6 April 2022

Logistics Development Group plc

("**LDG**" or the "**Company**")

Final Results for year ended 30 November 2021

Logistics Development Group plc, the AIM listed investing company, announces its audited final results for the year ended 30 November 2021.

Full Year 2021 Results Summary

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

- The Company had a cash balance of £131.9m at the end of the year, following the disposal of the Company's 49% shareholding in GWSA and the £6.0m PIK Loan note held by the Company which generated a cash inflow of £125.2m.

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

- The Company now has no financial debt and a cash balance of £131.9m or approximately £0.19 per ordinary share.

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

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

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

A copy of the full year results are also available to be viewed on, or downloaded from, the Company's corporate website at www.ldgplc.com

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Letter from Chairman

Dear Shareholders

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

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

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

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

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

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

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

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

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

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

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

Adrian Collins

Chairman

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

Business and financial review for the year ended 30 November 2021

Review of the year

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

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

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

New investments during the period

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

Turnaround and disposal of GWSA

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

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

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

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

Changes to the Board

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

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

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

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

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

Financial performance

The results for the current year reflect the group structure as at 30 November 2021. As the Company does not have any majority owned or controlled subsidiaries at the reporting date, there is no requirement for consolidation and the audited financial statements in this report reflect the standalone results of the Company for the current and comparative periods.

The Company still has an exposure to the intermediate holding companies which held the GWSA investments, and expects further potential cash inflows from the final purchase price adjustments for up to 24 months post closing of the GWSA disposal transaction. LDG measures these investments at fair value through the profit and loss account. The election is taken based on the investment being a 'venture capital' investment under IAS 28 'Investments in Associates and Joint Ventures'.

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

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

The Company's underlying EBIT[1] in the year was a profit of £84.6m (2020: loss of £11.3m) before exceptional income of £0.1m (2020: exceptional income of £3.4m) and statutory profit before tax was £84.7m (2020: loss before tax of £7.9m). The exceptional income of £0.1m during the year comprised of a refund of VAT in relation to historic transaction costs relating to the 2019 GWSA disposal. During the prior year, the Company recognised an exceptional income of £3.4m comprising a refund of transaction costs of £2.8m associated with the disposal of GWSA and 2019-related audit fees of £0.6m. The costs were ultimately borne by GWSA.

Net debt

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

Exceptional items

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

During the prior year, the Company recognised income in relation to a refund of transaction costs of £2.8m associated with the disposal of GWSA and 2019-related audit fees of £0.6m. These costs were ultimately borne by GWSA in accordance with the DBAY transaction arrangements.
Further details of exceptional costs are included in note 5.

Tax

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

Dividends

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

Earnings per share

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

Information about the Investment Manager

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

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

Investment Policy and Strategy

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

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

DBAY is tasked with full authority to manage the Company's assets to deliver the investment strategy set out below in accordance with its investing policy, reporting to the Board on a regular basis.

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

- **Characteristics**: investment primarily in undervalued companies, with a focus on companies that generate or have the potential to generate significant cash flows, where there is a high degree of revenue visibility and a strong and distinctive market position;
- **Investment Type**: investment in equity and equity related products, in both quoted and unquoted companies, and in the DBAY Investment Funds;

- **Sectors**: a broader range of sectors, such as business services including, amongst others, logistics, distribution, technology services, security and manufacturing, or in funds managed by DBAY which invest in the aforementioned sectors;
- **Geography**: there is no geographical restriction but expected to be primarily within the United Kingdom or the European Union;
- **Ownership**: will range from a minority position to 100%, non-operating ownership; and
- **Restrictions**: a maximum of 50% of the Company's Net Asset Value ("NAV") at the time the relevant investment is made, using the latest available management accounts of the Company, can be invested in DBAY Investment Funds. Investments made outside of the DBAY Investment Funds will be limited to 10% of NAV per investment (on the same basis), unless approved by the Board.

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

Investment Management agreement amendments

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

- DBAY will not receive management or performance fees from LDG in respect of funds committed to the DBAY Investment Funds by the Company. Fees will only be charged by the fund, to ensure there will be no double charging;
- DBAY have made a commitment to ensure that any DBAY Investment Funds in which the Company invests will retain investment policies that are substantially the same as the new investing policy of the Company;
- DBAY has made a commitment that it will provide the Company with an amount which is equal to the Company's reasonable corporate expenses in the given year, provided that such amount shall not exceed the lower of: (i) £800,000: or (ii) the management fees in respect of investments made and/or amounts committed by the Company which are received by DBAY in the relevant year; and
- DBAY will ensure that there is at all times a contingency amount of at least £2 million on the Company's balance sheet to cover any exceptional expenses that may arise in the future.

