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Wincanton plc

Consumer products | General merchandise | Grocery | Home and DIY | eCommerce

Service at the heart of our success

Construction | Defence | Energy | Fleet maintenance | Transport services

Annual Report and Accounts 2017

Inside this **report**

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The Group continues to perform robustly and deliver strong service levels for customers

Adrian Colman Chief Executive

CHIEF EXECUTIVE'S STATEMENT p16

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OUR BUSINESS RETAIL & CONSUMER p4

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OUR BUSINESS INDUSTRIAL & TRANSPORT p8

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BUSINESS MODEL p12

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CORPORATE RESPONSIBILITY REPORT p28

Group at a glance

Service lies at the heart of what makes Wincanton special. Whether we are ensuring safe and effective operations today or creating the supply chain of the future, we work tirelessly to enable great businesses to become even greater.

Across the UK and Ireland, we deliver the highest standards of service, excellence and innovation in order to help customers respond to changing market dynamics – and to reap the rewards of a more agile and effective supply chain.

KEY STATISTICS (AS AT 31 MARCH 2017)

Employees	Locations	Vehicles responsible for	Warehousing space
17,500	**200+**	**3,600**	**6.6m sqft**

FINANCIAL HIGHLIGHTS

Revenue
£1,118.1m
-2.6%
-1.3% (excluding WRM)

Underlying operating profit[1]
£52.1m
+2.4%
+7.0% (excluding WRM)

Underlying operating profit margin[1]
4.7%
+30bps
+40bps (excluding WRM)

Net debt[1]
£24.3m
-38.5%

Operating profit
£56.0m
-31.2%

Operating profit margin
5.0%
-210bps

Underlying earnings per share[1]
27.7p
+15.9%

Basic earnings per share
34.2p
-32.5%

Dividend per share
9.1p
+65.5%

[1] See page 23 for further information on the Alternative Performance Measures (APMs), including definitions and a reconciliation of APMs to statutory measures.

Making good **progress**

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Steve Marshall
Chairman

> **Strong positive cash generation enables us to lift our final dividend**

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INTRODUCTION

The year ended 31 March 2017 represented a further year of good progress for Wincanton. The focus of the Board and the Executive Management Team is on positioning the Group to deliver long term organic growth, whilst also meeting its obligations to all stakeholders. This will be achieved by maintaining and deepening strong working partnerships with our customers.

The success of an outsourcing business model such as ours is driven by providing great customer service and value, maintaining high levels of contract retention and renewal and by securing new contracts to grow the business.

RESULTS

Underlying earnings per share was up by 15.9% over the prior year to 27.7p, and has increased by 108.3% since the year ended 31 March 2013.

Year end net debt at £24.3m (2016: £39.5m) was once again reduced, cumulatively a 78.8% reduction over the same period. The Group's existing banking facilities were satisfactorily extended during the year to provide an appropriate level of maturity.

PEOPLE AND THE BOARD

Board membership was unchanged during the year. Adrian Colman has continued to strengthen the senior management team, with a healthy mixture of internal promotions and external appointments; broadening our talent pool is fundamental to the Group delivering on its organic growth strategy and meeting customer expectations.

The contribution of the Group's 17,500 employees is once again recognised. The Group's strong reputation for consistent operational delivery is above all the product of their hard work.

DIVIDEND

The Board are pleased to be recommending an increased final dividend of 6.1p per Ordinary Share for the year ended 31 March 2017 (2016: 5.5p). This reflects the Group's strong operating profits and dividend policy outlined to shareholders last year when we resumed dividend payments. The proposed annual dividend is covered 3.0 times by underlying earnings. The Board's progressive dividend policy is unchanged.

KEY PRIORITIES AND PROSPECTS

The Group's overriding priority will be to oversee further progress in the delivery of the organic growth trading strategy, as set out in the Chief Executive's statement. This requires targeted investments in people and processes, to extend our capabilities in areas directly relevant to customers in our existing contract logistics heartland. The Group now has the capacity to invest in business development, and is actively doing so; but it remains selective in its approach, with a risk appetite best described as low to moderate.

The Board will also be focused on the forthcoming triennial review of the pension scheme and in agreeing an appropriate future funding plan with the Scheme Trustee. The Group still has a sizeable pension deficit, and so the pension scheme will remain as a significant stakeholder for many years to come.

As already noted, talent management is already a key focus, and increasing diversity in all its forms will be a priority for the coming year, from the warehouse to the boardroom. The Board will also ensure that their stewardship obligations, not least in the areas of operational safety, sustainability and financial assurance, remain centre stage and in line with best practice.

OUTLOOK

The Group remains well positioned in its chosen markets and continues to perform robustly and deliver strong service levels for customers. To date the Group has experienced no significant impact from the Brexit vote in June 2016, and we believe the Group can adequately manage any future uncertainty that arises during the Brexit process.

Robust cash generation supports limited scale investments in skills and technology capabilities to both protect and grow the business for the longer term without raising the Group's overall risk profile.

During the coming year the Board expect Wincanton to make continued progress.

Steve Marshall
Chairman

Retail & Consumer

Addressing over half of the supply chain spend in the UK, our Retail & Consumer operations seamlessly manage the flow of goods from production through to delivery to the store or home, for grocers and general retailers alike. In an increasingly digitised market our systems, people and services underpin many multichannel operations.

Graph removed

Revenue

£649.3m

Graph removed

Underlying operating profit

£25.8m

WHAT WE DO

- **eFulfilment.** We provide a comprehensive range of services to support today's multichannel retail environment. From order management to delivery and assembly of goods in the home we can streamline the process and deliver customer satisfaction.
- **Asset utilisation.** In a competitive environment we work to ensure operations are efficient and assets are utilised. Approaches include collaborative warehousing, shared transport options as well as re-deploying our own assets to support peak trading periods.
- **Transformation.** We continuously improve operations and innovate and transform them through the introduction of new technologies and approaches.

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MARKET SECTORS

RETAIL GENERAL MERCHANDISE

Non-food retailers with store and/or online activities requiring eFulfilment services to meet the demands of a multichannel market.

Customers include:

- Argos
- B&Q
- Screwfix
- wilko

Revenue

£315.5m

RETAIL GROCERY

Food retailers serving consumer or trade customers requiring flexible and reliable supply chain operations.

Customers include:

- ASDA
- Co-op
- Sainsbury's
- Waitrose

Revenue

£228.7m

CONSUMER PRODUCTS

Manufacturers supplying the retail market with food, or non-food products and looking for closer supply chain integration and new ways to serve their markets.

Customers include:

- Britvic
- GSK
- The Kraft Heinz Company
- Nestlé

Revenue

£105.1m

"

Our multichannel operations adapt quickly to changing shopping behaviours so that our customers can deliver the right brand experience

CHALLENGES

Delivering the right brand experience

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Both volume and value of last mile deliveries are increasing as consumers are more confident at purchasing goods online. Retailers face the reality of placing their brands in the hands of third parties in order to fulfil their customer orders, which requires trust and integrity.

Cost to serve

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Cost to serve is high on the agenda with retailers continuing to demand better value from suppliers. Cost pressures impact all areas of the supply chain and, as margins are squeezed, the importance of operational optimisation becomes a central focus point, providing much needed areas of cost efficiency.

The customer journey

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The 'customer journey' continues to be the primary focus for retailers, as the expectation of a multichannel experience becomes increasingly embedded in habitual consumer behaviour. The increasingly complex supply chain that is being driven as a result of this requires pragmatic and well thought through solutions.

HOW WE ARE RESPONDING

Delivering for our customers
We pride ourselves on fulfilling our existing customers' home delivery needs, alongside building solid solutions that allow both retailers and consumers to benefit from the simplest and most seamless fulfilment methods available in today's market. Supported by customer results and reviews eg. TrustPilot.

Continuously improving our operations
We have a large continuous improvement team, tasked with optimising and improving operations. This, coupled with a pro-active approach to collaboration, provides a realistic and highly valuable benefit for customers who are looking to reduce their overall cost to serve whilst maintaining high service levels.

Evolving our capability
We continue to work with large customers to meet their multichannel needs by developing smarter and more efficient ways of working. We continue to introduce new capabilities, for example, the implementation of the latest platform edition of Manhattan Associates' Warehouse Management System (WMS). Manhattan's market leading multichannel fulfilment solution will provide Wincanton and its retail customers with a flexible order fulfilment approach that delivers an integrated, multichannel buying experience for the consumer.

Delivering a multichannel experience

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HELPING RETAILERS STAY AHEAD

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Wincanton's skills and experience are helping retailers rise to the multiple challenges of today's multichannel environment. With our support, retailers are able to offer faster, more flexible and more reliable services, giving consumers a seamless logistics supply chain, time after time – instore, online and everywhere in between.

We have a proud and proven track record across every aspect of retail, supporting household names, market leaders and smaller specialists with a range of technologies, services and support facilities. Nobody matches our ability to plan, schedule and deliver goods safely, effectively and efficiently, no matter the location. For example, our new warehouse management technology is giving retailers new capabilities in the storage, picking, packing and despatching of small orders in particular, helping them grow their businesses in new and exciting ways. Similarly, the huge fund of knowledge we have gained in the construction industry is helping retailers in the DIY sector improve home deliveries of bulky materials.

From collection at the dockside to fulfilment, from click and collect to home delivery with installation, across every size of retailer in every sector, we make sure that the consumer experience supports the brand promise.

Industrial & Transport

Addressing approximately a quarter of the supply chain spend in the UK, our Industrial & Transport operations smoothly handle a wide range of industrial products through an extensive and typically specialised network. The products are as diverse as fuel, bricks and specialist engineering components alongside the transport of containers and general goods. It also includes the maintenance of LGVs and HGVs.

Graph removed

Revenue

£468.8m

Graph removed

Underlying operating profit

£26.3m

WHAT WE DO

- **Transport.** We operate a large fleet of general and specialist vehicles. This includes the UK's largest fleet of mechanical offloaders (for bricks and blocks), ready-mix cement mixers and fuel tankers in addition to the more common general haulage services.
- **Compliant operations.** Whether storing or moving goods our services meet many stringent compliance and accreditation standards including SC21, FORS and ADR as well as exceeding our own high targets for health and safety performance.
- **Asset optimisation.** We optimise our fleet, as well as customer fleets, through effective support systems, increased deployment of technology supported by proactive maintenance via the Pullman business to ensure performance as well as compliance.

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MARKET SECTORS

TRANSPORT SERVICES

Serves all our retail, consumer and industrial customers as well as shipping lines and freight forwarders with general haulage, container transport and fleet maintenance services UK-wide.

Customers include:

- Howdens Joinery
- Lucozade Ribena Suntory
- Mediterranean Shipping Company (MSC)
- Etex

Revenue

£207.0m

CONSTRUCTION

Manufacturers of construction products (eg. bricks, aggregates etc.) and construction primes managing large projects requiring timely flows of key components (eg. cement).

Customers include:

- Brett
- Hanson
- Ibstock
- Tarmac

Revenue

£134.4m

OTHER

Specialist sectors including defence, energy and food with specific compliance and operating requirements.

Customers include:

- BAE Systems
- Müller Milk & Ingredients
- Phillips 66
- Valero

Revenue

£127.4m

"We continually develop our services to enhance our capability and ensure compliance as our markets evolve

CHALLENGES

Efficient and sustainable operations

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Due to persistent cost pressures, coupled with a drive for stronger corporate and social responsibility, it is becoming increasingly common for businesses to demand more efficient solutions, not only from fuel economy and fleet optimisation, but also with a closer focus on sustainability.

Improved visibility and tracking

Icon removed

Shortened delivery timescales alongside fragmented drop locations across some sectors is driving the need for customers to have confidence in their logistics partner to deliver both accuracy and efficiency within their supply chains.

Health and safety

Icon removed

Within a transport and logistics environment health and safety has never been more important. Driver health and safety along with the challenges of running large vehicle fleets on the public highways are topics at the forefront of supply chain operations. This is applicable across Retail & Consumer as well as Industrial & Transport.

HOW WE ARE RESPONDING

Deploying new developments
We work closely with our suppliers to trial, evaluate and deploy new equipment.
Our examples are wide ranging but include investment in new efficient vehicles, participation in continued Government trials of longer trailers and use of enhanced vehicle telematics which pro-actively track journeys to promote better driving methods and reduce accidents. Collectively these initiatives offer lower emissions, better efficiency and improved safety for our drivers and other road users.

Deploy technology to improve visibility and customer service
Whilst our solutions may be customer specific we are increasingly adopting a common standard across our transport operations. Central to this is Winsight, a key component of our in-cab technology platform. It allows drivers to connect with regional planning teams, to create effective route planning and provides transparency within the current fleet utilisation. The result is improved fleet optimisation and better visibility of deliveries for customers.

Delivering safety first
We treat health and safety as our number one priority and we are committed to raising awareness throughout all of our driver and warehouse teams. Our focus is driving behavioural change where driver and warehouse staff are continuously developed via training methods designed to improve individual skills, providing improved and safer performance.

Refining our model

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NEW OPPORTUNITIES FROM NEW DYNAMICS

We constantly monitor trends across all aspects of logistics, identifying opportunities where we can exploit changing market dynamics.

Ours is a diverse business but although we operate across many sectors with many different characteristics, our experience has revealed that supply chains frequently have challenges in common. While these challenges may present difficulties, they also generate opportunities for us to expand into new areas. For example, changing dynamics in the fuel sector meant that forecourts were no longer totally dominated by the big brands. Independent forecourt retailers now make up a significant market share and this has led to an increase in demand for more flexible fuel deliveries. Our response was the development of EnergyLink, a Wincanton-branded flexible nationwide fleet of fuel tankers that serves forecourts, service stations and airports. Customers have bought into the strengths and services that EnergyLink provides and recent months have seen significant expansion.

We apply this same flexible, entrepreneurial approach to all sectors, including construction where we have over 70 ready-mix vehicles delivering to construction sites and individuals across the UK and we are currently exploring options in adjacent markets, such as bitumen.

Image removed

How we **create value**

As supply chain experts we are focused on improving our customers' operations, whether this is to deliver better service levels, increase customer satisfaction, reduce cost to serve or by running safe operations. In order to do this we draw on all our expertise and resources from across the Group.

THE RESOURCES WE NEED

Icon removed

Skilled knowledge and expertise of our people

Our people are at the heart of Wincanton and their skills and expertise enable our customers to achieve their goals.

Employees

17,500

Icon removed

Flexible warehouse facilities

An actively managed portfolio of Wincanton and customer locations, from dedicated sites to shared user operations.

Warehousing space

6.6m sqft

Icon removed

Multimodal transport operations

Owned and managed vehicles as well as rail to deliver a flexible, safe and efficient service.

Vehicles responsible for

3,600

Icon removed

Proven technology and logistics systems

Integrated and flexible systems providing our customers with visibility and control.

Locations

200+

WHAT WE DO

OUR SERVICES

- We design and evaluate transport networks and find the solutions that balance cost with service.
- We design and operate high density, automated warehouses or high volume pick and pack eCommerce operations.
- We create innovative solutions and implement cutting edge technology to drive continuous improvement initiatives with over 500 Lean Six Sigma trained specialists.
- We train our teams to ensure their safety and that of others around them.

Image removed

Contract type

Open book operations

60%

Contracts will typically cover our costs plus an agreed management fee. This provides visible earnings with modest margins, but with low risk to the business.

Image removed

OUR CAPABILITY

- Our IT teams can specify and deploy warehouse management systems, manage them in-life and migrate them to alternative platforms.
- Our HR team can transfer employees (in line with TUPE legislation), handle large workforces, build effective teams, strengthen employee engagement and develop employees.
- Our property team can source warehouses across the UK and Ireland, manage leases and seek collaborative opportunities to maximise space.
- Our environment team support the improvement and delivery of more sustainable operations.

We do it through our values

Excellence

Integrity

Passion

Proactivity

Togetherness

Trust

Closed book operations

40%

Contracts are competitively priced and see us own the principal financial opportunity along with manageable and controllable risks. Greater deployment of resources across contracts offers improved returns.

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THE VALUE WE CREATE

Icon removed

Customer focused delivery

Whether delivering to a building site, a distribution centre, a high street store or end customer our aim is to provide a leading customer experience.

Icon removed

More efficient supply chains

Through improving service, reducing waste and maximising capacity we look to make our customers' supply chains better. Every day.

Icon removed

A safer environment for all

By maintaining a relentless focus on the health and safety of our employees, visitors and the communities we serve.

Icon removed

Sustainable operations

Through driving reductions in our emissions via investment, awareness, training and recognition. Enabled by changing behaviours.

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Shareholder value

Rigorous management of our business, our costs and our risks to generate sustainable total shareholder returns.

Our Strategy

Our strategic focus and business performance will continue to be driven by the following objectives:

1

Delivering improvements for our customers in our existing operations and retaining existing contracts.

2

Improving 'share of wallet' with our existing customers and focusing on cross selling our services.

3

Acquiring new customers through improved prospecting process and innovative service propositions.

4

Driving ongoing cost reductions and cash generation.

TO DELIVER THIS STRATEGY WE SEEK TO:

Put the customer at the centre with sector focused strategies.

Deliver integrated and consistent services to optimise operations.

Differentiate market position through innovative solutions.

Invest in our people to become an aspirational organisation to work for.

READ MORE ABOUT OUR STRATEGIC PROGRESS ON PAGE 18

How we measure our performance

Our KPIs

Revenue

£1,118.1m

-2.6%

-1.3% (excluding WRM)

Graph removed

Consolidated Group revenue.

Underlying EBITDA[1]

£63.9m

-2.3%

+2.9% (excluding WRM)

Graph removed

Operating profit before all amortisation and depreciation charges and before exceptionals.

Underlying operating profit[1]

£52.1m

+2.4%

+7.0% (excluding WRM)

Graph removed

Operating profit before amortisation of acquired intangibles and exceptionals.

Underlying operating profit margin[1]

4.7%

+30bps

Graph removed

Underlying operating profit as a percentage of revenue.

Net debt[1]

£24.3m

-38.5%

Graph removed

Borrowings and other financial liabilities net of cash and cash equivalents.

Underlying EPS[1]

27.7p

+15.9%

Graph removed

Profit for the year attributable to equity shareholders of Wincanton plc before amortisation of acquired intangibles, exceptionals and the tax impact of those items, as well as other exceptional tax items, divided by the weighted average number of Ordinary Shares in issue throughout the year.

Lost Time Incident Frequency Rate (LTIFR)

0.68

-4.2%

No. of LTIs per 100,000 hours worked

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Number of lost time incidents per 100,000 hours worked.

Employee Engagement

64%

+0.0%

Engagement score %

Graph removed

The percentage of positive responses to five specific statements within the employee survey.

[1] See page 23 for further information on the Alternative Performance Measures (APMs), including definitions and a reconciliation of APMs to statutory measures.

Successful service, organised for **growth**

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Adrian Colman
Chief Executive

> **The Group continues to perform robustly and deliver strong service levels for customers**

PERFORMANCE SUMMARY

	2017	2016 reported	2016 (excl. WRM)[1]	Change (excl. WRM)[1]
Revenue (£m)	**1,118.1**	1,147.4	1,132.5	(1.3)%
Underlying EBITDA (£m)[2]	**63.9**	65.4	62.1	2.9%
Underlying operating profit (£m)[2]	**52.1**	50.9	48.7	7.0%
Underlying operating margin (%)[2]	**4.7%**	4.4%	4.3%	40bps
Underlying EPS (p)[2]	**27.7**	23.9		
Dividend per share (p)	**9.1p**	5.5p		
Closing net debt (£m)[3]	**(24.3)**	(39.5)		

[1] On a like for like basis, excluding the results of Wincanton Records Management (WRM) from the prior year which was disposed of in December 2015.
[2] Page 23 provides further information on Alternative Performance Measures (APMs), including definitions and a reconciliation of APMs to statutory measures.
[3] Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities. Note 25 to the financial statements provides a breakdown of net debt for the current and prior periods.

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The year ended 31 March 2017 has been another year of good progress and strong trading performance, securing important renewals and winning new contracts with new services and new customers.

Revenue in the year ended 31 March 2017 was £1,118.1m (2016: £1,132.5m excluding WRM), which represents a year on year decrease of 1.3%. This has been driven primarily by the full year impact of contracts exited in the prior year, including all closed book home shopping contracts in Pullman, partly offset by revenue from contract wins.

Underlying operating profit grew by 7.0% to £52.1m (2016: £48.7m excluding WRM), reflecting a continued strong operating and financially disciplined performance across the business, including an improvement in the performance of the Pullman business following the exit of loss-making contracts in the prior year. As a result we have achieved an underlying operating margin of 4.7%, up from 4.3% (excluding WRM) in the prior year.

Underlying EPS grew a healthy 15.9% and supports the growth in final dividend per share to 6.1p, resulting in a total 9.1p for the year.

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Following the disposal of Wincanton Records Management (WRM) in December 2015, the Group has, with effect from 1 April 2016, refocused its internal management structure under the following two reportable segments; Retail & Consumer and Industrial & Transport.

Segmental information for the year ended 31 March 2016 has been realigned to aid comparability, and in line with management reporting, the results of WRM have been excluded from the results of the reportable segments in the prior year.

RETAIL & CONSUMER

	2017	2016	Change
Revenue (£m)	**649.3**	624.4	4.0%
Underlying operating profit (£m)	**25.8**	25.2	2.4%
Margin (%)	**4.0%**	4.0%	nil bps

Retail & Consumer reported revenues of £649.3m in the year, a 4.0% year on year increase compared with the £624.4m reported in the year to 31 March 2016. The contractual split of this segment between open and closed book remains relatively constant at 87% open book (2016: 90%).

Underlying operating profit for the year was £25.8m, up 2.4% on the £25.2m reported last year.

The split of Retail & Consumer revenue by the industry sectors it serves is as follows:

	2017 £m	2016 £m	Change
Retail general merchandise	**315.5**	278.2	13.4%
Retail grocery	**228.7**	234.7	(2.6)%
Consumer products	**105.1**	111.5	(5.7)%
	649.3	624.4	4.0%

The overall revenue increase was driven primarily by the impact of contract wins and strong volume growth with Home & DIY business customers, reported within Retail general merchandise. This growth was partly offset by the impact of lost volumes due to contract cessations in Retail grocery and Consumer products.

The business successfully renewed a number of important contracts and extended the services with key customers, such as Co-op providing food distribution services and Sainsbury's providing warehousing and distribution services. Both of these important renewals demonstrate the strong partnership-based ethos with our customers and our commitment to driving greater efficiency into these logistics operations. In a challenging grocery marketplace we will deliver substantial savings into the future for our customers.

New business wins included a five year contract with wilko, one of the UK's fastest growing retailers, to manage all UK transport operations, a three year warehouse management contract with Coca-Cola, a four year contract with IKEA and a five year contract with Majestic Wine to establish and operate an eCommerce National Fulfilment Centre. For IKEA, we will provide operational development and support for two new distribution centres, supporting their multichannel distribution growth strategy.

In any contracting business inevitably the new business growth has been partially offset by revenue reduction on contract losses and exits due to changes in customer requirements or transfers to alternative providers.
During the year, this included the cessation of the Morrisons convenience store business, and a lost contract with Nestlé both announced last year as well as the cessation of a Tesco contract from July 2017.

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Excellent relationships are at the heart of our success and we ensure that we understand our customers' needs and challenges so that we can add value to their business

INDUSTRIAL & TRANSPORT

	2017	2016	Change
Revenue (£m)	**468.8**	508.1	(7.7)%
Underlying operating profit (£m)	**26.3**	23.5	11.9%
Margin (%)	**5.6%**	4.6%	100bps

Industrial & Transport reported revenues of £468.8m in the year, down 7.7% on the £508.1m reported in the prior year.

The underlying operating profit of £26.3m compared to £23.5m last year, driven by the improvement in performance of the Pullman business together with non-recurring items from contract cessations such as property-related credits.

The split of Industrial & Transport revenue by the industry sectors it serves is as follows:

	2017 £m	2016 £m	Change
Transport services	**207.0**	234.8	(11.8)%
Construction	**134.4**	138.5	(3.0)%
Other	**127.4**	134.8	(5.5)%
	468.8	508.1	(7.7)%

The decrease in revenue compared to last year is primarily due to the cessation of the closed book Pullman home shopping contracts in the second half of last year, volume pressures in container transport operations (both within Transport services above), the insourcing of a construction logistics contract and the cessation of a contract within defence operations (included within 'Other') at the half year, partially offset by growth in our EnergyLink business and the start-up of our ready-mix concrete offering.

With over 60 years' experience supporting the defence sector we received another gold standard accreditation known as the 'SC21' during the year. We are the first third party logistics company to be accredited with the gold SC21 award. Our defence operation was recognised for our change programme designed to accelerate the competitiveness of the aerospace and defence industry. This award demonstrates our commitment to continuous improvement and efficiency that we deliver through our tailored innovative supply chain solutions.

STRATEGIC PROGRESS

We have made good progress against our strategic goals in both sectors as follows:

Delivering improvements for our customers in our existing operations and retaining existing contracts

Significant contracts were renewed during the year including Sainsbury's and Co-op. Both are long standing customers of over 20 years. The renewals are based on the strength of our relationships and a partnership approach to their supply chain needs as well as on our service excellence, adaptability and dependability. As customers adapt to changing consumer behaviour the evolution of the supply chain is an increasingly important part of the renewal process.

During the year, the Construction business expanded its service offering into the ready-mixed concrete market and has commenced the acquisition of more than 100 ready-mix vehicles. This investment is backed by an eight year contract with Hanson UK and supports the Group's view that the prospects for the UK construction industry are positive as evidenced by the Government's desire to build a million new homes by 2020 and to invest in major infrastructure projects.

Improving 'share of wallet' with our existing customers and focusing on cross selling our services

Excellent relationships are at the heart of our success and we ensure that we understand our customers' needs and challenges so that we can add value to their business. During the period, we have extended the services we provide to a number of customers including Britvic and Screwfix. With Britvic we have extended our 19 year partnership and in addition to the distribution centre operation we have won a five year contract to operate their national transport operations. We have also extended our relationship with Screwfix with an agreement to design and manage a newly built warehouse.

These extended contracts demonstrate our track record of service excellence combined with a compelling commercial approach and added value.

Acquiring new customers through improved prospecting process and innovative service propositions

We were pleased to win new contracts with IKEA, wilko and Majestic Wine during the year.

To support IKEA's multichannel distribution growth strategy, we have sourced and fitted out two warehouses in South East England which are now in operation. The new facilities will create an efficient and reliable operation which will support IKEA's future growth plans.

We were delighted to be awarded the contract to manage all UK transport operations for wilko, the family owned retailer. We will be responsible for the replenishment of their 900-strong store portfolio making over 100,000 deliveries per annum.

The set up and successful Christmas operation of a new National Fulfilment Centre (NFC) for Majestic Wine has again proven our eCommerce expertise. We now generate over £250m of revenue from customers where we help them deliver their multichannel operations, which demonstrates great capability in a changing retail landscape.

Driving ongoing cost reductions and cash generation

Our track record in continuous improvement helps our customers in terms of lowering their cost of operations in open book contracts and supports our margins in closed book contracts. This continued drive to improve efficiency of operations strongly supports our ability to retain existing contracts with customers and build long term partnerships.

We continued the year on year trend of strong positive net cash flow of £15.2m (2016: £18.1m), see cash flow table on page 22. This excellent cash performance enables us to have the confidence to lift our final dividend from 5.5p to 6.1p per share this year resulting in a total dividend for the year of 9.1p per share (2016: 5.5p per share). We also continue to support our legacy pension scheme with deficit recovery plan payments, net of certain Scheme administration costs, of £14.1m in the year (2016: £20.9m). The remainder of cash generated reduced the level of closing net debt to £24.3m (2016: £39.5m).

BREXIT

Following the result of the EU Referendum in June 2016 we have closely followed developments in our markets and assessed the potential impact on our business. As a UK and Ireland focused business the direct impact to date has been negligible for Wincanton. However, we do recognise the potential to experience an affect as our customers' markets are impacted. This could be both positive or negative dependent on factors such as consumer confidence, construction investment sentiment, the effect of the devaluation of sterling currency and the availability of labour in the UK market place.

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Wincanton is a large scale employer in the UK and Ireland and we celebrate the diversity of background and ethnicity. Our employee base comprises 17,500 people with British, Irish, other EU and non EU heritage and we recognise and are grateful for the contribution they all make to the Group and wider economy now and in the future.

