Logistics Development Group plc

Annual Report and Financial Statements 2020

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Strategic Report

Letter from Chairman

I am pleased to present the 2020 report and financial statements for Logistics Development Group plc ("LDG", "the Company").

It has been a period of immense transformation for the Company but we have now concluded the first phase of our strategy following the successful outcome of the 2019 DBAY transaction (described below) and culminating in the fundraising and transition to an investing company under the AIM Rules, completed in December 2020, and the change of the company name to reflect our new investment policy and strategy, which are set out on pages 6 to 7 below.

Review of the year

The financial results for the year ended 30 November 2020 show an underlying EBIT[2] loss of £11.3m (2019: loss of £5.8m) before exceptional income of £3.4m (2019: expenses of £128.7m) and a loss before tax of £7.9m (2019: loss of £134.5m) reflecting the issues faced by the Company in 2019 and the subsequent disposal of its majority interest in the Greenwhitestar Acquisitions Limited ("GWSA") group of companies ("GWSA Group")[1]. These results are discussed in detail in the Business and Financial Review and in the notes to the financial statements.

DBAY transaction

The DBAY transaction, overwhelmingly approved by shareholders on 9 December 2019, addressed the acute need for additional funding to ensure the GWSA 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 of liquidity into the operating businesses of GWSA Group (which includes Eddie Stobart, iForce and The Pallet Network) and also allowed shareholders to retain an economic interest in these businesses' operations. In addition, the Company has an option to acquire an economic interest in the 18% PIK loan facility provided as part of the DBAY transaction.

Changes to the Board

Following completion of the DBAY transaction Philip Swatman, Sebastien Desreumaux and Anoop Kang retired from the Board. In February 2020 Saki Riffner, Chief Investment Officer of DBAY and a director of GWSA, joined the Board as a non-executive Director and I joined the Board as Chairman in April 2020. In August 2020, Christopher Casey, who had chaired the Audit Committee and supported the Board through the complex process to finalise the 2019 statutory financial statements, also retired. I am pleased to report that David Facey, an experienced chartered accountant and CFO of AIM-listed financial sector companies, has agreed to join the Board and chair the audit committee. David will be appointed from 1 April 2021.

Our investment in the GWSA Group

Following the DBAY transaction, a new board and leadership team, led by Executive Chairman William Stobart, was appointed at GWSA. The Company welcomes the measures that have been implemented to streamline and refocus the operating business within the GWSA Group. Despite the significant pressures created by the COVID-19 pandemic and the general economic uncertainty arising from Brexit, the GWSA Group performance has exceeded our expectations and the business is well placed to continue to benefit from the increasing growth in e-commerce and a wider appreciation of the importance of the supply chain.

Letter from Chairman continued

On 30 March 2021 GWSA Group advised LDG of its audited consolidated results for the year ended 30 November 2020. Highlights are:

- Revenue increased by 2% to £874.3m (2019 £857.5).
- Underlying EBITDA was £145.5m (2019: £4.2m). This includes the impact of the implementation of IFRS 16 Leases, which contributed £97.7m to EBITDA. Excluding the impact of IFRS 16, EBITDA increased to £47.8m (2019 £4.2); and
- Net Debt (excluding the impact of IFRS 16) reduced by £77.2m to £144.5m.

The Company's links with the GWSA Group businesses have been further strengthened by the appointment to the board of GWSA of Stephen Harley, a very experienced logistics professional and member of our Board. 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 GWSA and contribute to its future development.

Transition to being an AIM investing company and fund-raising

On 31 December 2020, following a successful fund-raising through a subscription, placing and open offer generating £16m (net £14.5m), the Company was re-admitted to AIM completing its transition to an AIM investing company focussing on investment in the logistics sector. We anticipate this sector will benefit from changing market dynamics and an increasing demand for logistics services and we believe that the companies that can meet the developing needs of businesses and consumers will prosper.

Shareholders approved the appointment of DBAY Advisors as Investment Manager and approved the investment strategy, which is set out in more detail below. DBAY is actively seeking opportunities for investment and value creation and I look forward to working with DBAY and the Board to deliver on the strategy for our shareholders.

COVID-19 and Brexit

The impact of COVID-19 upon the Company has been limited as the Company was a non-trading cash shell during the period. We will continue to monitor the impact of the pandemic upon our investment and also the wider economy.

We believe that the pandemic and the impact of Brexit have focussed many businesses on the importance of the supply chain and may give rise to changes in how businesses build resilience into their supply chains, in particular impacting stock holding decisions. Less than 1% of GWSA Group revenue is earned through services between UK and the EU so this increased awareness of the supply chain should have a positive impact upon the GWSA Group businesses and parts of the wider logistics sector, creating investment opportunities and validating the investment strategy we have adopted.

Final thoughts

We must hope that the current vaccination programme will allow the world to return to some semblance of normality but, in the meantime, on behalf of the Board and shareholders, I pay tribute to the commitment of the management and staff of the operating companies within the GWSA Group, who have maintained excellence in service levels for their customers whilst operating under the most challenging circumstances. Since I have joined the Board I have been impressed with the calibre and dedication of the leadership team of the GWSA Group and our colleagues at DBAY, who now manage our investment strategy, and look forward to the future with optimism.

Finally, I would like to thank shareholders, old and new, for their continued support.

Adrian Collins
Chairman

[1] For the purposes of these results the "GWSA Group" means Greenwhitestar Acquisitions Limited and its subsidiaries at 30 November 2020, which were subsidiaries of the Company prior to the transaction with DBAY in December 2019

[2] Underlying EBIT is an alternative performance measure (see Note 3) and is defined as profit/loss before interest and tax adding back exceptional items

Business and financial review

for the year ended 30 November 2020

Background

At the balance sheet date the AIM-listed cash shell Logistics Development Group plc ("LDG", "the Company") held only one investment: its 49% shareholding in Marcelos Limited ("Marcelos"), which holds its interest in GreenWhiteStar Acquisitions Limited group ("GWSA") through an intermediate holding company, Alpha Cassiopeae Limited ("Alpha"). The GWSA Group[1] comprises a leading UK end-to-end supply chain, transport and logistics group of companies operating under the "Eddie Stobart", "iForce" and "The Pallet Network" brands.

On 9 December 2019, the Company concluded a transaction with funds managed by DBAY Advisors Limited ("DBAY"), which provided additional liquidity of £70m to the GWSA Group trading businesses, providing a stable footing for the future development of GWSA Group and allowing shareholders of the Company to continue to participate in the future growth in value of GWSA Group. Following the DBAY transaction, which resulted in a disposal of the Company's direct equity interest in the GWSA Group to Marcelos, the Company now holds a 49% equity interest in Marcelos. Additionally, a new board and leadership team, led by Executive Chairman William Stobart, was appointed to manage the GWSA Group.

Following completion of work instigated by the Board to clarify the impact of certain accounting-related items (as discussed in the Company's 2019 Annual Report), the Company's shares were re-admitted to trading on AIM on 26 February 2020. The Company today announces its audited results for the year ended 30 November 2020.

The results for the current year reflect the group structure as at 30 November 2020, at which time the Company indirectly owned 49% of the GWSA Group. At the comparative period ended 30 November 2019, the Company owned 100% of the GWSA Group. As the Company does not have subsidiaries at the reporting date, there is no requirement for consolidation and the audited financial statements in this report reflect the standalone results of the Company for the current and comparative periods.

The Company has elected to measure its investment in Marcelos at fair value through profit and loss. The election is taken on the basis of the investment being a 'venture capital' investment under IAS 28 'Investments in Associates and Joint Ventures'. Had the election not been made, the investment in Marcelos would have been subject to equity accounting that involves recognition of the investment at cost and subsequent measurement at cost plus a share of profits and losses of GWSA Group, less dividends received.

At the reporting date the Company was on track to becoming an investing company under AIM rules. This conversion required raising funds of at least £6m and this was successfully achieved in December 2020 (see Note 17 Subsequent Events). The strategy of the Company as an investing company is to generate value though holding investments for the short to medium term. Therefore, the Directors believe that the fair value method of accounting for the investments is in line with the strategy of the Company.

To further align the interest of DBAY and the Company's shareholders, the Company has an option to acquire an economic interest in the 18% PIK note facility issued by Alpha as part of the DBAY transaction. At the reporting date this option was conditional upon the Company's conversion to an investing company.

Review of the year

At the reporting date, as the Company's only holding is the 49% investment in Marcelos, there is no requirement for a consolidation; consequently these full year results for the Company are therefore presented with prior year comparatives on the same basis. The Company has revalued its investment in Marcelos to £35.8m thus incurring a £9.2m loss to reflect the market capitalisation of the Company at the reporting date.

Administrative expenses before exceptional items are significantly lower in the reporting year at £2.2m (2019: costs of £5.8m) because the company no longer incurs any executive directors' remuneration, has incurred a lower share-based payment charge and has a lower audit fee.

Business and financial review continued

for the year ended 30 November 2020

The Company's underlying EBIT[2] loss in the year was £11.3m (2019: loss of £5.8m) before exceptional income of £3.4m (2019: exceptional expense of £128.7m) and statutory loss before tax was £7.9m (2019: loss of £134.5m). During the year, the Company recognised an exceptional income of £3.4m comprising the transaction costs of £2.8m associated with the disposal of GWSA and 2019-related audit fees of £0.6m. The costs were ultimately borne by GWSA in accordance with the deal arrangements. During the prior year, the Company recognised exceptional expenses of £128.8m the particulars of which are set out in the Exceptional Items section below.