Annual general meeting

The Company intends to hold its Annual General Meeting on 12 May 2022 in London. Further details will be set out in the Notice of Meeting to be sent to shareholders in due course and published on our website www.ldgplc.com.

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

Company Statement of Comprehensive Income

for the year ended 30 November 2021

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

The accompanying notes form part of the financial statements.

Company Statement of Financial Position
as at 30 November 2021

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

The accompanying notes form part of the financial statements.

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

Adrian Collins
Director

Company number 08922456

Company Statement of Changes in Equity
for the year ended 30 November 2021

	Share capital	Share premium	Merger reserve	Share options reserves	Own treasury shares	Retained earnings	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance at 1 December 2019	**3,793**	**146,002**	**7,950**	**4,218**	**(2,700)**	**(117,269)**	**41,994**
Loss for the year	-	-	-	-	-	(7,899)	**(7,899)**
Share based payment charges	-	-	-	491	-	-	**491**
Transfer of shares from the trust	-	-	-	-	89	(89)	**-**
Transfers	-	-	(7,950)	(4,709)	-	12,659	**-**
Fund raise costs (note 12)	-	-	-	-	-	(1,477)	**(1,477)**
Balance at 30 November 2020	**3,793**	**146,002**	**-**	**-**	**(2,611)**	**(114,075)**	**33,109**
Profit for the year	-	-	-	-	-	84,655	**84,655**
Issue of share capital	3,229	12,951	-	-	-	-	16,180
Transfers - fund raise costs 2020 (note 12)	-	(1,477)	-	-	-	1,477	-
Transfers (note 12)	-	-	-	-	1,754	(1,754)	-
Balance at 30 November 2021	**7,022**	**157,476**	**-**	**-**	**(857)**	**(29,697)**	**133,944**

The accompanying notes form part of the financial statements.

Company Cash Flow Statement
for the year ended 30 November 2021

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

The accompanying notes form part of the financial statements.

Notes to the Company Financial Statements

for the year ended 30 November 2021

1. Basis of accounting

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

Basis of preparation

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

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

As at 30 November 2021, the Company has no subsidiaries and, as such, no consolidated financial statements have been presented. The Financial Statements therefore present Company only information for the current and comparative periods.

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

Significant holdings in undertakings other than subsidiary undertakings

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

Going concern

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

2. Significant accounting policies

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

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

- Level 1: Quoted prices in active markets for identical items (unadjusted);

- Level 2: Observable direct or indirect inputs other than Level 1 inputs;

- Level 3: Unobservable inputs (i.e. not derived from market data and may include using multiples of trading results or information from recent transactions).

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

(c) **Financial instruments**

- Financial assets – other receivables and amounts owed to related undertakings. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, such assets are measured at amortised cost using the effective interest method, less any impairment losses.

- Cash and cash equivalents – in the Statement of Financial Position, cash includes cash and cash equivalents excluding bank overdrafts. No expected credit loss provision is held against cash and cash equivalents as the expected credit loss is negligible.

- Financial liabilities – other payables and amounts owed to related undertakings. Such liabilities are initially recognised on the date that the Company becomes party to contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

- Share capital – Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) **Exceptional items** – items that are material in size or nature and non-recurring are presented as exceptional items in the Statement of Comprehensive Income. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance. Events which may give rise to the classification of items as exceptional include restructuring of business units and the associated legal and employee costs, costs associated with business acquisitions, impairments and other significant gains or losses.

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

(f) **Tax** – tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

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

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

New and amended standards adopted by the Company

There are no IFRS standards or IFRIC interpretations that are mandatory for the year ended 30 November 2021 that have a material impact on the financial statements of the Company.

Critical judgements in applying the Company's accounting policies

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

(i) Measurement of the investments – during the prior year, the Company elected to measure its investment in Marcelos, the intermediate holding company of the GWSA Group, at fair value through profit and loss. The election is taken on the basis of the investment being a 'venture capital' investment under IAS 28 'Investments in Associates and Joint Ventures'.

The strategy of the Company as an Investing Company is to generate value though holding investments for the short to medium term. Therefore, the Directors believe that the fair value method of accounting for the investments is in line with the strategy of the Company.

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

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

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

The Directors believe that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Alternative performance measures reconciliations

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

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

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

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

4. Employees and Directors

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

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

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

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

Remuneration of the highest paid Director is detailed below:

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

5. Exceptional items

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

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

6. Audit fees

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

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

7. Income tax charge

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

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

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

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

8. Dividends

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

9. Earnings per share

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

Diluted earnings per share amounts are calculated by dividing the profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive instruments into ordinary shares. The Company has no dilutive instruments to be included in the calculation.

