

REGISTERED NUMBER: 03441816 (England and Wales)

Report and
Financial Statements for the period 27 November 2017 to 25 November 2018
for
iForce Limited

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iForce Limited (Registered number: 03441816)

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for the Period 27 November 2017 to 25 November 2018

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iForce Limited (Registered number: 03441816)

Company Information
for the Period 27 November 2017 to 25 November 2018

DIRECTOR: R H C Nichols

SECRETARY: E Williams

REGISTERED OFFICE: Stretton Green Distribution Park
Langford Way
Appleton
Warrington
WA4 4TQ

REGISTERED NUMBER: 03441816 (England and Wales)

INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditor
No 1 Spinningfields
Hardman Square
Manchester
M3 3EB

BANKERS: Royal Bank of Scotland
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

iForce Limited (Registered number: 03441816)

Strategic Report
for the Period 27 November 2017 to 25 November 2018

The director presents his strategic report for the period 27 November 2017 to 25 November 2018. The comparative period was for 73 weeks to 26 November 2017.

Review of the business

iForce was founded in 1997 with the specific aim of helping retailers maximise the potential of internet shopping. The Group deploys a team of multi-disciplinary experts working alongside some of Europe's leading brands in long-term and progressive relationships.

The Group focuses on fulfilment (branded iForce Gateway), returns processing (branded as iForce Revive), and Carrier Management (branded as iForce Pathfinder), within the modern commerce market.

The evolution of new channels to market and the need for retail supply chains to continuously adapt to the changes has led to the promotion of the strapline "Always One Step Ahead" to demonstrate the Group's commitment to supporting clients in the modern commerce market.

The company continued to handle high volume growth on behalf of its existing clients as well as implementing new business throughout the year. On a pro-rata basis the turnover increased by 27% during the year and the gross profit margin increased by 1.65 percentage points to 39.2%. Administrative costs, excluding exceptional items, were well controlled resulting in an improved underlying operating profit margin of 1.1%.

Net assets of the business increased from £9,612k to £9,986k as a result of this trading and the cash position of the company was also improved on last year.

The director does not believe Brexit will have a significant impact on the company

Key performance indicators

While many KPI's are used throughout the company, the principal ones relate to the commitments that the company makes to its clients and include:

On-time despatches, Partial shipments, Orders completed per employee per hour, and Stock integrity.

During the period ended 25 November 2018 some 84 million parcels were despatched from 9 iForce sites across the UK, achieving in excess of 99% for the aforementioned KPI's.

The company believes that its high performance as measured under the above KPI's underpinned by the company's software and operating solutions are key driving factors in its ability to attract new clients on a regular basis.

Principal risks and uncertainties

The company faces competition from other companies in the UK. However, as an established business the company is well placed to out-perform the competition. This is achieved through a combination of competitive pricing and having dedicated staff who understand the business.

Operational risks

A significant part of the company's business involves the handling of consumer goods in its e-fulfilment and returns processing activities. The ability to source sufficient numbers of warehouse operatives to carry out this work during the seasonal peaks related to Christmas and the New Year is a key driver of business profitability.

The company seeks to minimise the risks associated with the sourcing of such staff by developing strong relationships with employment agencies and ensuring that pay rates remain competitive, and sufficient training is provided.

iForce Limited (Registered number: 03441816)

Strategic Report - continued
for the Period 27 November 2017 to 25 November 2018

Compliance risk

The Company is subject to health and safety legislation. Regular reviews of operating procedures and equipment are undertaken in order to ensure that the legislation is fully complied with. All staff are regularly trained to ensure that they are competent to carry out their duties within their areas of operation.

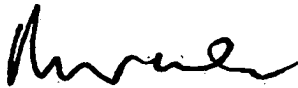
Financial risks

The Company's operations expose it to a variety of financial risks that include the effects of changes in commodity prices, credit risk, liquidity risk and interest rate risk. The company does not use financial instruments or derivatives. There are internal controls and procedures set up to safeguard the company's assets with the aim of limiting undue counterparty exposure and ensure that sufficient working capital exists. Financial risks are commented on in more detail in the Directors' Report.

Future developments

The Company aims to continue growing the business by providing an efficient, cost effective logistics solution to its customers.

