputs which have a significant effect on the recorded fair value are not based on data from active markets.

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21. Provisions

	Dilapidations £'000	Motor insurance £'000	Onerous leases £'000	Employee claims £'000	Other £'000	Total £'000
Restated balance at 30 November 2017	**10,451**	**5,120**	**-**	**847**	**-**	**16,418**
Provisions charged to the income statement	757	4,219	-	1,869	-	6,845
Provisions credited to the income statement	(1,845)	(757)	-	-	-	(2,602)
Provisions paid	(7)	(4,360)	-	(1,912)	-	(6,279)
Asset additions	296	-	-	-	-	296
Transfers in	569	-	-	-	-	569
Discount unwind	28	-	-	-	-	28
Acquired during the year	1,894	-	-	-	-	1,894
Movement in foreign currency translation	21	-	-	-	-	21
Total	1,713	(898)	-	(43)	-	772
Restated balance at 30 November 2018	**12,164**	**4,222**	**-**	**804**	**-**	**17,190**
Provisions charged to the income statement	1,296	5,453	3,246	538	2,089	12,622
Provisions credited to the income statement	(592)	-	-	-	-	(592)
Provisions paid	-	(4,215)	(393)	(451)	-	(5,059)
Asset additions	1,072	-	-	-	-	1,072
Transfers in	430	1,072	-	-	-	1,502
Discount Unwind	36	-	-	-	-	36
Movement in foreign currency translation	(24)	-	-	-	-	(24)
Total	2,218	**2,310**	2,853	87	2,089	9,557
Balance at 30 November 2019	**14,382**	**6,532**	**2,853**	**891**	**2,089**	**26,747**

Analysis of total provisions:	**November 2019 £'000**	Restated 30 November 2018 £'000
Current	**12,818**	8,748
Non-current	**13,929**	8,442
	26,747	17,190

Dilapidations
A provision is held across the Group property portfolio for future dilapidation costs and site restoration. Provisions are established over the life of leases to cover remedial work necessary at termination under the terms of those leases. The contractual termination dates of the Groups current leases are between March 2020 and December 2047.

Motor Insurance
A provision is held against the cost of motor accidents below that covered by our insurance policies. These cases are managed through a specialist independent claims management handler and the provision is held to cover the estimated future liability to the Group.

Onerous lease
An onerous lease provision has been recognised relating to a number of specialist vehicle leases following the exit of a contract in the year, and property leases where the property is surplus to operating requirements. This is based on the remaining term of the lease (leases run until March 20 - November 2025) as there is no contractual break clause, unless, an early termination date is known and confirmed. The provision involves an estimate of the residual values of the assets on lease, any sale gain/loss that could occur upon disposal of the assets or any estimated exit costs for the surrender of a property lease prior to the end of the lease term.

Employee claims
The Group 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 Group.

22. Deferred Tax

Deferred tax is calculated in full on temporary differences using the liability method, and predominantly relates to UK balances, using a tax rate of 17% (2018: 17%).

	30 November 2019 £'000	Restated 30 November 2018 £'000
Deferred tax brought forward	**(7,864)**	(9,001)
Prior year adjustments	**-**	4,850
Restated deferred tax brought forward	**(7,864)**	(4,151)
Adjustment in respect of prior years	**-**	(51)
Credited/(charged) to the consolidated income statement	**7,294**	1,670
Transfers	**(11)**	-
Acquisition of business	**-**	(5,332)
Deferred taxation carried forward	**(581)**	(7,864)

Deferred tax assets have been recognised in respect of pension deficits, the fair value of financial instruments, accelerated capital allowances and other temporary differences giving rise to deferred tax assets because it is probable that these assets will be recovered.

	Restated At 30 November 2018 £'000	Consolidated Income Statement £'000	Acquired with Business Combinations £'000	Adjustment in respect of prior years £'000	At 30 November 2019 £'000
Intangible assets	(10,714)	(3,343)	-	(3)	**(14,060)**
Revaluations	(292)	-	-	10	**(282)**
Deferred tax liability	**(11,006)**	**(3,343)**	**-**	**7**	**(14,342)**
Losses	2,395	7,277	-	166	**9,838**
Accelerated capital allowances	747	1,825	-	643	**3,215**
Other temporary differences	-	2,900	-	(2,192)	**708**
Deferred tax asset	**3,142**	**12,002**	**-**	**(1,383)**	**13,761**
	(7,864)	**8,659**	**-**	**(1,376)**	**(581)**

	Restated At 30 November 2017 £'000	Consolidated Income Statement £'000	Acquired with Business Combinations £'000	Adjustment in respect of prior years £'000	At 30 November 2018 £'000
Intangible assets	(12,756)	7,682	(5,657)	17	**(10,714)**
Revaluations	(292)	-	-	-	**(292)**
Other temporary differences	(3,373)	3,373	-	-	**-**
Deferred tax liability	**(16,421)**	**11,055**	**(5,657)**	**17**	**(11,006)**
Losses	6,996	(4,191)	-	(410)	**2,395**
Accelerated capital allowances	(589)	550	6	780	**747**
Other temporary differences	5,863	(5,744)	319	(438)	**-**
Deferred tax asset	**12,270**	**(9,385)**	**325**	**(68)**	**3,142**
	(4,151)	**1,670**	**(5,332)**	**(51)**	**(7,864)**

Unprovided deferred tax assets, which are unprovided because they may not be recovered, are as follows:

	30 November 2019 £'000	Restated 30 November 2018 £'000
Non-trading losses	**2,898**	1,468
Capital losses	**2,160**	756
Loan relationships	**2,407**	905
Total unrecognised losses	**7,465**	3,129

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23. Capital and Reserves
Share capital and share premium

	No. of shares '000	Share capital £'000	Shares premium ('000)	Merger reserves £'000
Ordinary shares in issue at 30 November 2017	**357,918**	**3,579**	**117,257**	**7,950**
Share issue	21,429	214	28,745	-
Ordinary shares in issue at 30 November 2018	**379,347**	**3,793**	**146,002**	**7,950**
Ordinary shares in issue at 30 November 2019	**379,347**	**3,793**	**146,002**	**7,950**

All of the ordinary shares in issue referred to in the table above are fully paid.

Ordinary share capital & share premium & merger reserve
Prior to the IPO in April 2017, the Company performed a share split, with the consequence that ordinary share capital reduced from £1 par value to 1p par value per share. Also prior to the IPO, share premium was cancelled in order to convert into distributable reserves. A bonus issue of shares was granted to the current shareholders at the same time.

On 25 April 2017 the Company placed 76.25m Ordinary 1p shares with an attached merger reserve of 159p per share (the total listing price being 160p per share) on AIM.

The Company also issued 5m ordinary 1p shares, with an attached share premium of 159p per share (total value (160p per share) to the shareholders of iForce Group for their interests in the business.

On 28 June 2018 the Company placed 21.43m Ordinary 1p shares with an attached share premium of 139p per share (140p per share in total), to provide part of the funding for the acquisition of the TPN Group.

Own shares
Included in the total number of ordinary shares outstanding above are 1,690,000 (2018: 1,690,000) ordinary shares held by the Group's employee benefit trust. The ordinary shares held by the trustee of the Group's employee benefit trust pursuant to the SIP are treated as Own shares in the Consolidated and Company's Balance Sheet in accordance with IAS 32.

Nature and purpose of reserves
i. Translation reserve - represents the gains and losses arising on retranslating the net assets of overseas operations into Sterling. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

ii. Own shares reserve – This reserve arose when the Group issued equity share capital under its Share Incentive Plan (SIP) which is held in trust by the trustee of the Group's employee benefit trust. If these shares are forfeited throughout the vesting period for leavers or another reason they will continue to be owned by the trust and therefore will continue to be presented within Own shares in the Group financial statements.

iii. Share options reserves – consist of provisions made during the financial year relating to Long-Term Incentive and Management Incentive Plans for future liabilities relating to management and employee share-based incentive scheme payments, further details are disclosed in note 24.

24. Share-based Payments
As at 30 November 2019, the Company operated the following share award plans:
- Long-Term Incentive Plan;
- Management Incentive Plan; and
- Share Incentive plan.

