Placing and Admission to AIM

Eddie Stobart

Eddie Stobart Logistics plc

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who specialises in advising on the acquisition of shares and other securities and is duly authorised under the Financial Services and Markets Act 2000 (as amended) (''FSMA''), if you are resident in the UK, or if you are not resident in the UK, from another authorized independent adviser.

THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THEY ARE REGISTERED UNDER APPLICABLE LAW OR EXEMPT FROM REGISTRATION. EDDIE STOBART LOGISTICS PLC DOES NOT INTEND TO REGISTER ANY PORTION OF THE PLACING IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFER OF SECURITIES IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED HEREIN, WILL NOT BE ACCEPTED.

Application has been made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective, and dealings in the Ordinary Shares will commence on 25 April 2017. The Existing Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules published by the London Stock Exchange, to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the UK Listing Authority nor the London Stock Exchange has itself examined or approved the contents of this Document.

Prospective investors should read the whole text of this Document and should be aware that an investment in the Company is speculative and involves a high degree of risk and prospective investors should carefully consider the section entitled ''Risk Factors'' set out in Part III of this Document. All statements regarding Eddie Stobart's business, financial position and prospects should be viewed in light of these risk factors.

This Document, which is drawn up as an AIM admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. This Document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this Document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

Copies of this Document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Cenkos Securities plc, 6, 7, 8, Tokenhouse Yard, London, EC2R 7AS, United Kingdom and the registered office of the Company, from the date of this Document until one month from the date of Admission in accordance with the AIM Rules. A copy of this Document will also be available from the Company's website at www.eddiestobart.com.

The Directors, whose names appear on page 8 of this Document, and the Company accept responsibility, both individually and collectively, for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Eddie Stobart Logistics plc

(a company incorporated in England and Wales under the Companies Act 2006 with company number 08922456)

Placing of 245,543,159 Ordinary Shares at 160 pence per Ordinary Share and Admission of the Enlarged Share Capital to trading on AIM

CENKOS

Cenkos Securities plc
Nominated Adviser and Broker

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 25 April 2017 (or such later date as the Company and Cenkos may agree, being not later than 25 May 2017). The New Ordinary Shares and the Existing Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

It is emphasised that no application is being made for the Enlarged Ordinary Share Capital to be admitted to the Official List or to any other recognised investment exchange.

Cenkos, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this Document. Cenkos will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos or for providing advice in relation to the contents of this Document or any other matter.

Without limiting the statutory rights of any person to whom this Document is issued, no representation or warranty, express or implied, is made by Cenkos as to the contents of this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos by FSMA or the regulatory regime established thereunder, no liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this Document, for which the Directors are solely responsible, or for the omission of any information from this Document for which it is not responsible.

In accordance with the AIM Rules for Nominated Advisers, Cenkos has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with.

The Ordinary Shares have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold outside of the United States in accordance with Regulation S, and may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. This Document has been prepared by us solely for use in connection with the offer and sale of the rights and the new shares outside the United States pursuant to Regulation S.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Placing Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or from, the United States, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state or other jurisdiction of the United States, any province or territory of Canada, Australia, Japan or the Republic of South Africa and may not be offered or sold, directly or indirectly, within the United States, Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the Securities Act).

The distribution of this Document outside the UK may be restricted by law. No action has been taken by the Company or Cenkos that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this Document should inform themselves about the distribution of this Document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, or Cenkos. Neither the delivery of this Document nor any subscription or purchase made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of Eddie Stobart since the date of this Document or that the information contained herein is correct as at any time after its date.

Investment in the Company carries risk. There can be no assurance that Eddie Stobart's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from

Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective investors should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see "Part III: Risk Factors" of this Document).

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of Eddie Stobart. No assurance is given, express or implied, that investors will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this Document you should consult your stockbroker or your financial or other professional adviser.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this Document or any subsequent communications from the Company as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

This Document should be read in its entirety before making any investment in the Company.

Notice to Investors in the United States

The Placing Shares offered hereby have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold outside of the United States in accordance with Regulations S and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. The Placing Shares have not been approved or disapproved by any U.S. federal or state securities commission or regulatory authority.

The information contained in this Document has been provided by Eddie Stobart and the other sources identified therein. Distribution of this Document to any person other than those authorised to receive it is unauthorised, and any disclosure of its contents, without prior written consent of Eddie Stobart, is prohibited. Any reproduction or distribution of this Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

Forward looking statements

Certain statements contained in this Document are forward looking statements and are based on current expectations, estimates and projections about the potential returns of Eddie Stobart and industry and markets in which Eddie Stobart operates, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "may", "should", "would", "could", "will", "intends", "plans", "believes", "targets", "seeks", "estimates", "aims", "projects", "pipeline" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment.

Such forward looking statements are based on numerous assumptions regarding Eddie Stobart's present and future business strategies and the environment in which Eddie Stobart will operate in the future. These forward looking statements speak only as of the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Presentation of financial information

The financial information contained in this Document, including that financial information presented in a number of tables in this Document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

No incorporation of website

The contents of the Company's website (or any other website) do not form part of this Document.

Governing law

Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

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KEY STATISTICS

Existing share capital at the date of this Document

Number of Existing Ordinary Shares	276,668,800
Placing	
Placing Price	160 pence
Number of Placing Shares	245,543,159
– to be sold by the Selling Shareholder (Existing Ordinary Shares)	169,293,159
– to be issued by the Company (New Ordinary Shares)	76,250,000
Gross proceeds of the Placing receivable by the Company	£122 million
Estimated net proceeds of the Placing available to Company(1)	£112 million
Consideration Shares(2)	
Consideration Shares	5,000,000
Upon Admission	
Number of Ordinary Shares in issue upon Admission	357,918,800
Percentage of Enlarged Ordinary Share Capital represented by the New Ordinary Shares	21.3%
Percentage of Enlarged Ordinary Share Capital represented by the New Ordinary Shares and Consideration Shares	22.7%
Estimated market capitalisation of the Company at Admission at the Placing Price	£572.7 million
TIDM	ESL
ISIN number	GB00BD8QVC95

(1) Net proceeds receivable by the Company are stated after bearing placing commissions (including the maximum amount of any discretionary commissions that the Company may decide to pay), other estimated Placing related fees and expenses and VAT of approximately £5.5 million. Net proceeds are also stated after bearing additional refinancing costs of approximately £4.2 million and additional costs relating to the acquisition of iForce Group Limited of approximately £0.3 million.The Company will not receive any of the proceeds from any sale of Existing Ordinary Shares by the Selling Shareholder in the Placing.

(2) Ordinary Shares of £0.01 each in the Company issued to a selling shareholder of iForce Group Limited as part consideration for that acquisition.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Admission Document	19 April 2017
Admission and commencement of dealings in the Enlarged Ordinary Share Capital on AIM	25 April 2017
CREST accounts credited (where applicable)	25 April 2017
Dispatch of definitive share certificates (where applicable) by	9 May 2017

Notes:

1. References to time in this Document are to London (GMT) time unless otherwise stated
2. If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on an RIS

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Philip Swatman (*Non-Executive Chairman*) Alex Laffey (*Chief Executive Officer*) Damien Harte (*Chief Financial Officer*) Stephen Harley (*Non-Executive Director*) Christopher Casey (*Non-Executive Director*)
Registered Office:	Stretton Green Distribution Park Langford Way Appleton Warrington Cheshire WA4 4TQ
Company Secretary:	Rupert Nichols FCIS
Nominated Adviser and Broker:	Cenkos Securities plc 6, 7, 8, Tokenhouse Yard London EC2R 7AS
Reporting Accountants:	KPMG LLP Arlington Business Park Theale Reading RG7 4SD
Solicitors to the Company:	King & Spalding International LLP 125 Old Broad Street London EC2N 1AR
Solicitors to Cenkos:	Hogan Lovells International LLP Atlantic House 50 Holborn Viaduct London EC1A 2FG
Company Registrars:	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Public Relations Advisers:	FTI Consulting 200 Aldersgate Street London EC1A 4HD
Debt Advisers:	Capital Markets Initiative LLP 4th Floor 100 Pall Mall London SW1Y 5NQ
Accounting Due Diligence:	Deloitte LLP P O Box 500 2 Hardman Street Manchester M60 2AT

Financial Modelling: Swan Partners Limited
3rd Floor
St. Bartholomew House
92 Fleet Street
London
EC4Y 1DH

DEFINITIONS

The following definitions apply throughout this Document unless the context requires otherwise or unless it is otherwise specifically provided:

"£" or "Sterling"	British pounds sterling
"Act"	the Companies Act 2006 (as amended)
"Accumulation Period"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Adjusted EBIT"	non-IFRS measure, defined by Eddie Stobart as profit/loss for the period before interest, tax and adjustments including discontinued operations, restructuring related charges, acquisition and integration costs and amortisation, investor management fees, and share based payments
"Adjusted Revenue"	non-IFRS measure, defined by Eddie Stobart as revenue for the period adjusted for discontinued operations and cessation of activities in Ireland
"Admission"	the admission of the issued and to be issued Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"Admission Document" or "Document"	this document dated 19 April 2017
"AIM"	the market of that name operated by 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 Rules for Nominated Advisers"	the rules setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time
"Articles"	the articles of association of the Company, as at the date of Admission, a summary of which is set out in paragraph 5 of Part VI of this Document
"Associated Company"	has the meaning given in paragraph 94 of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003
"Audit Committee"	the audit committee of the Board, as constituted from time to time
"Automotive UK"	Eddie Stobart's historic non-core automotive business
"Awards"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Board"	the board of Directors of the Company from time to time, or a duly constituted committee thereof
"BPR"	has the meaning given to it in paragraph 13 of Part VI of this Document
"CAGR"	compound annual growth rate
"Cenkos"	Cenkos Securities plc, a public limited company incorporated in England and Wales with registered number 5210733 and registered office at 6, 7, 8, Tokenhouse Yard, London, EC2R 7AS
"certificated" or "in certificated form"	recorded on the relevant register of the share or security concerned as being held in certificated form in physical paper (that is not in CREST)
"Company"	Eddie Stobart Logistics plc, a public limited company incorporated in England & Wales with registered number 08922456

"Company Consent"	the written consent of the Company's Board or Remuneration Committee
"Consideration Shares"	has the meaning given to it in paragraph 17 of Part 1 of this Document
"CREST"	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear UK & Ireland in accordance with the CREST Regulations
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), including (i) any enactment or subordinate legislation which amends those regulations; and (ii) any applicable rules made under those regulations or such enactment or subordinate legislation for the time being in force
"Default Share"	has the meaning given to it in paragraph 5 of Part VI of this Document
"Directors"	the Directors of the Company as at the date of this Document, whose names are set out on page 8 of this Document
"Dividend Share"	has the meaning given to it in paragraph 6 of Part VI of this Document
"EBIT"	earnings before interest and taxes
"EBITDA"	earnings before interest, taxes, depreciation and amortisation
"Eddie Stobart" or "Group"	the Company and its subsidiary undertakings
"Eligibility Reference Date"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Employee Share Plans"	the MIP, LTIP, SIP and all other employee share plans adopted by the Company from time to time and "Employee Share Plan" means any one of them
"Enlarged Ordinary Share Capital"	the Ordinary Shares in issue immediately following the Placing and Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares and the Consideration Shares
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST
"Executive Directors"	Alex Laffey and Damien Harte
"Existing Ordinary Shares"	the 276,668,800 Ordinary Shares in issue as at the date of this Document
"Facility"	has the meaning given to that term in paragraph 12 of Part VI of this Document
"Facility Agreement"	has the meaning given to that term in paragraph 12 of Part VI of this Document
"Fair Value"	the value of the MIP Shares, calculated in accordance with the formula set out in the GAL Articles of Association, reflecting the Hurdle, the number of Ordinary Shares in issue at Admission and the Relevant Percentage (with no minority discount applied)
"FCA"	the Financial Conduct Authority of the United Kingdom
"Forfeited Shares"	has the meaning given to that term in paragraph 6 of Part VI of this Document.
"Free Shares"	has the meaning given in paragraph 6 of Part VI of this Document
"Free Shares Offer"	the offer of Free Shares to eligible employees, as more specifically described in paragraph 6 of Part VI of this Document
"FSMA"	the Financial Services and Markets Act 2000 (as amended)

"FY13"	the financial year ended 28 February 2013
"FY15"	the financial year ended 30 November 2015
"FY16"	the financial year ended 30 November 2016
"GAL"	Greenwhitestar Acquisitions Limited, a limited company incorporated in England and Wales under company number 8922540
"Greenwhitestar 1"	Greenwhitestar Holding Company 1 Limited, a limited company incorporated in the Isle of Man under company number 010841V
"Greenwhitestar 2"	Greenwhitestar Holding Company 2 Limited a limited company incorporated in the Isle of Man under company number 010844V
"HMRC"	HM Revenue and Customs
"Hurdle"	has the meaning given to it in paragraph 6 of Part VI of this Document
"iForce SPA"	has the meaning given to it in paragraph 12 of Part VI of this Document
"IHT"	has the meaning given to it in paragraph 13 of Part VI of this Document
"Invesco"	Invesco Asset Management Limited (a subsidiary of Invesco Ltd, an independent global investment manager), acting as agent for its discretionary managed clients
"Locked-up Shareholders"	certain beneficial shareholders of the Company comprising certain funds advised by DBAY Advisors Limited and their co-investors, certain executives of DBAY Advisors Limited and Stobart Group Limited and/or the entities through which their beneficial interests are held, holding in aggregate approximately 30% of the Enlarged Ordinary Share Capital, who have agreed to lock up arrangements as further set out in paragraph 11 of Part VI of this Document
"London Stock Exchange"	London Stock Exchange plc
"LTIP" or "Long Term Incentive Plan"	the Eddie Stobart Logistics plc Long Term Incentive Plan 2017, under which, among other things, options may be granted over Ordinary Shares in the Company to members of senior management of the Group, as further described in paragraph 6 of Part VI of this Document
"LTIP Participants"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Management Subscription Shares"	has the meaning given to it in paragraph 15 of Part 1 of this Document
"Matching Shares"	has the meaning given to it in paragraph 6 of Part VI of this Document
"MIB"	Manufacturing, Industrial & Bulk
"MIP" or "Management Incentive Plan"	the Eddie Stobart Logistics plc Management Incentive Plan 2017 under which shares in GAL will be issued to Executive Directors and selected members of senior management of Eddie Stobart, as further described in paragraph 6 of Part VI of this Document
"MIP Exercise Date"	has the meaning given to it in paragraph 6 of Part VI of this Document
"MIP Long Stop Date"	has the meaning given to it in paragraph 6 of Part VI of this Document
"MIP Participants"	has the meaning given to it in paragraph 6 of Part VI of this Document

"MIP Shares"	has the meaning given to it in paragraph 6 of Part VI of this Document
"MIP Vesting Period"	has the meaning given to it in paragraph 6 of Part VI of this Document
"NED Subscription Shares"	has the meaning given to it in paragraph 7 of Part VI of this Document
"New Ordinary Shares"	the 76,250,000 new Ordinary Shares to be issued and allotted pursuant to the Placing (including the Management Subscription Shares, NED Subscription Shares and the Free Shares, but excluding the Consideration Shares)
"Nil-Cost Options"	the meaning given in paragraph 6 of Part VI of this Document
"Nominee"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Official List"	the official list maintained by the UK Listing Authority
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company
"Panel"	the Panel on Takeovers and Mergers
"Partnership Shares"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Permitted Reasons"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Placing"	the conditional placing of the Placing Shares by Cenkos, as agent for the Company and the Selling Shareholder, pursuant to the terms of the Placing Agreement (and including the direct subscription of the Management Subscription Shares, NED Subscription Shares and the Free Shares)
"Placing Agreement"	the placing agreement dated 19 April 2017 between, *inter alia*, the Company, the Directors, Cenkos and the Selling Shareholder, relating to the Placing
"Placing Price"	160 pence per Placing Share
"Placing Shares"	the 169,293,159 Existing Ordinary Shares and 76,250,000 New Ordinary Shares to be purchased or subscribed for pursuant to the Placing (and including the direct subscription of the Management Subscription Shares, NED Subscription Shares and the Free Shares, but excluding the Consideration Shares)
"Prospectus Rules"	the Prospectus Rules made by the FCA pursuant to Part VI of FSMA
"QCA"	the Quoted Companies Alliance
"QCA Corporate Governance Code"	the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 published by the QCA
"Recognised Stock Exchange"	any market of a recognised investment exchange as defined by section 1005 of the Income Tax Act 2007
"Registrars"	the Company's registrars, being Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
"Relevant Percentage"	has the meaning given to it in paragraph 6 of Part VI of this Document
"Remuneration Committee"	the remuneration committee of the Board, as constituted from time to time
"RIS"	Regulatory Information Service
"SDRT'	has the meaning given to it in paragraph 13 of Part VI of this Document

"Selling Shareholder"	Greenwhitestar 2, the immediate holding company of the Company, itself indirectly owned by Greenwhitestar 1
"Shareholder(s)"	holder(s) of Ordinary Shares
"SIP Participants"	has the meaning given to it in paragraph 6 of Part VI of this Document
"SIP" or "Share Incentive Plan"	the Eddie Stobart Logistics plc Share Incentive Plan 2017, under which, among other things, the awards of Free Shares to satisfy the Free Shares Offer will be made to all eligible employees as further described in paragraph 6 of Part VI of this Document
"Stobart Group Limited"	Stobart Group Limited, a limited company incorporated in Guernsey with registered number 39117
"Takeover Code"	the City Code on Takeovers and Mergers published by the Panel
"the Statutes"	has the meaning given to it in paragraph 5 of Part VI of this Document
"Trustee"	has the meaning given to it in paragraph 6 of Part VI of this Document
"UK Corporate Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council in September 2014, as amended from time to time
"UK Listing Authority"	the FCA, acting in its capacity as the competent authority for the purposes of FSMA
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "uncertificated form"	shares or other securities recorded or the relevant register as being held in uncertified form in CREST and title to which, by virtues of the CREST Regulations, may be transferred by means of CREST
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
"VAT"	value added tax
"Vesting Date"	has the meaning given to it in paragraph 6 of Part VI of this Document

PART I

INFORMATION ON EDDIE STOBART

1. OVERVIEW OF EDDIE STOBART

Eddie Stobart is a leading logistics and supply chain organisation in the UK. The business was initially formed in 1970 by its eponymous founder Edward Stobart, and went on to become, and continues to be, one of the UK's most well-known companies in the supply chain sector. It is recognised for its high levels of service and benefits from a significant base of long term relationships with blue chip customers.

From its headquarters in Warrington, operating some 2,200 vehicles, 3,800 trailers and 24 distribution centres throughout the UK and Europe, Eddie Stobart provides its services to a range of national and international customers. With many of these, Eddie Stobart has had a long standing relationship for more than ten years. The Directors believe that one of Eddie Stobart's key differentiators is its pay-as-you-go, scale enabled, shared-user network approach which maximises fleet and warehouse utilisation, allowing Eddie Stobart to provide its customers with cost effective supply chain solutions. This flexibility, together with IT-supported network planning, allows Eddie Stobart to reduce empty vehicle miles, thus improving utilisation levels to above 86%, compared with the industry average of 71%.

Since passing into its current ownership in April 2014, Eddie Stobart has focused its business on growing a balanced portfolio across the following core sectors: E-Commerce, Manufacturing, Industrial & Bulk, Retail and Consumer (the detail of which is set out on page 19 of this Document).

The Company has a strong record of delivering profitable growth to shareholders throughout varying economic cycles. Since FY13, Adjusted Revenue has increased at a CAGR of 7.7% to £549m and Adjusted EBIT at a CAGR of 16.5% to £41m in FY16. Eddie Stobart's Adjusted EBIT margin for FY16 was 7.5%.

This strong rate of growth has continued in the first financial quarter of 2017 where revenues from continuing operations were £142m and Adjusted EBIT was £6m, representing increases of 17.8% and 19.6% respectively on the prior year.

Eddie Stobart has, over the past three years, invested significantly in its fleet, additional warehousing and IT systems to maximise the efficiency of its network. In addition, it has developed bespoke technology solutions for customers. Over the same period, Eddie Stobart has worked collaboratively with its fleet suppliers to create more flexibility within its asset base. Eddie Stobart is able to increase and decrease the size of its fleet at short notice.

The Directors and senior management have significant industry knowledge and will continue to have interests in the Company following Admission. As a result, the Directors believe that Eddie Stobart is well positioned for future growth.

The Company is currently indirectly owned and controlled by Greenwhitestar 1, a company historically indirectly owned and controlled by funds advised by DBAY Advisors Limited and its co-investors (51%), and by Stobart Group Limited (49%). Immediately prior to Admission Greenwhitestar 1 agreed to buy back Stobart Group Limited's holding in it as part of the process of distribution of sale proceeds (comprising cash and retained Ordinary Shares). Greenwhitestar 1 and the underlying beneficial holders will sell down 61% of their indirect holding on Admission.

2. HISTORY AND DEVELOPMENT OF THE COMPANY

Eddie Stobart's origins were in supplying and delivering fertilizer in the Cumbrian village of Hesket Newmarket. In 1970, Eddie's eldest son, Edward, established the road haulage business and moved the headquarters to Carlisle. In 2007, the business became part of the larger listed Stobart Group Limited. Eddie Stobart was established in its current form in 2014 through the partial realisation of Stobart Group Limited's Transport and Distribution division through a sale of 51% of its interest to Greenwhitestar 1. Alex Laffey was appointed as CEO in May 2015.

Since passing to its current ownership, Eddie Stobart has gone through a period of significant change focusing on addressing customers' supply chain needs and targeting growth within the E-Commerce and MIB sectors, both of which mainly operate at complementary times to Eddie Stobart's established customer base in the Retail and Consumer sectors. Having achieved substantial growth in both turnover and profits since 2014 and investing significantly in Eddie

Stobart's network and IT systems, the Directors see further opportunities to develop, both organically and through strategic acquisitions.

During FY15, Eddie Stobart completed the strategic disposal of its non-core business Automotive UK, and invested in a training and service support centre in Warrington, as well as continuing investment in other modern warehousing facilities.

3. KEY STRENGTHS

Flexible model focused on operational efficiency

Eddie Stobart operates a shared-user network model that works to maximise fleet and warehouse utilisation. This is delivered through a platform of integrated systems which continuously uses historical and real-time data to re-optimise and reposition the network. Most customer contracts are negotiated on a pay-as-you-go basis whereby customers only pay for services utilised. The ability to use the same vehicle across a number of customers in any one 24 hour period (across complementary sectors) increases asset utilisation. In warehousing, Eddie Stobart operates both dedicated and shared-user facilities with flexible commercial arrangements depending on the length of the contract and the level of investment in infrastructure required. Eddie Stobart's ability to manage and adjust its fleet flexibly at short notice, as a result of its long standing relationships with its fleet suppliers, allows it to service customers' varying demand both efficiently and cost-effectively.

Complementary sectors drive higher utilisation

Peaks and troughs in customer demand are driven by seasonal trends, with the period between Black Friday and Christmas being the busiest of the year for Eddie Stobart's customers in the E-Commerce, Retail and Consumer sectors. During these peaks, activities are supported by under-utilised assets in the trough period in the MIB sector, allowing Eddie Stobart to provide its continued high service levels. Eddie Stobart achieved deliveries on time of 99.2% in 2016.

Well-positioned in growth markets

Eddie Stobart has continued to grow since 2014 within its well-established Retail and Consumer sectors. However, the Directors have identified and targeted the higher growth sectors of E-Commerce and MIB as a key focus for the near term. Eddie Stobart has already secured significant blue chip customers in these sectors where the volume growth further supports the balancing of the portfolio.

In addition, the Directors have identified numerous growth opportunities where existing customers who currently operate logistics in-house are looking to outsource.

Attractive financial profile and consistent record of delivering growth

Growth has been driven by Eddie Stobart's reputation for consistent high quality and reliable service. Eddie Stobart's sales have been growing since 2014 by virtue of increasing penetration in its existing customer base, through providing additional services, as well as new business wins in E-Commerce and MIB.

Eddie Stobart's Adjusted EBIT has increased from £36m to £41m between FY15 and FY16 and has increased at a CAGR of 16.5% from FY13 to FY16. Eddie Stobart's Adjusted EBIT margin for FY16 was 7.5% and the Directors believe that this, as a result of Eddie Stobart's operating model, was higher than Adjusted EBIT margins reported by the companies that the Directors consider to be Eddie Stobart's peers. Its long-term customer base means that it has a strong foundation of contracted revenue. Approximately 67% of Eddie Stobart's total revenue in FY16 was contracted, and approximately a further 20% related to evergreen arrangements. The amount of contracted and evergreen revenue as a percentage of total revenue is expected to increase as a proportion of total revenue in the current financial year.

Strong relationships with a diversified, blue chip customer base

Eddie Stobart provides its services to a primarily blue chip customer base. The 25 largest customers represented in excess of 75% of revenue in FY16, with approximately 60% of these having had relationships with Eddie Stobart for over 10 years. The customer base is relatively well diversified across industry sectors and by customer.

The Directors believe that Eddie Stobart's strong and long standing relationships with its customers are built on its ability to continually deliver high quality services and to respond quickly to their ever changing needs. Since Alex Laffey's appointment, the Company has adopted a consulting led approach, working with customers to understand their requirements and develop value added supply chain solutions. In addition, the Directors believe that Eddie Stobart's pay-as-you-go customer pricing model is attractive to customers as they are able to share in the economic benefits of the network.

Well-invested, scalable platform capable of supporting future growth

Since 2014, Eddie Stobart has invested approximately £20 million to ensure it has a platform capable of supporting its targeted growth trajectory. These investments have included IT systems, the development of people and its infrastructure (transport and warehousing).

Eddie Stobart's IT systems are integral to its network, providing the ability to optimise multiple customer shipments efficiently and then track such shipments through to the final delivery point. These customised systems allow management to accurately price new business and monitor the real time performance of Eddie Stobart's assets, as well as provide customers with accurate and timely information.

Eddie Stobart has committed to further invest in its IT platform which the Directors believe will further improve asset utilisation and profitability.

Flexible fleet arrangements

Eddie Stobart has a substantial fleet of trucks, comprising of over 2,200 tractor units and 3,800 trailers which include specialist equipment, and which collectively make over 47,000 deliveries per week. Eddie Stobart leases the majority of its tractor units from two of the largest vehicle manufacturers in Europe, with whom it has a strong historical relationship. Eddie Stobart enjoys optionality to flex up and down between half and one-third of the total number of leased tractor units depending on demand. This provides downside protection in the event of lower volumes as well as enabling Eddie Stobart to quickly meet increased volumes.

Strong management team with extensive operational experience

Eddie Stobart has a highly-regarded management team with an average of more than 20 years' industry experience, and has a proven track record of delivering successful operational solutions and services.

This team has driven the recent organic growth and overseen significant new customer wins as well as changing the strategic focus to target complementary industry sectors and to position Eddie Stobart for future growth.

Focused development of the workforce

With over 5,500 members of staff, including around 3,800 drivers, training has, and will continue to be, integral to the development of the business. Eddie Stobart continues to invest in expanding its training academy which provides tailored training to all employees. Specific training in key areas, including licence acquisition (supported by accredited trainers), specialist equipment and health & safety, helps Eddie Stobart to attract and retain talent. All new staff go through an induction process to ensure their awareness of policies and procedures.

Emphasis on health, safety and wellbeing

Eddie Stobart has developed a strong culture of health, safety and wellbeing throughout the business and places significant emphasis on ensuring that internal procedures are comprehensive and regularly reviewed to ensure this remains the case. A comprehensive internal audit programme provides assurance to the Directors. A member of the operational board leads the in-house dedicated health and safety team and performance against clear targets is reviewed and discussed weekly at operational board and divisional level.

4. STRATEGY

Organic growth and increasing market share

Eddie Stobart's primary strategy is to target significant expansion of market share within the E-Commerce and MIB sectors, which the Directors have identified as key growth areas, as well as further develop supply chain opportunities with its existing customer base in the Retail and Consumer sectors. The Directors have identified a rolling pipeline of potential new business with an aggregate value of £450-500 million, comprising £96 million in E-Commerce, £187 million in MIB, £88 million in Retail and £78 million in Consumer, with the balance being made up of European and specialist operations.

As developed under the leadership of Alex Laffey, a consulting-led approach is fundamental to Eddie Stobart's growth strategy, as a means of accessing new business opportunities across the supply chains of both existing and prospective customers. The Directors believe that a value-added offering (which includes a bespoke IT systems offering, warehousing and stock management as well as just primary transport) is key for attracting and retaining customers in its key growth segments, where supply chains are often less mature than in its more established customer sectors. The Directors also intend to target areas of the logistics market with a high-proportion of in-house logistics, where the Director's see scope for Eddie Stobart's network model to reduce costs for customers where logistics is not part of their core business.

Within Eddie Stobart's established customer segments of Consumer and Retail, the Directors intend to leverage Eddie Stobart's warehousing estate in order to offer additional supply chain services to its customers. Eddie Stobart will create additional warehousing space for customers where required, and has targeted further investment into its Ports division to meet customer demands.

Targeted acquisitions

Eddie Stobart is actively assessing opportunities to broaden and enhance its capabilities and accelerate its growth profile through targeted acquisitions. The Directors believe that there are opportunities to pursue acquisitions which would enhance Eddie Stobart's core offering, and the Board is currently in discussions with a number of potential targets.

In line with this strategy, Eddie Stobart has agreed to acquire iForce Group Limited, as summarised in further detail in paragraph 17 of this Part I of this Document. iForce Group Limited provides retail logistics solutions to a number of well-known E-Commerce customers, including warehousing and fulfilment and returns management. This acquisition will add a more focussed E-Commerce offering to Eddie Stobart's existing business model.

Further acquisition targets are being assessed in MIB and other sectors where the Directors believe that there may be opportunity to expand Eddie Stobart's offering through the acquisition of specialist businesses.

Investment in technology and systems

Since 2014, Eddie Stobart has seen a positive increase in its operational efficiency and subsequent profitability through investment in technology. The Directors believe that development of bespoke systems that are embedded into its customers operations has enhanced Eddie Stobart's existing customer relationships, and is likewise a key attraction for prospective customers.

The Directors intend to continue to invest in the Company's systems and infrastructure to deliver additional capacity, further simplify ways of working and provide additional value-added customer solutions. The Directors expect that this will deliver sustained margin performance for Eddie Stobart in the long term. It is estimated that approximately £3.6 million will be spent on systems development through to December 2018, of which the majority will be used for optimisation of planning and fleet management.

5. MARKET

The overall UK logistics market, comprising road, rail, inland waterways, sea, pipeline and air, was valued at £70.3 billion[1] in 2015. Eddie Stobart, while being one of the top 5 (by revenue) multi-modal road transport operators in the UK[2], has a market share of less than 1% of this. Historically, market growth, as measured by goods moved in the UK, has been around 0.9% on average per annum since 1991[3]. In the period from 2011 to 2015, the UK road freight, warehousing & storage and rail freight segments of the logistics market have grown in aggregate at a CAGR of 2.4%[4], with key drivers being underlying growth in economic activity and the impact of increased consumer spending.