ON BEHALF OF THE BOARD:



R H C Nichols

Director

10 March 2020

Director's Report
for the Period 27 November 2017 to 25 November 2018

The director presents his report with the audited financial statements of the company for the period 27 November 2017 to 25 November 2018.

RESULTS & DIVIDENDS

The profit for the 52 week period, after taxation, amounted to £374k (2017 73 week period: loss of £789k). The director has not recommended a dividend (2017: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 27 November 2017 to the date of this report.

R H C Nichols

A Laffey (resigned 22 August 2019)

B Gaunt (resigned 22 August 2018)

I D Horsfall (resigned 22 August 2018)

S R Desreumaux (appointed 17 September 2018, resigned 16 December 2019)

D Harte (resigned 31 March 2019)

GOING CONCERN

The director has a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future, a period of at least 18 months from the date of this report. In making this judgement the director has reviewed future trading forecasts and taken into account the confirmation of parental support received from the ultimate controlling party, DBAY Advisors Limited.

FUTURE DEVELOPMENTS

An indication of future developments of the business is included in the Strategic Report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses financial instruments, other than derivatives, comprising cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The company has no interests in the trade of financial instruments, interest rate swaps or forward interest rate agreements.

Currency risk

The company only maintains bank balances in Great British Pound Sterling and invoices and receives payment in this currency. The Company is therefore not exposed to currency risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The company is currently funded through a combination of parent company investment and bank lending. It is the view of the company that interest rates are likely to remain at current levels for the foreseeable future and therefore no action has been taken to 'lock in' to current rates. Should circumstances change, the company will reconsider its view at that time. The parent company investment does not at present carry an obligation to pay interest and therefore the company is not exposed to any interest rate risk in respect of this source of funding.

Credit risk

The company's principal credit risk arises from its trade debtors. In order to manage credit risk, credit limits are set for customers based on a combination of payment history and third party references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and history.

iForce Limited (Registered number: 03441816)

Director's Report - continued
for the Period 27 November 2017 to 25 November 2018

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 9 December 2019, Marcelos Limited ("Marcelos"), a subsidiary of DouglasBay Capital III Fund LP (the "Fund"), a Fund managed by Dbay Advisors Limited ("DBAY"), acquired, via its 100% owned subsidiary Alpha Cassiopeiae Limited ("Alpha"), 100% of the issued ordinary share capital of Greenwhitestar Acquisitions Limited from Eddie Stobart Logistics Plc ("ESL Plc") in exchange for the issue of 49 £1 ordinary shares in Marcelos, to ESL Plc. Following the issue of the Marcelos shares, ESL Plc holds 49% of the overall ordinary share capital of Marcelos.

On 9 December 2019 DBAY injected approximately £50m of new financing into the Greenwhitestar Acquisitions Limited operations through an interim PIK Facility. A further £20m of available facilities was secured from the senior debt providers on the same day.

On 9 December 2019, following the acquisition of Greenwhitestar Acquisitions Limited by Alpha, the highest intermediate company for which consolidated financial statements are drawn up and of which the company is a member changed to Greenwhitestar Acquisitions Limited.

EMPLOYEE INVOLVEMENT

During the period, the policy of providing employees with information about the group has continued through internal media methods, in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees and listening groups have been introduced at each site attended by the directors of the group to allow a free flow of information and ideas.

The group set high standards for people management and is committed to ensuring that its employees are well trained, well informed and highly motivated. The group have commenced initiatives to support staff development to achieve its objective to maximise internal recruitment for new and additional roles from within the group.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where they would be able to adequately fulfil the requirements of the job. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

As permitted by the Articles of Association, the directors have the benefit of indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last and current financial year and at the date of approval of the financial statements.

Directors' Report - continued
for the Period 27 November 2017 to 25 November 2018

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the director may not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP replaced KPMG LLP as auditors for the period ended 25 November 2018.

