

31 March 2023

Logistics Development Group plc

("LDG" or the "Company")

Final Results for year ended 30 November 2022

Logistics Development Group plc, the AIM listed investing company, announces its audited final results for the year ended 30 November 2022.

Full year 2022 Results Summary

- For the year ended 30 November 2022, the Company reported an underlying EBIT¹ of £1.1m (2021: EBIT of £84.6m, before exceptional income of £0.1m) and a profit before tax of £1.1m (2021: profit before tax of £84.7m).
- Following the disposal of GreenWhiteStar Acquisitions Limited and its subsidiaries in the prior year, the Board, in conjunction with its investment manager DBAY, reviewed a number of investment opportunities and came to the conclusion that there were more attractive opportunities to create shareholder value outside the narrow logistics focused investing policy adopted in December 2020. Additionally, the Board were aware that the Company's shares had been trading at a significantly discounted level to the amount of available cash per ordinary share. Furthermore, the Board noted that the Company's capital structure required attention.
- Therefore, on 14 January 2022, the Company announced the publication of a circular containing details of proposed changes to the Company's investing policy ("**Investing Policy**"), the undertaking of a share buyback programme (the "**Buyback**") and a reduction of capital.
- On 31 January 2022, at a general meeting of the Company, the Shareholders gave their approval for both a change to the Investing Policy and implementation of the Buyback. At the same general meeting, the Board approved steps for a reduction in capital to create available distributable reserves.
- The change to the Investing Policy was aimed at enabling the Company to take advantage of a wider sphere of opportunities than those offered previously from the original logistics focused policy. The revised Investing Policy provides for investments primarily in undervalued companies.
- Pursuant to the Buyback, the Company acquired 140,441,180 ordinary shares in its own capital at an average price of £0.157 per share between 25 February 2022 and 6 April 2022.
- Over the last financial year, we had the opportunity to welcome Peter Nixon as a director to the Board, he is an experienced chartered accountant and was appointed to the Board from 9 December 2021, replacing Saki Riffner as a representative of DBAY.

The details of the two investments made during the period are listed below.

- On 7 March 2022, LDG acquired the entire share capital of Fixtaia Limited ("**Fixtaia**"), a company incorporated in Jersey, for £1.00. Investments of £30.0m and £3.0m were made in Fixtaia on 21 March 2022 and 30 November 2022 respectively. Via this investment in Fixtaia, LDG indirectly held an equity interest of 1.74% in CareTech Holding PLC ("**CareTech**"), acquired at a cost of £13.1m, which includes £883k of investment transaction fees, from March 2022 until September 2022, when this investment was disposed of. The disposal of 1,974,130 ordinary shares in CareTech for an aggregate consideration of £14.8m achieved a profit of £1.7m.
- During the period, the Company acquired, via its investment in Fixtaia, a total of 11,457,000 ordinary shares in Finsbury Food Group plc (AIM:FIF) ("**Finsbury Food**"), representing 8.79% of its issued share capital, for an aggregate consideration of £9.1m.

Commenting on the results, Adrian Collins, Chairman of Logistics Development Group plc said: *"We are pleased to report a year of progress for LDG during which we have evolved our investment policy and have since made a number of attractive investments. As we look ahead whilst there may be choppy waters, we are confident we can navigate these and deliver attractive returns."*

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

IMA Amendment and Related Party Transaction

At a general meeting held on 31 January 2022, LDG shareholders approved a broadening of the investing policy which, inter alia, allowed LDG to invest up to 50 per cent. of the Company's net asset value in certain funds managed by DBAY (the "**DBAY Funds**") and so in order to bring into effect the revised investing policy a new investment management agreement (the "**New IMA**") was entered into on 14 January 2022. In contrast to a direct investment, for an investment into a DBAY Fund, a management/monitoring fee would have been payable at the time of commitment, even if no investments had been made in the underlying DBAY Fund.

In order to compensate LDG for this disconnect, the changes to the New IMA included DBAY agreeing not to receive management or performance fees from LDG in respect of funds committed to the DBAY Investment Funds by the Company (ensuring no double charging), and that DBAY would cover certain corporate costs, providing 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.