Going forward, the same UK logistics segments are expected to experience steady growth over the forecast period to 2021, with an overall CAGR of 2.5% for road freight, warehousing and storage and rail freight combined[5]. Across the logistics market sectors of General Logistics, Warehousing,

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1 source: Top 100 in European Transport and Logistics Services 2015/2016, as at 31 December 2015
2 source: Motor Transport UK, Top 100 – 2016
3 source: Department of Transport and Office for National Statistics
4 source: IBISWorld, Freight Road Transport in the UK, 2016; IBISWorld, Warehousing and Storage in the UK, 2016; IBISWorld, Freight Rail Transport in the UK, 2016

Special Transportation, General Truckload and Bulk, between 45% and 80% of logistics and supply chain services in the UK and Europe are estimated to still be performed in-house[6]. The Directors expect that outsourcing opportunities will increase the overall share of the market available to third party service providers such as Eddie Stobart.

The UK logistics and supply chain industry is concentrated at the upper end (by revenues) but highly fragmented towards the bottom end of the market, with over 50,000 logistics service providers in the UK[7]. The top 10 and top 20 road transport operators in the UK[8] accounted for approximately 27% and 32% respectively of the overall UK logistics market in 2015. The Directors believe that these market dynamics present meaningful opportunities for consolidation.

E-Commerce[9]

Rapid growth in the online retail market has been a key contributor to growth in the UK logistics market. Market participants are reliant on both modern warehousing and storage space and responsive road freight services to achieve fast and on time deliveries. The UK internet retailing market was estimated at £54 billion in 2016, and is expected to grow to £75 billion by 2021 at a rate of 7.1% per annum as a result of the ongoing trend of consumers shopping online. The Directors believe that the resulting growth in demand for increasingly complex and responsive logistics services to meet end customers' needs will provide substantial opportunities for larger supply chain service organisations that have the ability to provide the required technological and systems support.

MIB

The UK construction market was estimated at around £223 billion in 2016 and is forecast to grow at a CAGR of 1.1% between 2016 and 2019[10]. Growth going forward is supported by structural growth opportunities in the MIB sector, as evidenced by The National Infrastructure and Construction Pipeline, which sets out over £300 billion of planned private and public investment to 2020/21, with more than 40% of the pipeline being delivered with government investment.[11] Despite these relatively modest growth forecasts for the sector, the Directors believe that the MIB logistics market offers substantial opportunities for outsourcing and that the provision of logistics services in this segment is significantly fragmented. The Directors of Eddie Stobart expect to see opportunity in provision of specialised assets to larger MIB customers. The Construction Product Association likewise forecasts marginal growth in construction output between 2016 and 2018[12], but expects significant growth in sectors less affected by private sector uncertainty, including education, health and infrastructure.

The Directors also expect the FASB's new lease accounting standard, ASU 2016-02, Leases (Topic 842), to have a significant impact on the willingness of manufacturing and construction companies to lease in-house logistics vehicles, given the corresponding liabilities that will be recognised on balance sheet going forward, which the Directors in turn believe will benefit Eddie Stobart.

Retail

Store-based retailing market in the UK was estimated to be worth around £361 billion in 2016 and is expected to continue to grow at a rate of only 0.4% per annum to 2021[13], driven by an overall decline in customer footfall in the recent years with growing competition from internet retailing[14]. Price competition in the retail market has led to a degree of pricing pressure on some of the players in the retail-related logistics market.

Given the competitive nature of the food retailing industry, these customers are focusing more on their core competencies and investment is mainly targeted at consumers' in-store experience.

5 source: IBISWorld, Freight Road Transport in the UK, 2016; IBISWorld, Warehousing and Storage in the UK, 2016; IBISWorld, Freight Rail Transport in the UK, 2016

6 source: European commission analysis of the EU logistics sector 2015
7 source: CTP, Industry Sector Guide – Transport & Logistics, March 2017
8 source: Motor Transport UK, Top 100 – 2016
9 source: Retailing in the United Kingdom, Euromonitor, February 2017
10 source: Euroconstruct Database, December 2016
11 source: National Infrastructure and Construction Pipeline, Infrastructure and Projects Authority, 2016
12 source: Construction Products Association: Construction Industry Forecasts 2016-2018, Autumn 2016
13 source: Retailing in the United Kingdom, Euromonitor, February 2017
14 source: Retailing in the United Kingdom, Euromonitor, February 2017

Outsourcing logistics to third parties has been an area targeted by retailers as a way to manage costs and improve efficiency.

Consumer

The UK fast-moving consumer goods[15] market was estimated to be worth £282 billion in 2016. The overall market is forecast to grow at a CAGR of 0.8% per annum between 2016 and 2020, of which the food and drink segment will grow at a slightly higher rate of 0.9%[16]. Although UK consumer confidence in March 2017 is estimated to be marginally down year-on-year versus March 2016[17], UK GDP growth from October to December 2016 saw a continuation of strong consumer spending, in line with the Retail Sales Index which grew by 1.2% during the same period[18]. Quarter 4 2016 also saw strong growth in the output of the services sector, with a notable contribution in consumer-focused industries. GDP growth in 2016 was 1.8% higher than the prior year, and GDP per capita in volume terms was estimated to have increased by 0.5% between Quarter 3 2016 and Quarter 4 2016.

Competitive landscape

The road haulage market is fragmented and competitive, particularly at the smaller end of the market. Whilst there is significant service overlap amongst logistics market players, they can be categorised by their main distribution activity and their position in the value chain. The market can be segmented into large and small players focused on:

— **Primary distribution** of high volume, high frequency loads between a point of origination and a distribution centre (DC); and

— **Secondary distribution** from a DC with multiple drops, typically to end-destinations.

Eddie Stobart's main source of competition comes from other multi-modal logistics providers and the larger sector and road haulage specialists. Key competitors in these segments include XPO Logistics, Wincanton, Kuehne & Nagel, Ceva Logistics, NFT Distribution, GEFCO, Gist and Clipper Logistics.

Eddie Stobart has built a strong competitive position through its national scale, well-known brand, pay-as-you-go pricing model and a clear focus on network management.

Although there are low barriers to entry at the smaller (by reference to revenue) end of the market, barriers to entry at the top end are high. To secure and effectively manage large customer contracts typically requires network scale, large fleet size, a strong track record of managing large contracts, an experienced and skilled labour force and efficient back-office capabilities. The Directors believe that the Eddie Stobart network model affords significant barriers to entry, given the considerable long-term investment necessary to deliver a fully functioning national network, a long-term customer contract base and the proprietary systems and skills required to compete.

6. BUSINESS AND OPERATIONS

Business operations, pricing model and customer sector focus

Eddie Stobart operates a pay-as-you-go model pursuant to which jobs are priced based on agreed loading, travelling, unloading and travel to next pick-up point times. The customer accepts the risks associated with loading/unloading, with any benefits from improved times being retained by the customer through lower prices and fuel costs. Any improvements from agreed running times are typically shared between Eddie Stobart and the customer.

The Directors believe that a network model of such scale is unique within its direct UK competitor space and allows for greater flexibility and profitability, as it acts to reduce the empty miles on return journeys, with the potential for lower charges to the customer on this scale. In addition, the majority of Eddie Stobart's vehicles are not dedicated to any one customer, but instead can be used, for example, for one customer overnight and another customer during the day. A risk of the network model is the ability to fulfil volume between its scheduled deliveries. Eddie Stobart manages this risk strategically through a variable cost base using subcontractors and agency staff,

15 The UK fast moving consumer goods market is defined here as follows: aggregation of apparel and footwear, consumer electronics, fresh food, home care, hot drinks, packaged food, beauty and personal care, tobacco, soft drinks and alcoholic drinks

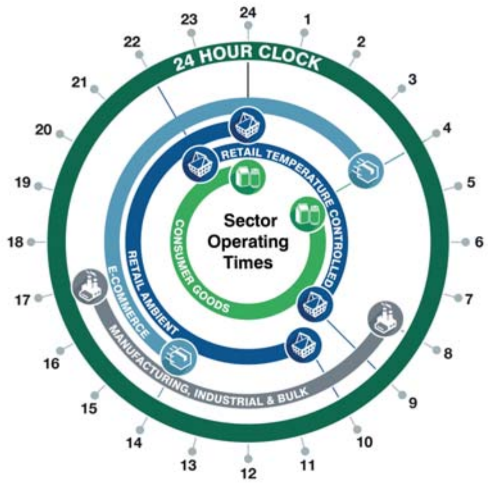
16 source: Euromonitor Passport Database

17 source: GfK Consumer Confidence Index, March 2017

18 source: Office for National Statistics, Second estimate of GDP: Quarter 4 (Oct to Dec) 2016

a flexible fleet base, and through diversifying across complementary sectors. The more traditional 'cost plus' model operated by others within the industry provides customers with specific, often customer-branded, vehicles, where typically the vehicle returns back to the depot empty and waits for the next load. In this traditional model, customers are typically billed for all costs versus the Eddie Stobart marginally costed solution, and as a result are obliged to pay for empty miles and under-utilised assets.

The Directors believe that Eddie Stobart's network model is a key differentiator, especially in combination with its focus on complementary customer sectors that operate at different times of the day. The 24 hour clock set out below illustrates the different operating times of each sector:



E-Commerce – This sector covers online retailers and omni-channel retailing strategies of the majority of leading retailers which give customers choice and flexibility as to how goods are ordered (physically in-store or online), and either delivered to the customer or collected in-store or from a growing number of local collection points. Goods are moved by Eddie Stobart in several stages in the process of delivery to the customer between fulfilment centres, sortation centres and final-mile delivery centres but not the last mile to consumers. E-Commerce customers focus on on-time delivery metrics which are often expected to be over 95% on time.

Eddie Stobart provides E-Commerce fulfilment and logistics services to a number of well known UK retailers. Its largest customer in this segment is considered to be the UK's leading and largest online retailer. Revenues from this customer grew by 162% to £20 million in FY16 and Eddie Stobart is working with this customer on further opportunities for growth in the UK and Europe.

Eddie Stobart intends to grow in E-Commerce and is investing in specialist equipment and warehousing as well as developing systems to facilitate end to end visibility of supply chains to maximise efficiency.

E-Commerce revenues increased 54% year on year in FY16 to £49m.

MIB – Eddie Stobart provides services to MIB customers, which include the movement of raw materials and components used in manufacturing processes, aggregates and cement to construction sites, as well as the specialist delivery of fuel.

Revenue grew 32% to £133m in FY16 (adjusted for the full year impact of a significant contract win with a leading aggregates business late in the financial year). This customer segment has been a focus of Eddie Stobart since Alex Laffey's appointment in 2015. Eddie Stobart transport currently provides services to a number of aggregate providers as well as construction companies and fuel for a chain of service stations. The Board intends to continue to focus on growth in this sector where it views the supply chains as less mature with opportunity for outsourcing. Growth in this sector comes alongside investment in specialist equipment which is typically back to back with customer contracts.

Consumer – This long-established sector includes the movement of manufactured products, comprising a broad range of both ambient and temperature-controlled goods, such as milk, soft drinks and home and personal care goods, between point-of-manufacture and retail distribution centres.

Similar to its Retail customer base, Eddie Stobart focusses on providing cost efficient solutions to customers within its Consumer segment. Its supports end to end supply chain for products to some of the largest drinks manufacturers in the UK. Eddie Stobart contracts with these customers to provide warehousing and some specialised equipment and, in some cases, is involved in the product cycle from delivery of the raw material inputs at the port to bottling and then distribution to a Retailer fulfilment centre where the product would then be transported to the Retail customer store. The Consumer sector grew 28% year on year in FY16 to £165 million. Growth was driven primarily through increased business volumes with a large drinks manufacturer where Eddie Stobart supported the customer through offering additional warehousing as well as logistics planning services. In addition, Eddie Stobart secured two new substantial customer wins that impacted the period.

Retail – This sector covers the retail supply chain, operating from either a retailer's supplier or a retailer's own distribution centres, from where goods are transported to a retailer's outlets. Retail has been a long-standing customer segment for Eddie Stobart.

Eddie Stobart has had customer relationships with a number of the UK's largest food retailers for more than ten years. Eddie Stobart's largest customer is a well known UK grocery retailer, which represented 26% of revenue in FY16. This customer represented 36% in 2014 and whilst Eddie Stobart continues to win business with the customer, its proportional contribution has reduced as the business has diversified. It provides dedicated transport services for the customer from seven national and regional distribution centres to over 3,000 stores, with over 380 trucks carrying 6,500 loads per week as well as a rail offering comprising six dedicated trains six days per week. Eddie Stobart has also recently secured additional sites for the benefit of this client and the Directors believe there are opportunities for further growth.

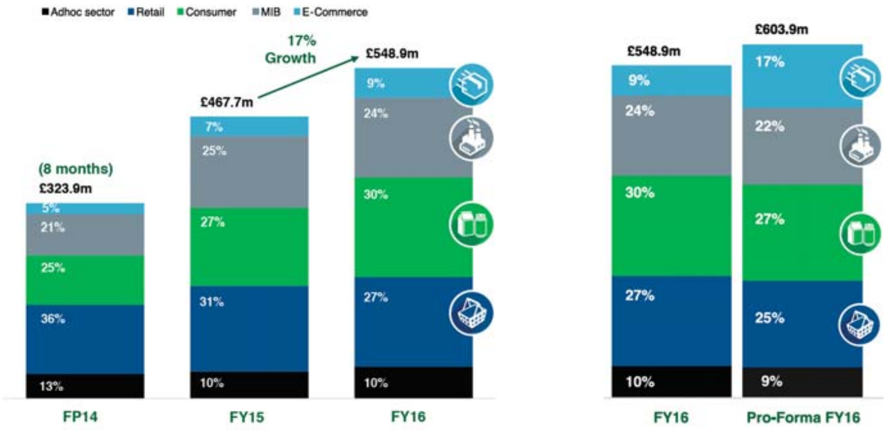
Eddie Stobart also services various other high street retailers and intends to continue to offer cost effective logistics solutions in an environment where costs are a focus as well as targeting discount retailers as this sector continues to grow. Despite challenging economic conditions, the Retail sector grew 5% year on year in FY16 to £150 million as Eddie Stobart won new business.

In addition, in Europe, Eddie Stobart operates across all of the above sectors and also supports the automotive sector in Northern Europe, moving vehicles and original equipment manufacturer components from production plants to dealerships in Germany, the Netherlands and Belgium.

Customer Segment Contribution

Since its acquisition, Eddie Stobart has built on its historical foundation in the Retail and Consumer sectors to refocus the business towards the MIB and E-Commerce sectors. While Eddie Stobart has continued to grow across sectors on an absolute basis between the 8 months ended 30 November 2014 and FY16, its sector focus has resulted in a marked change in revenue mix, with the proportion of total revenues represented by E-Commerce having almost doubled between FP14 and FY16.

On a *pro forma* basis, if iForce Group Limited had been acquired at the beginning of FY16, E-Commerce revenues would have been 17% of Eddie Stobart's revenues for the period and the resultant impact on the other sectors is shown below:



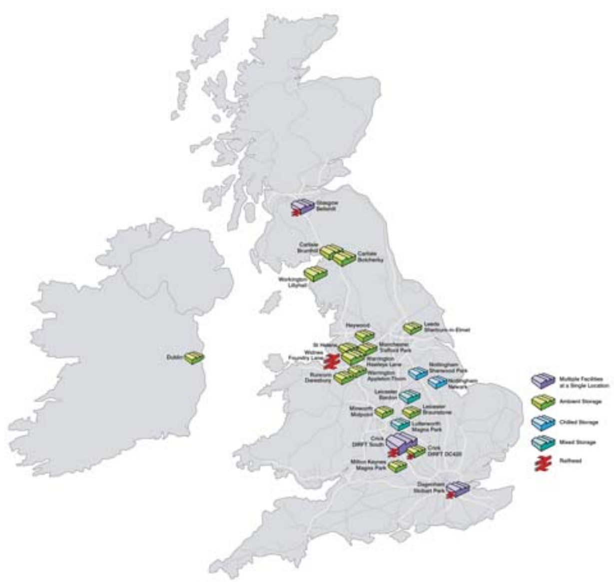
Note: Revenue adjusted for discontinued operations; FP14 means the 8 months ended 30 November 2014; pro-forma includes revenues of £55 million for the 2016 financial year of iForce Group Limited

In FY16, 67% of Eddie Stobart's revenue was contracted, with 20% under evergreen rolling annual renewals and 13% non-contracted. The Directors expect that more than 70% will be contracted in 2017 financial year with the non-contracted proportion reducing.

The growth in Eddie Stobart's E-Commerce customer base in the past two years has meant that the seasonality towards Christmas is becoming more prominent. The top 10 customers represented approximately 58% of total revenue in FY16.

Operating Locations

Schematics of Eddie Stobart's rail network (left) and warehouses (right) are set out below:



Eddie Stobart operates across the UK and Europe. Its operations include warehousing sites, transport hubs and cross-docks, rail terminals, inland ports and truck stops. The key operational sites in the UK are as follows:

Appleton, Cheshire – Eddie Stobart opened a new training and service support centre, now incorporating the head office, in Appleton in November 2015. Located within 2 miles of junction 20 of the M6, the site has been set up to centralise the service support functions and will house the administration, HR, IT, business systems, system support, fleet department as well as the Eddie

Stobart training academy. The site has sufficient space to house 165 cars and 100 HGVs. Adjacent is a 145,000 square feet fully fitted out, high bay warehouse facility with two storey offices and a vehicle maintenance unit. The site is fully accredited to ISO 9001:2008 storage and distribution standards. The Appleton depot, comprising the group's operational headquarters and hard-standing for 125 HGVs and trailers, is on the adjoining site.

Dagenham, Essex – Located adjacent to the A13M, the site offers easy links to road and rail connections. Covering a total of 28 acres, the site currently offers in excess of 430,000 square feet of storage space and 15,000 square feet of office space. The site benefits from 180 trailer parking bays and over 270 car parking spaces all accessed via a security controlled 24/7 gatehouse. The site is fully accredited to ISO 9001:2008 and BRC storage and distribution standards and operates using Eddie Stobart's own and customer warehouse management systems which allow for real time transactions and traceability. Dagenham is a multi-customer site operating 24/7 and offers ambient storage.

Daventry, Northamptonshire – Eddie Stobart operates 5 services a day, based at the hub rail terminal at Daventry International Rail Freight Terminal, with rail services reaching all parts of the UK including Scotland's central belt, Inverness and Aberdeen in the north down to Cardiff, South Wales and London and the South East. This ambient storage site is located within half a mile of junction 18 of the M1 and offers easy links to road and rail connections, and 870,000 square feet of storage space with ISO and AFSO accreditations.

Sherburn-in-Elmet, North Yorkshire – With key transport links with the A1M and the M62, as well as rail connectivity, Sherburn-in-Elmet offers Eddie Stobart's customers 400,000 square feet of storage space. The site is also fully accredited to BRC and ISO 9001:2008 storage and distribution standards, using both Eddie Stobart's own and customer warehouse management systems. Sherburn is a shared user facility operating 24/7 and offering a flexible solution to customers' ambient storage requirements.

Widnes, Cheshire – The main hub of Eddie Stobart's Ports operations is a 50-acre 24-hour rail connected terminal in Widnes, operated using a mixture of overhead gantry cranes and conventional lifting equipment, with over 6,000 TEU of storage available. The Widnes rail terminal currently handles six daily rail services from the southern ports of Felixstowe and Southampton and has storage capacity of 6,000 twenty-foot equivalent units. Containers are transported to the Widnes terminal by train where they are unloaded and either stored on site or transferred to skeletal vehicles for delivery by road to the final destination.

In addition, Eddie Stobart operates from a number of other storage and warehousing facilities across the UK and Northern Europe, including the Netherlands, Germany and the Czech Republic, three sites in Belgium, and a port operation in Dublin, Ireland.

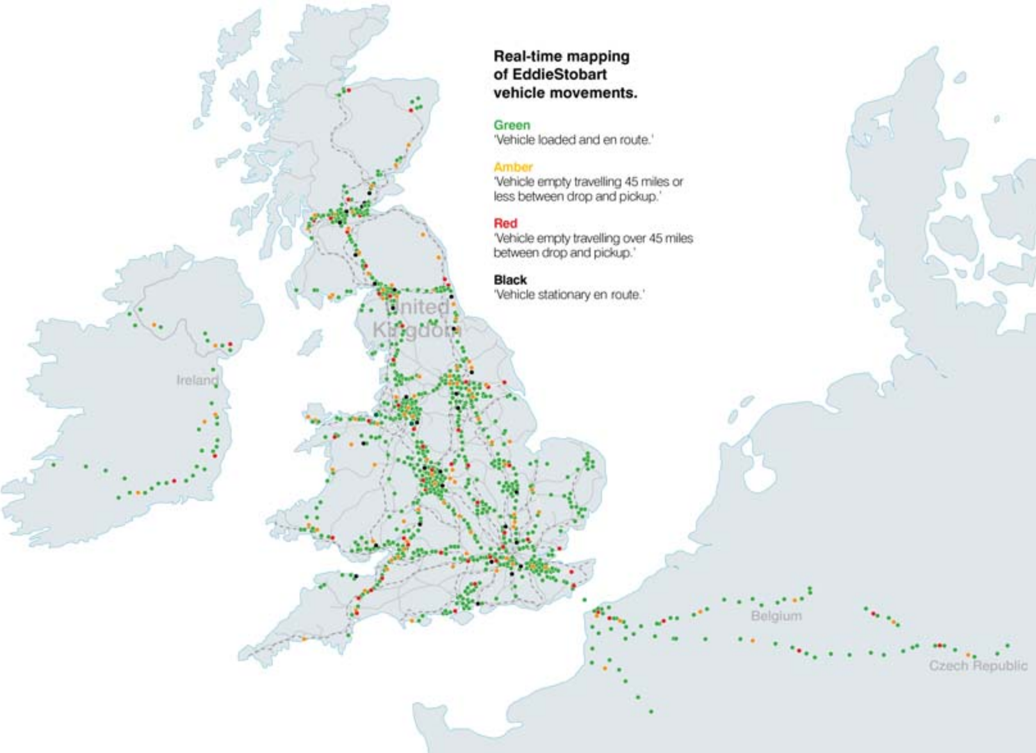
Service Offering

Eddie Stobart operates across the full end-to-end supply chain providing multi-modal and warehousing logistic solutions to the core sectors as follows:

Transportation – Eddie Stobart operates over 2,200 vehicles and 3,800 trailers completing approximately 47,000 deliveries per week via its extensive network of depots located throughout the UK and Europe.

Eddie Stobart operates its transport services under operators' licences issued by regulators in the countries in which its vehicles are based and is required to comply with the relevant regulations applying to its vehicles and drivers in each jurisdiction. All required licences have been in place since Eddie Stobart was acquired in 2014.

A schematic of the Eddie Stobart transport network is set out below:



Contract Logistics and Warehousing – The Contract Logistics and Warehousing division operates 24 warehousing facilities located around major transport hubs across the UK offering a total of 6.1 million square feet of space. The warehouses provide chilled, ambient and specialist storage facilities, as well as some sites having capability to store hazardous materials and medical supplies. Some warehouses are for the exclusive use of specific particular customers whereas others are shared-user sites. In addition, at a number of sites, Eddie Stobart also provides added-value services such as re-packaging and co-packing.

Ports and Rail – Eddie Stobart operates from the four major UK ports receiving cargos from around the world that are then transported via rail and/or road to its customers' UK premises. Eddie Stobart currently handles six trainloads per day from Felixstowe and Southampton to its Widnes rail terminal. Eddie Stobart also operates more than 35 train services per week between four rail-connected distribution centres on behalf of its Consumer and Retail customers.

Revenues across each of Eddie Stobart's operating divisions have been fairly consistent throughout since its acquisition. The Transportation division represents over 65% of the revenue in FY16. Eddie Stobart intends to focus investment on the Ports division in the near term.

Workforce management

The Eddie Stobart Executive Directors and senior management are highly experienced in the logistics sector and some have been with Eddie Stobart since commencing their careers. Each Eddie Stobart customer sector operates as a standalone cost centre and is under the responsibility of a senior director who has accountability for delivering the operating division's budget, maintaining safety and quality standards and leading general day-to-day management. The Directors believe that the degree of operational and financial autonomy given to the operating unit managers makes them responsible for the performance of their operating unit at a level below the Board and helps create a scalable platform for Eddie Stobart to grow.

Over the past three years, Eddie Stobart has consistently invested in its workforce and central supporting functions (such as route planning, customer service and driver training) to strengthen the Group's operating structure and drive efficiencies as the business has grown. The Directors believe that this commitment to training and development of its staff, together with a well-invested operational platform, will help avoid the need for significant incremental increases in the overhead base. Eddie Stobart intends to continue to develop its driver training academy and develop its joint venture interest, The Logistics Group, as both these initiatives add to its ability to secure drivers, a shortage of which had historically been an issue for Eddie Stobart. However, it received record levels of driver applications in January and February 2017.

Technology and Systems

Eddie Stobart has invested in a number of customised systems to support the flow of its transport operation from beginning to end. These systems support the continued optimisation of Eddie Stobarts network and operational efficiency as well as developing specific solutions for customers. These include:

— GTS: A monitoring system that tracks every delivery from creation to invoicing.

— ETA tracking: Real-time GPS information is available for customer access through web portals and applications.

— Driverline: Connects the driver to customer services and tracks all issues with deliveries and trucks & trailers.

Eddie Stobart intends to spend a further £3.6 million on systems investment which the Board believes will allow for improved utilisation throughout the network and greater reporting for customers. The Directors believe that the successful development of systems in conjunction with Eddie Stobart's customers allows Eddie Stobart to deepen its customer relationships. Members of the Eddie Stobart team work with customers on developing bespoke software programs for KPI reporting.

7. SUMMARY FINANCIAL INFORMATION

Part IV of this Document contains audited historical financial information of Eddie Stobart for the two years and eight months ended 30 November 2016.

The following financial information has been derived from the financial information contained in Part IV of this Document and should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information.

	FY16 £M	FY15 £M	Eight months ended 30 November 2014 £M
Revenue from continuing operations	570.2	496.5	346.5
Gross profit from continuing operations	121.2	110.1	65.6
Adjusted EBIT	41.1	36.4	23.3
Net assets	89.4	77.3	67.0

POSSIBLE IMPACT OF IFRS 16

The new standard, IFRS 16 replaces IAS 17 'Leases' and significantly revises the way that entities will account for leases. Currently the operating lease changes and associated obligations are fully disclosed in the notes to the financial statements. It will result in most leases being accounted for on-balance sheet recognising a new category of right-of-use asset and liability based on discounted future lease payments. The impact on the presentation of the results of Eddie Stobart in common with most other companies in the logistics sector, is expected to be material with particular reference to its transport fleet, which are financed primarily through operating leases whereby the total liability is currently held off balance sheet. These assets will be brought on balance sheet and depreciated over their useful lives, with the lease payment being apportioned between a finance charge and capital repayment. Eddie Stobart is assessing the potential impact on its financial statements. Had Eddie Stobart adopted IFRS 16 at 30 November 2016, the impact under the modified retrospective approach would have been to recognise a right-of-use asset and a lease liability of approximately £462 million. Net assets would remain unchanged. The annual lease payment of £72 million in FY16 currently classified as an operating expense would be split between depreciation and interest. Profit before tax would remain unchanged but EBITDA would increase by £72 million to £118.7 million.

8. CURRENT TRADING AND PROSPECTS

Since FY16, conditions in the majority of Eddie Stobart's end markets have remained robust. The Directors remain confident in their expectations for the current financial year.

In the first quarter of Eddie Stobart's 2017 financial year, the business has continued to grow with revenues from continuing operations increasing to £142 million and Adjusted EBIT to £6 million, an increase of 17.8% and 19.6% respectively compared with the same period in the prior financial year. Eddie Stobart has continued to trade well across all customer sectors with strong growth in E-Commerce and MIB.

Over the longer term, the Directors believe Eddie Stobart is well positioned to benefit from its strong market position and service offering and take advantage of attractive strategic growth opportunities. The Company is continuing to tender on new business as well as re-tender for work with current customers.

9. REFINANCING

On or around 13 April 2017, Eddie Stobart entered into a new five year term loan facility of £100 million with a syndicate of banks led by Bank of Ireland. The facility is initially priced at 2.75% over LIBOR per annum. The Company intends to enter into the facility agreement prior to Admission. AIB, BNP Paribas and KBC have joined the financing as mandated lead arrangers. The Company has also increased the amount of its existing invoice discounting facility from £40 million to £65 million.

10. DETAILS OF THE PLACING

The Company is proposing to issue 76,250,000 New Ordinary Shares at a price of 160 pence per share pursuant to the Placing. In addition, 169,293,159 Existing Ordinary Shares will be sold by the Selling Shareholder pursuant to the Placing.

Inter alia, the Company, the Directors, the Selling Shareholder, certain executives of DBAY Advisors Limited, William Stobart, Stobart Group Limited, Stobart Holdings Limited and Cenkos have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, Cenkos has conditionally agreed to use its reasonable endeavours to procure subscribers for the New Ordinary Shares (excluding the Management Subscription Shares, the NED Subscription Shares and the Free Shares) to be issued by the Company and purchasers for the Existing Ordinary Shares to be sold by the Selling Shareholder.

The Existing Ordinary Shares that are sold in the Placing will represent approximately 47.3% of the Enlarged Ordinary Share Capital and the 76,250,000 New Ordinary Shares subscribed for in the Placing will represent approximately 21.3% of the Enlarged Ordinary Share Capital. The New Ordinary Shares will have the effect of diluting the Existing Ordinary Shares by approximately 27.6%. On Admission, the Company will have a market capitalisation of approximately £572.7 million.

The Placing Agreement is conditional, amongst other things, upon Admission having become effective by not later than 8.00 am on 25 April 2017 or such later time and date as the Company and Cenkos may agree (being not later than 8.00 am on 9 May 2017).

Further details of the Placing Agreement are set out in paragraph 11 of Part VI of this Document.

Application has been made to the London Stock Exchange for all issued and to be issued Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares are expected to be issued and Admission is expected to become effective on 25 April 2017.

The New Ordinary Shares will be issued fully paid, and following allotment, will rank in full for all dividends or other distributions hereafter declared, made or paid on the Ordinary Shares of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares. The rights attaching to such Ordinary Shares are set out in paragraph 5 of Part VI of this Document.

In addition, pursuant to the terms of the Placing Agreement, the Locked-up Shareholders have agreed with Cenkos that they will not dispose of any Ordinary Shares (or interest in them) held by them following Admission for a period of 6 months from the date of Admission, except in certain limited circumstances, including with the consent of Cenkos. They have further agreed that, for a further period of 6 months, in order to preserve an orderly market in the Ordinary Shares, they will only dispose of Ordinary Shares (or any interest in them) held by them, except in limited circumstances, through Cenkos.

11. REASONS FOR ADMISSION, THE PLACING AND USE OF PROCEEDS

The Directors believe that Admission will position Eddie Stobart for its next phase of development by further raising its profile, incentivising employees and providing it with a well-funded platform for future organic growth and acquisitions. Admission will also enable the Selling Shareholder and the underlying beneficial holders to realise part of their investment in the Company.

The Company will receive approximately £112 million of net proceeds from the Placing (after deducting placing commissions and other related expenses incurred by Eddie Stobart of approximately £5.5 million together with refinancing costs of approximately £4.2 million and costs relating to the acquisition of iForce Group Limited of approximately £0.3 million).