INNOVATION

We are serious about bringing innovative solutions to our business and our customers and we bring this together in Wincanton through our W² programme. Our W² Ideas Accelerator initiative is focused on finding and implementing innovative ideas from within Wincanton, harnessing and managing them via an interactive platform and engaging approach. Our W² Labs initiative has been established in partnership with L Marks, innovation specialists and early-stage investors. We are taking the Wincanton brand and certain key logistics themes to the worldwide start-up community to identify great ideas to trial in our business incubator.

PEOPLE

Wincanton employs 17,500 people, who are clearly our greatest asset. I thank them for their continued dedication, support and focus on our business and service to our customers.

Helping our people to develop and progress their careers with Wincanton is a really important element of our people strategy. We launched the 'Your Future' programme during the year as a new training programme to help attract people into logistics. We were delighted that a Wincanton General Manager was recognised in the Grocer's Top New Talent list in 2016 for his work creating the programme. Additionally, our HR team won multiple awards at the HR Excellence Awards recognising our Talent Management Strategy and Health and Wellbeing programmes for colleagues and the overall "HR Excellence Gold Award".

Our employees were also proud to be jointly awarded the Bis Henderson Third Party Logistics Provider of the Year at the Hermes Retail Week Supply Chain awards. The award in late September 2016 was awarded on the evidence of innovation, execution of those initiatives, a level of true collaboration with retail clients and evidence of those solutions to our customers, over the past 12 months.

CORPORATE RESPONSIBILITY

The health and safety of our people is our number one priority and we were pleased that our continued reduction in reported incidents was maintained this year as a result of our health and safety driver and warehouse initiatives and training programmes.

During the year, we have also continued to support and encourage our people to be as happy and healthy as possible, through our award winning health and wellbeing campaigns to improve knowledge and understanding of issues particular to our industry.

We are acutely aware of our responsibilities to minimise our environmental impact and have ensured during the year that all sites, depots and offices have sustainability plans in place to minimise the environmental impact of their activities on the local environment. The continued reduced environmental impact statistics detailed later in the Corporate responsibility report on pages 28 to 31 show how much our commitment and efforts are paying off and we were proud to retain the Carbon Trust Standard to March 2018 which we have held since 2010.

Delivering for all our **stakeholders**

Image removed

Tim Lawlor
Chief Financial Officer

Group net debt at the year end was £24.3m representing a net cash inflow in the year of £15.2m

PERFORMANCE SUMMARY

	2017	2016	Change	Change (excl. WRM)
Revenue (£m)	**1,118.1**	1,147.4	(2.6)%	(1.3)%
Underlying EBITDA (£m)	**63.9**	65.4	(2.3)%	2.9%
Underlying operating profit (£m)	**52.1**	50.9	2.4%	7.0%
Underlying operating margin (%)	**4.7%**	4.4%	30bps	40bps
Net financing costs (£m)	**(10.6)**	(15.6)		
Underlying profit before tax (£m)	**41.5**	35.3	17.6%	
Amortisation of acquired intangibles (£m)	**(2.2)**	(4.5)		
Exceptionals (£m)	**6.1**	35.0		
Profit before tax (£m)	**45.4**	65.8		
Income tax (£m)	**(3.4)**	(4.7)		
Profit after tax (£m)	**42.0**	61.1		
Underlying EPS (p)	**27.7**	23.9	15.9%	
Basic EPS (p)	**34.2**	50.7		
Dividend per share (p)	**9.1**	5.5		
Closing net debt (£m)	**(24.3)**	(39.5)	(38.5)%	

The Directors present the results of the business on an underlying basis, excluding amortisation of acquired intangibles and exceptional items, the related tax and exceptional tax, where applicable, from operating profit, profit before tax and EPS, as they believe this better represents the performance of the business. A reconciliation of these measures to their statutory equivalent is shown in the table on page 23.

The Group's revenue of £1,118.1m in the year ended 31 March 2017 was 2.6% lower than the prior year (2016: £1,147.4m). Excluding WRM, which was sold in December 2015, the decrease in revenue was 1.3%. This decrease is principally due to contract exits, including those from all closed book contracts providing fleet maintenance for home delivery services in the Pullman business. The impact of the contract exits, together with some volume pressure in the Containers business, has been partly offset by new wins and volume growth, particularly in the Retail general merchandise business.

Graph removed

Underlying operating profit grew by 2.4% to £52.1m. Excluding WRM, which recorded £2.2m operating profit in the year ended 31 March 2016, the Group's underlying profit grew by 7.0%. This growth reflected the continued strong operating performance, the improvement in the Pullman business, primarily due to the exit of the loss-making home shopping contracts and credits from end-of-contract property settlements. As a result we have achieved an underlying operating margin of 4.7%, marginally up from 4.4% in the prior year (4.3% excluding WRM).

NET FINANCING COSTS

	2017 £m	2016 £m
Bank interest payable on loans	**6.0**	10.1
Interest receivable	**(0.1)**	(0.2)
Net interest payable	**5.9**	9.9
Unwinding of discount on provisions	**1.2**	1.3
Interest on the net defined benefit pension liability	**3.5**	4.4
Net financing costs	**10.6**	15.6

Net financing costs were £10.6m (2016: £15.6m), £5.0m lower year on year.

Bank interest payable on loans was £6.0m (2016: £10.1m) due to reduced average net debt and the repayment of the £20m balance of the more expensive US Private Placement debt in November 2016.

The non-cash financing items total £4.7m (2016: £5.7m) and comprise the discounts unwinding on the Group's provisions for property and insurance claims plus the financing charge in respect of the defined benefit deficit, lower in the year because of a reduction in the opening pension deficit.

AMORTISATION OF ACQUIRED INTANGIBLES

Amortisation of acquired intangibles of £2.2m is £2.3m lower than the prior year as a result of the intangible relating to the acquired construction business being fully amortised at the end of March 2016. The remaining balance will be fully amortised by 31 March 2018.

EXCEPTIONALS

	2017 £m	2016 £m
Items related to disposed businesses	**4.6**	2.6
Profit recognised on the disposal of WRM	**–**	32.4
Other items	**1.5**	–
Net exceptionals	**6.1**	35.0

During the year, non-cash gains of £4.6m (2016: £2.6m) were recognised on the remeasurement of liabilities relating to disposed businesses. These included warranty balances held in respect of the disposal of the European operations and WRM.

In the prior year, exceptional profit arose on the disposal of WRM.

Other items comprise the settlement of a claim against a supplier, partially offset by the costs of initiating an Enhanced Transfer Value exercise in the pension scheme (see Pensions, below).

TAXATION

	2017	2016
Underlying profit before tax (£m)	**41.5**	35.3
Underlying tax (£m)	**7.5**	6.5
Tax on amortisation of acquired intangibles (£m)	**(0.4)**	(0.9)
Exceptional tax (£m)	**(3.7)**	(0.9)
Tax as reported (£m)	**3.4**	4.7
Effective tax rate on underlying profit before tax (%)	**18.0%**	18.4%

Underlying tax of £7.5m (2016: £6.5m) represents an effective tax rate of 18.0% (2016: 18.4%) on underlying profit before tax and is stated before tax credits of £0.4m (2016: £0.9m) in respect of the amortisation of acquired intangibles and exceptional tax of £3.7m (2016: £0.9m).

Exceptional tax comprises a tax credit of £4.0m (2016: £0.9m) relating to previous years' tax liabilities offset by a tax charge of £0.3m (2016: £nil) on exceptional profit.

The total net deferred tax asset has reduced to £17.2m (2016: £22.0m), primarily as a result of the reduction in the pension deficit and the deferred tax asset thereon.

PROFIT AFTER TAX AND EARNINGS PER SHARE

Profit after tax for the year is £42.0m (2016: £61.1m) with the reduction of £19.1m due to lower exceptional profit following the £32.4m gain on sale of WRM in the year ended 31 March 2016. The reduction arising from the lower exceptional profit was partly offset by improvements in underlying operating profit, financing costs and amortisation of acquired intangibles.

Underlying EPS, which excludes from earnings amortisation of acquired intangibles and exceptionals, increased by 15.9% to 27.7p (2016: 23.9p). Basic EPS was 34.2p (2016: 50.7p) with the decrease again being explained by the reduction in exceptional profit.

The calculation of these EPS measures is set out in Note 7.

DIVIDENDS

	2017 pence	2016 pence
Interim	**3.0**	–
Final (proposed)	**6.1**	5.5
Total	**9.1**	5.5

The Group's policy is to show dividend growth broadly matched to growth in underlying earnings.

In setting the dividend the Board consider a range of factors, including the Group's strategy (including downside sensitivities), the current and projected level of distributable reserves and projected cash flows.

The Board have proposed a final dividend of 6.1p per share relating to the year ended 31 March 2017, an increase compared to the final dividend paid in respect of the year ended 31 March 2016.

Dividend payments of £10.4m (2016: £nil) in the year comprised the final dividend of 5.5p per share relating to the period ended 31 March 2016 and the 2017 interim dividend of 3.0p per share.

FINANCIAL POSITION

The summary financial position of the Group is set out below:

	2017 £m	2016 £m
Non-current assets	**147.9**	148.5
Net current liabilities (excl. net debt)	**(149.8)**	(150.9)
Non-current liabilities (excl. net debt/pension deficit)	**(34.8)**	(36.8)
Net debt	**(24.3)**	(39.5)
Pensions deficit (gross of deferred tax)	**(78.4)**	(105.6)
Net liabilities	**(139.4)**	(184.3)

The reduction in net liabilities of £44.9m is represented by the profit after tax of £42.0m, the remeasurement of the pension deficit net of deferred tax of £13.6m, less dividends paid in the year of £(10.4)m and other movements in equity of £(0.3)m.

CASH FLOWS AND NET DEBT

The Group's cash flows can be summarised in the following table:

	2017 £m	2016 £m
Underlying EBITDA	**63.9**	65.4
Net capital expenditure	**(18.7)**	(6.0)
Onerous leases	**(2.7)**	(7.7)
Working capital	**6.5**	(51.8)
Tax	**(2.6)**	(3.1)
Net interest	**(6.8)**	(9.1)
Other items	**0.2**	0.1
Free cash flow	**39.8**	(12.2)
Disposal of WRM	–	55.7
Pension recovery payment	**(14.1)**	(20.9)
Dividends	**(10.4)**	–
Own shares acquired	**(0.1)**	(4.5)
Net cash flow	**15.2**	18.1

The Group generated a £15.2m (2016: £18.1m) net cash inflow in the period, with a free cash flow of £39.8m (2016: £(12.2)m)

Net capital expenditure was £18.7m (2016: £6.0m), the increase being driven by investment to support new business growth including £10.9m for specialist vehicles and £2.4m on the Group's information system infrastructure. The capital expenditure is net of cash receipts on sale of assets of £0.5m (2016: £4.4m), with the prior year including £4.0m in respect of a single sale of end-of-contract assets.

Cash outflows in respect of onerous lease liabilities were £2.7m, a £5.0m reduction compared to the prior year of £7.7m. This is in line with the previously expressed view that the Group's cash exposure to these onerous leases will fall materially over time.

The £6.5m inflow on working capital in the year ended 31 March 2017 is due to favourable timing on year end collections in the normal course of business. The large working capital outflow of £51.8m in the year ended 31 March 2016 was the result of a one-off adjustment to year end working capital management activities.

The Group paid cash tax in the current year of £2.6m (2016: £3.1m). The cash tax payable continues to trend below the underlying charge due to the impact of tax relief on the pension deficit recovery payments made in the year and on share options exercised. This is expected to continue going forward.

The amount of cash interest paid, excluding fees, of £6.8m (2016: £9.1m) reduced significantly in the year reflecting the lower level of average net debt compared to the prior year.

Free cash flow of £39.8m (2016: £(12.2)m) has been used to maintain the pension recovery payments of £14.1m (2016: £20.9m), to pay equity dividends of £10.4m (2016: £nil), and to reduce net debt by £15.2m (2016: £18.1m).

Net debt at 31 March 2017 was £24.3m (2016: £39.5m), reflecting the net cash inflow in the year of £15.2m.

Graph removed

The average level of net debt was reduced by £54.0m from £108.0m in the prior year to £54.0m in the current year from the cash generation of the business and the impact of the proceeds received from the disposal of WRM.

FINANCING AND COVENANTS

The Group's committed facilities at the year end were £166m (2016: £215m) and the headroom in these committed facilities to reported net debt at 31 March 2017 was £142m (2016: £176m). The Group also has additional operating overdrafts which provide day to day flexibility and amount to a further £11m in uncommitted facilities. Sterling and Euro pools are operated and whenever possible, surplus cash is netted against overdrafts.

Graph removed

During the year, the Group agreed an extension of the maturity of its syndicated facilities to October 2021.

The US Private Placement debt of £20m was redeemed from cash generated in the year and from other existing facilities on 7 November 2016.

The Group's facilities at 31 March 2017 comprise the following: the syndicated main bank facility of £141.2m which amortises by £8.8m in October 2019, with a second equal amortisation at the four year anniversary in October 2020; and £25m from the Prudential/M&G UK Companies Financing Fund LP, which amortises by £6.2m in January 2021 with the remaining balance maturing in January 2022.

The Group maintains a mix of hedging instruments (swaps) to give an appropriate level of protection against changes in interest rates. At the year end, £20m of debt was at fixed rates and the balance at floating rates.

Wincanton operates comfortably within its banking covenants, as summarised in the table below:

Covenant	Ratio	At 31 March 2017
Adjusted net debt: EBITDA	<2.75:1	**0.77**
Interest cover	>3.5:1	**14.1**
Fixed charge cover	>1.4:1	**2.9**

PENSIONS

The Group operates a number of pension arrangements in the UK and Ireland.

Defined benefit arrangements

The Wincanton plc Pension Scheme (the Scheme) includes defined benefit sections which were closed to future accrual on 31 March 2014.

The membership data split by key categories is as follows:

	2017	2016
Deferred	**8,030**	8,525
Pensioners	**5,883**	7,125
	13,913	15,650

The Scheme had an IAS 19 deficit of £78.4m at 31 March 2017 (2016: £105.6m). The deficit at 30 September 2016 was £169.2m.

The deficit has reduced due to an increase in the market value of the investments, a reduction in liabilities due to demographic assumptions and contributions received from the Group, being partly offset by an increase in liabilities resulting from a fall in the discount rate. The discount rate has fallen to 2.6% compared with the prior year of 3.5%. Each 0.1% increase in the rate impacts the liabilities of the Scheme by approximately £21.5m.

The last triennial valuation of the Scheme was undertaken as at 31 March 2014 and was finalised in April 2015. This showed a deficit on a technical provision basis of £195m and a deficit recovery payment plan was agreed with the Trustee which provided for a baseline annual payment of £14.4m increasing by RPI each year through the recovery period to September 2024. The cash contribution made in the current year to fund the deficit was £14.8m. Certain administration costs have also been paid directly by the Group and in line with the agreement with the Trustee, deducted from these contributions. The next triennial valuation will be based on the position as at 31 March 2017.

Over recent years, the Trustee has pursued a diversification of the investment portfolio as part of a de-risking strategy and the programme has continued in the year ended 31 March 2017. As at 31 March 2017 the Scheme's investment was split between 56% in return-seeking assets and 44% in defensive assets.

The Trustee has also decided to hedge the interest and inflation rate risks facing the Scheme and will systematically increase the level of this hedge to 100% of the Scheme's assets over a period of 15 months from August 2016 to November 2017, subject to leverage restrictions. This increase will, as far as practicable, eliminate changes in the funding level driven by changes in interest or inflation rates. At 31 March 2017 the Scheme hedged 89% of its inflation rate risk and 78% of the interest rate risk.

In conjunction with the Trustee, the Group has also initiated an Enhanced Transfer Value exercise, whereby deferred members approaching retirement may choose to transfer their assets out of the Scheme in order to access the new flexible retirement options available. As a result of this exercise the Group has recognised an exceptional item of £(0.9)m, being the costs associated with making the transfer offer, including the provision of independent financial advice. This exercise will conclude in the first half of the year ended 31 March 2018 together with an associated cash outflow to fund the enhanced transfer values and an expected reduction in pension liabilities.

The Trustee has also written to members with small pension pots to remind them of the option under normal Scheme rules to exchange their benefits for a one-off cash sum. In response to this communication 1,566 members have taken up this option resulting in a reduction in the liability of £3.8m.

Defined contribution arrangements

The Group's defined contribution arrangements include the Retirement Savings Section, Pension Builder Plan and Auto Enrolment section in the UK and a separate similar local scheme in Ireland. Active membership of these schemes was 15,524 (2016: 15,437) in the year. The charge incurred for these arrangements totals £17.9m (2016: £18.1m).

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs) are used by the Board in assessing the Group's performance and are applied consistently from one period to the next. They therefore provide additional useful information for shareholders on the underlying performance and position of the Group. Additionally, underlying EPS is used as a key performance indicator for the share incentive schemes, including the Special Option Plan and Long Term Incentive Plan. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures.

The Group presents underlying EBITDA, operating profit and EPS which are calculated as the statutory measures stated before amortisation of acquired intangibles and exceptionals, including related tax and exceptional tax items where applicable. The table below reconciles the APMs to the statutory reported measures.

	2017				2016				
	Statutory	**Amortisation of acquired intangibles**	**Exceptionals[1]**	**Underlying**	Statutory	Amortisation of acquired intangibles	Exceptionals[1]	Underlying	Excl. WRM[2]
Revenue (£m)	**1,118.1**	**–**	**–**	**1,118.1**	1,147.4	–	–	1,147.4	1,132.5
EBITDA (£m)[3]	**67.8**	**2.2**	**(6.1)**	**63.9**	95.9	4.5	(35.0)	65.4	62.1
Operating profit (£m)	**56.0**	**2.2**	**(6.1)**	**52.1**	81.4	4.5	(35.0)	50.9	48.7
Operating margin (%)	**5.0**	**0.2**	**(0.5)**	**4.7**	7.1	0.4	(3.1)	4.4	4.3
Net financing costs (£m)	**(10.6)**	**–**	**–**	**(10.6)**	(15.6)	–	–	(15.6)	
Profit before tax (£m)	**45.4**	**2.2**	**(6.1)**	**41.5**	65.8	4.5	(35.0)	35.3	
Income tax (£m)	**(3.4)**	**(0.4)**	**(3.7)**	**(7.5)**	(4.7)	(0.9)	(0.9)	(6.5)	
Profit after tax (£m)	**42.0**	**1.8**	**(9.8)**	**34.0**	61.1	3.6	(35.9)	28.8	
Earnings per share (p)[4]	**34.2p**			**27.7p**	50.7p			23.9p	
Dividend per share (p)	**9.1p**			**9.1p**	5.5p			5.5p	
Closing net debt (£m)[5]	**(24.3)**			**(24.3)**	(39.5)			(39.5)	

[1] Note 3 to the financial statements provides further detail of exceptionals and also includes any tax releases/credits that are classed as exceptionals.
[2] On a like for like basis excluding the results of Wincanton Records Management (WRM) from the prior year, which was disposed of in December 2015. Note 2 to the financial statements provides a reconciliation to the reported results.
[3] EBITDA refers to operating profit before depreciation and amortisation and is reconciled in Note 2 to the financial statements.
[4] Note 7 to the financial statements provides further detail of underlying earnings per share.
[5] Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities. Note 25 to the financial statements provides a breakdown of net debt for the current and prior periods.

PRINCIPAL RISKS AND UNCERTAINTIES

This report, incorporated within the Strategic Report, sets out how the Group manages risk by explaining the controls, risk management system and the Group's key principal risks and uncertainties. The key principal risks are those risks that are considered material and could have a significant impact on the Group's financial position, its operations and/or reputation.

Risk governance

The Group faces a diverse range of risks and uncertainties which could have an adverse effect on its success if not managed. To address these the Group designed and embedded a risk management system to identify and monitor all relevant current and potential risks and uncertainties, and to develop mitigation plans to reduce the likelihood and/or impact of the risks to the lowest extent possible.

Operational oversight and application of risk management in the Group is the responsibility of the EMT. Independent oversight and monitoring is undertaken by the Board's Audit Committee, on behalf of the Board. Both the EMT and Audit Committee consider risk as a routine agenda item at their respective meetings. This ensures that sufficient time is allocated to consideration of the effectiveness of risk management and identification of any areas that could be further strengthened.

The internal risk and control environment is reviewed by Internal Audit throughout the year, and their findings are reported to the Audit Committee. The Audit Committee make recommendations to the Board, or determine, within the remit of its authority, any remedial actions or alterations to the risk management and control environment to ensure it remains up-to-date and fit for purpose.

Risk responsibility and assessment

Ultimate responsibility for setting the Group's risk appetite and the effective management of risk sits with the Board.

The Board believe that the risk management system provides sufficient information and assurance on the key risks and uncertainties faced by the Group and facilitates informed decision making on strategic, commercial and financial matters.

During the year the Board considered and confirmed the effectiveness of risk management and internal controls.

Acting within authority delegated by the Board, the Audit Committee has delegated oversight of risk management and the control environment, which is the day to day responsibility of the EMT.

Full details of the Audit Committee's remit can be found in the Corporate Governance section on pages 41 to 43.

Risk management system

The risk management system comprises three integrated risk management components: a working committee; risk registers at both Group and business unit level; and a control assessment programme.

Risk management committee

The Risk Management Committee (RMC) is an internal working committee set up to undertake second level assurance. The RMC maintain an up-to-date view on the current and prospective risks relevant to the Group and its macro environment, monitor the effectiveness of the control environment, and identify improvements to controls and processes to reduce risks to the lowest level of acceptability.

The RMC reports to the EMT and Audit Committee on the current risk profile of the Group and progress on risk mitigation towards target risk levels set. The RMC meets at least five times per year and is comprised of business unit leadership and heads of support functions. This composition of senior management represents all significant risk areas within the Group, provides a collective oversight of the whole Group, and has the level of influence and empowerment to embed risk management behaviours and implement or change controls.

The RMC has oversight responsibility for: Group, business and function risk registers; risk controls and processes (such as Group policies and business procedures); and business continuity arrangements throughout the Group, including disaster recovery.

The Head of Internal Audit is invited to attend RMC meetings and provide updates on findings of internal audit reviews to ensure any potential concerns or actions are shared so they can be addressed and monitored to completion.

Risk registers

The Group has compiled and maintain a Group risk register of the significant risks at Group level. Risk registers specific to business unit and support functions are maintained by senior management responsible for those areas. Each risk register has been compiled following comprehensive assessment of the Group and its competitive environment. Appropriate responses and controls for all risks have been determined to, where possible eliminate, but more usually mitigate, the impact and likelihood of the risks.

Mitigation may include the introduction of additional controls, changes in procedures, increased insurance cover and commercial changes, along with other actions. The Group risk register is reviewed and monitored at each meeting of the RMC and if deemed necessary any amendments are submitted to the EMT for consideration, followed by the Audit Committee.

Control assessment

The Group operates an annual programme which requires all business sites to complete an assessment on their application of controls and processes at site level. The completed assessments are submitted to Internal Audit who then follow up any issues of concern and may incorporate areas for further investigation into the scope of their Internal Audit assignments; and/or notify the RMC of any issues or remedial actions that need to be addressed and completed. Internal Audit report on the outcome of all submitted control assessments to each Audit Committee meeting throughout the year.

During the year, the RMC, through a delegated working group, reviewed the current control assessment programme and developed a more detailed programme, the Risk Management Tool. Following EMT and Audit Committee approval the Risk Management Tool will be implemented in replacement of the control assessment programme in the year ended 31 March 2018.

Business continuity planning

The Group maintains detailed Business Continuity Plans (BCP) for all sites and offices, which are dovetailed with customers' plans where necessary, to ensure an immediate and appropriate response to incidents. The rolling review of the quality and testing of all BCPs is undertaken at both site and Group level. The results of the review and testing programme are reported to the RMC, who maintain oversight on behalf of the EMT.

During the year, the Group has continued with its IT disaster recovery migration for business applications and services. Scenario testing was undertaken at disaster recovery sites and found to be effective.

Whistleblowing

The Group has in place a whistleblowing policy and procedure for all employees and other entitled individuals, to report concerns. The policy sets out the standards expected of all those it legally applies to and a clear procedure for raising concerns in strict confidence. The policy emphasises that anyone following the correct procedure and raising concerns in good faith is protected from recourse.

In the event of a concern employees are encouraged to first talk to their line manager or contact the HR team directly, if appropriate and they feel able to. When this is not possible or appropriate, employees can raise concerns directly to the Whistleblowing Officer or call an independent, external whistleblowing hotline, provided by Expolink. All calls to Expolink can be made on a named or anonymous basis. Reports of concerns are always treated in strict confidence and investigations are overseen by the Company Secretary, the Chief Financial Officer and the Group HR Director. This ensures a thorough, fair and transparent process is undertaken and any actions are identified and addressed. A Whistleblowing Register is maintained and monitored, and is regularly reviewed by the Audit Committee.

VIABILITY STATEMENT

In accordance with provision C.2.2 of the UK Corporate Governance Code 2014 ("Code"), the Directors assessed the viability of the Group over a three year period, from 1 April 2017 to 31 March 2020, taking into account: the Group's current position; and the potential financial and operational impact of the principal risks (on pages 26 to 27), in severe but plausible scenarios. In making their assessment, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Directors determined that a three year period to 31 March 2020 is the appropriate period over which to provide its viability statement. This is the same timescale over which the Group plan, and the budgets and forecasts are reviewed by the Board in its annual planning process. It is therefore considered that this presents the Board and readers of the Annual Report and Accounts with a relevant and reasonable degree of confidence over the longer term outlook.

Based on this assessment, the Board have a reasonable expectation that the Company and the Group will be able to continue in operation and meet liabilities as they fall due to 31 March 2020.

This statement was approved by the Board on 16 May 2017.

Alison Dowling
Company Secretary

PRINCIPAL RISKS OF THE GROUP

		RISK AND IMPACT
Icon removed	**Significant changes to market sectors and operating environments**	The Group provides services in a competitive and complex environment, with large and sophisticated customers within both its Industrial & Transport and its Retail & Consumer sectors. The Group faces into commercial pressures to renew and win business with acceptable levels of margin in order to deliver sustainable growth and returns. These pressures may stem from: • Changes in customer appetite for outsourcing services • Strategic or behavioural changes in the competition, which may impact market pricing • New disruptors, in particular the emergence of new technologies
Icon removed	**Brexit and macro economic factors**	The UK's decision to withdraw from the European Union has increased uncertainty in the economy and for all businesses. The Group's operations are predominantly in the UK and, with the exception of a small level of operations in the Republic of Ireland, the Group is not directly exposed to European markets. The Group is, however, aware of potential for changes to its markets and operations from factors including: • Economic and legislative changes in the lead up to and immediately following the proposed exit in 2019 • Impacts on our customers' business • Changes in the movement and supply of labour for both our warehousing and transport operations
Icon removed	**Significant health, safety or environmental incident**	The Group operates in environments which have the potential to be hazardous to people or property if not actively managed. A failure to manage these risks properly could result in injury or death of people and/or damage to property and the environment. Should an event occur it could lead to regulatory action, fines, withdrawal of licences, site closures and damage to the Group's reputation. All of which have the potential to impact the Group's ability to win and do business.
Icon removed	**Cyber security**	The Group is acutely aware of the increasing prevalence of cyber security attacks in the digitalised world. Accordingly, cyber security is considered a principal risk and receives significant focus to ensure the protection of data and systems. A cyber attack could potentially impact the Group's operational performance and reputation and could lead to penalties, fines and/or regulatory action.
Icon removed	**IS infrastructure and systems**	The Group is highly dependent on a high quality IS infrastructure and IT systems to operate the business and that of its customers. It is therefore essential to business and operational performance that key systems, software and hardware are operational at all times. Failure of these for more than a short period could impact the ability of the Group to support its businesses and have contractual implications which could lead to penalties or other liabilities.
Icon removed	**Recruitment and retention**	The inability to recruit and retain employees, from drivers and warehouse operatives to executive talent, is considered a principal risk. Failure to retain people with the right skills, competencies, values and behaviours needed to operate and grow the business would impact the long term success of the Group.
Icon removed	**Key suppliers**	As a large supply chain organisation, the Group is reliant on strong and reliable relationships with key suppliers and have obligations to comply with the Modern Slavery Act 2015. Failure to comply with regulations and have robust contractual arrangements with its largest suppliers could have significant financial and reputational impacts on the Group and its business performance.
Icon removed	**Legal and regulatory compliance**	The Group must comply with an extensive range of regulation and legislation in order to provide its services and solutions. Failure to comply to the required standards could lead to significant legal and regulatory actions, sanctions, removal of licences and permits, penalties and fines, and could result in reputational damage to the Group and potential harm to its employees or property.
Icon removed	**Pension deficit**	The Group has a significant deficit on its Defined Benefit pension scheme. The employer contribution levels required to eliminate this deficit, and the pension deficit itself, are subject to: financial market conditions, global economic and political matters, demographic factors, expected future investment returns and the legal and regulatory environment. Changes in any of those factors could materially alter the deficit value and lead to a material change in cash contributions, a change to the repayment period, regulatory intervention, or a combination thereof. These changes could impact the cash flow and profitability of the Group and restrict its ability to invest in the business, pay dividends and repay debt.