Whilst at the time of entering into the New IMA there was an intent to make an investment in one or more DBAY Funds in the near term, this is now less likely and no such investments have been made to date. Given the New IMA envisaged payments being made on the basis of all management fees and no investment in DBAY Funds have been made, the New IMA has been amended by way of an addendum dated 30 March 2023, to clarify that, with effect from the beginning of the current financial year, the maximum amount payable would not exceed the lower of (i) £800,000; and (ii) amounts paid to DBAY in respect of investments in DBAY Funds specifically, and not all management fees received by DBAY (the "**IMA Amendment**"), which better reflects the spirit of the original agreement.

Given DBAY is the Company's investment manager and its current interest, via its managed funds, is more than 10 per cent. of the Company's issued share capital, it is therefore a related party (as defined in the AIM Rules for Companies). Consequently, the proposed IMA Amendment is deemed to be a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. For the purposes of the AIM Rules for Companies, the Independent Directors (being all Directors save for Peter Nixon), having consulted with the Company's Financial and Nominated Adviser, Strand Hanson Limited, consider the terms of the proposed changes to the Existing Investment Management Agreement to be fair and reasonable so far as its Shareholders are concerned.

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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” or the “Company”) for the year ended 30 November 2022.

For the year ended 30 November 2022, the Company reported an underlying EBIT¹ of £1.1m (2021: EBIT of £84.6m, before exceptional income of £0.1m) and a profit before tax of £1.1m (2021: profit before tax of £84.7m).

At a general meeting held on 31 January 2022, shareholders approved a broadening of the investing policy. This has allowed DBAY Advisors Limited (“DBAY”), LDG’s investment manager, 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, in CareTech Holdings PLC (AIM:CTH) (“CareTech”). Over the course of the financial year, the Company purchased a total of 1,974,130 shares in CareTech. On 4 April 2022 a consortium formed by Sheikh Holdings Group (Investments Limited) made a recommended all cash offer for CareTech at 750 pence per share. As a result of the offer being effected, the Company has disposed of its entire holding of CareTech shares.

Details of additional investments are listed in the review of the year on page 2 below.

LDG’s share price has consistently been trading at a discount to the Company’s cash per share, and so the Board determined to initiate a further share buyback program. The necessary approvals were obtained at a general meeting on 6 March 2023 and the further share buyback program will commence in due course. Over the last financial year, we had the opportunity to welcome Peter Nixon as a director to the Board, he is an experienced chartered accountant and was appointed to the Board from 9 December 2021, replacing Saki Riffner as a representative of DBAY.

Since its approval in January 2022, the Company has been implementing its broader investing policy. The Board is confident that the Company’s investment manager, DBAY, will make good use of the funds over the years to come and avoid the cathartic re-rating of many companies which will not be able to transition from “Growth at any price” to profitability. I am reminded of the great man, Warren Buffet’s, sage words “You don’t find out who’s been swimming naked until the tide goes out”. I firmly believe that your investment manager will be able to navigate through the choppy waters and reward shareholders accordingly.

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 2022

Review of the year

Following the disposal of GWSA Group in the prior year, the Board, in conjunction with its investment manager DBAY, reviewed a number of investment opportunities and came to the conclusion that there were more attractive opportunities to create shareholder value outside the narrow logistics focused investing policy adopted in December 2020. Additionally, the Board were aware that the Company's shares had been trading at a significantly discounted level to the amount of available cash per Ordinary Share. Furthermore, the Board noted that the Company's capital structure required attention.

Therefore, on 14 January 2022, the Company announced the publication of a circular containing details of proposed changes to the Investing Policy, the undertaking of a share buyback programme (the "**Buyback**") and a reduction of capital.

On 31 January 2022, at a General Meeting of the Company, the Shareholders gave their approval for both a change to the Investing Policy and the Buyback. At the same General Meeting, the Board approved steps to a reduction in capital to create available distributable reserves.

The change to the Investing Policy was aimed at enabling the Company to take advantage of a wider sphere of opportunities than those offered previously from the original logistics focused policy. The revised investing policy provides for investments primarily in undervalued companies.