The Company intends to use the net proceeds from the Placing to repay approximately £39 million of bank debt and approximately £35 million of shareholder loans and to finance the cash consideration for iForce Group Limited of £37 million out of total consideration of £45 million including approximately £3 million of purchase price adjustments.

The Company will not receive any of the proceeds from the sale of Existing Ordinary Shares which will be received by the Selling Shareholder and distributed to the underlying beneficial holders.

12. DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERANCE

The Board on Admission will comprise Philip Swatman as Independent Non-Executive Chairman, Stephen Harley as Independent Non-Executive Director, Christopher Casey as Independent Non-Executive Director, Alex Laffey as Chief Executive Officer and Damian Harte as Chief Financial Officer.

Directors

Philip Swatman (*Independent Non-Executive Chairman*, aged 67)

Philip has extensive capital markets experience, having served as a Managing Director and subsequently Co-Head of Investment Banking of NM Rothschild between 1998 and 2001, thereafter serving as Vice-Chairman of Investment Banking until 2008.

Philip has been involved in a significant number of high profile transactions including the IPO of Vodafone and the sale of BPB plc to Saint Gobain.

Philip has served as a non-executive director at nine companies, including his present roles as a member of the Council of Lloyd's, Chairman of Wyvern Partners LLP and Non-Executive Chairman of Cambria Automobiles plc since 2012.

Stephen Harley (*Independent Non-Executive Director*, aged 65)

Stephen is currently Managing Director for Asset Businesses and a member of the Group Executive Committee at Laing O'Rourke, and has extensive manufacturing, complex engineering logistics and supply chain management expertise.

Stephen previously held roles at Ford Motor Company, where his scope of responsibilities included the group-wide budget and operational accountability for Ford's material planning and logistics as well as aftermarket parts service and logistics processes worldwide.

Christopher Casey (*Independent Non-Executive Director*, aged 62)

Christopher has over 30 years' strategic financial experience. He was previously a partner of KPMG LLP and its predecessor firms from 1992, having joined Peat Marwick & Mitchell in 1977. He was initially audit partner responsible for a series of assignments for large and quoted companies but latterly specialised in M&A advisory assistance both pre and post deal. He is currently a director of TR European Growth Trust PLC and BlackRock North American Income Trust plc.

Alexander (Alex) Laffey (*Chief Executive Officer*, aged 55)

Alex is an international logistics expert with over 25 years' experience in supply chain distribution at a senior level. He has operated in a number of markets across Europe and Asia for grocery supply chains and general merchandise, in-store and online operations.

He headed international distribution for Tesco and led a review of the company's global logistics blueprint to realise synergies across all of its markets. This programme delivered significant cost savings and service improvements. In addition, Alex also managed Tesco's UK logistics, with over 50,000 store deliveries per week and a £1.6 billion annual cost base.

Alex was appointed Chief Executive Officer of Eddie Stobart in May 2015.

Damien Harte (*Chief Financial Officer*, aged 60)

Damien has over 30 years' experience in senior financial positions of large organisations across a range of sectors in the UK and internationally, including logistics and distribution, manufacturing, renewable energy, media and leisure. Most recently he was Global Chief Financial Officer of LM Windpower, a leading player in the global renewable energy market.

Damien is a Certified Accountant and holds an MBA from the University of Chicago. He has been integrally involved with the IPO of Eddie Stobart and the development of the Company's post-Admission growth plans since joining the business in December 2016.

Senior management

Eddie Stobart's current senior management, in addition to the Executive Directors listed above, is as follows:

David Pickering (*Chief Operating Officer, aged 44*)

David has over 25 years' logistics experience, having joined Eddie Stobart in 1990 at the age of seventeen. David has detailed knowledge of Eddie Stobart's operations, spanning the MIB, E-Commerce, Retail and Consumer sectors, and as Chief Operating Officer, David leads a team of operational directors in the UK divisions of the business. David is a Chartered Fellow of the Chartered Institute of Logistics and Transport.

David Meir (*UK Finance Director, aged 46*)

David has over 25 years' experience in financial services, and joined the business from Ernst & Young in 2004. David leads the UK Finance team, covering all of Eddie Stobart's operating sectors, and has detailed knowledge of operational finance, acquisition support, auditing and the implementation of financial best practice. David is a graduate of the University of Sheffield.

Rupert Nichols (*Legal director & company secretary, aged 67*)

Rupert is a solicitor and chartered secretary with responsibility for compliance, health and safety environment and quality, and risk and insurance. Rupert has worked in the logistics sector for more than 33 years, including roles at CEVA Logistics and TDG Logistics. He has extensive experience in corporate governance, mergers and acquisitions and commercial real estate. Rupert is a Trustee of the Chartered Institute of Logistics & Transport.

John Court (*Chief Information Officer, aged 55*)

Having joined the business in 2015, John has overall responsibility for development and delivery of the IT strategy. Over a career in the logistics sector of more than 25 years, John has previously held a number of senior roles, including CIO at TNT Logistics, CIO Europe & SVP at CEVA Logistics and more recently COO of Masternaut, a leading supply chain technology organisation.

Angelina Miley (*HR Director, aged 39*)

Angelina has operated at a senior leadership level in global businesses across a range of sectors, including logistics, recruitment, manufacturing, facilities services and engineering. She previously worked as HR Director for Bibby Distribution Limited, with overall responsibility for human resources both at a strategic and operational level.

13. CORPORATE GOVERNANCE

The Directors acknowledge the importance of high standards of corporate governance. The Directors intend to adhere to the QCA Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized quoted companies, particularly AIM companies.

Immediately following Admission, the Board will comprise five directors, two of whom shall be executive directors and three of whom shall be non-executive directors (including the Chairman), reflecting a blend of different experience and backgrounds. All the non-executive directors are considered independent.

Following Admission, the Board will meet regularly to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals. It has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Board and committee independence

Notwithstanding that the UK Corporate Governance Code does not apply to the Company, the Company intends to comply with its recommendation for a "smaller company" (defined in the UK Corporate Governance Code as being a company that is outside the FTSE 350, as the Company will be), that it should have at least two independent non-executive directors. As of the date of this Document, the Board consists of three independent non-executive directors (including the Chairman) and two executive directors. The Company regards the non-executive directors as "independent non-executive directors" within the meaning of the UK Corporate Governance Code and free from any relationship that could materially interfere with the exercise of their independent judgement.

Board committees

The Company has established Audit and Remuneration Committees comprised solely of independent non-executive directors.

Audit Committee

The Audit Committee is chaired by Christopher Casey and its other members are Philip Swatman and Stephen Harley, each of whom is an independent non-executive director. The Audit Committee is expected to meet formally at least two times a year and otherwise as required. It will have the responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

Remuneration Committee

The Remuneration Committee is chaired by Philip Swatman and its other members are Stephen Harley and Christopher Casey, each of whom is an independent non-executive director. The Remuneration Committee is expected to meet as required. It will have responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's chairman, the executive directors, senior managers and such other members of the executive management as it is designated to consider. The Remuneration Committee will also have responsibility for determining (within the terms of the Company's policy and in consultation with the chairman of the Board and/or the chief executive officer) the total individual remuneration package for each executive director and other designated senior executives (including bonuses, incentive payments and share options or other share awards). The remuneration of non-executive directors will be a matter for the chairman and executive directors of the Board. No director or manager will be allowed to partake in any discussions as to their own remuneration. In addition, the Remuneration Committee will have the responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. It will also have responsibility for recommending new appointments to the Board.

Share dealing policy

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with the EU Market Abuse Regulation (No. 596/2014)). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

14. EMPLOYEES

As at 18 April 2017, being the last practicable date prior to the publication of this Document, Eddie Stobart employed approximately 5,500 employees. The Company has put in place various incentive schemes to incentivise, and recognise the value of its employees and senior management, the details of which are summarised briefly in the following paragraphs and in more detail in paragraph 6 of Part VI of this Document.

15. MANAGEMENT SUBSCRIPTION

The Executive Directors believe that share ownership will form a vital part of the culture and incentives structure of the business. They and certain members of the management team intend to subscribe for 2,343,750 Ordinary Shares at the Placing Price on Admission (''Management Subscription Shares'').

The Executive Directors and certain members of the management team intend to subscribe by direct subscription in the Company using proceeds received upon realisation of their existing employee incentive scheme in the Selling Shareholder. The timing of the relevant flow of funds will mean that proceeds in respect of these Ordinary Shares may be received by the Company a few weeks post Admission. The Executive Directors will subscribe as follows:

Name	Ordinary Shares to be held shortly after Admission	Percentage of Enlarged Ordinary Share Capital
Alex Laffey	875,000	0.2%
Damien Harte	312,500	0.1%

16. EMPLOYEE SHARE PLANS

SIP and Free Shares Offer

The Board recognises the importance of ensuring that employees of Eddie Stobart are effectively and appropriately incentivised and their interests aligned with those of the Company. The Board considers employee share ownership to be an important part of its strategy for employee incentivisation and has an established framework to allow selected employees to share in the success of Eddie Stobart by the award of options. Accordingly, the Company has put in place the Share Incentive Plan which will be funded using £2.7 million of proceeds otherwise payable to the management team by the Selling Shareholder. An additional amount of approximately £300,000 will be paid as a cash bonus to European employees not eligible to participate in the SIP.

Pursuant to the SIP, the Free Shares Offer will be been made to all eligible employees. The Free Shares Offer is conditional upon Admission and upon HMRC approval of the SIP.

The number of Free Shares comprised in the Free Shares Offer will be 1,687,500 Ordinary Shares, which represents 0.5% of the issued share capital of the Company on Admission. Subject to Admission and HMRC approval of the SIP, the Company will allocate the Free Shares to the trustee of the SIP on or immediately after Admission.

Senior Executive Incentive Schemes

Similarly, the Board believes that the ongoing success of the Company depends to a high degree on retaining and incentivising the performance of Executive Directors. To that end, the Company has adopted the Management Incentive Plan, to align the interests of Executive Directors with those of the Shareholders.

The MIP will reward the Executive Directors in the event that Shareholder value is created.

A summary of the MIP is set out in paragraph 6 of Part VI of this Document.

In addition to the MIP the Company intends to reward other members of the senior management team with awards of options under the Long Term Incentive Plan. Key terms of the LTIP awards will be determined by the Remuneration Committee following Admission. Proposed key terms of the LTIP are summarised in paragraph 6 of Part VI of this Document.

In any 10 year period commencing on or after Admission, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under Employee Share Plans. In addition, in any 10 year period commencing on or after Admission, it is intended that not more than 5% of the issued ordinary share capital of the Company may be issued or committed to be issued under discretionary share plans adopted by the Company relating to its senior executives.

17. ACQUISITION OF iFORCE GROUP LIMITED

Eddie Stobart has conditionally agreed subject, *inter alia*, to Admission to acquire iForce Group Limited, an E-Commerce and multi-channel retail logistics and supply chain management group servicing the fulfilment requirements of a number of online and blue chip retailers. The primary revenue streams include provision of warehousing, fulfilment and carriage management, returns processing and stock clearance, as well as related software solutions.

Based in Redditch, iForce Group Limited operates four leased sites and a further six under licence with its clients and employs approximately 1,000 people. Key management will remain in place following completion of the acquisition. In the financial year ended June 2016, iForce Group Limited generated revenues of approximately £56 million and normalised EBITDA of approximately £3.6 million representing a CAGR on revenues of 25.6% and a normalised EBITDA growth of 46% from the financial year ended 2014 to the financial year ended 2016. Net assets at 30 June 2016 were £6.5 million. The total consideration for the acquisition is approximately £45 million to be satisfied by the payment of £37 million payable in cash on Admission, and the issue of 5,000,000 Ordinary Shares in the Company to a selling shareholder ("Consideration Shares").

18. TAXATION

Information regarding taxation is set out in paragraph 13 of Part VI of this Document. These details are intended only as a general guide to the current tax position in the UK.

If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

19. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 25 April 2017.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST). Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. In respect of Shareholders who will receive Ordinary Shares in uncertificated form, Ordinary Shares will be credited to their CREST stock accounts on 25 April 2017. Shareholders who wish to receive and retain share certificates are able to do so and share certificates representing the Ordinary Shares to be issued or sold pursuant to the Placing are expected to be despatched by post to such Shareholders by no later than 9 May 2017.

CREST is a paperless settlement enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in CREST. The Company will apply for the Enlarged Ordinary Share Capital to be admitted to CREST from the date of Admission.

The ISIN number of the Ordinary Shares is GB00BD8QVC95. The TIDM is ESL.

20. INTERESTS IN ORDINARY SHARES

Upon Admission, the Directors will in aggregate be interested in, directly and indirectly, 1,230,000 Ordinary Shares representing approximately 0.3% of the Enlarged Ordinary Share Capital. Further information is available in paragraph 7 of Part VI of this Document.

21. DIVIDEND POLICY

The Board intends to adopt a progressive dividend policy for the Company from Admission which will seek to maximise Shareholder value and reflect Eddie Stobart's strong earnings potential and cash flow characteristics, while allowing it to retain sufficient capital to fund on-going operating requirements and to invest in the Company's long-term growth. The Board may revise the dividend policy from time to time.

The first dividend payment post Admission is expected to be a final dividend in respect of the year ended 30 November 2017, expected to be paid following approval of the year end accounts at the annual general meeting of Eddie Stobart. However, the Board will consider paying an interim dividend following the publication of its interim results in respect of the half year ending 31 May 2017. The Board is initially targeting a payout ratio of approximately 55% for FY17.

22. TAKEOVER CODE

The Takeover Code is issued and administered by The Panel. The Company is subject to the Takeover Code and therefore its Shareholders are entitled to the protections afforded by the Takeover Code. Under Rule 9 of the Takeover Code when (i) a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the Takeover Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company, but does not hold shares carrying more than 50% of the voting rights of the company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is or they are interested, then, in either case, that person, together with the person acting in concert with him, is normally required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights, unless the Company has obtained the approval of over 50% of its independent Shareholders in advance of such increase and the Panel agrees to waive the requirement.

Prospective investors should be aware that because Invesco holds more than 20% of the voting rights attached to the issued share capital of Stobart Group Limited, there is a presumption (which neither Invesco nor Stobart Group Limited has sought to rebut) that Invesco and Stobart Group Limited are acting in concert in relation to their shareholdings in the Company. Following Admission, Invesco and Stobart Group Limited will together hold 19.8% of the voting rights attached to the issued share capital of the Company. Should either member of that concert party group acquire further interests in shares carrying voting rights in the Company such that their combined interest in such shares reaches 30% or more of the voting rights in the Company, such acquisition will give rise to an obligation to make an offer under Rule 9.1 of the Takeover Code unless the approval of independent Shareholders holding more than 50% of the Company's shares is given in advance of such increase and the Panel agrees to waive the requirement.

23. RISK FACTORS

Your attention is drawn to the risk factors set out in Part III of this Document. In addition to all other information set out in this Document, potential investors should carefully consider the risks described in that sections before making a decision to invest in the Company.

24. ADDITIONAL INFORMATION

You should read the whole of this Document and not just rely on the information contained in this Part I.

Your attention is drawn to the information set out in Parts II to VI (inclusive) of this Document which contains further information on Eddie Stobart.

PART II

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Prospective investors should only rely on the information in this Admission Document. No person has been authorised to give any information or to make any representations other than those contained in this Admission Document in connection with the Placing and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholder or Cenkos. No representation or warranty, express or implied, is made by Cenkos as to the accuracy or completeness of such information and nothing contained in this Admission Document is, or shall be relied upon as, a promise or representation by Cenkos as to the past, present or future.

The Company will update the information provided in this Document by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors in the Placing occurs prior to Admission or if this Document contains any material mistake or inaccuracy.

The contents of this Admission Document are not to be construed as legal, business or tax advice. Each prospective investor should consult its, his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription or purchase, or proposed subscription or purchase, of Ordinary Shares. In making an investment decision, each prospective investor must rely on its, his or her own examination, analysis and enquiry of the Company and the terms of the Placing, including the merits and risks involved.

This Admission Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholder, Cenkos or any of their respective affiliates and representatives that any recipient of this Admission Document should purchase or subscribe for any of the Ordinary Shares. Prior to making any decision as to whether to purchase or subscribe for any of the Ordinary Shares, prospective investors should read the entirety of this Admission Document. Prospective investors should ensure that they read the whole of this Admission Document and not just rely on key information or information summarised within it.

Investors who purchase or subscribe for Ordinary Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Cenkos or any of its affiliates or representatives in connection with any investigation of the accuracy of any information contained in this Admission Document for their investment decision; and (ii) they have relied only on the information contained in this Admission Document, and no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this Admission Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Cenkos or the Selling Shareholder or their respective affiliates or representatives.

None of the Company, the Directors, the Selling Shareholder, Cenkos or any of their representatives is making any representation to any subscriber or purchaser of the Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Cenkos and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this Admission Document to the Ordinary Shares being offered, acquired, placed or otherwise dealt with should be read as including any offer to, or acquisition, dealing or placing by, Cenkos and any of its affiliates acting as investors for their own accounts.

Cenkos does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Presentation of financial information and non-financial operating data

The Historical Financial Information in Part IV of this Admission Document has been prepared in accordance with the requirements of the AIM Rules and in accordance with the basis of preparation stated in it. The basis of preparation and significant IFRS accounting policies are further explained in the notes to the Historical Financial Information.

Historical Financial Information

The Historical Financial Information has been prepared for the 8 month period ended 30 November 2014, FY15 and FY16. The Historical Financial Information comprises the financial information of Eddie Stobart as of and for the relevant period.

Except as otherwise stated, the financial information in this Document has been prepared and presented in accordance with IFRS and International Reporting Standards Interpretations Committee interpretations adopted by the European Union. IFRS as adopted by the European Union differs in certain respects from international financial reporting standards as adopted by the International Accounting Standards Board.

Unaudited historical financial information

This Document includes information on the trading period from 1 December 2013 through to 9 April 2014. This information is unaudited, not prepared and presented under IFRS and represents a period where Eddie Stobart was under different ownership.

Operating information and non-IFRS financial information

This Document contains certain financial measures that are not defined or recognised under IFRS, including CAGR, Adjusted Revenue, Adjusted EBIT and Adjusted EBIT Margin. Information regarding these measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements.

There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies, and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Adjusted EBIT represents operating profit before amortisation and exceptional costs. The Board uses Adjusted Revenue, Revenue, Gross Profit, Gross Margin, EBITDA, Adjusted EBIT, Adjusted EBIT Margin, Operating Profit and Operating Profit Margin (amongst other things) as key performance indicators of Eddie Stobart's business and to evaluate the performance of its operations, to develop budgets and to measure its performance against those budgets.

The Board believes Adjusted EBIT to be a useful supplemental tool to assist in evaluating operating performance because it eliminates depreciation and amortisation. Adjusted EBIT related measures are not a measurement of performance under IFRS and should not be considered by prospective investors in isolation or as a substitute for measures of profit, or as an indicator of Eddie Stobart's operating performance or cash flows from operating activities as determined in accordance with IFRS.

The Board has presented these supplemental measures because it uses them to manage Eddie Stobart's business. In addition, the Board believes that Adjusted EBIT related measures are commonly reported by comparable businesses and used by investors and analysts in comparing the performance of businesses that employ different methods of asset financing. Adjusted EBIT and other related measures may not be comparable to similarly-titled measures disclosed by other companies, and prospective investors should not use these non-IFRS measures as a substitute for the figures provided in Eddie Stobart's Historical Financial Information included in Part IV of this Admission Document.

Currency presentation

Unless otherwise indicated, all references in this Document to:

- "sterling", "pounds sterling", "GBP", "£" or "pence" are to the lawful currency of the United Kingdom;
- "Euros" or "€" or "EUR" are to the lawful currency of the European Monetary Union.

The Company prepares its financial statements in pounds sterling.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data sourced and statistics in this Admission Document constitute Directors' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports as well as from third party sources as described in the footnotes to such information. The Company confirms that all third party information set out in this Admission Document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Admission Document, the source of such information has been identified. Such third party information has not been audited or independently verified.

Information regarding forward-looking statements

This Admission Document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Eddie Stobart's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "targets" or "anticipates" or the negative of those terms, other variations on those terms or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Admission Document and include statements regarding the intentions, beliefs and current expectations of the Directors or Eddie Stobart concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the Company and the industries in which it operates.

In particular, the statements under the following headings Part I (Information on Eddie Stobart) and Part III (Risk Factors) of this Admission Document regarding the Company's strategy and other future events or prospects are forward-looking statements. These forward-looking statements and other statements contained in this Admission Document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved: actual events or results may differ materially as a result of risks and uncertainties facing Eddie Stobart. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

The forward-looking statements contained in this Admission Document are made only as of the date of this Admission Document. The Company, the Directors, the Selling Shareholder and Cenkos expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Admission Document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law or the AIM Rules. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Admission Document.

Information not contained in this Admission Document

No person has been authorised to give any information or make any representation other than those contained in this Admission Document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this Admission Document nor any subscription, sale, or purchase made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or Eddie Stobart since the date of this Admission Document or that the information in this Admission Document is correct as of any time subsequent to the date of this Admission Document.

Available Information

The Company is exempt from the reporting requirements of Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), pursuant to Rule 12g3-2(b) under the Exchange Act. Pursuant to the terms of such exemption, the Company will publish in English, on its website or through an electronic information delivery system generally available to the public in its primary trading market, certain information in accordance with Rule 12g3-2(b).

No incorporation of website information

The contents of the Company's website, any website mentioned in this Admission Document or any website directly or indirectly linked to these websites have not been verified and do not form part of this Admission Document, and investors should not rely on such information.

Rounding

Certain data contained in this Admission Document, including financial information, have been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this Admission Document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this Admission Document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this Admission Document have been rounded and accordingly may not add up to 100%.

PART III

RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all the information contained in this Document including, in particular, the risk factors described below.

Ordinary Shares may not be a suitable investment for all recipients of this Document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

In addition to the usual risks associated with an investment in a company, the Directors consider that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this Document, prior to making any investment decision in respect of the Ordinary Shares. The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

It should be noted that the risks described below are not the only risks faced by Eddie Stobart and there may be additional risks that the Directors currently consider not to be material or of which they are currently not aware.

If any of the events described in the following risks actually occur, Eddie Stobart's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment.

Specific risks to Eddie Stobart's business

Weak economic conditions in the UK and mainland Europe may have a material adverse effect on Eddie Stobart, particularly in dealing with customers

As Retail, E-Commerce and Consumer spending has historically been linked to levels of economic activity, Eddie Stobart's business and operating results are affected by macroeconomic conditions, particularly in its principal markets in the UK and mainland Europe. The success of Eddie Stobart's Retail, E-Commerce and Consumer customers' operations depends to a significant extent upon factors that affect discretionary consumer spending (including economic conditions and perceptions of such conditions by consumers) within the wider economy as a whole and in regional and local markets where Eddie Stobart operates. There can be no certainty over the continued trading and solvency of Eddie Stobart's customers operating in these sectors given the risks referred to above and the failures of a number of significant retailers in recent years. Failure of a material customer could have a material adverse impact on Eddie Stobart's revenues and profitability.

The current economic environment may lead to pricing pressure from Eddie Stobart's customers. Further, a material proportion of Eddie Stobart's revenue has been seasonally linked with its customers, with demand peaking in the summer months and the buildup to Christmas. January and February have typically been the slowest trading months. Eddie Stobart has grown non-seasonal business to minimise these peaks and troughs, but activity levels will still fluctuate in response to strong or weak retail trading, particularly in the build-up to Christmas.

Customers may elect to terminate contracts with Eddie Stobart, or, when such contracts expire, customers may choose not to renew contracts with Eddie Stobart or may seek to renegotiate contracts such that they are less profitable for Eddie Stobart

Contracts to which Eddie Stobart is currently a party or to which it may be a party in the future may be terminated (whether pursuant to change of control clauses within those contracts or otherwise), resulting in a loss of revenue and potential liability to pay certain costs associated with the termination of a contract (for example, property dilapidation costs and any unamortised capital costs incurred specifically for the contractual counterparty), which may have a material adverse effect on Eddie Stobart. Existing customers of Eddie Stobart could fail to renew contracts with Eddie Stobart prior to or upon the expiration of such contracts. If Eddie Stobart is party to contracts which have expired or terminated in accordance with their terms and new contractual arrangements are not executed with existing customers, or are replaced with contracts that contain less favourable terms for Eddie Stobart, Eddie Stobart could experience a decline in revenue or profitability. A change in contract terms as a result of a retender process may result in a customer securing more favourable payment terms which could result in a significant impact to Eddie Stobart's cash flow. Eddie Stobart requires cash to achieve its growth projections and a material change in its available cash resources may negatively impact its business and profitability.

Certain of Eddie Stobart's contracts contain benchmarking provisions which afford a contractual counterparty the opportunity to undertake a benchmarking exercise and renegotiate the terms of the contractual arrangement. If the completion of the benchmarking exercise provides evidence that the services currently provided by Eddie Stobart can be provided on a more cost-efficient basis to the underlying customer, that customer may exercise its contractual right to conduct a benchmarking exercise which may well result in a less profitable contract and which may have a material adverse effect on the results of the operations of Eddie Stobart.

Increases in the costs of operations may not be able to be passed on to customers under certain contractual arrangements

Eddie Stobart's cost of operations could increase without a corresponding increase in revenue. Factors leading to such an increase in the cost of operations could include but are not limited to increases in: the rate of inflation, payroll expenses, interest rates, unforeseen capital expenditure and insurance premiums. Such increases and/or the failure to effectively manage them could have a material adverse effect on Eddie Stobart's results of operations, financial condition and future prospects.

New contract wins may require significant up-front investment

There may be significant costs associated with the implementation of new contracts, which may include costs relating to, for example, implementing a new property lease or acquiring specialised equipment. There is a risk that Eddie Stobart will not recover the costs of the expenditure incurred in respect of fulfilling these new contractual arrangements as a result of incorrectly pricing the contract. This could have an adverse effect on Eddie Stobart's financial condition and future prospects.

The Company has already identified several businesses which the Board will consider acquiring but there can be no guarantee that such acquisitions will be pursued or completed

Eddie Stobart may need to incur significant expenses (including professional fees) in connection with the search for, due diligence and negotiation relating to potential acquisitions, which may not ultimately lead to the completion of such acquisitions. This may include a situation where a rival bidder offers a higher price during the negotiation process. In addition to any financial impact of pursuing acquisitions, the attention and time required of key management individuals may lead to the diversion of management's attention from other business concerns.

In relation to any future acquisition the Board will conduct due diligence and risk assessment as it deems appropriate. However, due diligence may not identify all potential liabilities associated with an acquisition.

Change of control and Admission

Eddie Stobart has certain agreements in place which permit the counterparty to terminate such agreements if their consent is not obtained prior to a change of control. Whilst the Directors are not aware of any intention on the part of such counterparties to terminate their agreements, or cease or suspend trading, Admission may in certain circumstances constitute a change of control under the relevant agreements for which consent of the counterparties has not been obtained. Should any such counterparty elect to terminate its agreement with Eddie Stobart due to the change of control it could have an adverse impact on the business.

Development of new initiatives may incur significant costs and require senior management involvement and oversight

Eddie Stobart is focused on developing new, innovative solutions for its customer base. Eddie Stobart's resources may be diverted towards growing and enhancing such solutions and Eddie Stobart may dedicate significant additional investment, together with associated operational resources which would place a strain upon the management, financial and operational resources.

There can be no certainty as to the extent to which such new solutions will be utilised by customers, or the revenue that will be generated from them. In addition, once the solutions are established, the solutions may not satisfy existing or any future customer demand. The lack of market acceptance of such efforts or Eddie Stobart's inability to generate satisfactory revenues from such expanded services or products to offset their costs could have a material adverse effect on Eddie Stobart's financial condition and future prospects.

Reliance on key customers

Eddie Stobart derives a significant amount of its revenues from a small number of customers. In FY16, the top 20 customers by revenue represented 75% of all revenue. Whilst customer concentration has reduced since 2014 as Eddie Stobart has expanded its customer sector focus, a significant decrease in business from or loss of any such major customers could negatively impact Eddie Stobart's financial condition by causing a significant decline in revenues attributable to such customers.

A change in contract terms as a result of a re-tender may result in the customer receiving more favourable payment terms. A large customer changing terms could result in a significant impact to Eddie Stobart's cash flow. Eddie Stobart requires cash to achieve its growth projections and a material change in its available cash resources may negatively impact its business and profitability.

The markets in the UK and mainland Europe in which Eddie Stobart operates are highly competitive

Eddie Stobart operates in highly competitive markets. Where an existing competitor or new entrant is successful in providing services and solutions of a similar capability and quality to Eddie Stobart, this could cause a decline in Eddie Stobart's activity levels, resulting in a negative impact on Eddie Stobart's revenue and profitability. There can be no assurance that in the future Eddie Stobart will be able to compete successfully against its current or future competitors or that the competitive pressures it faces will not result in reduced revenue, profitability or market share. Any reduction in Eddie Stobart's revenue or market share due to increased competition could have a material adverse effect on Eddie Stobart's results of operations, financial condition or future prospects.

Eddie Stobart relies on operational sites in the UK and continental Europe and disruptions to the efficient operation of these sites may adversely affect Eddie Stobart

Eddie Stobart relies on operational sites in the UK and continental Europe, which are fundamental to its business operations. Disruptions may arise for a number of reasons including strike action and other industrial relations actions, prolonged power or equipment failures, failures in Eddie Stobart's IT systems, fires, floods, terrorist incidents, extreme weather events and other natural disasters and other unforeseen events that may not be covered or may be in excess of its insurance coverage. Damage resulting from any of these events may take a considerable amount of time to repair. Disruption to the efficient operation of Eddie Stobart's sites may affect its ability to fulfil its customers' requirements, or to do so profitably. The direct impact of the events described above and a prolonged period before rectification could have a material adverse effect on Eddie Stobart's financial condition, results of operations, prospects and reputation. In addition, if there were to be a significant disruption of operations at one or more of Eddie Stobart's key facilities and operations could not be transferred or could only be transferred at very high cost to other locations, the results of operations, financial condition and prospects of Eddie Stobart may be adversely affected.

Eddie Stobart is reliant on access to road networks within the UK and mainland Europe

A proportion of Eddie Stobart's business relies on access to the road network both in the UK and mainland Europe. Prolonged disruption to road transport systems or the availability of vehicle fuel may result in delays to customer deliveries and a reduced standard of service. Extreme weather, such as heavy snow and high winds, could disrupt Eddie Stobart's business.

Eddie Stobart is dependent on reliable and efficient IT systems and a failure in Eddie Stobart's IT systems could disrupt Eddie Stobart's business or result in the disclosure of confidential information

Eddie Stobart relies to a significant degree on the efficient and uninterrupted operation of its computer and communications systems and those of third parties, including the internet. Eddie Stobart's vehicle tracking and scheduling systems, data collection, customer website interface, order processing, customer information, financial, accounting, data processing, IT, communications, carrier integration processes or other systems and facilities, and/or third party infrastructure on which Eddie Stobart relies, may fail to operate properly or become disabled, including as a result of events that are wholly or partially beyond Eddie Stobart's control. The efficient operation of Eddie Stobart's business systems and IT is critical to attracting and retaining customers. If Eddie Stobart is unable to meet customer demand or service expectations as a result of a failure in the operation in these IT systems, deterioration in Eddie Stobart's financial condition and future prospects may occur.

