Logistics Development Group plc

(the "Company")

Interim Results for six months ended 31 May 2021

Logistics Development Group plc, the AIM-quoted investing company, announces its unaudited interim results for the six months ended 31 May 2021.

This period precedes the sale of the Company's indirect interest in GreenWhiteStar Acquisitions Limited ("GWSA") group, the holding company for the Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses, as announced on 1 July 2021.

Summary for the reporting period

- At the reporting date of 31 May 2021, the Company continued to hold an indirect 49 per cent equity investment in GWSA Group[1], a leading UK end-to-end supply chain, transport and logistics group.

- In the reporting period, the Company acquired for £6m an indirect 10.9 per cent equity interest in an 18 per cent PIK loan note with indirect exposure to the performance of GWSA.

- On 31 May 2021, the Company revalued its indirect investment in GWSA to £57.9m (thus incurring a £22.1m gain) to reflect the market capitalisation of the Company at period end. This valuation is stated after adjusting for the recently acquired indirect investment in the 18 per cent PIK loan note.

- During the reporting period the GWSA Group trading entities continued to deliver excellent service to its customers and since the start of the HY21 period, despite the challenging operational environment due to Covid-19, had won substantial new contracts and made further progress in filling available warehouse space. The financial performance of the businesses continued to improve throughout the period, and senior debt was reduced on the back of improved cash flow generation.

- Underlying Profit[2] before tax substantially improved vs the comparative period at £21.5m (2020: loss of £16.4m) before exceptional items of £0.1m (2019: £3.4m) and the statutory profit before tax was £21.6m (2020: loss of £12.9m).

- On 29 December 2020, in line with its previously communicated intentions, the Board announced the successful fund raising of £16.2m (before expenses of £1.5m) and its conversion to an AIM Investing Company. The Company appointed DBAY Advisors Limited ("DBAY") as its Investment Manager.

- On 9 February 2021, the Company announced a change of name to the Logistics Development Group plc.

- On 1 April 2021, David Facey joined the board as a non-executive director and chair of the Audit Committee.

Subsequent events

- On 1 July 2021, the Company announced the disposal of its indirect interest in GWSA, the holding company for the Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses, to Culina Group Limited ("Culina") (the "Transaction").

- As at 31 May 2020, the fair value of Company's investment in a parent company of GWSA was £57.9m (2020: £35.8m). The Company announced that it expected to receive a net cash inflow from the Transaction of not less than £125m.

- At the date of this report the Company has received a net cash inflow of £125m, including repayment of the recent £6m investment in the PIK loan. Further amounts may be received when the completion accounts for the Transaction are finalised.

- The investment return of not less than £125m implies a multiple of approximately 3.5x compared to the NAV of £35.8m as at 30 November 2020, or an increase of 2.2x compared to the NAV at the end of the reporting period of £57.9 million.

- As at the date of this announcement, following the Transaction, the Company holds no material investment assets, is debt free and has an available cash balance in excess of £130m or 18.5p per share.

- The Board has been informed by the Investment Manager that it is reviewing a number of investment opportunities, and the Board and Investment Manager remain committed to generating attractive investment returns for shareholders.

1 For the purposes of these results the "GWSA Group" means GreenWhiteStar Acquisitions Limited and its subsidiaries at 31 May 2020, which were subsidiaries of the Company prior to the transaction with DBAY in December 2019 [2]Underlying profit/loss before tax is defined as profit/loss before tax adding back exceptional items.

2 Underlying profit/loss before tax is defined as profit/loss before tax adding back exceptional items.

The Interim Results are also available to be viewed on, or downloaded from, the Company's corporate website at www.ldgplc.com

Further enquiries:

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Business update

As highlighted in the Company's announcements in December 2020, the conversion of the Company to an AIM quoted Investing company was overwhelmingly approved by shareholders following the successful fund raising of £16.2m before fees of £1.5m. Following the conversion to an AIM quoted Investing company, DBAY was appointed as Investment Manager to the Company.

At the reporting date the Company continued to hold an investment in GWSA Group which was held through the Company's 49 per cent. stake in Marcelos Limited ("Marcelos") and Marcelos' wholly owned subsidiary Alpha Cassiopeiae Limited ("Alpha C"). GWSA is the holding company for the Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses. In early May 2021 the Company acquired for £6m a 10.9 per cent legal and beneficial interest in Alpha Persei Limited ("Alpha P"), which is the holder of an 18 per cent PIK loan note issued by Alpha C.

The Company has elected to measure its investments in Marcelos and Alpha P 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.