The aim of the Buyback was to address the fact that the Company's shares had been trading at a significantly discounted level to the amount of available cash per Ordinary Share. The Company obtained shareholder approval to acquire up to 20% of the issued share capital as at the date of the General Meeting. Pursuant to the Buyback, the Company acquired 140,441,180 Ordinary Shares in its own capital at an average price of £0.157 per share between 25 February 2022 and 6 April 2022.

On 22 February 2022, the Company received approval from the High Court of England and Wales to proceed with a Capital Reduction thereby creating available distributable reserves.

The details of the two investments made during the period are listed below.

- On 7 March 2022, LDG invested £1.00 to acquire the entire share capital of Fixtaia Limited ("**Fixtaia**"), a company incorporated in Jersey. Further investments of £30.0m and £3.0m were made in Fixtaia on 21 March 2022 and 30 November 2022 respectively. Via this investment in Fixtaia, LDG indirectly held an equity interest of 1.74% in CareTech, acquired at a cost of £13.1m, which includes £883k of investment transaction fees, from March 2022 until September 2022, when this investment was disposed of. The disposal of 1,974,130 ordinary shares in CareTech for an aggregate consideration of £14.8m achieved a profit of £1.7m.
- During the period, the Company acquired, via its investment in Fixtaia, a total of 11,457,000 ordinary shares in Finsbury Food Group plc (AIM:FIF) ("**Finsbury Food**"), representing 8.79% of its issued share capital, for an aggregate consideration of £9.1m.

Changes to the Board

Peter Nixon, an experienced chartered accountant, was appointed to the Board from 9 December 2021, replacing Saki Riffner as DBAY representative.

Subsequent events

- On 1 December 2022 an investment of €18.5m (c.£15.9m) was made into Sysnion TopCo, which is the private holding company of a group of companies formed by DBAY specifically to invest in SQLI S.A. (ENXTPA:SQI) ("**SQLI**"). This investment was made by the Company via its subsidiary Fixtaia. The investment into Sysnion TopCo was initially made by way of an €18.5m loan which has been converted into an approximate 11.1% equity interest in Sysnion TopCo (the "**Company's Interest**"). Subsequent to the aforementioned purchase of SQLI shares, the Sysnion Group has drawn on available debt funding, as a result of which the implied equity value of the Company's interest was re valued at c.€14.4m.

Consequently, under the terms of an agreement between Fixtaia and Synsion TopCo, Synsion TopCo has capitalised the loan in return for the issue of the Company's Interest and made payment in cash of c.€4.1m to Fixtaia.

- On 1 December 2022 the Company, via its subsidiary Fixtaia, began acquiring shares in Alliance Pharma Plc ("**Alliance**"). Alliance is an international healthcare group founded in 1996 and headquartered in the United Kingdom. Alliance acquires, markets and distributes consumer healthcare and prescription medicine products. To date, via the investment in Fixtaia, the Company indirectly holds 33,763,047 shares, which is 6.25% of Alliance, for a consideration of £19.1m
- At a general meeting held on 6 March 2023, the Company's shareholders approved the commencement of a further share buyback and capital reduction:
 - 1) It is the intention to acquire Ordinary Shares in the market (the "**Further Buyback**"), representing approximately 20% of the Company's issued share capital, which the Board believes may serve to reduce the observed discount to NAV per Ordinary Share. The Board, however, expects to limit the total consideration for the Further Buyback to an aggregate of £15.0m. Through the Further Buyback, the Company intends to implement a discount management policy, targeting a share price discount to NAV per share of no more than 15% in normal market conditions. The discount to NAV per share will be calculated on the basis of the NAV per Ordinary Share figure last notified by the Company via RIS.
 - 2) The 140,411,180 ordinary shares of £0.01 each which were subject to the buyback effected by the Company between 25 February 2022 and 6 April 2022 (the "**Capital Reduction**"), which was approved by shareholders on 6 March 2023, was sanctioned by the High Court of England and Wales ("**High Court**") on 28 March 2023. The order of the High Court confirming the Capital Reduction, and the statement of capital approved by the High Court in connection therewith, was delivered to the Registrar of Companies on 28 March 2023. The Capital Reduction will then become effective upon the registration of the Court order by the Registrar of Companies.