At the reporting date, the Company was nearing the completion of a fund-raising exercise which would result in it achieving its objective of conversion into an AIM-listed investing company. As discussed later in this report, the fundraising was successful, and the professional costs incurred directly in respect of this exercise have been expensed in the current financial year against reserves in line with International Financial Reporting Standards and the Companies Act 2006.

Following the DBAY transaction, a new board and leadership team, led by Executive Chairman William Stobart, was appointed at GWSA. The Company is supportive of the measures that have been implemented to streamline and refocus the operating business within the GWSA Group. Despite the significant pressures created by the COVID-19 pandemic and the general economic uncertainty arising from Brexit the GWSA Group performance has exceeded our expectations and the business is well placed to continue to benefit from the increasing growth in e-commerce and a wider appreciation of the importance of the supply chain.

On 30 March 2021 GWSA Group advised LDG of its audited consolidated results for the year ended 30 November 2020. Highlights are:

- Revenue increased by 2% to £874.3m (2019 £857.5).
- Underlying EBITDA was £145.5m (2019: £4.2m). This includes the impact of the implementation of IFRS 16 Leases, which contributed £97.7m to EBITDA. Excluding the impact of IFRS 16, EBITDA increased to £47.8m (2019 £4.2); and
- Net Debt (excluding the impact of IFRS 16) reduced by £77.2m to £144.5m.

Net debt

As at the reporting date, the Company has cash reserves of £0.7m (2019: £0.4m) and related party borrowings of £1.2m (2019: Nil). Following the year end, the Company successfully raised £16m in aggregate (pre fund raise costs of £1.5m) which satisfied requirements to meet admission to AIM as an investing company (see Note 17 Subsequent Events).

Furthermore, during the reporting year in a non-cash transaction, as part of the disposal of shares in GWSA, the Company novated and offset £53m of amounts owed by and to group undertakings. No material gain or loss was recognised as the intercompany receivables and payables have been written down to net nil as at November 2019 ahead of the disposal.

Exceptional items

During the year under review, the Company recognised income in relation to the transaction costs of £2.8m associated with the disposal of GWSA and 2019-related audit fees of £0.6m. These costs were ultimately borne by GWSA in accordance with the DBAY transaction arrangements.

During the prior year ended 30 November 2019, the Company recognised exceptional costs of £128.8m. An impairment test of the investments in subsidiaries was carried out which resulted in £20.3m impairment of investment and £99.3m impairment of intercompany receivables. Transaction costs of £9.0m were recognised in relation to the disposal of GWSA. Restructuring costs of £0.1m were recognised in relation to the exit of the previous CEO who left the business on 23 August 2019.

Further details of exceptional costs are included in note 5.

Business and financial review continued

for the year ended 30 November 2020

Tax

For the year ended 30 November 2020 the Company has incurred tax losses. Following the DBAY transaction the Company is no longer part of a tax group. Consequently, the Company did not recognise any current or deferred income tax charge or credit. The deferred tax asset of £0.2m was not recognised as the Directors do not consider that there is sufficient certainly over its recovery. The unrecognised asset can be carried forward indefinitely.

Dividends

The Company did not pay an interim dividend (2019: £Nil) and no final dividend is being recommended (2019: £Nil).

Earnings per share

Underlying basic and diluted loss per share are both 3.0 pence (2019: 1.5 pence). Statutory basic and diluted loss per share are both 2.1 pence (2019: 35.5 pence). See note 3 to the Financial Statements

Accounting matters
Investment in Marcelos

On 9 December 2019, the Company disposed of its holding of 100% ownership of the issued share capital of GWSA held at cost less impairment. No gain or loss was recognised in the period on this disposal as the investment had been written down to its recoverable value in the second half of 2019 of £45m, which was based on the market capitalisation of the Company at the date of its re-admission to AIM. In exchange for the sale of the shares in GWSA, the Company acquired 49% of the issued share capital of Marcelos, the new intermediate holding company of the GWSA Group. The Directors elected to measure the investment at fair value through profit or loss rather than to equity account.

In the year, the Company has revalued its investment in Marcelos to £35.8m (thus incurring a £9.2m net loss) to reflect its fair value based on the market capitalisation of the Company at 30 November 2020. The Directors believe that using observable market inputs at the period end represents the most suitable valuation methodology given the short trading period since the acquisition and the dislocating effects of COVID-19. In addition, the Directors have reviewed other valuation metrics such as peer group trading multiples. Based on these metrics the Directors believe the valuation of £35.8m is justifiable, albeit at the lower end of the range of possible values. The Directors having reviewed this valuation approach and consider it still to be the most appropriate current method, and will review this again as at 31 May 2021.

Subsequent Events

On 9 December 2020 the Company announced that it had reached its initial fund-raising target and had raised £9.0m via a Placing and Subscription in connection with the Company's proposed conversion to an investing company. The Company also announced its intention to raise up to an additional £7.0m via an Open offer to allow Qualifying Shareholders to participate on the same terms as the Placing and Subscription.

On the same date, 9 December 2020, the Company announced that it intended to change its name to "Logistics Development Group plc" following Admission to AIM as an investing company by resolution of the Board. The Company subsequently announced that the name change had been successfully registered on 9 February 2021.

The Company announced on 29 December 2020 that the Open Offer announced on 9 December 2020 had closed oversubscribed. The Company raised total gross proceeds of approximately £7.0 million from the Open Offer, which, together with the £9.0m raised by way of the Placing and

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[2] Underlying EBIT is an alternative performance measure (see Note 3) and is defined as profit/loss before interest and tax adding back exceptional items

Business and financial review continued

for the year ended 30 November 2020

Subscription, meant the Company raised a total of approximately £16.0m gross proceeds (£14.5m net proceeds after expenses) as a result of the Placing, Subscription and Open Offer.

Investment Policy and Strategy

The investment objective of the Company is to provide Shareholders with attractive total returns achieved through capital appreciation and, when prudent, shareholder distributions and dividends. The Directors believe that opportunities exist to create significant value for Shareholders through the acquisition of, and the implementation of substantial operational improvements in, businesses in the sectors outlined in the Company's Investing Policy.

On 31 January 2021, with the approval of shareholders, the Company appointed DBAY to act as Investment Manager of the Company for an initial period of five years (subject thereafter to annual renewal by agreement). DBAY is tasked with full authority to manage the Company's assets to deliver the investment strategy set out below in accordance with its investing policy reporting to the Board on a regular basis.

Founded in 2011, DBAY is a pan-European asset manager and investor. The firm follows a value investing approach and invests in listed equities across Europe, as well as in private equity style control investments. It is owned by its partners and is regulated and licensed by the Isle of Man Financial Services Authority. As well as an office in the Isle Man, DBAY also has an office in London. DBAY comprises a team of twelve investment and operating professionals and brings significant expertise in the logistics sector, with key individuals having served on the board of Eddie Stobart Logistics and Transport Development Group in the past.

The Directors and DBAY believe that the logistics sector (including supply chain management, transportation, warehousing, freight forwarding and home deliveries) is characterised by highly attractive fundamentals. The sector benefits from strong structural growth drivers, such as from a shift towards e-commerce related transport and warehousing activities, and there are numerous opportunities for growth from increased outsourcing in the sector.

The resulting growth and the increased complexity of logistics services will provide substantial opportunities for integrated supply chain service organisations, and specifically for organisations of a certain size, that have the ability to provide the required technological and systems support required by customers. The COVID-19 crisis has demonstrated the crucial role played by logistics, which is a major contributor to UK GDP, and the dependence of the fast-moving, demand-led economy on the services provided by this sector. The completion of Brexit is expected to increase demand in the UK for warehousing capacity, as well as freight forwarding and management expertise.

The UK logistics and supply chain industry is concentrated at the upper end (by revenues) but highly fragmented towards the bottom end of the market, with approximately 192,000 logistics small- to medium-sized enterprises in 2018. The Directors believe that the Company will therefore have access to numerous opportunities for profitable investments and value creation. The Directors and DBAY, as investment managers, have considerable knowledge and experience of the sector and consider that the Company will be able to create a dynamic portfolio of investments in the logistics sector.

Business and financial review continued
for the year ended 30 November 2020

The Investing Policy approved by shareholders on 29 December 2020 states that the Company will seek to achieve its investment objectives by making investments within the following parameters:

- Sectors: Logistics, Transport, Warehousing and e-Fulfilment assets
- Size: Small to transformational
- Type: Stand-alone, or add-on for existing assets
- Geography: UK-focused but also continental Europe
- Characteristics: Scope for substantial operational improvements or value creation; high growth markets; and offering synergies with the existing portfolio
- Ownership: Controlling stakes, or minority stakes with the ability to effect change through active management
- Hold period: 2-5 years targeted
- Concentration: relatively concentrated portfolio expected, with in excess of 50% of the portfolio exposed to one asset initially
- Market: Private or public
- Leverage: Private equity style funding structures with anticipated net financial debt levels of 3-5x EBITDA
- Restrictions: No assets or businesses which do not sufficiently meet the criteria detailed above, or where equity returns are primarily driven by high levels of financial leverage or fundamental strategic change

The Company would need to raise additional finance in order to make further acquisitions in the form of equity and/or debt. Subject to the composition of the Company's share register, it is possible that any equity fundraising for those purposes will, subject to the requisite Shareholder approvals, be carried out on a non-pre-emptive basis. Any material changes to the Investing Policy would be subject to Shareholder approval.