Eddie Stobart may not keep pace with new technological advances

To achieve its strategic objectives and remain competitive, Eddie Stobart must continue to develop and enhance its IT systems. This may require the acquisition of additional software and equipment. No assurance can be given that Eddie Stobart will be able to continue to design, develop, implement or utilise, in a cost-effective manner, IT systems that provide the capabilities necessary for Eddie Stobart to compete effectively. Any failure to adapt to, or successfully implement, technological developments (or any delay in doing so) may have an adverse effect on Eddie Stobart's financial condition and future prospects.

Eddie Stobart may face increased environmental costs

The issue of environmental sustainability is likely to be of continuing importance to governments, regulators and other influential bodies. There may be changes to existing legislation or regulation or the introduction of new legislation, regulation or government policies or practice, which could adversely affect Eddie Stobart's operations and conduct of its business, particularly in relation to the use of energy, emission charges, packaging and the transportation of products to customers. If there is a change to environmental legislation there may be a decrease in demand for Eddie Stobart's products and services, or an increase in Eddie Stobart's costs, which may adversely affect Eddie Stobart's financial condition and future prospects.

Leasing or occupation of land carries potential environmental risks and liabilities that may not be covered by insurance

Eddie Stobart may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances located on, under or in a property currently or formerly leased or occupied by Eddie Stobart, whether or not Eddie Stobart caused or knew of the pollution. The costs of any required removal, investigation of such substances or the costs of defending any environmental claims may be substantial and not covered by insurance. Laws and regulations may also impose liability for the release of certain materials from land into the air or water and such release can form the basis of liability to third persons for personal injury or other damages. The occurrence of any of these events could have an impact on Eddie Stobart's business, financial condition and results of operation.

Legislative Changes

Operating in the transport and distribution sector, Eddie Stobart is subject to legislation and regulation in areas such as working time, health and safety, road duties, fuel costs and environment, which can have an impact on a number of operational areas. Management has worked within these constraints through the introduction of appropriate systems and controls. Changes to such legislation may have associated costs for Eddie Stobart and negatively impact Eddie Stobart's financial condition and future prospects.

Suppliers

Eddie Stobart relies on certain key suppliers to help provide its services to customers. Should these suppliers either cease trading or renegotiate contracts, Eddie Stobart might be required to seek alternative suppliers, who could offer a different level of product or alternatively provide services at higher prices. In such circumstances, the effect on Eddie Stobart's business could be detrimental.

Financing

The growth of Eddie Stobart's business is dependent on the continued availability of funding for new projects. Eddie Stobart has borrowing facilities and the Board may seek to secure revised or additional borrowing facilities in the longer term. It is not certain that such facilities will be secured at levels or on terms acceptable to the Board. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and, accordingly, should Eddie Stobart's assets not grow at a rate sufficient to cover the full costs of servicing its borrowings, Shareholders may not recover all of their initial investment.

Informal contractual arrangements

A number of the contractual arrangements to which members of the Group are party are based on the counterparty's standard terms and conditions as amended by agreed oral terms or course of dealing, rather than by a written contract. Although Eddie Stobart has operated on this basis for a significant period of time and to date encountered no material issues in connection with such arrangements, the lack of a formal, written contract documenting the agreed terms results in an inherent lack of certainty as to the exact terms agreed.

Acquisition of iForce Group Limited

Eddie Stobart Logistics Limited entered into the iForce SPA to acquire the entire issued share capital of iForce Group Limited and (indirectly) its subsidiaries, a group specialising in multi-channel retail logistics & supply chain management. The terms of the transaction are described in more detail in paragraph 12 of Part VI.

Whilst both legal and financial due diligence was undertaken by Eddie Stobart in connection with the acquisition, and any risks identified were mitigated against by virtue of warranties and other protections included in the transaction documents, the acquisition of any new business carries with it an inherent level of risk. For example, the performance of the iForce group's business in the period between exchange and completion cannot be guaranteed, nor can Eddie Stobart be certain that the business is worth what it has agreed to pay for it or that there is not an issue affecting the value of the business which was not identified during the due diligence process. However, such risks are considered to be low and Eddie Stobart is confident that it is protected against such risks to the extent practicable by virtue of the contractual protections negotiated in the share purchase agreement and related warranty deed.

General risks relating to Eddie Stobart

General volatility, economic and market cycles and the global economic downturn could adversely affect the future prospects, financial condition and results of operations of Eddie Stobart

National and international economic downturns and recessionary conditions in the markets in which Eddie Stobart operates have had and could continue to have an adverse effect on Eddie Stobart's business. Factors such as inflation, investor sentiment, the availability and cost of credit and the liquidity of the global financial markets could significantly affect the business of Eddie Stobart. A deterioration of these economic and financial conditions could have a material adverse effect on the financial performance and/or financial condition of Eddie Stobart. The business may experience reductions in trading activity, asset impairments and lower profitability. A global recession or deeper recessionary conditions could result in a significant fall in expenditure in the infrastructure and construction industry which could have a material adverse effect on the business, results of operations and overall financial condition of Eddie Stobart.

Failure to meet quality thresholds and/or failure to complete or loss of major contracts

The work undertaken and services provided by Eddie Stobart or on its behalf by sub-contractors could be subject to quality measures and satisfaction of KPIs imposed by customers and clients. In the event that Eddie Stobart fails to achieve the quality measures and/or KPIs imposed upon it or is otherwise found to be in breach of contract for any reason, it is subject to the risk that payments due under contracts for work undertaken may not be recovered in full or will not be recovered at all or that contracts could potentially be terminated or not renewed. In turn, this could have an adverse impact on the future profitability of Eddie Stobart and could damage its reputation, thereby adversely affecting its ability to secure future business or to secure future business on terms acceptable to it.

Failure to attract, develop and retain appropriately skilled management or other personnel could adversely impact Eddie Stobart's business, strategy and growth

The success of Eddie Stobart is dependent on recruiting, retaining, motivating and developing sufficient appropriately skilled and competent people at all levels of its organisation. Eddie Stobart faces strong competition for personnel from other companies and organisations. There may at any time be shortages in the availability of appropriately skilled people at all levels within Eddie Stobart. This may have an adverse impact on Eddie Stobart's prospects, results of operations and financial condition.

Reliance on senior management

Eddie Stobart is reliant on the continued service of its senior management to drive future success. If Eddie Stobart is unable to retain key members of its senior management team, and is unable to attract suitable replacements, it could delay the achievement of Eddie Stobart's development objectives and have an adverse impact on Eddie Stobart's prospects, results of operations and financial condition.

The Group may be affected by work stoppages

Some of Eddie Stobart's employees are members of trade unions. Eddie Stobart's relationship with these trade unions is important and the Directors believe that Eddie Stobart has a good relationship with the trade unions representing its employees. Although Eddie Stobart has not experienced any material work stoppages in recent years, there can be no assurance that this will be the case in the future. If any delay, stoppage or interruption were to occur in the future, it could have a material adverse effect on Eddie Stobart's business and financial condition.

Failure to maintain and develop existing customer relationships

A key element of Eddie Stobart's strategy is to develop long-term relationships with key customers in order to win repeat business from those clients and customers and to cross-sell Eddie Stobart's other products and services to those customers. Whilst Eddie Stobart attempts to increase customer spend as a relationship matures by identifying additional services that may be needed, for example, cross-selling the services provided by Eddie Stobart's other divisions into existing contractual relationships, there can be no guarantee that existing customer relationships will continue to grow or that key customers will not scale back their use of Eddie Stobart or cease to contract with Eddie Stobart altogether.

UK exit from the European Union

Following the UK voting in favour of leaving the EU in a referendum held on 23 June 2016 ("Brexit"), the UK government has notified the EU of Britain's intention to withdraw, triggering two years of negotiations that will end with Brexit in 2019.

Brexit could have a significant impact on Eddie Stobart. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of Brexit on the Eddie Stobart business and that of its customers is unknown. As such, it is not possible to state the impact that Brexit would have on Eddie Stobart. It could also potentially make it more difficult for Eddie Stobart to operate its business in the EU and/or increase the regulatory compliance burden on Eddie Stobart. This could restrict Eddie Stobart's future prospects and financial condition.

General risks relating to the Ordinary Shares

Suitability of the Ordinary Shares

Investment in the Ordinary Shares may not be suitable for all readers of this Document. Readers are accordingly advised to consult a person duly authorised under the FSMA who specialises in investments of this nature before making any investment decisions.

Volatility in the prices of Ordinary Shares

The Placing Price has been agreed between the Board and Cenkos and may not be indicative of the market price for the Ordinary Shares following Admission.

The subsequent market price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors that are unrelated to Eddie Stobart's operating performance such as variations in operating results, changes in financial estimates, recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, market perceptions of Eddie Stobart, new reports relating to trends in Eddie Stobart's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes, national and global economic conditions and various other factors and events. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of Eddie Stobart's performance.

The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some not specific to Eddie Stobart and its operations. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

No prior trading market for Ordinary Shares

Prior to Admission, there was no public market for the Ordinary Shares. Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The Company cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

Future issues of Ordinary Shares may result in dilution of existing Shareholders

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund expansion and development. If existing Shareholders do not subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Placing Shares. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

Future performance of the Company cannot be guaranteed

There is no certainty and no representation or warranty is given by any person that the Company will be able to achieve any returns referred to in this Document. The financial operations of the Company may be adversely affected by general economic conditions or by the particular financial condition of other parties doing business with Eddie Stobart.

There is no guarantee that the Company will maintain its quotation on AIM

The Company cannot assure investors that the Company will always retain a quotation on AIM. If the Company fails to do so, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the share price. Additionally, if in the future the Company decides to obtain a listing on another exchange, in addition to AIM or as an alternative, this may affect the liquidity of the Ordinary Shares traded on AIM.

Share price effect of sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in paragraph 11 of Part VI of this Document, or the expectation or belief that such sales of shares may occur.

Higher risk for shares traded on AIM than on the Official list

Application has been made for the Ordinary Shares to be admitted to trading on AIM, a market designated primarily for emerging or smaller companies. The AIM Rules are less onerous than those of the Official List and an investment in shares that are traded on AIM is likely to carry a higher risk than an investment in shares listed on the Official List.

Conditionality of the Placing

The Placing is conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, Admission (and therefore the Placing) will not occur.

Legislation and tax status

This Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation or regulation and, in particular, in tax status or tax residence of Eddie Stobart or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

Taxation

The attention of potential investors is drawn to paragraph 13 of Part VI of this Document headed "Taxation". The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this Document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

Dividends

The Company's ability to pay dividends (including any special dividends) in the future is affected by a number of factors, principally the generation of distributable profits within Eddie Stobart and the receipt of sufficient dividends from its subsidiaries. Under English law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. In addition, the Company may not pay dividends if the Directors believe this would cause the Company to be inadequately capitalised or if, for any other reason, the Directors conclude it would not be in the best interests of the Company. Any change in the tax treatment of dividends or interest received by the Company may reduce the amounts available for dividend distribution. Any of the foregoing could limit the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends. In addition, the Company's ability to pay dividends will depend on the level of distributions, if any, received from its operating subsidiaries. The Company's subsidiaries may, from time to time, be subject to restrictions on their ability to make distributions including foreign exchange limitations, and regulatory, fiscal and other restrictions.

PART IV

HISTORICAL FINANCIAL INFORMATION

Accountant's report on historical financial information

The Directors
Eddie Stobart Logistics plc
Stretton Green Distribution Park
Langford Way
Appleton
Warrington
WA4 4TQ

19 April 2017

Ladies and Gentlemen

Eddie Stobart Logistics plc

We report on the financial information set out on pages 48 to 89 for the period ended 30 November 2014 and the two years ended 30 November 2016. This financial information has been prepared for inclusion in the AIM Admission Document dated 19 April 2017 of Eddie Stobart Logistics plc on the basis of the accounting policies set out in note 1 to the financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of Eddie Stobart Logistics plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 19 April, a true and fair view of the state of affairs of Eddie Stobart Logistics plc as at 30 November 2014, 30 November 2015 and 30 November 2016 and of its profits/losses, cash flows and recognised gains and losses for the period ended 30 November 2014, the year ended 30 November 2015 and the year ended 30 November 2016 in accordance with the basis of preparation set out in note 1 to the financial information and in accordance with International

Financial Reporting Standards as adopted by the European Union as described in note 1 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies

Yours faithfully

KPMG LLP

Consolidated Income Statement

	Note	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Continuing operations				
Revenue	3	570,177	496,477	346,508
Cost of sales		(448,986)	(386,357)	(280,879)
Gross profit		121,191	110,120	65,629
Administrative expenses; before amortisation and exceptional costs		(81,601)	(75,462)	(42,260)
Amortisation of acquired intangibles	12	(9,509)	(9,509)	(6,339)
Administrative expenses: before exceptional costs		(91,110)	(84,971)	(48,599)
Administrative expenses: exceptional costs	5	(3,288)	(2,614)	(392)
Total administrative expenses		(94,398)	(87,585)	(48,991)
Profit from operating activities: including exceptional costs		26,793	22,535	16,638
Profit from operating activities: before exceptional costs		30,081	25,149	17,030
Finance income	6	5	3	3
Finance expense	6	(15,984)	(16,683)	(10,224)
Net finance expense		(15,979)	(16,680)	(10,221)
Share of profit from equity accounted investees, net of tax	13	428	286	165
Profit before tax	7	11,242	6,141	6,582
Tax expense	8	(1,332)	(1,644)	(2,011)
Profit for the year from continuing operations		9,910	4,497	4,571
Discontinued operations				
Profit / (Loss) from discontinued operations net of tax	4	—	7,042	(122)
Profit for the year		9,910	11,539	4,449
Profit attributable to:				
Owners of the Company		9,029	11,539	4,422
Non-controlling interests		881	—	27
Profit for the year		9,910	11,539	4,449
Earnings per share				
Basic and diluted		£12.84	£16.41	£6.29

The accompanying notes form part of the financial statements.

Consolidated Statement of Comprehensive Income

	Note	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Profit for the year		9,910	11,539	4,449
Items that will not be reclassified to profit or loss:				
Defined benefit plan actuarial losses		—	(438)	(648)
Tax on items that will not be reclassified to profit or loss	21	—	—	130
Total items that will not be reclassified to profit or loss		—	(438)	(518)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences – foreign operations		882	(766)	(434)
Foreign currency translation differences – equity-accounted investees	13	92	(76)	(30)
Effective portion of changes in fair value of cash flow hedges		285	—	(2,288)
Tax on items that are or may be reclassified subsequently to profit or loss	21	—	—	457
Total items that are or may be reclassified subsequently to profit or loss		1,259	(842)	(2,295)
Total comprehensive income for the year		11,169	10,259	1,636
Total comprehensive income attributable to:				
Owners of the Company		10,288	10,259	1,609
Non-controlling interests		881	—	27
Total comprehensive income for the year		11,169	10,259	1,636

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

Non-controlling interest	Share capital Total equity £'000	Share premium £'000	Translation reserve £'000	Hedge reserve £'000	Retained earnings £'000	Total £'000	£'000	£'000
	Attributable to equity holders of the Company							
Balance at 1 December 2015	703	64,647	(1,306)	(1,831)	15,098	**77,311**	—	**77,311**
Profit for the year	—	—	—	—	9,029	**9,029**	881	**9,910**
Total other comprehensive income	—	—	974	285	—	**1,259**	—	**1,259**
	703	**64,647**	**(332)**	**(1,546)**	**24,127**	**87,599**	**881**	**88,480**
Changes in ownership interests in subsidiaries								
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	**—**	1,750	**1,750**
Dividends paid	—	—	—	—	—	**—**	(800)	**(800)**
Total contributions by and distributions to owners of the Company	**—**	**—**	**—**	**—**	**—**	**—**	**950**	**950**
Balance at 30 November 2016	**703**	**64,647**	**(332)**	**(1,546)**	**24,127**	**87,599**	**1,831**	**89,430**

Non-controlling interest	Share capital Total equity £'000	Share premium £'000	Translation reserve £'000	Hedge reserve £'000	Retained earnings £'000	Total £'000	£'000	£'000
	Attributable to equity holders of the Company							
Balance at 1 December 2014	703	64,647	(464)	(1,831)	3,904	**66,959**	93	**67,052**
Profit for the year	—	—	—	—	11,539	**11,539**	—	**11,539**
Total other comprehensive income	—	—	(842)	—	(438)	**(1,280)**	—	**(1,280)**
	703	**64,647**	**(1,306)**	**(1,831)**	**15,005**	**77,218**	**93**	**77,311**
Changes in ownership interests in subsidiaries								
Disposal of subsidiary with non-controlling interests	—	—	—	—	93	**93**	(93)	**—**
Total contributions by and distributions to owners of the Company	**—**	**—**	**—**	**—**	**93**	**93**	**(93)**	**—**
Balance at 30 November 2015	**703**	**64,647**	**(1,306)**	**(1,831)**	**15,098**	**77,311**	**—**	**77,311**

The accompanying notes form part of the financial statements.

	Attributable to equity holders of the Company							
Non-controlling interest	**Share capital Total equity**	**Share premium**	**Translation reserve**	**Hedge reserve**	**Retained earnings**	**Total**		
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Profit for the period	—	—	—	—	4,422	**4,422**	27	**4,449**
Total other comprehensive income	—	—	(464)	(1,831)	(518)	**(2,813)**	—	**(2,813)**
	—	**—**	**(464)**	**(1,831)**	**3,904**	**1,609**	**27**	**1,636**
Contributions by and distributions to owners of the Company								
Issue of ordinary shares related to business combination	703	64,647	—	—	—	**65,350**	—	**65,350**
Changes in ownership interests in subsidiaries								
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	**—**	66	**66**
Total contributions by and distributions to owners of the Company	**703**	**64,647**	**—**	**—**	**—**	**65,350**	**66**	**65,416**
Balance at 30 November 2014	**703**	**64,647**	**(464)**	**(1,831)**	**3,904**	**66,959**	**93**	**67,052**

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position

	Note	30 November 2016 £'000	30 November 2015 £'000	30 November 2014 £'000
Assets				
Non-current assets				
Property, plant and equipment	11	37,860	36,787	47,426
Intangible assets and goodwill	12	219,343	225,461	234,970
Investments in equity accounted investees	13	939	419	845
		258,142	262,667	283,241
Current assets				
Inventories	14	2,357	1,943	2,169
Trade and other receivables	15	133,816	114,921	116,610
Current tax asset		—	511	627
Cash and cash equivalents	16	14,083	4,097	8,374
		150,256	121,472	127,780
Total assets		408,398	384,139	411,021
Liabilities				
Current liabilities				
Loans and borrowings	19	(6,212)	(5,504)	(11,169)
Trade and other payables	17	(110,581)	(99,613)	(108,831)
Current tax liability	8	(493)	—	—
Deferred tax liabilities	21	(1,582)	(1,079)	—
Provisions	20	(1,259)	(3,456)	(1,638)
		(120,127)	(109,652)	(121,638)
Non-current liabilities				
Loans and borrowings	19	(173,375)	(168,464)	(188,620)
Employee benefits		—	—	(2,941)
Trade and other payables	18	(15,499)	(17,416)	(17,093)
Deferred tax liabilities	21	(8,944)	(10,714)	(13,224)
Provisions	20	(1,023)	(582)	(453)
		(198,841)	(197,176)	(222,331)
Total liabilities		(318,968)	(306,828)	(343,969)
Net assets		89,430	77,311	67,052
Equity				
Share capital	22	703	703	703
Share premium	22	64,647	64,647	64,647
Translation reserve		(332)	(1,306)	(464)
Hedge reserve		(1,546)	(1,831)	(1,831)
Retained earnings		24,127	15,098	3,904
Total equity attributable to owners of the Company		87,599	77,311	66,959
Non-controlling interests		1,831	—	93
Total equity		89,430	77,311	67,052

The accompanying notes form part of the financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Cash flows from operating activities				
Profit for the year		9,910	11,539	4,449
Adjustments for:				
Depreciation	11	6,125	6,771	4,905
Amortisation of intangible assets	12	9,509	9,509	6,339
Net finance costs	6	15,979	16,680	10,220
Share of profit of equity-accounted investees, net of tax	13	(428)	(286)	(165)
Gain on sale of property, plant and equipment	7	(1,446)	(680)	(356)
Profit on disposal of vehicle logistics businesses	4	—	(7,465)	—
Tax expense	8	1,332	1,644	1,614
Changes in:				
Inventories		(414)	225	255
Trade and other receivables		(18,381)	2,738	(5,812)
Trade and other payables		8,955	(7,335)	17,463
Provisions and employee benefits		290	(1,589)	(652)
Deferred income/revenue, including government grant		(1,753)	298	(1,147)
Cash inflow from discontinued operations		—	680	1,005
Cash generated from operating activities		29,678	32,729	38,118
Net interest paid		(10,328)	(12,806)	(6,483)
Income taxes paid		(1,674)	(3,889)	(1,386)
Net cash generated from operating activities		17,676	16,034	30,249
Cash flows from investing activities				
Proceeds from sales of property, plant and equipment		7,237	7,509	1,036
Proceeds from disposal of discontinued operations, net of cash disposed		—	11,177	—
Acquisition of subsidiaries, net of cash acquired		(1,706)	—	(207,398)
Purchase of property, plant and equipment		(8,052)	(7,664)	(1,975)
Purchase of brand name license		—	—	(13,700)
Dividends received from equity accounted investees	13	—	197	145
Cash inflow from discontinued operations		—	323	224
Net cash generated from / (used by) investing activities		(2,521)	11,542	(221,668)
Cash flows from financing activities				
Proceeds from issue of share capital		—	—	65,300
Drawdown of new borrowings		—	—	3,491
Draw down of financing facility, net of costs		641	—	148,250
Issuance of loan notes		—	—	22,759
Repayment of bank borrowings		(385)	(21,125)	(36,165)
Payment of capital element of finance lease liabilities		(5,425)	(10,709)	(3,563)
Cash inflow from discontinued operations		—	(19)	(279)
Net cash (used in) / generated from financing activities		(5,169)	(31,853)	199,793
Net increase in cash and cash equivalents		9,986	(4,277)	8,374
Cash and cash equivalents at the start of the financial year		4,097	8,374	—
Effect of exchange rate fluctuations on cash held		—	—	—
Cash and cash equivalents at the end of the financial year	16	14,083	4,097	8,374

The accompanying notes form part of the financial statements.

Notes to the Consolidated Financial Statements

1. Principal Accounting Policies

Eddie Stobart Logistics plc (previously named Greenwhitestar UK plc) (the 'Company') is a company domiciled in the United Kingdom. The address of the Company's registered office is Stretton Green Distribution Park, Langford Way, Appleton, Warrington, WA4 4TQ. The Consolidated Financial Statements of the Company as at and for the year ended 30 November 2016 and the comparative year ended 30 November 2015 comprise the Company and its subsidiaries (referred to as the 'Group') and the Group's interest in associates and jointly controlled entities.

The Directors have considered the fair values of all debtors and creditors and have determined that their fair values equate to their carrying values.

Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with IFRS and the International Financial Reporting Interpretation Committee ('IFRIC') interpretations endorsed by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information set out here does not constitute the company's statutory accounts for the periods ended 30 November 2016, 2015 or 2014. Statutory accounts for 2014, 2015 and 2016 have been delivered to the registrar of companies. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The historical financial information has been prepared in accordance with the requirements of the Alternative Investment Market (''AIM'') Rules for Companies for the purposes of the AIM admission document

Significant accounting policies

The accounting policies set out below have been applied consistently in these Consolidated Financial Statements, and have been applied consistently by Group entities.

Going concern

Management has completed a budgeting process for the financial year ending 30 November 2017, incorporating a detailed Income Statement, cash flow analysis and statement of financial position, and a forecasting exercise for a number of years beyond this. This exercise has not identified any issues that would suggest any significant risk to the Group's continued trading position and the forecasts demonstrate that the Group is expected to remain within its existing finance facilities and their associated covenants. The Directors have therefore adopted the going concern basis in preparing these Consolidated Financial Statements.

Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except intangible assets acquired in business combinations which are measured at fair value and derivative financial instruments which are measured at fair value.

Basis of consolidation

(i) Business combinations – business combinations are accounted for using the acquisition method as at the acquisition date (when control is transferred to the Group). An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less

- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Non-controlling interests – for each business combination, the Group measures any non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(iii) Subsidiaries – subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

(iv) Loss of control of a subsidiary – on the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

(v) Investments in associates and jointly controlled entities (equity-accounted investees) – associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. The Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation – intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Discontinued Operations – the post-tax results of discontinued operations along with any gain or loss recognised on the measurement to fair value less costs to sell on the disposal of the assets or disposal groups constituting the discontinued operation are disclosed as a single amount in the Consolidated Income Statement. The results for the comparative period to 30 November 2014 are restated accordingly. Further analysis of the results and cash flows from discontinued operations is set out in Note 3.

(viii) Comparative accounting period – the prior period comparative represents an 8 month reporting period from 1 April to 30 November 2014 and a 12 month reporting period from 1 December 2014 to 30 November 2015.

Foreign currency

(i) Foreign currency transactions – transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

(ii) Foreign operations – The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Financial instruments

(i) Non-derivative financial asset – Loans and receivables, including financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, and trade and other receivables. Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(ii) Non-derivative financial liabilities – financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group classifies non-derivative financial liabilities into the other financial liabilities category. 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. Other financial liabilities comprise loans and borrowings, debt securities issued, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

(iii) 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.

(iv) Derivative financial instruments and hedging – The group uses interest rate swap derivative financial instruments to hedge its risks associated with interest rate fluctuations. All derivative financial instruments are initially recognised and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. For those derivatives designated as hedges and for which hedge accounting is appropriate, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the consolidated income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship, which in the case of the single financial instrument held by the Group is a cash flow hedge.

Hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the consolidated income statement. Amounts previously recognised in other comprehensive income are transferred to the consolidated income statement in the period in which the hedged item affects profit or loss, such as when a forecast sale occurs. However, when the forecast transaction results in the recognition of a non-financial asset or liability, the amounts previously recognised in other comprehensive income are included in the initial carrying amount of the asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs and are then transferred to the consolidated income statement or included in the initial carrying amount of a non-financial asset or liability as above.

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including any directly attributable capitalised borrowing costs and an estimate of any future costs of dismantling and removing the items and restoring the site on which they are located.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised within administrative expenses in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for significant items of property, plant and equipment are as follows:

- Freehold buildings: 2% – 5% per annum straight line
- Leasehold land and buildings: 1% straight line, or period of lease if shorter
- Vehicles and trailers: 3 – 10 years straight line and 25% reducing balance as appropriate
- Plant and equipment: 3 – 7 years straight line and between 15% – 20% reducing balance as appropriate
- Fixtures and fittings: 3 – 5 years straight line and between 20% – 33% reducing balance as appropriate

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Intangible assets and goodwill

Goodwill that arises on the acquisition of subsidiaries is presented within intangible assets. The measurement of goodwill at initial recognition is explained in the Business combinations policy set out above. Subsequently, Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Brands and trademarks: 6 years

- Customer relationships: 15 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Impairment

(i) Non-derivative financial assets – a financial asset not classified at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

(ii) Non-financial assets – the carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

(i) Short-term employee benefits – short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans – a defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Defined benefit plans – during the year the Group disposed of the UK based vehicle logistics business, thereby also disposing of the defined benefit plan operating within its trading entities.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined based on the expected future cash flows. When it has a material effect, these are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of any discount is recognised as a finance cost. The policies used to determine specific provisions are:

(i) Lease remediation and site restoration – provisions are established over the life of leases to cover remedial work necessary at termination under the terms of those leases. Guidance for the total cost is made with reference to independent third party quantity surveyors reports and spread over the terms of the lease.

(ii) Onerous contracts – a provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(iii) Employee restructuring – a provision for employee restructuring costs is made once the Group is committed to any restructuring plans, which require a change to the status of employees that have a cost implication.

(iv) Insurance claims are assessed on a case by case basis, with the estimated costs of claims based on the advice of the Group's external insurance advisers.

Revenue

Revenue from services rendered is recognised in the income statement on the delivery of those services based on the proportion of the total delivered that can be reliably measured at the balance sheet date. Where payments are received in advance of revenue being recognised they are included as deferred income. Where revenue is recognised in advance of amounts being invoiced it is reported as accrued income. Where a contract contains elements of variable consideration, the Group will estimate the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise as a result of incentives, performance bonuses, penalties or other similar items. Variable consideration is recognised only to the extent that it is highly probable that the economic benefit will transfer to the Group.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

Leases

(i) Leased assets – assets held by the Group under leases which transfer substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(ii) Lease payments – payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Where leases contain escalation clauses that stipulate specific increases to the rental payable, the operating lease expense is recorded on a straight line basis. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and the net interest cost from accounting for defined benefit pension schemes. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Exceptional Items

Items that are material in size and non-recurring in nature are presented as exceptional items in the income statement. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group'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 and other significant non-recurring gains or losses.

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 a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax – is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax – is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

New standards and interpretations

At the date of authorisation of these financial statements, the following standards and interpretations, relevant to the Group, which have not been applied to these financial statements, were in issue, but not yet effective:

Title	Key Issues	Effective Date	Impact on GWS
IAS 1 Disclosure Initiative	Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgment in presenting their financial statements. Provides clarification that information should not be obscured by aggregating or providing immaterial information and that materiality considerations apply to all parts of the financial statements, even when a standard requires a specific disclosure.	Periods beginning 1 January 2016	Presentational considerations only.
IFRS 15 Revenue from Contracts with Customers	The new standard is a single global revenue standard that contains a single model that applies to two approaches, being at point in time and over time. For complex transactions with multiple components, variable consideration or extended periods, application of the standard can lead to revenue being accelerated or deferred in comparison to current IFRS.	Periods beginning 1 January 2018, deferred from 1 January 2017	Key revenue streams are unlikely to be substantially affected.
IFRS 9 Financial Instruments	IFRS 9 was introduced in 2014 as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets.	Periods beginning 1 January 2018	No material impact anticipated.
IFRS 16 Operating Leases	IFRS 16 was issued in January 2016 and is effective from 1 January 2019, eliminating the classification of leases as operating leases or finance leases and setting out a single lease accounting model.	Periods beginning 1 January 2019 subsequent to EU endorsement	Significant impact on Statement of Financial Position and Income Statement presentation and measurement which is currently under review.

2. Summary of Significant Accounting Judgements and Fair Value estimates

Significant accounting judgements

In preparing these Financial Statements, the Board makes judgements, estimates and assumptions regarding the future. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements, estimates and assumptions that carry the most significant risk of causing a material adjustment within the next financial year to the amounts included in these Financial Statements are explained below:

(i) Determination of fair values of intangible assets acquired in business combinations – these estimates have predominantly been prepared in consultation with third party advisors, but nevertheless contain estimates of future business performance, cash flows and discount rates.

(ii) Useful lives of intangible assets and property, plant and equipment – the useful lives of intangible assets rely on various internal and external factors which could turn out to be different from the assumptions employed in determining their useful life. The useful lives of property, plant and equipment is also dependent upon estimates of the period over which an asset is expected to generate profits, which includes an assessment of the reliability, longevity and cost of maintenance of those assets. The Board periodically reviews the major classes of assets to ensure that the periods over which they are amortised or depreciation is appropriate.

