Logistics Development Group plc

Annual Report and Accounts for the year ended 30 November 2021

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Strategic Report

Letter from Chairman

Dear Shareholders

I am pleased to present the annual report and the audited financial statements for Logistics Development Group plc ("LDG", "the Company") for the year ended 30 November 2021.

It was an exciting year for the Company, which culminated in the successful disposal of Marcelos' investment in GreenWhiteStar Acquisitions Limited ("GWSA") and its subsidiaries Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People (together the "Eddie Stobart Businesses") to Culina Group Limited, one of the UK's leading logistics companies, which is owned by the German Müller family.

During the 17 months period under the control of DBAY Advisors Limited ("DBAY"), our investment manager, GWSA's profitability was increased from an EBITDA (pre IFRS 16) of £4.2m in 2019 to £47.8m by the end of the 2020 financial year, while net financial debt had been reduced from £221.7m to £144.5m. On the back of this outstanding performance, the disposal of our 49% shareholding in GWSA and the £6.0m PIK Loan note held by LDG generated a cash inflow of £125.2m, meaning the Company had a cash balance of £131.9m or approximately £0.19 per share at the year end. LDG's share price was £0.06 at the time when DBAY took control of GWSA, implying a money multiple of approximately 3x over the 17 month period during which DBAY controlled GWSA and its subsidiaries.

I believe DBAY have found a good home for the Eddie Stobart Businesses in Culina Group. Culina's management has a deep understanding of the UK transport and logistics landscape, as well as the financial resources to allow the Eddie Stobart Businesses to continue its long-standing successful heritage.

Driven by the disposal of GWSA, your Company reported strong results for the year ended November 2021, with an underlying EBIT[1] of £84.6m (2020: loss of £11.3m) before exceptional income of £0.1m (2020: exceptional income of £3.4m) and a profit before tax of £84.7m (2020: loss before tax of £7.9m).

Including income received from additional deferred consideration from the GWSA disposal, the Company now has no financial debt and a cash balance of £131.9m or approximately £0.19 per ordinary share. These results are discussed in detail in the Business and Financial Review and in the notes to the financial statements.

The proceeds from the disposal will be used twofold. Most of the funds will be deployed in investments identified by our investment manager, DBAY. As you might be aware, post period end during a general meeting held on 31 January 2022, shareholders approved a broadening of the investing policy. This will allow DBAY to invest in opportunities outside the logistics sector, broadening the opportunity set available to LDG. On 10 March 2022, the Company announced its first investment under the new investing policy, as amended after the General Meeting held on 31 January 2022 (the "General Meeting"), investing £6.3m in Caretech Holdings PLC for approximately 0.88% of Caretech's issued share capital. On 1 April 2022, the Company announced that it had acquired further shares in Caretech Holdings Plc for a further consideration of £6.8m. As a result the Company now owns 1.74% of Caretech's issued share capital.

Secondly, since LDG's share price has consistently been trading at a discount to the Company's cash per share, the Board decided to initiate a share buyback program to narrow the discount over time. This has also been approved by shareholders at the General Meeting and the Company has since commenced the buyback programme which should allow the Company to narrow the discount to net asset value at which LDG's ordinary shares currently trade.

Over the last year, we had the opportunity to welcome two new Directors to the Board of LDG. Peter Nixon is an experienced chartered accountant and was appointed to the Board from 9 December 2021, replacing Saki Riffner. David Facey, also an experienced chartered accountant and CFO of AIM-listed companies operating within the financial sector, was appointed to the Board and as chair of the Audit Committee from 1 April 2021.

The Company is now in the fortunate position that it has only made a small acquisition and as such has a clean canvas to work with and a broader investing policy. I have every confidence that DBAY as our investment manager will make good use of the funds to invest in companies which will reward all shareholders. In the 50 years I have been following stock markets I have never encountered such an extraordinary set of circumstances which the world now faces. The tragic events in the Ukraine, which are unfolding before our very eyes need little embellishment from me, excepting that I would never have thought I would be part of the pre-war generation! Following on from the well documented dysfunctional damage that the COVID outbreak has caused to the world, it has been a very grim start to the 21st century, but let us hope that we can move into sunnier times sometime soon.

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

Adrian Collins

Chairman

[1] 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 2021

Review of the year

Transition to AIM Investing Company, appointment of DBAY as investment manager, and fund-raising

On 31 December 2020, following a successful fund-raising through a subscription, placing and open offer generating £16.2m (net £14.5m), the Company's shares were re-admitted to trading on AIM, completing its transition to an AIM-listed Investing Company. Initially, the investing policy was focused on the logistics sector and DBAY was appointed as the Company's investment manager.

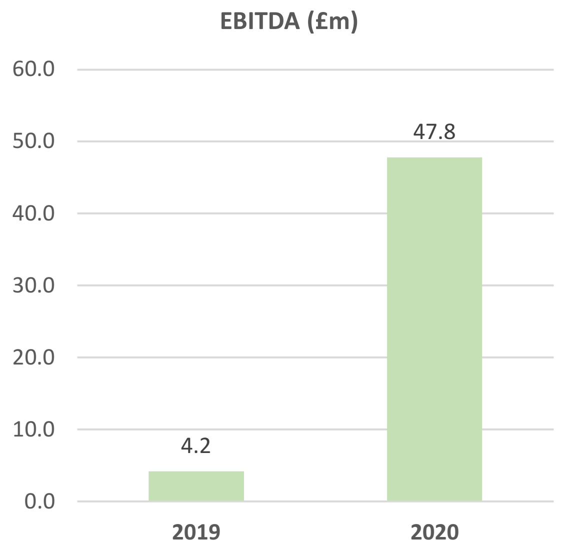
DBAY is an asset management firm with offices in London and the Isle of Man. Its core team has been working together for over 20 years and combines a diversified set of skills from financial and operational backgrounds, with deep insight into a number of industry sectors. The team worked together on their first investment vehicle in 2008, and formed DBAY in 2011. Additional information on DBAY is set out on page 6 of this report.