Annual general meeting

The Company intends to hold its Annual General Meeting on Tuesday 25 May 2021 in London. In order to comply with restrictions under current COVID-19 regulations on the number of people able to meet currently applicable until mid-June, it is likely that the meeting will be held with the minimum attendance required to form a quorum. Shareholders will be unable to attend the meeting in person but can be represented by the Chair of the meeting acting as their proxy. Should circumstances change we will review the position. Further details will be set out in the Notice of Meeting to be sent to shareholders in due course and published on our website www.ldgplc.com

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 2020 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 is reviewed by the Audit Committee annually. The mitigating factors and actions in place for each risk was recorded on a risk register and a report on the review of that register by senior management was submitted to the Audit Committee.

Principal risks

Following its transition to an investing company 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 GWSA Group. The Company has delegated the management of its assets to DBAY as Investment Manager and the remaining corporate and compliance risks are managed by the Company Secretary reporting to the Board. The risk management framework has been updated to reflect the differing nature of the principal risks faced by the Company. These risks are reviewed by the Directors through the Audit Committee and at regular Board meetings.

RISKS	MITIGANTS
The Company may not achieve its strategic investment objectives in a competitive market and challenging economic environment.	The Board believes the logistics sector will experience significant growth in demand and has appointed an experienced Investment Manager to manage the Company's assets.
The Company's level of profit will be reliant upon the performance of the assets acquired and the Investing Policy.	The Board has appointed an experienced Investment Manager tasked with meeting the Company's investment objectives.
The success of the Investing Policy depends on the Investment Manager's ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. The Company cannot estimate how long it will take to identify suitable acquisition opportunities or whether it will be able to identify any suitable acquisition opportunities.	The Board has appointed an experienced Investment Manager tasked with meeting the Company's investment objectives.
No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to generate positive returns for Shareholders.	The Board has appointed an experienced Investment Manager tasked with meeting the Company's investment objectives.
GWSA Group, the supply chain, transport and logistics group, which is currently 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).	The Board of the Company receives regular financial and business performance information from GWSA 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 GWSA, 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 GWSA business well has been appointed and the Finance function has been significantly enhanced. The strong leadership team is experienced in managing risk in a challenging economic environment.
The complexity of the structure of the Company's investment following completion of the DBAY transaction gives rise to a risk of inadvertent non-compliance with legal and/or regulatory requirements.	The Company retains a qualified and experienced company secretary with the support of external advisers to assist in ensuring legal and regulatory compliance. The Board is closely involved in addressing any legal or regulatory matters as they arise.

Risk management and principal risks continued

COVID-19

The COVID-19 outbreak could have an adverse effect on the Company's business including the ability of the Company to undertake adequate due diligence on potential targets and hence the timing of any such transaction. The virus has spread rapidly across the globe and the pandemic has had an unprecedented impact on the global economy as governments react to this public health crisis, which has created significant uncertainties. The extent of the impact of the pandemic on the Company's business, results of operations, financial condition or prospects will depend upon future developments, including the impact on capital and financial markets and the related impact on consumer behaviour, all of which are highly uncertain and cannot be predicted.

Section 172 Statement

The directors consider that, both individually and collectively, they have acted in good faith in a way which would most likely promote the success of the Company for the benefit of the members as a whole, and in doing so have had a regard (amongst other matters) to factors in (a) to (f) as set out in s.172 (1) of the Companies Act 2006 for the decisions during the year ended 30 November 2020. In making this statement the directors have considered the following matters:

- Likely consequences of any decision in the long-term: the Board reviewed the Company's strategy, as disclosed in the Strategic Report, during the year and concluded that it remains appropriate to support the long-term success of the Company. Shorter term expectations in supporting that strategy are approved by the Board as part of the annual budgeting process, against which the performance of the Company is then monitored. Decisions taken during the year are made in the context of the Company's strategy in order to ensure that they are consistent with that strategy. The appointment of an investment manager to implement the Company's investing policy is consistent with this strategy.

- The interests of the Company's employees: The Company is an investing company with (at the date of this report) only one employee. The Board has ultimate responsibility for ensuring the Company's decisions consider the interest of our employees.

- The need to foster the Company's business relationships with suppliers, customers and others: managing the Company's relationships with its professional suppliers and its investee companies is critical in ensuring the Company delivers on its strategy. The Board will maintain an ongoing dialogue with the Investment manager, shareholders and investee companies.

- The impact of the Company's operations on the community and the environment: the Company does not have any assets or properties. However, it will ensure that, through the investment manager, its investee companies will seek to have a positive impact on the communities in which they operate and minimise the environmental impact of their operations.

- The desirability of the Company maintaining a reputation for high standards of business conduct: the Board regularly reviews and updates, where appropriate, its business conduct and ethics policies and ensures that these are communicated to relevant stakeholders.

- The need to act fairly as between members of the Company: the Company always seeks to ensure that its communications are transparent and its actions are in accordance with the Company's stated strategic aims to promote the long-term success of the Company. On page 14 within the Corporate Governance Statement we detail how we engage with our shareholders, including both institutional investors and private investors.

This Strategic Report was approved by the Board on 30 March 2021 and signed on its behalf by:

Adrian Collins
Director

Governance

Board of Directors

Adrian Collins, Independent Non-executive Chairman

Chair 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 Investment Management where he spent a large part of his career.

Other roles: Adrian is Chairman of CIP Merchant Capital Ltd, Non-Executive Director of Hargreaves Lansdown plc and Bahamas Petroleum Company plc.

Stephen Harley, Independent 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 was previously 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 GWSA Group 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 begins a new era as an AIM investing 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 and that of the investment manager, understanding its risks and opportunities, and taking decisive action at the right time based on the right information.

As outlined in principle 8 of the QCA Corporate Governance Code 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 Directors acknowledge the importance of high standards of corporate governance. The Directors intend to continue to adhere to the QCA Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized companies, particularly AIM companies. 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 2020 is set out on pages 13 to 20.

Adrian Collins
Chairman
30 March 2021

Code compliance

The Company complied with the requirements and recommendations of the QCA Corporate Governance Code, which is considered appropriate for an AIM listed company, throughout the financial year ended 30 November 2020 apart from at Principle 3, as the Company has been a cash shell during the period. The Board consider this structure to be appropriate for the Company in its current status as an AIM investing company and anticipate that the board will evolve in terms of its structure and diversity as the business grows and develops.

The Board intends to continue to comply with the QCA Corporate Governance Code to the extent the Code principles remain appropriate in the light of the Company's current status. Please see page 12 in relation to the Company's governance structure.

The Company has published a corporate governance statement, which explains how the Company satisfied most of the requirements of the QCA Corporate Governance Code during the 2020 financial year and where relevant disclosures made in accordance with the QCA Corporate Governance Code can be found.

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

Principles of the QCA Code

1	Establish a strategy and business model which promote long-term value for shareholders
2	Seek to understand and meet shareholder needs and expectations
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation
5	Maintain the Board as a well-functioning, balanced team led by the chair
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement
8	Promote a corporate culture that is based on ethical values and behaviours
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The table above outlines the 10 principles of the QCA Corporate Governance Code. We have highlighted in the Annual Report where we explain how we have applied the relevant principle of the code.

Governance Structure – QCA principle 9

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 GWSA trading entities (including Eddie Stobart, iForce and The Pallet Network). The Company became a "cash shell" pursuant to the AIM Rules and therefore, in order to remain admitted to trading on AIM, was required, inter alia, to complete an acquisition or acquisitions constituting a reverse takeover within six months of the DBAY Transaction. For the purposes of this requirement, becoming an Investing Company is treated as a reverse takeover.

In light of the global COVID-19 pandemic, which impacted public fundraising activities, and noting the Company's retained interest in GWSA, the London Stock Exchange agreed to an extension to the six month timeline noted above to 9 December 2020.

On 31 December 2020 the Company was re-admitted to AIM having completed a successful fund-raising exercise which resulted in it achieving its strategy to convert into an investing company.

Since the date of completion of the DBAY transaction, the Company has not had an executive leadership team and has only one employed member of staff: the Deputy Company Secretary. The Board comprises of three directors all three of whom are non-executive directors, reflecting a blend of different experience and backgrounds. The structure and diversity of the board will develop as the business grows and develops.

The Company has appointed DBAY Advisors to act as Investment Manager with full power and authority to manage the assets of the Company under an Investment Management Agreement, which sets out the terms and responsibilities of the Manager. The Company has contracted with IQ EQ Global (UK) Limited for the provision of certain administrative services, including day-to-day financial accounting and the Company continues to receive support services provided under a Transitional Services Agreement from a subsidiary of GWSA, including the services of the Company Secretary.

Following admission as an investing company on 31 December 2020 the Company entered into a Relationship Agreement with DBAY (as a significant shareholder) to manage the relationship between the Company and DBAY and ensure that the Company will be capable of carrying on its business independently and that all transactions between the Company and DBAY will be at arms' length and on normal commercial terms.

See pages 6 and 7 for further details of the investment policy and strategy and how the Investment Manager will manage the company assets to deliver on the investment strategy and create significant value for its shareholders – **QCA principle 1.**

Copies of the Investment Management Agreement and the Relationship Agreement referred to above can be found on the company's website at www.ldgplc.com.