Throughout the reporting period, the GWSA Group companies continued to thrive and to deliver excellent service to its customers. Since the start of the HY21 period, despite the challenging operational environment due to Covid-19, the trading entities won substantial new contracts and made further progress in filling available warehouse space. The financial performance of the GWSA Group continued to improve and senior debt was reduced on the back of improved cash flow generation.

Outlook and investment update

On 1 July 2021, the Company announced the disposal of its indirect interest in GWSA, the holding company for the Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses. Alpha C completed the sale of its wholly owned subsidiary, GWSA, to Culina Group Limited ("Culina") for an undisclosed consideration (the "Transaction") and the Company consented to the Transaction pursuant to the Marcelos shareholders' agreement. As at 31 May 2021, the fair value of LDG's investment in Marcelos was £57.9m (2020: £35.8m). The Company announced that it expected to receive a net cash inflow from the Transaction of not less than £125m.

At the date of this report the Company has received a net cash inflow of £125m, including repayment of the recent £6m investment in the PIK loan held by Alpha P Limited. Further amounts may be received when the completion accounts for the Transaction are finalised.

The investment return of not less than £125m implies a multiple of approximately 3.5x compared to the NAV of £35.8m as at 30 November 2020, or an increase of 2.2x compared to the NAV at the end of the reporting period of £57.9 million.

As at the date of this announcement, following the Transaction, the Company holds no material investment assets, is debt free and has an available cash balance in excess of £130m or 18.5p per share.

The Board has been informed by DBAY Advisors Limited, the Company's Investment Manager, that it is reviewing a number of investment opportunities, and the Board and Investment Manger remain committed to generating attractive investment returns for all LDG shareholders.

Interim review for the six months ended 31 May 2021

Background

As at 31 May 2021, the Company indirectly owned 49 per cent of the GreenWhiteStar Acquisitions Limited ("GWSA") Group via its 49 per cent equity interest in Marcelos Limited ("Marcelos"). The Company also held a 10.9 per cent equity interest in Alpha Persei Limited, the holder of an 18 per cent PIK note issued by Alpha Cassiopeiae Limited, which it acquired in early May 2021.

Summary of HY21 results

The Company reported an underlying profit before tax of £21.5m (2020: loss of £16.4m) in the period before exceptional items of £0.1m (2020: £3.4m). On a statutory basis, the reported profit before tax was £21.6m (2020: loss of £12.9m). Administrative expenses are significantly lower than in the corresponding period because the Company no longer incurs a share-based payment charge, attracts significantly reduced insurance costs and also much lower professional fees (legal/audit).

Earnings per share

Statutory basic and diluted earnings per share were a profit of 4.2p (2020: loss of 3.4p).

Exceptional items

During the reporting period the Company recognised a £0.1m income in respect of a VAT refund. During the comparable period, the Company recognised income in relation to the transition costs of £2.9m associated with the disposal of GWSA and audit fees of £0.6m. The costs were ultimately borne by GWSA in accordance with the DBAY transaction deal arrangements.

Dividends

The Company did not pay a final dividend for the year ended 30 November 2020 and the Board has decided not to recommend an interim dividend payment.

Tax

For the six months to 31 May 2021, the Company has incurred tax losses and is no longer part of a tax group. Therefore, the Company did not recognise current and deferred assets as the Directors do not consider that there is sufficient certainty over their recovery.

Accounting matters
Investment in GreenWhiteStar Acquisitions Group

At the reporting date, the Company had as its significant investment its indirect ownership of a 49 per cent of GWSA Group via its ownership of 49 per cent of Marcelos. The Directors have elected to measure investments held at fair value through profit or loss rather than to equity account.

The Company has revalued its investment in Marcelos to £57.9m (thus incurring a £22.1m gain) to reflect the market capitalisation of the Company as at 31 May 2021 after adjusting for other material investments and cash balances. The Directors believe that using observable market inputs at the period end represents the most suitable valuation methodology given the short trading period since the acquisition and the continuing dislocating effects of Covid-19. In addition, the Directors have reviewed other valuation metrics such as peer group trading multiples. Based on these metrics the Directors believe the valuation of £57.9m is justifiable, albeit at the lower end of the range of possible values.