(iii) Estimated value of provisions – these estimates, by their nature, tend to involve judgement in respect of the current knowledge pertaining to a future event and as such the actual cash flows and the timing of those cash flows may be different. To the extent that it is practicable, independent third party assessments are sought in order to corroborate these judgments, particularly for lease remediation and site restoration where quantity surveyors are used to assess future remedial costs and also insurance claims, using claims management supervisors. Employee restructuring provisions and onerous contracts are both assessed internally within the group.

(iv) Insurance claims are assessed on a case by case basis, with the estimated costs of claims based on the advice of the Group's external insurance advisors.

(v) Impairment of goodwill – the Group is required to perform an annual impairment test on goodwill by reference to its value in use or its fair value, less costs of disposal. This requires an estimate of future business performance, cash flows and discount rates all of which rely on estimates and judgements of future events and may therefore be subject to change.

(vi) Classification of certain leases – judgment is required in certain leases that contain buyback clauses over the extent of risk that remains at the end of the lease term and therefore whether the lease is classified as a finance or operating lease. However, once these judgments have been made, no change to the lease classification is expected.

Fair value estimates

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment – the fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which property could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(ii) Intangible assets – the fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. Brand names held under licence are valued at their amortised cost.

(iii) Trade and other receivables – the fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Interest rate swaps – the fair values of interest rate swaps are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

3. Segmental Revenue

Greenwhitestar UK Plc provides contract logistics services in the UK and Europe. In the year to 30 November 2016 the Group managed its operations via distinct functions, however is in the process of moving to managing the business via a sector based view. Road transport represents transport in UK and Ireland, CL & Warehousing represents contract logistics and warehousing services, EU transport represents transport and vehicle transportation in Europe and other represents special operations such as Formula 1 transportation, truck-stop parking, motel, restaurant and retail services.

Revenue is split by sector as follows:

	Year ended 30 November 2016 £'m	**Year ended 30 November 2015 £'m**	**Period ended 30 November 2014 £'m**
Revenues			
Road Transport	388.9	324.6	248.0
CL & Warehousing	94.5	87.2	52.1
EU Transport	38.5	48.0	18.4
Other divisions, Central and eliminations	48.2	36.7	48.2
	570.1	**496.5**	**346.5**
EBITDA			
Road Transport	43.0	36.1	26.3
CL & Warehousing	3.7	7.1	3.0
EU Transport	3.4	1.5	0.9
Other divisions, Central and eliminations	(2.9)	(0.1)	1.9
	48.2	**44.5**	**32.1**

	Year ended 30 November 2016 (%)	**Year ended 30 November 2015 (%)**	**Period ended 30 November 2014 (%)**
EBITDA margin			
Road Transport	*11.0%*	*11.1%*	*10.6%*
CL & Warehousing	*5.0%*	*8.1%*	*5.7%*
EU Transport	*8.7%*	*3.1%*	*5.0%*
Other divisions, Central and eliminations	*-6.0%*	*-0.3%*	*6.9%*
Total	***8.4%***	***9.0%***	***9.3%***

Management are currently in the process of evaluating how they look at the business and going forward may move to a sector based view rather than a function based view. Revenues presented by sector are shown in the table below.

	Year ended 30 November 2016 £'m	Year ended 30 November 2015 £'m	Period ended 30 November 2014 £'m
Revenues			
Retail	173.4	171.7	137.6
Consumer	164.6	128.7	82.6
MIB	132.7	119.5	67.1
E-Commerce	49.1	31.9	18.4
Non sector specific	50.3	44.7	40.8
	570.1	**496.5**	**346.5**

4. Disposal of the UK Vehicle Logistics Business

The Group disposed of a controlling interest in the UK vehicle logistics business on 25 August 2015, whilst retaining its interest in the European based vehicle logistics business.

The results of the disposed businesses have been reported separately as a single amount presented within discontinued operations. The operation represented a separate major line of business.

The profit, net of tax, from discontinued operations for the year was £7,042,000 (2014: loss of £122,000). The consideration, net of disposal costs, was £15,750,000, all paid in cash. The profit on disposal recorded within discontinued operations was £7,465,000 after deducting fees and other costs directly related to the disposal. Immediately prior to disposal, a revaluation of the defined benefit scheme led to a defined benefit actuarial loss of £438,000 (2014: £648,000). This loss was recorded in the Statement of Comprehensive Income and reduced the net assets of the disposed of entities by an equal amount.

	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Results of discontinued operations		
Revenue	54,648	47,846
Cost of sales	(51,455)	(45,167)
Administrative expenses	(3,232)	(1,876)
Operating (loss) / profit	(39)	803
Transaction costs	(234)	—
Restructuring costs	(18)	(1,197)
Net finance costs	(132)	(125)
Profit on disposal of business	7,465	—
Profit before tax	7,042	(519)
Tax	—	397
Profit / (loss) for the year from discontinued operations, net of tax	7,042	(122)

	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Cash flows used in discontinued operations		
Net cash from operating activities	680	1,005
Net cash from investing activities	323	224
Net cash used in financing activities	(19)	(279)
Net cash flows for the year	984	950

A full listing of the entities disposed of as part of the disposal is provided below:

Company name	Business activity	Proportion of ordinary share capital held		Country of incorporation
		Directly	Indirectly	
Subsidiary undertakings				
Walon Limited	Contract logistics		100%	England
Walon Automotive Services Limited	Contract logistics		100%	England
Stobart Automotive Limited	Holding company		100%	England
Sensible Automotive Limited	Contract logistics		100%	England
Autotrax Limited	Property investment		76%	England
Autolink Limited	Contract logistics		100%	England

5. Exceptional costs

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Exceptional costs included in administrative expenses			
Restructuring costs	(2,318)	(2,614)	(206)
Advisers costs relating to the purchase of the business	—	—	(163)
Non-recurring costs associated with contract wins	(970)	—	—
Other	—	—	(23)
Total exceptional costs	(3,288)	(2,614)	(392)
Tax credit	658	531	78
Total restructuring costs after tax	(2,630)	(2,083)	(314)

The year featured a number of key contract wins, with a significant level of upfront, non-recurring costs arising as a consequence of entrance into new markets. Exceptional costs also include legal and employment costs relating to restructuring and costs associated with the discontinuation of a division within the Transport business.

6. Finance Income and Finance Expense

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Finance income			
Bank interest receivable	5	3	3
Finance expense			
Interest payable on bank loans and overdrafts	(9,780)	(10,610)	(6,504)
Amortisation of bank fees	(1,679)	(1,679)	(1,072)
Interest payable on loan notes	(3,982)	(3,491)	(2,003)
Interest payable on finance leases	(543)	(903)	(645)
Total finance expense	(15,984)	(16,683)	(10,224)

7. Profit Before Tax

The following items have been included in arriving at profit before income tax:

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Employee benefits (note 21)	149,456	143,780	95,570
Depreciation of property, plant and equipment – continuing operations	6,125	6,771	4,905
Depreciation of property, plant and equipment – discontinued operations	—	814	716
Amortisation of intangible assets	9,509	9,509	6,339
Profit on disposal of property, plant and equipment	(1,446)	(680)	(356)
Operating lease rentals payable:			
– land and buildings	28,192	27,466	14,706
– plant and equipment	4,921	4,174	795
– commercial vehicles	38,406	27,135	22,825

Auditors' Remuneration

During the year, the Group (including overseas subsidiaries) obtained the following services from the Group's auditors at costs as detailed below:

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Audit Services			
Fees payable to the Company's auditors for the audit of the Parent Company and the Consolidated Financial Statements	44	30	30
Fees payable to the Company's auditors and its associates for the audit of the Company's subsidiaries pursuant to legislation	199	186	208
Non-Audit Services			
For other services	41	55	48

Reconciliation to Underlying EBIT and EBITDA

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Reported profit from operating activities: before restructuring costs	**30,083**	25,149	17,030
Normalise reporting periods for "like-for-like" comparison		—	9,941
Amortisation of acquired intangibles	**9,509**	9,509	6,339
Management charges	**1,233**	2,653	1,273
Investor related costs	**784**	122	125
Share of profit from equity accounted investees	**428**	286	220
Underlying EBIT before restructuring costs	**42,037**	37,719	34,928
Depreciation	**6,125**	6,771	7,109
Underlying EBITDA before restructuring costs	**48,162**	44,490	42,037

8. Taxation

Total tax charged in the Income Statement in respect of continuing operations

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Current income tax			
UK Corporation tax			
– Continuing operations	2,888	2,573	2,341
– Discontinued operations	—	—	(397)
Overseas corporation tax	1,277	744	437
Adjustments in respect of prior periods	(1,495)	442	—
Total current tax charge	2,670	3,759	2,381
Deferred taxation credit			
Origination and reversal of temporary differences	(854)	(1,079)	(767)
Adjustments in respect of prior periods	205	440	—
Effect of rate change on opening balance	(689)	(1,476)	—
Total charge in the income statement	1,332	1,644	1,614
Tax expense split by:			
Continuing Operations	1,332	1,644	2,011
Discontinued Operations	—	—	(397)

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Income tax (credit) on items charged to equity	—		
Deferred tax (credit) on actuarial losses on retirement benefit schemes	—	—	(130)
Deferred tax (credit) on effective portion of changes in fair value of cash flow hedges	71	45	(457)
Disposal of retirement benefit scheme	—	639	—
Total Income tax charged / (credited) on items charged to equity	71	684	(587)

The deferred tax credit in the income statement is analysed as follows:

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Accelerated allowances on plant and machinery	522	1,352	259
Amortisation of intangible assets and associated income	(2,106)	(3,084)	(1,076)
Pension scheme accounting	—	(50)	50
Other temporary movements	246	(333)	—
Total deferred tax	(1,338)	(2,115)	(767)

	Year ended 30 November 2016 £'000	Year ended 30 November 2015 £'000	Period ended 30 November 2014 £'000
Profit before tax on continuing and discontinued operations	11,244	13,183	6,063
Profit before tax on continuing and discontinued operations multiplied by the standard rate of corporation tax in the UK of 20.00% (2015: 20.33%) (2014: 21%)	2,249	2,680	1,273
Effects of:			
Tax effect of share of profit from equity accounted investees	(87)	(58)	(35)
Expenses / (income) not deductible for tax purposes including profit on disposal	517	(609)	628
Effect of different tax rates on overseas profits	2	(55)	(263)
Impact of change in rate *	147	(1,196)	11
Deferred tax disposed of	(688)	355	—
Adjustments in respect of prior periods	(808)	527	—
Total tax expense	1,332	1,644	1,614
Tax expense split by:			
Continuing Operations	1,332	1,644	2,011
Discontinued Operations	—	—	(397)

* A reduction in the UK corporation tax rate from 23% to 21% became effective from 1 April 2014. The rate reduction to 20% with effect from 1 April 2015 has been substantively enacted and therefore the standard rate of corporation tax for the year ended 30 November 2015 was 20.33%. The rate of corporation tax for the year ended 30 November 2016 is 20.00%. Following a review of the expected maturity profile of the deferred tax liability a rate of 17% has been applied at 30 November 2016 (rate applied at 30 November 2015 was 18%).

Factors that may affect future tax expenses

2016 The Group has not recognised deferred tax assets in respect of trading losses with a tax value of £0.7m (2015: £1.2m) (2014: £2.4m) in the UK and therefore, to the extent that these losses may be used against profits arising in future periods, the effective tax rate on these profits may be reduced. Other than certain items noted in the tax reconciliation above, there are no other significant factors that may affect future tax expenses.

9. Dividends

No interim dividend was paid during the year ended 30 November 2016 (2015: nil) (2014: nil) and at the date of approving these Financial Statements, no final dividend has been recommended in respect of the year ended 30 November 2016 (2015: nil) (2014: nil).

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	2016		2015		2014	
	After exceptional items	**Underlying Trading**	**After exceptional items**	**Underlying Trading**	**After exceptional items**	**Underlying Trading**
Profit attributed to equity shareholders (£'000)	9,029	12,317	11,539	14,153	4,422	4,814
Basic weighted average number of shares	703,000	703,000	703,000	703,000	703,000	703,000
Basic and diluted earnings per share for continuing operations	£12.84	£17.52	£16.41	£20.13	£6.29	£6.85

The basic and diluted earnings per share of discontinued operations was £nil in 2016, £9.65 in 2015 and a loss per share of £0.17 in 2014.

There are no potentially dilutive share options in issue during the current or prior periods.

11. Property, Plant and Equipment

Year ended 30 November 2016	**Land and buildings £'000**	**Plant and machinery £'000**	**Fixtures, fittings and equipment £'000**	**Commercial vehicles £'000**	**Total £'000**
Cost at 1 December 2015	**19,696**	**7,746**	**2,203**	**14,592**	**44,237**
Effects of movements in foreign exchange	171	(9)	32	243	437
Additions in the year	2,946	4,163	2,369	3,073	12,551
Disposals	(3,372)	(2,976)	(7)	(3,525)	(9,880)
Reclassifications	(1)	16	1	(16)	—
At 30 November 2016	**19,440**	**8,940**	**4,598**	**14,367**	**47,345**
Accumulated depreciation at 1 December 2015	1,593	1,077	1,000	3,780	7,450
Charge for the year	1,370	1,464	753	2,538	6,125
Disposals	(1,683)	(510)	(4)	(1,893)	(4,090)
At 30 November 2016	**1,280**	**2,031**	**1,749**	**4,425**	**9,485**
Net book value at 30 November 2016	**18,160**	**6,909**	**2,849**	**9,942**	**37,860**

As at 30 November 2016, the balances held in respect of assets held under finance leases and hire purchase agreements are shown below:

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Total £'000
Cost	1,563	1,347	701	12,897	16,508
Aggregate depreciation	(73)	(177)	—	(5,321)	(5,571)
Net book value at 30 November 2016	**1,490**	**1,170**	**701**	**7,576**	**10,937**

Year ended 30 November 2015	**Land and buildings £'000**	**Plant and machinery £'000**	**Fixtures, fittings and equipment £'000**	**Commercial vehicles £'000**	**Total £'000**
Cost at 1 December 2014	18,540	5,773	1,926	23,476	49,715
Effects of movements in foreign exchange	(112)	(3)	(2)	(248)	(365)
Additions in the year	4,609	3,865	485	8,143	17,102
Disposals	(1)	(921)	—	(13,415)	(14,337)
Disposal of discontinued operations	(3,340)	(968)	(206)	(3,364)	(7,878)
At 30 November 2015	**19,696**	**7,746**	**2,203**	**14,592**	**44,237**
Accumulated depreciation at 1 December 2014	799	873	448	169	2,289
Charge for the year	1,147	1,396	636	4,406	7,585
Disposals	—	(270)	—	(592)	(862)
Disposal of discontinued operations	(353)	(922)	(84)	(203)	(1,562)
At 30 November 2015	**1,593**	**1,077**	**1,000**	**3,780**	**7,450**
Net book value at 30 November 2015	**18,103**	**6,669**	**1,203**	**10,812**	**36,787**

As at 30 November 2015, the balances held in respect of assets held under finance leases and hire purchase agreements are shown below:

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Total £'000
Cost	3,724	1,085	—	11,581	16,390
Aggregate depreciation	(851)	(422)	—	(769)	(2,042)
Net book value at 30 November 2015	**2,873**	**663**	**—**	**10,812**	**14,348**

Period ended 30 November 2014	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Total £'000
Cost					
Acquisitions at fair value through business combinations	18,346	4,359	1,738	22,498	46,941
Effects of movements in foreign exchange	(45)	(1)	(3)	(92)	(141)
Additions in the period	256	1,419	224	5,631	7,530
Disposals	(17)	(4)	(33)	(4,561)	(4,615)
At 30 November 2014	**18,540**	**5,773**	**1,926**	**23,476**	**49,715**
Accumulated depreciation					
Charge for the period	812	873	469	3,333	5,487
Disposals	(13)	—	(21)	(3,164)	(3,198)
At 30 November 2014	**799**	**873**	**448**	**169**	**2,289**
Net book value at 30 November 2014	**17,741**	**4,900**	**1,478**	**23,307**	**47,426**

As at 30 November 2014, the balances held in respect of assets held under finance leases and hire purchase agreements are shown below:

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Commercial vehicles £'000	Total £'000
Cost	3,894	1,273	—	22,268	27,435
Aggregate depreciation	(170)	(188)	—	(2,434)	(2,792)
Net book value at 30 November 2014	**3,724**	**1,085**	**—**	**19,834**	**24,643**

12. Goodwill and intangible assets

	Goodwill £'000	Brand names £'000	Customer relationships £'000	Total £'000
Cost				
At 1 April 2014	132,133	—	86,876	219,009
Additions in the period		22,300	—	22,300
At 30 November 2014	**132,133**	**22,300**	**86,876**	**241,309**
Additions in the period	—	—	—	—
At 30 November 2015	**132,133**	**22,300**	**86,876**	**241,309**
Additions in the period	3,391	—	—	**3,391**
At 30 November 2016	**135,524**	**22,300**	**86,876**	**244,700**
Amortisation and impairment				
At 1 April 2014	**—**	**—**	**—**	**—**
Amortisation charge for the period	—	2,478	3,861	6,339
At 30 November 2014	**—**	**2,478**	**3,861**	**6,339**
Amortisation charge for the period	—	3,717	5,792	9,509
At 30 November 2015	**—**	**6,195**	**9,653**	**15,848**
Amortisation charge for the year	—	3,717	5,792	9,509
At 30 November 2016	**—**	**9,912**	**15,445**	**25,357**
Net book value				
At 30 November 2014	**132,133**	**19,822**	**83,015**	**234,970**
At 30 November 2015	**132,133**	**16,105**	**77,223**	**225,461**
At 30 November 2016	**135,524**	**12,388**	**71,431**	**219,343**

On 6 January 2016 AHL Anglia Limited, a Group subsidiary, acquired a 50% interest in TLP Holdings Limited. The Group is exposed to variable rates of return from this investment, has the power to direct the relevant activities of TLP Holdings due to being a customer with a significant proportion of TLP holding sales and is therefore deemed to have control. The cash payment of £2,660,764 acquired net assets with an unadjusted fair value of £1,011,000, primarily relating to cash of £655,000, property plant and equipment of £56,000 and working capital balances of £300,000. A non-controlling interest has been recognised at £1,750,000 which represents its fair value. The transaction resulted in goodwill upon acquisition of £3,391,000 due to anticipated future benefits in margin. TLP Holdings Limited will provide driver related services and support the Group with its anticipated growth plans. From the date of acquisition, TLP Holdings Limited has contributed £1,800,000 of revenue and £1,600,000 to the net profit after tax of the Group. The remaining Goodwill and Customer Relationship intangible assets were acquired as part of the acquisition of the Eddie Stobart Logistics Limited Group.

Brand names comprise the Eddie Stobart trademark and designs, which have been licensed to the Group and are being amortised over 6 years. Customer relationships represent the existing contractual and expected future relationships with customers of the Group at the point of acquisition and are being amortised over 15 years.

Goodwill is considered to have an indefinite life because there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group. Factors taken into consideration in this judgment are the long period over which the business has been established, the strength of the brand awareness and the longevity of the industries in which the business is involved.

The goodwill has been allocated to cash generating units (CGUs), which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. This allocation is shown in the table below:

	General Transport £'000	Ports £'000	Automotive £'000	The Logistics People £'000	Total £'000
Goodwill at 30 November 2014	125,574	5,559	1,000	—	**132,133**
Goodwill at 30 November 2015	125,574	5,559	1,000	—	**132,133**
Goodwill at 30 November 2016	125,574	5,559	1,000	3,391	**135,524**

The recoverable amount of goodwill is determined from value-in-use calculations, which are prepared for each CGU and use budgeted cash flows for year one and cash flow projections for years 2 and 3. Years 4 and 5 are extrapolated from these projections and terminal cash flows are based on year 5, assumed to grow perpetually at 2.5%. The key assumptions forming inputs to the cash flows are in revenues and margins. Future revenues have been assessed by reference to existing contracts and an estimate of market volumes, which in turn have been assessed through discussions with customers and an assessment of the expected trends in wider economic factors. Margins have been assumed to remain broadly at existing levels with the exception of Ports, where the strategic goal to become a national operator resulted in speculative costs being incurred in target growth areas. Anticipated growth towards the end of the year did not materialise, however the Directors remain confident in the strategic plan and business model. In the event that this plan is not delivered, there is a future risk of impairment. All forecasts have been discounted at a pre-tax discount rate of 12%. No impairment losses have been recognised in the year. For General Transport, Automotive and TLP Holdings Limited the value in use calculation is most sensitive to the discount rate and projected margins. Management believes that no reasonable adjustment to the discount rate or projected margins would cause the carrying value of the unit to exceed its recoverable amount.

13. Investments in Equity Accounted Investees

	2016 £'000	2015 £'000	2014 £'000
Interests in joint ventures			
Balance b/f	419	845	—
Acquisitions through business combinations	—	—	855
Post-tax share of profits	428	286	165
Dividends paid to Group companies	—	(197)	(145)
Disposal of equity accounted investee	—	(439)	—
Exchange movement	92	(76)	(30)
At 30 November	939	419	845
Represented by			
Property, plant and equipment	46	38	75
Current assets	1,994	951	4,525
Current liabilities	(1,101)	(570)	(3,755)
Share of net assets	939	419	845

The Group acquired a 50% shareholding in Transport Service & Logistics GMBH. Details of joint ventures at 30 November 2016 are shown in note 29.

14. Inventories

	2016 £'000	2015 £'000	2014 £'000
Fuel and lubricants	2,039	1,720	1,871
Consumable supplies	318	223	298
	2,357	1,943	2,169

There is no impairment provision in respect of inventories. Inventories represent the value of fuel, lubricants and consumable supplies as at 30 November 2016. Purchases of these goods during the year are charged directly to the consolidated Income Statement and as such the value of inventories expensed or credited to the Consolidated Income Statement during the year represents the difference between the opening and closing balances.

15. Trade and Other Receivables

	2016 £'000	2015 £'000	2014 £'000
Trade receivables	89,228	78,350	85,905
Less provision for impairment of trade receivables	(68)	(211)	(295)
Trade receivables – net	89,160	78,139	85,610
Amounts owed by associates and joint ventures	—	641	231
Other receivables and prepayments	44,656	36,141	30,769
	133,816	114,921	116,610

The ageing of trade receivables and associated provision for impairment is detailed below:

	2016		2015		2014	
	Trade receivables £'000	Provision for impairment £'000	Trade receivables £'000	Provision for impairment £'000	Trade receivables £'000	Provision for impairment £'000
Current	67,920	—	55,507	—	55,871	—
Overdue less than 1 month	18,377	—	20,139	—	26,821	—
Overdue 1 – 2 months	1,895	—	2,065	—	3,064	(182)
Overdue more than 2 months	1,036	(68)	639	(211)	149	(113)
	89,228	(68)	78,350	(211)	85,905	(295)

16. Cash and Cash Equivalents

	2016 £'000	2015 £'000	2014 £'000
Cash at bank and in hand	14,083	4,097	8,374

17. Trade and Other Payables (Current)

	2016 £'000	2015 £'000	2014 £'000
Trade payables	57,774	56,178	61,409
Tax and social security	7,010	4,846	6,925
Amounts owed to associates and joint ventures	—	601	574
Other payables, accruals and deferred income	44,763	36,804	38,713
Interest rate swap	1,034	1,184	1,210
	110,581	99,613	108,831

18. Trade and Other Payables (Non-current)

	2016 £'000	2015 £'000	2014 £'000
Government grants	—	635	595
Employee benefits	43	—	—
Deferred lease liability	11,140	9,466	7,776
Deferred income	3,348	6,211	7,644
Interest rate swap	968	1,104	1,078
	15,499	17,416	17,093

19. Financial Assets and Liabilities

	2016 £'000	2015 £'000	2014 £'000
Current			
Fixed rate			
Finance lease and hire purchase obligations	4,360	5,203	5,828
Bank loans	571	—	—
Variable rate			
Bank loans	1,281	301	5,341
	6,212	5,504	11,169
Non-current			
Fixed rate			
Bank loans fixed by virtue of interest rate swap	95,425	94,375	93,326
Bank loans	1,794	1,443	1,967
Loan notes, including interest	32,346	28,363	24,762
Finance lease and hire purchase obligations	7,527	7,572	16,375
	137,092	131,753	136,430
Variable rate			
Bank loans	36,283	36,711	52,190
	173,375	168,464	188,620
Total Loans and borrowings	179,587	173,968	199,789
Cash	14,083	4,097	8,374
Net debt	165,504	169,871	191,415

Included in the analysis above are bank fees of £7.3m (2015: £9.0m) (2014: £10.7m) at the year end, which have been netted against the principal loans outstanding. During the year bank fees of £1.7m (2015: £1.7m) (2014: £1.1m) were amortised through the Consolidated Income Statement.

Finance Facilities

Loan notes

The Group issued Loan Notes of £22.8m on 10 April 2014. The Loan Notes attract a fixed rate of interest that is converted to PIK Notes on each anniversary of the issue. The PIK Notes attract the same rate of fixed interest as the loan notes which is converted into further PIK Notes on each anniversary of the issue. The Loan Notes and PIK Notes are repayable in April 2022.

Borrowing facilities

On 10 April 2014, the Group drew down finance facilities of £160.0m with associated fees of £11.8m. The facility is secured on assets of the Group, is subject to a variable rate of interest and subject to certain conditions is repayable in full in April 2021. The Group entered into an interest rate swap in order to hedge the variable rate of interest on a proportion of this loan, for a period of its duration. The swap is for a principal of £100.0m, was first effective from 10 November 2014 and is in place until April 2018. The swap was assessed as being highly effective both during the year and in the estimate of future interest cash flows which it is hedging. An unrealised loss on the fair value of the swap of £2.3m was included in other comprehensive income at 30 November 2014, arising because the fixed rate in the swap is higher than current LIBOR. There was no change in fair value at 30 November 2015. At the 30 November 2016 balance date the fair value was £2.0m, resulting in a £0.3m gain in other comprehensive income.

In the UK, the Group also has access to a revolving finance facility of up to £50.0m though normally restricted to £40.0m, which is dependent upon and secured against assets within the Group. The facility is subject to a variable rate of interest and is in place until 2021. The Group has finance facilities in Belgium which are secured against assets in that region and comprise an overdraft of €1.5m, subject to a variable rate of interest and available over 7 years to 2021, and a loan of €3.0m, subject to a fixed rate of interest and repayable in equal quarterly instalments over 7 years to 2021. During the year a new facility of €1.5m has been agreed at a fixed rate of interest and and repayable in equal quarterly instalments over 5 years to 2021. The facilities are secured against specific assets in the Group.

Maturity Profile of Financial Liabilities

The maturity profiles (including interest payments in respect of finance lease and hire purchase liabilities) of financial liabilities are shown in the table below:

Maturity profile at 30 November 2016	**Due within 1 year £'000**	**Due between 1 and 5 years £'000**	**Due after 5 years £'000**	**Total £'000**
Financial liabilities				
Bank loans and interest	13,859	171,409	56,949	242,217
Interest rate swaps	1,034	969	—	2,003
Trade payables	57,774	—	—	57,774
Finance lease and hire purchase obligations	4,569	7,818	52	12,439
	77,236	180,196	57,001	314,433

Maturity profile at 30 November 2015	Due within 1 year £'000	Due between 1 and 5 years £'000	Due after 5 years £'000	Total £'000
Financial liabilities				
Bank loans and interest	7,931	32,079	196,616	236,626
Interest rate swaps	1,184	1,104	—	2,288
Trade payables	56,178	—	—	56,178
Finance lease and hire purchase obligations	5,600	8,068	96	13,764
	70,893	41,251	196,712	308,856

Maturity profile at 30 November 2014	Due within 1 year £'000	Due between 1 and 5 years £'000	Due after 5 years £'000	Total £'000
Financial liabilities				
Bank loans and interest	13,955	35,682	224,156	273,793
Interest rate swaps	1,212	1,327	—	2,539
Trade payables	61,409	—	—	61,409
Net amounts owed to associates and joint ventures	343	—	—	343
Finance lease and hire purchase obligations	6,689	15,813	2,626	25,128
	83,608	52,822	226,782	363,212

Foreign exchange differences on retranslation of these assets and liabilities are taken to the Consolidated Income Statement except where those assets and liabilities are held in entities denominated in foreign currency in which case differences are taken to reserves as described in note 1.

The minimum lease payments under finance leases fall due as follows:

	2016 £'000	2015 £'000	2014 £'000
Within 1 year	4,569	5,600	6,689
Between 1 and 5 years	7,818	8,068	15,813
After 5 years	52	96	2,626
	12,439	13,764	25,128
Future finance charges on finance leases	(552)	(989)	(2,925)
Present value of finance lease liabilities	11,887	12,775	22,203

The obligations under finance leases and hire purchase contracts are taken out with various lenders at interest rates prevailing at the inception of the contracts.

Financial Risks and Capital Management

Through its operations, the Group is exposed to the following financial risks:

- Funding and liquidity risk
- Credit risk from trade receivables
- Interest rate cash flow risk from variable rate bank loans
- Foreign exchange risk

In the process of managing these financial risks, the Group uses the following financial instruments:

- Cash at bank
- Bank loans
- Trade receivables, including amounts owed by associates and joint ventures
- Trade and other payables, including amounts owed to associates and joint ventures
- Finance leases and hire purchase agreements

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

(i) Funding and Liquidity Risk

The Group finances its operations by a combination of equity, bank loans, leases, working capital and retained profits. The Group undertakes short term cash forecasting to monitor its expected cash flows against its cash availability and finance facilities. The Group also undertakes longer term cash forecasting to monitor its expected funding requirements in order to meet its current business plan, in the context of its existing facilities and to identify any requirement for future funding facilities. The Group monitors its current and forecast financial performance against its banking covenants to ensure that it remains compliant with their requirements. The Group also maintains an active dialogue with a wide range of finance providers in order to ensure that it is aware of all possible sources of finance when it is assessing the availability and cost of providing for the funding requirements in the current business plan.

(ii) Credit Risk

The Group's principal exposure to credit risk is in its trade receivables arising from credit sales. A large proportion of the Group's trade receivables are covered by insurance. In accordance with this insurance policy and also carried out as Group policy in other uninsured credit sales, the Group carries out procedures to assess the credit risk of new customers before entering into new contracts, sets credit limits accordingly and monitors outstanding receivables balances in accordance with these. The Board places significant emphasis on credit control and any changes in debtor payment profiles are identified and acted upon. The age profile of outstanding trade debtors is shown in note 13, together with associated provisions against recoverability, which gives an indication of the level of credit risk to which the Group is exposed.