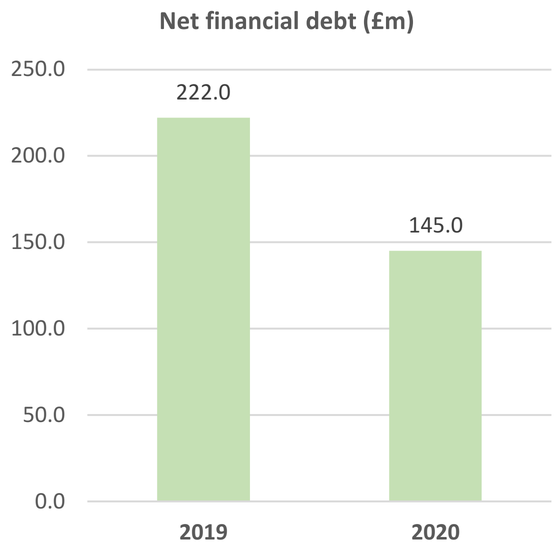
New investments during the period

Following the fund-raising, in May 2021, LDG, under the guidance of our investment manager DBAY, invested £6.0m to acquire an indirect 10.9% equity interest in an 18% PIK Loan note with indirect exposure to the performance of GWSA and its subsidiaries. This principal plus accrued interest was repaid upon the disposal of GWSA on 1 July 2021.

Turnaround and disposal of GWSA

On 30 March 2021, GWSA advised LDG of its audited consolidated results for the year ended 30 November 2020. After a year under the control of DBAY, GWSA and the Eddie Stobart Businesses had delivered a strong turnaround, with EBITDA (excluding the impact of IFRS 16), increasing to £47.8m vs. £4.2m in the prior year. In addition, the net financial debt of GWSA reduced by £77m to £145m in the period, deleveraging substantially and putting the Eddie Stobart Businesses back on a sustainable funding structure.





The turnaround was achieved with DBAY's active operational involvement and included a significant number of value creation activities.

Issues identified	Actions implemented
• Various businesses not properly integrated – Negative synergies from inflated central costs – No coherent approach (clients, procurement, marketing…)	• Separate P&Ls with direct accountability • Combined sourcing • Client pitches offering all capabilities of the group
• Lack of top-level leadership – No clear reporting lines, accountability and procedures – Lack of communication between various businesses	• Installed William Stobart as Exec Chairman • Divisional MDs which are accountable for their divisions on fully costed basis
• Weak finance function – Inability to complete the HY 2019 accounts – Multiple forecasts and models – Lender demands not answered satisfactorily – Cash collection was not prioritised	• Recruited Brian Corrway as CFO (restructuring background) • Audit is up to date and finalised FY 2019 • New planning model and consolidation • Regular communication with banks and leasing companies • New cash management processes in place
• Network inefficiency – Transport work that didn't fit the network impacted profitability – Loss making contracts	• Exited contracts that were loss making and work that doesn't fit the network • Clear guidelines for new work (fit, working capital, capacity)
• Empty warehousing space – Development profits masking declining operational margins – Cost of empty warehouses	• Managed to exit several properties, reducing the associated lease liabilities • Reduced voids as increased demand post Covid-19
• Build-up of the cost base over the last years – Plc cost base; cost growing at higher rate than revenues – Headcount increased without clear responsibilities	• Cost reduction measures ongoing • Central costs have been minimised, and costs are reported where they are incurred
• Stalled projects – Outstanding receivables – Deferred acquisition and payments for SpeedyFreight – Eddie Stobart brand owned by Stobart Group	• Billing and receivables collection is being prioritised • Deferred acquisition payments for TPN completed; stake in Speedy reduced to avoid deferred payment (too risky) • Acquired the Eddie Stobart brand for £10m

GWSA's performance confirms our belief that DBAY was best placed to transform and turnaround the Eddie Stobart Businesses after a difficult period, and we expect similarly successful value creation initiatives in future investments DBAY will enter into on behalf of LDG.

The sale of GWSA, including Eddie Stobart Businesses, to Culina Group Limited was announced and completed on 1 July 2021. From the combination of LDG's 49% indirect interest in GWSA and the PIK Loan note, the transaction generated a cash inflow of £125.2m for LDG, leaving the Company debt free and with a cash balance of approximately £0.19 per share. The implied money multiple over the 17 months holding period is approximately 3x compared to the share price of £0.06 in December 2019, the time when LDG sold it's 51% controlling stake in GWSA and the Eddie Stobart Businesses to DBAY.

Changes to the Board

Peter Nixon, an experienced chartered accountant, was appointed to the Board from 9 December 2021, replacing Saki Riffner. David Facey, also an experienced chartered accountant and CFO of AIM-listed financial sector companies, was appointed to the Board and as chair of the Audit Committee from 1 April 2021.

Subsequent events - New investment policy and agreement, share buyback and cancellation of share premium account

Following the disposal of GWSA, the Board, in conjunction with DBAY, have reviewed a number of investment opportunities and we have come to the conclusion that there are more attractive opportunities to create shareholder value outside of the logistics focused investing policy adopted in December 2020.

Accordingly, after seeking shareholder approval at the General Meeting held on 31 January 2022, shareholders have agreed to a new and wider investing policy. The revised investing policy provides for investments primarily in undervalued companies. Further details are set out on page 6 and 7.

At the same meeting, the Board received approval from shareholders to implement a share buyback programme. As the Company's shares have been trading at a significantly discounted level to the amount of available cash per Ordinary Share, the Company has obtained shareholder approval to acquire up to 20% of the issued share capital as at the date of the General Meeting. This should result in the reduction of the observed discount to net asset value per Ordinary Share and provide an exit opportunity for shareholders who do not wish to retain their investment in the Company. The Company received approval from the High Court of England and Wales to proceed with a Capital Reduction and create distributable reserves on 22 February 2022, which will also create flexibility to make future distributions.

Financial performance

The results for the current year reflect the group structure as at 30 November 2021. As the Company does not have any majority owned or controlled 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 still has an exposure to the intermediate holding companies which held the GWSA investments, and expects further potential cash inflows from the final purchase price adjustments for up to 24 months post closing of the GWSA disposal transaction. LDG measures these investments at fair value through the profit and loss account. The election is taken based on the investment being a 'venture capital' investment under IAS 28 'Investments in Associates and Joint Ventures'.