There were no exercisable options under the above schemes as at 30 November 2019 (2018: £nil).

Long-term incentive plan (LTIP)
The LTIP was approved by the Board on 18 April 2017 enabling the Group to award options on shares to key employees following admission to the Alternative Investment Market (AIM) on the London Stock Exchange. Awards were granted during the year ended 30 November 2017, giving award holders the right to exercise nil-out options at the end of the three year period from the date of the award, dependent on;

- The level of growth in earnings before interest, tax, depreciation and amortisation (EBITDA) for the year ending 30 November 2017 of £56.8m; and
- achievement of 10% compound growth in the total shareholder return (TSR) over the period from the date of admission to trading on the London Stock Exchange (25 April 2017) to the third anniversary of admission.

24. Share-based Payments continued

Additional awards were granted during the year ended 30 November 2019 giving award holders the right to exercise nil-out options at the end of the three year period from the date of the award, dependent on;

- Achieve compound growth of at least 10% per annum in earnings per share (EPS) for the years ended 30 November 2019, 30 November 2020, 30 November 2021
- The growth in shareholder return (TSR) over the period achieves equal to or greater than compound 10% per annum, starting on the first day of the period until the last day of the relevant financial year (30 November 2021)

IFRS 2 states that there is present obligation to settle in cash if:

- the choice of settlement in equity has no commercial substance; or
- the company has a past practice or stated policy of settling in cash; or
- the entity generally settles in cash whenever the counterparty requests cash settlement.

For the Group, none of the above apply and there is no assumed obligation to settle in cash, consequently the LTIP award will be treated as equity settled for this valuation. The LTIP award also gives rise to post-vesting restriction on the shares for a period of 12 months from the date of issue to participators or the fourth anniversary of the granting of the LTIP, whichever is the earliest.

Under IFRS 2 there is a requirement to consider post-vesting restrictions to be incorporated in calculating the fair value for the LTIP award; as shares in the Company are traded on the AIM market of the London Stock Exchange, the restriction would have a negligible effect on the price that a knowledgeable and willing market participant would pay for the shares and as such no adjustment to the fair value of the LTIP shares has been calculated. This valuation has been calculated and provided by an independent third party who have advised the directors of the fair value and future LTIP obligations as follows;

The fair value of the options granted during the year ended 30 November 2018 was determined using the Black Scholes Merton option pricing model for valuing the EPS condition and Monte Carlo simulation for the TSR condition. The inputs into the models were:

	Black Scholes	Monte Carlo
Share price	96.5p	96.5p
Exercise price	Nil	115p
Expected term	Third of the shares vest at the end of years 1,2 and 3	Third of the shares vest at the end of years 1,2 and 3
Risk free rate	0.72%	0.72%
Expected dividend yield	7%	7%
Expected volatility	31%	31%

The estimated fair value of options granted in the year ended 30 November 2019 was £1.3m. The total expense recognised in the year in respect of LTIP options was £0.1m.

Management incentive plan (MIP)

The MIP was approved by the Board on 25 April 2017. The Company entered into arrangements with the two participants A Laffey and D Harte. A Laffey subscribed for 60,000 A1 ordinary shares in Greenwhitestar Acquisitions Limited, a subsidiary of the Company, at £0.65p per share and D Harte subscribed for 20,000 A2 ordinary shares at £2.00 per share. The participants have the right to sell all of their MIP shares at the end of the three year period from the date of the award. The Company also has a corresponding call right at the end of this period. The date on which this right is exercised is referred to as the Exercise Date.

The Company, at its discretion, may purchase the MIP shares for cash or by issuing ordinary shares in the Company. Where participants receive ordinary shares in the Company, the MIP participants are restricted from selling 50% of their allotment for a 12 month period from the date of issue or the fourth anniversary of the MIP share issue whichever is earliest.

On 31 March 2019 D Harte resigned therefore terminating his service with Eddie Stobart Logistics plc and on 8 May 2019 A Laffey terminated his interest in the MIP, all shares were transferred to Eddie Stobart Logistics plc leaving no further interest in the scheme.

The charge recognised in the year includes the release of the liability in respect of D Harte and acceleration of the liability in respect of A Laffey as required under IFRS 2.

	2019 £'000	2018 £'000
Fair value income statement charge of MIP scheme	**1,029**	1,647

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for the year ended 30 November 2019

24. Share-based Payments continued

Management incentive plan (MIP)

The SIP was approved by the Board on 25 April 2017. The SIP is an equity settled share incentive plan approved by HMRC. The purpose of the SIP is to be a free share issue to staff fully funded by funds from the outgoing parent shareholder. The SIP shares are held in trust by independent third party trustees for specified employees, but may be forfeited during a three year period that commenced from 30 June 2017 in certain circumstances.

The number of shares held in trust are 1,687,500 Ordinary £0.01p shares at a cost of £1.60 per share with a market value of £2.7m. All of the shares were fully paid for by the outgoing shareholder and parent. The employees who participated in the SIP are the Company's Executive Directors and employees, including the employees of the Company's subsidiaries, as at 30 June 2017.

The SIP also allows for the extension of the SIP to allow additional employees to participate at the discretion of the Board.

The current and future charge to the Income Statement is detailed below;

		Future obligations		
	Total £'000	Greater than 12 months £'000	2020 £'000	**2019 £'000**
Fair value charge of Employee Benefit Trust SIP Scheme	2,072	-	374	**1,698**

25. Operating Lease Arrangements

At the year end the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019		2018	
	Plant and equipment £'000	**Land and buildings £'000**	Plant and equipment £'000	Land and buildings £'000
Within one year	**43,526**	**51,667**	52,239	46,986
Between one and five years	**76,407**	**194,660**	91,082	179,624
Due after five years	**8,853**	**397,623**	12,618	447,364
	128,786	**643,950**	155,939	673,974

26. Related Party Disclosures and Ultimate Parent Undertaking

During the year the Company and or its subsidiaries entered into commercial transactions with related parties as shown in the table below.

2019 Related Party Disclosures	Description of related party	Sales to related party £'000	Purchases from related party £'000	Balance owed by related party £'000	Balance owed to related party £'000
Directors' loans	a	-	-	475	-
IPS at Eddie Stobart Limited	b	2,758	-	847	-
Puro Ventures Ltd trading as Speedy Freight	c	1,184	1,274	751	330
Harvey Nash Plc	d	-	8	-	-
Nelson Bostock	e	-	38	-	38

a. In February 2015, two directors of a subsidiary company were loaned an aggregate amount of £475,000, at 3% plus RBS base rate non-compound interest, repayable in full as at February 2022.

b. IPS at Eddie Stobart Limited is a joint venture participation. IPS at Eddie Stobart Limited provides logistics and management services.

c. Puro Ventures Limited, trading as "Speedy Freight", is a joint venture participation with fellow Group member ESLL Limited. Speedy Freight operates as a same day specialist courier.

d. Harvey Nash Plc is a recruitment agency and a related party by virtue of its association with the Ultimate Parent Undertaking, DBAY.

e. Nelson Bostock is a PR consultancy firm and a related party by virtue of its association with the Ultimate Parent Undertaking, DBAY.

2018 Related Party Disclosures	Description of related party	Sales to related party £'000	Purchases from related party £'000	Balance owed by related party £'000	Balance owed to related party £'000
Directors' loans	a	-	-	475	-
IPS at Eddie Stobart Limited	b	2,795	-	553	-
Puro Ventures Ltd trading as Speedy Freight	c	772	562	320	304
Harvey Nash Plc	d	-	30	-	-

On 25 April 2017 Eddie Stobart Logistics plc was listed on the Alternative Investment Market of the London Stock Exchange. As a consequence the Group has a new board of directors and a change in the shareholder base occurred. In view of this change, management have re-evaluated the nature of existing relationships and noted that some have ceased to be related parties.