ON BEHALF OF THE BOARD:



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R H C Nichols
10 March 2020

Independent auditors' report to the members of iForce Limited

Opinion

In our opinion, iForce Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 25 November 2018 and of its profit for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements for the period 27 November 2017 to 25 November 2018 for iForce Limited (the "Annual Report"), which comprise: the Statement of Financial Position as at 25 November 2018; the Statement of Comprehensive Income for the period ended 25 November 2018 and the Statement of Changes in Equity for the period ended 25 November 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of iForce Limited - continued

Reporting on other information - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the period ended 25 November 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements set out on page 5, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of iForce Limited - continued

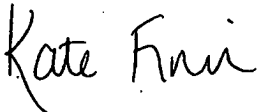
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kate Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
11 March 2020

iForce Limited (Registered number: 03441816)

Statement of Comprehensive Income
for the period ended 25 November 2018

	Note	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
REVENUE	3	58,014	64,649
Cost of sales		<u>(35,268)</u>	<u>(40,370)</u>
GROSS PROFIT		22,746	24,279
Administrative expenses		<u>(22,093)</u>	<u>(24,913)</u>
OPERATING PROFIT/(LOSS)	5	653	(634)
Earnings before interest tax, depreciation, amortisation and exceptional items			
		3,244	2,815
Depreciation		(976)	(997)
Amortisation		(908)	(1,313)
Exceptional items	6	<u>(707)</u>	<u>(1,139)</u>
Operating Profit/(loss)		<u>653</u>	<u>(634)</u>
Interest payable and similar expenses	7	<u>(30)</u>	<u>(43)</u>
PROFIT/(LOSS) BEFORE TAXATION		623	(677)
Tax on profit/(loss)	8	<u>(249)</u>	<u>(112)</u>
PROFIT/(LOSS) AFTER TAXATION		374	(789)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		<u>374</u>	<u>(789)</u>

All amounts reported in the Statement of Comprehensive Income relate to continuing operations.

iForce Limited (Registered number: 03441816)

Statement of Financial Position
as at 25 November 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Intangible assets	9	1,822	1,641
Property, plant and equipment	10	<u>6,591</u>	<u>6,090</u>
		8,413	7,731
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	21,288	14,737
Debtors: amounts falling due after more than one year	11	3,873	4,122
Cash at bank and in hand		<u>2,969</u>	<u>2,609</u>
		28,130	21,468
Creditors: amounts falling due within one year	12	<u>(26,302)</u>	<u>(16,106)</u>
NET CURRENT ASSETS		<u>1,828</u>	<u>5,362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,241	13,093
Creditors: amounts falling due after one year	13	<u>-</u>	<u>(2,912)</u>
PROVISIONS FOR LIABILITIES	14	<u>(255)</u>	<u>(569)</u>
NET ASSETS		<u>9,986</u>	<u>9,612</u>
CAPITAL AND RESERVES			
Called up share capital	16	2,000	2,000
Share premium account		3,071	3,071
Other reserves	17	21,277	21,277
Accumulated losses		<u>(16,362)</u>	<u>(16,736)</u>
TOTAL EQUITY		<u>9,986</u>	<u>9,612</u>

The financial statements on pages 10 to 25 were approved by the Director on 10 March 2020:



R H C Nichols
Director

iForce Limited (Registered number: 03441816)

Statement of Changes in Equity
for the period ended 25 November 2018

	Called up share capital £000	Share premium account £000	Other reserves £000	Accumulated losses £000	Total equity £000
Balance at 4 July 2016	2,000	3,071	21,277	(15,947)	10,401
Changes in equity					
Loss for the financial period and Total comprehensive expense for the period	-	-		(789)	(789)
Balance at 26 November 2017	<u>2,000</u>	<u>3,071</u>	<u>21,277</u>	<u>(16,736)</u>	<u>9,612</u>
Changes in equity					
Profit for the financial period and Total comprehensive income for the period	-	-		374	374
Balance at 25 November 2018	<u>2,000</u>	<u>3,071</u>	<u>21,277</u>	<u>(16,362)</u>	<u>9,986</u>

Notes to the Financial Statements
for the Period 27 November 2017 to 25 November 2018

1. STATUTORY INFORMATION

iForce Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all years and periods presented, unless otherwise stated.