CONTROLS AND MITIGATION

The Group closely monitors its strategic and operational performance through its KPIs (set out on page 15) and regularly reviews: market opportunities and threats, sector strategies, the sales pipeline, business optimisation programmes, innovation and solutions development, bespoke business propositions, and the talent development and retention strategies.

In addition to annual customer surveys, the business maintains key customer account plans to consider current and future needs, alongside the tracking of service, financial and operational contractual performance.

As a supply chain organisation the Board, EMT, and leadership teams, are closely monitoring the emerging developments on Brexit to determine if it could impact the market sectors the Group operates within, and any potential impact on customers and suppliers.

The Group is closely monitoring developments in the Brexit process and has performed an initial risk assessment to identify areas of potential exposure. The topic of Brexit is a frequent area of discussion with our customers and the Group will continue to stay closely connected with our customers to identify any change in their requirements that may arise. There has been negligible impact of the Brexit vote on the Group in the nine months since the referendum of June 2016.

The Group has detailed health and safety procedures and processes in place and employs health and safety teams at all business locations. The local team and operations are then monitored by a second-line central health and safety team. The Group undertakes regular training and assessment programmes, monitors business records and completion of risk self-assessments, analyses all 'near miss' reporting and undertakes audits and investigations if felt necessary. Health, safety and environmental data and reporting are provided to business management and leadership to manage and achieve target business performance.

The nature of this risk is evolving rapidly. The Group mitigates the threats and risks through maintenance of an appropriate IS infrastructure. There are robust security processes and protocols in place and the Group operates strict access controls. A suite of policies and procedures are in place that cover all areas of system, software, usage, security and data protection. The Group undertakes monthly vulnerability scanning, regular audits, and an annual penetration test with follow up monthly reviews. In addition, the Group has established an Information Security Forum to focus on data protection and security across the business.

To mitigate this risk, the Group maintains robust BCPs which include remote servers and a disaster recovery site with a data centre for back up of central systems. The BCP is tested at least annually. The IS strategy contains a programme of phased refreshment of the IS estate on a priority basis and policies and procedures are in place to facilitate early detection and escalation of issues. The Group also maintains an extensive IS team to develop solutions and maintain the stability and security of the infrastructure.

The Group has a strong and extensive human resources function to monitor and maintain a high standard of recruitment and a regular appraisal process, based on key competencies. The Group constantly review and refresh strategies and processes for recruitment and retention, such as the driver recruitment strategy which monitors driver vacancies and pipeline. The Group also has established relationships with preferred agencies for contingency. Talent and development are monitored and supported by a dedicated team to ensure people at all levels have access to training and development opportunities. Rewards are benchmarked to ensure they remain competitive and an annual employee engagement survey is undertaken and tracked as a KPI. The Board and Nomination Committee closely monitor and review the Board, executive and senior management strategies for succession planning and review the Group's talent pool on a regular basis. The Group and the Board are mindful of the potential impact of Brexit on current and future employees, and are closely monitoring Brexit implications for emerging clarity.

The Group mitigates these risks through well established financial and internal control processes managed by central and operational finance teams and a large and experienced Procurement function. The Group reviews the financial stability and suitability of suppliers and requires they adhere to the Group's policies and ethical standards. Regular supplier account management meetings take place to review performance. As noted above any potential Brexit impact is being closely monitored.

Policies and procedures are in place throughout all areas of the Group to ensure systems, business and central operations all comply with relevant areas of legislation and compliance. The RMC maintain and monitor an internal legal and regulatory tracker to identify current and emerging legislation and determine any impact it may have to the Group and its policies, controls, communications and training that may need to be provided to Group employees. Second-line testing is undertaken by central functions to review the operation of controls and their effectiveness, including annual review of Group policies internally as well as a second review by external advisers.

The Group has undertaken steps to mitigate the risk exposure of financial market movements and economic and political conditions. At the end of the year ended 2014, the Defined Benefit (DB) section of the Scheme was closed to future accrual to cap the risk. During the year ended 31 March 2017, the Group and Trustee commenced Liability Management exercises which offer alternative options to Scheme members and a potential to reduce the overall liabilities of the Scheme.

The Group maintains a strong working relationship with the Trustee, who is responsible for managing the fund and setting the investment strategy. The investment strategy is intended to reduce the investment risk through an appropriate level of matching between assets and liabilities in the Scheme. The Group and the Trustee engage high quality external fund managers and actuaries, and have separate legal, covenant and audit advisors to support and inform their decision making.

Contributions to the Scheme are next due to be reviewed as part of the triennial funding valuation as at 31 March 2017. If there is an increase in the pension deficit at this point, contributions to the Scheme may have to be increased to ensure that the deficit is eliminated over a reasonable period whilst remaining at a level that is affordable and sustainable for the Group.

Working **responsibly**

Image removed

PEOPLE MATTER

Our employees really matter to our business. That is why we strive to hire the best employees in every area of our operations. We do everything we can to ensure our employees represent the local communities in which we operate.

OUR VALUES

Our values were created by our employees and we live by them every day:

- **Excellence.** At every level and in every task, we aim to be the best at what we do.
- **Integrity.** We do the right things for the right reasons, to make the right call every time.
- **Passion.** We love logistics and work diligently and with passion.
- **Proactivity.** Every day, we seek opportunities to be one step ahead.
- **Trust.** We need to be able to rely on each other in good times and bad; when the pressure is on or when we are having fun.
- **Togetherness.** We work as one team: collaboratively and politics-free. We come together to help each other succeed.

DIVERSITY MATTERS

Wincanton is committed to employee diversity, equality and inclusion. We work hard to ensure employees of all backgrounds, genders and ethnicity are valued equally. We treat each other with respect, and ensure all employees undertake our diversity programmes which explain our philosophy of treating everyone the same.

We also require the highest ethical standards as part of our culture. This is evident across our business – whether it is making sure employees come to their place of work safely and in good health – or simply supporting each other. We talk and engage with each other with respect to ensure we do business the right way.

DEVELOPING OUR PEOPLE

We provide a deep, broad and continual learning and development programme throughout every level of our organisation. By drawing on learning and development opportunities, we enable the Group to meet current and future requirements.

We are also determined to play our part in addressing the skills gaps and shortage of graduate talent that's affecting the supply chain and logistics industry. That is why we are founding sponsors of the NOVUS Trust which is an industry-wide initiative run by the Chartered Institute of Logistics and Transport (CILT). The aims of the NOVUS Trust are to bridge the skills gaps and create the supply chain leaders of tomorrow. Participants qualify by passing a rigorous selection process, to what is considered to be a groundbreaking course designed with Huddersfield University. As part of the course they are guaranteed a mentor and an industrial placement with a sponsor company, such as Wincanton, and following completion of the course a graduate level job.

Wincanton also provide a training scheme that leads to a vocational qualification, funded by the Skills Funding Agency, in warehousing and transportation, which was rated 'Good' by Ofsted in July 2016. The programme is designed to increase skills and knowledge in health, safety and work practices.

In June 2016, we were honoured to be awarded three prestigious HR awards. The awards were in recognition of the Group's strategies to retain, attract and manage key talent and skills, and for our health and wellbeing campaign. In 2017 we are proud to have been shortlisted for our resourcing strategy.

CONTINUOUS ENGAGEMENT

We work hard to ensure we are listening to the views of our people.

At Wincanton we operate informal, scheduled and annual processes for ensuring our employees have a voice in their careers and the wider operations of the Group.

We make listening to everyone within Wincanton a core component of how we operate our business. Whether it is informal talks at depots, warehouses and office sites or our more structured departmental and group-wide meetings, we do all we can to ensure that our employee's voices and opinions are factored into our thinking.

At the heart of our listening processes is our 'Your Voice' Employment Engagement Survey. We undertake the survey on an annual basis. For new employees that transfer into Wincanton from one of our customers we undertake a snapshot version of our survey three months after the transfer date to get early feedback during the transition period. Our aim is to improve survey results year on year. We take the results very seriously and seek to provide a whole range of dedicated activities and targeted and robust action plans at both Group and local level, to address the feedback shared with us.

We publicise regular commentary and we also undertake 'State of the Nation' briefs, where senior managers share business performance results with employees on a regular basis and provide the opportunity to ask questions. We actively encourage employees to share their thoughts, concerns and ideas with the wider company through our programme of dedicated listening groups, and as part of our commitment to continuous improvement we establish working parties to seek input to drive change and improvements in the way we work.

HEALTH AND WELLBEING

Our employees are our greatest asset and we want to support them to be as healthy and happy as possible.

Throughout the year ended 31 March 2017 we have focused on a wellbeing programme and calendar of events to raise awareness of health topics which align with national health awareness programmes.

Our award winning 'health and wellbeing campaign' is focused on improving knowledge and understanding about health issues particular to the logistics industry. Campaigns have included; providing new or more varied healthy foods at sites, wellbeing kiosks, health assessments and exercise classes.

During the year we also launched a successful 'Cycle to Work' scheme and undertook a sponsored community cycle ride from John O'Groats to Land End, via our sites, to celebrate Wincanton's 90th anniversary and raise money for charity.

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HEALTH AND SAFETY

The health and safety of our employees is our highest priority and is at the heart of all we do.

We have a substantial team of talented drivers who take pride in their profession. We are equally proud of the quality of our non-driving employees and regardless of where our employees work within the business we invest in equipment and training relevant to every role to ensure we maintain our 'best in class' safety record.

An important KPI for us is measurement of LTIFR, and we track this on a weekly basis. We are pleased with the continued progress we have made in this area of safety, which is supported by another annual reduction in this figure. Our progress on LTIFR is shown on our KPIs on page 15.

We use other metrics to give us a broader and deeper insight into safety, such as days lost ratio and employers liability claims. These are tracked throughout the year on a weekly basis and we review the data to monitor the impact of initiatives and training programmes in the business. We were pleased to see the rates continue to decrease in these areas.

Given the nature of our business and working environments we track all activities closely to identify areas for continual improvement. We do this through 'near miss' reporting, whereby we encourage all employees to report anything they see which could be potentially hazardous or harmful, or could be improved. The level of reporting has continued to rise during the year which demonstrates the engagement and passion of our employees to care for themselves and each other.

The safety of our drivers is a significant focus in a logistics business. We track and monitor driving records, incidents and drivers' behaviour and regularly review the results. We pay particular attention to the measurement of Collisions per Million Kilometres (CMK) as a barometer for our performance in these areas.

Our 'Driver's Handbook' is provided to ensure all drivers have the information they need to help them work safely and professionally. It includes driving and handling specific safety initiatives to keep our drivers and the public safe, such as our initiative EVADE. EVADE is our vulnerable road user programme which includes information and guidance on practices to be followed to safeguard pedestrians and cyclists.

The Driver's Handbook is part of our ongoing Driver STAR programme, designed to elevate driving standards in Wincanton. The STAR programme focuses on driver risk assessment, based on increasing overall road craft skills, and linkage into risk based driver intervention that help us to identify areas where support, training and further information may be required. The programme recognises driver performance and drivers can graduate over a five year period through bronze, silver, and gold standard levels.

Each year we also hold a Driver of the Year competition to celebrate the professionalism and talent of our drivers.

Aside from driving, we provide an annual schedule of training on health and safety related topics, which are cascaded throughout our business sites and offices. Regular 'Health, Safety and Environment' training is provided to our managers and we cascade new initiatives through 'train the trainer' programmes to target key risk areas. Courses are run on a regular basis for first line managers in risk assessment and accident investigation. In addition we provide all mandatory training required by regulation and legislation relevant to the particular working environments and roles of our employees.

WIDER CONTRIBUTION

At Wincanton we offer a range of rewards that recognise the contribution our employees make to the success of the Group, the wider industry and the community at large.

We also provide many ways for employees to help us improve the Group's growth and performance as well as expand our links with local communities.

Every site develops a programme that promotes and encourages links with their local community. Activities range from school visits to raise road awareness, to family fun days and charity events to raise money for causes that our employees have chosen.

OUR ENVIRONMENT STRATEGY

We are acutely aware of the environmental impact of the logistics industry. To ensure we keep it at the front of our minds and do all we can to minimise environmental impact we have a clear environmental strategy which is cascaded throughout Wincanton. All sites, depots and offices have plans in place regarding their local environment and activities which could have a detrimental environmental impact. Progress on these plans is regularly reported to, and monitored by, our senior management team.

We have an important part to play in helping our customers achieve their wider environmental goals and we know that a well-managed supply chain plays a key role in mitigating their impact on the environment as well as our own. We support our customers by identifying efficiencies, promoting collaborative working and by offering significant expertise and experience in managing environmentally sustainable logistics.

OUR ENVIRONMENTAL PRINCIPLES

We use the following environmental principles to help us identify and manage any impact of our business on the environment:

1 Integrate

We integrate environmental considerations into key business decisions.

2 Develop

We develop progressive products and services to assist our customers to improve their environmental performance.

3 Management

We ensure operational excellence and legal compliance through environmental management systems and employee training.

4 Measure

We monitor, measure and continuously improve our environmental performance.

5 Communicate

We communicate our progress to our customers, employees and investors.

6 Carbon emissions

We minimise the consumption of fossil fuels and associated emissions of carbon dioxide, and other greenhouse gases.

7 Resources

We minimise our consumption of non-renewable and environmentally sensitive resources.

8 Waste

We minimise the amount of waste produced through prevention, reuse and recycling.

9 Pollution

We prevent ground and water pollution and minimise emissions of airborne pollutants.

10 Communication

We minimise the negative impact of our activities on local communities and engage positively with the communities in which we operate.

EXTERNAL REPORTING AND RECOGNITION

Our initiatives to reduce our environmental impact and the progress we have made, are recognised by our customers and other stakeholder bodies.

Carbon Trust Standard

We were proud to retain the Carbon Trust Standard, which has been awarded to March 2018. We have held the standard since 2010 and value its recognition of the continuous and consistent reductions we have made on our carbon footprint. This is a particularly significant achievement as a growing logistics organisation.

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CDP disclosure score

We have submitted fully collated data to the CDP (formerly the Carbon Disclosure Project) for the past seven years and over that period our CDP disclosure score has risen significantly from 56% to 95%.

The CDP is the leading international index of climate change and carbon management maturity for companies.

In 2016, CDP changed their scoring methodology and we were rated at 'B minus'. This is consistent with the previous year's performance and makes us a company 'managing carbon'. This means we have gone beyond completing a full disclosure and being aware of our environmental issues, impacts and risks. This score recognises that we are implementing actions, policies and strategies to address these environmental issues and our carbon reduction figures reflect this.

CDP disclosure score

B-

Graph removed

GREENHOUSE GAS EMISSIONS

We believe that continuous improvement and operational excellence is enhanced by robust environmental governance and management systems.

Responsibility for our environment programme sits with our Health, Safety and Environment Committee (HSE). The Committee is chaired by our Group HSEQ Director and attended by members of the EMT. This demonstrates the importance we place on our environmental strategy.

We use an ISO14001 certified environmental management system and provide monthly performance results across a range of indicators. This supports our environmental policy and principles by enabling us to take prompt corrective actions and to identify and exploit improvement opportunities in each of our business sectors.

Carbon emission information is prepared in accordance with the Carbon Disclosure Standards Board (CDSB) Framework 1.1 and the GHG Protocol Corporate Standard for operational control. Carbon factors are per *Defra/DECC conversion factors for company reporting 2016* with both electricity generation and distribution emissions being included as scope 2 emissions.

We also record energy and fuel use for managed supplies, which includes all supplies that are wholly or partially managed at sites operated by Wincanton for itself or its customers, irrespective of whether the fuel and/or energy is purchased by us directly. The sources of emissions include road transport fuels; fuels for non-road transport uses; energy utilities for buildings; and fuel for business travel in Wincanton driven vehicles. We also include consumption of fluorinated refrigerant gases as a scope 1 emission and have not excluded any emissions sources regardless of materiality.

We are a participant in the UK CRC Energy Efficiency Scheme and all CRC qualifying emissions are included in our scope 1 and 2 carbon emissions figures. We complied with the UK Energy Saving Opportunities Scheme (ESOS) original 2015 deadline and utilised the costed energy saving measures in our internal environmental targets to 2020, to derive full value from the ESOS compliance process.

Carbon emissions table

Carbon emissions (tCO_2e)	**2016/17**	2015/16	2014/15	2013/14
Transport (scope 1)	**282,624**	302,805	304,747	293,557
Non-transport (scope 1 & 2)	**72,458**	84,938	82,631	94,856
Total emissions	**355,082**	387,744	387,378	388,413
Carbon intensity (tCO_2e/£m)	**320**	340	350	355

REDUCING THE CARBON INTENSITY RATIO

We set internal targets for carbon emissions reduction, which are absolute in nature and decouple emissions performance from business performance. However, as changes in our business activities directly affect emissions, we use a carbon intensity measure to ensure we optimise the carbon efficiency of our operations.

Our carbon intensity is defined as total scope 1 and 2 carbon emissions from managed supplies per unit of revenue, and our carbon intensity ratio for the year ended 31 March 2017 was 320 tonnes of carbon dioxide equivalent (tCO_2e) per £m of revenue. This is a reduction year on year because, whilst we have seen revenue growth, we have reduced our energy and fuel use. There were also favourable variances in the UK carbon factors.

Emissions from managed supplies tonnes CO_2e

Graph removed

1	Transport (Scope 1)	80%
2	Non-transport (Scope 1, 2)	20%

CREATING A SUSTAINABLE ENVIRONMENT FOR ALL

Our approach to Corporate Social Responsibility contributes to growth and shareholder value by investing in the capabilities and wellbeing of our people, creating value for our customers through innovation, and contributing to the positive future of the communities we work in and our environment.

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Safety in numbers

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CONTINUOUSLY IMPROVING BEHAVIOURS

Safety is our number one priority. We aim to be the safest operator in the business in order to protect our people, our communities and our fellow road users.

Behavioural change is the key to continuous improvement and we invest in a wide range of initiatives that target potential areas of concern and help us take preventative action. For example, our STAR (Standards, Training, Attitude and Recognition) programme uses the latest technology to constantly assess our drivers, who are then graded according to their behaviours. By recognising and celebrating the safest drivers, we can focus on improving the performance of all.

Behavioural change is also at the heart of our staff welfare initiatives. We promote the value of an active lifestyle, highlight potential health issues and provide support across our entire workforce. Our commitment to health and safety extends to our local communities and fellow road users. During the year, we continued to provide awareness training and advice to young cyclists, demonstrating the potential dangers posed by heavy goods vehicles and offering advice on how to stay safe on the road.

Image removed

Steve Marshall

Chairman

Nomination Committee Chairman and member of the Remuneration Committee

Steve was appointed Chairman in December 2011. Steve is also Chairman of Biffa plc, the waste management group. He is a former Chairman of Balfour Beatty plc, Delta plc, Torex Retail plc, and Queens' Moat Houses plc, and was also a Non-executive Director at Halma plc and Southern Water. His executive career included Group Chief Executive roles at Thorn plc and at Railtrack Group plc, having also served as Group Finance Director at each company. His earlier career included a variety of corporate and operational roles at Grand Metropolitan plc (now Diageo plc), Burton Group plc and Black & Decker. He is a Fellow of the Chartered Institute of Management Accountants.

Image removed

Adrian Colman

Chief Executive Officer

Nomination Committee member

Adrian was appointed Chief Executive Officer in August 2015, having been the Group Finance Director from January 2013 to 31 July 2015. Adrian was formerly Finance Director with Psion plc, an international technology business, through to its acquisition by Motorola Solutions, Inc. in October 2012. Prior to joining Psion, Adrian was Chief Financial Officer of London City Airport and before that Financial Controller and Head of Investor Relations at QinetiQ Group plc.

Image removed

Tim Lawlor

Chief Financial Officer

Tim Lawlor joined Wincanton in September 2015 as the Chief Financial Officer and an Executive Director on the Board. Tim was previously the Director of Finance and Strategy with Serco Group plc, the international service company, where he also held a number of senior operational and group roles. He was a Non-executive Director and Audit Committee Chairman of the Institute of Directors until December 2015. Prior to Serco, Tim was Group Financial Controller at Sea Containers Limited. Tim is a chartered accountant.

Image removed

Stewart Oades

Senior Independent Director

Member of the Audit Committee, Nomination Committee and Remuneration Committee

Stewart became a Non-executive Director of Wincanton in November 2014 and was appointed as the Senior Independent Director in July 2015. Stewart is currently a Non-executive Director of LCV Hire Solutions and John Good & Sons Limited and is Chairman of Dalepak Ltd. He was formerly a Non-executive Director of Palmer & Harvey plc until January 2017 and also held the positions of President of the Freight Transport Association (FTA) for four years until 2013, and Non-executive Director of MW Brands until March 2016 and Clipper Group plc until 2011. Prior to these, Stewart was Chief Executive of Christian Salvesen plc and held a number of senior posts at Exel plc.

Image removed

Paul Dean

Independent Non-executive Director

Audit Committee Chairman and member of the Nomination Committee and Remuneration Committee

Paul became a Non-executive Director of Wincanton in February 2015 and was appointed Chairman of the Audit Committee in July 2015. He is currently a Non-executive Director and Audit Committee Chairman of Focusrite plc, Porvair plc and Polypipe plc, and was appointed Senior Independent Director of Focusrite plc in April 2014 and Polypipe plc in May 2015. Paul is a Trustee and director of two charities, Beanstalk and The Oxford Trust. Prior to these roles he held the position of Group Finance Director of Ultra Electronics Holdings plc and Foseco plc. Paul is a Chartered Management Accountant.

Image removed

Martin Sawkins

Independent Non-executive Director

Remuneration Committee Chairman, and member of the Audit Committee and Nomination Committee

Martin became a Non-executive Director of Wincanton in July 2012. Martin is also a Non-executive Director of Scapa Group plc and was appointed as a Non-executive Director of Africa Exclusive Limited in August 2016. He previously held the position of Group HR Director of Rentokil Initial plc until December 2015. Martin has spent his career in plc and private equity environment and has previously been the Group HR Director at HomeServe plc and The AA Limited, and HR Director at Centrica Home and Road Services. Prior to these roles Martin held a number of senior positions in HR and operations at UEF Limited, Bridon plc, British Aerospace and United Biscuits.

Image removed

David Radcliffe

Independent Non-executive Director

Member of the Audit Committee, Nomination Committee and Remuneration Committee

David became a Non-executive Director of Wincanton in July 2012. He is currently Chief Executive of Hogg Robinson Group plc, an international corporate services organisation, where David has spent most of his career.

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Ensuring appropriate governance and controls are in place to support strategic delivery

During the year the Board have continued to focus on the development and practice of good governance throughout the whole organisation and have remained compliant with the UK Corporate Governance Code (the Code).

The Board have reviewed and monitored the Group's performance to ensure: that sound internal controls and financial and regulatory monitoring are in place; that the Group has adequate cyber and data security in place; and that the Group leads the implementation and promotion of vital health and safety initiatives to keep our people and stakeholders safe.

Following several changes to the Board during the previous financial year, this year has been a period of stability with no Board changes.

As stated in our Annual Report last year, we undertook our first external Board evaluation this year using Condign Board Consulting Limited. The purpose of the external evaluation was to gain independent appraisal and insight on the effectiveness and performance of the Board, its Committees and the Directors.

Following a comprehensive evaluation process, the review concluded that the Board operate in a very functional, highly collegiate way which is effective and purposeful in seeking value for shareholders and mindful of the need to discharge its obligations to other stakeholders. All of the members of the Board were found to challenge effectively and to contribute to the overall performance of the Board and its Committees.

With the Executive Directors well embedded and a strengthened management team appointed during 2016 and 2017, the Board have been focused on the strategic direction, which included review of its appetite for risk and ensuring appropriate governance and controls are in place to support strategy delivery and aspirations for growth in the business and operating environment. Good governance helps the Board address challenges that arise internally and externally, and enables the Board to undertake active stewardship of the Group to ensure it remains alert, agile and prepared.

Looking into the new financial year, the Board will be monitoring developments in governance, such as the progress and outcome of the BEIS Select Committee's recommendations on corporate governance, published in April 2017, that propose changes to executive remuneration, reporting and strengthening the consideration of broader stakeholders. During 2017 the Board will also be focused on developments surrounding Board and employee diversity, the new requirements on gender pay reporting and EU general data protection regulations, as well as anticipated clarity on Brexit, in order to determine and manage any impact to the Group, its business sectors and its markets.

Following my introduction, in this Governance section of the Annual Report you will find the Corporate Governance report, the Nomination Committee report and the report from the Chairman of the Audit Committee. The Directors' Remuneration Report includes the report of the Remuneration Committee Chairman.

Finally, as the Chair of the Board, I would like to remind shareholders that the Board welcomes engagement and dialogue with its shareholders and we look forward to seeing you at the forthcoming AGM. Alternatively, you can get in touch with us via our Company Secretary.

Steve Marshall
Chairman
16 May 2017

The UK Corporate Governance Code

As a listed company on the London Stock Exchange the Company is required to comply with the principles and provisions set out in the Code in force at the date of this report. The Board are committed to the principle of full compliance and are satisfied that the Company has complied with all of the requirements of the Code during the year.

COMPLIANCE STATEMENT

Wincanton plc and its subsidiaries (together the Group) remain committed to maintaining the highest standards of corporate governance. All reports in the Governance section and Directors' Remuneration Report have been prepared in accordance with the Code that applies to this accounting period.

Throughout the year ended 31 March 2017, the Board consider they, and the Company, have complied with all of the provisions of the Code.

BOARD LEADERSHIP

Role

The Company is led and controlled by the Board of Directors (shown on pages 34 to 35), who are collectively responsible for the long term success of the Company and the endorsement and application of corporate governance.

Decision-making

The Board have a formal Schedule of Matters reserved for their decision-making. Such matters include Group strategy and structure, governance and regulatory compliance, financial reporting, major capital commitments, major contracts and agreements, internal controls, significant remuneration changes, stakeholder engagement, and material corporate transactions (including acquisitions and disposals).

The Schedule of Matters Reserved sets out the parameters of each matter and limitations delegated to Board Committees and a sub-committee of the Board, the Finance Committee. The Finance Committee is an ad-hoc executive management committee, authorised to approve day to day operational matters within limits and restrictions determined by the Board.

The Schedule is reviewed annually to ensure it remains fit for purpose and sets the parameters for management and expectation for internal controls.

Directors' duties

The powers and duties of the Directors are determined by legislation and the Company's Articles of Association. Directors are required to act in good faith in a way that they consider would be most likely to promote the success of the Company for the benefit of shareholders as a whole. In doing so, the Directors are required to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly towards all shareholders of the Company.

In addition to their statutory duties, the Directors must ensure that the Board as a whole focus effectively on all areas of their responsibility. The Board consider all such areas within routine agenda matters at each Board meeting.

Roles of Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separate and performed by different individuals. A responsibility statement for each role has been set out and adopted by the Board.

The Chairman, Steve Marshall, is primarily responsible for the operation of the Board and for ensuring that its strategic and supervisory role is achieved. He is an independent Non-executive Chairman, deemed independent on appointment and remains independent in accordance with the Code.

The Chief Executive, Adrian Colman, is responsible for the day to day running of the business which includes implementation of the strategy, decisions made by the Board and operational management of the Group supported by his Executive Management Team (EMT).

Executive Management Team

The EMT comprise the senior leadership team that report directly to the Chief Executive and have management responsibility for the business operations and support functions. The EMT meet monthly and relevant matters are reported to Board meetings by the Chief Executive and, as appropriate, the Chief Financial Officer and other EMT members.

Senior Independent Director

The Senior Independent Director, Stewart Oades, is an independent Non-executive Director of the Board. His role as the Senior Independent Director is to act as a sounding board for the Chairman and perform an intermediary role to other Directors, where necessary. He leads the appraisal and review of the Chairman's performance and makes himself available to shareholders if they have any concerns that the Chairman and Chief Executive have failed to resolve or it is not appropriate for them to do so.

Non-executive Directors

All of the Non-executive Directors were deemed independent on appointment and continue to be independent in accordance with the Code. They were each appointed on the basis of their calibre and experience and provide diversity through their skills, background and qualifications. Each Non-executive Director has worked at director level in a variety of disciplines and commercial environments, similar sized organisations and regulated environments. The Board believe this enables them to collectively add value and provide independent oversight and challenge across all corporate and commercial aspects with their contributions and external perspective.

