

The information contained within this announcement is deemed by the Company to constitute inside information as defined by the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Eddie Stobart Logistics plc (the "Company")

Interim Results for six months ended 31 May 2019

The Company announces its unaudited consolidated results for the six months ended 31 May 2019¹.

DBAY transaction

- The Company concluded the transaction with DBAY that was approved by shareholders in December 2019, resulting in a new ownership structure under which the Company holds a 49% interest in the Eddie Stobart group. Shareholders have the opportunity to participate in the future growth in value of the Eddie Stobart group.
- This transaction provided £70m of additional liquidity, putting the Eddie Stobart group on a stable footing and providing a platform from which to develop.
- The Eddie Stobart group has new leadership with significant experience of the logistics sector.

Interim results

- Revenue grew c.26% year-on-year (2019: £421.3m, 2018 restated: £334.5m), representing a 6.4% growth in the underlying business and a strong first half contribution by The Pallet Network.
- Underlying EBIT² for the period is a loss of £11.6m (2018 restated: profit of £0.6m) in line with the announcement made on 14 November 2019.
- The Group recognised a £169.2m impairment charge, reflecting current business performance and challenging trading conditions, an increased discount rate associated with higher gearing and a more prudent assessment of medium and long term forecast profitability.
- Profits were significantly impacted by previously communicated accounting-related matters. The impact of these matters on underlying EBIT² for HY19 is in line with the announcement made on 14 November 2019.
- Adjustments to audited accounts for prior financial periods have also been required, reducing consolidated net assets at 30 November 2018 by £85.1m
- There have been no direct cash outflows as a result of the prior year restatements or adjustments made to the HY19 results. In addition, future net cash flows will not be materially impacted by these adjustments.
- Adjusted loss³ before tax was £16.5m (2018 restated: loss of £1.9m) in the period and statutory loss before tax was £199.8m (2018 restated: loss of £15.1m).
- Net debt at 31 May 2019 was £158.0m (2018: £115.6m). Net debt at 30 November 2019 was approximately £215m.
- Restoration of trading in the Company's shares will occur at 7.30am on 26 February 2020.

Full year expectations

- The Board expects a small underlying EBIT loss for the full year, however shareholders should note that the loss could be greater and this is subject to audit by the Group's auditors, which may give rise to adjustments.

¹ For the purposes of these results the "Group" means the Company and its subsidiaries at 31 May 2019; the "Eddie Stobart group" means Greenwhitestar Acquisitions Limited and its subsidiaries, which were subsidiaries of the Company prior to the transaction with DBAY in December 2019 together with a 47.5 per cent interest in Puro Ventures Limited, and "HY19" means the six months ending 31 May 2019.

² Underlying EBIT is defined as profit from operating activities before exceptional items, amortisation of acquired intangibles, employee share costs funded by previous parent holding group, charges to the income statement relating to the management incentive plan and long-term incentive plan, and including the Company's share of profit from equity accounted investees (and for FY18 also including force majeure and start-up costs associated with contract wins).

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

Eddie Stobart Logistics plc

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Business update

The interim results reflect the group structure as at 31 May 2019 at which time the Company indirectly owned 100% of the Eddie Stobart trading businesses, Eddie Stobart Limited, iForce, The Pallet Network (TPN) and The Logistic People, and a 47.5% interest in Speedy Freight.

Following completion of the transaction approved by shareholders in December 2019, the Company now holds a 49% interest in Greenwhitestar Acquisitions Limited (GWSA), the company that indirectly holds 100% of the trading entities (the Eddie Stobart group) that were formerly subsidiaries of the Company. Douglas Bay Capital Fund III LLP, a fund managed by DBay Advisors Limited (DBAY), has acquired the other 51% interest in GWSA. Going forward the shareholders of the Company have the opportunity to participate indirectly in the future growth in value of the Eddie Stobart group through the Company's 49% stake in GWSA.

This transaction was recommended to shareholders by the Directors who had reached the conclusion that the transaction was the best option available to address the significant challenges facing the Group, and would allow shareholders to retain an economic interest in the underlying business.

The Eddie Stobart group has new leadership with extensive experience of the logistics sector; William Stobart, is now Executive Chairman of the Eddie Stobart group and there is a new board of directors at GWSA including Mike Branigan, former Chief Executive Officer of Transport Development Group (TDG), Geoffrey Bicknell, former Chief Financial Officer of TDG and Saki Riffner, Chief Investment Officer of DBAY. The Board has been informed by the GWSA leadership team that the thorough review of the Group's operations announced in November 2019 is continuing and the management team is taking steps to bring further stability to the business following the recent challenging period.

The Directors of the Company are committed to working with DBAY and the Eddie Stobart group in the interests of the shareholders of the Company and are pleased to announce the appointment to the Board of the Company of Saki Riffner, Chief Investment Officer of DBAY with effect from 27 February 2020. We are in the final stages of appointing a non-executive chairman who has significant investment management experience and will make a further announcement once the appointment process is complete. These appointments will broaden the experience of Board members and strengthen the Company's links with DBAY and the Eddie Stobart group.

As highlighted in the Company's announcement dated 14 November 2019, the conversion of the Company to an AIM listed investing company is being considered by the Board which would entail the Company raising funds, prior to the end of May 2020, to co-invest alongside DBAY in private equity deals across Europe. Shareholder approval would be required for any such proposal and the Board intends to seek the views of existing shareholders before pursuing such a transaction. To further align the interest of DBAY and the Company's shareholders, DBAY has agreed that the Company has the right, at the time it becomes an investing company which is managed by DBAY, to purchase up to 49% of the PIK loan instrument that DBAY has used to fund the Eddie Stobart group.

The Board expects a small underlying EBIT loss for the full year, however shareholders should note that losses could be greater and this is subject to audit by the Group's auditors, which may give rise to adjustments.

The Eddie Stobart group management team is committed to building on the Group's strong fundamentals and is seeking to deliver an improved performance from a more stable footing. The business has continued to deliver excellent service to its customers and since the start of the HY19 period has won new customers such as Tilda, Metsa and Lallemand and extended contracts with Tesco, Aldi and Mayborn. No significant contracts have been lost since the start of the six months ended 31 May 2019 (HY19), although two underperforming contracts have been exited.

Interim review for the six months ended 31 May 2019

Background

On 23 August 2019, and subsequently on 16 September 2019, the Company announced, amongst other things, that work was on-going to clarify the impact of certain accounting-related items following the Board's review of the HY19 results. The Company also announced on 23 August 2019 that the review would result in a delay to the publication of the HY19 results and the Company's shares were suspended from trading on AIM. This work has now been completed and the Company today announces its consolidated results for the six months ended 31 May 2019. Restoration of trading in the

Company's shares will occur at 7.30am on 26 February 2020. As noted above, these consolidated results reflect the group structure as at 31 May 2019 at which time the Company indirectly owned 100% of the Eddie Stobart group.

Following the detailed review the Board has identified a number of accounting-related matters which have significantly impacted the HY19 results and also have resulted in restatements of the Company's consolidated audited financial results for 2018 and prior years. There have been no direct cash outflows as a result of the prior year restatements or adjustments made to the HY19 results. In addition, future net cash flows will not be materially impacted by these adjustments. Further explanation is provided in note 14.

Summary of HY19 results

The Group's revenue grew in the half year driven by organic growth from existing customers, the effect of significant contracts wins in 2018 and the contribution from TPN, which was acquired in 2018.

Group revenues for the period increased by c.26% to £421.3m (2018 restated: £334.5m), inclusive of the adjustments noted above. Underlying EBIT decreased to a loss of £11.6m (2018 restated: profit of £0.6m), in line with the Board's expectations as announced on 14 November 2019.

The Group was required to undertake an analysis of impairment of its goodwill and assets due to impairment indicators present during the review of its interim results. Impairment testing has been undertaken on the Group's balance sheet at 31 May 2019 which involved applying revised discount factors and taking in to account appropriate sensitivities on the forecasted profitability of the group. This analysis has led to the recognition of an impairment charge of £169.2m, reflecting the challenges the business has faced in HY19, see note 5 and 11 for a full analysis.

Exceptional costs included within administrative expenses of £174.4m (2018 restated: £2.5m) were incurred in the period including the impairment charge referred to above. The Group reported an underlying loss per share of 2.9p (2018 restated: loss per share 0.1p) for the period. Net debt as at 31 May 2019 was £158.0m (2018 restated: £115.6m).

The adjusted loss before tax was £16.5m (2018 restated: loss of £1.9m) in the period. On a statutory basis, the Group reported a loss before tax of £199.8m (2018 restated: loss of £15.1m).