At the reporting date the fair value ascribed to the investments is £2.2m (2020: £35.8m) which reflects the current value at the reporting date in respect of guaranteed expected future cash flows (2020: valuation basis reflected the value of the investment in GWSA based on the market capitalisation of the Company). The Directors have reviewed this valuation approach and consider it to be appropriate.

Administrative expenses before exceptional items are significantly lower in the reporting year at £1.1m (2020: £2.2m) as the Company no longer incurs any share-based payment charges, has lower insurance costs, lower audit fees and general expenses.

The Company's underlying EBIT[1] in the year was a profit of £84.6m (2020: loss of £11.3m) before exceptional income of £0.1m (2020: exceptional income of £3.4m) and statutory profit before tax was £84.7m (2020: loss before tax of £7.9m). The exceptional income of £0.1m during the year comprised of a refund of VAT in relation to historic transaction costs relating to the 2019 GWSA disposal. During the prior year, the Company recognised an exceptional income of £3.4m comprising a refund of 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.

Net debt

As at the reporting date, the Company has cash and cash equivalents of £131.9m (2020: £0.7m) principally resulting from the disposal of GWSA, with the remainder from an equity fund raising in December 2020, where the Company successfully raised £16.2m in aggregate (pre fundraise costs of £1.5m). The fund raise enabled the Company to satisfy the requirements for re-admission to AIM as an Investing Company. Related party borrowings amounted to £Nil (2020: £1.2m).

Exceptional items

During the year, the Company recognised exceptional income in relation to a VAT refund of £0.1m associated with the disposal of GWSA.

During the prior year, the Company recognised income in relation to a refund of 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.
Further details of exceptional costs are included in note 5.

Tax

For the years ended 30 November 2021 and 2020, the Company incurred tax losses. The deferred tax asset of £0.3m (2020: £0.2m) was not recognised as the Directors do not consider that there is sufficient certainty over its recovery. The unrecognised asset can be carried forward indefinitely.

Dividends

The Company did not pay an interim dividend (2020: £Nil) and no final dividend is being recommended (2020: £Nil).

Earnings per share

Underlying basic and diluted earnings per share are both 12.0p (2020: underlying basic and diluted loss per share were both 3.0p). Statutory basic and diluted earnings per share are both 12.1p (2020: statutory basic and diluted loss per share were both 2.1p). See note 3 and 9 to the Financial Statements.

Information about the Investment Manager

DBAY is an Isle of Man-based asset management firm with offices in London and Douglas, Isle of Man. Founded in 2011, DBAY is owned by its partners and is licensed by the Isle of Man Financial Services Authority. The firm follows a value investing approach and invests in listed equities across Europe, as well as in private equity style control investments. The core DBAY team, which have worked together for 20 years, have developed a diversified set of skills from financial and operational backgrounds, with deep insight into a number of industry sectors. DBAY comprises a team of 12 investment and operating professionals. Capital is managed on behalf of institutional investors, trusts, foundations, family offices and pension funds.

DBAY currently has a controlling interest in companies that have a combined turnover in excess of £810 million and employ more than 7,000 staff. The DBAY team previously worked at Laxey Partners, a hedge fund, where they managed an investment portfolio, and at DouglasBay Capital plc, an AIM listed investment company. In 2008, under the DBAY team's management, DouglasBay Capital plc took private and successfully restructured TDG, the logistics company. During this period (2006 - 2011), the DBAY team generated returns including a gross money multiple ("MM") of 2.7x and a gross internal rate of return ("IRR") of 36%. In 2015, DBAY raised DBAY Fund II, which is currently performing with a gross MM of 1.9x and 14% gross IRR on a stand-alone basis as at 30 September 2021 (and an estimated gross MM of 3.2x and 44% gross IRR if the cash returns to co-investors are included). In 2019, DBAY raised DBAY Fund III, which is currently valued at a gross MM of 2.0x and 48% gross IRR on a standalone basis as at 30 September 2021.

Investment Policy and Strategy

The investment objective of the Company is to provide shareholders with attractive total return achieved through capital appreciation and, when prudent, shareholder distributions or 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.

The new investing policy can be found on the website www.ldgplc.com.

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.

The Investing Policy, approved by shareholders on 31 January 2022, states that the Company will seek to achieve its investment objectives by making investments within the following parameters:

- **Characteristics**: investment primarily in undervalued companies, with a focus on companies that generate or have the potential to generate significant cash flows, where there is a high degree of revenue visibility and a strong and distinctive market position;
- **Investment Type**: investment in equity and equity related products, in both quoted and unquoted companies, and in the DBAY Investment Funds;
- **Sectors**: a broader range of sectors, such as business services including, amongst others, logistics, distribution, technology services, security and manufacturing, or in funds managed by DBAY which invest in the aforementioned sectors;
- **Geography**: there is no geographical restriction but expected to be primarily within the United Kingdom or the European Union;
- **Ownership**: will range from a minority position to 100%, non-operating ownership; and
- **Restrictions**: a maximum of 50% of the Company's Net Asset Value ("NAV") at the time the relevant investment is made, using the latest available management accounts of the Company, can be invested in DBAY Investment Funds. Investments made outside of the DBAY Investment Funds will be limited to 10% of NAV per investment (on the same basis), unless approved by the Board.

In addition, DBAY has agreed that it will fund the Company's reasonable corporate costs going forward.

Investment Management agreement amendments

The original investment management agreement was approved by shareholders on 29 December 2020, in order to effect the revised investment policy several changes were made to the investment management agreement being:

DBAY will not receive management or performance fees from LDG in respect of funds committed to the DBAY Investment Funds by the Company. Fees will only be charged by the fund, to ensure there will be no double charging;

DBAY have made a commitment to ensure that any DBAY Investment Funds in which the Company invests will retain investment policies that are substantially the same as the new investing policy of the Company;

DBAY has made a commitment that it will provide the Company with an amount which is equal to the Company's reasonable corporate expenses in the given year, provided that such amount shall not exceed the lower of: (i) £800,000: or (ii) the management fees in respect of investments made and/or amounts committed by the Company which are received by DBAY in the relevant year; and

DBAY will ensure that there is at all times a contingency amount of at least £2 million on the Company's balance sheet to cover any exceptional expenses that may arise in the future.