Following the Capital Reduction, the issued share capital of the Company consists of 561,764,720 ordinary shares of £0.01 each.

Financial performance

The results for the current year reflect the group structure as at 30 November 2022.

The Company has elected to measure its investments in its wholly owned subsidiary Fixtaia as an equity investment at fair value through profit and loss. The election is taken based on the Company being classified as an investment entity per IFRS 10.

Had the Company not met the definition of an investment entity, it would be required to prepare consolidated financial statements which involve presenting the results and financial position of the Company and Fixtaia as those of a single economic entity.

At the reporting date, the fair value ascribed to the investments was £34.3m (2021: £2.2m) which reflects the current NAV of the underlying investment at the reporting date (2021: valuation basis reflected the current value at the reporting date in respect of guaranteed expected future cash flows). The Directors have reviewed this valuation approach and consider it to be appropriate.

Administrative expenses before exceptional items are on par with the prior year at £1.0m (2021: £1.1m).

The Company's underlying EBIT¹ in the year was a profit of £1.1m (2021: profit of £84.6m, before exceptional income of £0.1m) and statutory profit before tax was £1.1m (2021: profit before tax of £84.7m). During the prior year, the exceptional income of £0.1m comprised of a refund of VAT in relation to historical transaction costs relating to the 2019 GWSA disposal.

Net debt

As at the reporting date, the Company has cash and cash equivalents of £79.1m (2021: £131.9m). Related party transactions amounted to £0.161m (2021: £Nil). See note 13.

Exceptional items

During the year there are no exceptional items to report.

Tax

For the years ended 30 November 2022 and 2021, the Company incurred tax losses. The deferred tax asset of £0.6m (2021: £0.3m) 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 (2021: £Nil) and no final dividend is being recommended (2021: £Nil).

Earnings per share

Underlying basic and diluted earnings per share are both 0.2p (2021: underlying basic and diluted loss per share were both 12.1p). Statutory basic and diluted earnings per share are both 0.2p (2021: statutory basic and diluted loss per share were both 12.1p). See

note 3 and 9.

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 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 had agreed that it will fund the Company's reasonable corporate costs going forward.

Investment Management agreement amendments

At a general meeting held on 31 January 2022, shareholders approved a broadening of the investing policy and so in order to bring into effect the revised investing policy a new investment management agreement was entered into on 14 January 2022. The changes were:

- 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;
- DBAY will ensure that there is at all times a contingency amount of at least £2.0m on the Company's balance sheet to cover any exceptional expenses that may arise in the future; and
- the new investment management agreement was further amended by way of an addendum dated 30 March 2023, to state that, with effect from the beginning of the current financial year, the maximum amount payable would not exceed the lower of (i) £800,000; and (ii) amounts paid to DBAY in respect of investments in DBAY Funds specifically, and not all management fees received by DBAY.

Annual general meeting

The Company intends to hold its Annual General Meeting on 3 May 2023 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 2022

	Note	Year ended 30 November 2022 £'000	Year ended 30 November 2021 £'000
Gain on investments measured at fair value through profit or loss - net	10	1,993	85,665
Other income		173	-
Net finance income		2,166	85,665
Administrative expenses: before exceptional items		(1,017)	(1,100)
Administrative expenses: exceptional items	5	-	90
Total administrative expenses		(1,017)	(1,010)
Profit before tax		1,149	84,655
Income tax charge	7	-	-
Profit and total comprehensive income for the year		1,149	84,655
Earnings per share			
Basic	9	0.2p	12.1p
Diluted	9	0.2p	12.1p

The accompanying notes form part of the financial statements.

Company Statement of Financial Position

as at 30 November 2022

	Note	30 November 2022 £'000	30 November 2021 £'000
Assets			
Non-current assets			
Investments at fair value through profit or loss	10	34,338	2,218
		34,338	2,218
Current assets			
Other receivables	11	179	114
Cash and cash equivalents	11	79,064	131,902
Amounts owed from related undertakings		173	-
		79,416	132,016
Total assets		113,754	134,234
Current liabilities			
Amounts owed to group undertakings	11	(652)	-
Other payables	11	(404)	(290)
		(1,056)	(290)
Total liabilities		(1,056)	(290)
Net assets		112,698	133,944
Equity			
Called up share capital	12	5,618	7,022
Share premium account	12	-	157,476
Own treasury shares	12	(11)	(857)
Retained earnings	12	107,091	(29,697)
Total shareholders' funds		112,698	133,944

The accompanying notes form part of the financial statements.