Arrangements have been agreed for the management of potential conflicts of interest that may arise in connection from Saki Riffner and Stephen Harley being directors of both GWSA and the Company, as described on page 17.

The Board

Role of the Board – QCA principle 9

The role of the Board is to meet regularly to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals. It has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference using recommendations from the QCA guides on board committees and FRC guidance on Audit Committees. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Board members – QCA principle 5

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. Stephen Harley was appointed shortly before the IPO in April 2017. The Directors have determined that, given the size of the Board, it is not appropriate to appoint a senior independent non-executive director.

The Independence of Directors is reviewed annually and the Board has determined that each of the Directors demonstrates strong independent judgment. 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 judgment.

Other Directors during the 2020 financial year were Christopher Casey from April 2017 to August 2020, Philip Swatman from April 2017 until December 2019, Sebastien Desreumaux, Chief Executive from August 2019 until December 2019 and Anoop Kang, Chief Financial Officer from April 2019 until December 2019.

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 – QCA principle 6

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.

Despite not having any executive directors, the non-executive directors believe the Board has an appropriate mix of skills and experience required for an AIM investing company, which currently has no operations. Each Director is aware of the importance of keeping their skills up to date. During the 2020 financial year, the Company Secretary provided briefings on developments in corporate governance and the regulatory framework and advisers have also provided briefings on regulatory obligations.

Time commitment – QCA principle 5

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 ten 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 2020 financial year all Non-Executive Directors continued to be members of the Audit Committee and 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 as an investing company.

Board and Committee meetings and attendance – QCA principle 5

Board meetings are scheduled to be held monthly with ad hoc meetings called when needed. Twelve Board meetings were held in the financial year ended 30 November 2020 and ad-hoc meetings were held to facilitate Board oversight as matters required attention between regular scheduled meetings. All Directors attended all scheduled Board and

The Board continued

Committee meetings they were entitled to attend during the year following appointment unless there were previously arranged engagements during the first year of appointment. The table below illustrates attendance by Directors at scheduled meetings in the 2020 financial year that they were entitled to attend as members.

Director Current Directors	Board	Audit Committee	Remuneration Committee
A Collins[1]	8/8	2/2	0
S Harley	12/12	9/9	0
S Riffner[2]	9/10	7/8	0
Former Directors	**Board**	**Audit Committee**	**Remuneration Committee**
C Casey	7/7	8/8	0

Note:
1 A Collins was appointed a Director in April 2020
2 S Riffner was appointed a Director in February 2020
3 C Casey ceased to be a Director in August 2020.

Board activities

Following completion of work instigated by the Board to clarify the impact of certain accounting-related items (as discussed in the Company's 2019 annual report), the Company's shares were re-admitted to trading on AIM on 26 February 2020. In the second half of 2020, the Directors devoted a significant amount of time planning and exercising the steps towards the re-admission of the Company as an investing company under the AIM rules. This involved discussing with brokers and potential investors, the level of funds to raise and the method of fundraising to adopt, which resulted in a successful placing, subscription and open offer following approval by shareholders at a General Meeting on 29 December 2020 and admission as an AIM Investing company on 31 December 2020.

During 2020 the Board considered the strategic options available to the Company and addressed matters such as:

- the restructuring of the Board as the Company became a cash shell following completion of the DBAY transaction, which led to the appointment of Saki Riffner as director in February 2020;
- the process for conversion to an AIM-listed investing company to give effect to the DBAY transaction approved by shareholders;
- re-assessment of accounting policies and practices and management judgments in relation to accounting matters as a cash shell;
- the appointment of DBAY as investment manager and development of an investment strategy in readiness for the conversion to an investing company; and
- review and consideration of:
  - > Annual budget and monitoring performance against budget;
  - > Monitoring of the performance of its interest in GWSA
  - > Approval of 2019 annual report and financial statements; and
  - > The Company's dividend policy.

Interactions with investors – QCA principle 2

Effective communication with investors is an important part of the Board's role. During the 2020 financial year, the Board focused in particular on keeping investors promptly informed, to the extent practicable, of all material matters as the Company made the transition towards becoming an investing company under AIM rules. Investors did not raise any significant matters of concern with the Board.

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 the Annual General Meeting held in May 2020. The Board will review the position as regards attendance at the 2021 annual general meeting to be held on 25 May 2021 in light of the continuing regulations arising from the COVID-19 pandemic and keep shareholders fully informed.

The Board continued

Performance evaluation – QCA principle 7

In the light of changes to the Board and the Company's transition to investing company status and new strategy the Board agreed that an externally facilitated evaluation process would be of limited value in the year under review and that an internal interview-based evaluation process should again be conducted during 2021 using a questionnaire based approach. The main outcomes and learnings from the 2021 evaluation will be reported on in the Annual Report and Accounts 2021.

Audit Committee report

Audit Committee

Christopher Casey was the Chairman of the Audit Committee until he ceased to be a director in August 2020. Following his departure, Adrian Collins became chairman of the Audit Committee on an interim basis pending recruitment of a new experienced non-executive director, which is underway. The other two Non-executive Directors are members of the Committee. A majority of the members are therefore independent. Saki Riffner is the member identified as having recent and relevant financial experience.

Meetings and attendance

The Audit Committee met nine times during the financial year ended 30 November 2020. During the 2020 financial year, meetings were usually attended by the external Auditor.

Attendance by Directors at meetings during the 2020 financial year is set out in the table on page 14.

Areas of particular focus for the Committee during the 2020 financial year in relation to the 2019 statutory financial statements were:

- to understand the basis on which it was appropriate for the Directors to re-assess the accounting treatment of transactions or re-assess the judgments made in prior periods financial statements;
- to assess the impact on the financial statements of proposed changes in the treatment of individual balances or transactions upon the 2019 full year results and the impact on, and restatement of, past periods' results;
- to assess the impact of new accounting standards impacting the Company's results for the first time in the 2020 financial year; and
- 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 the external auditors, PwC, and the finance team to better understand, and where possible resolve, outstanding issues in order to facilitate publication of the 2019 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 judgments which impacted the full year results for the 2019 financial year (and required restatement of results for prior periods) as disclosed in the 2019 Annual Report.

Other activities of the Audit Committee during the 2020 financial year included:

- Reviewing the financial results for the half year and full year 2020 for approval by the Board;
- Considering the appropriateness of preparing the financial statements on a going concern basis;
- Recommending the re-appointment of PricewaterhouseCoopers LLP as the Company's auditor;
- Approving the audit plan for the 2020 financial year;
- Reviewing and considering principal risks faced, risk management and internal controls;
- Receiving reports and updates on potential control and legal/regulatory compliance issues; and
- Approving polices and statements adopted by the Company such as its treasury policy, tax policy, conflicts policy and modern slavery act statement.

Significant accounting judgments

The Audit Committee considered areas of significant accounting judgment in connection with the preparation of the 2020 financial statements, taking into account the views of the Company's external auditors, including the following:

Fair value of the investments – the Directors estimated the fair value of the investment in Marcelos. The fair value at the period end was calculated on the basis of the market capitalisation of the Company. This is because, as at the 30 November 2020, the investment in Marcelos was the only material asset held by the Company.

The Directors believe that using observable market inputs at the period end represents the most suitable valuation methodology given the short trading period since the acquisition and Covid-19 situation. In addition, the Directors have also reviewed other valuation metrics such as peer group trading multiples. Based on these metrics the current valuation is justifiable, albeit at the lower end of the range of possible values. The Directors having established a policy to value investments will reconsider the valuation of this investment at 30 November 2021 in line with the policy.

Audit Committee report continued

The initial fair value of the acquired investment in Marcelos of £45m was based on the market capitalisation of the Company at the date of its re-admission to AIM. The Directors believe this value best represents the price of the Company that would be received in an orderly transaction between market participants at acquisition.

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 2020 financial year in relation to the review of the interim results and fact that PwC audits the statutory financial statements of GWSA and its subsidiaries, the Committee concluded that PricewaterhouseCoopers LLP remains independent and is best placed to conduct the Company's audit for 2021. The Audit Committee has recommended PricewaterhouseCoopers LLP be re-appointed as auditor for the financial year ending 30 November 2021.

Risk management, internal controls and internal audit – QCA principle 4

The Board had delegated to the Audit Committee the responsibility for reviewing the effectiveness of the Group's systems of internal control and oversight of its risk management system in 2020. 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.

Following the DBAY transaction the Audit Committee observed the appointment of new finance leadership to the GWSA business and an increased focus on internal financial controls. The Board of GWSA has put in place an Audit Committee with whom we will liaise in our capacity as a significant minority shareholder.
Following the completion of the DBAY transaction, the Company does not have an operating business and only had one member of staff (as described on page 12 of this annual report). Administrative services are provided to the Company by IQ EQ under an administration agreement and by GWSA pursuant to a Transitional Services Agreement. Asset management services are provided by DBAY under an Investment Management Agreement. 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 as the Company has converted to an AIM investing 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 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 2. 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 during the new era of the Company as an investing company. The Board has recruited David Facey as a new Non-Executive director who will appointed on 1 April and become Chairman of the Audit Committee. Together with the existing committee members he brings financial and investment management experience that will be invaluable as we seek further investments.