26. Related Party Disclosures and Ultimate Parent Undertaking continued

a. In February 2015, two directors of a subsidiary company were loaned an aggregate amount of £475,000, at 3% plus RBS base rate non-compound interest, repayable in full as at February 2022. In addition, amounts totalling £15,000 were received by the company from a Director during the year before being paid out on his behalf to a third-party under the same terms available to the Group. There is no balance due to the Company or any company in the Group at the year end.

b. IPS at Eddie Stobart Limited is a joint venture participation. IPS at Eddie Stobart Limited provides logistics and management services.

c. Puro Ventures Limited, trading as "Speedy Freight", is a joint venture participation with fellow Group member ESLL Limited. Speedy Freight operates as a same day specialist courier.

d. Harvey Nash Plc is a recruitment agency and a related party by virtue of its association with the Ultimate Parent Undertaking, DBAY.

27. Contingent liabilities

There is an unlimited bank cross guarantee arrangement between the Company and certain of its material subsidiary undertakings. The maximum potential liability at 30 November 2019 was £124.0m (2019: £124.0m).

ESLL Group Ltd has a contingent liability in respect of a motor insurance bond to a maximum aggregate liability of £11.7m. The bond has been indemnified by all companies in the GWSA Ltd group.

The Group has contingent liabilities in respect of unsettled legal claims and contract disputes. The Group has received a number of claims in respect of such issues, none of which are expected to result in a material loss to the Group. The Group has not booked any provisions associated with the claims as it is management's belief that the claims have little merit.

In the normal course the Company has indemnified a number of Directors, Officers and contractors against liabilities arising out of or in connection with any proceedings against the said Directors or contractors for negligence, default, breach of duty or otherwise, subject to normal exclusions. This obligation was novated to GWSA on execution of the DBAY transaction 9th December 2019.

28. Capital commitments

At 30 November 2019, the Group had no capital commitments (2018: £nil).

29. Subsequent events

Transaction

On 9 December 2019 DouglasBay Capital III Fund LP, a fund managed by DBAY Advisors Limited ("DBAY") completed the acquisition of an indirect 51% equity stake in Greenwhitestar Acquisitions Limited ("GWSA") (the "Disposal"), the holding company of the Eddie Stobart trading entities (including Eddie Stobart Limited, iForce Group Limited and The Pallet Network). Accordingly, as a result of the Disposal, the Company's equity interest in the Eddie Stobart trading entities was reduced from 100% to 49%. On completion of the Disposal GWSA issued loan notes to an entity controlled by the acquirer of the 51 % stake in GWSA (the "Loan Notes"). A further £2.74m of professional and advisor costs were incurred after the year end, which were contingent on the transaction gaining shareholder approval.

The completion of the transaction included the extension of the existing banking facilities and an additional invoice discounting facility as follows:

- The ongoing provision of the £124m term loan which has been extended to November 2024 and subject to repayment of £35m in stages by August 2021;
- The ongoing provision of the £100m invoice discount facility until 22 November 2024; and
- The provision of an incremental £20m invoice discounting facility which has been made available at the same time as the £50m[10] PIK note was issued, which is due for repayment on 9 December 2025.

Saki Riffner, Non-Executive Director of the Company and Chief Investment Officer of DBAY, is also a director of GWSA. The executive leadership team of the Eddie Stobart trading entities and the leadership team of DBAY provide timely information about the Eddie Stobart trading entities to enable the Company to monitor its interest in GWSA and to comply with its reporting obligations. The Company does not have any executive management and is dependent on funding provided indirectly by Marcelos Limited, a holding company of GWSA.

On disposal of its controlling holding in the Eddie Stobart business the Company in its consolidated accounts disposed of net liabilities in the Eddie Stobart business of circa £95m and recognised deemed consideration of £45m, generating a profit on disposal of circa £140m.

From 9 December 2019 the non-controlling investment in the Eddie Stobart business will be equity accounted and will be initially recognised at £45m.

Company Status

Following completion of the Disposal, the Company became a 'cash shell' pursuant to the AIM Rules for Companies (the "AIM Rules") and therefore, in order to remain quoted on AIM, was required, inter alia, to complete an acquisition or acquisitions constituting a reverse takeover within six months of the Disposal. For the purposes of this requirement, becoming an AIM investment company (which entails raising a minimum of £6 million in cash via an equity fundraising and publishing an admission document) is treated as a reverse takeover.

The Company became a cash shell on 9 December 2019 and so it is required to complete a reverse takeover, or become an AIM investment company and complete an equity fund raise of at least £6 million, by 9 June 2020. The global COVID-19 pandemic has impacted public fundraising activities and noting the Company's retained interest in GWSA, AIM has agreed with the Company an extension to this timeline to 9 December 2020.

The Board is continuing to explore opportunities to raise additional funds to permit the Company to become an 'AIM investment company' and remain quoted on AIM. The Board is exploring a range of alternative structures and investment strategies and is taking advice on the priorities of potential investors, and it is expected that, as indicated in the Circular, DBAY would act as the Company's investment manager following a successful fundraising. DBAY has confirmed the extension of the Company's right, referred to in the Circular, to acquire up to 49 per cent of the outstanding Loan Notes (or an equivalent economic interest) to 9 September 2020. This will align the economic interests of DBAY and the Company's shareholders such that the Company and its shareholders can participate.

[10] £50m net of £5m retained in Marcelos Limited relating to transaction costs.

Notes to the Consolidated Financial Statements continued
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29. Subsequent events continued

COVID-19

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. The group has taken a number of measures to monitor and prevent the effects of the COVID-19 virus. These have included health and safety measures for our people and within our investment (like social distancing and working from home).

At this stage, the impact on our business is limited. The business is a cash shell and the COVID-19 outbreak has had the impact of extending the timeframe to become an AIM investment company.

We will continue to follow the various national institutes' policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

Property lease novations

Post year end, and in line with the strategy of the new management of the Eddie Stobart business, a number of property leases have been surrendered or novated where there is under-utilisation of warehouse space. This has resulted in the release of any associated liabilities in FY20 totalling £5.4m net of costs associated with the transactions.

Brand acquisition

The Eddie Stobart business has acquired the "Eddie Stobart" and "Stobart" brands from a subsidiary of Stobart Group Limited, the main market listed aviation and energy group. Total cash consideration of £10 million is payable by the group's trading entity, Eddie Stobart Limited, of which £4 million is deferred (with £2.5 million payable in December 2020 and the remaining £1.5 million within 36 months), and Stobart Group Limited is required to change its name by 28 February 2021.

Prior to acquiring the Eddie Stobart brand, the Eddie Stobart business used the brand under a 2014 licence agreement and an annual fee of £3 million had become payable from 1 March 2020. This licence arrangement has now been terminated resulting in a cost saving for the Eddie Stobart business of £3 million per annum. The acquisition of the brand will help stakeholders more easily to differentiate between the Eddie Stobart business's logistics business and the Stobart Group's aviation and energy businesses, as the Stobart Group will transition to a different name.

30. Prior year restatements

The Group has implemented IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, both effective for the first time for the financial year beginning on 1 December 2018. The Group has elected to restate comparative information in accordance with the relevant transition provision. This note explains the impact on the Group's accounts of the adoption of IFRS 9, IFRS 15 and the restatement of prior year comparatives for lease incentive accounting, the accounting for Speedy Freight as an associate and other historical items.

Restatements to previously reported profit

Speedy Freight Consolidation

On 8 July 2017 the Group purchased 50% of the shares of Puro Ventures Limited, which trades as Speedy Freight. The Group's shareholding was subsequently reduced to 47.5% due to a share issue and re-classification but the Group retained 50% of the voting rights. Speedy Freight operates a franchise model, specialising in urgent business to business, same day deliveries.

Following the acquisition it was determined that the Group exercised control over the business (based on a number of factors including the on-going contractual arrangements with the other shareholders, including put and call options) and consequently the results of Speedy Freight have previously been fully consolidated in the audited financial statements of the Group in FY17 and FY18.

During the review of the HY19 results, this judgement has been reconsidered and it has been determined that a more appropriate treatment is to account for Puro Ventures Limited as an associate and therefore not to consolidate its results, in line with the requirements of the accounting standards. This has had a negative impact on the underlying operating EBIT for FY18 of £1.0m. The Company's consolidated results for FY18 are restated to reflect this.