The Company Financial Statements on pages 23 to 35 were approved by the Board of Directors on 30 March 2023 and were signed on its behalf by:

Adrian Collins

Director

30 March 2023

Company number 08922456

Company Statement of Changes in Equity

for the year ended 30 November 2022

	Share capital £'000	Share premium £'000	Own treasury shares £'000	Retained earnings £'000	Total £'000
Balance at 1 December 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	-	(1,477)	-	1,477	-
Transfers	-	-	1,754	(1,754)	-
Balance at 30 November 2021	7,022	157,476	(857)	(29,697)	133,944
Profit for the year	-	-	-	1,149	1,149
Share premium reduction	-	(157,476)	-	-	(157,476)
Transfer to retained earnings	-	-	-	157,476	157,476
Share repurchase (note 12)	(1,404)	-	-	(21,046)	(22,450)
Disposal of own shares (note 12)	-	-	846	(791)	55
Balance at 30 November 2022	5,618	-	(11)	107,091	112,698

The accompanying notes form part of the financial statements.

Company Cash Flow Statement

for the year ended 30 November 2022

	Note	Year ended 30 November 2022 £'000	Year ended 30 November 2021 £'000
Cash flows from operating activities			
Profit for the year		1,149	84,655
Adjustments for:			
Gain on investments measured at fair value through profit or loss - net	10	(1,993)	(85,665)
Changes in:			
Increase in other receivables	11	(65)	(86)
Increase/(decrease) in other payables	11	114	(1,652)
Net outflow from operating activities		(795)	(2,748)
Cash flows from investing activities			
Dividends received	10	2,873	125,295
Purchase of investment	10	(33,000)	(6,000)
Amounts owed from related undertakings	11	(173)	-
Amounts owed to subsidiary	11	652	-
Net cash (outflow)/inflow from investing activities		(29,648)	119,295
Cash flows from financing activities			
Issuing share capital and share premium		-	16,180
Share issue costs paid		-	(1,477)
Share repurchase	12	(22,450)	-
Disposal of own shares	12	55	-
Net cash (outflow)/inflow from financing activities		(22,395)	14,703
Net (decrease)/increase in cash and cash equivalents		(52,838)	131,250
Cash and cash equivalents at the start of the financial year		131,902	652
Cash and cash equivalents at the end of the financial year		79,064	131,902

The accompanying notes form part of the financial statements.

Notes to the Company Financial Statements

for the year ended 30 November 2022

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 2022, the Company has one subsidiary. As the Company is defined under IFRS10 Investment Entity, consolidation exemption allows the measuring of controlling interests in another entity at fair value through profit and loss.

The Financial Statements 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 2022 the Company had a significant holding in Fixtaia Limited ("Fixtaia"), incorporated in Jersey. Fixtaia has 331 ordinary shares in issue, which the Company holds entirely. Its registered address is 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, JE1 1GH, Jersey.

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 15 months to March 2024 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) **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; and
- 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.

(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 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.

(c) **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.

(d) **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.

(e) **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.

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

(g) **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.

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

(i) **Employee Benefit Trust** - The cost of the Company's shares held by the Employee Benefit Trust (EBT) is deducted from equity in the Company balance sheet under the heading own treasury shares. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the EBT (including borrowings) are recognised as assets and liabilities of the Company.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41) (effective for periods commencing on or after 1 January 2022); and

- References to Conceptual Framework (Amendments to IFRS 3) (effective for periods commencing on or after 1 January 2022).

New and revised IFRS accounting standards in issue but not yet effective

Certain standards, amendments to, and interpretations of, published standards have been published that are mandatory for the Group's accounting years beginning on or after 1 January 2023 or later years and which the Group has decided not to adopt early:

- IAS 1: Classifications of Liabilities as Current or Non-Current (effective for periods commencing

on or after 1 January 2023);

- IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for periods commencing on or after 1 January 2023);
- IAS 8: Definition of Accounting Estimates (effective for periods commencing on or after 1 January 2023); and
- IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for periods commencing on or after 1 January 2023).