Basis of preparing the financial statements

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- a) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- b) the requirements of IFRS 7 Financial Instruments,
- c) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 118(e) of IAS 38 Intangible Assets;
 - iii. paragraph 73(e) of IAS 16 Property Plant and Equipment;
- d) the requirements of IAS 7 Statement of Cash Flows;
- e) the requirements of paragraphs 10(d), 10(f), 39 (c) and 134-136 of IAS 1 Presentation of Financial Statements
- f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) the requirement of paragraph 17 of IAS 24 Related Party Disclosures;
- h) the requirement in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- i) the requirement of paragraphs 134(d)-134(f) and 135(c)-(e) of IAS 36 Impairment of Assets;
- j) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 "Share Based Payment", because the share based payment arrangement concerns the instruments of another group entity.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Great British Pound sterling which is the functional currency of the company and rounded to the nearest thousand.

The accounting reference date of the company was changed during 2017 to coincide with that of the ultimate parent company. The financial statements have been prepared for the year ended 25 November 2018, with the comparative period relating to the 73 week period ended 26 November 2017. It should therefore be noted that the comparatives are not directly comparable.

The Company's ultimate parent undertaking, Eddie Stobart Logistics plc includes the Company in its consolidated financial statements. The consolidated financial statements of Eddie Stobart Logistics plc are prepared in accordance with International Financial Reporting Standards. Copies of these consolidated accounts can be obtained from its registered office Stretton Green Distribution Park, Appleton, Warrington, Cheshire, WA4 4TQ. On 9 December 2019 the ultimate parent undertaking changed to Greenwhitestar Acquisitions Limited, which will include the Company in its consolidated financial statements following this date.

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

2. ACCOUNTING POLICIES - continued

Going concern

The Director has a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future, a period of at least 18 months from the date of this report. In making this judgement the Director has reviewed future trading forecasts and taken into account the confirmation of parental support received from the ultimate controlling party, DBAY Advisors Limited.

Turnover

Turnover derives from the provision of warehouse and distribution services, which is recognised on provision of the service, and from the sale of products, which is recognised on transfer to the customer of the significant risks and rewards of ownership. All turnover is recognised exclusive of VAT. Turnover excludes those disbursement costs incurred in respect of capital projects on behalf of clients which have been recharged for the same value.

Exceptional items

The Company presents items of income and expense that are material in size and non-recurring in nature as exceptional items in the Statement of Comprehensive Income. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about elements of underlying business performance in the year for the Company, so as to facilitate comparison with prior periods and to assess better trends in financial performance. Events which may give rise to the classification of items as exceptional include restructuring of business units and associated legal and employee costs and other significant non-recurring gains or losses.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Software development costs are only capitalised after the technical and commercial feasibility of the asset has been established. Once development is completed, the costs of the asset will be written off over the expected useful life.

Intangible fixed assets	-	3 - 5 years
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Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following bases:

Improvements to leasehold property	-	Over the life of the lease
Plant & machinery	-	10 years
Fixtures & fittings	-	3 - 5 years

Taxation

Tax expense comprises current and deferred tax. The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Current and deferred tax is recognised in the Statement of Comprehensive Income for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses or to the extent it relates to a business combination.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Current tax payable also includes any tax liability arising from the declaration of dividends.

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

2. ACCOUNTING POLICIES - continued

Taxation - continued

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Hire purchase and leasing commitments

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administration expenses'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administration expenses' in the income statement.

2. ACCOUNTING POLICIES – continued

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term demand deposits and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of changes in value.

New and amended standards and interpretations adopted by the Company

There are no IFRS standard or IFRIC interpretations that are mandatory for the year ending 25 November 2018 and which have a material impact on the financial statements of iForce Limited.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements, discount schemes, and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The Group operates a defined contribution plan for its employees. A defined benefit contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the balance sheet.

Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Share capital

Ordinary shares are classified as equity.

Critical accounting judgements and estimation uncertainty

Estimates and judgements 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 company has not made any significant judgements, only estimates.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property, plant and equipment and page 13 for the useful economic lives for each class of assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

2. ACCOUNTING POLICIES – continued

Critical accounting estimates and assumptions - continued

Dilapidations

The Company has a significant warehouse portfolio. In assessing the potential liability at the end of each lease the Group commissioned a third party qualified surveyor report and sought advice from other property specialists who have extensive industry and portfolio knowledge. Such an estimate is in its nature subjective due to the variations between the different sites, the future use of the building and overall level of dilapidations required at the end of the lease which could have a material impact on the provision. The provision held as at 30 November 2018 is £255k. In addition, management have made judgments around how potential lease extensions may impact dilapidation obligations. It is also possible that the dilapidation liabilities may be settled, in negotiation, for less than the amount provided. Management will continue to assess its estimate in line with experience.