(iii) Interest Rate Cash Flow Risk

Some of the Group's borrowings are issued at variable rates that expose the Group to interest rate cash flow risk. The Group's exposure to floating rate interest is modelled in its budgets and forecasts. The Group's principal strategy is to manage its treasury position to reduce borrowing requirements and therefore its exposure to interest cost. As such, the current exposure to volatility in interest rates is limited and the Group estimates that a rise of 0.5% in interest rates would have reduced pre-tax profits by approximately £180,000 for the year ended 30 November 2016 (2015: £180,000 pre-tax profits). (2014: £150,000 pre-tax profits)

(iv) Foreign Exchange Risk

The Company's functional currency is Pound Sterling. The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the Euro. Due to the unpredictable nature of denominated cash flows, and a significant degree of natural hedging arising from purchases and receipts in Euros, the Board does not currently seek to hedge its exposure to foreign exchange risk. The Group estimates that a 5% weakening of the Euro from the year end exchange rate would decrease net assets by approximately £1,220,000 (2015: £680,000 decrease in net assets) (2014: £600,000 decrease in net assets)

Capital Management

Capital comprises share capital, retained profits and borrowing facilities. The Group's short to medium-term strategy continues to be to strengthen its capital base in order to sustain the future development of the business and therefore the current policy is to reinvest profits rather than recommend the payment of dividends. The Group also focuses on the management and control of working capital in order to reduce net debt, whilst allowing for capital investment in assets for the future development of the business. The Group has also secured finance facilities that contain sufficient headroom to allow for business growth in the event that market volumes significantly increase or incremental turnover is obtained through organic growth or acquisition.

Fair Value of Financial Assets and Liabilities

The Book value and comparable fair value of the Group's financial assets and liabilities are shown in the table below.

		2016		2015		2014	
		Book value £'000	**Fair value £'000**	**Book value £'000**	**Fair value £'000**	**Book value £'000**	**Fair Value £'000**
Classification	Valuation method						
Financial assets							
Cash	Level 1	14,083	14,083	4,097	4,097	8,374	8,374
Trade receivables	Level 2	89,160	89,160	78,139	78,139	85,610	85,610
Amounts owed by associates and joint ventures	Level 2	—	—	39	39	—	—
Financial liabilities							
Trade payables	Level 2	57,774	57,774	56,178	56,178	61,409	61,409
Amounts owed by associates and joint ventures	Level 2	—	—	—	—	343	343
Bank loans	Level 2	167,700	167,700	161,193	161,193	177,586	177,586
Interest rate swap	Level 2	2,003	2,003	2,288	2,288	2,288	2,288
Finance lease and hire purchase obligations	Level 2	11,887	11,887	12,775	12,775	22,203	22,203

The Group uses the following valuation methods for measuring the fair value of financial instruments:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are based on data from active markets.

Level 3: Other techniques for which all inputs which have a significant effect on the recorded fair value are not based on data from active markets.

20. Provisions

	Lease remediation £'000	Onerous contract provisions £'000	Employee restructuring costs £'000	Other £'000	Total £'000
Balance at 1 March 2014					
Acquired with business combination	394	1,200	771	64	2,429
Provisions made	40	—	851	—	891
Provisions used	—	(1,200)	—	(15)	(1,215)
Movement in foreign currency translation	(14)	—	—	—	(14)
Balance at 30 November 2014	**420**	**—**	**1,622**	**49**	**2,091**
Provisions made	792	—	3,119	—	3,911
Provisions used	—	—	(1,915)	(49)	(1,964)
Movement in foreign currency translation	—	—	—	—	—
Balance at 30 November 2015	**1,212**	**—**	**2,826**	**—**	**4,038**
Provisions made	509	—	—	—	509
Provisions used	(391)	—	(824)	—	(1,215)
Provision released	(400)	—	(719)	—	(1,119)
Movement in foreign currency translation	69	—	—	—	69
Total	(211)	—	(1,543)	—	(1,754)
Balance at 30 November 2016	**999**	**—**	**1,283**	**—**	**2,282**

Analysis of total provisions:

	2016 £'000	2015 £'000	2014 £'000
Current	1,259	3,456	1,638
Non-current	1,023	582	453
	2,282	4,038	2,091

Employee claims

The Group has various on-going and potential litigations and claims, principally relating to accidents in the workplace. These cases are being defended, however, a provision is held to cover the estimated future liability to the Group.

Lease remediation

A provision is held across the Group property portfolio for future dilapidation costs and site restoration.

21. Deferred Tax

Deferred tax is calculated in full on temporary differences using the liability method, and predominantly relates to UK balances, using a tax rate of 17% (2015 18%) (2014 20%)

	2016 £'000	2015 £'000	2014 £'000
Deferred tax brought forward	(11,793)	(13,224)	—
Acquired with business combinations	—	—	(14,578)
Transfer to the Consolidated Income Statement	1,338	2,115	767
Deferred tax on items recognised directly in equity	(71)	(684)	587
Deferred taxation	(10,526)	(11,793)	(13,224)
The timing of the recovery of the deferred tax asset is expected to be:			
– in less than 1 year	(1,582)	(1,079)	(1,226)
– in more than 1 year	(8,944)	(10,714)	(11,998)

Deferred tax assets have been recognised in respect of pension deficits, the fair value of financial instruments, accelerated capital allowances and other temporary differences giving rise to deferred tax assets because it is probable that these assets will be recovered.

	At 30 November 2016 £'000	(Charged) / credited to the Consolidated Income Statement £'000	(Charged) / Credited directly to equity £'000	Acquired with business combinations £'000
Tax effects of temporary differences due to:				
Intangible assets	(11,108)	2,107	—	—
Accelerated capital allowances	370	(522)	—	—
Revaluations	(292)	17	—	—
Losses	122	122	—	
Pension scheme deficits	—	—	—	—
Hedging instruments	341	—	(71)	—
Other temporary differences	41	(386)	—	—
	(10,526)	1,338	(71)	—

	At 30 November 2015 £'000	(Charged) / credited to the Consolidated Income Statement £'000	(Charged) / Credited directly to equity £'000	Acquired with business combinations £'000
Tax effects of temporary differences due to:				
Intangible assets	(13,215)	3,084	—	—
Accelerated capital allowances	892	(1,352)	—	—
Revaluations	(309)	35	—	—
Pension scheme deficits	—	50	(639)	—
Hedging instruments	412	—	(45)	—
Other temporary differences	427	298	—	
	(11,793)	2,115	(684)	—

	At 30 November 2014 £'000	(Charged) / credited to the Consolidated Income Statement £'000	(Charged) / Credited directly to equity £'000	Acquired with business combinations £'000
Tax effects of temporary differences due to:				
Intangible assets	(16,299)	1,076	—	(17,375)
Accelerated capital allowances	2,244	(259)	—	2,503
Revaluations	(344)	—	—	(344)
Pension scheme deficits	589	(50)	130	509
Hedging instruments	457	—	457	—
Other temporary differences	129	—	—	129
	(13,224)	767	587	(14,578)

Unprovided deferred tax assets, which are unprovided because they may not be recovered, are as follows:

	2016 £'000	2015 £'000	2014 £'000
Trading losses	4	191	2,364
Non-trading losses	904	1,019	
Capital losses	2,253	821	912

22. Capital and reserves

Share Capital and Share Premium

	Share capital £'000	Share premium £'000
Ordinary share capital		
703,000 authorised shares of £1 each	703	64,647

No new share capital was issued during the year.

Nature and Purpose of Reserves

(i) Translation reserve – represents the gains and losses arising on retranslating the net assets of overseas operations into Sterling. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(ii) Hedge reserve – the hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows. During the year, £71k (2015: £45k) (2014: -£457k) was recognised in equity in relation to the hedge. No amount was removed from equity and included in profit or loss for the period. The cash flows in relation to the hedge are payable on an ongoing basis

23. Employees and Directors

The average number of persons (including Directors) employed by the Group during the year was:

	Year ended 30 November 2016	Year ended 30 November 2015	Period ended 30 November 2014
Average monthly number of employees			
Drivers	2,423	2,425	2,204
Other direct staff	724	818	701
Administration and support staff	1,499	1,365	1,272
	4,646	4,608	4,177

	£'000	£'000	£'000
Staff costs for the Group during the year			
Wages and salaries, including payments on termination	133,106	127,083	85,098
Social security costs	13,485	12,881	8,477
Pension	2,865	3,816	1,995
	149,456	143,780	95,570

Directors' remuneration

	£'000	£'000	£'000
Emoluments and benefits in kind	221	203	130
Other pension costs – defined contribution plans	13	13	11
Total directors remuneration	234	216	141

All amounts shown above are borne by subsidiary undertakings. Emoluments paid to the highest paid director were £121,000 (2015: £115,000) (2014: £93,000), including pension contributions of £13,000 (2015: £13,000) (2014: £11,000).

24. Operating Lease Arrangements

At the year end the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2016		2015		2014	
	Plant and equipment £'000	**Land and Building £'000**	**Plant and equipment £'000**	**Land and buildings £'000**	**Plant and equipment £'000**	**Land and buildings £'000**
within 1 year	39,644	28,155	35,052	27,562	29,654	22,023
between 1 and 5 years	52,654	93,794	39,665	94,731	34,661	74,194
due after 5 years	10,128	237,790	3,742	249,163	1,114	161,974
	102,426	359,739	78,459	371,456	65,429	258,191

25. Related Party Disclosures and Ultimate Parent Undertaking

During the year the Company entered into commercial transactions with related parties as shown in the table below.

2016 Related Party Disclosures	**Description of related party**	**Sales to related party £'000**	**Purchases from related party £'000**	**Balance owed by related party £'000**	**Balance owed to related party £'000**
Stobart Group Limited and Subsidiaries	a	1,287	4,097	183	(174)
AstSigns Limited	b	31	302	31	(30)
Oakfield Manor Estates Limited	b	18	—	1	—
WS Transportation Limited	b	1,241	1,837	505	(208)
DBAY Advisors Limited	c	—	1,233	—	(270)
Greenwhitestar Holding Company 1 Limited	d	—	500	—	(157)
Greenwhitestar Holding Company 2 Limited	e	3,481	—	—	(32,395)

2015 Related Party Disclosures	**Description of related party**	**Sales to related party £'000**	**Purchases from related party £'000**	**Balance owed by related party £'000**	**Balance owed to related party £'000**
Stobart Group Limited and Subsidiaries	a	5,484	2,815	1,838	(1,364)
AstSigns Limited	b	—	351	(144)	
Oakfield Manor Estates Limited	b	75	—	3	
WS Transportation Limited	b	588	290	315	—
DBAY Advisors Limited	c	—	1,900	229	(1,457)
Greenwhitestar Holding Company 1 Limited	d	—	500	(163)	—
Greenwhitestar Holding Company 2 Limited	e	9,124	3,491	—	(28,363)

2014 Related Party Disclosures	Description of related party	Sales to related party £'000	Purchases from related party £'000	Balance owed by related party £'000	Balance owed to related party £'000
Stobart Group Limited and subsidiaries	a	12,234	5,823	2,257	(743)
WA Developments International Limited	b	19	10	3	—
Apollo Air Services Limited	b	—	16	—	—
AstSigns Limited	b	—	124	—	(38)
Mega Pink Horse Limited	b	11	—	8	—
Oakfield Manor Estates Ltd	b	25	81	—	(10)
WS Transportation Limited	b	396	—	220	—
DBAY Advisors Limited (DBAY)	c	—	1,273	—	(792)
Greenwhitestar Holding Company 2 Limited	e	—	2,003	—	(24,872)

The nature of the relationship and the transactions entered into with the related parties are:

a) Stobart Group Limited and its subsidiary undertakings are a related party on the basis of the 49% economic interest held in the Group. During the year, the Group makes purchases of property rents and transport services and provides haulage services to Stobart Group in the normal course of business.

b) W Stobart is a director of the Company and has interests in shares in the companies indicated. During the year, the Group made purchases relating to the provision of branded products and vehicle advertising from AstSigns Limited, provided haulage services to Oakfield Manor Estates Limited and WS Transportation Limited and made purchases of haulage services from WS Transportation Limited.

c) DBAY Advisors Limited, also incorporated in the Isle of Man, is deemed to be the controlling party of Greenwhitestar Holding Company 1 Limited and Advisors is the fund manager of DouglasBay Capital Fund II LP, which is beneficially interested in the Company. During the year the Group made purchases in respect of management services provided by DBAY Advisors Limited.

d) Greenwhitestar Holding Company 1 Limited (GWHC1) is the immediate parent company of GWHC2 and charged a management fee for services rendered during the year.

e) Greenwhitestar Holding Company 2 Limited (GWHC2) is the Company's immediate parent company. GWHC2 holds the Eurobond note described in note 16, which together with the accrued PIK note interest represent a balance of £32,395,000. Eddie Stobart Limited also provided and invoiced property related services to GWHC2 during the year of £3,481,000.

The Group's ultimate parent undertaking is disclosed in note 33 to the Company's Financial Statements

26. Contingent Liabilities

There is an unlimited bank cross guarantee arrangement between the Company and its fellow subsidiary undertakings. The maximum potential liability at 30 November 2016 was £139.0m (2015: £139.0m) (2014: £160.6m).

27. Capital commitments

At 30 November 2016, the Group had commitments of £3.2m (2015: £3.4m) (2014: £3.7m).

28. Acquisition of Eddie Stobart Logistics Limited

On 10 April 2014, the Company acquired, through its wholly-owned subsidiary Greenwhitestar Acquisitions Limited, 100% of the share capital of Eddie Stobart Logistics Limited.

The previous carrying value and the fair value of the identifiable assets and liabilities of the aggregated companies acquired within the Eddie Stobart Logistics Group at the date of acquisition are shown in the table below:

Identifiable assets acquired and liabilities assumed	**Previous carrying value £'000**	**Adjustments £'000**	**Fair value recognised on acquisition £'000**
Property, plant and equipment	51,754	(4,813)	46,941
Investments in associates and joint ventures	855	—	855
Goodwill	40	(40)	—
Intangible assets: customer relationships	—	86,876	86,876
Deferred tax	4,525	(19,103)	(14,578)
Cash and cash equivalents	6,391	—	6,391
Trade receivables[(1)]	84,789	—	84,789
Other receivables	47,472	(8,920)	38,552
Inventories	2,696	(250)	2,446
Trade payables	(42,803)	—	(42,803)
Other payables and deferred income	(42,756)	(1,606)	(44,362)
Finance lease liabilities	(30,035)	—	(30,035)
Loans and borrowings	(36,165)	—	(36,165)
Pension scheme liabilities	(2,545)	—	(2,545)
Provisions	(459)	(1,970)	(2,429)
Total net assets acquired	**43,759**	**50,174**	**93,933**
Total consideration transferred			**226,000**
Non-controlling interests, based on their proportionate interest in the net assets acquired			**66**
Goodwill arising on acquisition			**132,133**

(1) Gross contractual amounts receivable of £86,2m, net of provisions of £1,4m.

The goodwill arising on acquisition represents the projected profitability of the Group, including the assembled workforce, together with further potential to exploit synergies between business units and within the transport sector as a whole. None of this goodwill is expected to be deductible for corporation tax purposes.

The consideration was transferred upon acquisition and there is no further contingent consideration. Transaction costs associated with the acquisition were borne by holding companies in the Group, above the Company, and not recharged to the Company.

29. Disposal of the UK Automotive and Logistics Business

The Group disposed of a controlling interest in the UK Automotive and Logistics Business on 25 August 2015, whilst retaining its interest in the European based vehicle logistics business.

The results of the disposed businesses have been reported separately as a single amount presented within discontinued operations. The operation represented a separate major line of business.

The profit, net of tax, from discontinued operations for 2015 was £7,042,000. The consideration, net of disposal costs, was £15,750,000, all paid in cash. The profit on disposal recorded within discontinued operations was £7,465,000 after deducting fees and other costs directly related to the disposal. Immediately prior to disposal, a revaluation of the defined benefit scheme led to a defined benefit actuarial loss of £438,000. This loss was recorded in the Statement of Comprehensive Income and reduced the net assets of the disposed of entities by an equal amount.

	Year ended 30 November 2015 £'000
Results of discontinued operations	
Revenue	**54,648**
Cost of sales	**(51,455)**
Administrative expenses	**(3,232)**
Operating (loss) / profit	**(39)**
Transaction costs	**(234)**
Restructuring costs	**(18)**
Net finance costs	**(132)**
Profit on disposal of business	**7,465**
Profit before tax	**7,042**
Tax	**—**
Profit for the period from discontinued operations, net of tax	**7,042**

	Year ended 30 November 2015 £'000
Cash flows used in discontinued operations	
Net cash from operating activities	**678**
Net cash from investing activities	**323**
Net cash used in financing activities	**(19)**
Net cash flows for the year	**982**

A full listing of the entities disposed of as part of the disposal is provided below:

Company name	Business activity	Proportion of ordinary share capital held: Directly	Proportion of ordinary share capital held: Indirectly	Country of incorporation
Subsidiary undertakings				
Walon Limited	Contract logistics		100%	England
Walon Automotive Services Limited	Contract logistics		100%	England
Stobart Automotive Limited	Holding company		100%	England
Sensible Automotive Limited	Contract logistics		100%	England
Autotrax Limited	Property investment		76%	England
Autolink Limited	Contract logistics		100%	England

30. Investments in Subsidiary Undertakings

The cost and provisions for impairment of the Company's investments are shown below:

	Subsidiary undertakings £'000
Cost and net book value	
At 30 November 2014 and 30 November 2015 and 30 November 2016	65,300

The subsidiary undertakings of the Company, and those of the Group whose results or financial position, in the opinion of the Directors, principally affect the consolidated results, are set out below as at 30 November 2016.

Company name	Business activity	Proportion of ordinary share capital held		Country of incorporation
		Directly	Indirectly	
Subsidiary undertakings				
Greenwhitestar Acquisitions Limited	Holding company	100%		England
Eddie Stobart Logistics Limited	Holding company		100%	England
Stobart Rail Freight Limited	Contract logistics		100%	England
O'Connor Container Transport Limited	Contract logistics		100%	England
O'Connor Container Storage Limited	Contract logistics		100%	England
Westlink Storage & Shipping Company Limited	Contract logistics		100%	England
Stobart Transport & Distribution Limited	Holding company		100%	England
AHL Anglia Limited (formerly Autologic Holdings Limited)	Holding company		100%	England
Eddie Stobart Limited	Contract logistics		100%	England
Eddie Stobart Group Limited	Holding company		100%	England
Eddie Stobart (Ireland) Limited	Contract logistics		100%	Ireland
Eddie Stobart (Ireland) Driver Services Limited	Contract logistics		100%	Ireland
Eddie Stobart Belgium NV	Contract logistics		100%	Belgium
Stobart Truckstops Limited	Contract logistics		100%	England
Stobart Automotive Europe BV	Contract logistics		100%	The Netherlands
Stobart Automotive Belgium NV	Contract logistics		100%	Belgium
Stobart Automotive CZ s.r.o.	Contract logistics		100%	Czech Republic
Walon BV	Contract logistics		100%	The Netherlands
TLP Holdings Limited	Holding company		50%	England
The Logistics People Limited	Contract logistics		50%	England
Joint Ventures				
Transport-Service Klingels-Willems NV	Contract logistics		50%	Belgium
Transport Service & Logistics GMBH	Contract logistics		50%	Germany
Transport Service & Releasing Iberia S.L.	Contract logistics		33%	Spain

31. Ultimate Parent Undertaking

The immediate parent undertaking is Greenwhitestar Holding Company 2 Limited. The ultimate parent undertaking for which group financial statements are drawn up and of which the company is a member is Greenwhitestar Holding Company 1 Limited, incorporated in the Isle of Man. Greenwhitestar Topco Limited, also incorporated in the Isle of Man, is deemed to be the controlling party of Greenwhitestar Holding Company 1 Limited. Copies of the financial statements can be obtained from the Company Secretary, Eddie Stobart Logistics plc, Stretton Green Distribution Park, Appleton, Warrington, Cheshire, WA4 4TQ.

32. Subsequent Events

Subsequent to balance sheet date the Group acquired 100% of the share capital of iForce Group Ltd for consideration of £44.9m.

PART V

UNAUDITED FINANCIAL INFORMATION FOR THE PERIOD 1 DECEMBER 2013 TO 9 APRIL 2014

Eddie Stobart was acquired by Greenwhitestar 1 on 10 April 2014. Prior to this it was under the ownership of Stobart Group Limited. Accordingly, during the period from 1 December 2013 to 9 April 2014, it was not within the current ownership structure. During this period, Eddie Stobart went through a complex restructure whereby certain operating activities were ''carved out'' of Eddie Stobart. In addition, a number of assets were transferred between Greenwhitestar 1 and Stobart Group Limited. As a result, it has not been possible for the Board to prepare audited financial information for this period on a meaningful and comparable basis.

The Directors have reviewed the underlying financial information available for this period.

Unaudited revenue of the Eddie Stobart operating businesses (excluding any contribution from the Automotive UK business that was sold in 2015) for the four month period from 1 December 2013 to 31 March 2014 was £154.7 million. Audited revenue from continuing operations for the period from 1 April 2014 through 30 November 2014 was £346.5 million. Accordingly, *pro forma* revenue for the 12 months ended 30 November 2014 was £501.2 million. It has not been possible to comment on operating margins for this period as there were numerous intercompany transactions that could not be disaggregated from the Eddie Stobart trading group.

Unaudited net assets of the Eddie Stobart carved out businesses at 30 November 2013 were £194.2 million. This figure was extracted from a carved out balance sheet prepared for the purpose of the acquisition of Eddie Stobart. The carved out balance sheet represents an aggregation of the individual balance sheets of the Ports, Road, Warehousing and Rail & Freight segments of the Group as well as the Automotive business that was subsequently sold.

During the period between 1 December 2013 to 9 April 2014, the Eddie Stobart business traded in line with the prior period and had no material customer losses. Following its acquisition by Greenwhitestar 1, Eddie Stobart continued to trade broadly in line with the period from 1 December 2013 to 9 April 2014. No significant customers were lost nor were any significant new customers won.

The Directors are not aware of any material change to customer contracts or the cash generation from customers during this period compared with the trading of the business following its acquisition on 10 April 2014.

Due to the incomplete nature of the unaudited financial information available for this period, the Directors believe that, whilst this information presents general trading performance and trends of the business, the audited Historical Financial Information included in Part IV of this Document is a more appropriate and robust representation of the business and its performance and recommend that investors review this section of the Admission Document in detail.

PART VI

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names and functions are set out on page 8 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. All of the Directors accept individual and collective responsibility for compliance with the AIM Rules.

2. INCORPORATION AND GENERAL

(a) The Company was incorporated in England on 4 March 2014 under the name of Greenwhitestar UK plc with registered number 08922456. On 3 April 2017, the Company changed its name to Eddie Stobart Logistics plc. On 11 April 2017 the Company was re-registered as a private company with the name Eddie Stobart Logistics Limited. On 11 April 2017 the Company underwent a share capital reduction (as detailed in paragraph 3 of this Part VI below) and subsequently on 11 April 2017 re-registered as a public company with the name Eddie Stobart Logistics plc. Its registered office and its principal place of business is at Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ. It is domiciled in England.

(b) The telephone number of the Company's registered office and principal place of business is +44 (0)1925 605400.

(c) The Company is the ultimate holding company of Eddie Stobart. Eddie Stobart's activities and operations are carried on by ESLL Group Limited (formerly Eddie Stobart Logistics Limited), a wholly owned subsidiary of the Company. The Company will, upon Admission, be the holding company of Eddie Stobart and its significant subsidiaries will be:

Name	Country of Incorporation	Principal Activity	Interest held by the Company
Greenwhitestar Acquisitions Limited	England	Holding company	100%
ESLL Group Limited (formerly Eddie Stobart Logistics Limited)	Guernsey	Intermediate holding company	100%
AHL Anglia Limited	England	Intermediate holding company	100%
O'Connor Container Transport Limited	England	Operating company: ports transport	100%
O'Connor Container Storage Limited	England	Operating company container handling	100%
Stobart Transport & Distribution Limited	England	Intermediate holding company	100%
AIL Anglia Limited	England	Intermediate holding company	100%
TLP Holdings Limited	England	Joint venture holding company	50%
Eddie Stobart Group Limited	England	Intermediate holding company	100%

Name	Country of Incorporation	Principal Activity	Interest held by the Company
Eddie Stobart Limited	England	Principal operating company	100%
Stobart Truckstops Limited	England	Operating company: truck-stops	100%
IPS at Eddie Stobart Limited	England	JV Operating company: co-packing	50%
Stobart Automotive Europe NV	Belgium	Operating company: automotive	100%
Transport Service & Releasing Iberia S.L	Spain	Joint venture company	33%
European Holding Group	Netherlands	Joint venture holding company	50%
Transport Services Klingels Willems N.V	Netherlands	Joint venture non-trading company automotive	50%
Stobart Automotive Belgium NV	Belgium	Operating company: automotive sector	100%
Eddie Stobart Logistics Bulgaria OEED	Bulgaria	Operating company: employer of drivers	100%
TSL Transport Service & Logistics GmbH	Germany	Joint venture operating company	50%
Stobart (Ireland) Limited	Ireland	Operating company	100%
Eddie Stobart Logistics Europe NV	Netherlands	Operating company: general haulage	100%
Stobart Automotive CZ SRO	Czech Republic	Operating company: automotive & general haulage	100%
Autologic Benelux B.V	Netherlands	Intermediate holding company	100%
Stobart Automotive NL BV	Holland	Operating company	100%
TSK Transport Service & Koordination GmbH	Germany	JV operating company: automotive	50%
Eddie Stobart Logistics Romania Srl	Romania	Operating company	100%

3. SHARE CAPITAL

(a) The Company does not have an authorised share capital and was incorporated with a share capital of £50,000 divided into 50,000 ordinary shares of £1.00 each. On 10 April 2014 the Company allotted a further 653,000 ordinary shares. The issued share capital as at the date of this Document is as follows:

	Issued	£	Issued and fully paid no. of Ordinary Shares
Ordinary Shares of £0.01 each	357,918,800	£0.01	357,918,800

(b) The Directors were granted authority to allot Ordinary Shares for the period ending at the conclusion of the Company's annual general meeting in 2018 as follows:

- General authority pursuant to section 551 of the Act up to an aggregate nominal amount of £4,096,963 being the sum of (i) £1,056,250 (comprising the nominal value of the New Ordinary Shares plus approximately 30% thereof) for purposes of the Placing, (ii) £357,918 for purposes of the Employee Share Plans and (iii) £2,682,795 otherwise than pursuant to the Placing (comprising the value of the bonus shares allotted pursuant to paragraph 3(c) of this Part VI, plus approximately 30% thereof) on a pre-emptive basis; and
- Specific authority pursuant to section 570 of the Act to make allotments for cash up to an aggregate nominal amount of (i) £1,056,250 pursuant to the Placing and (ii) £357,918 (otherwise than pursuant to the Placing) on a non-pre-emptive basis.

(c) Prior to Admission a re-organisation of the Company's share capital took place as follows:

The Company had negative reserves of £36,082 and a share premium account of £64,647,000 as at 28 February 2017. The Company undertook a share premium cancellation on 11 April 2017 to create £64,647,000 of reserves, by way of the solvency statement process. Subsequently, on 11 April 2017 the Company made a bonus issue of 2,062,149 Ordinary Shares out of the distributable reserves created pursuant to the capital reduction which took place on 11 April 2017. The Ordinary Shares were then subdivided into 276,668,800 £0.01 shares.

(d) By a resolution of the Board passed on 18 April 2017 2017 it was resolved conditionally on (but effective immediately prior to) Admission, to (i) allot New Ordinary Shares for cash at the Placing Price pursuant to the Placing, (ii) accept subscriptions from certain Directors and senior management of the Group for Ordinary Shares for cash and (iii) issue 5,000,000 Ordinary Shares to a seller as part satisfaction of the consideration under the iForce SPA.

(e) It is intended that options will be granted pursuant to the Employee Share Plans, on or shortly after Admission, over 1,687,500 Ordinary Shares with an aggregate market value (by reference to the Placing Price) of £2,700,000. The exercise of these options may be satisfied by the Company allotting and issuing Ordinary Shares or by transferring Ordinary Shares held by the Company in treasury or by an employee benefit trust established by the Company, to the holders of such options.

(f) Save for the allotments referred to in paragraph 3(a), 3(c) and 3(d) above, and in the last two financial years ended on 30 November 2016, no capital of the Company has been allotted for cash or for a consideration other than cash.

(g) Save for the issue of the Placing Shares, the potential issue of Ordinary Shares to satisfy the options disclosed at paragraph (e) above or any other option granted pursuant to the Employee Share Plans, no capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.

(h) The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The provisions of section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be, paid up in cash other than by way of allotment to employees' share scheme as defined in section 1166 of the Act) will following Admission apply to unissued shares in the capital of the Company to the extent not disapplied pursuant to the resolutions described in paragraph 3(b) above.

(i) The Ordinary Shares are in registered form and capable of being held in uncertificated form. None of the Ordinary Shares is being marketed or made available in whole or in part to the public in conjunction with the applications for Admission.

(j) The Ordinary Shares to be transferred/issued pursuant to the Placing are being transferred/issued at a price of 160 pence per share, representing a premium of 159 pence over the nominal value of £0.01 each. The expected transfer/issue date is 25 April 2017.

(k) The currency of the issue is pounds sterling.

4. SIGNIFICANT SHAREHOLDERS

Save as disclosed in paragraph 7 below, and as set out below, the Company is not aware of any person who, at the date of this Document and immediately following Admission, is directly or indirectly interested in 3% or more of the issued share capital or voting rights of the Company:

	As at the date of this Document		Upon Admission	
Name	**Ordinary Shares held**	**Percentage of Existing Ordinary Share Capital**	**Ordinary Shares held**	**Percentage of Enlarged Ordinary Share Capital**
Greenwhitestar 2	276,668,800	100.0%	107,375,641	30.0%
Woodford Asset Management Limited	—	—	71,250,000	19.9%
AXA Investment Managers UK Limited	—	—	25,000,000	7.0%
Invesco Asset Management Limited	—	—	18,125,000	5.1%
Schroders Investment Management Limited	—	—	13,577,500	3.8%

5. ARTICLES OF ASSOCIATION

(a) **Articles**

On 11 April 2017, the Company by means of a special resolution adopted new articles of association which contain (amongst others) provisions to the following effect:

Objects

The memorandum and articles of association of the Company contain no restrictions on the activities of the Company.

Variation of rights

Where the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may, subject to the Act, and any other act relating to companies be varied or abrogated in such a manner as those rights may provide for or, where no such provision is made:

- with the consent of the holders of not less than three fourths in the nominal value of the issued shares of that class; or (excluding any shares of that class held as treasury shares);
- with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Unless otherwise expressly provided by the rights attached to any class of shares, the rights attached to any shares or class of shares shall not be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* with them, or by the purchase or redemption by the Company of any of its own shares.

Transfer of shares

The instrument of transfer of a certificated share may be in any usual or common form or in any other form approved by the Directors and shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.

The Directors may refuse to register the transfer of a certificated share if:

- the transferee is or may be a Prohibited Person, or is or may be holding such Ordinary Shares on behalf of a beneficial owner who is or may be a Prohibited Person;
- the share is not fully paid;
- the transfer is not lodged at the Company's registered office or such other place as the Directors have appointed;
- the transfer is not accompanied by the certificate for the shares to which it relates, such other evidence as the Directors may reasonably require;
- the transfer is in respect of more than one class of shares; or
- the transfer is in favour of more than four transferees.

The Directors shall have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in Ordinary Shares in the Company in uncertificated form (including in the form of depositary interests or similar interests, instruments or securities).