Property-related activities

Since 2016, the Group has focused on developing a full-service logistics business aligned to the needs of its road transport and e-commerce focused customers, in part by expanding its warehouse footprint and capacity. In recent years, a material proportion of the Group's profits have been derived from the opportunities afforded by this expansion, with the Company acting as anchor tenant for completed developments, and receiving income from property consultancy services relating to development activities (including consultancy advice on process, planning, facilitation and debt structuring). The Board considered these activities to be integral to the Group's logistics activities and accounted for them as such.

A critical judgment on transactions with multiple elements is the allocation of consideration between the separate elements of the transaction. The Group has historically entered into combined lease and property consultancy transactions with third parties where they provide consultancy services and advice to companies with whom they also enter into long-term lease commitments. At the conclusion of the consultancy services and the inception of the lease, the Group typically receives a large payment. Under the previously adopted policies, having demonstrated the on-going lease terms were considered to be at or below market value, the Group attributed all the consideration received to property consultancy services. Having reconsidered the accounting guidance, the Group has noted the difficulty in benchmarking the revenue recognised on consultancy services provided with market transactions for similar services. Conversely, the guidance for accounting for lease incentives received requires they are amortised over the life of the lease without reference to whether the resulting lease charge (net of incentives) represents a market rate. Consequently, the Group has determined that a more appropriate way to account for these combined lease and consultancy services transactions is to treat all the consideration as a lease incentive and allocate no revenue to consultancy services.

30. Prior year restatements continued

Approximately £17m and £33m derived from those activities for financial year 2017 and financial year 2018 (respectively) and approximately £13m prior to financial year 2017 has been reversed and restated, and the amount related to these activities recognised over the life of the lease. This has resulted in a reduction in previously reported EBIT in those years and a net adjustment to the Group's net assets at 30 November 2018 of £60.6m, exclusive of any estimated tax reduction. This also means that in future years, recognised lease costs will be lower by approximately £4m per annum, reflecting the benefit of the amortisation of lease incentives on unexpired leases entered into in the past.

Lease accounting

The Group has restated the financial statements to account for lease costs over the term of the lease in line with IAS 17. In addition in accordance with IFRS 3 an acquirer should not recognise the deferred lease liabilities of an acquiree upon acquisition and therefore this has led to a combined adjustment to goodwill of £7.9m and subsequent recognition of the lease liability, increasing the 2018 charge to the income statement by £1.8m.

Dilapidations

Historically, the Group has determined that dilapidations provisions were not required as there is a policy to ensure warehouses are maintained to a very high standard.

Given the expansion of the warehouse portfolio of the Group over the course of the last few years that are subject to dilapidation clauses, that determination has been reviewed, and the financial statements have been restated to reflect a dilapidation provision. This has resulted in an increased income statement charge of £0.7m in 2018, and £5.7m in respect of previous periods.

Other

A number of other accounting adjustments have been made. These relate to the reassessment at the respective balance sheet dates, of write downs in respect of debtors due in connection with underperforming and exited contracts, revenue recognition and write downs of unrecoverable balance sheet assets and reassessment of intangible asset recognition, increased expense in relation to lease accounting, cost accruals and provisions and implementation of new accounting standards as well as balance sheet reclassification of the invoice discounting facility into borrowings, the offset of debtors and creditors whereby there is a legal write of offset and the reclassification of intangible assets from prepayments. Restatements of results for FY18, FY17 and prior years have been made to reflect this.

Cash flow statement

There have been no direct cash outflows as a result of the prior year restatements. However, changes have been required to the presentation of the cash flow statement as a result of the restatements. The main changes are:

- Classification of the invoice discounting facility of £10.9m as borrowings as at 30 November 2018. This was previously presented as a reduction to the cash balance.
- Lease incentive inflows on property transactions are now presented in a separate line within operating activities to aid transparency.
- Cashflows from Speedy Freight are no longer included within the Group's cashflows as Speedy Freight is now treated as an associate. Instead, investments made in, and dividends received from, Speedy Freight are now presented within investing activities. Payments made to the previous owners of Speedy Freight which are linked to services conditions are presented as part of cash generated from operating activities.

Fully retrospective application of new accounting standards

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities.

Classification and measurement

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost; fair value through other comprehensive income and fair value through profit and loss. There has been no changes in the classification of financial assets or financial liabilities as a result of IFRS 9.

Impairment

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under IFRS it is not necessary for a credit event to occur before the credit losses are recognised.

The Group has applied the simplified approach to recognise lifetime expected credit losses for its trade receivables and contract assets as permitted by IFRS 9. The application of the expected credit loss model of IFRS 9 will result in greater recognition of credit losses, and as at 1 December 2018, the overall impact is a decrease of retained earnings of £3.5m.

Hedge Accounting

The Group does not currently hold any derivative financial instruments designated as hedge relationships.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model when accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition standards and interpretations. The Group is required to adopt IFRS 15 for the year ended 30 November 2019 and will adopt the fully retrospective approach with restatement of comparatives.

Under IFRS 15, an entity recognises revenue when or as a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Notes to the Consolidated Financial Statements continued
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30. Prior year restatements continued
IFRS 15 Revenue from Contracts with Customers (continued)
TThe Group recognises revenue from the following major sources:

Area	Explanation	IFRS 15 Impact
Open book revenue	Open book con-tracts will typically cover costs plus an agreed fixed or variable manage-ment 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. There has been no change in the timing of revenue recognition on application of IFRS 15.
Closed book revenue	Revenue for closed book con-tracts is recog-nised based on a pre-agreed rate-card per unit/ de-livery.	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. There has been no change in the timing of revenue recognition on application of IFRS 15.
Membership fees	Membership fees (fixed).	Membership fees are recognised over the term of the contract. There has been no change in the timing of revenue recognition on application of IFRS 15.
Performance-related revenue	Revenue linked to performance measures, such as Key Performance Indicators (KPIs) and gain-share mechanisms.	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. This has resulted in the derecognition of revenue that met the criteria under IAS 18 (probable of receipt) but does not meet the revised criteria under IFRS 15.The impact of which can be seen in the full year restatement table below.
Carrier management	Licensing of carrier management soft-ware and provision of carrier man-agement services.	Revenue related to licensing of carrier management software and provision of services is recognised over the term of the contract. This has resulted in later recognition of revenue for some contracts.
Sale of goods	Sale of goods to final consumers.	Revenue on sale of goods is recognised at the point in time the customer receives control of the goods. There has been no change in the timing of revenue recognition on the application of IFRS 15