Each Non-executive Director is appointed for an initial fixed term of three years, subject to annual re-election by shareholders. Their appointment term may be renewed by mutual agreement with due regard to the Code, their performance and contribution, and their ongoing independence.

Non-executive Directors are expected to: scrutinise, measure, review and challenge the performance of the EMT; assist in the development of Group strategy; review the Group financial information and performance; ensure systems of internal control and risk management are appropriate and effective; review the relationship with the External Auditor within the Audit Committee; and review the remuneration of, and succession planning for, the Board.

At least twice a year, the Chairman and Non-executive Directors meet without the Executive Directors being present.

Board Committees

There are three Committees of the Board, an Audit Committee, Nomination Committee, and Remuneration Committee. Each Committee have terms of reference set by the Board, which are reviewed annually and made available on the Group's website. Membership of each Committee is determined by the Board on the recommendation of the Nomination Committee and in consultation with the appropriate Committee Chairman. The membership, role and duties discharged in the year ended 31 March 2017 for each Committee are set out in their respective Committee reports that follow.

Meetings attendance

During the year, and at the date of this report, there has been full attendance at all Board and Committee meetings by all of the Directors. It is acknowledged that there may be unforeseen circumstances from time to time which could prevent a Director from attending. In such circumstances the Director would be expected to review the meeting papers and provide comments to the Chairman, Committee Chairman or Company Secretary to ensure they are raised at the meeting.

During the 2017 financial year the Board held ten scheduled Board meetings. The table below sets out the attendance of the Directors at the scheduled Board meetings during the year under review:

	Board Meetings Scheduled/ Attended	Audit Committee Scheduled/ Attended	Remuneration Committee Scheduled/ Attended	Nomination Committee Scheduled/ Attended
Steve Marshall	10/10	–	5/5	2/2
Paul Dean	10/10	4/4	5/5	2/2
Stewart Oades	10/10	4/4	5/5	2/2
David Radcliffe	10/10	4/4	5/5	2/2
Martin Sawkins	10/10	4/4	5/5	2/2
Adrian Colman	10/10	–	–	2/2
Tim Lawlor	10/10	–	–	–

The Directors were provided with appropriate documentation approximately one week in advance of each Board or Committee meeting during the year. For each Board meeting the papers include a trading update, and reports on human resources, health and safety, regulatory and governance matters, financial performance, and papers where a decision or approval is required.

Members of the EMT, and in some cases direct reports of the EMT, are invited to attend at least one Board meeting each year to present an update on the performance and future focus areas of their respective functions or business area.

Board changes

There were no changes to the Board during the financial year or up to the date of this report.

In accordance with the Code all Directors, being eligible, put themselves forward for annual re-election.

BOARD EFFECTIVENESS

Performance review

The Board, its Committees and each Director participate in an annual performance evaluation process. In respect of the year ended 31 March 2017 the evaluation process was conducted by way of an external Board evaluation process.

A comprehensive tender and selection process was undertaken to appoint a firm to complete the Company's first external board evaluation. Following consideration, it was agreed that Condign Board Consulting Limited be engaged to undertake the exercise.

The review consisted of reviewing all Board and Committee meeting packs and minutes for the financial year and then one-to-one interviews with each Director and the Company Secretary were conducted by the external evaluator in January 2017. The interviews covered areas such as the conduct and operating rhythm of the Board, Board and Committee organisation and performance, the roles and contributions of Board members, Group dynamics and engagement, Board composition, the Board response to challenges, communications and engagement with shareholders and other stakeholders and overall Board effectiveness. The evaluator then observed Board and Committee meetings in February 2017.

The findings of the evaluation were analysed and presented to the Board by the evaluator at a Board session held on 1 March 2017. The evaluation confirmed that the composition, interaction and experience of the Board was highly functional and collegiate; engagement was effective and purposeful; and the Board sought to deliver value to its shareholders and discharge its obligations to its other stakeholders. The review also found that the Board had achieved its objectives set on the back of the 2016 Board evaluation regarding greater non-financial performance information. The successful achievement of this objective is demonstrated in the inclusion of non-financial KPIs on page 15.

Board commitments

All of the Directors are fully committed to their roles and to their statutory and fiduciary duties. Over the course of the year the Board received briefings and presentations from key members of the management team. The Board also held two meetings at business sites in Kettering and Sutton Coldfield, to receive business presentations from local management teams, and to observe and engage with colleagues working in site facilities. The site visits enable the Board to gain a deeper insight and understanding of the business and in particular customer contracts and operations.

Outside of meetings the Board are also given opportunities to attend further business sites and visits are facilitated by the Company Secretary.

These additional activities help to ensure that the full Board have a sound understanding of the business and its operations, to enable them to provide appropriate oversight and challenge to the EMT.

Other directorships

The Chairman and Non-executive Directors hold appointments as directors on a small number of other companies, as detailed in their biographies on pages 34 to 35. The number of external appointments held by the Chairman and Non-executive Directors are considered upon changes in appointments and annually as part of their performance reviews. Following review and full attendance at all Board and Committee meetings and activities outside meetings during the year, it is considered the Chairman and Non-executive Directors have sufficient time and commitment to the Group.

The Board acknowledge that Executive Directors may wish to undertake external non-executive director roles outside of the Group. It is recognised that such opportunities broaden their development, widen their commercial experience and so benefit the Group. To protect the interests of the Group each Executive Director is restricted to one non-executive role at any one time. During the year and to the date of this report no Executive Director held any external appointments.

Conflicts of interest

The Board monitor and review potential conflicts of interest on a regular basis and consider any situational conflicts at each Board meeting. Where any conflict arises the Board consider and authorise the reported actual or potential conflict in accordance with the provisions contained in the Company's Articles of Association.

Directors indemnity and insurance

Directors are ultimately responsible for the operation, performance and decision-making of the Company. In doing so, they are exposed to potentially significant personal liability under criminal or civil law and the UK Listing, Prospectus, Disclosure Guidance and Transparency Rules, which include penalties such as private or public censure, fines and/or imprisonment.

In line with normal market practice, it is considered in the Company's best interests to protect the Directors from the consequences of innocent errors or omissions. Accordingly, Directors' and Officers' liability insurance policy is maintained at the Company's expense and was in place throughout the year. The policy provides indemnity to Group employees that serve as directors or officers of any Group company, as recommended by the Code, which includes the Board of Directors. This insurance policy would not provide cover in the event that a Director or officer had knowingly acted fraudulently or dishonestly.

Board support and advice

The Company provides the Directors with access to independent professional advice at the Company's expense, as and when required. In addition, all Directors have unfettered access to the advice and services of the Company Secretary.

SHAREHOLDERS AND STAKEHOLDERS

Shareholder engagement

The Company has continued throughout the year to maintain effective dialogue with shareholders to ensure that the strategy and business model is understood, and any queries are dealt with promptly and constructively. Regular contact with institutional shareholders, fund managers and analysts is conducted through meetings with the Chief Executive and Chief Financial Officer. Brokers' reports and analysts' briefing notes are regularly distributed to all Directors. The Board receive updates on feedback raised by institutional shareholders, fund managers and analysts, to enable the Directors to form a view of the priorities and concerns of stakeholders. In addition, the Chairman and Committee Chairman are available to engage with major institutional shareholders from time to time.

During the year, a shareholder engagement exercise was undertaken. This included the Chairman of the Remuneration Committee seeking engagement on changes to the Directors' Remuneration Policy due to be presented to shareholders for approval at the 2017 Annual General Meeting (AGM). Further details on this can be found in the Directors' Remuneration Report starting on page 44.

Communications with shareholders

The Group's website contains up to date information for shareholders and other stakeholders, such as share price, announcements, circulars, press releases, current and historic Annual Report and Accounts, corporate governance information and shareholder documentation.

Shareholders can elect how they receive Company communications from the Company. Electronic communications are endorsed by the Board as the most efficient communication and one which also helps the Group reduce its environmental impact and costs. Accordingly, all shareholders are encouraged to receive communications electronically, by contacting the Company's registrars, Computershare. Contact details and telephone numbers can be found on the websites of both Wincanton and Computershare.

Employees

On 31 March 2017 the Group employed 17,500 people in the United Kingdom (UK) and Republic of Ireland (ROI), of which 83% are men and 17% are women. The average age of the Group's employees is 31.93 years. Of all management level employees, 80% are men and 20% are women.

Details of the Group's approach to equality, fairness and diversity are set out in the Corporate Responsibility Report on pages 28 and 29.

Stakeholder engagement

Throughout the year, the Directors and senior managers meet with a range of external stakeholders to discuss the Group's position on a range of business, policy and public interest issues and to seek stakeholders' views.

RISK MANAGEMENT

The Board are ultimately responsible for the Group's systems of risk management and internal control and review their effectiveness on a regular basis throughout the year.

The Group's systems and controls are designed to ensure that the Group's exposure to significant risk is reduced and mitigated to the extent possible, with acknowledgement that not all risk can be eliminated. Full details of the Group's risk management systems and processes were set out earlier, in the Risk Report on pages 24 to 27.

The Group's Internal Audit function independently review and test the effectiveness of the internal controls and risk management through an annual Internal Audit programme. Full details of the Group's Internal Audit function and performance are set out in the Audit Committee report starting on page 41.

ANNUAL GENERAL MEETING

The AGM provides an opportunity for shareholders to receive the financial results for the financial year, engage with the Board, receive an update on the current performance, and ask questions during the meeting. Shareholders also have the opportunity at the AGM to meet the External Auditor and the Company Secretary.

Steve Marshall
Chairman
16 May 2017

NOMINATION COMMITTEE REPORT

Membership

The Nomination Committee comprises the Chairman, the Chief Executive and the four Non-executive Directors. The Chairman is the Nomination Committee Chairman.

Attendance at the Committee's meetings are set out on page 38.

Role of the Nomination Committee

The Board have delegated oversight of the leadership needs and succession planning for the Board and EMT to the Nomination Committee, to ensure the Group has the best talent to perform effectively now and in the future.

Committee responsibilities

The Nomination Committee's remit, which is set out in its terms of reference, includes responsibility for:

- review of the structure, size and composition of the Board and its Committees, and making recommendations to the Board on any desired changes;
- review of the succession plans for the Executive Directors and EMT;
- the appointment procedure for new Directors, using external consultants;
- recommendations for appointments of Directors;
- preparation of role specifications, including assessment of the time commitment expected and the need for availability at short notice for non-executive roles;
- review of the annual performance evaluation outcomes for areas under its remit; and
- review of Directors' external commitments and time available to discharge their responsibilities effectively.

Before a Director is appointed, the Committee evaluate the balance of skills, knowledge, experience and diversity of the Board to ensure that new appointments complement or address gaps in any of these areas. The Committee ensure the selection process is rigorous and transparent and appoints a professional external agent. Candidates from a wide range of backgrounds that meet the specification are considered and all appointments are made entirely on merit, with due regard to the benefits of diversity on the Board, which includes but is not limited to purely gender.

Activities in the year ended 31 March 2017

During the year the Committee undertook the following activities:

- reviewed financial year reporting matters and disclosures;
- reviewed the structure, size and composition of the Board and Committees in light of the external evaluation results;
- reviewed the Company's succession plan for the Board following the external evaluation results;
- reviewed the Company's succession plans for the EMT;
- appointed external recruitment firms to support the selection processes for the Group HR Director and Chief Marketing Officer positions;
- reviewed the time commitment and conflict of interest declarations of the Directors; and
- reviewed and updated the Committee's terms of reference.

As part of the external evaluation of the Board and its Committees, the operation and performance of the Committee was assessed and it was agreed that the Committee have continued to operate effectively and in accordance with its remit.

Composition of the Board

The Committee review the composition of the Board and its Committees on an ongoing basis to ensure there is appropriate balance and diversity in the skills and experience of the membership and there are no gaps.

The Board consider the current membership balance of Executive Directors and Non-executive Directors is the right blend of commercial and governance experience, independence and challenge and the diverse range of skills and backgrounds of the Directors prevent any undue individual or collective influence over the Board's decision-making.

Board diversity

The Company remains committed to diversity on the Board in accordance with recommendations from the Davies Review (published in 2011), the Parker Review of November 2016 and the Code, and recognises the benefits that a diverse Board can bring. The Board consider and review diversity in the fullest sense when considering appointments and succession planning and seek to ensure a range of skills, experience and backgrounds are represented.

The Committee will continue to consider all diversity matters when reviewing future Board and senior management appointments, Board composition and the outcome of the annual evaluations.

Succession planning

A key area of focus of the Committee is the oversight of adequate succession planning in respect of both the Board and of the EMT.

When considering Board succession planning the Committee have considered the following areas at length:

- the Committee structure and membership;
- NED engagement with management;
- evaluation of the current skills and experience of Board and gap analysis;
- the tenure of Board members and phased review and consideration of roles for all Board members, for planned succession and timelines; and
- the diversity of the Board and future requirements.

For EMT succession planning the Company is committed to the identification and development of suitable candidates. The Committee review the Company's succession plans including periodic phased senior management refreshment programmes, designed to improve bench strength in capability and talent to achieve the Group's strategic plan for growth and the talent pipeline for EMT and senior management succession.

Induction of Directors

On joining the Board, all Directors receive an induction tailored to their individual needs. The programme includes meetings with all Directors, the EMT, the Company Secretary and heads of functions. Key site visits are also scheduled and undertaken to meet business management and deepen commercial awareness of the Group.

On acceptance of their appointment, Directors are provided with a comprehensive suite of Group materials, which comprises: Group strategic plan, financial information and trading updates, risk registers, governance and regulatory guidance and documents, Group policies, Group and business structure, statutory documents of the Company, and Board and Committee papers, minutes and other reference documents for the prior 12 month period.

Continuing professional development

As part of the Board evaluation process, the training and development needs of individual Directors are reviewed by the Chairman.
The Company makes the necessary resources available to support Director development.

Steve Marshall
Chairman of Nomination Committee
16 May 2017

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Providing a robust and thorough review

COMMITTEE CHAIRMAN'S ANNUAL STATEMENT

I am pleased to present the Audit Committee's report for the year ended 31 March 2017.

It has been another busy year for the Committee. During the year the key activities have been focused on providing a robust and thorough review of financial performance, independent challenge on the balance and integrity of financial reporting, monitoring progress on risk management and internal control activities towards the achievement of target risk levels set, and monitoring of the Internal Audit and External Audit performance and activities.

In addition to routine matters, the Committee have also undertaken specific reviews on insurance arrangements and taxation. In respect of insurance, the Committee considered the insurance strategy and arrangements, which included administration, performance, premiums, the captive insurance company and recharging, and whether these remained appropriate and fit for purpose.

Following the UK referendum vote for Brexit, the market, economic and regulatory impact has been kept under review by the Committee and particularly when considering the financial results and outlook for our future business, employees and costs, and potential impact on customers, suppliers and our pension fund. We will continue to monitor the developments on Brexit closely in the coming year.

The Committee welcome constructive engagement on any of the areas under our remit and the Chairman can be contacted via the Company Secretary.

Paul Dean
Audit Committee Chairman
16 May 2017

AUDIT COMMITTEE'S REPORT

Membership

The Audit Committee comprise the four independent Non-executive Directors. There were no changes to the membership of the Committee during the year.

Each member of the Audit Committee is independent and the membership meets the requirements of the Code. The Board are satisfied that the Chairman, Paul Dean, has recent and relevant financial experience in accordance with the Code.

Attendance at the Committee's meetings are set out on page 38 in the Corporate Governance Report.

Meetings

The Group's Chief Financial Officer, Group Financial Controller, Head of Internal Audit and the External Auditor attend and report to each Audit Committee meeting. The Company Chairman and the Chief Executive also regularly attend Audit Committee meetings by invitation.

During the year, the Audit Committee met privately with the External Auditor and separately with the Head of Internal Audit.

Role and responsibilities

The Audit Committee assist the Board on the effective review of financial performance, internal controls, financial reporting and risk management.

The Audit Committee's remit, which is set out in its terms of reference, includes responsibilities for:

- the content and integrity of financial statements and any formal announcements relating to financial performance, including review of the significant financial reporting judgements contained therein;
- review of the Company's internal controls and risk management systems;
- review of the effectiveness of the Internal Audit function;
- recommendations to the Board in relation to the appointment, reappointment and removal of the External Auditor, their remuneration and terms of engagement;
- review and monitoring of the External Auditor's independence and objectivity and the effectiveness of the audit process;
- review of Group policies, including setting the policy to control engagement of the External Auditor to supply non-audit services;

- reports to the Board on any matters where it considers action or improvement is needed, including recommendation of remedial actions; and
- report to the Board on how the Committee has discharged its responsibilities.

The Audit Committee has unrestricted access to Company documents, management, Internal Audit, the Company Secretary, the External Auditor and any other advisers, as and when required.

Activities in the year ended 31 March 2017

The Audit Committee met four times during the year at scheduled meetings. Following the year end the Committee have held one further scheduled meeting. During those meetings the Committee covered the following activities:

Financial statements
- review of the financial statements and narrative financial reporting in the 2016 Annual Report and Accounts and financial statements in respect of the half year results to 30 September 2016 with particular reference to the reports being fair, balanced and understandable;
- consideration of reports from the External Auditor in respect of financial reporting in the 2016 Annual Report and Accounts and the 30 September 2016 half year results;
- review of the key judgement and accounting matters, which includes going concern, in respect of the half year and full year to 31 March 2017; and
- review of the preliminary results and half year results in the stock exchange announcements.

Control environment and risk management
- review of Group policies, such as Whistleblowing, Bribery, Gifts and Entertainment, Sharedealing, Non-audit Services policies;
- review of the whistleblowing procedure that employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- review of the Risk Management Committee's activities, including progress on risk management and refreshment of Group and business sector risk registers, and development of an enhanced risk management tool to supersede the control risk self-assessment programme in the coming financial year;
- review of the viability assessment methodology, assessment outcomes and the statement of compliance, including determination of the assessment period and the robustness of the scenarios tested;
- review of compliance reports from management and Internal Audit reports on completed control risk self-assessments;
- review and agreement of the Group Internal Audit Plan for the coming financial year;
- review and challenge of the Group's 2017 Internal Audit programme, including the results of key audits, significant findings, and management's response and resolution;
- meetings with the Head of Internal Audit without management;
- review the effectiveness of the Internal Audit function;
- review of the Group's insurance arrangements; and
- review of the Group's taxation approach.

External Audit/Auditors
- meetings with the External Auditor without management to consider any potential areas of concern;
- review and consideration of the External Auditor's findings and recommendations and management's response from the audit of the year ended 31 March 2016;
- approve the terms of appointment, areas of responsibility, duties;
- scope and strategy of the 2017 external audit set out in the engagement letter and recommend approval to the Board; and
- review of the External Auditor's performance, independence and objectivity.

The Committee reviewed its own terms of reference and, as part of the external Board evaluation process, the operation of the Committee was evaluated. The Committee and Board were satisfied that the Committee and its members continue to operate effectively individually and collectively and had discharged all of the duties within its remit.

Financial reporting and significant financial matters

The principal matters of judgement considered by the Committee in relation to the accounts for the year ended 31 March 2017 and how they were addressed:

Property provisions
The balance sheet for the year ended 31 March 2017 includes property provisions of £16.5m.

The Committee reviewed a management report on the property portfolio and considered the provision for onerous leases and dilapidations, the utilisation of the provision during the year, and the rationale for the year end provision. The Committee also considered the External Auditor's testing of the assumptions.

The Committee were satisfied the assumptions and disclosures in the Annual Report were appropriate.

Pension scheme obligations
The balance sheet for the year ended 31 March 2017 includes a pension scheme deficit of £78.4m, with gross pension obligations of £1,156.7m.

In arriving at the gross obligation figure, the Committee considered the accounting basis of the pension scheme in the year ended 31 March 2017 and reviewed the pension items provided by management, based on the Company Actuary's report on the key assumptions in the pension obligation calculation and related income statement items. The Committee also considered the work performed by the External Auditor to test those assumptions.

The Committee were satisfied that the assumptions used and the disclosures in the Annual Report were appropriate.

Materiality and misstatements
The External Auditor, following discussion with the Committee, set the materiality and notify the Committee if they identify any misstatements through their audit. The Committee review the external auditors approach on materiality and level of materiality applied and any misstatements reported.

After review of management presentations and reports, including consultation with the External Auditor, the Committee were satisfied that the financial statements appropriately addressed the critical judgements and key estimates in respect of the amounts reported and the disclosures. The Committee were also satisfied that the significant assumptions used for determining the value of assets and liabilities had been appropriately scrutinised and challenged and on that basis the Committee recommended the Annual Report to the Board for approval.

Risk management
The Group's principal risk management systems comprise:

- risk registers and reviews at both Group, business unit and support functions level;
- periodic control risk self-assessments;
- deep dives on specific risk profiles and challenges in particular business areas; and
- Risk Management Committee (RMC) oversight.

A full report of the Group's risk management systems and controls, principal risks and uncertainties; and statement following the viability assessment are included in the Risk report on pages 24 to 27.

Internal Audit function

The Head of Internal Audit reports to the Chief Financial Officer and has direct access to the Chief Executive and Chairman of the Audit Committee. In addition to attendance at all Audit Committee meetings the Head of Internal Audit reports regularly on internal audit reviews to the EMT and RMC.

The Internal Audit function provide independent and objective review of risks and controls and reports to the Board, Audit Committee and senior management, to ensure the Group complies with corporate governance and regulatory responsibilities. The audit reviews consider the extent to which systems of internal control and risk management are designed and operate effectively, adequately manage or mitigate key risks, and safeguard assets and limit liabilities.

The role of Internal Audit and the scope of its works, are regularly reviewed to ensure it remains independent, fit for purpose and addresses business changes and regulatory requirements. The formal Audit Charter is reviewed by the Committee annually.

During the year, the annual evaluation of the Internal Audit function was considered by the Audit Committee. The results of the assessment concluded that the Internal Audit function was adequately resourced and operates effectively.

External Auditor

The Committee evaluates the effectiveness and independence of the external audit process and External Auditor annually in respect of their performance and conduct. The External Auditor tender undertaken in the last financial year was scheduled to coincide with the auditor rotation. Upon the reappointment of KPMG LLP (KPMG) as the Group's External Auditor Simon Haydn-Jones became the new Senior Statutory Auditor with effect from 1 April 2016.

Auditor performance
The Committee undertakes an annual comprehensive assessment of the External Auditor's performance following the financial year end annual audit, scoring the performance and effectiveness of the External Auditor, taking on board feedback from management. The Committee were satisfied the External Auditor had performed effectively in respect of the external audits for the year ended 31 March 2016 and the review of the half year to 30 September 2016.

Auditor independence
The Committee requires the External Auditor to give an annual confirmation of the actions it has taken to ensure objectivity and independence, including where non-audit services are provided.

For the audit of these financial statements the External Auditor, KPMG, have confirmed compliance with the firm's ethics and independence policies, partner and staff compliance with their ethics and independence manual, including prohibition on holding Company shares. KPMG have assured the Group their ethics and independence manual is fully consistent with the professional practice rules of the Auditing Practices Board (APB) Ethical Standards, the auditor's regulator.

In addition, KPMG has put in place further independence safeguards through professional values, communications, internal accountability, risk management and independent reviews. KPMG regularly review the composition of the audit team and rotate teams in accordance with the relevant regulations; and consider the fees paid by the Company and its related entities for professional services provided.

Any significant new engagement undertaken for the Company is subject to acceptance procedures, requiring consultation with Simon Haydn-Jones, the Senior Statutory Auditor.

Auditor tender
A robust and thorough audit tender was undertaken last year which concluded with a recommendation to reappoint KPMG as the Group's External Auditor. The Committee are acutely aware that, despite undertaking the tender last year, KPMG have been the Group's External Auditor since it listed in 2001. Therefore, although there is no requirement to retender for some time, the performance and effectiveness of the Auditor are rigorously considered and their length and continued appointment is kept closely under review.

Non-audit services

The Company's Non-audit Services Policy is intended to put in place appropriate controls for the approval and engagement of any non-audit assignments according to the nature and value of the work, to safeguard audit objectivity and independence.

The APB's Ethical Standard 5 sets out the permissible non-audit services that external auditors can perform, and KPMG ensures that all requests from the Company to provide non-audit services, to any KPMG office, are considered in the context of the Company's policy and KPMG's own ethical standards.

Full disclosure of audit and non-audit fees paid in the year ended 31 March 2017 are set out in Note 3 to the financial statements on page 79.

Paul Dean
Audit Committee Chairman
16 May 2017

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We believe that our Directors' Remuneration Policy continues to be appropriate

COMMITTEE CHAIRMAN'S ANNUAL STATEMENT

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2017.

It has been a busy year for the Committee in which we reviewed the appropriateness of the existing Remuneration Policy, and provided oversight and challenge to ensure that we remunerate our Directors and senior management in a way that (a) attracts and retains the best talent and (b) encourages high performance to achieve the Group's strategic targets, but do not encourage irresponsible risk taking.

Far from being a statutory driven review process, as a Committee we continually review and monitor the Directors' Remuneration Policy against our business strategy, best practice and our relevant market environment. We also actively consider any feedback we receive from shareholders and the reports which institutional investors and shareholder bodies issue on remuneration policy and practices. Our intention is always to ensure reward is appropriately underpinned by challenging performance targets that align with the Group's strategic goals and benefit our stakeholders in a responsible and sustainable way. We strongly believe this approach motivates and rewards individuals appropriately for their contribution to the Group's performance and aligns executives' interests in the same way shareholders receive a return on their investment in us.

As I referred to in my statement last year, at the forthcoming AGM we are required to put our Directors' Remuneration Policy before shareholders for approval. In the context of the Group strategy we undertook a thorough and comprehensive review during the year, to compare our practices with new and emerging remuneration practices and market expectations. Following this review, we believe that our Directors' Remuneration Policy continues to be appropriate, and are therefore proposing the policy remains broadly unchanged. In recognition of emerging best practice, we have updated our policy to reduce the pension contribution for new Executive Director appointments to 15% of salary, to be in line with pension arrangements for other senior managers. The Committee have also reviewed the flexibility under the Policy for the Annual Bonus and Long Term Incentive Plan, to ensure the Committee can review performance measures and weightings ahead of each award to ensure they reinforce the business strategy.

As part of this process, we sought engagement with both our largest shareholders and shareholder bodies. Shareholder reactions to our relatively unchanged Directors' Remuneration Policy were positive and therefore no further changes were made. Further information regarding the review we undertook, and the consultation and engagement process, can be found on page 46. Our conclusions were that the Company's Directors' Remuneration Policy, as set out on pages 54 to 59, is fit for purpose and the most suitable way to remunerate for performance and retention. This policy will, therefore, be presented to our shareholders for approval at our AGM on 29 June 2017, with the intention that it will become effective from 1 July 2017.

During the year the Committee undertook a range of duties delegated to it by the Board. The activities included a review of fees paid to the Chairman; and scrutiny and approval of salary increases, LTIP awards and bonus payments to Executive Directors and senior management. As we do each year, the Committee sought to ensure that remuneration design rewarded only high performance, and was compliant with the Directors' Remuneration Policy. As in the previous year, the Committee did not recommend a change to the Chairman's fee and the Non-executive Directors' fees also remained unchanged. An increase in salary was awarded to the Executive Directors effective 1 July 2016 that was wholly consistent with the average employee salary increase across the Group and the Committee have applied the same principle again for salaries of Executive Directors effective 1 July 2017. 2016 LTIP awards, granted in the form of nil cost options, were made to Executive Directors contingent on the same performance conditions applied in 2015, as set out in the policy, and were also awarded at the same level as in previous years. The Committee thoroughly reviewed the Executive Directors' performance reviews and bonus objectives which contained targets for financial performance and growth, and non-financial activities linked to the Group's strategic objectives set out on page 14. Following strong financial performance and significant achievement across all of their non-financial objectives and targets, the Committee considered the award of £477,528 (being 73% of his annual bonus entitlement) for Adrian Colman and £276,988 (being 77% of his annual bonus entitlement) for Tim Lawlor to be a fair and reasonable award for the year ended 31 March 2017. The bonus awards and payments were also determined in line with the Directors' Remuneration Policy and will continue to operate in this way for the year ended 31 March 2018.

Following my statement, you will find the Annual Report on Remuneration. This report will be presented to our shareholders for an advisory vote at the forthcoming AGM, and expands on the areas I have summarised above. The Directors' Remuneration Policy and guidance notes that follow will also be presented to shareholders at the AGM on a binding vote basis.