Revenue

Revenue by Sector	Six months ended	Weighting	Restated Six months ended	Weighting	Growth
	31 May 2019		31 May 2018		
	Unaudited		Unaudited		
	£m	%	£m	%	%
Retail	128.5	31%	100.4	30%	28%
Consumer	114.4	27%	69.2	20%	65%
E-Commerce	94.2	22%	79.6	24%	18%
Manufacturing, Industrial & Bulk (MIB)	80.0	19%	82.6	25%	-3%
Non sector specific	4.2	1%	2.7	1%	56%
Revenue	421.3	100%	334.5	100%	26%

The Group's revenues were £421.3m for the six months ended 31 May 2019 (2018: £334.5m) which represented growth of 26%.

This revenue growth was driven by the full first half contribution from TPN which was acquired in the second half of 2018 supported by organic growth from existing customers in the underlying business within the consumer segment, and full first half year effect of significant contract wins in 2018.

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

- Retail revenue grew 28% to £128.5m (2018: £100.4m) driven by the acquisition of the TPN which, contributed a strong first half result of £32.2m. Revenue from the underlying business (excluding TPN) decreased by £4.2m.

- Consumer revenue was £114.4m (2018: £69.2m), a 65% increase compared to 2018 as significant contract wins in early 2018 including new contracts with PepsiCo and Britvic translated to a full six months of revenue in 2019.
- E-commerce revenue grew 18% to £94.2m (2018: £79.6m) driven by the acquisition of TPN which contributed £17.6m. The underlying business (excluding TPN) decreased by £3.0m. E-Commerce now makes up 22% of total Group revenue.

MIB decreased by £2.6m (3%) due to the exit of an underperforming contract during the period.

Underlying EBIT

Underlying EBIT for the period is a loss of £11.6m (2018 restated: profit of £0.6m) driven primarily by a re-assessment of the accounting treatment of property related revenue, the profitability on new contracts being lower than average over their integration period, re-assessment of customer-related recoveries, cost accruals and provisions within the transport operations business and adoption of new accounting standards.

Financing costs

	Six months ended 31 May 2019 Unaudited £m	Restated Six months ended 31 May 2018 Unaudited £m
Interest payable on bank loans, overdrafts and finance leases	3.7	0.7
Interest rate swaps: loss/(gain)	0.8	(0.2)
Interest rate swaps: interest charged	0.1	-
Amortisation of bank fees	0.3	2.0
Total finance expense	4.9	2.5

The finance expense increased from £2.5m to £4.9m in 2019 primarily due the higher net debt level and the more frequent use of the invoice discounting facility compared to the first half of 2018.

The 2019 interest charge includes a £0.8m loss on the fair value adjustment on an interest rate swap facility (2018: £0.2m gain).

Exceptional items in Administrative Expenses

	Six months ended 31 May 2019 Unaudited £m	Restated Six months ended 31 May 2018 Unaudited £m
Deferred consideration associated with business acquisitions	2.2	0.8
Costs associated with business acquisitions	-	1.2
Prior year restructuring costs	-	0.5
Onerous lease provision	2.2	-
Onerous lease costs recognised	0.8	-
Impairment charge	169.2	-
Total exceptional items included in administrative expenses	174.4	2.5

Total exceptional costs for the period were £174.4m (2018 restated: £2.5m), largely driven by an impairment charge of £169.2m, see note 5 for full analysis. The remainder of the exceptional items consists of £2.2m one off payments treated as employee compensation in connection with the acquisition of TPN, £2.2m relating to an onerous lease on assets

following the exit from an underperforming contract and £0.8m of onerous lease costs incurred on specialist equipment following the exit of that contract.

Impairment

The Group was required to undertake an analysis of impairment of its goodwill and assets due to impairment indicators present during the review of its interim results. Impairment testing has been undertaken on the Group's balance sheet at 31 May 2019 which involved applying revised discount factors and taking into account appropriate sensitivities on the forecasted profitability of the group. As a result total impairment of £169.2m has been recognised across General Transport (£150.0m) and iForce (£19.2m) Cash Generating Units (CGUs). This is based on and is sensitive to the Group's forecasted future profitability. See note 5 and 11 for full analysis.

Earnings per share

Statutory basic and diluted earnings per share were a loss of 51.3p (2018 restated: loss of 3.8p). Underlying basic and diluted earnings per share were a loss of 2.9p (2018 restated: loss of 0.1p).

Tax

For the six months to 31 May 2019, the Group has a tax credit of £5.3m (2018 restated: credit of £1.6m), primarily arising from the losses made in the period and the release of deferred tax liabilities following the impairment charge.

Net debt

Net debt at 31 May 2019 was £158.0m (2018: £115.6m) representing an increase of £42.4m arising from the additional debt in connection with the acquisition of TPN on 28 June 2018. This additional debt was provided by our existing group of lenders on the same terms as the original term loan facility put in place at April 2017. The net debt at 31 May 2019 was broadly consistent with the balance at 30 November 2018 of £159.6m.

The Company stated in November 2019 that it was relying more heavily on its available debt facilities and, accordingly, net debt for year-end 30 November 2019 was approximately £215m.

Full Year consolidated results

The Company's consolidated accounts for the full year to 30 November 2019 will reflect the Company's ownership of 100% of the Eddie Stobart group at that date.

Accounting matters

Property-related activities

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

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

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

reflecting the benefit of the amortisation of lease incentives on unexpired leases entered into in the past.

Speedy Freight consolidation

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

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

During the review of the HY19 results, this judgement has been reconsidered and it has been determined that a more appropriate treatment is to account for Puro Ventures Limited as an associate and therefore not to consolidate its results, in line with the requirements of the accounting standards. This has had a negative impact on the underlying operating EBIT for HY19 of £0.1m and for HY18 of £0.8m. The Company's consolidated results for FY18 are restated to reflect this.

Other accounting adjustments

A number of other accounting adjustments relating to provisions in connection with underperforming contracts, lease accounting, dilapidations and cost accruals and implementation of new accounting standards have adversely impacted earnings for HY19. Restatements of results for FY18, FY17 and prior years is required to reflect the items noted above and other historical items. Please see note 14 for further information.

Independent review report to Eddie Stobart Logistics plc

Report on the Interim Financial Statements for the period ended 31 May 2019

Our conclusion

We have reviewed Eddie Stobart Logistics plc's unaudited consolidated financial statements for the period ended 31 May 2019 (the "interim financial statements") in the Interim Results for the six months ended 31 May 2019 of Eddie Stobart Logistics plc for the six month period ended 31 May 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

What we have reviewed

The interim financial statements comprise:

- the Consolidated Statement of Financial Position as at 31 May 2019;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results for the six months ended 31 May 2019 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Results for the six months ended 31 May 2019, including the interim financial statements, are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the Interim Results for the six months ended 31 May 2019 in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results for the six months ended 31 May 2019 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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

We have read the other information contained in the Interim Results for the six months ended 31 May 2019 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
25 February 2020

Consolidated Income Statement

for the six months ended 31 May 2019

	Notes	Six months ended 31 May 2019 Unaudited £'000	Restated Six months ended 31 May 2018 Unaudited £'000	Restated Year ended 30 November 2018 Unaudited £'000
Continuing operations				
Revenue	3	421,284	334,526	781,462
Cost of sales		(345,990)	(272,317)	(642,975)
Gross profit		75,294	62,209	138,487
Administrative expenses: before amortisation of acquired intangibles and exceptional items		(85,714)	(61,886)	(131,338)
Credit loss on contractual assets		(2,649)	(2,487)	(2,978)
Amortisation of intangibles		(7,742)	(5,880)	(13,158)
Administrative expenses: before exceptional items		(96,105)	(70,253)	(147,474)
Administrative expenses: exceptional items	5	(174,435)	(2,494)	(5,112)
Total administrative expenses		(270,540)	(72,747)	(152,586)

Loss from operating activities		(195,246)	(10,538)	(14,099)
Loss from operating activities: before exceptional items	4	(20,811)	(8,044)	(8,987)
Finance income		1	-	12
Finance expenses: before exceptional items		(4,919)	(2,534)	(6,101)
Finance expenses: exceptional items	5	-	-	(489)
Total finance expense		(4,919)	(2,534)	(6,590)
Net finance expense		(4,918)	(2,534)	(6,578)
Share of post-tax results of equity accounted investees		421	684	1,339
Equity accounted investees: exceptional items		(99)	(2,729)	(2,917)
Total share of equity accounted investees		322	(2,045)	(1,578)
Loss before tax		(199,842)	(15,117)	(22,255)
Income tax credit	8	5,338	1,649	714
Loss for the period from continuing operations		(194,504)	(13,468)	(21,541)
Earnings per share				
Basic – total operations	9	(51.3p)	(3.8p)	(5.9p)
Diluted – total operations	9	(51.3p)	(3.8p)	(5.9p)

Full details of restatements are included in Note 14.