30. Prior year restatements continued

	Previously reported year ended 30 November 2018 £'000	Speedy reclassify-cation as an associate £'000	Lease Incentives £'000	Lease Accounting £'000	Dilapidations £'000	Other £'000	IFRS 9 £'000	IFRS 15 £'000	Total prior year adjustments £'000	Restated year ended 30 November 2018 £'000
Continuing operations										
Revenue	**843,141**	(25,365)	(31,695)	-	-	(3,354)	-	(1,265)	**(61,679)**	**781,462**
Cost of sales	**(662,682)**	20,878	439	-	-	(1,610)	-	-	**19,707**	**(642,975)**
Gross profit	**180,459**	**(4,487)**	**(31,256)**	**-**	**-**	**(4,964)**	**-**	**(1,265)**	**(41,972)**	**138,487**
Administrative expenses: before amortisation of acquired intangibles and exceptional items	**(129,183)**	2,650	-	(1,841)	(931)	(2,034)	1	-	**(2,155)**	**(131,338)**
Credit loss on contractual assets	**-**	-	-	-	-	-	(2,978)	-	**(2,978)**	**(2,978)**
Amortisation of intangibles	**(13,818)**	660	-	-	-	-	-	-	**660**	**(13,158)**
Administrative expenses: before exceptional items	**(143,001)**	3,310	-	(1,841)	(931)	(2,034)	(2,977)	-	**(4,473)**	**(147,474)**
Administrative expenses: exceptional items	**(7,774)**	2,661	-	-	-	1	-	-	**2,662**	**(5,112)**
Total administrative expenses	**(150,775)**	5,971	-	(1,841)	(931)	(2,033)	(2,977)	-	(1,811)	**(152,586)**
Profit/(Loss) from operating activities	**29,684**	**1,484**	**(31,256)**	**(1,841)**	**(931)**	**(6,997)**	**(2,977)**	**(1,265)**	**(43,783)**	**(14,099)**
Profit/(Loss) from operating activities: before exceptional items	**37,458**	**(1,177)**	**(31,256)**	**(1,841)**	**(931)**	**(6,998)**	**(2,977)**	**(1,265)**	**(46,445)**	**(8,987)**
Finance income	**15**	(4)	-	-	-	1	-	-	(3)	**12**
Finance expenses: before exceptional items	**(6,110)**	37	-	-	(28)	-	-	-	9	**(6,101)**
Finance expenses: exceptional items	**(489)**	-	-	-	-	-	-	-	-	**(489)**
Total finance expense	**(6,599)**	37	-	-	(28)	-	-	-	9	**(6,590)**
Net finance expense	**(6,584)**	33	-	-	(28)	1	-	-	6	**(6,578)**
Share of post-tax results of equity accounted investees	**524**	815	-	-	-	-	-	-	815	**1,339**
Equity accounted investees: exceptional items	**-**	(2,917)	-	-	-	-	-	-	(2,917)	**(2,917)**
Profit/(Loss) before tax	**23,624**	**(585)**	**(31,256)**	**(1,841)**	**(959)**	**(6,996)**	**(2,977)**	**(1,265)**	**(45,879)**	**(22,255)**
Income tax credit / (expense)	(7,379)	295	5,939	351	260	384	624	240	8,093	714
Profit/(Loss) for the period	**16,245**	**(290)**	**(25,317)**	**(1,490)**	**(699)**	**(6,612)**	**(2,353)**	**(1,025)**	**(37,786)**	**(21,541)**

Earnings per share		
Basic – total operations	4.4p	(5.9p)
Diluted – total operations	4.4p	(5.9p)

Notes to the Company Financial Statements continued
for the year ended 30 November 2019

30. Prior year restatements continued

	Previously reported year ended 30 November 2018 £'000	Speedy reclassify-cation as an associate £'000	Lease Incentives £'000	Lease Accounting £'000	Dilapidations £'000	Other £'000	IFRS 9 £'000	IFRS 15 £'000	Total prior year adjustments £'000	Restated year ended 30 November 2018 £'000
Assets										
Non-current assets										
Property, plant and equipment	**66,280**	(68)	-	-	1,600	(1,905)	-	-	**(373)**	**65,907**
Goodwill	**189,730**	(9,242)	-	(7,904)	-	-	-	-	**(17,146)**	**172,584**
Intangible assets	**122,482**	(8,300)	-	-	-	3,531	-	-	**(4,769)**	**117,713**
Investments in equity accounted investees	**1,576**	6,503	-	-	-	-	-	-	**6,503**	**8,079**
Deferred tax asset	**5,850**	(1,340)	-	-	-	(1,368)	-	-	**(2,708)**	**3,142**
	385,918	**(12,447)**	**-**	**(7,904)**	**1,600**	**258**	**-**	**-**	**(18,493)**	**367,425**
Current assets										
Inventories	**3,126**	-	-	-	-	-	-	-	**-**	**3,126**
Trade and other receivables	**231,166**	(7,326)	(5,640)	-	1,226	(19,342)	(4,117)	(1,161)	**(36,360)**	**194,806**
Cash and cash equivalents	**5,234**	(1,917)	-	-	-	10,886	-	-	**8,969**	**14,203**
	239,526	**(9,243)**	**(5,640)**	**-**	**1,226**	**(8,456)**	**(4,117)**	**(1,161)**	**(27,391)**	**212,135**
Total assets	**625,444**	**(21,690)**	**(5,640)**	**(7,904)**	**2,826**	**(8,198)**	**(4,117)**	**(1,161)**	**(45,884)**	**579,560**
Liabilities										
Current liabilities										
Loans and borrowings	**(35,908)**	1,976	-	-	-	(10,885)	-	-	**(8,909)**	**(44,817)**
Trade and other payables	**(169,558)**	5,742	(3,178)	(363)	-	6,717	-	(199)	**8,719**	**(160,839)**
Current tax liability	**(7,038)**	342	8,956	1,483	260	(2,298)	624	240	**9,607**	**2,569**
Provisions	**(3,454)**	-	-	-	-	(5,294)	-	-	**(5,294)**	**(8,748)**
	(215,958)	**8,060**	**5,778**	**1,120**	**260**	**(11,760)**	**624**	**41**	**4,123**	**(211,835)**
Non-current liabilities										
Loans and borrowings	**(128,989)**	-	-	-	-	-	-	-	**-**	**(128,989)**
Trade and other payables	**(25,265)**	9,864	(51,754)	(1,457)	-	-	-	-	**(43,347)**	**(68,612)**
Deferred tax liabilities	**(19,474)**	9	-	-	-	8,459	-	-	**8,468**	**(11,006)**
Provisions	**-**	1,072	-	-	(9,514)	-	-	-	**(8,442)**	**(8,442)**
	(173,728)	**10,945**	**(51,754)**	**(1,457)**	**(9,514)**	**8,459**	**-**	**-**	**(43,321)**	**(217,049)**
Total liabilities	**(389,686)**	**19,005**	**(45,976)**	**(337)**	**(9,254)**	**(3,301)**	**624**	**41**	**(39,198)**	**(428,884)**
Net assets	**235,758**	**(2,685)**	**(51,616)**	**(8,241)**	**(6,428)**	**(11,499)**	**(3,493)**	**(1,120)**	**(85,082)**	**150,676**
Equity										
Share capital	**3,793**	-	-	-	-	-	-	-	**-**	**3,793**
Share premium	**146,002**	-	-	-	-	-	-	-	**-**	**146,002**
Merger reserve	**7,950**	-	-	-	-	-	-	-	**-**	**7,950**
Translation reserve	**79**	-	-	-	-	-	-	-	**-**	**79**
Own shares	**(2,700)**	-	-	-	-	-	-	-	**-**	**(2,700)**
Share option reserve	**2,758**	-	-	-	-	-	-	-	**-**	**2,758**
Retained earnings	**77,876**	(2,685)	(51,616)	(8,241)	(6,428)	(11,499)	(3,493)	(1,120)	**(85,082)**	**(7,206)**
Total equity	**235,758**	**(2,685)**	**(51,616)**	**(8,241)**	**(6,428)**	**(11,499)**	**(3,493)**	**(1,120)**	**(85,082)**	**150,676**
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Total equity	**235,758**	**(2,685)**	**(51,616)**	**(8,241)**	**(6,428)**	**(11,499)**	**(3,493)**	**(1,120)**	**(85,082)**	**150,676**