As a Committee we welcome engagement and constructive dialogue with all of our shareholders on remuneration, at any time. If you would like to contact us, please do so through our Company Secretary.

Martin Sawkins
Remuneration Committee Chairman
16 May 2017

INTRODUCTION

The Annual Report on Remuneration sets out the Company's remuneration of its Directors during the year ended 31 March 2017 in line with the Directors' Remuneration Policy approved by shareholders in July 2014. This section also summarises how the Committee intend to implement the Directors' Remuneration Policy (being submitted to our shareholders for approval at the 2017 AGM) from 1 July 2017.

This report is subject to an advisory vote by shareholders at the Company's AGM on 29 June 2017.

COMPLIANCE STATEMENT

The Directors' Remuneration Report, as a whole, has been prepared on behalf of the Board by the Remuneration Committee in accordance with the Code, the Listing Rules and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Directors' Remuneration Report comprises the Committee Chairman's Annual Statement, this report and the Directors' Remuneration Policy together with the accompanying notes. The Chairman's Annual Statement and the Remuneration Policy are not subject to audit. Sections of this report are subject to audit and are highlighted accordingly.

ROLE OF THE REMUNERATION COMMITTEE

The main role of the Committee is to ensure that the remuneration of Directors and senior management supports the delivery of the strategic goals of the Group without encouraging undesirable risk taking behaviour. This objective is achieved by: setting remuneration appropriate to the industry and markets in which the Group operates; and making a significant proportion of remuneration dependent on delivery of demanding but achievable performance targets key to delivering the business strategy, to reinforce development of a high performance culture.

Meetings

Details of Committee Membership and attendance at meetings are included in the Corporate Governance report on page 38. There were five Committee meetings during the year and one meeting between 1 April 2017 and the date of this report.

Members of the Committee were all independent Non-executive Directors selected to represent a broad range of backgrounds and experience to provide balance and diversity. In addition to formal Committee meetings, Committee members met outside of the scheduled meetings as necessary.

The Chief Executive, Chief Financial Officer and Group HR Director attend the Committee's meetings by invitation to provide advice and assistance on specific matters. However, no attendee was present when their own remuneration was being discussed.

Committee Terms of Reference

The Terms of Reference of the Committee are reviewed annually to ensure they reflect current regulatory and governance requirements and duties. The Committee's terms of reference are available on the Group's website at www.wincanton.co.uk/investors/board-and-governance/board-committees.

The main responsibilities of the Committee are to:

- set and determine the Directors' Remuneration Policy and remuneration of the Chairman, taking into account remuneration across the Group;
- monitor the level and structure of remuneration for the EMT;
- approve the design of, and determine targets for, relevant performance-related pay schemes operated by the Group;
- approve the design of performance-related remuneration for Executive Directors for approval by the Board and shareholders;
- determine whether performance targets have been met;
- oversee any major changes in employee benefit structures at Group level;
- select and appoint consultants to provide independent advice to the Committee; and
- ensure reporting is in line with applicable legislation and regulation.

Activities during the year ended 31 March 2017

The Company's approach to remuneration arrangements for Directors has not changed from the prior year and remains compliant with the Directors' Remuneration Policy in force.

The principal activities of the Committee during the year were to:

- review Executive Directors' remuneration and determine remuneration packages for the Chief Executive and Chief Financial Officer;
- consider the Chairman's and Chief Executive's recommendations for remuneration for Executive Directors and the EMT, respectively;
- consider the HR strategy for the Group and compliance with the Remuneration Policy;
- determine bonus awards to Executive Directors and senior management for the year ended 31 March 2017 after consideration of Group operating profit performance and achievement of personal objectives;
- consider grants of LTIP awards, including performance conditions, to Executive Directors and other senior management in the Group identified with key skills and/or roles to significantly drive Group value and performance improvement;
- determine the satisfaction of performance conditions and any vesting of Special Option Plan (SOP) awards that were granted to Executive Directors and senior management in 2013;
- review the Directors' Remuneration Policy for recommendation to shareholders at the 2017 AGM;
- review and approve the Annual Report on Remuneration;
- review the Chairman's fee;
- measure and monitor performance for the unvested SOP and LTIP awards on a regular basis; and
- approve exercises of vested share awards and any adjustments or lapses for leavers.

Remuneration consultant

Kepler (a brand of Mercer) is the Committee's appointed Remuneration Consultant regarding remuneration advice. Kepler is a founding member and signatory of the Code of Conduct for Remuneration Consultants. For more detail please refer to the website, www.remunerationconsultantsgroup.com.

The Committee annually reviews the support and advice provided by Kepler and was comfortable that Kepler continues to provide objective and independent remuneration advice and has no conflicts of interest with the Group that may impair its independence. Other than advice on remuneration, no other services were provided by Kepler to the Company. Mercer provides unrelated advice to the Trustee of the Pension Scheme in relation to investments.

During the year, Kepler attended Committee meetings upon invitation to provide advice and support to the Committee in areas such as: reviewing the remuneration policy; performance measure selection and calibration for long term incentives; current market practice; governance developments; drafting the remuneration report; and relevant comparator groups for pay and performance.

Fees payable to Kepler amounted to £48,765 (2016: £18,205), based on attendance at meetings and advisory materials. Fees for the year ended 31 March 2017 include Kepler's support on reviewing remuneration policy and on implementation of the LTIP.

Directors' Remuneration Policy in the year ended 31 March 2017

Executive Directors' remuneration for the year ended 31 March 2017 consisted of base salary, annual bonus, long term incentives, pension provision and taxable benefits. The bonus and long term incentives are performance-related and conditional on the achievement of Group performance targets and continued service to encourage retention. Performance targets are set at the start of each financial year and are clear, robust and objective and take into account the wider economic environment of the Group.

The existing Directors' Remuneration Policy, which commenced on 1 April 2015, was designed to provide clarity and transparency of remuneration, simplify the remuneration structure and align Executive Directors' interests with both Company performance and shareholder interests through generation of greater Company value over the long term.

The Directors' Remuneration Policy was developed following consultation with the Company's main shareholders and bodies that represent shareholders and investors, who were supportive of the principles of the policy overall.

Directors' Remuneration Policy commencing 2018

The Company must put its Directors' Remuneration Policy to a binding shareholder vote at least once every three years under the current remuneration regulations. As the last AGM at which shareholders approved the existing Directors' Remuneration Policy was in 2014, the Company must submit the Directors' Remuneration Policy for approval to our shareholders at the 2017 AGM.

During the year the Committee reviewed the Directors' Remuneration Policy considering alignment with the business strategy, new and emerging remuneration practices and market expectations and the current political focus on remuneration. Following this review, the Committee determined that the existing Directors' Remuneration Policy is fit for purpose. The Committee chose to reduce the pension contribution for new Executive Director appointments to 15% of salary, to be in line with pension arrangements for other senior managers, and reviewed the flexibility under the policy for the Annual Bonus and Long Term Incentive Plan, in line with market practice, to ensure the Committee can review performance measures and weightings ahead of each award to ensure they reinforce the business strategy.

In reviewing the Policy, the Company engaged with selected shareholders and shareholder bodies, and the Committee was pleased with the feedback received. The conclusion, after taking feedback into account, was that the Directors' Remuneration Policy, as set out on pages 54 to 59, be presented to shareholders for a binding vote at the AGM on 29 June 2017, with the intention that it will become effective from 1 July 2017.

Executive Directors' service contracts

Details of employment contracts for the Executive Directors are summarised in the table below:

Executive Director	Date of appointment to the Board	Date of current contract	Notice period (Company)	Notice period (Director)	Unexpired term
Adrian Colman	7 January 2013	5 July 2015	12 months	6 months	Rolling 12 months
Tim Lawlor	28 September 2015	6 July 2015	12 months	6 months	Rolling 12 months

Adrian Colman was appointed as Chief Executive of the Company on 1 August 2015 and therefore his service contract was refreshed to reflect his new role and remuneration. Both Directors' service contracts are compliant in all respects with the Directors' Remuneration Policy.

The service contract for each Executive Director is available for inspection by shareholders at the Company's registered office and will be available at the 2017 AGM.

NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The Chairman and Non-executive Directors' terms of appointment are recorded in letters of appointment. All Directors are subject to re-election every three years in accordance with the Company's Articles of Association. However, in line with corporate governance best practice, all Directors currently put themselves forward for annual re-election at each AGM.

The table sets out the appointment dates and terms for the Non-executive Directors during the year.

Non-executive Director	Date of appointment	Date of original letter of appointment	Effective date of current letter of appointment	Unexpired term[1]	Expiry of current term
Steve Marshall	14 December 2011	21 November 2011	14 December 2011	6 months	21 November 2017
Paul Dean	1 February 2015	21 January 2015	21 January 2015	8 months	21 January 2018
Stewart Oades	1 November 2014	30 October 2014	30 October 2014	5 months	30 October 2017
Martin Sawkins	27 July 2012	22 June 2012	27 July 2015	14 months	27 July 2018
David Radcliffe	27 July 2012	22 June 2012	27 July 2015	14 months	27 July 2018

[1] The unexpired terms are shown as full months from date of this report.

The Non-executive Directors' letters of appointment are available for inspection by shareholders at the Company's registered office and will be available at the 2017 AGM.

EXECUTIVE DIRECTORS' EXTERNAL APPOINTMENTS

No Executive Director held any external directorships during the year and do not hold any at the date of this report.

PERFORMANCE AND PAY

Set out below is a line graph that shows the TSR performance over an eight year period for both a holding of the Company's shares and the FTSE SmallCap. The latter was agreed by the Committee to be the most appropriate comparator as the Company is a constituent of the index.

Graph removed

An additional chart has been included below to provide context to the vesting of the Company's 2013 SOP awards in respect of the year ended 31 March 2017, in light of the Company's strong performance over recent years.

Graph removed

The charts above further show TSR for FTSE All-Share excluding investment trusts as this is the comparator group for measuring TSR performance under the LTIP approved by shareholders in July 2014.

The table below sets out the total remuneration and the amount vesting under Annual Bonus and Long Term Incentive Plans, as a percentage of the maximum that could have been achieved in each year of the same period as set out in the graph above, for the Chief Executive:

Year ended 31 March	Chief Executive	Chief Executive single figure of total remuneration £'000	Annual bonus payout against maximum opportunity	Long term incentive vesting rates against maximum opportunity
2017	Adrian Colman	2,008	73%	100%[13]
2016	Adrian Colman[1]	1,653	61%[3]	100%[7]
2016	Eric Born[1]	3,750	–[3]	100%[8]
2015	Eric Born	2,051	56%[4]	100%[9]
2014	Eric Born	1,264	68%[5]	100%[9]
2013	Eric Born	893	69%[5]	100%[9,10]
2012	Eric Born	710	41%[5]	100%[10]
2011	Eric Born[2]	249	0%	n/a
2011	Graeme McFaull[2]	397	0%	0%[11]
2010	Graeme McFaull	655	64%[6]	9%[12]

1 Adrian Colman was appointed 1 August 2015. Eric Born resigned on 31 July 2015. These figures contain pro rated remuneration in respect of each Director according to the period served.
2 Eric Born was appointed 14 December 2010. Graeme McFaull resigned on 14 December 2010. These figures contain pro rated remuneration in respect of each Director according to the period served.
3 The Committee deemed that Eric Born should not receive a bonus in respect of the year ended 31 March 2016. For the purposes of this table the percentage of Adrian Colman's bonus is the pro-rated element attributable to the period he served as Chief Executive and not his full year bonus for the year ended 31 March 2016.
4 The maximum opportunity for 'single figure' purposes is 200% of salary. The Committee decided the bonus would be paid 100% in cash as the plan ended on 31 March 2015 and no performance conditions would be applied, therefore it is not defined as a long term incentive.
5 The maximum opportunity for 'single figure' purposes is 200% of salary. 50% of bonus is deferred in shares which vest subject to performance and are therefore defined as a long term incentive.
6 The maximum opportunity for 'single figure' purposes is 25% of salary. 75% of bonus was deferred in shares which vested subject to performance and are therefore defined as a long term incentive.
7 Awards under the January 2013 SOP award vested in full.
8 Awards under the 2012 SOP award vested in full.
9 Awards under the Company's EBP vested in full.
10 Awards under the Company's Deferred Annual Bonus Scheme vested in full.
11 Awards under the Company's Share Match Incentive Scheme and the Performance Share Plan all lapsed due to performance conditions not being met.
12 Awards under the Company's Share Match Incentive Scheme and the Executive Share Option Scheme vested in full however the awards under the Executive Share Option Scheme were 'underwater' and are excluded from this table.
13 Award under the July 2013 SOP vested in full.

The table below sets out the percentage change in annual cash awarded to the Chief Executive between the year ended 31 March 2016 and the year ended 31 March 2017, compared to the change in annual cash awarded to a comparator group of employees, as set out below.

	Chief Executive			
	31 March 2017 £'000	31 March 2016[2] £'000	Increase/ (decrease)	Average change for the comparator group[1]
Salary	**435**	428	1.6%	1.6%
Taxable benefits	**26**	26	–	–
Annual variable	**478**	262[3]	82.4%	54.0%

1 The Comparator group is an average cost per person for all management level employees.
2 From 1 April to 31 July 2015 Eric Born served as Chief Executive. Adrian Colman was appointed Chief Executive on 1 August 2015. These figures contain pro rated remuneration in respect of each Director according to the period served for the year ended 31 March 2016.
3 The Chief Executive's bonus is the pro rated element attributable to the period Adrian Colman served as Chief Executive. The Committee deemed that Eric Born should not receive a bonus in respect of the year ended 31 March 2016.

The comparator group comprises all management level employees, approximately 300 people. This group was chosen as broadly the same group of employees that are entitled to participate in the Group's management bonus scheme and a similar range of taxable benefits, and is consistent with the group used as comparators for this purpose in previous financial years. Furthermore, a significant proportion of the Group's employees are on legacy employment arrangements as a result of having transferred into the business or are entitled to remuneration arrangements determined by customers rather than the Group.

PAYMENTS MADE IN THE YEAR UNDER REVIEW

Single total figure of remuneration – Executive Directors (audited)

	Adrian Colman[1]		Tim Lawlor[2]	
	31 March 2017 £'000	31 March 2016 £'000	**31 March 2017 £'000**	31 March 2016 £'000
Fixed pay				
Salary and fees	**435**	389	**299**	151
Taxable benefits[3]	**26**	23	**16**	9
Pension related benefits[4]	**96**	78	**45**	22
Sub total	**557**	490	**360**	182
Bonus[5]	**478**	337	**277**	112
Long term incentives[6]	**973**	1,024	**–**	–
Sub total	**1,451**	1,361	**277**	112
Total	**2,008**	1,851	**637**	294

1 In the year ended 31 March 2016, Adrian Colman served as Group Finance Director from 1 April to 31 July 2015, and as Chief Executive from 1 August 2015 to 31 March 2016. The figures reflect Adrian Colman's aggregated remuneration during the year.
2 Tim Lawlor joined the Group from 28 September 2015 as Chief Financial Officer and therefore his remuneration for the year ended 31 March 2016 is prorated for his appointment period.
3 The taxable benefits comprise the gross value of those benefits provided to the Executive Directors, including company car allowance and healthcare. The value of company car allowance provided during the year ending 31 March 2017 was £25,000 for Adrian Colman and £15,600 for Tim Lawlor.
4 The pension related benefits comprise the amounts contributed to the defined contribution section of the Company's pension scheme or the salary supplement provided in lieu of such contributions where the value exceeds the annual allowance set by HMRC.
5 The bonus paid to the Executive Directors in respect of the Annual Bonus award for the years ended 31 March 2016 and 2017 were paid 100% in cash. Further information is detailed on pages 50 to 51.
6 The value of long term incentives for the year ended 31 March 2017 includes awards vesting for performance during the financial year under the legacy 2013 SOP, calculated based on the embedded gain between the option price and the share price on date of vest. For the July 2013 SOP award the embedded gain was £1.10 per share (based on the share price at date of vesting of £1.78). Further details can be found on page 51.

Payments to past Directors (audited)

There have been no payments made to past Directors during the year under review.

Payments for loss of office (audited)

There have been no payments for loss of office made during the year under review.

Single total figure of remuneration – Non-executive Directors (audited)

The table below sets out the fees of the Non-executive Directors in the year. During the year, the Chairman received an annual fee of £170,000 and the Non-executive Directors each received an annual base fee of £45,000. Additional fees of £8,000 were paid to Committee chairmen (excluding the Nomination Committee, which is chaired by the Company Chairman). The fees will remain unchanged in the year ending 31 March 2018.

	At 31 March 2017			At 31 March 2016		
	Fees £'000	**Committee Chair fee £'000**	**Total £'000**	Fees £'000	Committee Chair fee £'000	Total £'000
Steve Marshall	**170**	**–**	**170**	170	–	170
Paul Dean[1]	**45**	**8**	**53**	45	6	51
Stewart Oades	**45**	**–**	**45**	45	–	45
David Radcliffe	**45**	**–**	**45**	45	–	45
Martin Sawkins	**45**	**8**	**53**	45	8	53

1 Appointed as Audit Committee Chairman on 17 July 2015, therefore the fee paid in the year ended 31 March 2016 was prorated.

EXECUTIVE DIRECTORS' REMUNERATION

Executive Directors' salaries

Executive Directors' salaries are reviewed annually with any change effective from 1 July.

During the year, the Committee awarded a 1.5% increase to the Chief Executive and 1.7% increase to the Chief Financial Officer effective from 1 July 2016, aligned with the average budgeted salary increase across the Group. The salaries of the Executive Directors as at 31 March 2017 and with effect from 1 July 2017 are set out in the following table and the increases are in line with that for the wider employee population:

	Salary as at 1 July 2017 £	Change	Salary as at 31 March 2017 £	Change	Salary as at 31 March 2016 £
Adrian Colman	440,000	0.8%	436,450	1.5%	430,000
Tim Lawlor	305,000	1.7%	300,000	1.7%	295,000

Total pension scheme entitlements (audited)

Adrian Colman and Tim Lawlor are members of a defined contribution section of the Wincanton plc Pension Scheme. During the year the Company paid an employers' pension contribution equivalent to 22% of Adrian Colman's pensionable salary and 15% of Tim Lawlor's pensionable salary. Where the individual's pension exceeded the HMRC annual allowance in the 2016/17 tax year, the excess was paid in the form of a taxable cash payment. Executive Director pension arrangements for year ended 31 March 2018 will be consistent with this approach.

Employment benefits

Executive Directors' employment benefits for the year ended 31 March 2017 were provided on the same basis as for the previous incumbent of the role in the prior financial year, and will continue to be provided in the next financial year.

The Senior Management Annual Bonus Plan for the year ending 31 March 2017 (audited)
The Senior Management Annual Bonus Plan came into effect on 1 April 2015. The Annual Bonus is normally paid in cash, however if the share ownership guideline is yet to be achieved, any bonus earned above 100% of salary must be used by the Executive Director to purchase Wincanton shares until the share ownership guideline is achieved. The performance conditions for the year ended 31 March 2017 were 60% weighted on Group financial performance (underlying operating profit) and 40% weighted on performance against personal objectives. Of the personal objective proportion, half was weighted on financial and half weighted on non-financial objectives.

The Senior Management Annual Bonus Plan performance for the year ended 31 March 2017 (audited)
Both Executive Directors were eligible for an Annual Bonus award for the year ended 31 March 2017. The maximum bonus opportunity for the year ended 31 March 2017 for Adrian Colman was 150% of salary and for Tim Lawlor was 120% of salary.

The Annual Bonus award for the year ended 31 March 2017 was determined by the level of satisfaction of the performance conditions and of the financial and personal objectives, as set out below.

Annual Bonus awarded based on underlying operating profit performance target for the year ended 31 March 2017

	Threshold	Target	Maximum	Actual
Operating profit performance	£48.7m	£51.0m	£53.6m	£52.1m
Bonus opportunity on the underlying operating profit element	8%	50%	100%	71.6%

ABP awarded based on achievement of personal objectives for the year ended 31 March 2017
The personal financial objectives for Adrian Colman and Tim Lawlor for the year ended 31 March 2017 included: repaying and refinancing the Group's bank debt; working with the Pension Trustee to strengthen the pension deficit reduction strategies; development of the dividend model and policy; delivery of Group financial performance at or above market consensus; and growth of revenue through annualised sale wins above prior year revenue. The personal non-financial objectives for Adrian Colman and Tim Lawlor for the year ended 31 March 2017 included: talent strengthening and structural changes; refocus of sales and marketing strategies and functions; implementation and delivery of the strategy (set out on page 14); greater engagement with largest customers; operational improvement targets to support the strategy and growth in propositioning and innovation; continue to improve health and safety performance; and complete the IS infrastructure programme.

The Committee considered the performance of both Executive Directors, and reviewed the level of achievement against each of their respective objectives summarised above. Debt repayments had been made as planned and the refinancing had been completed to October 2021 at lower rates, avoiding renewal during the Brexit negotiation timetable. A new investment strategy has been agreed and implemented in respect of the Pension Fund aimed at minimising the financial impact of political uncertainty impacting the pension deficit, the dividend policy has been communicated and well received by shareholders and dividends had resumed. The Group's financial performance for the year had exceeded target and market consensus. Annualised sales targets were just short of the numerical target but were supported with a strong pipeline and pre-pipeline for the current and next financial years at the in year target levels set. People changes and the talent strengthening programme had been completed without business disruption with appointments of a new Managing Director of Industrial & Transport, a new Business & Optimisation Director, Group HR Director and Chief Marketing Officer. Delivery of the strategy has been implemented and has started to deliver the objectives intended, as detailed in the Chief Executive's statement on pages 16 to 19. Health and safety performance has been strong with LTIFR reduced from 0.71 to 0.68, and the IS infrastructure programme has been completed, both mitigating principal areas of risk to the Group. Following due consideration of the evidence to support achievement of each of the objectives, together with their overall annual performance review, the Committee concluded that both of the Executive Directors had performed strongly in all areas of their financial and non-financial bonus objectives which had directly resulted in a strong Group performance and a Group well positioned for growth and the future, to the benefit of all of its stakeholders.

The table below sets out the awards of bonuses for the achievement of personal objectives for the year ended 31 March 2017 determined by the Committee:

	Adrian Colman	Tim Lawlor
Bonus level percentage of personal objective element (% of maximum)	72.9%	76.9%

Following consideration of the above, the Committee awarded an annual bonus equivalent to £477,528 (being 109.4% of salary) to Adrian Colman and £276,988 (being 92.3% of salary) to Tim Lawlor, based on their salary at the end of the year ended 31 March 2017.

Long term incentives – Special Option Plan (audited)

The SOP is the Company's LTIP put in place under the previous remuneration policy, which ended on 31 March 2015. SOP awards were made as market priced options, which meant that the Executive Directors would only realise value to the extent that the options vested, following satisfaction of the performance conditions and if the share price had increased above the option price. The 2014 SOP options due to vest in July 2017 and December 2017 are the last awards made under this Plan.

Performance targets

Threshold vesting (25% of maximum) under the SOP requires average TSR growth to exceed 10% per annum. Full vesting would be achieved for average TSR growth of 22% per annum during the three year period from date of award, with straight-line vesting between points. There is also an EPS underpin which requires no reduction to the underlying EPS at any point during the relevant three year period. If EPS reduces at any point during the relevant three year period, the relevant awards would lapse in full regardless of TSR growth. These performance conditions apply to all SOP awards.

Awards vesting in the year ended 31 March 2017 (audited)

The awards made under the July 2013 SOP awards all vested in full during the year ended 31 March 2017, as set out below:

	Date of award	Vest date	Option exercise price[1]	No. of SOP awards granted	No. of SOP awards vesting for performance	No. of vested SOP awards exercised during the year	No. of options held under vested SOP award at 31 March 2017
Adrian Colman	12 July 2013[2]	12 July 2016	£0.677	886,262	886,262[3]	–	886,262

[1] The option price is calculated using the three day average share price immediately preceding the date of award.
[2] For the award made on 12 July 2013, average annual TSR growth was 54% (maximum vesting at 22%) and EPS did not reduce over the three year period, therefore the awards vested in full.
[3] The value of these awards for the purpose of the single figure is based on embedded gain, calculated as the difference between option price of 68p per share and the share price at date of vest.

LTIP for the year ended 31 March 2017 (audited)

From 1 April 2015 the new LTIP, approved by the Company's shareholders at the AGM on 16 July 2014, came into force. During the year, LTIP awards were made in accordance with the LTIP rules and the Directors' Remuneration Policy (approved at the 2014 AGM) on 21 July 2016 and 14 November 2016.

Performance targets

Performance metrics for the 2016 LTIP award were consistent with the performance metrics applied to the 2015 LTIP awards. The two metrics are TSR and EPS, weighted 60% on basic underlying EPS and 40% on TSR relative to the FTSE All-Share Index (excluding investment trusts). The threshold (entry point) for 25% vesting of the TSR element requires the Company's TSR to be equal to the TSR of the Index itself and 100% vesting requires the Company's TSR to be equivalent to the upper quartile of the Index which is calibrated as Index + 10% per annum (ie 33% outperformance of the Index over the three year term of the award). EPS is measured on a point-to-point basis over the three year period in aggregate, with 25% of the EPS element vesting at the threshold (entry point) of 6% growth per annum and 100% vesting for 11% growth per annum. There is straight-line vesting between threshold and maximum. Both performance measures are measured over three financial years.

Awards made in the year ended 31 March 2017 (audited)

LTIP awards to the Executive Directors during the year are set out below, based on 100% of salary for both the Chief Executive and Chief Financial Officer. The EPS and TSR performance period for the 21 July 2016 awards is 1 April 2016 to 31 March 2019.

	Date of award	Vest date	Option exercise price[1]	No. of nil cost options granted under the LTIP	Face value of award (£)[2]
Adrian Colman	21 July 2016	21 July 2019	Nil	246,582	436,450
Tim Lawlor	21 July 2016	21 July 2019	Nil	169,492	300,000

[1] The LTIP options are awarded on a nil cost basis.
[2] The award is calculated with reference to annual salary and the three day average share price immediately preceding the date of award of £1.77.

Operation of the Annual Bonus Plan and LTIP in the year ended 31 March 2018

The Group intends to operate each remuneration element in the year ended 31 March 2018, including the ABP and LTIP and their respective performance conditions and opportunities, in broadly the same way as in the year ended 31 March 2017. For 2018, the annual bonus is based 60% on Group profit before tax, and 40% on performance against personal objectives (of which half is weighted on financial and half weighted on non-financial targets). The Committee considers it commercially sensitive to disclose annual bonus targets prospectively and will provide disclosure of these in the Directors' Remuneration Report for the year ended 31 March 2018. The Committee expects performance metrics for the 2017 LTIP award will be consistent with the performance metrics applied to the 2016 LTIP awards, and be based 60% on basic underlying EPS and 40% on TSR relative to the FTSE All-Share Index (excluding investment trusts). The threshold (entry point) for 25% vesting of the TSR element requires the Company's TSR to be equal to the TSR of the Index itself and 100% vesting requires the Company's TSR to be equivalent to the upper quartile of the Index which is calibrated as Index + 10% per annum (i.e. 33% outperformance of the Index over the three year term of the award). EPS is measured on a point-to-point basis over the three year period in aggregate, with 25% of the EPS element vesting at the threshold (entry point) of 6% growth per annum and 100% vesting for 11% growth per annum. There is straight-line vesting between threshold and maximum. Both performance measures are measured over three financial years.

SHARE OWNERSHIP

Total share interests at 31 March 2017 (audited)

	Shares		Nil cost options		Options	
Director	Owned/vested	Unvested and subject to continued employment	Vested but unexercised	Unvested and subject to performance	Vested but unexercised	Unvested and subject to performance
Adrian Colman	**150,565**	–	–	**475,427**	**1,945,584**	**446,715**
Tim Lawlor	–	–	–	**312,004**	–	–
Steve Marshall	**20,000**	–	–	–	–	–
Martin Sawkins	**9,790**	–	–	–	–	–
David Radcliffe	**25,000**	–	–	–	–	–
Paul Dean	**10,000**	–	–	–	–	–
Stewart Oades	**19,367**	–	–	–	–	–

Share ownership policy

Employee share ownership is a key part of the Directors' Remuneration Policy and is designed to help maintain long term commitment through accountability and business understanding, and provide the opportunity to benefit from growth in Group value as shareholders. Adrian Colman is required to build and maintain a shareholding level of 300% of salary, which he met during the year ended 31 March 2016.

Tim Lawlor joined the Company on 28 September 2015 and has not met the minimum shareholding guideline of 150% of salary that applies to new Executive Directors under the Directors' Remuneration Policy during the year. In accordance with the Directors' Remuneration Policy effective from 1 April 2015, Tim Lawlor is expected to purchase shares with any bonus above 100% of salary until the shareholding guideline is achieved.