Annual general meeting

The Company intends to hold its Annual General Meeting on 12 May 2022 in London. 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.

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

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 2021 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
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 change to the investing policy will allow for a wider range of investment opportunities 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.

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 2021. 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) no employees. The Board would have 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 11 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 5 April 2022 and signed on its behalf by:

Adrian Collins
Chairman

Governance

Board of Directors

Adrian Collins, Independent Non-executive Chairman

Member of the Audit Committee and Chair of the Remuneration 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 and other private companies.

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, Advanced Manufacturing for Laing O'Rourke.

David Facey, Independent Non-executive Director

Chair of the Audit Committee and member of the Remuneration Committee.

Appointed in April 2021

Skills and experience: David is a Fellow of the Institute of Chartered Accountants. David has over 25 years of experience of corporate finance and was a founding partner of SP Angel Corporate Finance LLP, an AIM Nomad and broker. He was formerly a senior corporate finance executive with HSBC Investment Bank. During his career David has undertaken complex transactions advising governments, public companies and private companies of all sizes and has recent experience of being an executive director of AIM listed company.

Other roles: David is currently a Non-Executive Director of Blue Rock Diamonds plc, and a director of Kareevlei Mining (pty) Ltd (Subsidiary of BlueRock), Chacey Capital Limited and Chacey LLP.

Peter Nixon, Non-executive Director

Member of the Audit Committee and the Remuneration Committee.

Appointed in December 2021

Skills and experience: Peter has over 25 years of experience in finance and joined DBAY in 2009. Peter initially acted as Group Chief Accountant and Head of Shared Services at the logistics business, TDG, which was an investee company from 2008 to 2011 and has subsequently been involved in several other DBAY investments, including Eddie Stobart, Unlimited Group, Harvey Nash Group, Telit Communications and, most recently, LDG. Peter retired from his role at DBAY at the end of December 2021. Peter is a qualified Chartered Accountant, having been an Audit Manager at Deloitte, and holds a degree in mathematics and physics from Manchester University.

Other roles: Peter previously held senior roles at United Utilities Plc, BBA Group Plc and The Reader's Digest.

Governance

Chairman's governance statement

As the Company has begun a new era as an AIM investing company, its governance has evolved 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 practices in place 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 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 conduct 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 2021 is set out on pages 13 to 18.

Adrian Collins
Chairman
5 April 2022

Code compliance

The Company complied with the requirements and recommendations of the QCA Governance Code, which is considered appropriate for an AIM listed company, throughout the financial year ended 30 November 2021 – apart from at Principle 3 and 7, as the Company has been a cash shell during the period. The Board considers 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 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 Governance Code during the 2021 financial year and where relevant disclosures made in accordance with the QCA Governance Code can be found.

The corporate governance statement is available on the Company's website at www.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 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 held, indirectly, a 49% interest in GWSA, the holding company of the Eddie Stobart Businesses (including Eddie Stobart, iForce and The Pallet Network). The Company became a “cash shell” pursuant to AIM Rule 15 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.
On 31 January 2022, the Company’s shareholders approved a new and wider investment policy. In addition, the Ordinary Shares have been trading at a significantly discounted level to the amount of available cash per Ordinary Share, and the Company has obtained shareholder approval to acquire up to 20% of the voting share capital. This should result in the reduction of the observed discount to net asset value per Ordinary Share and provide an exit opportunity for shareholders which do not wish to retain their investment in the Company following the change of the Company’s investing policy. The share buyback is to be financed by the cancellation of the entire creditable amount in the Company’s share premium account, which will also create flexibility to make future purchases of its own Ordinary Shares.

Since the appointment of DBAY, the Company has not had an executive leadership team and only one employee who left the employment of the Company on 31 May 2021. The Board now comprises of four Directors of which three are independent non-executive Directors, and one a non-executive Director, 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 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.

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 can be found on the company’s website at www.ldgplc.com.

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. Stephen Harley was appointed shortly before the IPO in April 2017. David Facey was appointed as an independent non-executive director in April 2021 and Peter Nixon was appointed in December 2021. 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 judgement. In light of Peter Nixon's recent role with DBAY the Board has concluded that he should not be considered independent. No other Director has a relationship that could materially interfere with the exercise of their independent judgement.

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 2021 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 2021 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. Eleven scheduled and thirteen ad-hoc Board meetings were held in the financial year ended 30 November 2021 and ad-hoc meetings were held to facilitate Board oversight as matters required attention between regular scheduled meetings. Two committee meetings of the Board were held in the financial year ended 30 November 2021. All Directors attended all scheduled Board and 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 2021 financial year that they were entitled to attend as members.

Director	Board	Audit Committee	Remuneration Committee	Ad Hoc Board Meetings
Directors				
D Facey[1]	8/8	1/1	0	6/7
A Collins	11/11	3/3	0	12/13
S Harley	11/11	3/3	0	12/13
S Riffner[2]	11/11	3/3	0	12/13

Note:

[1]D Facey was appointed as a Director in April 2021
[2] S Riffner ceased to be a director in December 2021 (after the year end)
[3] P Nixon was appointed after the year end in December 2021

Board activities

During 2021 the Board considered the strategic options available to the Company and addressed matters such as:

- the process for conversion to an AIM-listed Investing Company to give effect to the DBAY transaction approved by shareholders;
- the appointment of DBAY as investment manager and development of an investment strategy in readiness to the conversion to an Investing Company;
- Investment in the PIK Loan note;
- The separation from GWSA and impacts on management judgements and accounting and tax matters;
- The adoption of a new investing policy and new investment management agreement;
- Review of the dividend policy in the capital reduction and share buyback policy;
- Board structure; and
- Review and consideration of:
    - Annual budget and monitoring performance against budget
    - Monitoring of the performance of its interest in GWSA
    - Approval of 2020 annual report and financial statements

Interactions with investors – QCA principle 2
Effective communication with investors is an important part of the Board's role. During the 2021 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 ongoing transition towards becoming an Investing Company under the AIM rules. The Board also focused on the sale of GWSA to Culina.