The accompanying notes form part of these extracts of the financial statements.

Consolidated Statement of Comprehensive Income

for the six months ended 31 May 2019

	Six months ended 31 May 2019	Restated Six months ended 31 May 2018	Restated Year ended 30 November 2018
	Unaudited £'000	Unaudited £'000	Unaudited £'000
Loss for the period	(194,504)	(13,468)	(21,541)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	202	319	655
Foreign currency translation differences - equity accounted investees	-	10	(89)
Total items that are or may be reclassified subsequently to profit or loss	202	329	566
Total Comprehensive Expense for the period	(194,302)	(13,139)	(20,975)

Full details of restatements are included in Note 14.

The accompanying notes form part of these extracts of the financial statements.

Consolidated Statement of Changes in Equity for the six months ended 31 May 2019

	<u>Attributable to equity holders of the Company</u>							
	Share capital	Share premium	Merger reserve	Translation reserve	Own shares	Share options reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 December 2017	3,579	117,257	7,950	(487)	(2,700)	1,079	85,710	212,388
Prior year adjustment	-	-	-	-	-	-	(49,803)	(49,803)
Restated balance as at 1 December 2017	3,579	117,257	7,950	(487)	(2,700)	1,079	35,907	162,585
Reported profit for six months ending 31 May 2018	-	-	-	-	-	-	1,355	1,355
Prior period adjustment	-	-	-	-	-	-	(14,823)	(14,823)
Restated loss for six months ending 31 May 2018	-	-	-	-	-	-	(13,468)	(13,468)
Total other comprehensive income	-	-	-	329	-	-	-	329
Share based payment charges	-	-	-	-	-	849	-	849
Dividends	-	-	-	-	-	-	(15,734)	(15,734)
Restated balance as at 31 May 2018	3,579	117,257	7,950	(158)	(2,700)	1,928	6,705	134,561

	<u>Attributable to equity holders of the Company</u>							
	Share capital	Share premium	Merger reserve	Translation reserve	Own shares	Share options reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 December 2017	3,579	117,257	7,950	(487)	(2,700)	1,079	85,710	212,388
Prior year adjustment	-	-	-	-	-	-	(49,803)	(49,803)
Restated balance as at 1 December 2017	3,579	117,257	7,950	(487)	(2,700)	1,079	35,907	162,585
Reported profit for the year ended 30 November 2018	-	-	-	-	-	-	16,245	16,245
Prior period adjustment to profit	-	-	-	-	-	-	(37,786)	(37,786)
Restated loss for the year ended 30 November 2018	-	-	-	-	-	-	(21,541)	(21,541)
Total other comprehensive income	-	-	-	566	-	-	-	566
Issue of capital (net of costs)	214	28,745	-	-	-	-	-	28,959
Share based payment charges	-	-	-	-	-	1,679	-	1,679
Dividends	-	-	-	-	-	-	(21,572)	(21,572)
Restated balance as at 30 November 2018	3,793	146,002	7,950	79	(2,700)	2,758	(7,206)	150,676
Loss for six months ending 31 May 2019	-	-	-	-	-	-	(194,504)	(194,504)
Total other comprehensive income	-	-	-	202	-	-	-	202
Share based payment charges	-	-	-	-	-	1,090	-	1,090
Dividends	-	-	-	-	-	-	(18,058)	(18,058)
Balance at 31 May 2019	3,793	146,002	7,950	281	(2,700)	3,848	(219,768)	(60,594)

Consolidated Statement of Financial Position as at 31 May 2019

	Notes	31 May 2019 Unaudited £'000	Restated 31 May 2018 Unaudited £'000	Restated 30 Nov 2018 Unaudited £'000
Assets				
Non-current assets				

Property, plant and equipment	10	59,241	65,680	65,907
Goodwill	11	25,607	155,207	172,584
Intangible assets	11	99,383	85,300	114,182
Deferred tax asset		3,142	3,041	3,142
Investments in equity accounted investees		7,088	9,188	8,079
		194,461	318,416	363,894
Current assets				
Inventories		2,249	2,505	3,126
Trade and other receivables		186,664	162,866	208,693
Current tax asset		8,571	1,947	2,569
Cash and cash equivalents		9,094	4,444	14,203
		206,578	171,762	228,591
Total assets				
		401,039	490,178	592,485
Liabilities				
Current liabilities				
Loans and borrowings	12	(40,714)	(8,228)	(44,817)
Trade and other payables		(183,946)	(162,551)	(171,195)
Provisions		(13,020)	(6,831)	(8,748)
		(237,680)	(177,610)	(224,760)
Non-current liabilities				
Loans and borrowings	12	(126,349)	(111,808)	(128,989)
Trade and other payables		(80,312)	(52,458)	(68,612)
Deferred tax liabilities		(5,350)	(5,474)	(11,006)
Provisions		(11,942)	(8,267)	(8,442)
		(223,953)	(178,007)	(217,049)
Total liabilities				
		(461,633)	(355,617)	(441,809)
Net (liabilities)/assets				
		(60,594)	134,561	150,676
Equity				
Share capital	13	3,793	3,579	3,793
Share premium	13	146,002	117,257	146,002
Merger reserve		7,950	7,950	7,950
Translation reserve		281	(158)	79
Own shares		(2,700)	(2,700)	(2,700)
Share option reserve		3,848	1,928	2,758
Retained earnings		(219,768)	6,705	(7,206)
Total equity				
		(60,594)	134,561	150,676

Full details of restatements are included in Note 14.

Signed on behalf of the Board on 25 February 2020

Christopher Casey
Director
Company Number: 8922456

Consolidated Cash Flow Statement for the six months ended 31 May 2019

	Notes	Six months ended 31 May 2019 Unaudited £'000	Restated Six months ended 31 May 2018 Unaudited £'000	Restated Year ended 30 November 2018 Unaudited £'000
Cash flows from operating activities				
Loss for the period from continuing operations		(194,504)	(13,468)	(21,541)

Adjustments for:				
Tax (credit) / expense	8	(5,338)	(1,649)	(714)
Share of profit of equity-accounted investees, net of tax		(421)	(684)	(1,339)
Net finance costs		4,918	2,534	6,578
Impairment charge	5	169,206	-	-
Other exceptional items	5	5,328	5,223	8,029
Depreciation		5,318	4,339	7,743
Amortisation of intangible assets		7,742	5,880	13,158
Tangible and intangible fixed asset write offs		1,515	(168)	875
(Loss) / gain on sale of property, plant and equipment		116	(45)	(2,779)
Equity settled share-based payment expenses		1,090	849	2,004
Foreign exchange		133	28	695
Changes in:				
Inventories		727	(110)	(730)
Trade and other receivables		1,139	(32,716)	(72,542)
Trade and other payables		4,478	27,090	55,429
Provisions and employee benefits		5,240	(521)	464
Cash generated/(absorbed) from operating activities	4	6,687	(3,418)	(4,670)
Interest paid		(3,776)	(3,546)	(7,120)
Cash outflow from exceptional items		(792)	(839)	(8,499)
Property related activity inflow - treated as lease incentives		20,740	11,001	19,790
Income taxes paid		(6,322)	(2,060)	(3,400)
Net cash generated from operating activities		16,537	1,138	(3,899)
Cash flows from investing activities				
Proceeds from sales of property, plant and equipment		1,852	276	3,570
Acquisition of subsidiaries, net of cash acquired		(79)	-	(22,127)
Acquisition of associates		(800)	-	(1,967)
Purchase of property, plant and equipment		(14,619)	(7,425)	(14,155)
Purchase of intangible assets		(417)	(519)	(3,313)
Interest received		1	1	15
Dividends received from equity accounted investees		1,396	171	1,735
Net cash used in investing activities		(12,666)	(7,496)	(36,242)
Cash flows from Financing Activities				
Proceeds from issue of share capital (net of costs)		-	-	28,960
(Repayment) / drawdown of invoice discounting facility		(7,171)	671	38,510
Drawdown of new borrowings (net of costs)		-	514	23,355
(Repayment) / drawdown of financing facility, net of costs		1,460	-	(21,530)
Repayment of capital element of finance lease liabilities		(3,269)	(2,142)	(5,077)
Prior year interim dividends paid during the year		-	-	(21,572)
Net cash generated from financing activities		(8,980)	(957)	42,646
(Decrease) / increase in cash and cash equivalents		(5,109)	(7,315)	2,505
Cash and cash equivalents at the start of the financial period		14,203	11,777	11,777
Effect of exchange rate fluctuations on cash held		-	(18)	(79)
Cash and cash equivalents at the end of the financial period		9,094	4,444	14,203

Notes to the Consolidated Financial Statements for the six months ended 31 May 2019

1. General information

The Directors of Eddie Stobart Logistics plc (the "Company") present the unaudited consolidated financial statements for the period ended 31 May 2019 ("Interim Financial Statements") and their interim report. The Company is a public limited company, incorporated and domiciled in the UK. Its registered address is Stretton Green Distribution Park, Langford Way, Warrington, WA4 4TQ.