Executive Directors' share interests as at 31 March 2017 (audited)

	Partnership Shares held under the SIP		Unrestricted shares held		Total shares held	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016
Adrian Colman	–	–	**150,565**	41,500	**150,565**	41,500
Tim Lawlor	–	–	–	–	–	–

There were no changes in the Directors' personal holdings between 1 April 2017 and the date of this report.

SHARE PLAN INTERESTS

	Date of award	Vest date	No. of shares under award as at 1 April 2016	Option exercise price[1]	Share price at date of award[2]	Shares awarded during the year	No. of shares lapsed during the year	No. of shares exercised during the year	No. of shares under award at 31 March 2017
Adrian Colman									
EBP Deferred shares	12 July 2013[3,4]	12 July 2014 – 12 July 2015	78,986	Nil	£0.66	–	–	(78,986)	–
EBP Deferred shares	11 July 2014[5]	11 July 2015	126,798	Nil	£1.40	–	–	(126,798)	–
SOP	29 January 2013	29 January 2016	1,059,322	£0.71	£0.708	–	–	–	**1,059,322**
SOP	12 July 2013	12 July 2016	886,262	£0.68	£0.66	–	–	–	**886,262**
SOP	11 July 2014	11 July 2017	446,715	£1.37	£1.40	–	–	–	**446,715**
LTIP	16 July 2015	16 July 2018	228,845	Nil	£1.88	–	–	–	**228,845**
LTIP	21 July 2016	21 July 2019	–	Nil	£1.77	246,582	–	–	**246,582**
			2,826,928			246,582	–	(205,784)	**2,867,726**
Tim Lawlor									
LTIP	28 September 2015	28 September 2018	142,512	Nil	£2.07	–	–	–	**142,512**
LTIP	21 July 2016	21 July 2019	–	Nil	£1.77	169,492	–	–	**169,492**
			142,512			169,492	–	–	**312,004**

[1] *The option price is calculated using the three day average share price immediately preceding the date of award where relevant.*
[2] The Mid Market Quotation (MMQ) share price on the date of award.
[3] The award was made with reference to the 30 calendar day average of the Company's MMQ ending on 31 March 2013, which was £0.54.
[4] Adrian Colman was appointed on 7 January 2013. As a result the bonus award was pro rated based on his length of service.
[5] The award was made with reference to the 30 calendar day average of the Company's MMQ ending on 31 March 2014, which was £1.28.

Non-executive Directors' share interests as at 31 March 2017 (audited)

	Opening	Purchased	Disposed	Closing
Steve Marshall	20,000	–	–	20,000
Paul Dean	10,000	–	–	10,000
Stewart Oades	19,367	–	–	19,367
David Radcliffe	25,000	–	–	25,000
Martin Sawkins	9,532	258	–	9,790

There were no changes in the Non-executive Directors' personal holdings between 1 April 2017 and the date of this report.

Dilution limits

All share/option awards are made under plans that incorporate dilution limits consistent with the guidelines provided by the Investment Association. These limits are 10% in any rolling 10 year period for all share plans and 5% in any rolling 10 year period for executive share plans and are in relation to new issue shares. Estimated dilution from existing awards made over the last 10 years up to 31 March 2017 is as follows:

	Actual	Limit
All employee share plans	2.80%	10%
Executive share plans	2.30%	5%

STAKEHOLDER ENGAGEMENT AND CONSULTATION

The Committee recognise the importance of engaging with stakeholders in relation to the design of executive remuneration, the creation of a Directors' Remuneration Policy, compliance with remuneration regulations that came into force in 2014 and continued best practice development.

During the year, at the Company's 2016 AGM on 21 July 2016, the advisory resolution for approval of the Annual Report on Remuneration received the following votes:

Votes for	%	Votes against	%	Total votes	% of ISC voted[1]	Votes withheld
84,495,711	99.3	556,168	0.7	85,051,879	68.7	36,231

[1] The Issued Share Capital (ISC) of the Company as at the date of the Company's 2016 AGM was 123,747,293 Ordinary Shares of 10p each.

At the Company's 2014 AGM, the binding resolution for approval of the Remuneration Policy received the following votes:

Votes for	%	Votes against	%	Total votes	% of ISC voted[1]	Votes withheld
75,276,577	96.8	2,456,358	3.2	77,732, 935	63.8	1,345,734

[1] The Issued Share Capital (ISC) of the Company as at the date of the Company's 2014 AGM was 121,747,293 Ordinary Shares of 10p each.

Relative importance of spend on pay

The following table is intended to assist in understanding the relative importance of the remuneration in the context of the Group's financial position more generally.

Item	**2017 £m**	2016 £m	Difference £m
Remuneration of all employees[1]	**525.8**	526.6	(0.8)
Dividend or share buyback	**11.2**	6.7	4.5

[1] This includes all personnel expenses, including Executive Directors, as set out in Note 4 to the consolidated financial statements.

The Committee regularly reviews the Directors' Remuneration Policy to ensure it supports shareholder interests and closely reflects business strategy. When setting the Directors' Remuneration Policy, the Committee considers the following:

- business strategy;
- total remuneration levels operating in companies of a similar size and complexity such as:
  - revenue and scale of operation;
  - number of employees;
  - market capitalisation and enterprise value;
  - customer base; and
  - geographic reach;
- the responsibilities of each individual role;
- individual performance; and
- each individual's experience.

Following a thorough and comprehensive review, we believe that our Remuneration Policy continues to be appropriate, and are therefore proposing the Policy remains broadly unchanged. In recognition of emerging best practice, we have updated our Policy to reduce the pension contribution for new Executive Director appointments to 15% of salary, to be in line with pension arrangements for other senior managers.

The Committee has also reviewed the flexibility under the Policy for the Annual Bonus and Long Term Incentive Plan, in line with market practice, in order that the Committee can review performance measures and weightings ahead of each award to ensure they reinforce the business strategy. The policy will be proposed to shareholders at the 2017 AGM for approval, with the intention that it will become effective from 1 July 2017, if approved.

DIRECTORS' REMUNERATION POLICY

Executive Directors

Salary	
Purpose and link to strategy	Salaries are set at a sufficient level to recruit and retain individuals of the necessary quality to deliver the Group's strategy.
Operation	Base salaries are normally reviewed annually, with changes effective 1 July. Salaries are typically set after considering: • the responsibilities of each individual role; • progression within role; • individual performance; • an individual's experience; and • salary levels in companies of a similar size and complexity. Salaries may be adjusted and any increase will ordinarily be (in percentage of salary terms) in line with those of the wider workforce. Increases beyond those granted to the wider workforce may be awarded in certain circumstances such as: • where there is a change in responsibility; • progression in the role; • material market misalignment; or • a significant increase in the scale of the role and/or size, value and/or complexity of the Group. Where increases are awarded in excess of the wider employee population, the Committee will provide an explanation in the relevant Annual Report on Remuneration.
Benefits	
Purpose and link to strategy	The Group provides the appropriate benefits for Executive Directors in a business of this size in order to recruit and retain individuals of the necessary quality to deliver the Group's strategy.
Operation	Benefits include but are not limited to: • Company car or car allowance; • Private medical insurance for the Executive Director and their direct family; • Personal accident and travel insurance; and • Death in service cover. In addition, relocation assistance is available on a case by case basis. Assistance may include, but is not limited to, facilitating and/or meeting the costs of removal and other relocation costs, children's education, a limited amount of family travel and tax equalisation arrangements and may extend to facilitating and/or meeting the costs of re-establishing them to their previous location at the end of the employment or assignment.
Opportunity	Benefits vary by role and individual circumstance and eligibility is reviewed periodically. Benefits are not anticipated to exceed 10% of salary per annum over the period for which this policy applies. The Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation) or in circumstances where factors outside of the Group's control have materially changed (eg costs of medical premiums). If this occurs, the Committee will provide details and rationale in the relevant Annual Report on Remuneration.

All employee share plans	
Purpose and link to strategy	The Company encourages voluntary participation in share ownership throughout the Group where share plans are appropriate.
Operation of all employee share plans	Under the current all employee share plan arrangements, Executive Directors are entitled to participate in the Company's Share Incentive Plan (SIP). Participants make monthly contributions from their gross salary to buy Partnership Shares. The Company currently awards one Matching Share for every four Partnership Shares acquired. In addition, any dividends paid in respect of shares held under the SIP are used to buy Dividend Shares.
Opportunity	In line with HMRC limits, the rules of the Company's SIP set out the following maximum levels, which may be amended from time to time so that they are in line with legislation: Free Shares – The maximum value of Free Shares per tax year is £3,600. Partnership Shares bought by employees – The maximum pre-tax salary that can be used to buy Partnership Shares is £1,800 per annum. Matching Shares – The Company can match employees' Partnership Share purchases by giving them additional shares. The maximum award of Matching Shares is two Matching Shares for each Partnership Share bought. The Company currently awards one Matching Share for every four Partnership Shares bought.
Pension	
Purpose and link to strategy	The Group provides the appropriate pension provision for Executive Directors in a business of this size in order to recruit and retain individuals of the necessary quality to deliver the Group's strategy.
Operation of pension arrangements	Executive Directors are entitled to join the defined contribution section of the Wincanton plc Pension Scheme. In certain circumstances, for example where the annual allowance level set by HMRC is exceeded, the pension provision will be in the form of a taxable cash supplement.
Opportunity	Up to 22% of pensionable salary for existing Directors, reducing to 15% of pensionable salary for appointments of Executive Directors from 1 July 2017.
Annual Bonus	
Purpose and link to strategy	The aim of the annual bonus is to incentivise and recognise the Executive Directors annual contribution to the delivery of the Group's strategy by rewarding performance against stretching financial and personal objectives; and reinforce achievement of the shareholding requirement.
Operation	Performance is measured over each financial year. Performance measure weightings and individual objectives are reviewed prior to the start of the financial year to ensure they remain appropriate and reinforce the business strategy. Performance targets are set annually to ensure they are appropriately stretching and reflect those strategic objectives. At the end of the year, the Committee determines the extent to which these targets were achieved. The annual bonus is normally settled in cash. However, if the share ownership guideline is yet to be achieved, any annual bonus earned above 100% of salary must be used by the Executive Director to purchase Wincanton shares until the share ownership guideline is achieved. All bonus awards are at the discretion of the Committee.
Opportunity	An Executive Director's annual bonus cannot exceed 150% of salary. A bonus of up to 25% of maximum is payable for 'Threshold' performance, 50% of maximum for 'Target' performance and up to 100% of the bonus is earned for 'Maximum' performance, with straight-line vesting in between.
Performance measure	Annual performance is typically based on achievement of profit targets and personal objectives. Normally, the Committee would expect the profit element to have a minimum weighting of 60% and a maximum weighting of 80%, and achievement of personal objectives to have a minimum weighting of 20% and a maximum weighting of 40%. However, it retains discretion to adjust weightings to align with the business plan for each year. In exceptional circumstances, the Committee have the ability to exercise discretion to override the formulaic bonus outcome within the limits of the plan where it believes the outcome is not truly reflective of performance and to ensure fairness to both shareholders and participants.
Recovery provisions	Clawback and malus provisions exist in respect of misstatements and misconduct.

Long term incentives	
Purpose and link to strategy	The aim of the long term incentive is to incentivise and recognise the performance of Executive Directors in respect of their contribution to the delivery of the Group's strategy over the longer term by rewarding strong financial performance and sustained increase in shareholder value.
Operation	Performance is measured over a period of no less than three years. The Committee reviews the performance measure weightings ahead of each award to ensure alignment with Wincanton's strategy and has discretion to adjust weightings to ensure alignment to that strategy. Performance targets are reviewed ahead of each performance period and the Committee has discretion to adjust targets to ensure they remain appropriate and stretching. Targets are set having regard to a number of internal and external reference points. Awards may be granted as nil cost options or conditional share awards. Dividends or dividend equivalents may accrue on LTIP awards and be paid in shares or cash on those shares which vest.
Opportunity	Maximum award levels for Executive Directors are 100% of salary. In exceptional circumstances, for example on recruitment, individual awards may be granted up to 250% of salary. Up to 25% of an award vests for 'Threshold' performance and 100% of an award vests for 'Maximum' performance.
Performance measures	Performance measures for 2017 awards will be TSR relative to an appropriate comparator group and EPS growth, weighted 40% and 60% respectively. The Committee will review the performance measures, their weightings and performance targets in advance of each award to ensure alignment with strategy. In exceptional circumstances, the Committee has the ability to exercise discretion to override the formulaic performance outcome downwards to ensure alignment of pay with the underlying performance of the business during the performance period.
Recovery provisions	Clawback and malus provisions exist in respect of vested and unvested awards in circumstances of misstatement and misconduct.
Shareholding guidelines	
Purpose and link to strategy	Shareholding guidelines ensure alignment between Executive Directors and shareholders.
Operation	Shareholding guidelines are for any new Executive Director to accrue and then maintain a holding of shares with a value of 150% of their salary as assessed by the Committee from time to time. For Executive Directors in place before 1 April 2015, the shareholding guideline is 300% of salary. Any bonus achieved in excess of 100% of salary will be required to be used to purchase shares until the shareholding guideline is met.
Non-executive Directors	
Purpose and link to strategy	The Company seeks to attract and retain a high calibre Chairman and Non-executive Directors by offering market competitive fee levels.
Operation	On the appointment of a new Chairman or Non-executive Director, the fees will be set taking into account the experience and calibre of the individual. Neither the Chairman nor the Non-executive Directors participate in any of the Company's short or long term incentive arrangements, nor do they receive benefits or pension provision. They are however, reimbursed for reasonable costs incurred in carrying out their role. The Chairman receives an annual fee. The Non-executive Directors receive an annual base fee and additional fees are paid to reflect additional responsibilities, such as chairing a Board Committee. The Chairman and Non-executive Directors receive their annual fee paid in monthly instalments. The fee of the Chairman is set by the Committee and the fees of the Non-executive Directors are approved by the Board, on the recommendation of the Chairman and Chief Executive.
Opportunity	Fee levels are reviewed on a periodic basis, and may be increased taking into account factors such as the time commitment of the role and market levels in companies of a similar size and complexity. Fees for the Chairman and Non-executive Directors will not exceed the limit as set out in the Company's Articles of Association (£500,000 in aggregate as at the date of this report).

NOTES TO THE DIRECTORS' REMUNERATION POLICY

These notes are intended to provide guidance on the Directors' Remuneration Policy to aid understanding of its practical application and are reviewed annually. No change to the explanations represent a change to the Directors' Remuneration Policy.

Incentives

For the Annual Bonus, the profit performance reflects the basis on which the Group is managed: sustained profit performance improvement should enable the Group to improve its balance sheet to maintain a sound financial position and secure the long term success of the Group for the benefit of all of its stakeholders.

For the Long Term Incentive, the Committee believes EPS provides a good line of sight for Executive Directors, and that relative TSR aligns Executive Director remuneration with shareholder interests and takes into account the impact of external environment changes on Company performance. Ahead of each performance cycle, the Committee may review and adjust the TSR comparator group for future cycles to ensure relevance to Wincanton. The Committee may adjust the TSR comparator group of outstanding cycles in the event that a TSR comparator ceases to exist, de-lists or is acquired or the Committee deems it to be no longer a suitable comparator.

The performance measures applying to awards are reviewed ahead of each award to ensure they continue to support shareholders' interests and are appropriately aligned to Wincanton's long-term strategy.

When setting performance targets for short and long term incentives, the Committee considers a range of internal and external reference points: such as the Company's strategic plan, consensus market forecasts, past Company performance and the performance ranges for comparator companies. The Committee then sets incentive targets that are stretching and achievable.

By measuring the personal performance of an Executive Director, the Committee is able to monitor performance against other key strategic objectives.

Incentive Plan discretions

The Committee operates the Company's incentive plans according to their respective rules and Remuneration Policy, and in accordance with the Listing Rules and HMRC rules where relevant.

In line with common market practice, the Committee retains discretion as to the operation and administration of these incentive plans, including with respect to:

- who participates;
- the timing of grant and/or payment;
- the size of an award and/or payment (within the plan limits approved by shareholders);
- the manner in which awards are settled;
- the choice of (and adjustment of) performance measures and targets in accordance with the Remuneration Policy set out above and the plan rules;
- in exceptional circumstances, amendment of any performance conditions applying to an award – provided the new performance conditions are considered fair and reasonable, and are neither materially more nor materially less challenging than the original performance targets when set;
- discretion relating to the measurement of performance in the event of a variation of share capital, change of control, special dividend, distribution or any other corporate event which may affect the current or future value of an award;
- determination of a good leaver (in addition to any specified categories) for incentive-plan purposes, based on the plan rules and the appropriate treatment under the plan rules; and
- adjustments required in certain circumstances (eg rights issues, share buybacks, special dividends, other corporate events, etc.).

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration. As appropriate, it might also be the subject of consultation with the Company's major shareholders.

Minor changes

The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without requiring prior shareholder approval for that amendment.

Payments from existing awards

Any commitment made prior to, but due to be fulfilled after 1 July 2017 (being the date on which the Policy will become effective, subject to shareholder approval) will be honoured. Such commitments include:

- Legacy SOP awards granted under the remuneration policy which expired on 31 March 2015. These legacy SOP awards will continue until they vest or expire, subject to achieving stretching performance conditions. During the year, the July 2013 SOP awards vested, and the 2014 SOP awards for Adrian Colman are due to vest subject to achievement of performance conditions in July 2017. After July 2017, there will be no remaining unvested executive remuneration arrangements from this legacy remuneration policy. Further details of bonus payments and share awards made during the year are disclosed in this report on pages 49 to 52.
- 2015 and 2016 LTIP awards granted under the Remuneration Policy approved by shareholders at the 2014 AGM, vesting after three years based on EPS and TSR performance conditions. Further details of these awards can be found on page 52.

Differences between the Remuneration Policy for Executive Directors and employees generally

Pay mix – The Directors' Remuneration Policy is more heavily weighted towards variable pay than for other employees, to make a greater part of their pay conditional on the delivery of the Company's strategy and performance. Wincanton's approach to salary reviews is consistent across the Group.

Bonus – The eligibility to participate and receive a bonus, and the level of bonus available, is dependent on the role and level of seniority within the business and Group structure. During the year, the Company operated two bonus schemes for senior talent, the Annual Bonus Plan (ABP) for executive management and a General Management Bonus Scheme. In addition, some employees are eligible for a bonus depending on the customer contract on which they work and for new business won under a new Super Sales Bonus Scheme.

Long term incentives – Up to 30 senior managers in the Group, such as the Executive Directors and other senior employees with key skills and experience or that perform key roles which significantly drive value in the Group, are annually awarded LTIPs. Such awards are intended to encourage sustainable long term value generation and align senior employees' interests with our shareholders.

Pensions – All employees, including the Executive Directors, are eligible to become members of one of the defined contribution sections of the Wincanton plc Pension Scheme. The level of employers' pension contribution for employees is determined by their level of seniority and/or age. The Remuneration Committee were keen to ensure the maximum pension employer contribution was aligned between the Executive Directors and the senior management population, being the highest maximum level of employer pension contribution, and therefore reduced the maximum contribution for new Executive Directors to the same level as senior management in the proposed Directors' Remuneration Policy intended to become effective on 1 July 2017, subject to shareholder approval.

Share Incentive Plan – The Company operates a tax-advantaged SIP and actively promotes SIP participation to all employees to align their interests to delivery of Group strategy and performance by providing the opportunity to become shareholders in order to share in the Group's growth and success. Within the SIP all participants are currently eligible to receive one matched share for every four shares purchased.

Employment conditions elsewhere in the Group

When making remuneration decisions, to ensure there is a fair and consistent approach to remuneration, the Committee considers pay and employment conditions across the Group, such as determination of salary increases to Executive Directors with reference to the range of base pay increases within the Group. The Committee also reviews base salaries, pension provision, annual bonuses and LTIP awards for the EMT.

The Committee does not formally consult with employees on a routine basis but does so if any significant changes to Group remuneration and employment policies are proposed. The Committee receives information on the annual base salary reviews across the Group and the annual bonus and LTIP awards made to employees that report into the EMT and below. The Committee members, as Directors, receive the annual employee consultation results which are presented to the Board.

Consideration of shareholders' views

The Committee considers best practice developments and publications from institutional investors and shareholder bodies as well as any shareholder views expressed during dialogue. The Committee is committed to maintaining an open and consultative dialogue with Company shareholders and shareholder bodies and intends to consult extensively when reviewing or making substantive changes to the Directors' Remuneration Policy. During the year, the Remuneration Committee wrote to its largest shareholders and selected shareholder bodies in February 2017 to seek engagement on the largely unaltered Directors Remuneration Policy, ahead of its presentation to shareholders for a binding vote at the 2017 AGM in June. There were no material comments and feedback was positive.

Remuneration on recruitment of an Executive Director

When making an appointment of a new Director, including by way of internal promotion, remuneration packages and fees are set in accordance with the Directors' Remuneration Policy.

To determine the appropriate remuneration for a new Executive Director, the Committee will consider relevant factors such as: the experience and calibre of the individual, the quantum/nature of remuneration, the jurisdiction from which the candidate was recruited, the role requirements, and the market benchmark. Initial salaries may be set below market rate and consideration given to phasing any increases over two or three years subject to development in the role. Normal variable pay will be subject to the maximums set out in the tables within the Directors' Remuneration Policy on pages 54 to 59.

The Committee may consider it is appropriate to grant one off awards to compensate new Executive Directors in respect of incentive arrangements forfeited when leaving a former employer. In doing so, the Committee would consider relevant factors, including: the structure of the awards forfeited; the strength of the performance conditions attached to those awards; and the likelihood of those conditions being met. To the extent that it is not possible or practical to provide compensation within the terms of the Company's existing incentive plans, a bespoke arrangement could be created in accordance with the discretion permitted to the Committee under the Listing Rules.

Compensation for forfeited awards would only be considered on a matching fair value basis. When the Company announces an Executive Director appointment, if applicable, it will provide an explanation of the reasons for a compensation award being granted, and a breakdown of that payment.

In the case of an internal promotion, any outstanding variable pay awarded in relation to the previous role will be continued on the original terms.

Executive Directors' service contracts

All Executive Directors are appointed on the basis of a 12 month rolling period in accordance with the Companies Act 2006, subject to election and annual re-election by the Company's shareholders at the AGM.

Under the Executive Directors' service contracts, the Company is required to give 12 months' notice and the Executive Director six months' notice of termination.

Payments on termination and change of control

If notice is served by either party, the Executive Director can continue to receive basic salary, taxable benefits and pension provision for the duration of their notice period during which time the Company may require the individual to continue to fulfil their current duties or may assign a period of 'garden leave'. The Committee will take account of an Executive Director's duty to mitigate their loss. There are no other arrangements in place between the Company and its Directors that provide for remuneration for loss of office following a change of control of the Company.

In addition to the contractual provisions regarding payment on termination, the Group's incentive plans and share schemes contain provisions for termination of employment, based on 'good leaver' and 'bad leaver' treatment. Good leavers are typically defined as participants who leave early on account of injury, disability or ill health, death, a sale of their employer or business in which they were employed, statutory redundancy, retirement, or any other reason at the discretion of the Committee. Bad leavers are employees that leave for any other reason. In circumstances of termination on notice the Committee will determine an equitable remuneration package, having regard to the particular circumstances of the case.

For good leavers, payment of an annual bonus is normally tested on full financial year performance and the amount payable is then pro rated for the period worked by the Executive Director in the financial year. There is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked, with Committee discretion to treat otherwise. Bad leavers lose any right to the annual bonus.

A good leaver would not forfeit long term incentive awards on cessation of employment. The awards would continue to be held by the good leaver until vest, on the normal vesting date or earlier at the discretion of the Committee, subject to satisfaction of the performance conditions of the award. Awards would be adjusted pro rata for the amount of vesting period worked by the Executive Director, unless the Committee determines otherwise. Bad leavers would forfeit all unvested long term incentive awards held.

If employment is terminated by the Company, the departing Executive Director may have a legal entitlement (under statute or otherwise) to additional amounts which would need to be met, for example in a redundancy situation. In addition, the Committee retains discretion to settle any other amounts reasonably due to the Executive Director, for example to meet the legal fees incurred by the Executive Director in connection with the termination of employment, where the Company wishes to enter into a settlement agreement (as provided for below) and the individual must seek independent legal advice.

In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including, but not limited to, settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These are intended to be used in exceptional circumstances and only would be entered into where the Committee believed that it was in the best interests of the Company and its shareholders to do so.

In the event of a change of control, all unvested awards under the long term incentive arrangements would vest to the extent that any performance conditions attached to the relevant awards have been achieved. The awards would, unless the Committee determines otherwise, be pro rated for the amount of time worked by the Executive Director prior to the change of control. Alternatively, unvested long term incentive arrangements may not vest on a change of control and may be replaced by an equivalent new award determined by the acquiring Company.

Letters of appointment for Non-executive Directors

The Chairman and Non-executive Directors' terms of appointment are set out in their respective letters of appointment. All Directors are subject to re-election every three years in accordance with the Company's Articles of Association. In line with corporate governance best practice, all Directors currently put themselves forward for annual re-election at each AGM. The required notice period is six months' written notice from either party. Non-executive Directors are not entitled to any remuneration on loss of office.

EXTERNAL APPOINTMENTS

Executive Directors are able to perform one Non-executive Directorship outside the Company with the consent of the Board. Any fees received may be retained by the Director.

Illustrations of application of the Remuneration Policy

The charts below set out how much the Chief Executive and Chief Financial Officer could earn under the Remuneration Policy in the year ending 31 March 2018.

The scenarios in these charts exclude the impact of any share price appreciation and accrual of dividends or dividend equivalents.

	Remuneration receivable for different performance scenarios		
	Fixed	Target	Maximum
Fixed pay	• Salary effective from 1 July 2017 as disclosed in the Annual Report on Remuneration on page 50. • Pensions and taxable benefits as provided in the single total figure of remuneration table in the Annual Report on Remuneration on page 49.		
Annual bonus	Nil payout	Bonus award at 50% of maximum opportunity	Payout of 100% of award
LTIP	Nil payout	Threshold LTIP vesting at 25% of opportunity	Full LTIP vesting

Graph removed

	Fixed £	Target £	Maximum £
Fixed pay	564,563	564,563	564,563
Bonus	–	331,020	662,040
LTIP	–	110,340	441,360
	564,563	1,005,923	1,667,963

Graph removed

	Fixed £	Target £	Maximum £
Fixed pay	364,901	364,901	364,901
Bonus	–	182,025	364,050
LTIP	–	75,844	303,375
	364,901	622,769	1,032,326

DIRECTORS' REPORT

The Company

Wincanton plc is a company incorporated in England and Wales, with company number 4178808.

Constitution
The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

Principal activities
Wincanton plc is the ultimate parent company of the Group and trades principally through its subsidiary undertakings. The Group is a leading provider of logistics and supply chain solutions in the UK and Ireland. All subsidiaries of the Company are listed in Note 11 on page 85 and 86.

Review of business and future developments
The business review and details of future developments are contained within the Strategic Report on pages 1 to 33.

Compliance Reporting

Directors' Report content
The Strategic Report, Corporate Governance Report and Directors' Remuneration Report are all incorporated by reference into this report and accordingly, should be read as part of this report.

Strategic report
The Company is required to prepare a Strategic Report to give a balanced and fair review of the Group's business during the year ended 31 March 2017, to enable shareholders to assess how the Directors have performed their duty under Section 172 of the Companies Act 2006.

The information that fulfils the requirements of the Strategic Report can be found on pages 1 to 33, and includes reviews of the business and financial performance and the principal risks and uncertainties facing the Group.

Within the Strategic Report, a summary review of the Group's activities during the financial year along with its future prospects are contained in the Chairman's review on page 2 to 3. Details of the Group's business goals, strategy and model are set out on pages 12 to 19.

Corporate Governance reporting
Details of the Company's compliance with the Code and the disclosures required under the Code and the UK Listing Rules can be found in the Corporate Governance Report on pages 34 to 43. The corporate governance statement required by Rule 7.2.1 of the FCA's Disclosure Guidance and Transparency Rules is set out on page 37.

Management report
For the purposes of Rule 4.1.5R(2) and Rule 4.18 of the FCA's Disclosure Guidance and Transparency Rules, this Directors' Report and the Strategic Report on pages 1 to 33 together comprise the Management report.

Accounting policies, financial instruments and risk
Details of the Group's accounting policies, together with details of financial instruments and financial risks are provided in Notes 1 to 26 of the Group financial statements, on pages 73 to 99.