Adrian Collins Chairman of the Audit Committee
30 March 2021

Remuneration Committee report

QCA principle 9

Following the completion of the DBAY transaction and admission as an investing company, the role of the Remuneration Committee is more limited as the Company does not have an operating business and at the reporting date has only one employee in addition to the directors (as described on page 12 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. This remuneration report focuses on the activities of the Committee and the approach to remuneration related matters in the 2020 financial year to the extent they are relevant.

Approach to remuneration

During the 2020 financial year the Company had no executive directors or senior management, and therefore remuneration packages were not relevant.

Directors' remuneration in the year ended 30 November 2020

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	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
A Collins	64	-	-	-	-	-	-	-	64	-
S Harley	61	61	-	-	-	-	-	-	61	61
S Riffner	-	-	-	-	-	-	-	-	-	-
Former Directors										
C Casey [5]	53	71	-	-	-	-	-	-	53	71
P Swatman [5,6]	59	153	-	-	-	-	-	-	59	153
S Desreumaux [5]	-	29	-	75	-	4	-	-	-	108
A Kang [5]	8	187	-	36	-	-	-	-	8	223
A Laffey [7]	-	378	-	164	-	-	-	-	-	542
D Harte [7]	-	251	-	18	-	8	-	-	-	277

1 This column sets out salary and fees received for the full financial years ended 30 November 2020 and 30 November 2019. No payments were made to Saki Riffner who does not take a fee.
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 2020.
5 C Casey resigned on 25/08/2020. P Swatman, S Desreumaux and A Kang resigned on 9/12/2019.
6 Salary/fees for P Swatman include an amount representing salary in lieu of notice. P Swatman resigned on 9/12/2019.
7 Salary/fees for A Laffey include an amount representing salary and benefits in lieu of notice and for D Harte includes fees of £168k under consultancy arrangements with a subsidiary company after he retired as Chief Financial Officer.

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.

Membership

Throughout the 2020 financial year, the Remuneration Committee consisted of Adrian Collins as Chairman and the two other Non-executive Directors, Stephen Harley and Saki Riffner. The majority of members throughout 2020 were independent Non-executive Directors.

Remuneration Committee report continued

Meetings and attendance

The Remuneration Committee is expected to meet as required. The Committee did not meet in the 2020 financial year.

Activities

The Remuneration Committee has responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's executive management, which at the date hereof comprises solely the Deputy Company Secretary. It will also have responsibility for recommending new appointments to the Board.

Our approach to remuneration in 2020

During the 2020 financial year the Company had no executive directors or senior management and there was no approach in relation to remuneration deemed necessary.

Long-term incentives

There are no Long-term incentives applicable to the directors of the Company.

Annual bonus

With no executive directors no cash bonuses were paid in 2020.

Salaries

With no Executive directors there were no salaries or fees to pay to Directors in 2020 other than Non-Executive fees.

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

- Adrian Collins Non-executive Director and Chairman of the Board — £80,000 per annum
- Stephen Harley Non-executive Director — £71,400 per annum
- Saki Riffner Non-executive Director* — Nil 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 2020, all of which were beneficial except where noted.

	Total interest in shares	Percentage of share capital as at 30 November 2020
Non-executive Directors		
S Harley [1]	30,000	0%

[1] 10,000 shares beneficially owned by S Harley's wife.

No Directors disposed of shares in the 2020 financial year whilst they were Directors.
As at 25 March 2021, the latest practicable date prior to the approval of this Document,

(i) Stephen Harley holds 1,030,000 ordinary shares of 1 pence each in the capital of the Company representing approximately 0.15 per cent of the Company's issued share capital;

(ii) Saki Riffner holds 4,532,339 ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") representing approximately 0.65 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 189,441,891 Ordinary Shares held by funds under the discretionary management of DBAY Advisors Limited, representing approximately 26.98 per cent of the Company's issued share capital;

Remuneration Committee report continued

(iii) Adrian Collins holds 1,000,000 ordinary shares of 1 pence each in the capital of the Company representing approximately 0.14 per cent of the Company's issued share capital.

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	3 April 2020
S Riffner	27 February 2020
S Harley	4 April 2017

Share-based incentives schemes

Long-Term Incentive Plan ("LTIP")

Nil cost options in respect of ordinary shares in the Company were awarded to former executive directors of the Company and certain GWSA subsidiaries under the LTIP in 2017 and 2019. The DBAY Transaction resulted in the partial lapsing of LTIP Options awarded to employees of the former subsidiaries of the Company but did not impact the LTIP Options awarded to former employees of the Company. None of the current directors of the Company participate in the LTIP.
All outstanding LTIP Options are subject to the LTIP performance conditions having been met at the time of exercise and the LTIP Options not otherwise having lapsed. The outstanding LTIP Options remain subject to the other relevant provisions of the LTIP rules including the applicable provisions relating to malus and clawback. None of the performance criteria have been satisfied to date.

Share Incentive Plan ("SIP")

Free shares in the Company were awarded under its Share Incentive Plan in 2017. The SIP Shares were held by the SIP Trustee (originally Capita IRG Trustees Limited – now Link Asset Services) in accordance with the SIP Trust Deed.
As a result of the DBAY Transaction in 2019, the allocated SIP Shares ceased to be subject to the SIP because the participants were no longer eligible employees for the purposes of the SIP due to a change of control. As a result, the SIP has been terminated and the shares have been distributed to the employee shareholders.

Further information on the share-based incentive schemes is included in note 12 of the financial statements.

Directors' report

The Directors submit their report and the audited financial statements of Logistics Development Group plc for the year ended 30 November 2020.

Results

The Company's underlying EBIT (see note 3) in the year was a loss of £11.3m (2019: loss of £5.8m) before exceptional income of £3.4m (2019: exceptional expenses of £128.7m) and statutory loss before tax was £7.9m (2019: loss of £134.5m).

Dividends

The Company did not pay an interim dividend (2019: 0.00 pence per share) and the Directors do not recommend a final dividend for the year (2019: 0.00 pence per share).

Principal activities, business review and future developments

The Strategic Report on pages 1 to 9 describe the principal activities of the Company during the 2020 financial year, a review of the business for the financial year ended 30 November 2020 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:

S Harley	(appointed 4 April 2017)
Saki Riffner	(appointed 27 February 2020)
Adrian Collins	(appointed 3 April 2020)

Directors' fees are set out in the Remuneration report on pages 18 to 20. 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 12 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 2020 the Company was a cash shell and the Company's impact on the environment was minimal.

The Company is exempt from reporting under Streamlined Energy & Carbon Reporting as it consumed less than 40,000 kilowatt hours of energy in the financial reporting year.

Interests in voting rights

As at 25 March 2021, 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 Advisors Limited	26.98%
Esken Limited	9.148%

Employee engagement, Disabled employees, Health, safety and wellbeing – QCA principle 10

During the 2020 financial year there was only one employee of the Company other than the Directors. As the Company grows the Board will introduce measures as appropriate.

Financial risk management

Information in respect of the financial risk management objectives and policies of the Group, is contained in note 11 of the financial statements.

Directors' report continued

Political donations

The Company made no political donations during the year.

Research and development activities

There were no research and development activities undertaken during the year.

Related party transactions

Any related party transactions required to be disclosed under the AIM rules are disclosed in note 14 to the financial statements.

Disclosure of information to auditor

The Directors in office on 30 March 2021 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.

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 will be held on 25 May 2021 in London. Details of business to be conducted at this year's AGM will be set out in the Notice of the Annual General Meeting, which will be communicated to shareholders separately. It is the opinion of the Directors that the passing of these resolutions are in the best interest of the shareholders.

Post balance sheet events

Post balance sheet events are disclosed in the financial statements (see note 17).

Engagement with stakeholders – QCA principle 10

The Company keeps up to date with the views of its shareholders by 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 30 March 2021 and signed by its order by;

Rupert Nichols
Company Secretary
30 March 2021

Logistics Development Group plc
Company number 08922456
Registered office: Stretton Green Distribution Park | Langford Way | Appleton | Warrington | WA4 4TQ

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Logistics Development Group plc (formerly known as Eddie Stobart Logistics plc)

Report on the audit of the financial statements

Opinion

In our opinion, Logistics Development Group plc (formerly known as Eddie Stobart Logistics plc)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- 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 Financial Statements 2020 (the "Annual Report"), which comprise: Company Statement of Financial Position as at 30 November 2020; Company Statement of Comprehensive Income, Company Cash Flow Statement, Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

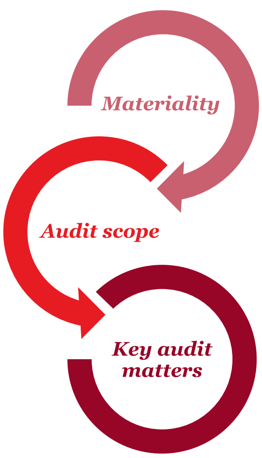
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company 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 materiality: £365,000 (2019: £1,500,000), based on 1% of Total assets.

- Logistics Development Group plc is a single stand-alone entity and was subject to a full scope audit for the purposes of issuing our audit opinion.

- Accounting for the disposal of Greenwhitestar Acquisitions Limited and classification and valuation of the residual investment in Marcelos Limited.
- Subsequent valuation of the investment in Marcelos Limited.