The Interim Financial Statements have been reviewed, but not audited, by PricewaterhouseCoopers LLP and were approved by the Board of Directors on 25 February 2020. The information for the period ended 31 May 2019 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Interim Financial

Statements should be read in conjunction with the Annual Report and Financial Statements, for the year ended 30 November 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Annual Report and Financial Statements for the year ended 30 November 2018 were approved by the Board of Directors on 28 March 2019 and delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006. Whilst the reported financial statements for the period ended 30 November 2018 were audited, it should be noted that following prior year adjustments the restated amounts for the year ended 30 November 2018 are unaudited.

Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The Interim Financial Statements are presented in pounds sterling, rounded to the nearest thousand, unless otherwise stated. They were prepared under the historical cost convention, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, derivative financial instruments, and other financial assets and liabilities recognised at fair value through profit or loss, which have been measured at fair value.

Going concern

On 9 December 2019 DouglasBay Capital III Fund LP, a fund managed by DBAY Advisors Limited ("DBAY"), has through Marcelos Limited, acquired a 51% stake in Greenwhitestar Acquisitions Limited ("Greenwhitestar"), which until immediately prior to completion of the transaction was a wholly-owned subsidiary of the Company and in turn held the Company's interests in the trading entities of the Group. DBAY has injected approximately £50m^{4*} of new financing into Greenwhitestar and the trading entities of the Group by way of a payment-in-kind facility (the "PIK Facility").

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

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

The Directors have considered going concern on the basis of the post transaction structure. The Company holds a 49% interest in Marcelos Limited and generates no trading income in its own right. The Company is reliant on funding that Marcelos Limited has agreed to provide to enable the Company to settle its expenses and liabilities as they fall due. Marcelos Limited, which holds the controlling stake in Greenwhitestar, generates no trading income in its own right and is therefore itself reliant on funding from Greenwhitestar or its ultimate controlling party, DBAY, in order to be able to provide funding to the Company.

The Directors have therefore considered the ability of Greenwhitestar to operate as a going concern. The Directors have a reasonable expectation that Greenwhitestar has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report, and therefore be able to provide the required funding to Marcelos noted above.

In making this judgement the Directors have reviewed future trading forecasts of Greenwhitestar and considered sensitivities to those forecasts. One issue considered is the right of a single vehicle lessor to terminate their agreement with the Eddie Stobart group pursuant to the breach of a change of control clause triggered by the transaction with DBAY referred to above. The Eddie Stobart group is in active discussions with the lessor, whose assets comprise a minor percentage of the total fleet, and the contract has continued as normal with all payments being met as they have fallen due. The Directors are satisfied that the potential removal of the related vehicles would not impact the operations of the business. Other sensitivities considered included potential changes to trading volumes, operational improvements and working capital compared to the Groups trading forecasts. The Directors have also taken into account the confirmation of parental support received by Greenwhitestar from the ultimate controlling party of Greenwhitestar, DBAY Advisors Limited.

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

⁴ £55m net of £5m retained in Marcelos Limited relating to transaction costs.

Accounting policies

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 November 2018, except as noted in note 14.

New and amended standards adopted by the Group

The Group have implemented IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers, both effective for the first time for the financial year beginning on 1 December 2018. See note 14 for full details of the implementation and its effects. The Group have applied the fully retrospective method and therefore the comparative periods have been restated.

IFRS 16 was issued in January 2016 and is effective from 1 January 2019, eliminating the classification of leases as operating leases or finance leases and setting out a single lease accounting model. The measurement of the impact is still under review but is expected to be material.

Critical accounting judgements and key sources of estimation uncertainty

Significant accounting judgements

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

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

Critical judgements in applying the Group's accounting policies

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

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

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

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been noted below. With the exception of the additional estimation uncertainties noted below these key sources of estimation uncertainty are the same as those disclosed in note 2 of the Group's 2018 Annual Report, which can be obtained from the Company's registered office or from the Company's website www.eddiestobart.com.

(i) Impairment - the Group is required to perform an annual impairment test on the carrying value of each of its CGU's assets, or if there are indicators of impairment present, by reference to its value in use or its fair value, less costs of disposal. This requires an estimate of future business performance, cash flows and discount rates all of which rely on estimates and judgements of future events and may therefore be subject to change. The future business performance is sensitive to forecasted revenue, staff and overhead costs as well as assumptions made in improved efficiency and profitability. Whilst the Group is able to manage the majority of costs the revenue projections are inherently short term in nature and can be affected by factors outside of the business's control in the medium to long term such as market conditions and consumer trends. Reasonably possible sensitivities have been applied to these forecasts such as a reduction in forecasted revenue and delays to any efficiency improvements included within the forecasts which by their nature are subjective and may have a material impact on the impairment recognised. A total impairment of £169.2m has been recognised in the period. See note 11.

(ii) Dilapidations – the Group has a significant warehouse portfolio. In assessing the potential liability at the end of each lease the Group commissioned a third party qualified surveyor report and sought advice from other property specialists who have extensive industry and portfolio knowledge. Such an estimate is in its nature subjective due to the variations between

the different sites, the future use of the building and overall level of dilapidations required at the end of the lease which could have a material impact on the provision. The provision held as at 31 May 2019 is £11.2m. In estimating this provision, management has made the judgment that certain sites will be subject to redevelopment by the landlord, which reduces the dilapidation obligation. In addition, management have made judgments around how potential lease extensions may impact dilapidation obligations. Four sites are impacted by these particular judgments and, if the outcome is different to the judgment made, this could (decrease)/increase the provision by c£(1.6)m/£7.3m. It is also possible that the dilapidation liabilities may be settled, in negotiation, for less than the amount provided. Management will continue to assess its estimate in line with experience.

(iii) Onerous leases – the Group has identified an onerous lease relating to a number of specialist fleet assets as at 31 May 2019. This has resulted in an onerous lease provision of £1.8m and impairment of assets of £0.4m, based on the remaining term of the lease as there is no contractual break clause, unless, an early termination date is known and confirmed. This involves an estimate of the residual values of the assets on lease and any sale gain/loss that could occur upon disposal of the assets prior to the end of the lease term. Unless an early termination date is confirmed it is assumed that all leases will run to the end of the term, the earliest of which is July 2022, the latest November 2025. There could be a material release of the provision or impairment based on the timing of any sale of assets or the sale value.

(iv) IFRS 9 Expected Credit Loss – IFRS 9 requires a provision to be made against financial assets based upon expected credit losses. The majority of the Group's financial assets are trade debtors and accrued income and the expected credit loss model has been applied to these items, using a provisions matrix as permitted by IFRS 9. The determination of expected credit losses requires judgment and the Group has developed a methodology for estimating the probability of default using historic information and also considering the impact of any relevant forward-looking information. The probabilities of default applied to each ageing category range from 0% (negligible) to 100%. If the probability of default is increased/decreased by 1% for all debts (both due and not yet due), this would increase/decrease the provision as at May 2019 by £1.2m/£0.1m respectively.

2. Seasonality of operations

Some of the Group's operations are seasonal, with demand for services generally trending higher as the financial year progresses. Whilst this impact is mitigated by operating in different sectors there is still a significant increase in revenue and profits in the second half of the year for the Group as a whole. The Group aims to reduce further the impact of seasonality by growing in business sectors that have a complementary profile in respect of seasonal trading.

3. Operating Segments

During the period, the Group provided contract logistics services in the UK and Europe. In the six months to 31 May 2019 the Group managed its operations via distinct functions as well as via a sector-based view. General Transport represents road transport and associated contract logistics and warehouse services in the UK and Ireland, Ports and Special Operations (consisting of work relating to the FIA Formula 1 World Championship™ and Truckstops). iForce group and The Pallet Network group⁵ are considered to be single segments. EU Transport represents transport and vehicle transportation in Europe. Other represents head office costs, interest costs and central costs such as HR, IT, Finance, Payroll and other departments which are not directly allocated to business units, as well as driver related services including The Logistic People.

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

All operations are continuing for each segment.