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 2021. The next AGM will be held on 5 May 2022.

Performance evaluation – QCA principle 7
In the light of ongoing changes to the Board and the Company's transition to Investing Company status and now the implementation of a new strategy, the Board agreed that an externally facilitated evaluation process would be of limited value in the year under review. However an internal interview-based evaluation process will be conducted during 2022 using a questionnaire-based approach.

Audit Committee report - QCA principle 9

Audit Committee
Adrian Collins was the interim Chairman of the Audit Committee until the appointment of David Facey, who was appointed as Chairman of the Audit Committee upon his appointment to the Board in April 2021. The other two non-executive Directors are members of the Committee. A majority of the members are therefore independent. David Facey is the member identified as having recent and relevant financial experience.

Meetings and attendance
The Audit Committee met three times during the financial year ended 30 November 2021. During the 2021 financial year, meetings were usually attended by the external Auditors.

Attendance by Directors at meetings during the 2021 financial year is set out in the table on page 14.

Activities of the Audit Committee during the 2021 financial year included:

- Reviewing the financial results for the half year and full year 2021 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 auditors;
- Approving the audit plan for the 2021 financial year;
- Reviewing and considering principal risks faced, risk management and internal controls; and
- Receiving reports and updates on potential control and legal/regulatory compliance issues.

Significant accounting judgements
The Audit Committee considered areas of significant accounting judgement in connection with the preparation of the 2021 financial statements, taking into account the views of the Company's external auditors.

External auditors
The Audit Committee oversees the relationship with the external auditors. Having conducted its annual review, the Committee concluded that PricewaterhouseCoopers LLP remains independent and is best placed to conduct the Company's audit for 2022. The Audit Committee has recommended PricewaterhouseCoopers LLP be re-appointed as auditors for the financial year ending 30 November 2022.

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 2021. 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 completion of the DBAY transaction, the Company does not have an operating business with no members of staff (as described on page 12 of this annual report). Administrative services are provided to the Company by IQ EQ Global (UK) Limited under an administration 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 auditors 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 Peter Nixon, are independent. Peter Nixon was employed by a significant shareholder, DBAY, until the end of December 2021 and the Audit Committee have recommended that he should not be considered to be independent.

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 in April 2021, a new Independent Non-Executive director who also 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.

David Facey
Chairman of the Audit Committee
5 April 2022

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 no employees 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 2021 financial year to the extent they are relevant.

Approach to remuneration

During the 2021 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 2021

The remuneration of the Directors during the year ended 30 November 2021 (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 £'000		Long-Term[3] Incentives £'000		Total £'000	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Current Directors										
A Collins	93	64	-	-	-	-	-	-	93	64
S Harley	61	61	-	-	-	-	-	-	61	61
D Facey	40	-	-	-	-	-	-	-	40	-
Former Directors										
S Riffner[4]	-	-	-	-	-	-	-	-	-	-
C Casey	-	53	-	-	-	-	-	-	-	53
P Swatman	-	59	-	-	-	-	-	-	-	59
A Kang	-	8	-	-	-	-	-	-	-	8

[1] This column sets out gross salary and fees received for the full financial years ended 30 November 2021 and 30 November 2020. No payments were made to Saki Riffner.
[2] No benefits were paid during the period under review, benefits would include private medical insurance, life assurance, car allowance and tax paid by the Company on such benefits.
[3] None of the Directors have received cash under any incentive arrangement in the financial ended 30 November 2021.
[4] S Riffner resigned on 9 December 2021.

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 2021 financial year, the Remuneration Committee consisted of Adrian Collins as Chairman and the three other Directors Stephen Harley (Independent non-executive Director), Saki Riffner (non-executive Director) and David Facey (Independent non-executive Director) from his appointment in April 2001. The majority of members throughout 2021 were independent non-executive Directors.

Meetings and attendance

The Remuneration Committee is expected to meet as required. The Committee did not meet in the 2021 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, of which there is none. It will also have responsibility for recommending new appointments to the Board.

Our approach to remuneration in 2021

During the 2021 financial year the Company had no Executive Directors or senior management.

Long-term incentives

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

Annual bonus

No cash or share based bonuses were paid in 2021.

Salaries

With no Executive Directors there were no salaries or fees to pay to Directors in 2021 other than non-executive fees.

Directors' interests in shares

As at 4 April 2022, the latest practicable date prior to the approval of this Document, the Director's held the following interests in shares of the Company:

(i) Stephen Harley holds 1,010,000 ordinary shares of 1p each in the capital of the Company (2020: 1,010,000) representing approximately 0.15% of the Company's issued share capital (2020: 0.15%);

(ii) Adrian Collins holds 1,000,000 ordinary shares of 1p each in the capital of the Company (2020:1,000,000) representing approximately 0.14% of the Company's issued share capital (2020: 0.14%); and

(iii) Peter Nixon holds 706,467 ordinary shares of 1p each in the capital of the Company (2020: 706,467) representing approximately 0.10% of the Company's issued share capital (2020: 0.10%).

No Directors disposed of shares in the 2021 financial year whilst they were Directors.

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 letters of appointment can be found on the Company's website www.ldgplc.com.

Directors' report

The Directors submit their report and the audited financial statements of Logistics Development Group plc for the year ended 30 November 2021.

Results
The Company's underlying EBIT (see note 3) in the year was £84.6m (2020: loss of £11.3m) before exceptional income of £0.1m (2020: exceptional income of £3.4m) and statutory profit before tax was £84.7m (2020: loss before tax of £7.9m).

Dividends
The Company did not pay an interim dividend (2020: £Nil) and the Directors do not recommend a final dividend for the year (2020: 0.00p per share).