None of the above listed changes are anticipated to have a material impact on the Group's financial statements.

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 year, the company elected to measure its investment in Fixtaia at fair value through profit and loss.

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

Had the elections not been made, the investments in Fixtaia would have been accounted for as a subsidiary undertaking in consolidated financial statements.

(ii) Fair value of the investments – the Directors have recorded the current year investment in Fixtaia at fair value. The fair value at the end of the period has been calculated on the basis of the net assets of Fixtaia. The net assets of Fixtaia mainly consist of an investment in a listed entity, together with cash/cash equivalents. This listed investment is carried at the quoted price as at 30 November 2022.

The Directors believe that this valuation approach represents the price the Company would expect to receive 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:

	2022	2021
	£'000	£'000
Profit before tax	1,149	84,655
Exceptional income	-	(90)
Underlying EBIT	1,149	84,565

	2022 (in thousands)	2021 (in thousands)
Weighted average number of Ordinary Shares – Basic	606,921	702,206
Weighted average number of Ordinary Shares – Diluted	606,921	702,206
Underlying Basic earnings per share for total operations	0.2p	12.0p
Underlying Diluted earnings per share for total operations	0.2p	12.0p

4. Employees and Directors

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

	2022	2021
	£'000	£'000
Staff and Director costs for the Company during the year		
Wages and salaries	276	250
Social security costs	22	19
	298	269
Average monthly number of employees and Directors		
Employees and Directors	4	4

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

	2022	2021
	£'000	£'000
Emoluments, bonus and benefits in kind	276	194
Total Directors’ remuneration	276	194

Remuneration of the highest paid Director is detailed below:

	2022	2021
	£'000	£'000
Emoluments, bonus and benefits in kind	96	93

5. Exceptional items

There were no exceptional items incurred during the reporting period. During the prior year, the Company recognised exceptional income in relation to a VAT refund of £90k associated with the disposal of GWSA.

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:

	2022	2021
	£'000	£'000
Fees payable for the audit of the Company's annual financial statements	66	119
Audit-related assurance services	-	-
Total fees payable to Company's auditors	66	119

7. Income tax charge

The Company did not recognise current and deferred income tax charge or credit (2021: £Nil). In 2022, the deferred tax asset of £578k (2021: £412k) 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:

	2022	2021
	£'000	£'000
Profit before tax	1,149	84,655
Expected tax charge/(credit) based on a corporation tax rate of 19% (2021: 19%)	218	16,084
Effect of expenses not deductible in determining taxable profit	52	98
Effect of income not taxable in determining taxable profit	(378)	(16,276)
Unused tax losses for which no deferred tax asset has been recognised	108	94
Income tax charge	-	-

The current effective UK corporation tax rate for the financial year is 19%. The UK corporation tax rate will now remain at 19% until 31 March 2023. From 1 April 2023, the main rate for corporation tax will increase to 25%, for companies with profits over £250k, and a small profits rate will be introduced for companies with profits under £50k.

8. Dividends

At the date of approving these Financial Statements, no final dividend has been approved or recommended by the Directors (2021: £Nil).

9. Earnings per share

Basic earnings per share amounts are calculated by dividing profit 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 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.

	2022	2021
	£'000	£'000
Profit attributed to equity shareholders	1,149	84,655

	2022	2021
	(in thousands)	(in thousands)
Weighted average number of Ordinary Shares – Basic	606,921	702,206
Weighted average number of Ordinary Shares – Diluted	606,921	702,206
Basic earnings per share for total operations	0.2p	12.1p
Diluted earnings per share for total operations	0.2p	12.1p

10. Investments at fair value through profit or loss

	Alpha Persei Limited £'000	Marcelos Limited £'000	Fixtaia Limited £'000	Total investments £'000
1 December 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
Additions during the year	-	-	33,000	33,000
Change in fair value	-	655	1,338	1,993
Dividends	-	(2,873)	-	(2,873)
30 November 2022	-	-	34,338	34,338

During the prior 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. In the prior year, the disposal resulted in the Company receiving a dividend of £6.3m from Alpha Persei Limited and a dividend of £119.0m from Marcelos. These dividends were considered to be a return of capital and were offset against the carrying value of the investment. As at 30 November 2021, the Company's investment in Marcelos was revalued to £2.2m as a result of a dividend proposed to be paid to the Company from Marcelos during 2022.