Statement of Comprehensive Income

for the six months ended 31 May 2021

	Notes	**Six months ended 31 May 2021 Unaudited £'000**	Six months ended 31 May 2020 Unaudited £'000
Gain/(loss) on investments measured at fair value through profit or loss	2	**22,175**	(15,000)
Administrative expenses: before exceptional items		**(657)**	(1,345)
Administrative expenses: exceptional items	3	**90**	3,445
Total administrative expenses		**(567)**	2,100
Profit/(loss) from operating activities		**21,608**	(12,900)
Profit/(loss) before tax		**21,608**	(12,900)
Income tax charge	5	**-**	-
Profit/(loss) and total comprehensive expense for the period		**21,608**	(12,900)
Earnings per share			
Basic profit/(loss)	6	**4.2p**	(3.4p)
Diluted profit/(loss)	6	**4.2p**	(3.4p)

There are no items of other comprehensive income to be disclosed.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes which form part of these extracts of the financial statements.

Statement of Financial Position

as at 31 May 2021

	Notes	31 May 2021 Unaudited £'000	30 Nov 2020 Audited £'000
Assets			
Non-current assets			
Investments at fair value through profit or loss	2	**64,023**	35,848
		64,023	35,848
Current assets			
Other receivables	7	**88**	28
Cash and cash equivalents		**7,943**	652
		8,031	680
Total assets		**72,054**	36,528
Liabilities			
Current liabilities			
Amounts owed to group undertakings	7	**(910)**	(1,235)
Other payables	7	**(247)**	(2,184)
		(1,157)	(3,419)
Total liabilities		**(1,157)**	(3,419)
Net assets		**70,897**	33,109
Equity			
Share capital	8	**7,022**	3,793
Share premium	8	**157,439**	146,002
Own shares		**(857)**	(2,611)
Retained earnings		**(92,707)**	(114,075)
Total equity		**70,897**	33,109

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these extracts of the financial statements.

Signed on behalf of the Board on

A J Collins

19 August 2021
Director
Company Number: 8922456

Statement of Changes in Equity

for the six months ended 31 May 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Own shares £'000	Share options reserve £'000	Retained earnings £'000	**Total equity £'000**
Balance as at 30 November 2019	**3,793**	**146,002**	**7,950**	**(2,700)**	**4,218**	**(117,269)**	**41,994**
Loss for the period	-	-	-	-	-	(12,900)	**(12,900)**
Share based payment expense	-	-	-	-	491	-	**491**
Transfers (see notes 8 and 9)	-	-	(7,950)	-	(4,709)	12,659	**-**
Balance at 31 May 2020	**3,793**	**146,002**	**-**	**(2,700)**	**-**	**(117,510)**	**29,585**

	Share capital	Share premium	Merger reserve	Own shares	Share options reserve	Retained earnings	**Total equity**

	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance as at 30 November 2020	**3,793**	**146,002**	**-**	**(2,611)**	**-**	**(114,075)**	**33,109**
Profit for the period	-	-	-	-	-	21,608	**21,608**
Issue of share capital	**3,229**	12,951	-	-	-	-	**16,180**
Transfers (see notes 8 and 9)	-	(1,514)	-	1,754	-	(240)	**-**
Balance at 31 May 2021	**7,022**	**157,439**	**-**	**(857)**	**-**	**(92,707)**	**70,897**

Cash Flow Statement

for the six months ended 31 May 2021

	Notes	**Six months ended 31 May 2021 Unaudited £'000**	Six months ended 31 May 2020 Unaudited £'000
Cash flows from operating activities			
Profit/(loss) for the period		**21,608**	(12,900)
Adjustments for:			
Equity settled share-based payment expense	9	**-**	491
(Gain)/loss on investments measured at fair value through profit or loss	2	**(22,175)**	15,000
Changes in:			
Other receivables	7	**(60)**	53,336
Other payables	7	**(1,937)**	(56,027)
Cash used in operating activities		**(2,564)**	(100)
Cash flows from investing activities:			
Purchase of investment		**(6,000)**	-
Net cash outflow from investing activities		**(6,000)**	-
Cash flows from financing activities:			
Issue of share capital		**16,180**	-
Repayment of related party loan		**(325)**	-
Net cash inflow from financing activities		**15,855**	-
Increase/(Decrease) in cash and cash equivalents		**7,291**	(100)
Cash and cash equivalents at the start of the financial period		**652**	362
Cash and cash equivalents at the end of the financial period		**7,943**	262

The above Statement of Changes in Equity and Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these extracts of the financial statements.

Notes to the Financial Statements

for the six months ended 31 May 2021

1. General information

The Directors of Logistics Development Group plc (the "Company") present their interim report and the unaudited financial statements for the period ended 31 May 2021 ("Interim Financial Statements"). The Company is a public company limited by shares and incorporated and domiciled in the UK. Its registered address is 3 More London Riverside, 4th Floor, London SE1 2AQ. The Company changed its name on 9 February 2021.