Principal activities, business review and future developments
The Strategic Report on pages 1 to 9 describe the Company's principal activities and a review of the business during the 2021 financial year, as well as 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:

Stephen Harley	(appointed 4 April 2017)
Saki Riffner	(resigned 9 December 2021)
Adrian Collins	(appointed 3 April 2020)
David Facey	(appointed 1 April 2021)
Peter Nixon	(appointed 9 December 2021)

Directors' fees are set out in the Remuneration report on pages 17 to 18. 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 2021, 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 4 April 2022, 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	30.26%
Hargreaves Lansdown Asset Mgt (Nominee)	11.41%
Stobart Group Limited	9.14%
Miura Holdings (UK)	3.45%
A J Bell Securities (Nominee)	3.30%
Mulberry Commercial Developments (UK)	3.27%
Interactive Investor (Nominee)	3.08%

Employee engagement, Disabled employees, Health, safety and wellbeing – Principle 10

During the 2021 financial year there were no employees 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.

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 13 to the financial statements.

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 12 May 2022 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 note 16 to the financial statements.

Engagement with stakeholders – 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 31 for further information.

This Directors' report was approved by the Board on 5 April 2022 and signed by its order by;

Sarah Wakeford
Company Secretary

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2021 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.

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 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 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 also 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

Report on the audit of the financial statements

Opinion

In our opinion, Logistics Development Group plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2021 and of its profit 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 Accounts for the year ended 30 November 2021 (the "Annual Report"), which comprise: the Company Statement of Financial Position as at 30 November 2021; Company Statement of Comprehensive Income, Company Statement of Changes in Equity, Company Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the 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

Audit scope

- The Company's financial statements comprise just one component which is subject to a full scope audit.

Key audit matters

- Accounting for the return of the capital distribution from its investments

Materiality

- Overall materiality: £1,340,000 (2020: £365,000) based on 1% of Total assets.
- Performance materiality: £1,005,000 (2020: £182,500).

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.

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.

Accounting for the return of capital from its investments is a new key audit matter this year. '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 the Marcelos Limited' and 'Impact of COVID-19', which were key audit matters last year, are no longer included as key audit matters.

'Accounting for the disposal of Greenwhitestar Acquisitions Limited and classification and valuation of the residual investment in Marcelos Limited' and 'Subsequent valuation of the investment in the Marcelos Limited' were non-recurring judgemental matters that are not applicable to the 30 November 2021 year end. Furthermore, there is no longer considered to be the uncertainty around the duration and potential impact of COVID-19 on the company, and therefore it has also been removed as a key audit matter.

Key audit matter	**How our audit addressed the key audit matter**
Accounting for the return of the capital distribution from its investments Refer to note 10 (investments). The company owns 49% of Marcelos Limited ('Marcelos'), which is an intermediate holding company that owned a 100% investment in	We have performed the following procedures: ● We obtained and reviewed the underlying agreements to ensure that the transaction was correctly accounted for;

Greenwhitestar Acquisitions Limited ('GWSA'). On 1 July 2021, Marcelos sold its 100% investment in GWSA. The sales proceeds received by Marcelos were paid to Marcelos' shareholders by a dividend distribution, with the company receiving £119.0m. Prior to receipt of the dividend, the investment in Marcelos was revalued to represent the expected future cash inflows from Marcelos, and was subsequently reduced by the dividend received to represent the return of capital. As at 30 November 2021, there is an investment balance of £2.2m representing amounts outstanding from Marcelos as at the statement of financial position date.	● We tested management's calculation of the revaluation of the investment balance and the calculation of the fair value gain in investments recorded in the statement of comprehensive income; ● We agreed the receipt of the dividend to approved Board resolutions and bank statements; and ● We reviewed the disclosures within the financial statements. Based on the procedures performed, the accounting for the return of the capital distribution from its investments and its disclosures within the financial statements are considered to be appropriate.

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 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 company materiality	£1,340,000 (2020: £365,000).
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 an investment company and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 50%) of overall materiality, amounting to £1,005,000 (2020: £182,500) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £67,000 (2020: £18,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We assessed the appropriateness of the underlying assumptions inherent within management's going concern assessment, including checking the mathematical accuracy of the model;
- Performed sensitivity analysis to assess the impact of severe but plausible downside scenarios to management's going concern assessment; and
- Reviewed the disclosures within the Annual Report with respect to going concern.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to AIM listing requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting for the return of capital from its investments. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding and evaluating management’s controls that are designed to prevent and deter irregularities in the control environment;
- Testing the underlying accounting for the return of capital from its investments to ensure that the transactions had been correctly accounted for, and disclosed appropriately in the financial statements; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 obtained 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
5 April 2022

Logistics Development Group plc

Company Statement of Comprehensive Income

for the year ended 30 November 2021

	Note	**Year ended 30 November 2021**	Year ended 30 November 2020
		£'000	£'000
Gain/(loss) on investments measured at fair value through profit or loss - net	10	85,665	(9,152)
Administrative expenses: before exceptional items		**(1,100)**	(2,162)
Administrative expenses: exceptional items	5	**90**	3,415
Total administrative expenses		**(1,010)**	1,253
Profit/(loss) before tax		**84,655**	(7,899)
Income tax charge	7	**-**	-
Profit/(loss) and total comprehensive income/(expense) for the year		**84,655**	(7,899)
Earnings/(loss) per share			
Basic	9	**12.1p**	(2.1p)
Diluted	9	**12.1p**	(2.1p)

The accompanying notes form part of the financial statements.

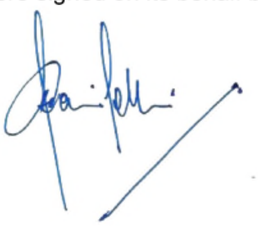
Logistics Development Group plc

Company Statement of Financial Position
as at 30 November 2021

	Note	**30 November 2021 £'000**	30 November 2020 £'000
Assets			
Non-current assets			
Investments at fair value through profit or loss	10	2,218	35,848
		2,218	35,848
Current assets			
Other receivables	11	114	28
Cash and cash equivalents	11	131,902	652
		132,016	680
Total assets		134,234	36,528
Current liabilities			
Amounts owed to related undertakings	11	-	(1,235)
Other payables	11	(290)	(2,184)
		(290)	(3,419)
Total liabilities		(290)	(3,419)
Net assets		**133,944**	**33,109**
Equity			
Called up share capital	12	7,022	3,793
Share premium account	12	157,476	146,002
Own treasury shares	12	(857)	(2,611)
Retained earnings	12	(29,697)	(114,075)
Total shareholders' funds		**133,944**	**33,109**

The accompanying notes form part of the financial statements.