Recoverability of deferred taxation asset

The recovery of the deferred tax asset is dependent on the company continuing to make taxable profits in the future. The current level of deferred tax asset will not be fully recovered by the anticipated level of taxable profits in the short to medium term and will require the company to continue to make taxable profits in the medium to longer term. The prospects of the company and the markets it operates in are reassessed annually to ensure that there continues to be confidence that the company will be able to trade profitably sufficiently into the future to recover the deferred tax asset. See note 11 for the carrying value of the deferred tax asset.

Exceptional items

Items that are material in size or nature are presented as exceptional items in the income statement. The director is of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance. Events which may give rise to the classification of items as exceptional include restructuring of business units and the associated legal and employee costs, and other significant gains or losses.

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

3. REVENUE

The turnover and profit before tax are attributable to the one principal activity of the company, being the provision of warehouse and distribution services.

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
United Kingdom	58,014	64,649

4. EMPLOYEES AND DIRECTORS

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Wages and salaries	8,359	9,388
Social security costs	935	1,134
Other pension costs	179	170
	9,473	10,692

The average monthly number of employees during the period was as follows:

	52 weeks ended 25 November 2018	73 weeks ended 26 November 2017
Distribution staff	853	802
Administration staff	240	160
	1,093	962

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Directors' remuneration	570	1,104
Directors' pension contributions to money purchase schemes	4	5

The number of directors to whom retirement benefits were accruing was as follows

	52 weeks ended 25 November 2018	73 weeks ended 26 November 2017
Money purchase schemes	1	1

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Remuneration	<u>321</u>	<u>618</u>

A Laffey and D Harte were also directors of the ultimate parent Company Eddie Stobart Logistics plc and received their remuneration from that Company. Their total emoluments are disclosed in the financial statements of that Company, which are publicly available. No specific recharge is made by Eddie Stobart Logistics plc, in respect to their qualifying services to iForce Limited and the directors do not believe that it is practical to apportion their remuneration between their services as directors of the Company (which they believe to be negligible) and their services as directors of the ultimate parent Company. Therefore, there is no disclosure of directors' emoluments in respect of these directors, with their remuneration disclosed in the accounts of Eddie Stobart Logistics Plc.

R H C Nichols is a director of fellow group subsidiary, ESLL Group Limited. His total emoluments are disclosed in the financial statements of that Company, which are publicly available. The directors do not believe that is practical to apportion his remuneration between services as director of the Company and services as director of ESLL Group Limited.

S R Desreumaux was paid by Eddie Stobart Logistics plc and a recharge is made to iForce Limited for his services as director of the Company.

5. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Operating lease rentals in respect of hire of plant and machinery	653	999
Operating lease rentals in respect of land and buildings	3,002	3,018
Depreciation - owned assets	976	997
Computer software amortisation	908	1,313
Loss on disposal of fixed assets	-	48
Auditors' remuneration – audit fee	19	27
	<u></u>	<u></u>

There are no non-audit fees charged in either period

6. EXCEPTIONAL ITEMS

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Exceptional items	<u>707</u>	<u>1,139</u>

Exceptional items incurred during the period of £707k (2017:£1,139k) relate to redundancy costs (2017: the dual running costs incurred during the relocation of the company's operation). The costs are considered to be one off in nature, and have only been incurred due to restructuring.

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Bank interest	<u>30</u>	<u>43</u>

8. TAX ON PROFIT/(LOSS)

Analysis of the tax charge

The tax charge on the profit/(loss) for the financial period was as follows:

	52 weeks ended 25 November 2018 £000	73 weeks ended 26 November 2017 £000
Current tax:		
UK corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	285	(144)
Impact of change in tax rate	(31)	266
Adjustment in respect of prior periods	<u>(5)</u>	<u>(10)</u>
Tax on profit/(loss)	<u>249</u>	<u>112</u>