Directors

The Directors during the year and to the date of this report, are:

Executive Directors
Adrian Colman, Chief Executive
Tim Lawlor, Chief Financial Officer

Non-executive Directors
Steve Marshall, Chairman
Paul Dean
Stewart Oades
David Radcliffe
Martin Sawkins

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association.

At the 2017 AGM all Directors will retire and offer themselves for re-election to the Board in accordance with the Code. Biographical details of all Directors are set out on pages 34 and 35.

Details of the service contracts of the Executive Directors and the letters of appointment for the Non-executive Directors are set out in the Annual Report on Remuneration on pages 46 and 47.

Financial Disclosures

Going concern
After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in business for the foreseeable future. The financial statements are therefore prepared on a going concern basis. Further details of the Group's liquidity position and going concern review are provided in Notes 1 and 25 respectively to the Group financial statements.

Results and dividends
The Group profit attributable to equity shareholders for the financial year amounted to £42.0m. The Directors propose a final dividend of 6.1p per Ordinary Share for the year ended 31 March 2017 (2016: 5.5p per Ordinary Share). If approved by the shareholders at the 2017 AGM, this would bring the total dividend paid for the year ended 31 March 2017 to £11.2m.

Contracts and transactions
The Company is not aware of any significant agreements to which it is party that take effect, alter or terminate upon a change of control of the Company following a takeover. The Company is not aware of any contractual or other agreement, which is essential to its business and should be disclosed in this Directors' report.

Events after the balance sheet date
There were no reportable events after the balance sheet date.

Equity Disclosures

Share capital

The Company's issued share capital as the date of this report was 123,747,293 Ordinary shares of 10p each. The Company did not issue any new shares during the financial year.

Authority to purchase shares

The Company was authorised at the 2016 AGM to purchase its own shares within certain limits. During the year ended 31 March 2017, the Company purchased 30,000 own shares under this authority. All shares purchased were gifted to the Company's Employee Benefit Trust to satisfy future exercise of awards under the Company's employee incentive schemes. The Directors will seek renewal of their authority to purchase in the market the Company's shares at the 2017 AGM.

Shareholders' rights

Each Ordinary Share of the Company carries one vote at general meetings of the Company. There are no restrictions on the transfer of Ordinary Shares in the capital of the Company other than certain restrictions, which may from time to time be imposed by law. In accordance with the Listing Rules of the Financial Conduct Authority, certain employees are required to seek approval of the Company to deal in its shares.

Employees who participate in the SIP, whose shares are held in the Employee Benefit Trust, give directions to the trustees to vote on their behalf by way of a Form of Direction.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Substantial shareholdings

At the date of this report, the Company has been notified of the following major shareholdings. Both the number of shares held and the percentage holding are stated as at the latest date of notification to the Company:

Shareholder	Type of holding	Number of shares held	Holding (% of issued share capital)
Threadneedle Investments	Indirect	17,349,979	14.02
Schroder Investment Management	Indirect	16,165,471	13.06
Aberforth Partners	Indirect	13,992,464	11.30
River and Merchantile Asset Management LLP	Indirect	6,229,100	5.04
Standard Life Investment	Direct and indirect	5,436,218	4.39
M&G Investment Management	Indirect	4,873,656	4.00
Wincanton Share Incentive Plan	Indirect	4,638,930	3.81

Greenhouse gas emissions

The disclosures concerning greenhouse gas emissions required by law are included in the Corporate Responsibility Report, on page 31.

Charitable donations

During the year ended 31 March 2017, the Group contributed £38k (2016: £nil) to charitable and community programmes. Charitable fundraising activities, led and supported by employees, are detailed on page 29 in the Corporate Responsibility Report.

Political donations

No political donations were made during the year (2016: nil).

Annual General Meeting

The Company's sixteenth AGM will be held at 11:00am on Thursday, 29 June 2017 at the offices of Buchanan Communications, 107 Cheapside, London EC2V 6DN. The Notice of Annual General Meeting 2017, which contains full explanations of the business to be conducted at the AGM, is set out in a separate AGM Notice addressed to shareholders, and can be found on the Company's website (www.wincanton.co.uk).

External Auditor

At the 2016 AGM, resolutions to re-appoint KPMG LLP as the Company's Auditor and to authorise the Directors to fix their remuneration, were approved by shareholders.

The Board will propose a resolution at the 2017 AGM for shareholders to approve the re-appointment of KPMG LLP as the Company's Auditor for the year ended 31 March 2018 and authority to fix their remuneration.

On behalf of the Board

Alison Dowling
Company Secretary
16 May 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under UK company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and parent Company in respect of that financial period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable UK law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with those laws and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors who held office at the date of approval of this Directors' Report confirms that, so far as each Director is aware, there is no relevant audit information which the Company's auditor is unaware of, and each Director has taken all the steps they should have taken in their duty as a Director to make themselves aware of any relevant audit information and ensure that the Company's auditor would be made aware of that information.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report required by DTR 4.1.8R (contained in the Strategic Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Company's performance, business model and strategy.

The Directors approved the above responsibility statement on 16 May 2017.

Tim Lawlor
Chief Financial Officer

Wincanton plc
Registered in England and Wales No. 4178808

STATEMENT ON THE MODERN SLAVERY ACT

Wincanton takes its ethical standards and conduct very seriously and sets out its requirements for suppliers in procurement and ethics policies. The Group are committed to requiring its supply chain understand its standards and expectations on anti-bribery and corruption, legal compliance and ethical conduct.

This statement is provided in compliance with the Modern Slavery Act 2015 and sets the Group's approach to prohibiting any form of forced labour or slavery throughout its supply chain.

Upon commencement of the legislation in 2015, Wincanton reviewed its employment and procurement activities in line with the new legislative requirements and set out the following four strategic steps it had taken or was in the process of taking to ensure compliance with the legislation:

1. produce and communicate a Strategy Statement and Modern Slavery Policy;
2. assessment of current suppliers;
3. embed additional due diligence within our procurement activities; and
4. review our employment practices and processes, including the use of agencies.

Following on from the activities set out in our statement last year, there has been continued progress and activities to deliver the four strategic steps during the year ended 31 March 2017 as set out below:

1. Strategy statement and policy

The production of a statement and policy, together with related policy amendments, were all undertaken and communicated, as reported last year. During the year ended 31 March 2017 the Group's HR function, in conjunction with our external legal advisers, have reviewed the Statement and Policy and related policies to ensure they remain compliant and fit for purpose. They have also continued to oversee, communicate and provide training on the Group's expectations and responsibilities of employees.

2. Assessment of current suppliers

As reported last year, the Group completed an assessment of its current suppliers by size and risk, and all suppliers were sent a letter setting out the Group's requirements for their compliance with the legislation. Those suppliers identified as being of highest risk were also requested to provide details of their strategy and approach to compliance with the legislation. Responses from these suppliers were reviewed and a continued assessment of suppliers is being undertaken.

3. Procurement due diligence

The Procurement function have incorporated additional due diligence into their pre-qualification process, when tendering and procuring new suppliers and undertaking renewals. All suppliers must agree and comply with the Wincanton Modern Slavery Policy and the Procurement Code of Ethics which encapsulate the legislative requirements, in order to provide goods and services to the Group. Additional work has been underway during the year to develop a Supplier Code to further drive higher ethical standards, above and beyond compliance requirements, and this is expected to be rolled out to all suppliers regardless of size during 2017.

4. Employment practices

The Group has assessed the impact of the legislation on Group employment practices and processes, including Wincanton's use of agencies, from an HR and Procurement perspective. In conjunction with external advice, the employment practices and processes have been thoroughly reviewed and updated where relevant, and all updated policies and practices have been communicated and cascaded throughout the Group. Localised training and support has continued to be provided to all Group employees by their designated HR teams. In addition, the HR function are working on a Code of Conduct to summarise the key policies and standards with the intention that this will be rolled out within the Group during 2017. A project to consider the use and risks specific to agencies has commenced and standards to be applied have been agreed. Revisions to policy and practices are in progress and will be completed and rolled out throughout the Group and to the agency suppliers during 2017.

Delivery of the four strategic steps and ongoing compliance of practices and processes introduced or updated, is supported by the Group's established governance processes. All Group policies and processes are reviewed at least annually to ensure they remain relevant, up-to-date and elevate behavioural standards and ethical conduct to reflect the Group's values and importance of social responsibility in our supply chain and business, for the benefit of all of our stakeholders.

As with all other regulatory and legislative requirements, the Group expects the nature, root causes and circumstances that lead to modern slavery and human trafficking, in all its forms, will change and evolve over time driven by external factors and as such new requirements, circumstances and risks could arise. The Group will continue to be vigilant, proactive, and closely and regularly review the four strategic steps and influential factors to ensure Group policies and practices remain fit for purpose and address any new or emerging risks or developments throughout the year.

The Directors approved the above statement on 16 May 2017.

Alison Dowling
Company Secretary

Wincanton plc
Registered in England and Wales No. 4178808

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Independent auditor's report

to the members of Wincanton plc only

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Wincanton plc for the year ended 31 March 2017 set out on pages 68 to 103. In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK Accounting Standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Overview		
Materiality: Group financial statements as a whole	£1.8 million (2016:£1.4 million) 4.0% of Group profit before taxation (2016: 4.2% of Group profit before taxation*)	

* normalised to exclude the exceptional profit on disposal of Wincanton Records Management in 2016 of £32.4 million

Coverage	100% (2016:100%) of Group profit before tax	
Risks of material misstatement		**vs 2016**
Recurring risks	Group pension obligation	◄►
	Property provisions	◄►

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows.

We continue to perform procedures over Goodwill. However, following continued significant levels of headroom and an insensitivity to key assumptions, we have not assessed this as one of the risks that had the greatest effect on our audit. Therefore it is not separately identified in our report this year.

	The risk	Our response
Group pension obligation £1,156.7 million (2016: £1,001.0 million) *Refer to page 42 (Audit Committee Report), page 75 (accounting policy) and pages 91 to 94 (financial disclosures).*	**Subjective valuation** Significant estimates are made in valuing the Group's funded pension obligation (before deducting scheme assets) and small changes in either the assumptions or estimates used may have a significant effect on the results and financial position of the Group.	Our procedures included: — **Benchmarking assumptions:** challenging, with the support of our actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy, by comparison against externally derived data; and — **Assessing transparency:** considering the adequacy of the Group's disclosures in respect of the sensitivity of the obligation (and deficit) to these assumptions
Property provisions £16.5 million (2016: £15.3 million) *Refer to page 42 (Audit Committee Report), pages 74 and 75 (accounting policy) and page 89 (financial disclosures).*	**Forecast-based valuation** The Group carries onerous lease and dilapidation provisions in relation to sites for which the Group is a lessee. The calculation of these provisions requires the Directors to make a number of judgements and estimates and requires ongoing trading conditions and market sentiment to be reflected as time progresses. The key inputs to the calculation of the provisions are the discount rate, the forecast cash-flows and assessment of market sentiment (void and rent-free period assumptions).	Our procedures included: — **Benchmarking assumptions:** comparing the key assumptions (market rent, discount rate) used to externally derived data; — **Assessing expert's credentials:** evaluation of competence and independence of an external expert used by the Group in estimating the dilapidation provisions; — **Historical comparisons:** comparing the previously forecast cash flows to actuals to assess the historical accuracy of forecasting; — **Our sector experience**: assessing, with the support of our own property specialists where relevant, significant changes in market sentiment (market rent, void and rent-free period assumptions) affecting the onerous lease provisions and expected cash outflows used in calculation of dilapidation provisions; — **Personnel interviews**: corroborating judgements through discussions with both finance and property teams; and — **Assessing transparency:** considering the adequacy of the Group's disclosures in respect of the provisions.

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3. Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £1.8 million (2016: £1.4 million) determined with reference to a benchmark of Group profit before taxation, of £45.4 million, of which it represents 4.0% (2016: 4.2% of profit before taxation normalised to exclude the exceptional profit on disposal of Wincanton Records Management of £32.4 million).

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.1 million (2016: £0.1 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

With the exception of the Guernsey component (Risk Underwriting (Guernsey) Limited), the Group team performed the audit of the Group as if it was a single aggregated set of financial information using the materiality level set out above.

We subjected the Guernsey component to specified risk-focused audit procedures over Insurance provisions. The audit of the Guernsey component was performed by a component auditor and the audit of the rest of the Group by the Group team.

The Group team instructed the component auditor as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materiality of £1.0 million (2016: £1.0 million) having regard to the mix of size and risk profile of the Group.

Overall, the audit of the Group covered 100% (2016: 100%) of total Group revenue, Group profit before tax, and total Group assets.

Telephone conference meetings were held with the component auditor. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

Group profit before taxation*
£45.4m (2016: £33.4m)

Chart removed

* In 2016, the benchmark was normalised to exclude the exceptional profit on disposal of Wincanton Records Management of £32.4 million)

Materiality
£1.8m (2016: £1.4m)

£1.8 million
Whole financial statements materiality (2016: £1.4m)

£1.0 million
Component materiality (2016: £1.0 million)

£0.1 million
Identified misstatements reported to the audit committee (2016: £0.1m)

Group revenue

Chart removed

Group profit before tax

Chart removed

Group total assets

Chart removed

Group profit before taxation, (normalised to exclude the exceptional profit on disposal of Wincanton Records Management in 2016)

Chart removed

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4. **Our opinion on other matters prescribed by the Companies Act 2006 is unmodified**

In our opinion:

— the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and

— the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

— we have not identified material misstatements in those reports; and

— in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

5. **We have nothing to report on the disclosures of principal risks**

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

— the Directors' statement of Principal risks and uncertainties on pages 24 to 27, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Group's continuing in operation over the three years to 31 March 2020; or

— the disclosures in Note 1 of the financial statements concerning the use of the going concern basis of accounting.

6. **We have nothing to report in respect of the matters on which we are required to report by exception**

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or

— the Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

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

— adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

— the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

— certain disclosures of Directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

— the Directors' statements, set out on pages 60 and 25, in relation to going concern and longer-term viability; and

— the part of the Corporate Governance Report on page 37 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

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

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 62, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Simon Haydn-Jones (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

16 May 2017

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £m	2016 £m
Revenue	2	**1,118.1**	1,147.4
Underlying operating profit	2	**52.1**	50.9
Amortisation of acquired intangibles	9	**(2.2)**	(4.5)
Exceptionals	3	**6.1**	35.0
Operating profit	3	**56.0**	81.4
Financing income	5	**0.1**	0.2
Financing cost	5	**(10.7)**	(15.8)
Net financing costs	5	**(10.6)**	(15.6)
Profit before tax		**45.4**	65.8
Income tax expense	6	**(3.4)**	(4.7)
Profit attributable to equity shareholders of Wincanton plc		**42.0**	61.1

Earnings per share			
– basic	7	**34.2p**	50.7p
– diluted	7	**33.0p**	47.4p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £m	2016 £m
Profit for the year		**42.0**	61.1
Other comprehensive income/(expense)			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of defined benefit liability		**17.6**	23.0
Income tax relating to items that will not subsequently be reclassified to profit or loss	6	**(4.0)**	(7.0)
		13.6	16.0
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange (loss)/gain on investment in foreign subsidiaries net of hedged items	5	**(0.1)**	0.3
Effective portion of changes in fair value of cash flow hedges		**0.4**	(0.4)
Net change in fair value of cash flow hedges transferred to the income statement		**0.2**	1.3
		0.5	1.2
Other comprehensive income for the year, net of income tax		**14.1**	17.2
Total comprehensive income attributable to equity shareholders of Wincanton plc		**56.1**	78.3

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2017

	Note	2017 £m	2016 £m
Non-current assets			
Goodwill and intangible assets	9	**86.9**	90.0
Property, plant and equipment	10	**43.7**	35.6
Investments, including those equity accounted	12	**0.1**	0.1
Deferred tax assets	13	**17.2**	22.8
		147.9	148.5
Current assets			
Inventories	14	**4.0**	4.8
Trade and other receivables	15	**133.4**	139.4
Cash and cash equivalents	16	**40.9**	36.3
		178.3	180.5
Current liabilities			
Income tax payable		**(6.4)**	(7.3)
Borrowings and other financial liabilities	17	**(0.2)**	(20.4)
Trade and other payables	18	**(265.4)**	(272.1)
Employee benefits	23	**(0.2)**	(0.3)
Provisions	19	**(15.2)**	(15.4)
		(287.4)	(315.5)
Net current liabilities		**(109.1)**	(135.0)
Total assets less current liabilities		**38.8**	13.5
Non-current liabilities			
Borrowings and other financial liabilities	17	**(65.0)**	(55.4)
Employee benefits	23	**(78.4)**	(105.6)
Provisions	19	**(34.8)**	(36.0)
Deferred tax liabilities	13	**–**	(0.8)
		(178.2)	(197.8)
Net liabilities		**(139.4)**	(184.3)
Equity			
Issued share capital		**12.4**	12.4
Share premium		**12.9**	12.9
Merger reserve		**3.5**	3.5
Hedging reserve		**(0.1)**	(0.7)
Translation reserve		**(0.3)**	(0.2)
Retained earnings		**(167.8)**	(212.2)
Total equity deficit		**(139.4)**	(184.3)

These financial statements were approved by the Board of Directors on 16 May 2017 and were signed on their behalf by:

A Colman
Chief Executive Officer

T Lawlor
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Issued share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings: Own shares £m	Retained earnings: Profit and loss £m	Total equity deficit £m
Balance at 1 April 2015	12.2	12.8	3.5	(1.6)	(0.5)	(14.1)	(274.0)	(261.7)
Profit for the year	–	–	–	–	–	–	61.1	61.1
Other comprehensive income	–	–	–	0.9	0.3	–	16.0	17.2
Total comprehensive income	–	–	–	0.9	0.3	–	77.1	78.3
Share based payment transactions	–	–	–	–	–	–	0.9	0.9
Current tax on share based payment transactions	–	–	–	–	–	–	2.2	2.2
Deferred tax on share based payment transactions	–	–	–	–	–	–	0.5	0.5
Shares issued	0.2	–	–	–	–	(0.2)	–	–
Own shares acquired	–	–	–	–	–	(4.5)	–	(4.5)
Own shares disposed of on exercise of options	–	0.1	–	–	–	15.7	(15.8)	–
Balance at 31 March 2016	12.4	12.9	3.5	(0.7)	(0.2)	(3.1)	(209.1)	(184.3)
Balance at 1 April 2016	**12.4**	**12.9**	**3.5**	**(0.7)**	**(0.2)**	**(3.1)**	**(209.1)**	**(184.3)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**42.0**	**42.0**
Other comprehensive income	**–**	**–**	**–**	**0.6**	**(0.1)**	**–**	**13.6**	**14.1**
Total comprehensive income	**–**	**–**	**–**	**0.6**	**(0.1)**	**–**	**55.6**	**56.1**
Share based payment transactions	**–**	**–**	**–**	**–**	**–**	**–**	**0.9**	**0.9**
Current tax on share based payment transactions	**–**	**–**	**–**	**–**	**–**	**–**	**1.1**	**1.1**
Deferred tax on share based payment transactions	**–**	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Own shares acquired	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**–**	**(0.1)**
Own shares disposed of on exercise of options	**–**	**–**	**–**	**–**	**–**	**2.7**	**(5.3)**	**(2.6)**
Dividends paid to shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**(10.4)**	**(10.4)**
Balance at 31 March 2017	**12.4**	**12.9**	**3.5**	**(0.1)**	**(0.3)**	**(0.5)**	**(167.3)**	**(139.4)**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £m	2016 £m
Operating activities		
Profit before tax	**45.4**	65.8
Adjustments for		
– depreciation and amortisation	**14.0**	19.0
– interest expense	**10.6**	15.6
– exceptionals (non cash)	**(4.6)**	(35.0)
– share based payments fair value charges	**0.9**	0.9
	66.3	66.3
Decrease/(increase) in trade and other receivables	**6.2**	(4.5)
Decrease in inventories	**0.8**	0.8
Decrease in trade and other payables	**(2.6)**	(49.0)
Decrease in provisions	**(4.3)**	(10.0)
Increase in employee benefits before pension deficit payment	**0.9**	0.9
Income taxes paid	**(2.6)**	(3.1)
Cash generated before pension deficit payment	**64.7**	1.4
Pension deficit payment	**(14.1)**	(20.9)
Cash flows from operating activities	**50.6**	(19.5)
Investing activities		
Proceeds from sale of property, plant and equipment	**0.1**	4.4
Proceeds from sale of computer software	**0.4**	–
Proceeds from WRM disposal	**–**	55.7
Interest received	**0.1**	0.2
Additions of property, plant and equipment	**(18.0)**	(10.0)
Additions of computer software	**(1.2)**	(0.4)
Cash flows from investing activities	**(18.6)**	49.9
Financing activities		
Own shares acquired	**(0.1)**	(4.5)
Decrease in borrowings	**(10.0)**	(86.2)
Equity dividends paid	**(10.4)**	–
Interest paid	**(6.9)**	(9.3)
Cash flows from financing activities	**(27.4)**	(100.0)
Net increase/(decrease) in cash and cash equivalents	**4.6**	(69.6)
Cash and cash equivalents at beginning of year	**36.3**	105.8
Effect of exchange rate fluctuations on cash held	**–**	0.1
Cash and cash equivalents at end of year	**40.9**	36.3
Represented by:		
– cash at bank and in hand	**33.0**	26.3
– restricted cash, being deposits held by the Group's insurance subsidiary	**7.9**	10.0
	40.9	36.3

1. ACCOUNTING POLICIES

Statement of compliance

Wincanton plc (the Company) is a company incorporated in England and Wales. The Company is a public company limited by shares. The address of the Company's registered office and its registered number are shown on page 106. The consolidated financial statements include those of the Company and its subsidiaries (together referred to as the Group) and the Group's jointly controlled entities.

The consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the International Accounting Standards Board (IASB) and by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (Adopted IFRS).

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but are either not yet effective or have not yet been adopted by the EU:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 7 Disclosure Initiative
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements 2014–2016 Cycle

IFRS 9 Financial Instruments was issued by the IASB in July 2014 and becomes effective for the Group for the year ended 31 March 2019. Applying IFRS 9 will result in changes to the measurement and disclosure of financial instruments and introduces a new expected loss impairment model. The Group does not currently expect adoption of the standard to have a significant impact on its consolidated results or financial position, but it will result in increased disclosure.

IFRS 15 Revenue from Contracts with Customers was issued by the IASB in May 2014 and becomes effective for the Group for the year ended 31 March 2019. Under IFRS 15 revenue is recognised when the customer obtains control of the goods and services transferred by the Group and the related performance obligations have been satisfied. The amount recognised reflects the amount of consideration to which the Group expects to be entitled in exchange for those goods and services.

The Group does not expect IFRS 15 to have a significant impact on the total revenue recognised for customer contracts. The timing for recognising revenue on individual contracts is expected to change in response to variable consideration components, and the capitalisation of costs of fulfilling a contract; the impact at Group level is not expected to be significant.

The Group will be required to disclose separate line items for contract assets and contract liabilities and to include further details on significant changes in these balances, as well as judgements made in determining which costs of fulfilling a contract can be capitalised.

The Group expects to apply IFRS 15 retrospectively, with the year ended 31 March 2018 restated as the comparative period.

IFRS 16 Leases was issued by the IASB in January 2016 and becomes effective for the Group for the year ended 31 March 2020. Adoption of this standard will result in the recognition of assets and liabilities relating to leases which are currently being accounted for as operating leases. The Group is currently assessing the impact of adopting IFRS 16, with a material impact anticipated on the presentation of reported assets, liabilities and components within the income statement of the Group, as well as extensive additional disclosures.

Other than as mentioned above, the Group does not currently expect that adoption of the other standards and amendments listed will have a significant effect on the consolidated results or financial position of the Group.

The Company has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101); these are shown on pages 100 to 103 and present information about the Company as a separate entity.

Basis of preparation

The Group and Company financial statements are presented in pounds sterling, rounded to the nearest hundred thousand. They are prepared on the historical cost basis except where assets or liabilities are required to be stated at their fair value.

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements with the exception of amendments resulting from IFRS 11 Accounting for Acquisitions of Interests in Joint Operations, IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation, IAS 1 Disclosure Initiative and Annual Improvements 2012-2014 Cycle. The adoption of these amendments has not had an effect on the consolidated results or financial position of the Group.

Judgements and key sources of estimation uncertainty

The preparation of Group financial statements under Adopted IFRS and parent Company financial statements under FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and/or in future periods if applicable.

Judgements made by management in the application of Adopted IFRS that have a significant effect on the Group financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes to these consolidated financial statements. Management discusses with the Audit Committee the development, selection, application and disclosure of the Group's critical accounting policies and estimates.

The areas where policy and estimate selection are most critical for the Group are concerned with the accounting for pensions and the determination of provisions, as discussed below.

Defined benefit pension arrangements

Details of the Group's defined benefit arrangements are set out in Note 23 to the financial statements, including the assumptions made, risk factors and tables showing the sensitivity of the pension scheme obligations to changes in actuarial assumptions. The effects of changes in the actuarial and demographic assumptions underlying the Scheme's obligations, together with experience gains or losses and the return on assets excluding amounts recognised in net financing costs are classified as remeasurements in the defined benefit liability.

1. ACCOUNTING POLICIES (CONTINUED)

Property provisions
Provisions are liabilities of uncertain timing or amount and therefore judgement is applied in making a reliable estimate of the quantum and timing. Further information about the assumptions and risk factors is given in Note 19.

Going concern

The Group has net liabilities of £139.4m (2016: £184.3m) primarily as a result of the pension deficit as well as previous retained losses. The reduction in the year principally relates to the profit for the year and reduced pension deficit offset by dividend payments.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 15 to 23 which also contain a review of the financial position of the Group, its cash flows, liquidity position and borrowing facilities. In addition, Note 25 to the financial statements includes the Group's objectives, policies and processes for managing: its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

During the year, the Group has repaid the remaining US Private Placement (USPP) debt of £20m and agreed an extension of the maturity of its principal bank facilities to October 2021. The Group's facilities comprise the following: the syndicated main bank facility of £141.2m which amortises by £8.8m in October 2019, with a second equal amortisation at the four year anniversary in October 2020; and £25m from the Prudential/M&G UK Companies Financing Fund LP, which amortises by £6.2m in January 2021 with the remaining balance maturing in January 2022.

As part of the year end process the Directors have undertaken a going concern review, as required by IAS 1 Presentation of Financial Statements. This includes a review of the headroom available when the Group's facilities are compared to the forecast monthly cash flows for the forthcoming financial year, sensitising the borrowing covenants to give an indication of the headroom therein, and consideration of the assessment undertaken for the purposes of providing the Viability statement on page 25. Having undertaken this review the Directors have a reasonable expectation that the Company and the Group overall have adequate resources to continue to meet their obligations as they fall due and satisfy their borrowing covenants for the foreseeable future. Accordingly these financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated Group financial statements include the financial statements of the Company and its subsidiary undertakings made up to the balance sheet date. When the Company acquired the Wincanton group of companies upon demerger from the former parent in May 2001, the changes in Group structure were accounted for using the principles of merger accounting available under UK GAAP at the time. Businesses acquired or disposed of since then have been accounted for using acquisition accounting principles from or up to the date that control passed.

Subsidiaries are those entities controlled by the Group. Control is achieved when the Company has power over the investee; is exposed to, or has rights to, variable return from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from or up to the date that control passed.

The results, assets and liabilities of jointly controlled entities are incorporated in these financial statements using the equity method of accounting, in accordance with IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures. Under the equity method, a jointly controlled entity is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entity. Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Intangible assets

Goodwill
All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and jointly controlled entities.

Goodwill is stated at cost less any impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment.

Other intangible assets
Intangible assets arising under a business combination (acquired intangible assets) are capitalised at fair value as determined at the date of acquisition and are stated at that fair value less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of acquired intangible assets from the date they are acquired as follows:

Customer relationships	6 to 10 years

The cost of computer software purchased or developed in-house which has the capacity to generate economic benefits for a period in excess of one year is capitalised as an intangible asset. Amortisation is charged to the income statement on a straight-line basis over the following estimated useful lives:

Computer software costs	3 to 5 years

Major software projects, such as the Group back office project, may be amortised over lives of up to ten years.

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. The cost of tangible assets includes directly attributable costs, including appropriate commissioning costs. The cost of financing the construction of major properties is included in their capitalised cost. The interest rate applied represents the actual finance costs incurred on the funds borrowed specifically to construct the asset.