30. Prior year restatements continued

	Previously reported year ended 30 November 2017 £'000	Speedy reclassify-cation as an associate £'000	Lease Incentives £'000	Lease Accounting £'000	Dilapidations £'000	Other £'000	IFRS 9 £'000	IFRS 15 £'000	Total prior year adjustments £'000	Restated year ended 30 November 2017 £'000
Assets										
Non-current assets										
Property, plant and equipment	**59,979**	(56)	-	-	1,477	(1,030)	-	-	**392**	**60,371**
Goodwill	**172,353**	(9,242)	-	(7,904)	-	1	-	-	**(17,146)**	**155,207**
Intangible assets	**99,147**	(8,912)	-	-	-	-	-	-	**(8,912)**	**90,235**
Investments in equity accounted investees	**1,276**	7,288	-	-	-	-	-	-	**7,288**	**8,564**
Deferred tax asset	**5,976**	-	-	-	-	6,294	-	-	**6,294**	**12,270**
	338,731	**(10,922)**	**-**	**(7,904)**	**1,477**	**5,265**	**-**	**-**	**(12,084)**	**326,647**
Current assets										
Inventories	**2,396**	-	-	-	-	-	-	-	**-**	**2,396**
Trade and other receivables	**148,979**	(4,493)	-	-	657	(2,875)	(1,140)	-	**(7,851)**	**141,128**
Corporation Tax	**(2,770)**	-	-	-	-	-	-	-	**-**	**(2,770)**
Cash and cash equivalents	**11,936**	(159)	-	-	-	-	-	-	**(159)**	**11,777**
	160,541	**(4,652)**	**-**	**-**	**657**	**(2,875)**	**(1,140)**	**-**	**(8,010)**	**152,531**
Total assets	**499,272**	**(15,574)**	**-**	**(7,904)**	**2,134**	**2,389**	**(1,140)**	**-**	**(20,094)**	**479,178**
Liabilities										
Current liabilities										
Loans and borrowings	**(7,767)**	671	-	-	-	-	-	-	**671**	**(7,096)**
Trade and other payables	**(128,218)**	2,295	(1,922)	-	-	266	-	(95)	**544**	**(127,674)**
Current tax liability	**-**	-	-	-	-	-	-	-	**-**	**-**
Provisions	**(3,434)**	-	-	-	-	(5,436)	-	-	**(5,436)**	**(8,870)**
	(139,419)	**2,966**	**(1,922)**	**-**	**-**	**(5,170)**	**-**	**(95)**	**(4,221)**	**(143,640)**
Non-current liabilities										
Loans and borrowings	**(113,666)**	-	-	-	-	-	-	-	**-**	**(113,666)**
Trade and other payables	**(18,822)**	10,879	(27,395)	21	-	-	-	-	**(16,496)**	**(35,318)**
Deferred tax liabilities	**(14,977)**	(1,444)	-	-	-	-	-	-	**(1,444)**	**(16,421)**
Provisions	**-**	315	-	-	(7,863)	-	-	-	**(7,548)**	**(7,548)**
	(147,465)	**9,750**	**(27,395)**	**21**	**(7,863)**	**-**	**-**	**-**	**(25,488)**	**(172,953)**
Total liabilities	**(286,884)**	**12,716**	**(29,317)**	**21**	**(7,863)**	**(5,170)**	**-**	**(95)**	**(29,708)**	**(316,592)**
Net assets	**212,388**	**(2,858)**	**(29,317)**	**(7,883)**	**(5,729)**	**(2,781)**	**(1,140)**	**(95)**	**(49,803)**	**162,585**
Equity										
Share capital	**3,579**	-	-	-	-	-	-	-	**-**	**3,579**
Share premium	**117,257**	-	-	-	-	-	-	-	**-**	**117,257**
Merger reserve	**7,950**	-	-	-	-	-	-	-	**-**	**7,950**
Translation reserve	**(487)**	-	-	-	-	-	-	-	**-**	**(487)**
Own shares	**(2,700)**	-	-	-	-	-	-	-	**-**	**(2,700)**
Share option reserve	**1,079**	-	-	-	-	-	-	-	**-**	**1,079**
Retained earnings	**85,710**	(2,858)	(29,317)	(7,883)	(5,729)	(2,781)	(1,140)	(95)	**(49,803)**	**35,907**
Total equity	**212,388**	**(2,858)**	**(29,317)**	**(7,883)**	**(5,729)**	**(2,781)**	**(1,140)**	**(95)**	**(49,803)**	**162,585**
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Total equity	**212,388**	**(2,858)**	**(29,317)**	**(7,883)**	**(5,729)**	**(2,781)**	**(1,140)**	**(95)**	**(49,803)**	**162,585**

Company Statement of Financial Position
as at 30 November 2019

	Note	30 November 2019 £'000	Restated 30 November 2018 £'000
Assets			
Non-current assets			
Investments	4	45,000	65,300
		45,000	65,300
Current assets			
Amounts owed by Group undertakings	5	52,936	154,556
Other receivables		584	72
Cash		362	4
		53,882	154,632
Current liabilities			
Amounts owed to Group undertakings	6	(52,936)	(26,218)
Other creditors	6	(3,952)	(640)
		(56,888)	(26,858)
Non-current liabilities			
Amounts owed to Group undertakings		-	-
		-	-
Net assets		**41,994**	193,074
Equity			
Called up share capital		3,793	3,793
Share premium account		146,002	146,002
Merger reserve		7,950	7,950
Prior year treasury shares		(2,700)	(2,700)
Share option reserve		4,218	2,758
Retained earnings		(117,269)	35,271
Total shareholders' funds	7	**41,994**	**193,074**
Loss for the year		**(134,483)**	**(1,703)**

This Statement of Financial Position should be read in conjunction with the notes to the Company Statement of Financial Position on pages 74 to 79 and the notes to the Consolidated Financial Statements on pages 33 to 71.
The Company Financial Statements on pages 72 to 79 were approved by the Board of Directors on 4 July 2020 and were signed on its behalf by:

Christopher Casey
Director

Company number 08922456

Company Statement of Changes in Equity
for the year ended 30 November 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share options reserve £'000	Own shares £'000	(Accumulated losses) / Retained earnings £'000	**Total £'000**
Balance at 30 November 2017	3,579	117,257	7,950	1,079	(2,700)	58,546	**185,711**
Loss for the year	-	-	-	-	-	(1,703)	**(1,703)**
Issue of capital (net of costs)	214	28,745	-	-	-	-	**28,959**
Share based payment charges	-	-	-	1,156	-	-	**1,156**
Incentive plans	-	-	-	523	-	-	**523**
Dividends paid	-	-	-	-	-	(21,572)	**(21,572)**
Balance at 30 November 2018	**3,793**	**146,002**	**7,950**	**2,758**	**(2,700)**	**35,271**	**193,074**
Loss for the year	-	-	-	-	-	(134,483)	**(134,483)**
Share based payment charges	-	-	-	1,460	-	-	**1,460**
Dividends paid	-	-	-	-	-	(18,057)	**(18,057)**
Balance at 30 November 2019	**3,793**	**146,002**	**7,950**	**4,218**	**(2,700)**	**(117,269)**	**41,994**

Retained Earnings Restatements	Reported 30 November 2018 £'000	Total prior year adjustments £'000	Restated 30 November 2018 £'000
Management recharges not previously recognised in the income state-ment	(4,630)	2,927	(1,703)

The accompanying notes form part of the financial statements

Notes to the Company Financial Statements
for the year ended 30 November 2019

1. Basis of Accounting

Eddie Stobart Logistics plc is a public company limited by shares and incorporated in the United Kingdom. The results of the Company are included in the financial statements of Eddie Stobart Logistics Plc which are available from Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ. These financial statements present information about the Company as an individual undertaking and not about its Group. The separate financial statements of the Company are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- Company cash flow statement and related notes
- Disclosure in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- The effects of new but not effective IFRSs
- Disclosure in respect of the compensation of key management personnel

As the Consolidated Financial Statements of the Group include equivalent disclosures, the Company has taken exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair value measurement
- Disclosures required by IFRS 7 Financial instrument disclosures
- Share based payments – IFRS2 is being applied to equity instruments

The financial statements are presented in Sterling rounded to the nearest thousand.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Basis of preparation

The Company accounting policies set out below have been applied consistently to all years in these Financial Statements, other than where new policies have been adopted. These financial statements have been prepared on a going concern basis, in accordance with The Companies Act 2006 as applicable to companies using FRS 101 and under the historic cost convention.

The Company is reliant on loan funding that Marcelos Limited has agreed to provide to enable the Company to settle its expenses and liabilities as they fall due. The Directors have seen evidence that Marcelos Limited has sufficient funding to meet this obligation. The Directors believe that the funding available is sufficient to enable the Company to meet its obligations as they fall due for at least 12 months from the date of the approval of these financial statements.

Having considered all the above, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

2. Significant Accounting Policies

The accounting policies adopted by the Company are consistent with those used in the Group's Consolidated Financial Statements as set out in note 1, except for the following items which are only relevant for the Company as a standalone entity.

On the 9 December the Company disposed of a controlling holding in the Eddie Stobart business to DBAY as set out in note 29 of the consolidated accounts.

As part of this transaction the net of all intercompany balances owed to and from the Company and the Eddie Stobart business were capitalised as investment in the Group. An impairment test has been carried out with the value in use considered to be the average closing market capitalisation of the Company over the five trading days following its re-admission to AIM, £45m. This resulted in £99.3m impairment of intercompany receivables and £20.3m impairment of investment at 30 November 2019.