⁵ The iForce group means iForce Group Limited and its subsidiaries, Buyforce Limited, iForce Holdings Limited, iForce Auctions Limited, iForce Limited and iForce Trading Limited

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

Analysis of Operating Segments

Segmental		Restated Six	Restated
		months	Year ended
	Six months	ended	30 November
	ended	31 May	2018
	31 May 2019	2018	2018
	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
Revenues			
General Transport	282,340	266,183	582,123
iForce	41,139	37,929	78,903
TPN	65,429	-	58,713
EU Transport	20,031	20,213	40,981
Other Divisions	12,345	10,201	20,742
	421,284	334,526	781,462
Underlying EBITDA			
General Transport	(7,485)	7,724	12,953
iForce	2,357	2,665	5,821
TPN	3,495	-	3,978
EU Transport	748	1,416	2,562
Other Divisions	(5,396)	(6,820)	(8,550)
	(6,281)	4,985	16,764
Underlying EBITDA Margin			
General Transport	-2.7%	2.9%	2.2%
iForce	5.7%	7.0%	7.4%
TPN	5.3%	-	6.8%
EU Transport	3.7%	7.0%	6.3%
Other Divisions	-43.7%	-66.9%	-41.2%
	-1.5%	1.5%	2.1%

The revenue from one customer amounted to more than 10% of the Group's total revenue. The revenue from that customer was £79.1m for the six months ended 31 May 2019 (2018: £85.6m) and this was reported in the General Transport Operating Segment.

For Board reporting purposes the balance sheet is not disaggregated or produced segmentally for the chief operating decision maker. A reconciliation of segment underlying EBITDA from reported profit from operating activities before exceptional items is detailed in note 4.

By Geographical Segment		Restated Six	Restated
		months	Year ended
	Six months	ended	30 November
	ended	31 May	2018
	31 May 2019	2018	2018
	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
United Kingdom	401,253	314,313	740,481
EU	20,031	20,213	40,981
	421,284	334,526	781,462

Analysis of Revenue by Sector

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

Sector	Restated Six months		
	Six months ended 31 May 2019	ended 31 May 2018	Restated Year ended 30 November 2018
	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
Revenues			
Retail	128,472	100,436	237,586
Consumer	114,392	69,217	179,732
E-Commerce	94,238	79,647	169,528
Manufacturing, Industrial & Bulk (MIB)	79,987	82,633	189,262
Non sector specific	4,195	2,593	5,354
	421,284	334,526	781,462

4. Alternative Performance Measures Reconciliations

Alternative performance measures (APMs)

Alternative performance measures (APMs), such as underlying results, adjusted loss after tax and adjusted free cash flow, are used in the day-to-day management of the Group, and represent statutory measures adjusted for items which, in the Directors' view, could distort the understanding of comparability and performance of the Group year on year. These items include amortisation of acquired intangibles, employee share scheme costs which were fully funded by the previous parent holding group, share of profit from equity accounted investees, exceptional costs and in the year to 30 November 2018 force majeure and start-up costs associated with contract wins, both of which have been treated as ongoing expenditure in the period to 31 May 2019. The tables below show the adjustments made to the November 2018 results for these items to allow comparability year on year. Net debt is also an APM and is discussed in note 12.

	Six months ended 31 May 2019	Restated Six months ended 31 May 2018	Restated Year ended 30 November 2018
	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
Reported loss from operating activities before exceptional items	(20,811)	(8,044)	(8,987)
Amortisation of acquired intangibles	7,742	5,880	13,158
Share of profit from equity accounted investees	421	684	1,339
Employee share scheme costs funded by previous parent holding group	380	294	568
Management Incentive Plan & Long Term Incentive Plan	669	-	1,111
Force majeure - severe weather	-	445	445
Start-up costs associated with contract wins	-	1,387	1,387
Underlying EBIT (i)	(11,599)	646	9,021
Depreciation	5,318	4,339	7,743
Underlying EBITDA (i)	(6,281)	4,985	16,764
Loss after tax attributable to owners of the company	(194,504)	(13,468)	(21,541)
Amortisation of acquired intangibles	7,742	5,880	13,158
Employee share scheme costs funded by previous parent holding group	380	294	568
Management Incentive Plan & Long Term Incentive Plan	669	-	1,111
Force majeure - severe weather	-	445	445
Start-up costs associated with contract wins	-	1,387	1,387
Exceptional items (excluding gain arising on lease agreement)	174,534	5,223	8,518
Adjusted (loss)/profit after tax	(11,179)	(239)	3,646
Tax credit	(5,338)	(1,649)	(714)
Adjusted (loss)/profit before tax	(16,517)	(1,888)	2,932
Cash generated/(absorbed) from operating activities	5,887	(3,515)	(6,637)
Purchase of property, plant and equipment	(14,619)	(7,425)	(14,155)
Proceeds from sale of property plant and equipment	(1,852)	(276)	(3,570)
Income taxes paid	(6,322)	(2,060)	(3,400)

Adjusted free cash flow	(16,906)	(13,276)	(27,762)
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(i) Underlying EBIT and Underlying EBITDA are stated before tax but include the tax effect of share of profit from equity accounted investees.

	Six months ended 31 May 2019	Restated Six months ended 31 May 2018	Restated Year ended 30 November 2018
	Unaudited £'000	Unaudited £'000	Unaudited £'000
Reconciliation of cash impact of exceptional items			
Exceptional items (note 5)	(174,534)	(5,223)	(8,518)
Adjusted for:			
Gain arising on lease agreement	-	-	-
Residual capitalised bank fees relating to the previous loan	-	-	-
Deferred consideration associated with business acquisitions	(2,166)	(822)	(19)
Costs associated with business acquisitions	-	(3,562)	-
Impairment charge	(169,206)	-	-
Other non-cash exceptional items	(2,370)	-	-
Non-cash exceptional items	(173,742)	(4,384)	(19)
Cash impact of exceptional items	(792)	(839)	(8,499)

5. Exceptional Items

	Six months ended 31 May 2019	Restated Six months ended 31 May 2018	Restated Year ended 30 November 2018
	Unaudited £'000	Unaudited £'000	Unaudited £'000
Exceptional items included in administrative expenses			
Deferred consideration associated with business acquisitions	(2,166)	(800)	(2,767)
Costs associated with business acquisitions	-	(1,211)	(1,870)
Prior year restructuring costs	-	(483)	(475)
Onerous lease provision	(2,271)	-	-
Onerous lease costs recognised	(792)	-	-
Impairment charge	(169,206)	-	-
Total exceptional items included in administrative expenses	(174,435)	(2,494)	(5,112)
Exit of lending arrangements of The Pallet Network Group	-	-	(489)
Total exceptional items included in finance expense	-	-	(489)
Remuneration related to the acquisition of an associate	(99)	(2,729)	(2,917)
Total exceptional items included in Equity Accounting investees	(99)	(2,729)	(2,917)
Total exceptional items before tax	(174,534)	(5,223)	(8,518)

Deferred consideration associated with business acquisitions relates to contingent consideration accounted for as remuneration relating to the acquisitions of The Logistic People at £nil (2018: £0.8m) and The Pallet Network group at £2.2m (2018: £nil). Remuneration relating to the acquisition of the associate, Puro Ventures Limited trading as Speedy Freight, at £0.1m (2018: £2.7m).

Further analysis of impairment charge recognised (£169.2m) is detailed below and in note 11.

Impairment charge

	Goodwill	Intangible Assets	Property, Plant and Equipment	Total
CGUs	£'000	£'000	£'000	£'000
General Transport	127,793	11,919	10,242	149,954
iForce	19,252	-	-	19,252
Total	147,045	11,919	10,242	169,206

The Group was required to undertake an analysis of impairment of its goodwill and assets due to impairment indicators present during the review of its interim results. Impairment testing has been undertaken on the Group's balance sheet at 31 May 2019 which involved applying revised discount factors and taking into account appropriate sensitivities on the forecasted profitability of the group. This is based on and is sensitive to the Group's forecasted future profitability. See 11 for full analysis.

6. Finance Income and Finance Expense

	Six months ended 31 May 2019 Unaudited £'000	Restated Six months ended 31 May 2018 Unaudited £'000	Restated Year ended 30 November 2018 Unaudited £'000
Finance Income			
Bank interest receivable	1	-	12
Finance Expense			
Interest payable on bank loans and overdrafts	(3,527)	(564)	(5,182)
Interest rate swaps: loss/(gain)	(816)	226	399
Interest rate swaps: interest charged	(51)	25	(66)
Amortisation of bank fees	(347)	(1,912)	(574)
Interest payable on loan notes	-	-	(91)
Interest payable on finance leases	(178)	(309)	(587)
Total finance expense	(4,919)	(2,534)	(6,101)
Finance expense: exceptional items			
Exit of lending arrangements of The Pallet Network Group	-	-	(489)
Total finance expense: exceptional items	-	-	(489)
Net finance expense	(4,918)	(2,534)	(6,578)

7. Dividends

A final dividend of £18.1m for the 2018 financial year was approved by the shareholders on 28 May 2019. This was paid on 7 June 2019 to shareholders on the register at 10 May 2019. A provision for dividends payable of £18.1m has been made in the financial statements for the six months ending 31 May 2019.