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 management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Key audit matter	***How our audit addressed the key audit matter***
Accounting for the disposal of Greenwhitestar Acquisitions Limited and classification and valuation of the residual investment in Marcelos Limited. Refer to note 2 (significant accounting policies) and note 10 (investments). On 9 December 2019, the company sold its 100% investment in Greenwhitestar Acquisitions Limited (the Trading Group) to D Bay Capital Fund III LP in exchange for a 49% investment in Marcelos Limited (the Trading Group's new parent company). In anticipation of the disposal the company's investment in the Trading Group was written down to £45m as at 30 November 2019. On completion of the disposal the Trading Group investment balance and the intercompany balances were derecognised. The newly acquired investment in Marcelos Limited was recognised at its fair value of £45m, resulting in no gain or loss being generated by the disposal. As a result of the disposal the company has no subsidiaries at 30 November 2020. The company has elected to adopt the IAS 28 Investments in Associates & Joint Ventures, 'Venture Capital' exemption and fair value the residual investment in Marcelos Limited. Due to the complexity of the restructuring there is a risk that the accounting treatment is incorrect and the basis of determining the fair value of its investment is inappropriate.	We performed the following procedures: • We audited the opening value of the investment in Marcelos Limited, along with the write-down of the receivable balance with Greenwhitestar Acquisitions Limited; • We considered the appropriateness of the accounting treatment of exceptional income recognised during the year arising from the transaction. • We tested the acceleration of the share-based payment charge during the year; • We evaluated the impact of the transaction on equity; • We assessed the appropriateness of the application of the IAS28 Investments in Associates & Joint Ventures, 'Venture Capital' exemption and the fair value accounting approach to value the residual investment in the trading group at the date of acquisition; • We have understood and evaluated management's valuation approach at the reporting date, which uses a "look through" method, to value the investment based on the company share price at the reporting date; and • We reviewed the disclosures within the financial statements. No matters arose from our testing.
Subsequent valuation of the investment in the Marcelos Limited Refer to note 2 (significant accounting policies), to note 10 (investments). The investment in Marcelos Limited is a Venture Capital investment under IAS 28. This allows the company to adopt a fair value approach to valuing the investment. The investment is in an unlisted company, which means valuing the investment requires significant judgement. Management have valued the investment using "look through" method based on the company share price at the reporting date. We focus on this matters as there is judgement involved in the Directors' basis of valuation.	We performed the following procedures: • We assessed management's valuation method for compliance with the accounting standards and considered the appropriateness of the methodology applied given the financial information available to the company; • We independently reperformed the valuation calculation with reference to the closing share price of the company on 30 November 2020; and • We reviewed the disclosures within the financial statements. No matters arose from our testing.

Key audit matter	How our audit addressed the key audit matter
Impact of COVID-19 The ongoing and evolving COVID-19 pandemic is having a significant impact on the global economy and the UK economy where the company's sole investment operates. There is significant uncertainty as to the duration of the pandemic and what its lasting impact will be on those economies. The Directors have considered the potential impact on the company of the ongoing COVID-19 pandemic. In relation to the on-going application of controls, processes and governance the Directors have not observed a significant impact to the running of the company. The Directors consider that the impact of COVID-19 has been limited as the company is non-trading. In relation to the company's going concern assessment, the Directors have considered the company's access to capital and financial markets in these unprecedented times. The Directors have also considered the impact of COVID-19 on their sole investment which could impact the fair value of the investment as reported. Note 11 of the financial statements includes sensitivity analysis in relation to this.	We performed the following procedures: • We assessed the valuation of the investment in Marcelos Limited (see previous Key Audit Matter); • We assessed the appropriateness of the underlying assumptions inherent within management's going concern assessment, including checking the mathematical accuracy of the model; • We have assessed the company's liquidity position and agreed the post year end fundraising through to cash receipts; and • We assessed the related COVID-19 disclosures included within the company financial statements. No matters arose from our testing.

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 company, the accounting processes and controls, and the industry in which it operates.

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.

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:

Overall materiality	£365,000 (2019: £1,500,000).
How we determined it	1% of Total assets.
Rationale for benchmark applied	We believe the total assets is an appropriate measure to assess the performance of the entity as a non-trading company and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £18,000 (2019: £100,000) as well as misstatements below that amount 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 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 company's ability to continue as a going concern.

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 2020 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 company and its 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 Statement of directors' responsibilities in respect of the financial statements, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
30 March 2021

Financial Statements

Consolidated Statement of Comprehensive Income
for the year ended 30 November 2020

	Note	**Year ended 30 November 2020 £'000**	Year ended 30 November 2019 £'000
Loss on investments measured at fair value through profit or loss - net	10	**(9,152)**	-
Administrative expenses: before exceptional items		**(2,162)**	(5,759)
Administrative expenses: exceptional items	5	**3,415**	(128,724)
Total administrative expenses		**1,253**	(134,483)
Loss before tax		**(7,899)**	(134,483)
Income tax charge	7	**-**	-
Loss and total comprehensive expense for the year		**(7,899)**	(134,483)
Earnings per share			
Basic	9	**(2.1p)**	(35.5p)
Diluted	9	**(2.1p)**	(35.5p)

The accompanying notes form part of the financial statements.

Company Statement of Financial Position

as at 30 November 2020

	Note	30 November 2020 £'000	30 November 2019 £'000
Assets			
Non-current assets			
Investments in subsidiaries	10	**-**	45,000
Investments at fair value through profit or loss	10	**35,848**	-
		35,848	45,000
Current assets			
Amounts owed by related undertakings	11	**-**	52,936
Other receivables	11	**28**	584
Cash and cash equivalents	11	**652**	362
		680	53,882
Total assets		**36,528**	98,882
Current liabilities			
Amounts owed to related undertakings	11	**(1,235)**	(52,936)
Other payables	11	**(2,184)**	(3,952)
		(3,419)	(56,888)
Total liabilities		**(3,419)**	(56,888)
Net assets		**33,109**	41,994
Equity			
Called up share capital	12	**3,793**	3,793
Share premium account	12	**146,002**	146,002
Merger reserve	12	**-**	7,950
Own treasury shares	12	**(2,611)**	(2,700)
Share option reserve	12	**-**	4,218
Retained earnings	12	**(114,075)**	(117,269)
Total shareholders' funds		**33,109**	41,994

The accompanying notes form part of the financial statements.

The Company Financial Statements on pages 29 to 42 were approved by the Board of Directors on 30 March 2021 and were signed on its behalf by:

Adrian Collins
Director

Company number 08922456

Company Statement of Changes in Equity

for the year ended 30 November 2020

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share options reserves £'000	Own shares £'000	Retained earnings £'000	**Total** £'000
Balance at 1 December 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**
Loss for the year	-	-	-	-	-	(7,899)	**(7,899)**
Share based payment charges	-	-	-	491	-	-	**491**
Transfer of shares from the trust	-	-	-	-	89	(89)	**-**
Transfers (note 12)	-	-	(7,950)	(4,709)	-	12,659	**-**
Fund raise costs (note 12)	-	-	-	-	-	(1,477)	**(1,477)**
Balance at 30 November 2020	**3,793**	**146,002**	**-**	**-**	**(2,611)**	**(114,075)**	**33,109**

The accompanying notes form part of the financial statements.

Company Cash Flow Statement

for the year ended 30 November 2020

	Note	**Year ended 30 November 2020 £'000**	year ended 30 November 2019 £'000
Cash flows from operating activities			
Loss for the year		**(7,899)**	(134,483)
Adjustments for:			
Equity settled share-based payment expenses	12	**491**	1,460
Loss on investments measured at fair value through profit or loss	10	**9,152**	-
Impairment of investments in subsidiaries	10	**-**	20,300
Changes in:			
Other receivables	13	**53,492**	101,108
Other payables	13	**(54,838)**	30,030
Net cash inflow from operating activities		**398**	18,415
Cash flows from financing activities			
Share issue costs paid	12	**(108)**	-
Dividends paid during the year	8	**-**	(18,057)
Net cash outflow from financing activities		**(108)**	(18,057)
Net increase in cash and cash equivalents		**290**	358
Cash and cash equivalents at the start of the financial year		**362**	4
Cash and cash equivalents at the end of the financial year		**652**	362

The accompanying notes form part of the financial statements.

Notes to the Company Financial Statements
for the year ended 30 November 2020

1. Basis of accounting

Logistics Development Group plc (formerly Eddie Stobart Logistics plc) (the "Company") is a public company limited by shares and incorporated and domiciled in England and Wales. Its registered address is Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ. The Company changed the name on 9 February 2021.

Basis of preparation
The Financial Statements were prepared in accordance International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

The Financial Statements are presented in pounds sterling, rounded to the nearest thousand, unless otherwise stated.

The Company previously presented consolidated financial statements. On 9 December 2019, the Company disposed of its only subsidiary undertaking, Greenwhitestar Acquisitions Limited ("GWSA"), as discussed further in note 2. At 30 November 2020, the Company has no subsidiaries and, as such, no consolidated financial statements have been presented. The Financial Statements therefore present Company only information for the current and comparative periods.

The Financial Statements were prepared under the historical cost convention, except for financial assets recognised at fair value through profit or loss, which have been measured at fair value. The Company is not registered for VAT and therefore all expenses are recorded inclusive of VAT.

Going concern
The Directors have a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report. The Directors have prepared a cash flow forecast for period of 3 years which indicate that available funds significantly exceed anticipated expenditure. Consequently, the Directors of the Company continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Significant accounting policies

The Financial Statements were prepared under the historical cost convention, except for financial assets recognised at fair value through profit or loss, which have been measured at fair value.