UK corporation tax has been charged at 19.00% (2017 – 19.53%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher (2017: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £000	2017 £000
Profit/(loss) before taxation	<u>623</u>	<u>(677)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19.00% (2017-19.5%)	118	(132)
Effects of:		
Expenses, not deductible for tax purposes	167	14
Adjustment from previous period	(5)	(10)
Tax rate changes	(31)	266
Movement in deferred tax	-	(26)
Total tax charge	<u>249</u>	<u>112</u>
Deferred tax	2018 £000	2017 £000
Opening balance	4,328	4,440
Movement during the year	<u>(249)</u>	<u>(112)</u>
Closing balance	<u>4,079</u>	<u>4,328</u>

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

8. TAX ON PROFIT/(LOSS) – continued

Changes in the UK Corporation tax rates were announced in the 2016 Budget on 16 March 2016. The change announced and substantially enacted on 6 September 2016, is to reduce the main rate to 17% from 7 April 2020. This represents an additional 1% cut on top of the previously announced corporation tax rates, being a reduction in the CT tax rate to 19% from 01 April 2017 and to 18% from 1 April 2020 which was enacted on 26th October 2015 and therefore the standard rate of corporation tax for the period ended 25 November 2018 was 19.00%.

9. INTANGIBLE ASSETS

	Computer software
COST	£000
At 27 November 2017	4,663
Additions	1,089
At 25 November 2018	<u>5,752</u>
 ACCUMULATED AMORTISATION	
At 27 November 2017	3,022
Amortisation for the period	908
At 25 November 2018	<u>3,930</u>
 NET BOOK VALUE	
At 25 November 2018	<u>1,822</u>
 At 26 November 2017	<u>1,641</u>

Intangible assets amortisation is recorded in administrative expenses in the Statement of Comprehensive Income

10. PROPERTY, PLANT AND EQUIPMENT

	Improvements to leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
COST				
At 27 November 2017	3,532	1,729	3,339	8,600
Additions	574	375	528	1,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 25 November 2018	<u>4,106</u>	<u>2,104</u>	<u>3,867</u>	<u>10,077</u>
 ACCUMULATED DEPRECIATION				
At 27 November 2017	237	1,305	968	2,510
Charge for period	403	175	398	976
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 25 November 2018	<u>640</u>	<u>1,480</u>	<u>1,366</u>	<u>3,486</u>
 NET BOOK VALUE				
At 25 November 2018	<u>3,466</u>	<u>624</u>	<u>2,501</u>	<u>6,591</u>
 At 26 November 2017	<u>3,295</u>	<u>424</u>	<u>2,371</u>	<u>6,090</u>

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

11. DEBTORS

	2018 £000	2017 £000
Amounts falling due within one year:		
Trade debtors	8,301	4,771
Amounts owed by group undertakings	6,426	5,300
Other debtors	34	476
Deferred tax asset	206	206
Prepayments and accrued income	6,321	3,984
	<u>21,288</u>	<u>14,737</u>
Amounts falling due after more than one year:		
Deferred tax asset	3,873	4,122
	<u>3,873</u>	<u>4,122</u>
Aggregate amounts	<u>25,161</u>	<u>18,859</u>

Deferred tax assets	Fixed Assets £000	Temporary differences in trading £000	Tax losses £000	Total £000
At 26 November 2017	(849)	(11)	(3,468)	(4,328)
Prior year adjustment	(53)	-	48	(5)
Charged/(credited to income statement)	<u>(308)</u>	<u>(8)</u>	<u>570</u>	<u>254</u>
Closing balance at 25 November 2018	<u>(1,210)</u>	<u>(19)</u>	<u>(2,850)</u>	<u>(4,079)</u>

Amounts owed by group undertakings do not bear interest, are unsecured, and are repayable upon demand.
Trade debtors are stated after provisions for impairment of £405,000 (2017: £nil).

The company is expecting to make profits in the future and hence considers the deferred tax assets to be recoverable.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	5,619	3,192
Amounts owed to group undertakings	10,615	2,912
Taxation and social security	1,478	1,780
Other creditors	4,365	4,444
Accruals and deferred income	4,225	3,778
	<u>26,302</u>	<u>16,106</u>

Amounts owed to group undertakings do not bear interest, are unsecured, and are repayable upon demand.

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £000	2017 £000
Amounts owed to group undertakings	<u>-</u>	<u>2,912</u>

Amounts owed by group undertakings do not bear interest and are unsecured.