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

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

10. Investments at fair value through profit or loss

	GreenWhiteStar Acquisitions Limited £'000	**Alpha Persei Limited £'000**	**Marcelos Limited £'000**	**Total investments £'000**
1 December 2019	**45,000**	**-**	**-**	**45,000**
Disposals during the year	(45,000)	-	-	**(45,000)**
Additions during the year	-	-	45,000	**45,000**
Change in fair value	-	-	(9,152)	**(9,152)**
30 November 2020	**-**	**-**	**35,848**	**35,848**
Additions during the year	-	6,000	-	**6,000**
Change in fair value	-	287	85,378	**85,665**
Dividends	-	(6,287)	(119,008)	**(125,295)**
30 November 2021	**-**	**-**	**2,218**	**2,218**

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

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

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

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

11. Financial assets and liabilities

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

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

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

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

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

Credit risk
The Company's principal exposure to credit risk is in the amounts owed by related undertakings. There are no related undertakings in the current year.

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

12. Capital and reserves

	No of shares '000	Called up share capital £'000	Share premium account £'000
Ordinary shares of 1p each in issue at 30 November 2020	379,347	3,793	146,002
Ordinary shares of 1p each in issue at 30 November 2021	**702,206**	**7,022**	157,477

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

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

Own treasury shares
Included in the total number of ordinary shares outstanding above are 535,440 (2020: 1,634,304) ordinary shares held by the Company's employee benefit trust. The ordinary shares held by the trustee of the Company's employee benefit trust pursuant to the SIP are treated as Own shares in the Company's Balance Sheet in accordance with IAS 32. During the year, 1,098,864 (2020: 55,696) shares were transferred to employees of the GWSA Group.

13. Related party transactions

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

During the prior year, from the date of the disposal of the investment in its subsidiary, GWSA, the Company entered into commercial transactions with GWSA as follows:

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

14. Capital commitments

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

15. Contingent liabilities

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

16. Subsequent events

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

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

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

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

GLOSSARY

Term	Definition
Accounts	The financial statements of the Company
Admission	The admission of the issued ordinary shares in the Company admitted to trading on AIM that became effective on 31 December 2020
AGM	Annual general meeting of the Company
AIM	Alternative Investment Market of the London Stock Exchange
AIM Rules	The AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
AIM Investing Company	An Investing Company as defined by the AIM rules.
APMs	Alternative Performance Measures
Board	The Board of Directors of the Company
CAGR	Compound annual growth rate
CGU	Cash Generating Unit
Company	Logistics Development Group plc, a public limited company incorporated in England and Wales with registered number 08922456
DBAY	DBAY Advisors Limited and/or any fund(s) or entity(ies) managed or controlled by DBAY Advisors Limited as appropriate in the relevant context
DBAY Transaction	On 9 December 2019 DouglasBay Capital III Fund LP, a fund managed by DBAY Advisors Limited completed the acquisition of an indirect 51% equity stake in GreenWhiteStar Acquisitions Limited.
Directors	The Directors of the Company as at the date of this document, as identified on page 10
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eddie Stobart Businesses	Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People
EPS	Earnings per share
FY20	Financial Year ended 30 November 2020
FY21	Financial Year ended 30 November 2021
GWSA	GreenWhiteStar Acquisitions Limited, the operational holding company of the Eddie Stobart trading entities; Eddie Stobart Limited, iForce Limited, The Pallet Network Limited and The Logistic People Limited.
GWSA Group	GreenWhiteStar Acquisitions Limited and all of its subsidiaries from time to time
HY20	Six month period ended 31 May 2020
HY21	Six month period ended 31 May 2021
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Investment Management Agreement	An investment management agreement entered into between the Company and DBAY, pursuant to which DBAY has been appointed as the Company's investment manager
Investing Policy	The Company's investing policy more particularly set out on pages 6 and 7
LTIP	The Long Term Incentive Plan
Marcelos	Marcelos Limited, a company incorporated on the Isle of Man (company no. 016829v), whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
Ordinary Shares/Shares	Ordinary shares of £0.01 each in the capital of the Company
PIK Loan note	Loan of £55m used to effect the DBAY transaction, which carries interest at 18% compounding quarterly, maturing in November 2025.
PWC	PricewaterhouseCoopers LLP **-** the Company's auditors
QCA	Quoted Companies Alliance
QCA Governance Code	QCA Corporate Governance Code for Small and Mid-Size Quoted Companies published by the QCA
SIP	Share Incentive Plan