(a) Investments in associates – associates are all entities over which the Company has significant influence but not control or joint control. Investments in associates are initially recognised at fair value and subsequently measured at fair value through profit or loss.

(b) Fair value measurement – the fair value measurement of the Company's investments utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data and may including using multiples of trading results or information from recent transactions).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

(c) Financial instruments

- Financial assets – other receivables and amounts owed to related undertakings. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, such assets are measured at amortised cost using the effective interest method, less any impairment losses.
- Cash and cash equivalents – in the Statement of Financial Position, cash includes cash and cash equivalents excluding bank overdrafts. No expected credit loss provision is held against cash and cash equivalents as the expected credit loss is negligible.

Notes to the Company Financial Statements continued

for the year ended 30 November 2020

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

- Financial liabilities – other payables and amounts owed to related undertakings. Such liabilities are initially recognised on the date that the Company becomes party to contractual provisions of the instrument. The Company derecognised 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.
- 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.

(d) Share-based payments – the Company operated a number of equity-settled, share-based compensation plans, under which GWSA and the Company received services from employees as consideration for equity instruments (options) of the Company. The fair values of the employee services received in exchange for the grant of the options was recognised as an expense. The cancellation of equity-settled plans is accounted for as an acceleration of the vesting period and therefore any amount unrecognised that would otherwise have been charged should be recognised immediately.

(e) Exceptional items – items that are material in size or nature and non-recurring are presented as exceptional items in the Statement of Comprehensive Income. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company'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, impairments and other significant gains or losses.

(f) Alternative performance measures (APMs) – APMs, such as underlying results, are used in the day-to-day management of the Company, and represent statutory measures adjusted for items which, in the Directors' view, could influence the understanding of comparability and performance of the Company year on year. These items include non-recurring exceptional items and other material unusual items.

(g) 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 items recognised directly in equity or in other comprehensive income. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) Operating segments – the Company now has a single operating segment on a continuing basis, namely investment in the logistics services business.

(i) Fund raise costs – transaction costs incurred in anticipation of an issuance of equity instruments are recorded as a deduction from the retained earnings reserve in accordance with IAS 32 and the Companies Act 2006.

(j) Own shares reserve – transfer of shares from the trust to employees is treated as a realised loss and recognised as a deduction from the retained earnings reserve.

New and amended standards adopted by the Company

There are no IFRS standards or IFRIC interpretations that are mandatory for the year ended 30 November 2020 that have a material impact on the financial statements of the Company. The new leases standard IFRS 16, effective from the period commencing 1 December 2019, did not impact the financial statements of the Company as it does not have lease contracts.

Notes to the Company Financial Statements continued
for the year ended 30 November 2020

2. Significant accounting policies (continued)

Critical judgements in applying the Company's accounting policies

In applying the Company's accounting policies, 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) Measurement of the investments – the Company elected to measure its investment in Marcelos Limited, the new intermediate holding company of the GWSA Group, at fair value through profit and loss. The election is taken on the basis of the investment being a 'venture capital' investment under IAS 28 'Investments in Associates and Joint Ventures'.

The Company is currently in the start-up phase and is working towards fully transitioning to becoming an Investing company with an investment manager in place (see Note 17 Subsequent Events). The strategy of the Company as an investing company is to generate value though holding investments for the short to medium term. Therefore, the Directors believe that the fair value method of accounting for the investments is in line with the strategy of the Company.

Had the election not been made, the investment in Marcelos Limited would have been subject to equity accounting that involves recognition of the investment at cost and subsequent measurement at cost plus a share of profits and losses of the GWSA Group, less dividends received.

(ii) Fair value of the investments – the Directors estimated the fair value of the investment in Marcelos Limited. The fair value at the period end was calculated on the basis of the market capitalisation of the Company. This is because, as at the 30 November 2020, the investment in Marcelos Limited was the only material asset held by the Company.

The Directors believe that using observable market inputs at the period end represents the most suitable valuation methodology given the short trading period since the acquisition and Covid-19 situation. In addition, the Directors have also reviewed other valuation metrics such as peer group trading multiples. Based on these metrics the current valuation is justifiable, albeit at the lower end of the range of possible values. The Directors having established a policy to value investments will reconsider the valuation of this investment at 30 November 2021 in line with the policy. The initial fair value of the acquired investment in Marcelos Limited of £45m was based on the market capitalisation of the Company at the date of its re-admission to AIM on 26 February 2020. The Directors believe this value best represents the price of the Company that would be received in an orderly transaction between market participants at acquisition. The investment was subsequently valued at 30 November 2020 using the market capitalisation of the Company at that date.

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

The Directors believe that there are no 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 within the next financial year.

Notes to the Company Financial Statements continued

for the year ended 30 November 2020

3. Alternative performance measures reconciliations

Alternative performance measures (APMs), such as underlying results, are used in the day-to-day management of the Company, and represent statutory measures adjusted for items which, in the Directors' view, could influence the understanding of comparability and performance of the Company year on year. The reconciliation of APMs to the reported results is detailed below:

	2020 £'000	2019 £'000
Loss before tax	**(7,899)**	(134,483)
Exceptional (income) / expense	**(3,415)**	128,724
Underlying EBIT	**(11,314)**	(5,759)
Weighted average number of Ordinary Shares – Basic	**379,347**	379,347
Weighted average number of Ordinary Shares – Diluted	**379,347**	379,347
Underlying Basic loss per share for total operations	**(3.0p)**	(1.5p)
Underlying Diluted loss per share for total operations	**(3.0p)**	(1.5p)

4. Employees and Directors

Staff costs and the average number of persons (including Directors) employed by the Company during the year are details below:

	2020 £'000	2019 £'000
Staff costs for the Company during the year		
Wages and salaries, including payments on termination	**292**	1,506
Social security costs	**26**	199
Pension costs	**-**	16
	318	1,721
Average monthly number of employees		
Total management	**3**	8

A summary of Directors' remuneration (key management personnel) is detailed below:

	2020 £'000	2019 £'000
Emoluments, bonus and benefits in kind	**245**	1,424
Pension costs	**-**	13
Total Directors' remuneration	**245**	1,437

Remuneration of the highest paid Director is detailed below:

	2020 £'000	2019 £'000
Emoluments, bonus and benefits in kind	n/a	543

Notes to the Company Financial Statements continued

for the year ended 30 November 2020

5. Exceptional items

During the year, the Company recognised exceptional income in relation to the transaction costs of £2,845,000 associated with the disposal of GWSA and 2019-related audit fees of £570,000. The costs were incurred by the Company in 2019 and ultimately borne by GWSA upon completion of the transaction in accordance with deal arrangements.

During the prior year, the Company recognised exceptional costs of £128,724,000. An impairment test of the investments in subsidiaries was carried out which resulted in £20,300,000 impairment of investment and £99,296,000 impairment of intercompany receivables. Transaction costs of £8,981,000 were recognised in relation to the disposal of GWSA. Restructuring costs of £147,000 were recognised in relation to the exit of the previous CEO who left the business on 23 August 2019.

6. Audit fees

During the year, the Company obtained the following services from the Company's auditors, the costs of which (inclusive of VAT as the Company is not registered for VAT) are detailed below:

	2020 £'000	2019 £'000
Fees payable for the audit of the Company's annual financial statements	**114**	565
Audit-related assurance services	**96**	500
Other assurance services (fund raise expenses)	**554**	-
Total fees payable to Company's auditors	**764**	1,065

7. Income tax charge

The Company did not recognise current and deferred income tax charge or credit. The deferred tax asset of £219,000 was not recognised as the Directors do not consider that there is sufficient certainly over its recovery. The underlying tax losses can be carried forward indefinitely.

The income tax charge for the year included in the statement of comprehensive income can be reconciled to loss before tax multiplied by the standard rate of tax as follows:

	2020 £'000	2019 £'000
Loss before tax	**(7,899)**	(134,483)
Expected tax credit based on a corporation tax rate of 19% (2019: 19%)	**(1,501)**	(25,552)
Effect of expenses not deductible in determining taxable profit	**1,282**	24,817
Group relief	**-**	735
Unused tax losses for which no deferred tax asset has been recognised	**219**	-
Income tax charge	**-**	-

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation was not enacted during the year so deferred tax has been provided using the enacted rate of 19%. If deferred tax was calculated using the 25% rate the net deferred tax liability recognised at the balance sheet date would be increased from £219,000 to £288,000.

Notes to the Company Financial Statements continued
for the year ended 30 November 2020

8. Dividends

At the date of approving these Financial Statements, no final dividend has been approved or recommended by the Directors (2019: £18.1m).

	2020 £'000	2019 £'000
Final dividend for the year ended 30 November 2018 of 4.76p per share	**-**	18,057

9. Earnings per share

Basic earnings per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the 12 months to the period end.

Diluted earnings per share amounts are calculated by dividing the loss 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. The Company's share options were considered anti-dilutive and were cancelled on 9 December 2019 (see note 12) and hence there are no dilutive instruments to be included in the calculation.

	2020 £'000	2019 £'000
Loss attributed to equity shareholders	**(7,899)**	(134,483)
Weighted average number of Ordinary Shares – Basic	**379,347**	379,347
Weighted average number of Ordinary Shares – Diluted	**379,347**	379,347
Basic loss per share for total operations	**(2.1p)**	(35.5p)
Diluted loss per share for total operations	**(2.1p)**	(35.5p)

Notes to the Company Financial Statements continued

for the year ended 30 November 2020

10. Investments

Investment of 100 per cent shares of GWSA, held at cost less impairment, was disposed of on 9 December 2019. No gain or loss was recognised on disposal as the investment had been written down to its recoverable value in the second half of 2019.