The Interim Financial Statements have not been audited and were approved by the Board of Directors on 21 August 2021. The information for the period ended 31 May 2021 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 financial statements for the year ended 30 November 2020, which were prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified and (ii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Interim Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation
The interim financial statements for the period ended 31 May 2021 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. The interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 November 2020 and any public announcements made by the Company during the interim reporting period.

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 financial assets recognised at fair value through profit or loss, which have been measured at fair value.

Prior to the year ended 30 November 2020 the Company presented consolidated financial statements. In the comparative period on 9 December 2019, the Company disposed of its only subsidiary undertaking, GreenWhiteStar Acquisitions Limited ("GWSA"), as discussed further in note 2. At the reporting date of 31 May 2021, the Company has no subsidiaries and, as such, no consolidated financial statements have been presented. The Interim Financial Statements therefore present Company only information for the current and comparative periods.

Going concern

On 1 July 2021, the Company announced the disposal of its indirect interest in GWSA and the Company currently holds no investments and a cash balance in excess of £125m and has minimal liabilities at the reporting date, The Directors therefore expect that the Company has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report. The Directors have prepared a cash flow forecast for period of 3 years which indicate that available funds significantly exceed anticipated expenditure. Consequently, the Directors of the Company continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting policies

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Company's financial statements for the year ended 30 November 2020.

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

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

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

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

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

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

(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 now has a single operating segment on a continuing basis, namely investment in the logistics services business.

(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 period ending 31 May 2021 that have a material impact on the financial statements of the Company.

Significant accounting judgements

In the application of the Company'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 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 Company's accounting policies

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

(i) Measurement of the investments – the Company has elected to measure its investments in Marcelos Limited, the new intermediate holding company of Eddie Stobart Group, and Alpha Persei Limited, the holder of an 18 per cent loan note, at fair value through profit and loss. The election is taken on the basis of the investments being 'venture capital' investments under IAS 28 'Investments in Associates and Joint Ventures'.

On 29 December 2020, the Company completed its transition to become an Investing company on AIM with an investment manager in place. 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 investments in Marcelos Limited and Alpha Persie Limited would have been subject to equity accounting that involves recognition of the investment at cost and subsequent measurement at cost plus a share of profits and losses of those companies less dividends received.

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.

2. Investments at fair value through profit or loss

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

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

	Marcelos Limited	**Alpha Persei Limited**	**Unaudited**
	£'000	**£'000**	**£'000**
30 November 2020	**35,848**	**-**	**35,848**
Disposals during the period	-	-	
Additions during the period	-	6,000	**6,000**
Change in fair value	22,101	74	**22,175**
31 May 2021	**57,949**	**6,074**	**64,023**

The fair value of the investment in Marcelos Limited was calculated on the basis of the market capitalisation of Logistics Development Group plc after adjusting for the investment in Alpha Persei Ltd and cash balances, as the Directors considered this best represents the value of the GWSA Group. This is because, as at the 31 May 2021, the investment in Marcelos Limited was the material asset held by the Company and therefore the Directors believe it is reasonable to infer a fair value for the GWSA Group based upon the Company's market capitalisation. The Directors will be reviewing whether the valuation method is appropriate at 30 November 2021 depending on the number of investments held by the Company.

The following inputs were used when calculating market capitalisation

	30 November 2020	**31 May 2021**
Number of shares '000	379,347	702,206
Share price, p	9.45	10.10
Market capitalisation	**35,848**	**70,923**

The share price of 10.10p (2020: 9.45p) represents the price of Logistics Development Group plc shares at the reporting date.

3. Exceptional items

During the reporting period, the Company recognised income in relation to exceptional charges with respect to the fund-raising activities concluded in December 2020 of £90,000.

During the comparative period, the Company recognised income in relation to the transition costs of £2,875,000 associated with the disposal of GWSA and 2019-related audit fees of £570,000. The costs were ultimately borne by GWSA in accordance with the deal arrangements.

4. Dividends

The Company did not pay a final dividend for the year ended 30 November 2020 and the Board has decided not to recommend an interim dividend payment.

5. Taxation

The Company did not recognise current and deferred income tax charge or credit. The deferred tax asset of £363,000 (2020: £57,000) was not recognised as the Directors do not consider that there is sufficient certainty over its recovery. This unrecognised asset can be carried forward indefinitely.

6. 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 loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive instruments into ordinary shares. The Company's share options were considered anti-dilutive and were cancelled on 9 December (see note 9) and hence there are no dilutive instruments to be included in the calculation.