Judgements and key sources of estimation

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

key estimates with a significant risk of material adjustment in the next year, are discussed below:

- IAS 36 'Impairment of assets'. In testing for impairment of investments in, and amounts due from, subsidiary undertakings, the Directors have made certain assumptions concerning the future development of its subsidiary businesses that are consistent with their annual budgets and forecasts into perpetuity. Should these assumptions regarding the discount rate or growth in the profitability be unfounded then it is possible that investments in, and amounts due from, subsidiary undertakings included in the balance sheet could be impaired.

2. Significant Accounting Policies continued

- IFRS 2 'Share-based payments'. The Company has issued equity settled share-based payment options to certain employees in exchange for services rendered by them. The fair value is measured using an option valuation model at the date of grant and is recognised as an employee expense over the period in which the employees become unconditionally entitled to the options, with a corresponding increase in equity. This valuation is based on estimates of the number of options that will eventually vest, based on related service and non-market vesting conditions that are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any of the future periods affected.

Investments and amounts owed by Group undertakings

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

Cash and cash equivalents

In the Statement of Financial Position, cash includes cash and cash equivalents excluding bank overdrafts.

3. Employees and Directors

The Company has two direct employees (2018: 2). The Directors do not believe it is practicable to apportion the remuneration of the Directors between services as Directors of the Company and services as Directors of Group subsidiaries.

4. Investments

The cost and provisions for impairment of the Company's investments are shown below:

	30 November 2019 £'000	30 November 2018 £'000
Cost and net book value		
At 30 November	**45,000**	65,300

On the 9 December the Company disposed of a controlling holding in the Eddie Stobart business to DBAY as set out in note 30 of the consolidated accounts.

As part of this transaction the net of all intercompany balances owed to and from the Company and the Eddie Stobart business were capitalised as investment in the Group. An impairment test has been carried out with the value in use considered to be the average closing market capitalisation of the Company over the five trading days following its re-admission to AIM, £45m. This resulted in £99.3m impairment of intercompany receivables and £20.3m impairment of investment at 30 November 2019 (see note 2).

Notes to the Company Financial Statements continued
for the year ended 30 November 2019

4. Investments continued

In accordance with section 409 of the Companies Act 2006, a full list of related undertakings, the country of incorporation and the effective percentage of equity owned, as at 30 November 2019 is disclosed below:

Company name	Business activity	Proportion of ordinary share capital held: Directly	Proportion of ordinary share capital held: Indirectly	Country of incorporation
Subsidiary undertakings: Registered office				
Stretton Green Distribution Park, Langford Way, Appleton, Warrington, WA4 4TQ				
Greenwhitestar Acquisitions Limited	Holding company	100%		United Kingdom
Stobart Transport & Distribution Limited	Holding company		100%	United Kingdom
Eddie Stobart Group Limited	Holding company		100%	United Kingdom
AHL Anglia Limited	Holding company		100%	United Kingdom
AIL Anglia Limited	Holding company		100%	United Kingdom
iForce Group Limited	Holding company		100%	United Kingdom
TLP Holdings Limited	Holding company		100%	United Kingdom
Eddie Stobart Limited	Contract logistics		100%	United Kingdom
Stobart Truckstops Limited	Logistics support		100%	United Kingdom
O'Connor Container Transport Limited	Contract logistics		100%	United Kingdom
O'Connor Container Storage Limited	Contract logistics		100%	United Kingdom
Westlink Storage & Shipping Company Limited	Warehouse logistics		100%	United Kingdom
iForce Auctions Limited	Contract logistics		100%	United Kingdom
iForce Limited	Contract logistics		100%	United Kingdom
iForce Trading Limited	Contract logistics		100%	United Kingdom
Stobart Rail Freight Limited	Dormant		100%	United Kingdom
Autoteq Limited	Dormant		100%	United Kingdom
Acumen Distribution Service Holdings Limited	Dormant		100%	United Kingdom
Autologic Services Limited	Dormant		100%	United Kingdom
Buyforce Limited	Dormant		100%	United Kingdom
iForce Holdings Limited	Dormant		100%	United Kingdom
Associate undertakings: Registered office				
Puro House, Unit 2 The Pavilions, Cranford Drive, Knutsford Business Park, Knutsford, Cheshire, WA16 8ZR				
Puro Ventures Limited *	Contract logistics		47.5% *	United Kingdom
Subsidiary undertakings: Registered office				
Unit 1 Ore Lane, Midlands Logistics Park, Corby, Northamptonshire, England, NN18 8JX				
The Logistic People Limited	Recruitment services		100%	United Kingdom
Subsidiary undertakings: Registered office				
PO BOX 286, Floor 2 Trafalgar Court, Les Banques, St Perter Port, Guernsey, GY1 4LY				
ESLL Group Limited (formerly Eddie Stobart Logistics Limited)	Holding company		100%	Guernsey
Subsidiary undertakings: Registered office				
Bond Drive Extension, Dublin Port, Dublin 3				
Eddie Stobart (Ireland) Limited	Contract logistics		100%	Ireland
Eddie Stobart (Ireland) Drivers Services Limited	Contract logistics		100%	Ireland
Subsidiary undertakings: Registered office				
Prologics Park, Midpoint Way, Minworth, West Midlands, B76 9EH				
The Pallet Network Group Limited	Contract logistics		100%	United Kingdom
The Pallet Network Limited	Contract logistics		100%	United Kingdom
Subsidiary undertakings: Registered office				
Unit 3, The Drive, Gatwick Road, Crawley, West Sussex, RH10 9AN				
Eezehaul Limited	Contract logistics		100%	United Kingdom

4. Investments in Subsidiary Undertakings continued

Company name	Business activity	Proportion of ordinary share capital held: Directly	Proportion of ordinary share capital held: Indirectly	Country of incorporation
Subsidiary undertakings: Registered office **iHazeldonk 6049, 4836 LA Breda, The Netherlands**				
Eddie Stobart Europe Holding BV (formally Autologic Benelux B.V.)	Holding company		100%	The Netherlands
Stobart Automotive NL BV (formally Walon BV)	Contract logistics		100%	The Netherlands
Subsidiary undertakings: Registered office **Eikelaarstraat 28, 3600 Genk, Belgium**				
Eddie Stobart Logistics Europe NV	Contract logistics		100%	Belgium
Stobart Automotive Belgium NV	Contract logistics		100%	Belgium
Stobart Automotive Europe NV	Contract logistics		100%	Belgium
Automotive Plant Releasing Services NV	Dormant		100%	Belgium
Subsidiary undertakings: Registered office **Velika & Georgi Chenchevi Street 3, 5400 Sevlievo, Bulgaria**				
Eddie Stobart Logistics Bulgaria OEED	Contract logistics		100%	Bulgaria
Subsidiary undertakings: Registered office **U Stavoservisu 692/1b, 108 00 Praha 10, Czech Republic**				
Stobart Automotive CZ s.r.o.	Contract logistics		100%	Czech Republic
Subsidiary undertakings: Registered office **ul. Krakow Suburb 47/51, 00-071 Warsaw, Poland**				
Walon Poland SP zo.o.	Dormant		100%	Poland
Subsidiary undertakings: Registered office **Bucuresti Street (DJ 601) no. 51, 077055 Ciorogarla – Ilfov, Romania**				
Eddie Stobart Logistic Romania SRL	Contract logistics		100%	Romania
Joint Ventures: Registered office				
IPS at Eddie Stobart Limited, C/O Culina Group Limited, Shrewsbury Road, Market Drayton, TF9 3SQ	Contract logistics		50%	United Kingdom
Transport Service & Logistics GMBH Hauptstraße 96, D-82467 Garmisch-Partenkirchen, Germany	Contract logistics		50%	Germany
TSK Transport Service & Logistics Gmbh** Hauptstraße 96, D-82467 Garmisch-Partenkirchen, Germany	Contract logistics		50%	Germany
Transport Service & Releasing Iberia S.L. Paseio de la Calderona, 28850 Ciempozuelos, Spain	Contract logistics		33%	Spain

* The Group has a 47.5% shareholding but it holds 50% of the voting rights

** The Company's 50 per cent interest in TSK continues to be held indirectly and has been registered as being held by AHL Anglia Limited following the liquidation of a Belgian intermediate holding company.