14. PROVISIONS FOR LIABILITIES

	2018 £000	2017 £000
Dilapidation provision	255	425
Other provision	<u>-</u>	<u>144</u>
	<u>255</u>	<u>569</u>

	Other provision £000	Dilapidation provision £000	Total Provisions £000
Balance at 27 November 2017	144	425	569
Charge to Statement of Comprehensive Income during period	-	255	255
Utilised during the period	<u>(144)</u>	<u>(425)</u>	<u>(569)</u>
Balance at 25 November 2018	<u>-</u>	<u>255</u>	<u>255</u>

15. FINANCIAL INSTRUMENTS

	Note	2018 £000	2017 £000
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	11	8,301	4,771
Amounts owed by group undertakings	11	6,426	5,300
Other debtors	11	<u>34</u>	<u>476</u>
		<u>14,761</u>	<u>10,547</u>
Financial liabilities measured at amortised cost:			
Trade creditors	12	5,619	3,192
Amounts owed to group undertakings	12	5,299	2,912
Other creditors	12	<u>4,365</u>	<u>4,444</u>
		<u>15,283</u>	<u>10,548</u>

iForce Limited (Registered number: 03441816)

Notes to the Financial Statements - continued
for the Period 27 November 2017 to 25 November 2018

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018	2017
Number:	Class:		£000	£000
2,000,000	Ordinary	£1	2,000	2,000
			<u>2,000</u>	<u>2,000</u>

17. CAPITAL REDEMPTION RESERVE

Other reserves relate to historical capital contributions received from the immediate parent company.

18. PENSION COMMITMENTS

The company operates a Stakeholder Personal Pension Scheme for the benefit of its employees. The stakeholder personal pension plans are provided by an insurance company independent from the company.

The pension cost charge for the period was £179k (2017: £170k) and the contribution outstanding at the period-end was £101k (2017: £58k).

19. CONTINGENT LIABILITIES

There is an unlimited bank cross guarantee arrangement between the Company and its fellow subsidiary undertakings. The maximum potential liability at 25 November 2018 was £124m (2017: £100m).

20. CAPITAL AND OTHER COMMITMENTS

The company had no commitments for future capital expenditure at 25 November 2018 (2017: £nil).

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018	2017
	£000	£000
Not later than one year	4,019	3,932
Later than one year and not later than five years	15,147	14,923
Later than five years	<u>11,932</u>	<u>15,614</u>
	<u>31,098</u>	<u>34,469</u>

The company had no other off-balance sheet arrangements.

21. RELATED PARTY DISCLOSURES

The director had no transactions with the Company during the year within the meaning of the Companies Act 2006.

The Company has taken advantage of the exemption under FRS101 from the requirements of IAS 24 Related Party Disclosures to disclose transactions with related parties that are wholly owned by the Eddie Stobart Logistics plc group.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is iForce Group Limited. The ultimate parent undertaking and the smallest and largest group for which group financial statements are drawn up and of which the Company is a member is Eddie Stobart Logistics plc, incorporated in the United Kingdom, which acquired the entire share capital of iForce Group Limited (immediate parent undertaking) on 28 April 2017. 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.

23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 9 December 2019, Marcelos Limited ("Marcelos"), a subsidiary of DouglasBay Capital III Fund LP (the "Fund"), a Fund managed by Dbay Advisors Limited ("DBAY"), acquired, via its 100% owned subsidiary Alpha Cassiopeiae Limited ("Alpha"), 100% of the issued ordinary share capital of Greenwhitestar Acquisitions Limited from Eddie Stobart Logistics Plc ("ESL Plc") in exchange for the issue of 49 £1 ordinary shares in Marcelos, to ESL Plc. Following the issue of the Marcelos shares, ESL Plc holds 49% of the overall ordinary share capital of Marcelos.

On 9 December 2019 DBAY injected approximately £50m of new financing into Greenwhitestar Acquisitions Limited operations through an interim PIK Facility. A further £20m of available facilities was secured from the senior debt providers on the same day.

On 9 December 2019, following the acquisition of Greenwhitestar Acquisitions Limited by Alpha, the highest intermediate company for which consolidated financial statements are drawn up and of which the company is a member changed to Greenwhitestar Acquisitions Limited.