The Board has decided not to recommend an interim dividend payment.

8. Taxation

	Six months ended 31 May 2019	Restated Six months ended 31 May 2018	Restated Year ended 30 November 2018

	Unaudited £'000	Unaudited £'000	Unaudited £'000
Total current income tax charge	(319)	(69)	(905)
Total deferred income tax credit	5,657	1,718	1,619
Total credit in the consolidated income statement	5,338	1,649	714

9. Earnings per Share

Basic earnings per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the 12 months to the period end. Diluted earnings per share amounts are calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive instruments into ordinary shares.

	Six months ended 31 May 2019 Unaudited £'000	Restated Six months ended 31 May 2018 Unaudited £'000	Restated Year ended 30 November 2018 Unaudited £'000
Loss attributed to equity shareholders	(194,504)	(13,468)	(21,541)
Weighted average number of Ordinary Shares - Basic			
Issued ordinary shares at the beginning of the period	379,347	357,918	357,918
Net effect of shares issued and purchased during the period	-	-	9,041
	379,347	357,918	366,959
Weighted average number of Ordinary Shares - Diluted			
Weighted average number of Ordinary Shares - Basic (as above)	379,347	357,918	366,959
Net effect of shares options in issue	2,963	2,544	3,040
	382,310	360,462	369,999
Basic loss per share for total operations	(51.3p)	(3.8p)	(5.9p)
Diluted loss per share for total operations	(51.3p)	(3.8p)	(5.9p)

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

	Six months ended 31 May 2019 Unaudited £'000	Restated Six months ended 31 May 2018 Unaudited £'000	Restated Year ended 30 November 2018 Unaudited £'000
Adjusted (loss)/earnings per share			
Basic	(2.9p)	(0.1p)	1.0p
Diluted	(2.9p)	(0.1p)	1.0p
	£'000	£'000	£'000
Adjusted (loss)/earnings are determined as follows			
Loss after tax attributable to owners of the company	(194,504)	(13,468)	(21,541)
Amortisation of acquired intangibles	7,742	5,880	13,158
Employee share scheme costs funded by previous parent holding group	380	294	568

Management Incentive Plan & Long Term Incentive Plan	669	-	1,111
Force majeure - severe weather	-	445	445
Start up costs associated with contract wins	-	1,387	1,387
Exceptional items (excluding gain arising on lease agreement)	174,534	5,223	8,518
Adjusted (loss)/profit after tax (Note 4)	(11,179)	(239)	3,646

10. Property, Plant and Equipment

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Assets under construction £'000	Total £'000
Restated net book value at 31 May 2018	35,124	5,692	6,192	14,437	4,235	65,680
Restated net book value at 30 November 2018	41,319	6,570	7,070	10,141	807	65,907
Net book value at 31 May 2019	36,616	5,988	5,476	6,974	4,187	59,241

A total impairment to property, plant and equipment of £10.2m has been recognised following the impairment review. The impairment of £10.2m has been allocated in accordance with IAS 36 based on net book value to Land and buildings, Plant and machinery, Fixtures and fittings and equipment and Commercial vehicles. See note 11.

11. Goodwill and Intangible Assets

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs of the group that are expected to benefit from the business combination.

	General Transport £'000	EU Transport £'000	TLP Holdings £'000	iForce £'000	TPN £'000	Total £'000
30 November 2017 & 31 May 2018	132,433	1,000	3,391	26,287	-	163,111
Opening balance prior year restatement	(7,904)	-	-	-	-	(7,904)
Allocation	3,264	-	(3,391)	127	-	-
31 May 2018 restated	127,793	1,000	-	26,414	-	155,207
Additions during the period	-	-	-	-	17,377	17,377
30 November 2018 restated	127,793	1,000	-	26,414	17,377	172,584
Additions during the period	-	-	-	-	68	68
Impairment during the period	(127,793)	-	-	(19,252)	-	(147,045)
31 May 2019	-	1,000	-	7,162	17,445	25,607

The Group has tested the carrying value of assets in each CGU for impairment as at 31 May 2019. Goodwill of £9.2m has been derecognised on the deconsolidation of Puro Ventures Limited (Speedy Freight), and a prior year adjustment of £7.9m has been recognised in respect of lease accounting. See note 14.

The Logistic People (TLP) is a corporate profit centre rather than a separable CGU on its own, as the main benefit is derived by the other CGUs across the Group. As such the goodwill arising on acquisition of TLP has been allocated to the other CGUs in line with the benefit received by other CGUs.

The recoverable amounts of the CGUs and the group of units are determined from the value in use calculations. The key assumptions in the value in use calculations are those regarding the discount rate, forecasted revenue, growth rates and expected cost savings as well as operational improvements during the forecasted years.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next twenty four months and projects the cash flows up to year five using an expected growth rate of 2% (1.9% for EU transport). Year 5 is then used to model the terminal cash flows into perpetuity. This growth rate does not exceed the average long-term growth rate for the relevant markets.

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

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

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

To the extent that the Groups performance is worse than what has been assumed in the impairment calculation which we do not foresee, a further impairment may be possible. Further sensitivities, additional to the contingencies noted above, have been performed, the impact of which can be seen below:

	General Transport £'000	EU Transport £'000	iForce £'000	TPN £'000	Total £'000
Discount factor increased by 0.5%	(7,239)	-	(1,795)	-	(9,034)
Growth decreased by 1%	(13,293)	-	(2,567)	-	(15,860)
Revenue decreased by 1%	(9,019)	-	(3,072)	-	(12,091)

Intangible Assets	Software £'000	Brand names £'000	Customer relationships £'000	Total £'000
Restated net book value at 31 May 2018	4,115	6,813	74,372	85,300
Restated net book value at 30 November 2018	8,082	5,952	100,148	114,182
Net book value at 31 May 2019	10,575	3,487	85,321	99,383

A total impairment of intangible assets of £12m has been recognised in the General Transport segment following the impairment review noted above. This was allocated in accordance with IAS36 to the intangible assets categories in line with their carrying value.

Software comprises of software development, licenses and implementation costs (internally generated intangible assets) and are being amortised over three years.

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

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

12. Financial Assets and Liabilities

	Six months ended 31 May 2019 Unaudited £'000	Restated Six months ended 31 May 2018 Unaudited £'000	Restated Year ended 30 November 2018 Unaudited £'000
Current			
Finance lease and hire purchase obligations	6,591	5,535	5,009
Invoice discounting facility	30,497	93	37,798
Bank loans	3,626	2,600	2,010
	40,714	8,228	44,817
Non-current			
Finance lease and hire purchase obligations	1,705	11,020	4,646
Bank loans	124,644	100,788	124,343
	126,349	111,808	128,989
Total loans and borrowings	167,063	120,036	173,806
Cash	(9,094)	(4,444)	(14,203)
Net debt	157,969	115,592	159,603

Interest rate swap

On 10 July 2017 the Group entered into an interest rate swap with Bank of Ireland Global Markets for a value of £60m with a floating rate option of GBP LIBOR, the effective date of the contract is 25 April 2018 and terminates 22 April 2022. The contract is repayable in quarterly instalments on the 25th day of April, July, October and January of each year of the contract. The fixed rate of interest on the swap contract is 0.963% per annum. The swap is currently out of the money, has a fair value liability of £0.4m and the adverse movement of £0.8m is taken through finance expense in the consolidated income statement.

13. Capital and Reserves

	No of shares '000	Share capital £'000	Share premium £'000	Merger reserve £'000
Ordinary shares in issue at 30 November 2017	357,918	3,579	117,257	7,950
Share issue	21,429	214	28,745	-
Ordinary shares in issue at 30 November 2018	379,347	3,793	146,002	7,950
Ordinary shares in issue at 31 May 2019	379,347	3,793	146,002	7,950

14. Restatements to previously reported results and the impact of new accounting standards

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

Restatements to previously reported profit

Speedy Freight Consolidation

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

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

During the review of the HY19 results, this judgement has been reconsidered and it has been determined that a more appropriate treatment is to account for Puro Ventures Limited as an associate and therefore not to consolidate its results, in line with the requirements of the accounting standards. This has had a negative impact on the underlying operating EBIT for HY19 of £0.1m and for HY18 of £0.8m. The Company's consolidated results for FY18 are restated to reflect this.