	Six months ended 31 May 2021 Unaudited £'000	Six months ended 31 May 2020 Unaudited £'000
Profit/(loss) attributed to equity shareholders	**21,608**	(12,900)
Weighted average number of Ordinary Shares – Basic	**514,683**	379,347
Weighted average number of Ordinary Shares – Diluted	**514,683**	379,347
Basic profit/(loss) per share for total operations	**4.2p**	(3.4p)
Diluted profit/(loss) per share for total operations	**4.2p**	(3.4p)

7. Financial assets and liabilities

	Six months ended 31 May 2021 Unaudited £'000	Year ended 30 November 2020 Audited £'000
Financial assets at fair value through the profit or loss		
Investments at fair value through profit or loss	**64,023**	35,848
Financial assets at amortised cost		
Amounts owed by group undertakings	-	-
Other receivables	**88**	28
Total financial assets	**64,111**	35,876
Financial liabilities at amortised cost		
Amounts owed to group undertakings	**910**	1,235
Other payables	**247**	2,184
Total financial liabilities	**1,157**	3,419
Cash	**(7,943)**	(652)
Net (cash)/debt	**(7,033)**	583

All financial assets and liabilities mature within one year. The fair value of those assets and liabilities approximates their book value. The net (cash)/debt figure above reflects the net of cash and related party borrowings.

Other receivables represent prepayments. Other payables include accruals of £178,000 (2020: £595,000). The prior period accruals balance of £595,000 consisted predominantly of exceptional accruals utilised in the current period.

8. Capital and reserves

	No of shares '000	Share capital £'000	Share premium £'000	Own shares £'000
Ordinary shares in issue at 30 November 2020	379,347	3,793	146,002	(2,611)
Issued of share capital in the period	322,859	3,229	12,951	-
Adjustment – exceptional charges	-	-	(37)	-
Transfers – retained earnings	-	-	(1,477)	1,754
Ordinary shares in issue at 31 May 2021	**702,206**	**7,022**	**157,439**	**(857)**

Following a successful fund-raising exercise completed in December 2020, the Company issued a further 322.9m shares for gross proceeds including share premium of £16.2m. The costs incurred in relation to this fund-raising exercise of £1.5m were initially charged to Retained earnings in the prior period but are now reclassified in the current period to Share premium in line with accepted accounting practise.

The Own shares reserve of £2.6m was created at the inception of Company share award plans (see Note 9) and were held in an employee benefit trust. During the reporting period the qualifying conditions for the share awards were met and consequently the relevant shares were physically transferred to those qualifying employees resulting in a £1.8m transfer to Retained earnings from Own shares reserve.

9. Share based payments

On 9 December 2019, the Company cancelled all of its share award plans: Long-term incentive plan (LTIP) and Share incentive plan (SIP). Accelerated charges in respect of both award plans were recognised in 2020; no charges have been recognised in respect of either plan in the reporting period. The balance of the share option reserve was transferred into retained earnings in the 2020 reporting year. SIP shares that remained in the employee benefit trust at the beginning of this reporting period end have, when qualifying conditions were met, now been transferred to those qualifying individuals concerned. The balance remaining in the employee benefit trust represents shares awarded to individuals who did not meet the qualifying conditions and these shares will now be dealt with by the trustees in accordance with the scheme rules and accepted accounting practise.

10. Significant non-cash transactions

No significant non-cash transactions took place in the reporting period of six months to 31 May 2021.

11. Contingent liabilities

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

On 9 December 2019, the Company was excluded from the arrangement as, due to the terms of the agreement with the bank, it was no longer part of the GWSA Group. As a result, the Company had no contingent liabilities as at 31 May 2021.

12. Subsequent events

On 1 July 2021, the Company announced the disposal of its interest in the GWSA Group, which is held through the Company's 49 per cent. stake in Marcelos and Marcelos' wholly owned subsidiary Alpha C. GWSA is the holding company for the Eddie Stobart, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses.

Alpha C has agreed to sell its wholly owned subsidiary, GWSA (the company that heads the GWSA Group), to Culina Group Limited ("Culina") for an undisclosed consideration (the "Transaction") and the Company has consented to the Transaction pursuant to the Marcelos shareholders' agreement.

As at 31 May 2021, the fair value of the Company's investment in Marcelos was £57.9 million (2020: £35.8m).

The Company now expects to receive a net cash inflow of not less than £125 million, including repayment of the recent £6m investment in the PIK loan held by Alpha Persei Limited.

Following the transaction, the Company will hold no material investment assets and an available cash balance in excess of £130m.