During the current year, the dividend of £2.2m was received from Marcelos, as well as a further dividend of £655k. Upon the advice that the further dividend of £655k was to be received, the investment in Marcelos was revalued to £655k, resulting in a revaluation gain. These dividend payments totalling of £2.9m were considered to be a return of capital and have been offset against the carrying value of the investment, resulting in an investment of £nil as at 30 November 2022.

On 7 March 2022, the Company acquired 100% of the share capital, consisting of 1 share of £1.00, of Fixtaia Limited ("Fixtaia"), a company incorporated in Jersey, for consideration of £1.00. On 21 March 2022, the Company purchased 300 additional shares in Fixtaia for cash consideration of £30.0m to enable Fixtaia to buy shares in CareTech Holdings for a total consideration of £13.1m. On 28 September 2022, the shares in CareTech Holdings were disposed of, resulting in a realised profit of £1.7m.

On 18 August 2022, through Fixtaia, the Company began to acquire shares in Finsbury Food. As at 30 November 2022 11,457,000 shares in Finsbury Food were held, for a total consideration of £9.1m.

On 28 November 2022, the Company invested a further £3.0m in Fixtaia for the allotment of 30 additional shares which were subsequently allotted on 7 December 2022.

As at 30 November 2022, the investment in Fixtaia was revalued to £34.3m as per the net asset value of Fixtaia, resulting in a net revaluation gain of £1.3m.

11. Financial assets and liabilities

	2022	2021
	£'000	£'000
Financial assets at fair value through the profit or loss		
Investments (see note 10)	34,338	2,218
Financial assets at amortised cost		
Amounts owed by related undertakings (see note 13)	173	-
Other receivables	179	114
Total financial assets	34,690	2,332
Financial liabilities at amortised cost		
Amounts owed to related undertakings (see note 13)	(652)	-
Other payables	(404)	(290)
Total financial liabilities	(1,056)	(290)
Cash and cash equivalents	79,064	131,902
Net funds	79,064	131,902

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

Other receivables represent receivables and prepayments. Other payables include accruals of £295k (2021: £216k).

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 £5.6m (2021: £7.0m) and share premium of £Nil (2021: £157.5m).

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 2021	702,206	7,022	157,477
Ordinary shares of 1p each in issue at 30 November 2022	561,765	5,618	-

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

During February 2022, there was a reduction in share premium of £157.5m, and this was transferred to retained earnings, resulting in share premium of £Nil as at the end of 2022.

Share repurchase

During March and April 2022, the Company repurchased a total of 140,441,180 of its shares from shareholders and these were subsequently cancelled, resulting in share capital of £5.6m from 30 April 2022 onwards. The shares were purchased for a premium, and transaction costs were incurred, resulting in a reduction of retained earnings of £21.0m.

Own treasury shares

Included in the total number of ordinary shares outstanding above are 6,708 (2021: 535,440) 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.

In June 2021, the Company disposed of 528,732 Own Shares, however this was not reflected in the accounts at the time. As this error of omission is deemed to be immaterial, a prior period adjustment has not been made and the disposal has been recognised as at the current year end, resulting in a reduction of Own Shares of £846k. The shares were sold for a lower price than their cost, and as such the disparity between the cost and the sales price has been recognised in retained earnings of £791k. The balance of Own Shares as at 30 November 2022 is 6,708 shares held at a cost of £1.60 per share.

13. Related party transactions

	Transactions with related parties 2022 £'000	Amounts owed by related parties 2022 £'000	Amounts owed to related parties 2022 £'000
Related party			
DBAY Advisors Limited	161	173	-

	Transactions with group undertakings 2022 £'000	Amounts owed by group undertakings 2022 £'000	Amounts owed to group undertakings 2022 £'000
Group undertaking			
Fixtaia Limited	-	-	(652)

During the year, the Company generated income from related party DBAY Advisors Limited in the form of a monitoring fee of £173k. This amount was outstanding as at 30 November 2022. Also during the year, the Company reimbursed DBAY Advisors Limited £12k for expenses it paid on the behalf of the Company.