Property-related activities

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

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

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

Lease accounting

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

Dilapidations

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

Given the expansion of the warehouse portfolio of the Group over the course of the last few years that are subject to dilapidation clauses, that determination has been reviewed, and the financial statements have been restated to reflect a dilapidation provision. This has resulted in an increased income statement charge of £0.7m in 2018, and £5.7m in respect of previous periods. The Group has recognised £11.2m of dilapidations provisions as at 31 May 2019 and an associated increase in leasehold improvement assets of £2.2m.

Other

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

Cash flow statement

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

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

Fully retrospective application of new accounting standards

IFRS 9 Financial Instruments

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

Classification and measurement

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

Impairment

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

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

Hedge Accounting

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

IFRS 15 Revenue from Contracts with Customers

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

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

The Group recognises revenue from the following major sources:

Area	Explanation	IFRS 15 Impact
Open book revenue	Open book contracts will typically cover costs plus an	Revenue relating to costs to serve the customer are invoiced in line with the customer receiving and consuming benefits under the contract, and is recognised in the period in which it is earned.

	agreed fixed or variable management fee.	Performance obligations are measured against minimum service level agreements. There has been no change in the timing of revenue recognition on application of IFRS 15.
Closed book revenue	Revenue for closed book contracts is recognised based on a pre-agreed rate-card per unit/delivery	Revenue based on a pre-agreed rate-card is recognised as services are provided, in line with the customer receiving and consuming benefits under the contract. There has been no change in the timing of revenue recognition on application of IFRS 15.
Membership fees	Membership fees (fixed)	Membership fees are recognised over the term of the contract. There has been no change in the timing of revenue recognition on application of IFRS 15.
Performance-related revenue	Revenue linked to performance measures, such as Key Performance Indicators (KPIs) and gain-share mechanisms.	Variable revenue is recognised to the extent the performance obligation has been satisfied and it is highly probable a significant revenue reversal will not occur. This has resulted in the derecognition of revenue that met the criteria under IAS 18 (probable of receipt) but does not meet the revised criteria under IFRS 15. The impact of which can be seen in the full year restatement table below.
Carrier management	Licensing of carrier management software and provision of carrier management services	Revenue related to licensing of carrier management software and provision of services is recognised over the term of the contract. This has resulted in later recognition of revenue for some contracts.
Sale of goods	Sale of goods to final consumers	Revenue on sale of goods is recognised at the point in time the customer receives control of the goods. There has been no change in the timing of revenue recognition on the application of IFRS 15

	Previously reported six months ended 31 May 2018	Speedy reclassification as an associate	Lease Incentives	Lease Accounting	Dilapidations	Other	IFRS 9	IFRS 15	Total prior year adjustments	Restated six months ended 31 May 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Continuing operations										
Revenue	359,256	(11,026)	(12,725)	-	-	(966)	-	(13)	(24,730)	334,526
Cost of sales	(281,681)	8,962	956	-	-	(554)	-	-	9,364	(272,317)
Gross profit	77,575	(2,064)	(11,769)	-	-	(1,520)	-	(13)	(15,366)	62,209
Administrative expenses: before amortisation of acquired intangibles and exceptional items	(61,860)	842	-	(1,218)	(450)	800	-	-	(26)	(61,886)
Credit loss on contractual assets	-	-	-	-	-	-	(2,487)	-	(2,487)	(2,487)
Amortisation of intangibles	(6,207)	327	-	-	-	-	-	-	327	(5,880)
Administrative expenses: before exceptional items	(68,067)	1,169	-	(1,218)	(450)	800	(2,487)	-	(2,186)	(70,253)
Administrative expenses: exceptional items	(4,401)	1,907	-	-	-	-	-	-	1,907	(2,494)
Total administrative expenses	(72,468)	3,076	-	(1,218)	(450)	800	(2,487)	-	(279)	(72,747)
Profit/(Loss) from operating activities	5,107	1,012	(11,769)	(1,218)	(450)	(720)	(2,487)	(13)	(15,645)	(10,538)

Profit/(Loss) from operating activities: before exceptional items	9,508	(895)	(11,769)	(1,218)	(450)	(720)	(2,487)	(13)	(17,552)	(8,044)
Finance income	2	(1)	-	-	-	(1)	-	-	(2)	-
Finance expenses: before exceptional items	(2,531)	10	-	-	(14)	1	-	-	(3)	(2,534)
Finance expenses: exceptional items	-	-	-	-	-	-	-	-	-	-
Total finance expense	(2,531)	10	-	-	(14)	1	-	-	(3)	(2,534)
Net finance expense	(2,529)	9	-	-	(14)	-	-	-	(5)	(2,534)
Share of post-tax results of equity accounted investees	284	401	-	-	-	(1)	-	-	400	684
Equity accounted investees: exceptional items	-	(2,729)	-	-	-	-	-	-	(2,729)	(2,729)
Profit/(Loss) before tax	2,862	(1,307)	(11,769)	(1,218)	(464)	(721)	(2,487)	(13)	(17,979)	(15,117)
Income tax credit / (expense)	(1,507)	287	2,236	231	126	(197)	473	-	3,156	1,649
Profit/(Loss) for the period	1,355	(1,020)	(9,533)	(987)	(338)	(918)	(2,014)	(13)	(14,823)	(13,468)
Earnings per share										
Basic – total operations	0.4p									(3.8p)
Diluted – total operations	0.4p									(3.8p)

	Previously reported 31 May 2018	Speedy reclassification as an associate	Lease Incentives	Lease Accounting	Dilapidations	Other	IFRS 9	IFRS 15	Total prior year adjustments	Restated 31 May 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets										
Non-current assets										
Property, plant and equipment	65,121	(57)	-	-	1,689	(1,073)	-	-	559	65,680
Goodwill	172,354	(9,242)	-	(7,904)	-	(1)	-	-	(17,147)	155,207
Intangible assets	93,674	(8,374)	-	-	-	-	-	-	(8,374)	85,300
Investments in equity accounted investees	1,499	7,689	-	-	-	-	-	-	7,689	9,188
Deferred tax asset	5,976	(1,450)	-	-	-	(1,485)	-	-	(2,935)	3,041
	338,624	(11,434)	-	(7,904)	1,689	(2,559)	-	-	(20,208)	318,416
Current assets										
Inventories	2,505	-	-	-	-	-	-	-	-	2,505
Trade and other receivables	174,563	(5,263)	-	-	1,078	(3,885)	(3,627)	-	(11,697)	162,866
Cash and cash equivalents	5,748	(1,304)	-	-	-	-	-	-	(1,304)	4,444
	182,816	(6,567)	-	-	1,078	(3,885)	(3,627)	-	(13,001)	169,815
Total assets	521,440	(18,001)	-	(7,904)	2,767	(6,444)	(3,627)	-	(33,209)	488,231
Liabilities										
Current liabilities										
Loans and borrowings	(8,135)	(93)	-	-	-	-	-	-	(93)	(8,228)
Trade and other payables	(160,821)	3,648	(1,738)	(225)	-	(3,307)	-	(108)	(1,730)	(162,551)
Current tax liability	(2,009)	651	5,254	1,364	126	(3,912)	473	-	3,956	1,947
Provisions	(2,579)	-	-	-	-	(4,252)	-	-	(4,252)	(6,831)
	(173,544)	4,206	3,516	1,139	126	(11,471)	473	(108)	(2,119)	(175,663)
Non-current liabilities										
Loans and borrowings	(111,808)	-	-	-	-	-	-	-	-	(111,808)
Trade and other payables	(21,814)	9,677	(39,348)	(973)	-	-	-	-	(30,644)	(52,458)
Deferred tax liabilities	(15,088)	9	-	-	-	9,605	-	-	9,614	(5,474)
Provisions	-	694	-	-	(8,960)	(1)	-	-	(8,267)	(8,267)
	(148,710)	10,380	(39,348)	(973)	(8,960)	9,604	-	-	(29,297)	(178,007)
Total liabilities	(322,254)	14,586	(35,832)	166	(8,834)	(1,867)	473	(108)	(31,416)	(353,670)
Net assets	199,186	(3,415)	(35,832)	(7,738)	(6,067)	(8,311)	(3,154)	(108)	(64,625)	134,561

Equity										
Share capital	3,579	-	-	-	-	-	-	-	-	3,579
Share premium	117,257	-	-	-	-	-	-	-	-	117,257
Merger reserve	7,950	-	-	-	-	-	-	-	-	7,950
Translation reserve	(158)	-	-	-	-	-	-	-	-	(158)
Own shares	(2,700)	-	-	-	-	-	-	-	-	(2,700)
Share option reserve	1,928	-	-	-	-	-	-	-	-	1,928
Retained earnings	71,330	(3,415)	(35,832)	(7,738)	(6,067)	(8,311)	(3,154)	(108)	(64,625)	6,705
Total equity	199,186	(3,415)	(35,832)	(7,738)	(6,067)	(8,311)	(3,154)	(108)	(64,625)	134,561
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Total equity	199,186	(3,415)	(35,832)	(7,738)	(6,067)	(8,311)	(3,154)	(108)	(64,625)	134,561