The Company Financial Statements on pages 27 to 44 were approved by the Board of Directors on 5 April 2022 and were signed on its behalf by:



Adrian Collins
Director

Company number 08922456

Logistics Development Group plc

Company Statement of Changes in Equity

for the year ended 30 November 2021

	Share capital	Share premium	Merger reserve	Share options reserves	Own treasury shares	Retained earnings	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance at 1 December 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	-	-	(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**
Profit for the year	-	-	-	-	-	84,655	**84,655**
Issue of share capital	3,229	12,951	-	-	-	-	16,180
Transfers - fund raise costs 2020 (note 12)	-	(1,477)	-	-	-	1,477	-
Transfers (note 12)	-	-	-	-	1,754	(1,754)	-
Balance at 30 November 2021	**7,022**	**157,476**	**-**	**-**	**(857)**	**(29,697)**	**133,944**

The accompanying notes form part of the financial statements.

Logistics Development Group plc

Company Cash Flow Statement
for the year ended 30 November 2021

	Note	Year ended 30 November 2021 £'000	Year ended 30 November 2020 £'000
Cash flows from operating activities			
Profit/(loss) for the year		**84,655**	(7,899)
Adjustments for:			
Equity settled share-based payment expenses	12	**-**	491
(Gain)/loss on investments measured at fair value through profit or loss - net	10	**(85,665)**	9,152
Changes in:			
Increase in Other receivables	11	**(86)**	53,492
Decrease in Other payables	11	**(1,652)**	(54,838)
Net cash (outflow)/inflow from operating activities		**(2,748)**	398
Cash flows from investing activities			
Dividends received	10	**125,295**	-
Purchase of investment	10	**(6,000)**	-
Net cash inflow/(outflow) from investing activities		**119,295**	-
Cash flows from financing activities			
Issuing share capital and share premium	12	**16,180**	-
Share issue costs paid	12	**(1,477)**	(108)
Net cash inflow/(outflow) from financing activities		**14,703**	(108)
Net increase in cash and cash equivalents		**131,250**	290
Cash and cash equivalents at the start of the financial year		652	362
Cash and cash equivalents at the end of the financial year		**131,902**	652

The accompanying notes form part of the financial statements.

Logistics Development Group plc

Notes to the Company Financial Statements

for the year ended 30 November 2021

1. Basis of accounting

Logistics Development Group plc (the "Company") is a public company limited by shares and incorporated and domiciled in England, United Kingdom. Its registered address is 4th Floor, 3 More London Riverside, London, SE1 2AQ.

Basis of preparation

The Financial Statements were prepared in accordance with 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.

As at 30 November 2021, 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.

Significant holdings in undertakings other than subsidiary undertakings

As at 30 November 2021 the Company had a significant holding in Marcelos Limited ("Marcelos"), incorporated in the Isle of Man. Marcelos has 100 £1 ordinary shares in issue, of which the Company held 49 shares. Its registered address is First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF.

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 a period of 3 years which indicates 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

(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 include 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 2021

2. Significant accounting policies

(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 derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

- 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) **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.

(e) **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.

(f) **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.

(g) **Operating segments** – the Company has a single operating segment on a continuing basis, namely investment in a portfolio of assets.

(h) **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.

(i) **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 2021 that have a material impact on the financial statements of the Company.

Notes to the Company Financial Statements (continued)

for the year ended 30 November 2021

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 – during the prior year, the Company elected to measure its investment in Marcelos, the 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 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 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 have recorded the investment in Marcelos at fair value. The fair value at the period end was calculated on the basis of the net assets of Marcelos, and represents the guaranteed expected future cashflows relevant to the Company. The fair value at the prior period end was calculated on the basis of the market capitalisation of the Company, which was considered to be the most suitable valuation methodology as at 30 November 2020. The Directors reviewed other valuation metrics such as peer group trading multiples. Based on these metrics the valuation was justifiable, albeit at the lower end of the range of possible values. The Directors believed that this valuation approach represented the price of the Company that would be received in an orderly transaction between market participants.

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 2021

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:

	2021	2020
	£'000	£'000
Profit/(Loss) before tax	**84,655**	(7,899)
Exceptional income	**90**	3,415
Underlying EBIT	**84,565**	**(11,314)**

	2021 (in thousands)	2020 **(in thousands)**
Weighted average number of Ordinary Shares – Basic	**702,206**	379,347
Weighted average number of Ordinary Shares – Diluted	**702,206**	379,347

Underlying Basic earnings/(loss) per share for total operations	**12.0p**	(3.0p)
Underlying Diluted earnings/(loss) per share for total operations	**12.0p**	(3.0p)

4. Employees and Directors

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

	2021	2020
	£'000	£'000
Staff and Director costs for the Company during the year		
Wages and salaries	**250**	292
Social security costs	**19**	26
	269	318
Average monthly number of employees and Directors		
Employees and Directors	**4**	4

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

	2021	2020
	£'000	£'000
Emoluments, bonus and benefits in kind	**194**	245
Total Directors' remuneration	**194**	**245**

Remuneration of the highest paid Director is detailed below:

	2021	2020
	£'000	£'000
Emoluments, bonus and benefits in kind	**93**	64

5. Exceptional items

During the year, the Company recognised exceptional income in relation to a VAT refund of £90,000 associated with the disposal of GWSA.

During the prior year, the Company recognised exceptional income in relation to reimbursed 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.