Alteration of Share Capital

The Company may by ordinary resolution:

- consolidate or consolidate and then divide all or any of its share capital into shares of larger amounts than its existing shares;
- cancel any shares which at the date of the passing of the resolution to cancel them, have not been taken, or agreed to be taken, by any person and diminish the amounts of its share capital by the amount of shares so cancelled; and
- sub-divide its shares or any of them into shares of smaller amount than is fixed by the Articles (subject, nevertheless, to the provision of the Act and every other act, statute, statutory instrument, regulation or order being in force from time to time, concerning companies affecting the Company (the "Statutes")) and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued new shares.

Subject to statute and any rights attaching to any class of shares, the Company may purchase its own shares (including any redeemable shares).

Subject to statute and any rights attaching to any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other distributable reserve in any manner.

General Meetings

All general meetings other than the annual general meeting shall be called general meetings.

All general meetings (other than annual general meetings) shall be called by at least 14 clear days' notice and an annual general meeting shall be called by at least 21 clear days' notice, unless a longer period of notice is required in accordance with the law.

Notwithstanding the notice period specified above, a general meeting (including an annual general meeting) can be held on short notice, if so agreed by a majority of members who hold at least 95% in the nominal value of the issued shares.

The notice shall specify the place, the date and the time of the meeting, a statement that the member is entitled to appoint one or more proxies to attend, vote and speak at the meeting, the general nature of the business to be transacted at the meeting, and if any resolution is to be proposed as a special resolution the text of such resolution.

The accidental failure to give notice to any person entitled to receive notice of a general meeting, or the non-receipt by such person of such notice shall not invalidate the proceedings at that meeting.

No business other than the appointment of the chairman of the meeting shall be transacted unless a quorum of two persons entitled to vote upon the business transacted on a poll is present.

Directors' Interests in Contracts with the Company

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at the board meeting at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists or, in any other case, at the first board meeting after he knows that he is or has become so interested.

A Director shall not vote (or be counted in the quorum at a meeting) in respect of an actual or proposed transaction or arrangement with the Company in which he is interested.

Subject to statute, the Company may by ordinary resolution suspend or relax the restrictions set out above.

The restrictions set out above shall not apply and a Director may (in the absence of some other material interest) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- the giving of any guarantee, security or indemnity in respect of:
    - money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
    - a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- the giving of any indemnity where all other Directors are offered indemnities on substantially the same terms;
- any arrangement relating to the Company funding expenditure incurred by him defending proceedings of the Company or the Company doing something to enable him to avoid incurring such expenditure where all other Directors are offered substantially the same arrangements;
- any contract concerning an offer of shares or debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate in his capacity as a holder of any securities or as an underwriter or sub-writer;
- any contract in which he has an interest because of his interest in shares or debentures or other securities of the Company or because of any other interest in or through the Company;
- any contract concerning another company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he does not hold an interest in shares representing one % or more of any class of the equity share capital of such company;

- any contract for the benefit of employees of the Company or of any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the contract or arrangement relates; or
- any contract concerning the purchase or maintenance of insurance either or for the benefit of any Director or for persons who include Directors.

Directors – General

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum and not be less than two. Each Director shall be entitled to one vote and decisions shall be passed by simple majority, with the Chairman having a casting vote in the event of deadlock.

The Directors shall not be required to hold any share of the Company by way of qualification.

The aggregate fees of the Directors shall not exceed £3 million per annum. This limitation only applies to Directors' fees and not other forms of remuneration.

Any Director who holds any executive office or who performs services which in the opinion of the Directors are beyond the ordinary duties of a Director may be paid such extra remuneration (by way of salary, percentage of profits or otherwise) as the Board may determine.

Each Director will be paid all proper and reasonable expenses incurred in connection with the attendance at board meetings or general meetings or otherwise in connection with the business of the Company or in the performance of his duties as a Director.

The Directors may give or award pensions, annuities and superannuation or other allowance or benefits to any persons who are or have at any time been employed by or in the service of the Company and to the wives, husbands, civil partners, widows, widowers, children and other relatives and dependants of any such persons.

At every annual general meeting of the Company each Director shall retire from office save that the board of Directors in office at the date of adoption of the Articles shall retire from office at the second annual general meeting held by the Company.

Any person who is willing to act as a Director, and is permitted by law, may be appointed to be a Director by ordinary resolution of the Company or by a decision of the Board.

Directors' Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money, to indemnify and guarantee and/or to mortgage or charge all or part of its undertaking, property, assets (present and future) and uncalled capital and, subject to the Act, to issue debentures, loan stock or any other securities whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or any third party.

Disclosure of Interests in Shares

If the holder of, or any other person appearing to be interested in, any share has been given notice under section 793 of the Act and has failed in relation to that share (a "Default Share") to give the Company notice within the prescribed notice, the prescribed period being no less than 14 days from the date of service of the notice, the restrictions referred to in the paragraph below shall apply (save that the Directors may waive those restrictions in whole or in part at any time).

The restrictions referred to above are as follows:

- the holder of the Default Shares shall not be entitled in respect of those shares to attend or vote, either personally or by proxy at any general meeting of the Company;
- in addition, where the Default Shares in which one person is interested or appears to the Company to be interested, represent 0.25% or more of the relevant class (excluding any shares of that class held as treasury shares) the member holding

the Default Shares shall not be entitled, in respect of those shares to receive any dividends or other distributions or transfer or agree to transfer any of those shares or any rights in them.

Share Rights

Dividends

The Company may by ordinary resolution in a general meeting declare dividends but no dividend shall be payable in excess of the amount recommended by the Directors.

- Insofar as it appears to the Board that they are justified by the financial position of the Company, the Directors may pay interim dividends.
- All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.
- The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists.
- The Directors may resolve that any dividend unclaimed after a period of six years from the date such dividend became due for payment shall be forfeited in favour of the Company.
- The Company may by ordinary resolution in a general meeting, upon recommendation of the Directors, direct that payments of a dividend may be satisfied wholly or in part by the distribution of non-cash assets of equivalent value.
- The Company may by ordinary resolution in a general meeting, offer the holders of shares the right to elect to receive new shares credited as fully paid instead of cash in respect of the whole or part of any dividend.

Voting Rights

Members shall have the right to receive notice of, to attend and to vote at all general meetings of the Company. Subject to the Articles and any restrictions as to voting attached to any class of shares, on a show of hands, each holder of shares present in person or by proxy shall have one vote and upon a poll each such holder who is present in person or by proxy shall have one vote in respect of every share held by him.

A member shall not be entitled to vote at a general meeting personally or by proxy, if any call or other sum payable by such member to the Company in respect of the share held by such member, remains unpaid.

Capitalisation of Profits and Reserves

The Directors may, with the authority of an ordinary resolution of the Company:

- decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- appropriate any sums which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of a dividend and in the same proportions.

Winding Up

If the Company is being wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by law:

- divide amongst the members in specie the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how such division shall be carried out as between the members or different classes of members; and/or

- vest the whole or any part of the assets in trustees, upon such trusts for the benefit of members as the liquidator, shall think fit, but so that no member shall be compelled to accept any assets in respect of which there is any liability.

Summary

The above is a summary of certain provisions of the Articles, the full provisions of which are available on the Company's website.

(b) **Other Regulatory Matters**

Disclosure of interests in shares

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds. In addition, AIM Rule 17 requires notification without delay of any changes to the holding of a significant shareholder (as defined in the AIM Rules, which may include a Director) above 3% which increase or decrease such holding through any single percentage point. Schedule 5 to the AIM Rules specifies what information must be disclosed.

Pursuant to Part 22 of the Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company's shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

Takeovers

The Takeover Code applies to the Company. The Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM. Under Rule 9 of the Takeover Code a person who acquires, whether by a single transaction or by a series of transactions over a period of time, interests in shares which (taken with interests in shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company, is normally required to make a cash offer for all the outstanding shares of that company at not less than the highest price paid by him or them or any persons acting in concert during the offer period and in the 12 months prior to its commencement. This requirement would also be triggered by an acquisition of interests in shares by a person holding (together with its concert parties) interests in shares carrying between 30% and 50% of the voting rights in the company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Pursuant to sections 979 to 982 of the Act, where the offeror has by way of a takeover offer as defined in section 974 of the Act acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which an offer relates and where the shares to which the offer relates represent not less than 90% of the voting rights in the company to which the offer relates, the offeror may give a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire, and which he wishes to acquire, to acquire those shares on the same terms as the general offer.

Pursuant to sections 983 to 985 of the Act, where an offeror makes a takeover offer as defined by section 974 of the Act and, by virtue of acceptances of the offer and any other acquisitions holds or has agreed to acquire not less than 90% of the shares in the target (or if the offer relates to a class of shares 90% of the shares in that class) and which carry not less than 90% of the voting rights in the target, then a minority shareholder who has not accepted the offer may require the offeror to acquire his shares in the target on the same terms as the general offer.

6. EMPLOYEE SHARE PLANS

(a) SIP

The Company will establish the SIP which will be constituted by a trust deed made between the Company and Capita IRG Trustees Limited as trustee (the "Trustee"). The SIP will be funded using £2.7 million of proceeds otherwise payable to the management team by the Selling Shareholder. An additional amount of approximately £300,000 will be paid as a cash bonus to European employees not eligible to participate in the SIP.

The SIP will be an "all-employee" share incentive plan, which is intended to be approved, subject to Admission, by HMRC under Schedule 2 to the Income Tax (Earnings and Pensions Act) 2003. In accordance with relevant tax legislation, the SIP cannot be approved by HMRC until Admission has occurred. The operation of the SIP will be supervised by the Board.

Awards to satisfy the Free Shares Offer are intended to be made under the SIP on or around Admission but other awards of Free Shares may also be made subsequently. The SIP has been designed flexibly to be capable of future use by the Company and not only for the Free Shares Offer. This section summarises the key terms of the SIP as a whole and not only those that relate to the Free Shares Offer.

Use of Free Shares on Admission

Subject to Admission and HMRC approval, the SIP will initially be used to deliver the award of Free Shares to eligible employees under the Free Shares Offer on or around Admission, as described in the paragraph headed 'SIP and Free Shares Offer' in Part I of this Document. Free Shares will be awarded to each eligible employee who does not choose to opt out of the Free Shares Offer, to the maximum extent practicable.

The holding period (described below) will be between three and five years from the date of the award of Free Shares and eligible employees will forfeit their Free Shares if they cease employment with Eddie Stobart during that holding period except for the Permitted Reasons (see 'Holding period' paragraph below).

In fulfilment of the Free Shares Offer, the Company will allocate to the Trustee on or immediately after Admission 1,687,500 Ordinary Shares, which represents 0.5% of the total issued share capital of the Company on Admission.

Use of Free Shares after Admission

Free Shares that have been awarded to eligible employees on or around Admission but which are subsequently forfeited by eligible employees who leave employment with Eddie Stobart during the relevant holding period following the date of the relevant award ("Forfeited Shares") will be held by the Trustee for future allocation under the SIP or otherwise for distribution to or for the benefit of employees of the Company and Eddie Stobart from time to time. The Trustee will not be entitled to exercise any voting rights nor will it receive any dividends in respect of any Forfeited Shares for as long as such Ordinary Shares are not awarded to or held on behalf of employees of the Company and Eddie Stobart.

The impact of a takeover and a rights issue on Free Shares are set out below.

Eligibility

All employees (including directors) of the Company and any designated participating subsidiary of the Company who are UK-resident taxpayers and have such qualifying period of continuous service (not exceeding 18 months) as the Board may determine are entitled to participate in the SIP. Other employees may be permitted to participate at the Board's discretion. Free Shares may only be used for eligible employees.

Awards

Subject to the above, after Admission the Board may in its discretion operate the SIP by offering to employees eligible under the SIP some or all of the following:

- an award of Ordinary Shares for free ("Free Shares");

- the opportunity of using their pre-tax salary to buy Ordinary Shares (''Partnership Shares''); and/or
- an award of additional free Ordinary Shares (''Matching Shares'') for each Partnership Share bought.

No awards may be granted under the SIP more than 10 years after the date of Admission, without the approval of the Company's shareholders being obtained.

Ordinary Shares awarded to or purchased on behalf of employees eligible under the SIP (''SIP Participants'') will be acquired by the Trustee and held subject to the terms of the SIP on behalf of such Participants. A SIP Participant will be the beneficial owner of any Ordinary Shares held on his or her behalf by the Trustee.

Free Shares Offer

Free Shares awarded on or around the time of Admission will be awarded so that each eligible employee will receive an award of Free Shares based on their length of employment within Eddie Stobart as at Admission (the ''Eligibility Reference Date''). The Company plans to give:

- £750 worth of shares to each eligible employee who have been employed for more than 2 years as at the Eligibility Reference Date;
- £500 worth of shares for eligible employees who have been employed between 1-2 years as at the Eligibility Reference Date; and
- £250 worth of shares for eligible employees who have been employed for less than 1 year as at the Eligibility Reference Date.

The Board may on other occasions determine at its discretion whether or not Free Shares are awarded. The basis of allocation of Free Shares will be at the Board's discretion but must be awarded on the basis of an objective formula based on employees' earnings, length of service, number of hours worked or a fixed number or value, or at the Board's discretion, an objective performance criteria measuring the objective success of the individual, team, division or business. However, the maximum value of Free Shares which a SIP Participant may receive in a tax year may not exceed £3,600 (or such other limit as may be permitted by the tax legislation governing the SIP from time to time). Free Shares may be subject to forfeiture in certain circumstances (see paragraph headed 'Forfeiture' below).

Partnership Shares

No Partnership Share awards are being made on Admission or may be made as part of the Free Shares Offer. Future awards of Partnership Shares may be made under the terms of the SIP.

If Partnership Share awards were to be made, SIP Participants would use deductions from their pre-tax salary to buy Partnership Shares. The maximum amount that an eligible employee may use to acquire Partnership Shares is the lower of £1,800 and 10% of the individual's pre-tax salary in any tax year (or such other limits as may be permitted by the tax legislation governing the SIP from time to time). The minimum amount of any deduction cannot be greater than £10. Subject to the terms of the SIP rules, SIP Participants may stop and start (or, with the agreement of the Company, vary) salary deductions at any time.

The salary allocated to acquire Partnership Shares can be accumulated for a period of up to 12 months (the ''Accumulation Period'') or Partnership Shares may be purchased out of deductions from the participant's pre-tax salary as and when those deductions are made. In either case, Partnership Shares must be bought within 30 days of, as appropriate, the end of the Accumulation Period or the deduction from pay.

Once acquired, Partnership Shares are not capable of forfeiture and may be withdrawn from the SIP by the employee at any time (subject to the payment of any applicable UK income tax and National Insurance contributions).

Matching Shares

Although this SIP feature will not be applicable to Free Shares awarded as part of the Free Shares Offer, the Board may award Matching Shares for free to all SIP Participants who have purchased Partnership Shares. The Board may award up to a maximum of two Matching Shares for every Partnership Share purchased (or such other limit as may be permitted by the tax legislation governing the SIP from time to time). Matching Shares may be subject to forfeiture in certain circumstances (see paragraph headed 'Forfeiture' below).

Dividend Shares

Although this SIP feature will not be applicable to Free Shares awarded as part of the Free Shares Offer, the Board may allow or require Participants to reinvest any cash dividends that may be paid on other Ordinary Shares held in the SIP in the acquisition of further Ordinary Shares (''Dividend Shares''). Dividend Shares must be held for three years, unless the employee ceases to be employed by the Company or an Associated Company. Once acquired, Dividend Shares are not capable of forfeiture and may be withdrawn from the SIP by the SIP Participant at any time. Any dividends not reinvested in Dividend Shares will be distributed to SIP Participants.

Holding period

Free Shares and Matching Shares must be held in trust by the Trustee for a holding period specified by the Board (which must be between three and five years from the date of the award) during which the participant cannot normally withdraw the Free Shares or Matching Shares from the SIP unless he or she ceases to be employed by the Company or an Associated Company for any reason other than injury, disability, redundancy, the sale of the business or company for which an employee works, retirement or on death (''Permitted Reasons'').

The holding period for the Free Shares awarded under the Free Shares Offer will be three years.

Forfeiture

The Board may, at its discretion, provide that Free Shares and Matching Shares will be forfeited if the applicable SIP Participant ceases to be employed by the Company or an Associated Company within a period of up to three years from the date of the award of such shares other than for a Permitted Reason.

The Board has decided these terms will apply to Free Shares awarded under the Free Shares Offer.

Partnership Shares and Dividend Shares may not be forfeited, but the Board may, at its discretion, provide that, if a Participant withdraws their Partnership Shares from trust within a period of up to three years after they were acquired (other than on a corporate event or where the employee ceases to be employed by the Company or an Associated Company for a Permitted Reason), the corresponding Matching Shares will be forfeited.

Voting, dividend and other rights

Any Ordinary Shares held in trust will rank equally with Ordinary Shares then in issue. While Ordinary Shares are held in trust by the Trustee on behalf of SIP Participants under the SIP, the SIP Participant will be the beneficial owner of the Ordinary Shares and will be entitled to receive dividends (subject to any reinvestment in Dividend Shares) and through the Trustee to vote and to participate in substantially the same way as other shareholders.

To the extent that the Trustee at any time holds Ordinary Shares in the trust which are not beneficially owned by a SIP Participant, it has waived the right to receive dividends on those Ordinary Shares, other than dividends in specie or special dividends. The Trustee shall not vote on Ordinary Shares not beneficially owned by a SIP Participant at the relevant time, nor shall it vote where it has not received a direction to do so from a SIP Participant.

A SIP Participant may leave his or her Ordinary Shares in trust until he or she ceases to be employed by the Company or any Associated Company at which point (subject to any forfeiture provisions) he or she will be required to withdraw his or her Ordinary Shares from trust.

Takeover

If there is a takeover of the Company, SIP Participants will be able to direct the Trustee how to act in relation to their Ordinary Shares held in the SIP. If the consideration payable for Ordinary Shares under the takeover is in the form of shares which qualify under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003, any Ordinary Shares held by employees under their awards may be replaced by equivalent shares in the acquiring company and may remain in the SIP. In all other circumstances, Ordinary Shares (and the consideration payable for them) will be withdrawn from the Trust.

To the extent that there are Ordinary Shares in trust which represent Forfeited Shares and which are not beneficially owned by a SIP Participant at the relevant time, the Trustee shall (to the extent there is a choice of consideration) elect to receive non-cash consideration. Shares along with any other form of consideration received for Forfeited Shares, will be treated Forfeited Shares for the purposes of the SIP.

Variation of share capital

Ordinary Shares acquired on a variation of share capital of the Company, such as on a bonus issue or rights issue, will usually be treated in the same way as the Ordinary Shares acquired or awarded under the SIP in respect of which the rights were conferred and as if they were acquired or awarded at the same time. In the event of a rights issue, SIP Participants will be able to direct the Trustee how to act in respect of their Ordinary Shares held in the SIP but, if no direction is received, the Trustee will "tail swallow" i.e. sell rights nil paid in the rights issue to enable the Trustee to subscribe for the balance of any unsold rights in respect of a participant's Ordinary Shares.

To the extent that there are Ordinary Shares in trust which represent Forfeited Shares and which are not beneficially owned by a SIP Participant at the relevant time, the Trustee shall either take up its rights using external finance (in which case any Ordinary Shares acquired under the rights issue will not be treated as Excess and/or Forfeited Shares) and/or tail swallow (in which case such Ordinary Shares will be treated as Forfeited Shares for the purposes of the SIP).

Acquisition of Ordinary Shares

Subject to the SIP limit in the paragraph headed 'SIP Limit' below, the Trustee may subscribe for newly issued Ordinary Shares, purchase existing Ordinary Shares in the market or acquire Ordinary Shares from treasury in order to satisfy awards made under the SIP.

SIP limit

In any 10-year period, the number of Ordinary Shares which may be issued under the SIP and under any other Employee Share Plan may not exceed 10% of the issued ordinary share capital of the Company from time to time. Ordinary Shares held in treasury will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies recommend otherwise. Ordinary Shares purchased in the market to satisfy awards will not count towards this limit.

None of the Free Shares comprised in the Free Shares Offer that will be transferred to the Trustee on or immediately after Admission or any Ordinary Shares issued or issuable to satisfy awards under the LTIP made before Admission, will count towards this limit.

Amendments to the SIP

The Board (with the consent of the Trustee) may amend the SIP at any time, provided that the prior approval of the Company's shareholders in general meeting will be required for amendments to the advantage of participants relating to eligibility, plan limits and the basis for determining a SIP Participant's entitlement to, and the terms of, the

Ordinary Shares provided under the SIP. However, any minor amendment to benefit the administration of the SIP, to take account of legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment for SIP Participants or the Company or any member of Eddie Stobart may be made by the Board without shareholder approval. Once formal HMRC approval has been obtained, any change to the key features of the SIP requires the prior approval of HMRC.

General

Participation in the SIP does not form part of the terms of a SIP Participant's contract of employment and SIP Participants have no rights in respect of Plan benefits. Benefits received under the SIP are not pensionable, although, subject to applicable pension plan rules, participants may use the proceeds of sale from their Free Shares to pay additional voluntary contributions or make other arrangements towards their pension arrangements. With the exception of Partnership Shares, awards made under the SIP are not transferable other than to a SIP Participant's personal representatives in the event of his death.

Appointment and removal of the trustee

The Company has the power to appoint or remove any trustee of the SIP.

Termination of the SIP

The SIP may be terminated by the Board at any time or by ordinary resolution of Shareholders in general meeting. Termination will not affect outstanding rights of participants under the SIP.

(b) **LTIP**

The Company will establish the LTIP. The LTIP permits the grant of options for senior executives (''LTIP Participants'') to acquire Ordinary Shares at nil-cost (''Nil-Cost Options''). The LTIP has been designed flexibly to be capable of future use by the Company and not only for the award of Nil-Cost Options. The LTIP will be administered by the Remuneration Committee. The LTIP will require LTIP Participants who have received an Award (as defined below) to appoint Capita IRG Trustees Limited as nominee (the ''Nominee'') to hold applicable Ordinary Shares on trust for such LTIP Participant for the duration of any applicable holding period.

Eligibility

All employees within Eddie Stobart, including senior executives, will be eligible to participate in the LTIP. However, it is currently intended that only senior executives will participate in the LTIP. The Remuneration Committee will have responsibility for determining who will be granted Awards.

Awards

Subject to the above, after Admission the Board may in its discretion, operate the LTIP by offering to employees eligible under the LTIP some or all of the following:

- a right to receive a cash payment equal to the increase in value of a specified number of Ordinary Shares over a specified period of time;
- a right to receive at no cost a specified number of Ordinary Shares;
- an option to acquire Ordinary Shares for a price of not less than the prevailing market value of an Ordinary Share;
- a Nil-Cost Option;
- an option to acquire Ordinary Shares for a price equal to their nominal value;
- an option to receive a cash payment, in respect of a specified number of Ordinary Shares, equal to to the difference between the market value of such shares and an agreed base value for such shares;
- a right to receive a cash payment equal to the market value of a specified number of Ordinary Shares; and

- a right to receive an award of Ordinary Shares, in respect of a specified number of Ordinary Shares, equal to the increase in value of such shares over a specified period of time,

(collectively, the "Awards" and, each individually, an "Award").

No Awards may be granted under the LTIP more than three years after the date of Admission, without the approval of the Company's shareholders being obtained.

Award of Nil-Cost Options on Admission

The LTIP will initially be used to award Nil-Cost Options to senior executives on or around Admission, reflecting the exceptional circumstances of Admission and the need to ensure that the senior executives are retained and incentivised in the initial years post-Admission. The performance condition will be in the following two separate parts:

- 50% of the award will vest for achievement of adjusted EBITDA targets for the fiscal year ending 30 November 2017, to be agreed by the Remuneration Committee prior to the date of the first grant:
- 50% will vest according to the performance of the Company's relative market capitalization growth over the period commencing from Admission and ending on the third anniversary of Admission, to be agreed by the Remuneration Committee prior to the date of the first grant.

Normal Vesting

The Remuneration Committee will determine the vesting period for an Award at the date of grant. Awards will normally vest, subject to the satisfaction of the relevant performance condition (the "Vesting Date"), provided that the LTIP Participant is still employed within Eddie Stobart, at that time. The Ordinary Shares in respect of which a Nil-Cost Option has been exercised will be delivered to the LTIP Participant or the Nominee (as applicable) within 30 days of the date of exercise (and may be subject to a holding period). Once an Nil-Cost Option has vested, it will normally remain exercisable until the third anniversary of its grant.

Holding Period

Following the vesting of an Award, the Ordinary Shares may be subject to such holding period as the Remuneration Committee may determine at the time of grant. The requirement to hold Ordinary Shares may be gross or net of any taxation liability as the Remuneration Committee may determine. It is currently intended that the Ordinary Shares to which an LTIP Participant becomes entitled on vesting will be subject to a holding period of not less than three years from the grant date.

Performance condition

It is currently intended that Awards granted under the LTIP will vest after a three year period subject to the achievement of performance conditions to be determined by the Remuneration Committee. The performance conditions will be based on the Company's strategic objectives including measures of growth, quality and returns at the end of the performance period.

Cessation of employment before the Vesting Date

If an LTIP Participant ceases to be employed within Eddie Stobart before its Vesting Date because of injury, ill-health, disability, redundancy, retirement, because of the sale of the LTIP Participant's employing company or business out of Eddie Stobart, or for any other reason as the Remuneration Committee may determine (other than fraud, dishonesty or misconduct or any other reason justifying summary dismissal), the LTIP Participant's Award will vest on the normal Vesting Date or, at the discretion of the Remuneration Committee, on the date of cessation. In such circumstances, Nil-Cost Options will remain exercisable for a period of six months after vesting.

If the LTIP Participant has ceased employment before the Vesting Date in other circumstances, an Award will normally lapse unless the Remuneration Committee decides to permit vesting. In the event of the death of an LTIP Participant, vesting will occur on the date of death. Unless the Remuneration Committee determines otherwise, an Award may only vest following the cessation of the LTIP Participant's employment to the extent that the relevant performance condition has been satisfied at the time of vesting, and the number of Ordinary Shares in respect of which the Award will vest will be pro-rated to take account of the time elapsed between the date of grant and the date of cessation of employment.

Dilution Limits

The use of Ordinary Shares which are newly issued or transferred from treasury under the LTIP, when aggregated with all Ordinary Shares issued or to be issued or transferred from treasury over the previous ten year period under the Employee Share Plans, is limited to 10% of the issued share capital of the Company from time to time. Within the foregoing limit, not more than 5% of the issued share capital of the Company from time to time may be used under any Employee Share Plan operated by the Company on a selective basis and, in the event of multiple exercises of Employee Share Plans operated on a selective basis, including Ordinary shares issued on the earlier exercise). Ordinary Shares subject to options or awards which have lapsed or been surrendered are excluded when calculating this limit, and any Ordinary Shares subject to options or awards granted prior to Admission will also be disregarded for the purposes of this limit. The use of Ordinary Shares transferred from treasury may be disregarded if institutional investor guidelines are amended to permit this.

Payment on account of dividends

Following the exercise of a Nil-Cost Option, an LTIP Participant may, if the Remuneration Committee so determines, receive further cash or Ordinary Shares equal in value (so far as possible) to any dividends paid or payable in respect of the Ordinary Shares acquired between the date of grant of the Award and the date of exercise in the case of such Nil-Cost Option. A payment on account of dividends may be made in cash rather than Ordinary Shares, at the discretion of the Remuneration Committee.

Malus and clawback

The Remuneration Committee may apply malus and clawback to an Award where there are circumstances which would justify such action. The relevant circumstances include but are not limited to:

- the relevant LTIP Participant engaging in or being responsible for conduct which resulted in significant losses to any company within Eddie Stobart, failing to meet appropriate standards of fitness and propriety, or being reasonably suspected by the Company of having committed fraud or material dishonesty;
- the Company becoming aware of any material wrongdoing on the part of the relevant LTIP Participant;
- the relevant LTIP Participant acting in any manner which has brought or is likely to bring any company within Eddie Stobart into material disrepute;
- the occurrence of a breach of the relevant LTIP Participant's employment contract that is a potentially fair reason for dismissal;
- the occurrence of a breach of a fiduciary duty owed to any company within Eddie Stobart;
- the breach by a LTIP Participant, who has ceased to be an employee of any company within Eddie Stobart, of their employment contract or fiduciary duties in a manner that would have prevented the grant or vesting of the Award had the Company been aware of such breach;
- a material error in: (i) determining whether the Award should be made; (ii) determining the size and nature of the Award; or (iii) the assessment of any performance criteria;

- the mis-statement by any company within Eddie Stobart of any financial information (whether or not audited) for any part of any year that was taken into account in: (i) determining whether the Award should be made; (ii) determining the size and nature of the Award; or (iii) the assessment of any performance criteria; or
- any company within Eddie Stobart or business unit that employs or employed the relevant LTIP Participant, or for which the relevant LTIP Participant is responsible, suffering a material failure of risk management.

The Remuneration Committee has discretion to determine the circumstances in which malus and clawback may apply and the post-vesting period during which clawback may be imposed.

Change of control of the Company

If there is a takeover, scheme of arrangement, demerger or other corporate reorganisation of the Company, LTIP Participants may be required, or may be allowed, to exchange their Awards for equivalent awards in the acquiring company. If Awards are not exchanged, they will normally vest immediately, the performance conditions will apply, and the number of Ordinary Shares which will be time pro-rated to take account of the proportion of the vesting period which has elapsed prior to the relevant event unless the Remuneration Committee, acting fairly and reasonably, decides that it is appropriate not to apply pro-rating (or apply it less strictly). An Award granted in the form of an option will normally be exercisable for 30 days after the date of vesting and will lapse at the end of that period.

If there is a demerger, special dividend or other similar event which, in the Remuneration Committee's opinion, would affect the market price of Ordinary Shares to a material extent, then the Remuneration Committee, in its discretion, may allow Awards to vest, and if applicable, options to be exercisable on such terms and for such period as the Remuneration Committee determines.

Amendments to the LTIP

The Board may amend the LTIP at any time, provided that the prior approval of the Company's shareholders in general meeting will be required for amendments to the advantage of LTIP Participants relating to eligibility, plan limits and the basis for determining a Participant's entitlement to, and the terms of, the Ordinary Shares provided under the LTIP. However, any minor amendment to benefit the administration of the LTIP, to take account of legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment for LTIP Participants or the Company or any member of Eddie Stobart may be made by the Board without shareholder approval.

(c) **MIP**

On Admission, two participants, being the Executive Directors (''MIP Participants'') will subscribe for A ordinary shares in GAL (''MIP Shares''). Subject to a number of provisions described below, the MIP Shares can in future be sold to the Company pursuant to the provisions of the articles of association of GAL for an aggregate value equivalent to a maximum of 8% of the increase in shareholder value (''Relevant Percentage'') over a Company share value hurdle (''Hurdle'') (the mechanics of the calculations are set out below).

The Hurdle will be set at a premium of 10% above the placing price of a share in the Company on Admission and the Hurdle will increase, on a compounding basis, by 10% per annum for up to three years from the date of the MIP Share issue.

MIP Participants have the right to sell all of their MIP Shares to the Company at the end of a three year period from the date of award (''MIP Vesting Period''). The Company will also have a corresponding call right at the end of this MIP Vesting Period. The date on which they exercise this right is referred to as the ''MIP Exercise Date''.