Notes to the Company Financial Statements continued
for the year ended 30 November 2019

5. Receivables

	30 November 2019 £'000	Restated 30 November 2018 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	**52,936**	154,556

The Company has amounts due from Group undertakings which are repayable on demand. Repayment is not anticipated within the year ending 30 November 2019.

On the 9 December the Company disposed of a controlling holding in the Eddie Stobart business to DBAY as set out in note 29 of the consolidated accounts.

Prior year comparatives have been restated to reflect a revised intercompany position.

As part of this transaction the net of all intercompany balances owed to and from the Company and the Eddie Stobart business were capitalised as investment in the Group. An impairment test has been carried out with the value in use considered to be the average closing market capitalisation of the Company over the five trading days following its re-admission to AIM, £45m. This resulted in £99.3m impairment of intercompany receivables and £20.3m impairment of investment at 30 November 2019 (see note 2).

6. Trade and Other Payables (Current)

	30 November 2019 £'000	30 November 2018 £'000
Current Liabilities		
Amounts owed to Group undertakings	**(52,936)**	(26,218)
Other creditors	**(3,952)**	(640)
	(56,888)	(26,858)

The Company has amounts due to Group undertakings which are repayable on demand.

7. Reconciliation of Movement in Shareholders' funds

	30 November 2019 £'000	Restated 30 November 2018 £'000
Opening shareholders' funds	**193,074**	185,711
New share issue	**-**	214
Share premium on issue (net of share issue costs)	**-**	28,745
Share incentive provision	**-**	523
Share based payments	**1,460**	1,156
Dividends paid	**(18,057)**	(21,572)
Profit and loss	**(134,483)**	(1,703)
Total shareholders' funds	**41,994**	193,074

As permitted by Section 408(4) of the Companies Act 2006, the Parent Company's Income Statement has not been included in these Financial Statements. The Parent Company's loss after tax for the financial year was £134.5m (2018: £1.7m loss).

7. Reconciliation of Movement in Shareholders' funds continued

Ordinary share capital, share premium and merger reserve

Prior to the IPO, the Company performed a share split, with the consequence that ordinary share capital reduced from £1 par value to 1p par value per share. Also prior to the IPO, share premium was cancelled in order to convert into distributable reserves. A bonus issue of shares was granted to the current shareholders at the same time.

On 25 April 2017 the Company placed 76.25m Ordinary 1p shares with an attached merger reserve of 159p per share (the total listing price being 160p per share) on AIM.

The Company also issued 5m ordinary 1p shares, with an attached share premium of 159p per share (total value (160p per share) to the shareholders of iForce Group for their interests in the business.

On 28 June 2018 the Company placed 21.43m Ordinary 1p shares with an attached merger reserve of 139p per share (140p per share in total), to provide part of the funding for the acquisition of the TPN Group.

Own shares

Included in the total number of ordinary shares outstanding above are 1,690,000 (2018: 1,690,000) ordinary shares held by the Group's employee benefit trust. The ordinary shares held by the trustee of the Group's employee benefit trust pursuant to the SIP are treated as Own shares in the Consolidated and Company's Balance Sheet in accordance with IAS 32.

Own shares reserve

This reserve arose when the Group issued equity share capital under its Share Incentive Plan (SIP) which is held in trust by the trustee of the Group's employee benefit trust. If these shares are forfeited throughout the vesting period for leavers or another reason they will continue to be owned by the trust and therefore will continue to be presented within Own shares in the Group financial statements.

Share options reserves

Consist of provisions made during the financial year relating to Long-Term Incentive and Management Incentive Plans for future liabilities relating to management and employee share-based incentive scheme payments. Further details are disclosed in note 24.

8. Capital Commitments

At 30 November 2019, the Company had no commitments (2018: £nil).

9. Contingent Liabilities

There is an unlimited bank cross guarantee arrangement between the Company and some of subsidiary undertakings. The maximum potential liability at 30 November 2019 was £124.0m (2018: £124.0m).

10. Subsequent Events

There are no subsequent events for the Company other than those disclosed in note 29 of the consolidated accounts.

Glossary

Term	Definition
Accounts	The financial statements of the Group and/or the Company, as appropriate
Admission	The admission of the issued ordinary shares to trading on AIM that became effective on 25 April 2017
ADR	The European Agreement concerning the International Carriage of Dangerous Goods by Road
AGM	Annual General Meeting of the Company
AIM	Alternative Investment Market of the London Stock Exchange
APMs	Alternative Performance Measures
Board	Board of Directors of the Company
Brexit	A reference to the UK's referendum decision to leave the European Union
CAGR	Compound Annual Growth Rate
CGU	Cash Generating Unit
Company	Eddie Stobart Logistics plc a public limited company incorporated in England and Wales with registered 08922456
DBAY	DBAY Advisors Limited and/or any fund(s) or entity(ies) managed or controlled by DBAY Advisors Limited as appropriate in the relevant context
DBAY Transaction	On 9 December 2019 DouglasBay Capital III Fund LP, a fund managed by DBAY Advisors Limited completed the acquisition of an indirect 51% equity stake in Greenwhitestar Acquisitions Limited, the holding company of the Eddie Stobart trading entities (including Eddie Stobart Limited, iForce Group Limited and The Pallet Network Limited)
Directors	The Directors of the Company as at the date of this document, as identified on page 10
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
Eddie Stobart business	The group of companies of which Greenwhitestar Acquisitions Limited is the operational holding company which includes the following Eddie Stobart trading entities; Eddie Stobart Limited, iForce Limited, The Pallet Network Limited and The Logistic People Limited.
EPS	Earnings Per Share
Executive Directors	Alex Laffey, Damien Harte, Anoop Kang and Sebastian Desreumaux
FY18	Financial Year ended 30 November 2018
FY19	Financial Year ended 30 November 2019
Group	The Company and its subsidiaries as at 30 November 2019
GWSA	Greenwhitestar Acquisitions Limited, the operational holding company of the Eddie Stobart businesses
HGV	Heavy Goods Vehicle
HSQA	Health Safety, Quality and Assurance
HY18	Six month period ended 31 May 2018
HY19	Six month period ended 31 May 2019
IAS	International Accounting Standards
iForce/iForce Group	iForce Group Limited, a subsidiary of the Company as at 30 November 2019
IFRS	International Financial Reporting Standards
IPO	The Initial Public Offering of ordinary shares resulting in the Admission
LTIP	The Long Term Incentive Plan described on page 17
MHE	Material Handling Equipment
MIB	Manufacturing, Industrial and Bulk
MIP	Management Incentive Plan described on page 17
Ordinary Shares/Shares	Ordinary shares of £0.01 each in the capital of the Company
PIK loan facility	Loan of £55m used to effect the DBAY transaction, which carries interest at 18% compounding quarterly, maturing in November 2025
PWC	The Company and Group's auditor
RFC	Regional Fulfilment Centre
QCA	Quoted Companies Alliance
QCA Corporate Governance Code	QCA Corporate Governance Code for Small and Mid-Size Quoted Companies published by the QCA
Sectors	The Group divides its business up into sectors, comprising of Retail, Consumer, E-Commerce, Manufacturing Industrial and Bulk (MIB) and Other
SIP	Share Incentive Plan described on page 17
Speedy Freight	Puro Ventures limited, an investee company of the Group as at 30 November 2019 that trades as Speedy Freight
The Logistics People	The trading name of TLP
Trading group	The Eddie Stobart trading companies of which GWSA is the operational holding company
TLP	The Logistic People
TPN	The Pallet Network
UK GAAP	UK Generally Accepted Accounting Principles

Advisors

Registrars for Eddie Stobart Logistics plc
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Nomad
Cenko Securities plc
Tokenhouse Yard
London
EC2R 7AS

Public Relations
FTI Consulting
200 Aldergate Street
London
EC1A 4HD

Eddie Stobart Logistics plc
Stretton Green Distribution Park,
Langford Way, Appleton,
Warrington, Cheshire,
WA4 4TQ