Notes to the Company Financial Statements (continued)

for the year ended 30 November 2021

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:

	2021	2020
	£'000	£'000
Fees payable for the audit of the Company's annual financial statements	**119**	114
Audit-related assurance services	**-**	96
Other assurance services (fund raise expenses)	**-**	554
Total fees payable to Company's auditors	**119**	764

7. Income tax charge

The Company did not recognise current and deferred income tax charge or credit (2020: nil). In 2021, the deferred tax asset of £412,050 (2020: £219,000) was not recognised as the Directors do not consider that there is sufficient certainty 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:

	2021	2020
	£'000	£'000
Profit/(loss) before tax	**84,655**	(7,899)
Expected tax charge/(credit) based on a corporation tax rate of 19% (2020: 19%)	**16,084**	(1,501)
Effect of expenses not deductible in determining taxable profit	**98**	1,282
Effect of income not taxable in determining taxable profit	**(16,276)**	-
Unused tax losses for which no deferred tax asset has been recognised	**94**	219
Effect of a change in future corporation tax rate on the deferred tax asset	**-**	-
Income tax charge	**-**	-

The current effective UK corporation tax rate for the financial year is 19%. The UK corporation tax rate will remain at 19% until 31 March 2022. On 3 March 2021, it was announced that the main rate of corporation tax will increase to 25% from 1 April 2023. As a result, the deferred tax asset has been calculated using the 25% rate.

8. Dividends

At the date of approving these Financial Statements, no final dividend has been approved or recommended by the Directors (2020: £Nil).

9. Earnings per share

Basic earnings per share amounts are calculated by dividing profit/(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 profit/(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 has no dilutive instruments to be included in the calculation.

	2021 £'000	2020 £'000
Profit/(loss) attributed to equity shareholders	**84,655**	(7,899)

	2021 (in thousands)	2020 (in thousands)
Weighted average number of Ordinary Shares – Basic	**702,206**	379,347
Weighted average number of Ordinary Shares – Diluted	**702,206**	379,347
Basic earnings/(loss) per share for total operations	**12.1p**	(2.1p)
Diluted earnings/(loss) per share for total operations	**12.1p**	(2.1p)

10. Investments at fair value through profit or loss

	GreenWhiteStar Acquisitions Limited £'000	**Alpha Persei Limited £'000**	**Marcelos Limited £'000**	**Total investments £'000**
1 December 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**
Additions during the year	-	6,000	-	**6,000**
Change in fair value	-	287	85,378	**85,665**
Dividends	-	(6,287)	(119,008)	**(125,295)**
30 November 2021	**-**	**-**	**2,218**	**2,218**

During the year, the Company acquired for £6.0 million a 10.9% equity interest in Alpha Persei Limited which held an 18% PIK Loan note with indirect exposure to the performance of GWSA.

During the year, the Company announced the disposal of its interest in GWSA Group, held through its investments in Marcelos and Marcelos' wholly owned subsidiary Alpha Cassiopeiae Limited.

The disposal resulted in the Company receiving a dividend of £6,287,000 from Alpha Persei Limited and a dividend of £119,008,000 from Marcelos. These dividends were considered to be a return of capital and have been offset against the carrying value of the investment.

As at 30 November 2021, the Company's investment in Marcelos was revalued to £2,218,000 as a result of a dividend proposed to be paid to the Company from Marcelos during the next financial year.

11. Financial assets and liabilities

	2021 **£'000**	2020 £'000
Financial assets at fair value through the profit or loss		
Investments in associate (see note 10)	2,218	35,848
Financial assets at amortised cost		
Other receivables	114	28
Total financial assets	**2,332**	**35,876**
Financial liabilities at amortised cost		
Amounts owed to related undertakings (see note 13)	-	(1,235)
Other payables	(290)	(2,184)
Total financial liabilities	**(290)**	**(3,419)**
Cash and cash equivalents	131,902	652
Net funds	**131,902**	**652**

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

Other receivables represent prepayments. Other payables include accruals of £216,000 (2020: £2,122,000 with £1,369,000 relating to the accrued fund raise costs).

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. There are no related undertakings in the current year.

Capital management
Capital comprises share capital of £7.0m (2020: £3.8m) and share premium of £157.5m (2020: £146.0m).

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 2020	379,347	3,793	146,002
Ordinary shares of 1p each in issue at 30 November 2021	**702,206**	**7,022**	157,477

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

During the prior year, costs in relation to the fund raise of £1.5m in December 2020 were deducted from the retained earnings reserve. During the year, these costs were reclassified from retained earnings to be offset against share premium.

Own treasury shares
Included in the total number of ordinary shares outstanding above are 535,440 (2020: 1,634,304) 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, 1,098,864 (2020: 55,696) shares were transferred to employees of the GWSA Group.

13. Related party transactions

During the year, the Company settled the amount due to related party GWSA as at the prior year end, for the value £1,235,000. The Company did not enter into any other related party transactions.

During the prior year, 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**

14. Capital commitments

At 30 November 2021, the Company had no commitments (2020: £Nil).

15. Contingent liabilities

At 30 November 2021, the Company had no contingent liabilities (2020: £Nil).

16. Subsequent events

On 14 January 2022, the Company received a dividend from Marcelos Limited of £2,218,000.

Following shareholders' approval by a special resolution on 31 January 2022, the Court approved a reduction of the Company's share premium on 22 February 2022 of £157,477,000 to distributable reserves. The distributable reserve will allow the Company to proceed with an on-market purchase of up to 20% of the Company's issued share capital.

On 10 March 2022, the Company announced that it had acquired 1,000,000 ordinary shares in Caretech Holdings PLC at £6.335 per share, for a total consideration of £6.3m. This was its first investment since becoming an Investing Company and is consistent with its investing policy as amended after the General Meeting held on 31 January 2022.

16. Subsequent events (continued)

On 1 April 2022, the Company announced that it had acquired a further 974,130 shares in Caretech Holdings Plc at an average price of £6.95 per share, for a total consideration of £6,769,069.

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
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
Eddie Stobart Businesses	Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People
EPS	Earnings per share
FY20	Financial Year ended 30 November 2020
FY21	Financial Year ended 30 November 2021
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	GreenWhiteStar Acquisitions Limited and all of its subsidiaries from time to time
HY20	Six month period ended 31 May 2020
HY21	Six month period ended 31 May 2021
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 pages 6 and 7
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 note	Loan of £55m used to effect the DBAY transaction, which carries interest at 18% compounding quarterly, maturing in November 2025.
PWC	PricewaterhouseCoopers LLP **-** the Company’s auditors
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

Advisors

Registrars for Logistics Development Group plc
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