The value of the MIP shares at the MIP Exercise Date will be the Relevant Percentage multiplied by the amount by which the Ordinary Share price exceeds the Hurdle (based on the 90 day average share price of the Company's Ordinary Shares) multiplied by the number of issued Ordinary Shares in the Company at the date of Admission.

The Company may, at its discretion, purchase the MIP shares for cash or by issuing Ordinary Shares in the Company. The number of Ordinary Shares which would be acquired would be based on the MIP share value and the share price of the Ordinary Shares on the MIP Exercise Date (calculated as set out above). If the Company chooses to settle the MIP Shares by issuing Ordinary Shares in the Company, the MIP Participants will be restricted from selling 50% of the Ordinary Shares they receive for a period of 12 months from the date they are issued to the MIP Participant (or such shorter period as expires on the fourth anniversary of the MIP share date of issue).

If the MIP shares have not been purchased by the Company by the specified MIP Long Stop Date, the Company has the ability to buy back the MIP shares at nominal value.

The MIP shares are not entitled to receive a dividend where a dividend is declared by GAL only on the ordinary shares held by the Company. GAL does have the flexibility to declare dividends on the MIP class of shares. There is no current intention to pay dividends on the MIP shares and any decision to declare a dividend would be subject to Company Consent.

The MIP shares will have voting rights with the intention that each MIP Participant will hold 5% of voting rights.

Leavers

During the MIP Vesting Period, if a MIP Participant ceases to be a director or employee of a member of the Group other than in certain "Good Leaver" circumstances, MIP Participants can be required to transfer their MIP Shares at the lower of (i) Fair Value and (ii) nominal value.

A Good Leaver is someone who ceases employment as a result of death, ill health, injury or disability evidenced to the satisfaction of the Board with Company Consent; retirement at the normal retirement age in accordance with the Group's internal policies; or any other reason the Board (acting with Company Consent) permits.

If the MIP Participant is determined to cease employment in any of these "Good Leaver" circumstances, they will be permitted to retain their MIP Shares (subject to the pro-rating point below) until the expiry of the normal MIP Vesting Period. They will then be able to transfer their MIP Shares to the Company at their fair value, pro-rated by reference to the period of employment as a proportion of the MIP Vesting Period.

The Company will have flexibility to buy back the relevant proportion of MIP Shares that have not vested (based on the pro-rating above) at an earlier date following cessation of employment.

Dilution Limits

The use of Ordinary Shares which are newly issued or transferred from treasury under the MIP, when aggregated with all Ordinary Shares issued or to be issued or transferred from treasury over the previous ten year period under the MIP, the LTIP, the SIP and all other employee share plans adopted by the Company, is limited to 10% of the issued share capital of the Company from time to time. Within the foregoing limit, and subject to Remuneration Committee discretion, not more than 5% of the issued share capital of the Company from time to time may be used under the MIP, LTIP and any other employee share plan operated by the Company on a selective basis (and, in the event of multiple exercises of the MIP, LTIP and other employee share plans operated on a selective basis, including Ordinary Shares issued on the earlier exercises). Ordinary Shares subject to options or awards which have lapsed or been surrendered are excluded when calculating this limit, and any Ordinary Shares subject to options or awards granted prior to Admission will also be disregarded for the purposes of this limit. The use of Ordinary Shares transferred from treasury may be disregarded if institutional investor guidelines are amended to permit this.

Corporate events

MIP Shareholders would be permitted to sell all of their MIP Shares for fair value on a third party obtaining control of the Company (either to the Company or the third party purchaser). The MIP Shareholders would be entitled to receive fair value for their MIP Shares on an asset sale and on a return of assets on a liquidation. Fair Value would reflect the Hurdle (calculated at the time of that event), number of Ordinary Shares in issue at Admission and the Relevant Percentage entitlement. On a third party obtaining control of the Company, in determining whether the Hurdle had been exceeded, the Ordinary Share price would be calculated based on the offer price per Ordinary Share.

Adjustments

The GAL Board, acting with Company Consent, has the absolute discretion to rebase or adjust the Hurdle, the Relevant Percentage, and/or the definition of Fair Value or way in which this is calculated on the occurrence of adjustment events (including a further issue of Ordinary Shares, any acquisition or disposal by or out of the Group of any company, a special dividend, business or assets or new financing or refinancing arrangements) provided that the adjustment is made on a just and reasonable basis and with a view to ensuring that the MIP Shares are not disadvantaged or benefited by the adjustment.

Administration and amendment

The MIP is administered by the Remuneration Committee. The Remuneration Committee may amend the provisions of the MIP. The rules of the MIP which relate to the limits on the number of Ordinary Shares which may be issued under the MIP cannot be amended to the advantage of any award holder or potential award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the MIP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders or any Group company.

In addition no amendment may be made to subsisting awards which will have an adverse effect on such awards except with the written consent of the award holders who hold the majority, by number of Ordinary Shares subject to award, of awards affected by the amendment unless the amendment is a minor amendment to benefit the administration of the MIP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any award holder or any Group company.

Awards not pensionable

No awards or benefits under the MIP are pensionable.

Malus and clawback

The Remuneration Committee may apply malus and clawback to an award under the MIP where there are circumstances which would justify such action. The relevant circumstances include but are not limited to:

(a) the relevant MIP Participant engaging in or being responsible for conduct which resulted in significant losses to any company within the Group, failing to meet appropriate standards of fitness and propriety, or being reasonably suspected by the Company of having committed fraud or material dishonesty;

(b) the Company becoming aware of any material wrongdoing on the part of the relevant MIP Participant;

(c) the relevant MIP Participant acting in any manner which has brought or is likely to bring any company within the Group into material disrepute;

(d) the occurrence of a breach of the relevant MIP Participant's employment contract that is a potentially fair reason for dismissal;

(e) the occurrence of a breach of a fiduciary duty owed to any company within the Group;

(f) the breach by an MIP Participant, who has ceased to be an employee of any company within the Group, of their employment contract or fiduciary duties in a manner that would have prevented the grant or vesting of the award under the MIP had the Company been aware of such breach;

(g) a material error in: (i) determining whether the award under the MIP should be made; (ii) determining the size and nature of the award; or (iii) the assessment of any performance criteria;

(h) the mis-statement by any company within the Group of any financial information (whether or not audited) for any part of any year that was taken into account in: (i) determining whether the award under the MIP should be made; (ii) determining the size and nature of the award; or (iii) the assessment of any performance criteria; or

(i) any company within the Group or business unit that employs or employed the relevant MIP Participant, or for which the relevant MIP Participant is responsible, suffering a material failure of risk management.

The Remuneration Committee has discretion to determine the circumstances in which malus and clawback may apply and the post-vesting period during which clawback may be imposed.

7. DIRECTORS' INTERESTS

The names of the Directors of the Company are set out at the ''Directors, Secretary and Advisers'' section of this Document.

(a) The interests of the Directors, all of which are beneficial (except as noted below), in the share capital of the Company are as follows:

	As at the date of this Document		Upon Admission	
Name	**Ordinary Shares held**	**Percentage of Existing Ordinary Share Capital**	**Ordinary Shares held**	**Percentage of Enlarged Ordinary Share Capital**
Alex Laffey	—	—	875,000	0.2%
Damien Harte	—	—	312,500	0.1%
Philip Swatman	—	—	25,000	0.0%
Stephen Harley	—	—	10,000	0.0%
Christopher Casey	—	—	7,500	0.0%

The above includes 10,000 Ordinary Shares directly subscribed by Stephen Harley and 7,500 Ordinary Shares directly subscribed by Christopher Casey (''NED Subscription Shares''). Philip Swatman and his wife have each subscribed for 12,500 Ordinary Shares through the Placing.

(b) Save as disclosed in this paragraph 7, no Director has any interest in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.

(c) It is intended that on Admission, the Executive Directors will subscribe for the MIP Shares, as described in more detail at paragraph 15 of Part I of this Document.

(d) In addition to their directorships of the Company, the Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this Document:

Current directorships/partnerships:

Name	Company/LLP
Philip Swatman	ALM Limited Cambria Automobiles Plc Dream Control LLP Cardinal Advisers LLP Kingston Central Two (Kingston) Management Company Limited Nomina No 115 LLP Raigersfield Capital Limited
Alex Laffey	Stobart Transport & Distribution Limited Eddie Stobart Group Limited Eddie Stobart Limited Stobart Truckstops Limited O'Connor Container Transport Limited O'Connor Container Storage Limited Westlink Storage & Shipping Company Limited ESLL Group Limited (formerly Eddie Stobart Logistics Limited) Transport Service & Releasing Iberia SL Greenwhitestar Acquisitions Limited
Damien Harte	Harte Consulting Limited Woodhouse of Nottingham Limited Greenwhitestar Acquisitions Limited
Stephen Harley	Bison Holdings Limited Bison Manufacturers Limited Crown House Technologies Limited Explore Manufacturing Limited Glass Reinforced Concrete UK Limited Select Plant Hire Company Limited ELUPEG Limited Glenich Holdings Limited
Christopher Casey	Treg Finance Limited TR European Growth Trust plc BlackRock North American Income Trust plc

Previous directorships/partnerships over the last five years:

Name	Company/LLP
Philip Swatman	Investec Structured Products Calculus Vct Plc Medieval Limited New England Seafood International Limited Tower Resources Plc Mytrah Energy Ltd
Damien Harte	LM Wind Power do Brasil S.A. LM Group Holding A/S LM WP Holdings A/S LM Wind Power A/S LM WP Patent Holding Friction Holding A/S LM Wind Power Blades (Qinhuangdao) Co., Ltd. LM Wind Power Blades (Tianjin) Co., Ltd. LM Wind Power Blades (Xinjang) Co., Ltd. LM Wind Power Blades (Jiangsu) Co., Ltd. LM Wind Power Blades (India) Private Ltd.

Name	Company/LLP
	LM Wind Power (NL) B.V. LM Wind Power Blades (ND) Inc. LM Wind Power Blades (Arkansas) Inc. LM Wind Power Service (Americas) Inc. Encore Power Services, Inc. LM Wind Power Blades (Canada) Inc. 4305825 Canada Inc. LM Wind Power Services (UK) Limited
Christopher Casey	Latchways Plc

(e) Save as disclosed below, no Director:

(i) has any unspent convictions in relation to any fraudulent offences; or

(ii) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or

(iii) has been a Director of any company which, while he was a Director or within 12 months after he ceased to be a Director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

(iv) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or

(v) has had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

(vi) has been disqualified by a court from acting as a Director of a company or from acting in the management or conduct of the affairs of any company.

Damien Harte was appointed a director of Grey Archer plc on 4 July 2001 and was a director when it was placed into liquidation by Terra Firma International in June 2002 following a sale of its underlying assets. Mr Harte is not aware of any material deficiency for creditors as a result of the liquidation.

Mr Harte was appointed a director of Vivid Construction Limited on 16 February 2007 and was a director when it was placed into compulsory liquidation on 31 August 2010.

Philip Swatman was appointed as a director of Cardinal Partners Limited on 16 May 2003. Cardinal Partners Limited was subsequently placed into voluntary liquidation.

(f) So far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

(g) So far as the Directors are aware, there are no arrangements in place which could, at a later date, result in a change of control of the Company.

(h) None of the Company's major holders of shares listed in paragraph 4 above has voting rights which are different from other holders of Ordinary Shares.

(i) There are no loans made or guarantees granted or provided by any member of Eddie Stobart to or for the benefit of any Director other than as detailed at paragraph 9 of Part VI of this Document.

(j) No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of Eddie Stobart and which was effected by the Company or any of its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during any earlier financial year and remains in any respect outstanding or unperformed.

(k) In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

(l) The aggregate amount of remuneration (including any contingent or deferred compensation) payable and benefits in kind granted to Directors of the Company was £234,000 for the financial year ended 30 November 2016.

8. DIRECTORS' SERVICE CONTRACTS

(a) The services of Philip Swatman as non-executive Director and Chairman are provided under the terms of a letter of appointment between the Company and Philip Swatman which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £150,000 per annum.

(b) Alex Laffey will enter into a new service agreement with the Company immediately prior to Admission for the role of Chief Executive Officer. The service agreement is subject to termination upon not less than 12 calendar months' notice by either party, however the Company reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £400,000, a car allowance of £20,000 per annum (plus fuel expenses attributable to business and reasonable private use), private medical insurance for Mr Laffey and his partner and all dependent children, pension contributions of 10% of his salary and life assurance of four times salary. Mr Laffey's contract also includes typical provisions which apply on termination, including the right to require him to work his notice period on garden leave, to resign his directorship on termination of his employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business, in each case for a period of 12 months following the termination of his employment.

(c) Damien Harte will enter into a new service agreement with the Company immediately prior to Admission for the role of Chief Financial Officer. The service agreement is subject to termination upon not less than 12 calendar months' notice by either party, however the Company reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £240,000, a car allowance of £12,000 per annum (plus fuel expenses attributable to business and reasonable private use), private medical insurance for Mr Harte and his partner and all dependent children, pension contributions of 10% of his salary and life assurance of four times salary. Mr Harte's contract also includes typical provisions which apply on termination, including the right to require him to work his notice period on garden leave, to resign his directorship on termination of his employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business in each case for a period of 12 months following the termination of his employment.

(d) The services of Stephen Harley as Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Stephen Harley which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £60,000 per annum.

(e) The services of Christopher Casey as Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Christopher Casey which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £70,000 per annum.

(f) Save as set out in paragraphs (b) and (c) above, there are no service agreements in existence between any of the Directors and the Company or any of its subsidiaries which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

9. DIRECTORS' LOANS

Eddie Stobart Limited, a subsidiary of the Company, has advanced loans to two of its directors:

(a) £200,000 to David Meir pursuant to a letter agreement dated 13 March 2015. The loan will be repaid (with accrued interest) on or shortly after Admission using proceeds received upon realisation of the existing employee incentive scheme in the Selling Shareholder.

(b) £250,000 to David Pickering pursuant to a letter agreement dated 13 March 2015. The loan will be repaid (with accrued interest) on or shortly after Admission using proceeds received upon realisation of the existing employee incentive scheme in the Selling Shareholder.

10. RELATED PARTY TRANSACTIONS

(a) Save as set out in paragraph 12 of this Part VI or as referred to in the financial statements set out in Part IV of this Document, and in paragraphs (b) and (c) below, there are no related party transactions that were entered into by Eddie Stobart during the period covered by the financial information set out in Part IV of this Document and up to the date of this Document.

(b) On 23 December 2016 the Selling Shareholder whose business address is 33-37 Athol Street, Douglas, Isle of Man IM1 1LB entered into a conditional contract to acquire certain freehold land at Barley Castle Lane, Appleton on behalf of Eddie Stobart Limited. Such conditional contract was novated by the Selling Shareholder to Eddie Stobart Limited with effect from 31 March 2017.

(c) On 19 April 2017, the Company advanced a loan (at a nominal interest rate) in the amount of up to £2.7 million, repayable on demand, to the Selling Shareholder in order to enable the Selling Shareholder to make a funding contribution to the SIP in an equivalent amount. This loan will be repaid by the Selling Shareholder as soon as practicable following receipt of proceeds from the Placing.

11. PLACING AGREEMENT

A placing agreement dated 19 April 2017 between, *inter alia*, the Company, the Directors, the Selling Shareholder, certain executives of DBAY Advisors Limited, William Stobart, Stobart Group Limited, Stobart Holdings Limited and Cenkos, pursuant to which Cenkos has been appointed as the agent of the Company for the purpose of managing the Placing and has agreed to use reasonable endeavours to procure subscribers for the New Ordinary Shares (excluding the Management Subscription Shares, the NED Subscription Shares and the Free Shares) and purchasers for the Existing Ordinary Shares, in each case at the Placing Price.

The Placing Agreement is conditional, amongst other things, on Admission taking place on 25 April 2017, or such later date as the Company and Cenkos may agree, being no later than 9 May 2017, and the Company and the Directors complying with certain obligations under the Placing Agreement.

Under the Placing Agreement and subject to it becoming unconditional:

(a) the Company has agreed to pay Cenkos a commission of 2.75% of the aggregate value of the New Ordinary Shares (excluding the Management Subscription Shares, the NED Subscription Shares and the Free Shares) at the Placing Price (together with all costs and expenses and VAT thereon);

(b) the Selling Shareholder has agreed to pay Cenkos a commission of 2.75% of the aggregate value of the Existing Ordinary Shares sold by the Selling Shareholder at the Placing Price (together with all costs and expenses and VAT thereon); and

(c) each of the Selling Shareholder and the Company also have the discretion to pay Cenkos a further commission of up to 0.25% of the aggregate value of the Placing Shares (excluding the Management Subscription Shares, the NED Subscription Shares and the Free Shares) at the Placing Price on such terms as it may decide,

together, in each case, with all costs and expenses and VAT thereon.

The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing, including all fees and expenses payable in connection with Admission, expenses of the Registrars, printing and advertising expenses, postage and all other legal, accounting and professional fees and expenses, except that the Selling

Shareholder will be responsible for all of its own and its advisors' costs, fees and expenses, including any Stamp Duty or SDRT arising in respect of the Existing Ordinary Shares sold by it.

Pursuant to the Placing Agreement, the Company, the Directors, the Selling Shareholder, certain executives of DBAY Advisors Limited, William Stobart and Stobart Group Limited have given certain warranties to Cenkos regarding the accuracy of the information in this Document and other matters relating to Eddie Stobart and its business. The Company has also provided Cenkos with a customary indemnity to cover Cenkos for liabilities it may suffer as a result of acting as placing agent pursuant to the Placing Agreement. Cenkos is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission.

Under the Placing Agreement, the Company has agreed with Cenkos that it will not issue any Ordinary Shares (or interest in them) following Admission for a period of 120 days from the date of Admission, except in certain limited circumstances, including with the consent of Cenkos.

In addition, pursuant to the terms of the Placing Agreement, the Locked-up Shareholders have agreed with Cenkos that they will not dispose of any Ordinary Shares (or interest in them) held by them following Admission, for a period of 6 months from the date of Admission, except in certain limited circumstances, including with the consent of Cenkos. They have further agreed that, for a further period of 6 months, in order to preserve an orderly market in the Ordinary Shares, they will only dispose of Ordinary Shares (or any interest in them) held by them, except in certain limited circumstances, through Cenkos.

12. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and its subsidiaries during the two years preceding the date of this Document and are or may be material or have been entered into by any member of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this Document:

(a) A nominated adviser and broker agreement dated 19 April 2017 between the Company and Cenkos as nominated adviser and as nominated broker pursuant to which the Company has appointed Cenkos to act as nominated adviser and as stockbroker to the Company for the purposes of AIM commencing on the date of the agreement. The Company has agreed to pay to Cenkos a fee of £40,000 per annum. The agreement is terminable on 30 days' notice by any party.

(b) The Placing Agreement referred to in paragraph 11 above.

(c) A share purchase agreement effecting the purchase by ESLL Group Limited (formerly Eddie Stobart Logistics Limited) of the entire issued share capital of iForce Group Limited (and, indirectly, its subsidiaries) from the majority shareholders of the company for £44,993,000 (to be satisfied by the payment of £37 million payable in cash on Admission, and the issue of 5,000,000 Ordinary Shares in the Company to a selling shareholder) was entered into by the parties on 21 March 2017, as amended on or about 19 April 2017 ("**iForce SPA**"). Completion of the sale and purchase under the iForce SPA shall occur immediately following receipt of Placing Proceeds by the Company. In the event the acquisition has not completed by 5 May 2017, the majority iForce shareholders are entitled to terminate the iForce SPA. In connection with the iForce SPA, a number of the sellers who are involved in the management of the iForce group entered into a warranty deed dated 21 March 2017 pursuant to which they gave warranties to ESLL Group Limited in relation to, amongst other things, the share capital, business and assets of the iForce group.

(d) A share purchase agreement dated 6 March 2014 between Greenwhitestar 1, Stobart Holdings Limited, Greenwhitestar 2, the Company, GAL and Stobart Group Limited pursuant to which Greenwhitestar 1 purchased the entire issued share capital of Eddie Stobart Logistics Limited from Stobart Holdings Limited. Pursuant to this agreement Greenwhitestar 1 remains under an obligation to use its reasonable endeavours to procure the release of Stobart Holdings Limited and its affiliates from certain guarantees under the share purchase agreement relating to properties occupied by Eddie Stobart and Greenwhitestar 2, the Company and GAL have guaranteed such performance and the related counter-indemnity given by Greenwhitestar 1 in respect of the same. By way of a letter agreement dated 19 April 2017 between Stobart Group Limited, Stobart Holdings Limited and the Company, the Company agreed that following Admission it would use its reasonable endeavours to meet with the relevant parties having the benefit of the guarantees to seek and/or secure the release of such guarantees. Under such letter agreement the Company has also agreed, *inter alia*, to procure that Greenwhitestar 2 and GAL comply with the terms of the share purchase agreement with respect to these matters and to use its reasonable endeavours, in the event that Greenwhitestar 1 or Greenwhitestar 2 are liquidated, to provide Eddie Stobart Limited as a replacement obligor for the company being liquidated, subject to third party consents required. The Directors believe that these arrangements do not fundamentally increase the potential aggregate liability of Eddie Stobart given that the primary obligors under such leases are subsidiaries of the Company.

(e) a share purchase agreement dated 25 August 2015 between the Company's subsidiary Autologic Holdings Limited (now AHL Anglia Limited) ("**AHL**") and BCA Trading Limited pursuant to which AHL disposed of 100% of Stobart Automotive Limited (the holding company for Eddie Stobart's automotive business) for £16,000,000 to BCA. Under the share purchase agreement, AHL indemnified BCA and the Autologic group companies against losses suffered in connection with a number of matters relating to the prior period up to a maximum liability cap of £8,000,000. AHL gave certain warranties in connection with the disposal. Pursuant to the share purchase agreement the expiry date for claims is: in relation to general business warranties, 18 months from the date of completion (being 25 August 2015); for tax warranties, seven years; and for the indemnification obligations, six years.

(f) a facility agreement (the "**Facility Agreement**") dated on or about 13 April 2017 between the Company and certain of its subsidiaries and The Governor and company of the Bank of Ireland as coordinator, security agent, agent and original lender and BNP Paribas, London branch, Allied Irish Banks plc, AIB Group (UK) Plc and KBC Bank NV as arrangers and original lenders. The lenders have committed to provide a £100 million term loan facility (the "**Facility**"). Interest will accrue on the loan under the Facility Agreement subject to a margin ratchet at the London Interbank Offer Rate. Certain customary underwriting and other fees are payable by the Company under the Facility Agreement. The Facility Agreement permits voluntary cancellation of undrawn amounts under the Facility Agreement. The Facility must be prepaid in certain circumstances including if there is a change of control in the ownership of the Company, a delisting of the Company's shares from the AIM or a disposal of all or substantially all of the assets of Eddie Stobart, and upon notice following the occurrence of certain events of default. Amounts drawn under the Facility will be required to be repaid in full on the date falling five years after the closing date. In connection with the Facility Agreement, certain members of Eddie Stobart have agreed to grant security over the shares they have in other members of Eddie Stobart. Eddie Stobart will guarantee to the lenders the punctual performance of the obligations of each obligor under the Facility Agreement. The Facility Agreement includes customary undertakings, representations and warranties and events of defaults for a facility of this type.

(g) the loan agreement referred to in paragraph 10 of Part VI of this Document.

(h) a licence agreement dated 28 February 2014 (as amended on 10 April 2014 and 19 April 2017) between Eddie Stobart Limited (a subsidiary of the Company) and Stobart Group Brands LLP (an affiliate of Stobart Group Limited), pursuant to which Stobart Group Brands LLP grants Eddie Stobart Limited and its permitted successors and assigns an exclusive, worldwide licence to use the "Eddie Stobart" trade mark and ancillary intellectual property in connection with its business, as well as non-exclusive worldwide licences in relation to certain temporary IP.

The agreement continues in force unless and until the earlier of:

- the termination or expiry of the initial 15 year term or, if the agreement is extended, the extended 25 year term;
- entering into an unlimited assignment of the "Eddie Stobart" trade mark or a perpetual licence agreement (from March 2018); and

- termination of the agreement in accordance with its terms.

The agreement can be terminated by Eddie Stobart Limited on six months' notice, with such notice not to be given prior to expiry of the fourth contract year. In addition, either party can terminate the agreement on immediate notice in the event of a material breach or if the other party becomes subject to any of the usual insolvency-related events.

There are currently no licence fees payable until 2020, when Eddie Stobart Limited has the option to continue using the brand name for an annual licence fee of £3 million. Alternatively, at any time from March 2018, Eddie Stobart Limited has the option to purchase a perpetual licence for the Eddie Stobart brand to be used for logistics-related activities for a consideration of £15 million or a full assignment of the Eddie Stobart brand for £50 million.

13. TAXATION

The comments in this section are intended as a general guide for UK resident Shareholders as to their tax position under United Kingdom law and HMRC practice as at the date of this Document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The comments apply to Shareholders who are resident and domiciled for tax purposes in the UK, who will hold Ordinary Shares as an investment and will be the absolute beneficial owners of them.

Non-UK resident and non-UK domiciled shareholders should consult their own tax advisers.

The position of Shareholders who are officers or employees of the Company is not considered in this Section. Such Shareholders may be subject to an alternative tax regime and should therefore seek tax advice specific to their individual circumstances. The position of UK resident but non- domiciled individuals claiming the remittance basis of taxation is not considered in this section.

The tax position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. **Any shareholder who is in doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser without delay**.

(a) Taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant shareholder, give rise to a liability to UK taxation on chargeable gains.

Individuals

Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£11,300 for 2017/18) and after taking account of any capital losses available to the individual.

For individuals, capital gains tax will be charged at 10% where the individual's taxable income and gains are less than the upper limit of the income tax basic rate band (£33,500 for 2017/18). To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20%.

Where a Shareholder disposes of the Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains. In certain circumstances the loss may be available to offset against taxable income in the current year (depending upon, *inter alia*, the circumstances of the Company and the Shareholder).

Companies

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company (up to 19% for the financial year 1 April 2017 to 31 March 2018). Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

(b) **Taxation of dividends**

Under current United Kingdom legislation, no tax is required to be withheld from dividend payments by the Company.

Individuals

Individual Shareholders have the benefit of an annual dividend allowance of £5,000 (£2,000 from 6 April 2018). Dividends falling within this allowance will effectively be taxed at the rate of 0%.

If an individual receives dividends in excess of this allowance, the excess will be taxed at the dividend ordinary rate of 7.5% for basic rate taxpayers, at the dividend higher rate of 32.5% for higher rate taxpayers, and at the dividend additional rate of 38.1% for additional rate taxpayers.

Companies

Shareholders within the charge to UK corporation tax which are ''small companies'' (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are ''ordinary share capital'' for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class.

(c) **Stamp duty and stamp duty reserve tax (''SDRT'')**

An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Stock Exchange. The Company anticipates that this exemption will apply to dealings in the Ordinary Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Ordinary Shares.

Absent an exemption from stamp duty and SDRT, transfers of existing UK shares (being shares of a company that is incorporated in the UK or which maintains its share register here) will normally be subject to stamp duty or SDRT as described below.

Stamp duty at the rate of 0.5% (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser is generally payable on an instrument transferring UK shares. However, an exemption from stamp duty is available on an instrument transferring UK shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction, or series of transactions, in respect of which the aggregate amount or value of the consideration exceeds £1,000.

An unconditional agreement to transfer UK shares will normally give rise to a charge to SDRT, at the rate of 0.5% of the amount or value of the consideration payable by the purchasers for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped (or exempt) instrument of transfer within six years of the date of the agreement or, if the agreement was conditional, the date on which the agreement became unconditional. Both stamp duty and SDRT will normally be the liability of the purchaser or transferee of the UK shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5% of the amount or value of consideration given. Transfers of shares within CREST are generally liable to SDRT at the rate of 0.5% of the amount or value of the consideration payable rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to HMRC by CREST.

The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.

(d) **Inheritance tax**

Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax ("IHT") on the value of any Ordinary Shares held by them. IHT may also apply to individual shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position.

Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

However, a relief from IHT known as business property relief ("BPR") may apply to Ordinary Shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100% for IHT purposes.

14. INVESTMENTS

There are no investments being made by the Company or to be made in the future in respect of which firm commitments have been made other than the arrangements disclosed at paragraph 12(c).

15. ENVIRONMENTAL ISSUES

To the best of the Company's knowledge, the Company is unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

16. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to Eddie Stobart (taking into account the net proceeds of the Placing) is sufficient for its present requirements, that is for at least the next twelve months from the date of Admission.

17. LITIGATION

Save as set out below, no member of Eddie Stobart is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against Eddie Stobart during the 12 months preceding the date of this Document which may have or have had in the recent past a significant effect on the financial position or profitability of Eddie Stobart.

Eddie Stobart Limited is defendant in a High Court claim relating to an allegation by Southern Drivers Direct Limited that an oral contract was agreed on behalf of Eddie Stobart Limited. The initial claim is approximately £722,000 and estimated costs to trial are £205,000 plus VAT. The Directors believe, having received legal advice, that Eddie Stobart Limited has good grounds to successfully defend the claim.

18. GENERAL

(a) Save as disclosed in this Document, there has been no significant change in the financial or trading position of Eddie Stobart since 30 November 2016, the date to which the last audited results of the Company were prepared.

(b) KPMG LLP has given and has not withdrawn its written consent to the inclusion in this Document of its report and references thereto and to its name in the form and context in which they appear. The annual accounts of the Company have been audited in accordance with national law by KPMG LLC, Heritage Court, 41 Athol Street, Douglas, Isle of Man IM99 1HN, for each of the two financial years ended on 30 November 2015 and 30 November 2016.

(c) Cenkos, which is regulated by the Financial Conduct Authority, in its capacity as Nominated Adviser and broker to the Company has given and has not withdrawn its written consent to the inclusion in this Document of its name in the form and context in which it appears. Cenkos has no material interest in the Company.

(d) The total expenses of and incidental to the Admission and Placing, are estimated to amount to approximately £5.5 million (excluding VAT). Additional expenses of approximately £4.2 million relate to the refinancing and £0.3 million relate to the acquisition of iForce Group Limited.

(e) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to Eddie Stobart's business.

(f) There are no arrangements under which future dividends are waived or agreed to be waived.

(g) The financial information set out in this Document does not constitute statutory accounts within the meaning of section 434 of the Act. Statutory accounts have been delivered to the registrar of companies for the periods ended 30 November 2015 and 30 November 2016. Auditors' reports in respect of each statutory accounts have been made under section 235 of the 1985 Act and/or section 495 of the Act and each such report was an unqualified report and did not contain any statement under section 237(2) or (3) of the 1985 Act or section 498(2) or (3) of the Act.

(h) The Ordinary Shares will only be traded on AIM.

(i) The Company's registrar and paying agent for the payment of dividends is Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

(j) Except for fees payable to the professional advisers, payments to trade suppliers, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

(k) Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

(l) Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

19. AVAILABILITY OF THIS DOCUMENT

Copies of this Document shall be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from Cenkos Securities plc at 6.7.8 Tokenhouse Yard, London EC2R 7AS for a period of one month from the date of Admission.

Dated: 19 April 2017