	Previously reported year ended 30 November 2018	Speedy reclassification as an associate	Lease Incentives	Lease Accounting	Dilapidations	Other	IFRS 9	IFRS 15	Total prior year adjustments	Restated year ended 30 November 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Continuing operations										
Revenue	843,141	(25,365)	(31,695)	-	-	(3,354)	-	(1,265)	(61,679)	781,462
Cost of sales	(662,682)	20,878	439	-	-	(1,610)	-	-	19,707	(642,975)
Gross profit	180,459	(4,487)	(31,256)	-	-	(4,964)	-	(1,265)	(41,972)	138,487
Administrative expenses: before amortisation of acquired intangibles and exceptional items	(129,183)	2,650	-	(1,841)	(931)	(2,034)	1	-	(2,155)	(131,338)
Credit loss on contractual assets	-	-	-	-	-	-	(2,978)	-	(2,978)	(2,978)
Amortisation of intangibles	(13,818)	660	-	-	-	-	-	-	660	(13,158)
Administrative expenses: before exceptional items	(143,001)	3,310	-	(1,841)	(931)	(2,034)	(2,977)	-	(4,473)	(147,474)
Administrative expenses: exceptional items	(7,774)	2,661	-	-	-	1	-	-	2,662	(5,112)
Total administrative expenses	(150,775)	5,971	-	(1,841)	(931)	(2,033)	(2,977)	-	(1,811)	(152,586)
Profit/(Loss) from operating activities	29,684	1,484	(31,256)	(1,841)	(931)	(6,997)	(2,977)	(1,265)	(43,783)	(14,099)
Profit/(Loss) from operating activities: before exceptional items	37,458	(1,177)	(31,256)	(1,841)	(931)	(6,998)	(2,977)	(1,265)	(46,445)	(8,987)
Finance income	15	(4)	-	-	-	1	-	-	(3)	12
Finance expenses: before exceptional items	(6,110)	37	-	-	(28)	-	-	-	9	(6,101)
Finance expenses: exceptional items	(489)	-	-	-	-	-	-	-	-	(489)
Total finance expense	(6,599)	37	-	-	(28)	-	-	-	9	(6,590)
Net finance expense	(6,584)	33	-	-	(28)	1	-	-	6	(6,578)
Share of post-tax results of equity accounted investees	524	815	-	-	-	-	-	-	815	1,339
Equity accounted investees: exceptional items	-	(2,917)	-	-	-	-	-	-	(2,917)	(2,917)
Profit/(Loss) before tax	23,624	(585)	(31,256)	(1,841)	(959)	(6,996)	(2,977)	(1,265)	(45,879)	(22,255)
Income tax credit / (expense)	(7,379)	295	5,939	351	260	384	624	240	8,093	714
Profit/(Loss) for the period	16,245	(290)	(25,317)	(1,490)	(699)	(6,612)	(2,353)	(1,025)	(37,786)	(21,541)
Earnings per share										
Basic – total operations	4.4p									(5.9p)
Diluted – total operations	4.4p									(5.9p)

	Previously reported 30 November 2018	Speedy reclassification as an associate	Lease Incentives	Lease Accounting	Dilapidations	Other	IFRS 9	IFRS 15	Total prior year adjustments	Restated 30 November 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets										
Non-current assets										
Property, plant and equipment	66,280	(68)	-	-	1,600	(1,905)	-	-	(373)	65,907

Goodwill	189,730	(9,242)	-	(7,904)	-	-	-	-	(17,146)	172,584
Intangible assets	122,482	(8,300)	-	-	-	-	-	-	(8,300)	114,182
Investments in equity accounted investees	1,576	6,503	-	-	-	-	-	-	6,503	8,079
Deferred tax asset	5,850	(1,340)	-	-	-	(1,368)	-	-	(2,708)	3,142
	385,918	(12,447)	-	(7,904)	1,600	(3,273)	-	-	(22,024)	363,894
Current assets										
Inventories	3,126	-	-	-	-	-	-	-	-	3,126
Trade and other receivables	231,166	(7,326)	(5,640)	-	1,226	(5,455)	(4,117)	(1,161)	(22,473)	208,693
Cash and cash equivalents	5,234	(1,917)	-	-	-	10,886	-	-	8,969	14,203
	239,526	(9,243)	(5,640)	-	1,226	5,431	(4,117)	(1,161)	(13,504)	226,022
Total assets	625,444	(21,690)	(5,640)	(7,904)	2,826	2,158	(4,117)	(1,161)	(35,528)	589,916
Liabilities										
Current liabilities										
Loans and borrowings	(35,908)	1,976	-	-	-	(10,885)	-	-	(8,909)	(44,817)
Trade and other payables	(169,558)	5,742	(3,178)	(363)	-	(3,639)	-	(199)	(1,637)	(171,195)
Current tax liability	(7,038)	342	8,956	1,483	260	(2,298)	624	240	9,607	2,569
Provisions	(3,454)	-	-	-	-	(5,294)	-	-	(5,294)	(8,748)
	(215,958)	8,060	5,778	1,120	260	(22,116)	624	41	(6,233)	(222,191)
Non-current liabilities										
Loans and borrowings	(128,989)	-	-	-	-	-	-	-	-	(128,989)
Trade and other payables	(25,265)	9,864	(51,754)	(1,457)	-	-	-	-	(43,347)	(68,612)
Deferred tax liabilities	(19,474)	9	-	-	-	8,459	-	-	8,468	(11,006)
Provisions	-	1,072	-	-	(9,514)	-	-	-	(8,442)	(8,442)
	(173,728)	10,945	(51,754)	(1,457)	(9,514)	8,459	-	-	(43,321)	(217,049)
Total liabilities	(389,686)	19,005	(45,976)	(337)	(9,254)	(13,657)	624	41	(49,554)	(439,240)
Net assets	235,758	(2,685)	(51,616)	(8,241)	(6,428)	(11,499)	(3,493)	(1,120)	(85,082)	150,676
Equity										
Share capital	3,793	-	-	-	-	-	-	-	-	3,793
Share premium	146,002	-	-	-	-	-	-	-	-	146,002
Merger reserve	7,950	-	-	-	-	-	-	-	-	7,950
Translation reserve	79	-	-	-	-	-	-	-	-	79
Own shares	(2,700)	-	-	-	-	-	-	-	-	(2,700)
Share option reserve	2,758	-	-	-	-	-	-	-	-	2,758
Retained earnings	77,876	(2,685)	(51,616)	(8,241)	(6,428)	(11,499)	(3,493)	(1,120)	(85,082)	(7,206)
Total equity	235,758	(2,685)	(51,616)	(8,241)	(6,428)	(11,499)	(3,493)	(1,120)	(85,082)	150,676
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Total equity	235,758	(2,685)	(51,616)	(8,241)	(6,428)	(11,499)	(3,493)	(1,120)	(85,082)	150,676

	Previously reported 1 December 2017	Speedy reclassification as associate	Lease Incentives	Lease Accounting	Dilapidations	Other	IFRS 9	IFRS 15	Total Prior Year Adjustments	Restated 1 December 2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Retained earnings	85,710	(2,395)	(26,299)	(6,751)	(5,729)	(7,394)	(1,140)	(95)	(49,803)	35,907

15. Subsequent Events

On 19 June 2019, the invoice discounting facility was increased from £75m to £100m.

The Group announced on 23 August 2019 that the review on the interim results would result in a delay to the publication of the HY19 results and the Company's shares were suspended from trading on AIM. This work has now been completed and restoration of trading in the Company's shares will occur at 7.30am on 26 February 2020.

On 6 December 2019, at a general meeting of shareholders, a resolution was passed approving a transaction whereby Marcelos, a wholly-owned subsidiary of Fund, a fund managed by DBAY, would acquire a 51% stake in Greenwhitestar Acquisitions Limited, which was at that time a wholly-owned subsidiary of the Company holding the Company's interests in the trading entities of the Group. On 9 December 2019 this transaction was completed and DBAY injected approximately £50m* of new financing into the Group's operations through a PIK facility which, along with a £20m increase in facilities with the Group's main lender group, will be used to provide necessary liquidity.

16. Contingent Liabilities

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

* £55m net of £5m retained in Marcelos Limited relating to transaction costs.