The amount due to Fixtaia as at 30 November 2022 of £652k represents the outstanding consideration payable for the Company's investment in Fixtaia.

During the year, Fixtaia incurred performance fee of £352k from DBAY Advisors Limited, of which £195k are outstanding at the year end.

During the prior year, the Company settled the amount due to related party GWSA as at the prior year end, for the value £1.2m. The Company did not enter into any other related party transactions.

14. Capital commitments

At 30 November 2022, the Company had no commitments (2021: £Nil).

15. Contingent liabilities

At 30 November 2022, the Company had no contingent liabilities (2021: £Nil).

16. Subsequent events

On 1 December 2022, an investment of €18.5m (c.£15.9m) was made into Synsion TopCo, which is the private holding company of a group of companies formed by DBAY specifically to invest in SQLI S.A. (ENXTPA:SQLI) ("SQLI"). This investment was made by the Company via its subsidiary Fixtaia. The investment into Synsion TopCo was initially made by way of an €18.5m loan which has been converted into an approximate 11.1% equity interest in Synsion TopCo (the "Company's Interest"). Subsequent to the aforementioned purchase of SQLI shares, the Synsion Group has drawn on available debt funding, as a result of which the implied equity value of the Company's Interest was re valued at c.€14.4m. Consequently, under the terms of an agreement between Fixtaia and Synsion TopCo, Synsion TopCo has capitalised the loan in return for the issue of the Company's Interest and made payment in cash of c.€4.1m to Fixtaia.

On 1 December 2022, the Company, via its subsidiary Fixtaia, began acquiring shares in Alliance Pharma Plc ("Alliance"). Alliance is an international healthcare group founded in 1996 and headquartered in the United Kingdom. Alliance acquires, markets and distributes consumer healthcare and prescription medicine products. To date, via the investment in Fixtaia, the Company indirectly holds 33,763,047 shares, which is 6.25% of Alliance, for a consideration of £19.1m.

At a general meeting held on 6 March 2023, the Company's shareholders approved the commencement of a share buyback and capital reduction:

- 1) It is the intention to acquire Ordinary Shares in the market (the "Further Buyback"), representing approximately 20% of the Company's issued share capital, which the Board believes may serve to reduce the observed discount to NAV per Ordinary Share. The Board, however, expects to limit the total consideration for the Further Buyback to an aggregate of £15.0m. Through the Further Buyback, the Company intends to implement a discount management policy, targeting a share price discount to NAV per share of no more than 15% in normal market conditions. The discount to NAV per share will be calculated on the basis of the NAV per Ordinary Share figure last notified by the Company via RIS.
- 2) The 140,411,180 ordinary shares of £0.01 each which were subject to the buyback effected by the Company between 25 February 2022 and 6 April 2022 (the "Capital Reduction"), which was approved by shareholders on 6 March 2023, was sanctioned by the High Court of England and Wales ("High Court") on 28 March 2023. The order of the High Court confirming the Capital Reduction, and the statement of capital approved by the High Court in connection therewith, was delivered to the Registrar of Companies on 28 March 2023. The Capital Reduction will then become effective upon the registration of the Court order by the Registrar of Companies.

Following the Capital Reduction, the issued share capital of the Company consists of 561,764,720 ordinary shares of £0.01 each.

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
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
Directors	The Directors of the Company as at the date of this document, as identified on page 8
EPS	Earnings per share
Fixtaia	Fixtaia Limited, a company incorporated in Jersey (company no. 140806), whose registered office is at 2nd Floor, Gaspé House, 66-72 Esplanade, St. Helier, JE1 1GH, Jersey
FY21	Financial Year ended 30 November 2021
FY22	Financial Year ended 30 November 2022
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
HY21	Six month period ended 31 May 2021
HY22	Six month period ended 31 May 2022
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 4 and 5
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
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