In exchange for the sale of the shares in GWSA, an investment of 49 per cent of shares of Marcelos Limited, the new intermediate holding company of the GWSA Group, was received and this investment was recognised. The Directors elected to measure the investment at fair value through profit or loss and categorised it within Level 2 of the fair value hierarchy.

	Greenwhitestar Acquisitions Limited £'000	Marcelos Limited £'000	**Total investments £'000**
30 November 2018	**65,300**	**-**	**65,300**
Impairment during the year	(20,300)	-	**(20,300)**
30 November 2019	**45,000**	**-**	**45,000**
Disposals during the year	(45,000)	-	**(45,000)**
Additions during the year	-	45,000	**45,000**
Change in fair value	-	(9,152)	**(9,152)**
30 November 2020	**-**	**35,848**	**35,848**

The fair value of the investment in Marcelos Limited was calculated on the basis of the market capitalisation of Logistics Development Group plc as the Directors considered this best represents the value of the 49 per cent share in Marcelos Limited. This is because, as at 30 November 2020, the investment in Marcelos Limited was the only material asset held by the Company and therefore the Directors believe it is reasonable to infer a fair value for the GWSA Group based upon the Company's market capitalisation.

The following inputs were used when calculating market capitalisation:

	2020 £'000	**2019 £'000**
Number of shares '000	379,347	379,347
Share price, p	9.45	11.90
Market capitalisation	**35,848**	**45,000**

The share price of 11.9p represents the price of Logistics Development Group plc shares at the date of re-admission to AIM (26 February 2020).

Notes to the Company Financial Statements continued

for the year ended 30 November 2020

11. Financial assets and liabilities

	2020 £'000	2019 £'000
Financial assets at fair value through the profit or loss		
Investments in associate (see note 10)	**35,848**	-
Financial assets at amortised cost		
Amounts owed by related undertakings (see note 13)	**-**	52,936
Other receivables	**28**	584
Total financial assets	**35,876**	53,520
Financial liabilities at amortised cost		
Amounts owed to related undertakings (see note 13)	**1,235**	52,936
Other payables	**2,184**	3,952
Total financial liabilities	**3,419**	56,888
Cash and cash equivalents	**(652)**	(362)
Net debt	**583**	(362)

All financial assets and liabilities mature within one year. The fair value of those assets and liabilities approximates their book value.

Other receivables represents prepayments. Other payables include accruals of £2,122,000 with £1,369,000 relating to the accrued fund raise costs (see note 12). The prior period other payables included accruals of £3,949,000 which consisted predominantly of exceptional accruals released in the current year.

The value of the investment in Marcelos Limited is directly connected to the market capitalisation of the Company that is based on the quoted share price. The sensitivity analysis of the share price fluctuation can be seen below:

	Fair value income / (loss) £'000
Increase in share price of the Company by 5%	1,792
Decrease in share price of the Company by 5%	(1,792)

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

Liquidity risk

The Company finances its operations by equity. The Company undertakes short-term cash forecasting to monitor its expected cash flows against its cash availability. The Company also undertakes longer-term cash forecasting to monitor its expected funding requirements in order to meet its current business plan.

Credit risk

The Company's principal exposure to credit risk is in the amounts owed by related undertakings and is considered not to be significant.

Capital management

Capital comprises share capital of £3.8m (2019: £3.8m) and share premium of £146m (2019: £146m). The Company's short-to medium-term strategy continues to be to strengthen its capital base in order to sustain the future development of the business. The Company also focuses on the management and control of working capital in order to reduce net debt.

Notes to the Company Financial Statements continued

for the year ended 30 November 2020

12. Capital and reserves

	Nº of shares '000	Called up share capital £'000	Share premium account £'000
Ordinary shares of 1p each in issue at 30 November 2019	379,347	3,793	146,002
Ordinary shares of 1p each in issue at 30 November 2020	**379,347**	**3,793**	**146,002**

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

On disposal of shares in GWSA, the Company transferred a merger reserve, relating to the acquisitions of iForce group in 2017, to retained earnings.

Costs in relation to the fund raise in December 2020 (see note 17) were deducted from the retained earnings reserve.

Own treasury shares

Included in the total number of ordinary shares outstanding above are 1,634,304 (2019: 1,690,000) ordinary shares held by the Company's employee benefit trust. The ordinary shares held by the trustee of the Company's employee benefit trust pursuant to the SIP are treated as Own shares in the Company's Balance Sheet in accordance with IAS 32. During the year, 55,696 (2019: nil) shares were transferred to employees of the GWSA Group.

Own shares reserve

This reserve arose when the Company issued equity share capital under its Share Incentive Plan (SIP) which is held in trust by the trustee of the Company'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 Company Financial Statements.

Share options reserves

On 9 December 2019, the Company cancelled all of its share award plans: Long-term incentive plan (LTIP) and Share incentive plan (SIP). An accelerated charge of £374,000 was recognised in relation to SIP and £117,000 was recognised in relation to LTIP. The balance of the share option reserve was transferred into retained earnings.

Fund raise costs

During the year, the Company incurred transaction costs of £1,477,000 in anticipation of an issuance of equity instruments in December 2020 and recorded these as a deduction from the retained earnings reserve in accordance with the Companies Act 2006.

13. Significant non-cash transactions

On 9 December 2019, as part of the disposal of shares in GWSA, the Company novated and offset £53m of amounts owed by and to related undertakings. No material gain or loss was recognised as the intercompany receivables and payables have been written down to net nil as at November 2019 ahead of the disposal.

14. Related party transactions

From the date of the disposal of the investment in its subsidiary, GWSA, the Company entered into commercial transactions with GWSA as follows:

	Amounts owed to related parties £'000
9 December 2019	**-**
Purchases from related parties	385
Reimbursement from related parties	850
30 November 2020	**1,235**

Notes to the Company Financial Statements continued
for the year ended 30 November 2020

15. Capital commitments

At 30 November 2020, the Company had no commitments (2019: £nil).

16. Contingent liabilities

As at 30 November 2019, the Company was part of an unlimited bank cross guarantee arrangement with other subsidiary undertakings with a maximum potential liability of £124m.

On 9 December 2019, the Company was excluded from the arrangement as, due to the terms of the agreement with the bank, it was no longer part of the GWSA Group. As a result, the Company has no contingent liabilities as at 30 November 2020.

17. Subsequent events

On 9 December 2020 the Company announced that it had reached its initial fund-raising target and had raised £9.0m via a Placing and Subscription in connection with the Company's proposed conversion to an investing company. The Company also announced its intention to raise up to an additional £7.0m via an Open offer to allow Qualifying Shareholders to participate on the same terms as the Placing and Subscription.

On the same date, 9 December 2020, the Company announced that it intended to change its name to "Logistics Development Group plc" following Admission to AIM as an investing company by resolution of the Board. The Company subsequently announced that the name change had been successfully registered on 9 February 2021.

The Company announced on 29 December 2020 that the Open Offer announced on 9 December 2020 had closed oversubscribed. The Company raised total gross proceeds of approximately £7.0 million from the Open Offer, which, together with the £9.0m raised by way of the Placing and Subscription, meant the Company raised a total of approximately £16.0m gross proceeds (£14.5m net proceeds after expenses) as a result of the Placing, Subscription and Open Offer.

Glossary

Term	Definition
Accounts	The financial statements of the Company
Admission	The admission of the issued ordinary shares in the Company admitted to trading on AIM that became effective on 31 December 2020
AGM	Annual general meeting of the Company
AIM	Alternative Investment Market of the London Stock Exchange
AIM Rules	The AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
AIM Investing Company	An Investing Company as defined by the AIM rules
APMs	Alternative Performance Measures
Board	The board of directors of the Company
Brexit	A reference to the UK's withdrawal from the European Union on 31 December 2020
CAGR	Compound annual growth rate
CGU	Cash Generating Unit
Company	Logistics Development Group plc, a public limited company incorporated in England and Wales with registered number 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.
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
EPS	Earnings per share
FY19	Financial Year ended 30 November 2019
FY20	Financial Year ended 30 November 2020
Group	The Company and its subsidiaries as at 30 November 2019
GWSA	Greenwhitestar Acquisitions Limited, the operational holding company of the Eddie Stobart trading entities; Eddie Stobart Limited, iForce Limited, The Pallet Network Limited and The Logistic People Limited.
GWSA Group	Marcelos Limited and all of its subsidiaries from time to time
HY19	Six month period ended 31 May 2019
HY20	Six month period ended 31 May 2020
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Investment Management Agreement	An investment management agreement entered into between the Company and DBAY, pursuant to which DBAY has been appointed as the Company's investment manager
Investing Policy	The Company's investing policy more particularly set out on page 6
LTIP	The Long Term Incentive Plan
Marcelos	Marcelos Limited, a company incorporated on the Isle of Man (company no. 016829v), whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
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's auditor
QCA	Quoted Companies Alliance
QCA Governance Code	QCA Corporate Governance Code for Small and Mid-Size Quoted Companies published by the QCA
SIP	Share Incentive Plan described on page 20
UK GAAP	UK Generally Accepted Accounting Principles

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