Subsequent expenditure
The Group recognises in the carrying amount of an item of property, plant and equipment the costs incurred in replacing part of such an item if it is probable that the future economic benefits will flow to the Group and when the cost can be measured reliably. All other such costs, including the derecognition of the replaced part of the item, are expensed in the income statement as incurred.

1. ACCOUNTING POLICIES (CONTINUED)

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Freehold and long leasehold buildings	50 years
Short leasehold improvements	life of lease
Plant and equipment, furniture and fittings	5 to 25 years
Office machinery and computers	3 to 5 years
Motor vehicles	5 to 10 years

The range of useful economic lives given reflects the fact that assets held for specific contracts are depreciated over the lives of those contracts. Freehold land is not depreciated. The residual value of tangible assets, if significant, is reassessed annually.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Trade and other receivables

Trade and other receivables are stated at their fair value on initial recognition (discounted if material) and subsequently at amortised cost, ie less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, restricted cash and call deposits.

Trade and other payables

Trade and other payables are stated at their fair value on initial recognition (discounted if material) and subsequently at amortised cost.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on such translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into sterling at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into sterling at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of other comprehensive income. They are released into the income statement upon disposal.

Employee benefits

The Group operates both defined contribution and defined benefit pension arrangements. The assets of these arrangements are held in separate Trustee administered funds independent of the Group. The investment strategy of the Trustee and Group is to maximise investment returns, with a key area for management attention being to seek to meet the Group's funded defined benefit obligations. In accordance with this strategy certain investments are designated at fair value and are accounted for as set out below. The defined benefit arrangements closed to future accrual with effect from 31 March 2014.

Defined contribution arrangements

Obligations for contributions to defined contribution pension arrangements are recognised as an expense in the income statement as incurred.

Defined benefit arrangements

The Group's net obligation in respect of defined benefit pension arrangements is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in prior periods; that benefit is discounted to determine the present value, and the fair value of any scheme assets is deducted. The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit method.

Where the calculation results in an asset to the Group, this is limited to the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

Past service costs arising due to plan amendments or curtailments are recognised in the income statement immediately.

Remeasurement gains and losses that arise in calculating the Group's obligation in respect of a scheme are recognised in full through other comprehensive income in the statement of comprehensive income.

Share based payment transactions

The Group has applied the requirements of IFRS 2 Share based Payments to the grants of options made under the Executive Share Option Schemes, Special Option Plan, Executive Bonus Plan and Long Term Incentive Plan.

The Group issues options under equity-settled share based incentive schemes to certain employees which are measured at the date of grant as the fair value of the employee services required in exchange for the grant. The fair value determined is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by an external valuer using the Binomial, Monte-Carlo or scenario-modelling methods as appropriate. The expected life assumptions used in the models have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

A number of shares in the Company are held in trust on behalf of employees who hold options under the Group's equity-settled share based incentive schemes. Such shares are held by an employee benefit trust and are treated as treasury shares and shown in the balance sheet as a deduction from equity.

Other share schemes

Shares awarded on a matching basis to employees participating in the Company's Share Incentive Plan are purchased at the prevailing market rate and charged to the income statement each period as employees make an eligible contribution. The shares purchased are held in a separately administered offshore trust for the benefit of the Plan participants.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows.

1. ACCOUNTING POLICIES (CONTINUED)

The Group provides for onerous property provisions on a site by site basis due to the unique nature and location of each site. Provision is made for the best estimate of the expected cost of empty and under-utilised properties, including dilapidations where applicable. Dilapidations are provided for specific individual properties where the outflow of resources is probable and the amount of the obligation can be reliably estimated. Where significant, amounts are discounted.

The Group provides for insurance claims on an appropriate discounted basis depending on the expected timing of their settlement. Provision is made for the estimated costs of claims arising from past events based on the advice of the Group's external insurance advisers.

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. The two exceptions are dealt with as per the separate applicable accounting policy. An asset is considered for impairment testing if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of the asset. If any such indication exists the asset's recoverable amount is estimated. For trade receivables specific bad debts are provided against unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the amount of goodwill allocated to the applicable cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. An impairment loss in respect of a receivable carried at amortised cost is reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised and if the reversal can be related objectively to an event occurring after the impairment was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Revenue recognition

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.

Expenses

Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Net financing costs

Net financing costs comprise interest payable and other charges less interest income.

Interest payable on borrowings is calculated using the effective interest rate method. Other charges include bank fees, amortisation of bank arrangement fees, unwinding of discounts, and losses on hedging instruments that are recognised in the income statement (see hedge accounting policy below).

Interest income includes interest receivable on funds invested and gains on hedging instruments, and these are recognised in the income statement as they accrue.

Net financing costs include the interest on the net defined benefit pension liability.

Taxation

Tax on profits or losses for the year comprises current and deferred tax and is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the relevant component.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. ACCOUNTING POLICIES (CONTINUED)

Operating segments

Operating segments are identified on the basis of information that is provided to the Executive Management Team (EMT), which is the Group's chief operating decision-maker, to allocate capital and resources and to assess performance.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments which are accounted for as trading instruments are recognised initially and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is determined by discounting the future cash flows at rates determined by year end yield curves.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Upon initial recognition attributable transaction costs are recognised in the income statement when incurred.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are also recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedge instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity within hedging reserves. The ineffective part of any gain or loss is recognised immediately within operating profit, or within net financing costs in the case of interest rate swaps designated as cash flow hedges. When the forecast transaction that was being hedged is realised and affects profit or loss, the cumulative gain or loss on the derivative financial instrument is removed from equity and recognised in the income statement in the same period. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or non-financial liability.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction takes place. If the hedged transaction is no longer expected to take place, the cumulative gain or loss is removed from equity and recognised immediately in the income statement.

Hedge of net investment in a foreign operation

Where a foreign currency liability is used to hedge an investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income. The ineffective portion shall be recognised in profit or loss.

Gains or losses on the hedging instrument relating to the effective portion of the hedge that have been accumulated in equity are reclassified from equity to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation.

Hedge of monetary assets and liabilities

Where a derivative financial instrument is used to economically hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. Interest-bearing borrowings which are designated hedged items in a fair value hedge arrangement are carried at fair value (see policy above).

Dividends

Dividends are recognised in the period in which they are declared and approved, or paid.

Alternative Performance Measures (APMs)

Underlying results are used in the day-to-day management of the Group. They represent statutory measures adjusted for items which could distort the understanding of performance and comparability year on year, namely the amortisation of acquired intangibles and exceptionals, related tax and exceptional tax items where relevant. Page 23 provides a reconciliation between APMs and statutory IFRS measures.

2. OPERATING SEGMENTS

Wincanton plc provides contract logistics services in the UK and Ireland. Following the disposal of Wincaton Records Management (WRM), the Group has, from 1 April 2016, refocused its internal management structure under the following two reportable segments; Retail & Consumer (including retail general merchandise, retail grocery and consumer products) and Industrial & Transport (including transport services, construction and other).

Segmental information for the period ended 31 March 2016 has been realigned to reflect the changes to the reportable segments.

The results of the operating segments are regularly reviewed by the Executive Management Team (EMT) to allocate resources to these segments and to assess their performance. The Group evaluates performance of the operating segments on the basis of revenue and underlying operating profit. Assets and liabilities are reviewed at a consolidated level only, therefore segmental information is not provided.

	Note	Retail & Consumer 2017 £m	Industrial & Transport 2017 £m	Total 2017 £m
Revenue from external customers[1]		**649.3**	**468.8**	**1,118.1**
Underlying EBITDA[2]		**32.0**	**31.9**	**63.9**
Depreciation	10	**(5.0)**	**(4.8)**	**(9.8)**
Amortisation of software intangibles	9	**(1.2)**	**(0.8)**	**(2.0)**
Underlying operating profit[2]		**25.8**	**26.3**	**52.1**
Amortisation of acquired intangibles				**(2.2)**
Exceptionals	3			**6.1**
Operating profit				**56.0**
Net financing costs	5			**(10.6)**
Profit before tax				**45.4**
Total Group assets[3]				**326.2**
Additions to reportable segment non-current assets:				
– property, plant and equipment	10	**3.0**	**15.0**	**18.0**
– computer software costs	9	**0.7**	**0.5**	**1.2**
Total Group liabilities				**(465.6)**

[1] Included in segment revenue is £1,109.0m (2016: £1,134.7m) in respect of customers based in the UK.
[2] Underlying EBITDA refers to underlying operating profit before depreciation and amortisation. Underlying operating profit is stated before amortisation of acquired intangibles and exceptionals.
[3] Total Group assets include non-current assets of £147.9m (2016: £148.5m) in the UK.

	Note	Retail & Consumer 2016 £m[1]	Industrial & Transport 2016 £m[1]	Total excl. WRM 2016 £m	WRM 2016 £m	Total 2016 £m
Revenue from external customers		624.4	508.1	1,132.5	14.9	1,147.4
Underlying EBITDA		32.7	29.4	62.1	3.3	65.4
Depreciation	10	(5.9)	(4.6)	(10.5)	(1.1)	(11.6)
Amortisation of software intangibles	9	(1.6)	(1.3)	(2.9)	–	(2.9)
Underlying operating profit		25.2	23.5	48.7	2.2	50.9
Amortisation of acquired intangibles						(4.5)
Exceptionals	3					35.0
Operating profit						81.4
Net financing costs	5					(15.6)
Profit before tax						65.8
Total Group assets						329.0
Additions to reportable segment non-current assets:						
– property, plant and equipment	10	2.2	6.3	8.5	1.5	10.0
– computer software costs	9	0.2	0.1	0.3	0.1	0.4
Total Group liabilities						(513.3)

[1] Segmental information has been restated to reflect changes to the reportable segments.

Revenue of £201.7m (2016: £162.4m) and £143.3m (2016: n/a) arose from sales to the Group's two largest single customers, being groups of companies under common control, and is reported within the Retail & Consumer segment above. No other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior year.

3. OPERATING PROFIT

	2017			2016		
	Underlying[1] £m	Amortisation and Exceptionals[2] £m	Total £m	Underlying[1] £m	Amortisation and Exceptionals[2] £m	Total £m
Revenue	**1,118.1**	**–**	**1,118.1**	1,147.4	–	1,147.4
Cost of sales	**(1,047.2)**	**–**	**(1,047.2)**	(1,077.2)	–	(1,077.2)
Gross profit	**70.9**	**–**	**70.9**	70.2	–	70.2
Administrative expenses	**(18.8)**	**3.9**	**(14.9)**	(19.3)	30.5	11.2
Operating profit	**52.1**	**3.9**	**56.0**	50.9	30.5	81.4

[1] Underlying operating profit is stated before amortisation of acquired intangibles and exceptionals.
[2] Comprises the amortisation of acquired intangibles and exceptionals.

	Note	2017 £m	2016 £m
The following items have been charged in arriving at operating profit:			
Auditor's remuneration:			
Audit fees for statutory audit services			
– subsidiary undertakings		**0.2**	0.2
Non-audit fees			
– fees paid to the auditor and its associates for assurance services		**0.1**	0.1
– fees paid to the auditor and its associates for other services		**–**	0.1
Depreciation and other amounts written off property, plant and equipment	10	**9.8**	11.6
Amortisation and other amounts written off software intangibles	9	**2.0**	2.9
Amortisation of acquired intangibles		**2.2**	4.5
Operating lease rentals			
– plant and equipment		**25.7**	29.8
– land and buildings		**20.1**	28.1

Exceptionals

	2017 £m	2016 £m
Exceptional income		
Items related to disposed businesses	**4.6**	2.6
Profit recognised on the disposal of WRM	**–**	32.4
Other items	**1.5**	–
	6.1	35.0

Costs and incomes are included as exceptionals where they are non-recurring and where not to do so would distort the reported underlying profit performance of the Group.

During the year, non-cash gains of £4.6m (2016: £2.6m) were recognised on the remeasurement of liabilities relating to disposed businesses. These include warranty balances held in respect of the disposal of the European operations and WRM.

In the prior year, exceptional profit arose on the disposal of WRM.

Other items comprise the settlement of a claim against a supplier, partially offset by the costs of initiating an Enhanced Transfer Value exercise in the Pension Scheme.

4. PERSONNEL EXPENSES, INCLUDING DIRECTORS

	Note	2017 £m	2016 £m
Wages and salaries		**461.6**	463.2
Share based payments (including IFRS 2 fair value charges)		**1.7**	1.1
Social security contributions		**44.6**	44.2
Contributions to defined contribution pension arrangements	23	**17.9**	18.1
		525.8	526.6

	2017	2016
Average number of persons employed by the Group (including Directors) during the year	**17,170**	17,070

Directors' emoluments

	2017 £'000	2016 £'000
Salaries	**734**	682
Bonus	**755**	449
Other benefits	**183**	172
Non-executive Directors' fees	**366**	379
Total emoluments	**2,038**	1,682

Full details of each individual Director's emoluments, bonuses, share options and pension entitlements are given in the Annual Report on Remuneration on pages 45 to 53.

5. NET FINANCING COSTS

Recognised in the income statement

	Note	2017 £m	2016 £m
Interest income		**0.1**	0.2
Interest expense		**(6.0)**	(10.1)
Unwinding of discount on provisions	19	**(1.2)**	(1.3)
Interest on the net defined benefit pension liability	23	**(3.5)**	(4.4)
		(10.7)	(15.8)
Net financing costs		**(10.6)**	(15.6)

Recognised in other comprehensive income

	2017 £m	2016 £m
Foreign currency translation differences for foreign operations – recognised in the translation reserve	**(0.1)**	0.3

6. INCOME TAX EXPENSE

Recognised in the income statement

	2017 £m	2016 £m
Current tax expense		
Current year	**7.0**	6.7
Adjustments for prior years	**(4.3)**	(2.9)
	2.7	3.8
Deferred tax expense		
Current year	**1.6**	0.8
Adjustments for prior years	**(0.9)**	0.1
	0.7	0.9
Total income tax expense	**3.4**	4.7

	2017 £m	2016 £m
Reconciliation of effective tax rate		
Profit before tax	**45.4**	65.8
Income tax using the UK corporation tax rate of 20% (2016: 20%)	**9.1**	13.2
Non-deductible expenditure	**0.4**	1.2
Non-taxable income	**(1.0)**	(8.0)
Change in UK corporation tax rate	**–**	(0.1)
Effect of tax rate in foreign jurisdictions	**(0.1)**	–
Adjustments for prior years		
– current tax	**(4.3)**	(2.9)
– deferred tax	**(0.9)**	0.1
Other	**0.2**	1.2
Total tax expense for the year	**3.4**	4.7

Recognised in other comprehensive income

	2017 £m	2016 £m
Items which will not subsequently be reclassified to the Income statement:		
Remeasurements of defined benefit pension liability	**4.0**	7.0

Recognised directly in equity

	2017 £m	2016 £m
Current tax on share based payment transactions	**(1.1)**	(2.2)
Deferred tax on share based payments transactions	**0.1**	(0.5)
	(1.0)	(2.7)

The main UK Corporation tax rate, which has remained at 20% since 1 April 2015, will reduce to 19% with effect from 1 April 2017 and will further reduce to 17% with effect from 1 April 2020 and should reduce the Group's future current tax charge accordingly.

The Group maintains a provision against tax risks, which is included within income tax payable.

The total tax expense above includes tax credits of £0.4m (2016: £0.9m) in respect of amortisation of acquired intangibles and exceptional tax of £3.7m (2016: £0.9m).

7. EARNINGS PER SHARE

Earnings per share calculation is based on the profit attributable to the equity shareholders of Wincanton plc of £42.0m (2016: £61.1m) and the weighted average shares in issue throughout the year as calculated below of 122.8m (2016: 120.5m). The diluted earnings per share calculation is based on there being 4.3m (2016: 8.5m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes.

	2017 millions	2016 millions
Weighted average number of Ordinary Shares (basic)		
Issued Ordinary Shares at the beginning of the year	**121.9**	116.5
Net effect of shares issued and purchased during the year	**0.9**	4.0
	122.8	120.5
Weighted average number of Ordinary Shares (diluted)		
Weighted average number of Ordinary Shares at the end of the year (as above)	**122.8**	120.5
Effect of share options on issue	**4.3**	8.5
	127.1	129.0

An alternative earnings per share measure is set out below, being earnings, before amortisation of acquired intangibles and exceptionals including related tax and exceptional tax items where applicable, since the Directors consider that this provides further information on the underlying performance of the Group:

	2017 pence	2016 pence
Underlying earnings per share		
– basic	**27.7**	23.9
– diluted	**26.8**	22.3

Underlying earnings are determined as follows:

	Note	2017 £m	2016 £m
Profit for the year attributable to equity shareholders of Wincanton plc		**42.0**	61.1
Exceptionals	3	**(6.1)**	(35.0)
Amortisation of acquired intangibles	9	**2.2**	4.5
Tax impact of above items and exceptional tax items		**(4.1)**	(1.8)
Underlying earnings		**34.0**	28.8

8. DIVIDENDS

Dividends paid in the year comprise:

	2017 £m	2016 £m
Final dividend for the year ended 31 March 2016 of 5.5p per share (2015: nil)	**6.7**	–
Interim dividend for the period ended 30 September 2016 of 3.0p per share (2015: nil)	**3.7**	–
	10.4	–

The Directors are proposing a final dividend of 6.1p per share for the year ended 31 March 2017 (2016: 5.5p) which, if approved by shareholders, will be paid on 4 August 2017 to shareholders on the register on 7 July 2017, an estimated total of £7.5m. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 29 June 2017 and in accordance with Adopted IFRS has not been included as a liability in these financial statements.

In setting the dividend the Directors have considered a range of factors, including the Group's strategy (including downside sensitivities), the Group's net debt position, the current and projected level of distributable reserves and projected cash flows.

The Employee Benefit Trust has waived the right to receive dividends in respect of the shares it holds, see Note 20 for further detail.

9. GOODWILL AND INTANGIBLE ASSETS

	Note	Goodwill £m	Acquired intangibles £m	Computer software costs £m	Total £m
Cost					
At 1 April 2015		79.4	66.5	38.9	184.8
Effect of movements in foreign exchange		0.2	–	–	0.2
Additions	2	–	–	0.4	0.4
At 31 March 2016		79.6	66.5	39.3	185.4
At 1 April 2016		**79.6**	**66.5**	**39.3**	**185.4**
Effect of movements in foreign exchange		**0.3**	**–**	**–**	**0.3**
Additions	2	**–**	**–**	**1.2**	**1.2**
Disposals		**–**	**–**	**(0.7)**	**(0.7)**
At 31 March 2017		**79.9**	**66.5**	**39.8**	**186.2**
Amortisation and impairment losses					
At 1 April 2015		(2.5)	(57.5)	(28.0)	(88.0)
Charge for year	2, 3	–	(4.5)	(2.9)	(7.4)
At 31 March 2016		(2.5)	(62.0)	(30.9)	(95.4)
At 1 April 2016		**(2.5)**	**(62.0)**	**(30.9)**	**(95.4)**
Charge for year	2, 3	**–**	**(2.2)**	**(2.0)**	**(4.2)**
Disposals		**–**	**–**	**0.3**	**0.3**
At 31 March 2017		**(2.5)**	**(64.2)**	**(32.6)**	**(99.3)**
Carrying value					
At 1 April 2015		76.9	9.0	10.9	96.8
At 31 March 2016 and 1 April 2016		77.1	4.5	8.4	90.0
At 31 March 2017		**77.4**	**2.3**	**7.2**	**86.9**

The carrying value of acquired intangibles of £2.3m (2016: £4.5m) relates entirely to customer relationships.

The total amortisation charge of £4.2m (2016: £7.4m) is recognised in the income statement with £2.0m (2016: £2.9m) of computer software amortisation included within cost of sales and £2.2m (2016: £4.5m) of amortisation of acquired intangibles within administrative expenses.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) which are in line with the Group's reported operating segments, as per the table below. At 1 April 2016, CGUs were restructured in line with the change in the reported operating segments. Reported figures at 31 March 2016 have been restated accordingly.

	2017 £m	2016 restated £m
Retail & Consumer	**25.8**	25.5
Industrial & Transport	**51.6**	51.6
	77.4	77.1

The recoverable amount of a CGU is determined based on value in use calculations. These calculations are cash flow projections based on the financial budgets and forecasts approved by the Board for the forthcoming financial year and 24 months beyond. The financial budgets and forecasts have been set on a contract by contract basis, taking account of prior year results and expected developments. Cash flows beyond those 12-month and further 24-month periods are extrapolated to perpetuity using the estimated growth rates and underlying inflation rates stated below, which do not exceed the long term average growth and inflation rates in the specific geographical area where the CGU operates.

Key assumptions used for value in use calculations:

	Retail & Consumer %	Industrial & Transport %
Estimated growth rate	**1.7**	**1.7**
Underlying inflation rate	**2.1**	**2.1**
Discount rate	**8.6**	**8.6**

9. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Management determined the growth rates and underlying inflation rates based on expectations for market development and these are consistent with external forecasts and historical trends. The discount rates are pre-tax and reflect the relevant risks. The value in use has been determined in a similar manner as in 2016. The key assumptions for 2017 are disclosed in the table above, in 2016 these rates were; estimated growth rate 1.9%; underlying inflation rate 2.1%; and discount rate 8.6%.

Sensitivity to changes in assumptions

The estimated recoverable amounts for both the Retail & Consumer and the Industrial & Transport CGUs exceed their respective carrying amounts by approximately £382m and £356m (2016: £355m and £281m respectively). The Group has conducted sensitivity analysis on the impairment testing. Management believe no significant change in the key assumptions would cause the carrying amount to exceed the recoverable amount for either CGU.

10. PROPERTY, PLANT AND EQUIPMENT

	Note	Property £m	Plant and equipment £m	Total £m
Cost				
At 1 April 2015		45.3	168.2	213.5
Effect of movements in foreign exchange		0.1	(0.2)	(0.1)
Additions	2	–	10.0	10.0
Disposals		(2.8)	(44.9)	(47.7)
At 31 March 2016		42.6	133.1	175.7
At 1 April 2016		**42.6**	**133.1**	**175.7**
Effect of movements in foreign exchange		**0.1**	**0.1**	**0.2**
Additions	2	**–**	**18.0**	**18.0**
Disposals		**(0.1)**	**(12.2)**	**(12.3)**
At 31 March 2017		**42.6**	**139.0**	**181.6**
Depreciation and impairment losses				
At 1 April 2015		(28.8)	(126.5)	(155.3)
Effect of movements in foreign exchange		(0.1)	–	(0.1)
Charge for year	2, 3	(1.3)	(10.3)	(11.6)
Disposals		1.9	25.0	26.9
At 31 March 2016		(28.3)	(111.8)	(140.1)
At 1 April 2016		**(28.3)**	**(111.8)**	**(140.1)**
Effect of movements in foreign exchange		**(0.1)**	**(0.1)**	**(0.2)**
Charge for year	2, 3	**(0.6)**	**(9.2)**	**(9.8)**
Disposals		**0.2**	**12.0**	**12.2**
At 31 March 2017		**(28.8)**	**(109.1)**	**(137.9)**
Carrying amount				
At 1 April 2015		16.5	41.7	58.2
At 31 March 2016 and 1 April 2016		14.3	21.3	35.6
At 31 March 2017		**13.8**	**29.9**	**43.7**

Included in the total cost of property, plant and equipment is £1.0m (2016: £1.0m) in respect of capitalised finance costs.

The carrying amount of property comprises:

	2017 £m	2016 £m
Freehold	**10.3**	10.4
Short leasehold	**3.5**	3.9
	13.8	14.3

11. INVESTMENTS IN SUBSIDIARIES

The significant subsidiaries and jointly controlled entity as at 31 March 2017 in the Wincanton group of companies, based on the scale of their activities, are as follows:

	Principal activity	% of equity held	Country of incorporation and registered office
Wincanton Holdings Limited	Contract logistics services	100	England and Wales[1]
Wincanton Group Limited	Contract logistics services	100	England and Wales[1]
Wincanton UK Limited[4]	Intermediate holding company	100	England and Wales[1]
Wincanton Ireland Limited	Contract logistics services	100	Republic of Ireland[3]
Risk Underwriting (Guernsey) Limited	Insurance subsidiary	100	Guernsey[2]
UDS Properties Limited	Building and letting of specialised warehousing facilities	100	England and Wales[1]
C.E.L. Group Limited	Intermediate holding company	100	England and Wales[1]
Corstor Limited	Container storage and repair	50	England and Wales[1]

Other subsidiaries and jointly controlled entity as at 31 March 2017:

	Principal activity	% of equity held	Country of incorporation and registered office
C.E.L. (Engineering) Limited	Dormant	100	England and Wales[1]
CEL (Logistics) Limited	Dormant	100	England and Wales[1]
City Self Storage Limited	Dormant	100	Republic of Ireland[3]
Data and Records Management Limited	Dormant	100	Republic of Ireland[3]
East Anglia Freight Terminal (Holdings) Limited	Dormant	84.5	England and Wales[1]
East Anglia Freight Terminal Limited	Dormant	100	England and Wales[1]
Glass Glover Group Limited	Dormant	100	England and Wales[1]
Glass Glover Management Services Limited	Dormant	100	England and Wales[1]
Hanbury Davies Containers Limited	Dormant	100	England and Wales[1]
Hanbury Davies Limited	Dormant	100	England and Wales[1]
Hanbury Holdings Limited	Dormant	100	England and Wales[1]
House of Hill Holdings Limited	Dormant	100	England and Wales[1]
House of Hill Limited	Dormant	100	England and Wales[1]
Lane Group plc	Dormant	100	England and Wales[1]
Minmar (662) Limited	Dormant	100	England and Wales[1]
Nair Properties Limited	Dormant	100	England and Wales[1]
Product Support (Holdings) Limited	Dormant	100	England and Wales[1]
Product Support Limited	Dormant	100	England and Wales[1]
Pullman Fleet Services Limited	Dormant	100	England and Wales[1]
RDL Distribution Limited	Dormant	100	England and Wales[1]
RDL Holdings Limited	Dormant	100	England and Wales[1]
R-Log Limited	Dormant	50	England and Wales[1]
Roadtanks Limited	Dormant	100	England and Wales[1]
Storedco Limited	Dormant	100	England and Wales[1]
Swales Haulage Limited	Dormant	100	England and Wales[1]
Trans European Holdings Limited	Dormant	100	England and Wales[1]
W. Carter (Haulage) Limited	Dormant	100	England and Wales[1]
W O Bradstreet Limited	Dormant	100	England and Wales[1]
Wincanton (No. 1) Limited	Dormant	100	England and Wales[1]
Wincanton (No. 2) Limited	Dormant	100	England and Wales[1]
Wincanton (No. 3) Limited	Dormant	100	England and Wales[1]
Wincanton Air & Ocean Limited	Dormant	100	England and Wales[1]
Wincanton High Tech Limited	Dormant	100	England and Wales[1]
Wincanton Logistics Limited	Dormant	100	England and Wales[1]

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Principal activity	% of equity held	Country of incorporation and registered office
Wincanton Pension Scheme Trustees Limited	Trustee for the Wincanton plc Pension Scheme	100	England and Wales[1]
Wincanton Records Management (Ireland) Limited	Dormant	100	Republic of Ireland[3]
Wincanton Trans European (Ireland) Limited	Dormant	100	Republic of Ireland[3]
Wincanton Trans European Limited	Dormant	100	England and Wales[1]
Wincanton Vehicle Rentals Limited	Dormant	100	England and Wales[1]

[1] Registered office: Methuen Park, Chippenham, Wiltshire, SN14 0WT.
[2] Registered office: Maison Trinity, Trinity Square, St Peter Port, Guernsey, GY1 4AT.
[3] Registered office: Unit 1, Rosemount Business Park, Ballycoolin Road, Blanchardstown, Dublin 11.
[4] Direct subsidiary of Wincanton plc.

12. INTERESTS IN JOINTLY CONTROLLED ENTITIES

Included in the consolidated financial statements of the Group are the following amounts in respect of the Group's share of the assets and liabilities of its joint venture:

	2017 £m	2016 £m
Current assets	**0.1**	0.1
Aggregate carrying amount of the Group's interest in its joint venture	**0.1**	0.1

13. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017 £m	2016 £m	**2017 £m**	2016 £m	**2017 £m**	2016 £m
Property, plant and equipment	**2.6**	3.1	**–**	–	**2.6**	3.1
Equity compensation benefits	**1.3**	1.4	**–**	–	**1.3**	1.4
Pension provisions	**13.3**	19.0	**–**	–	**13.3**	19.0
Other assets	**0.4**	0.2	**–**	–	**0.4**	0.2
Other liabilities	**(0.4)**[1]	(0.9)[1]	**–**	(0.8)	**(0.4)**	(1.7)
	17.2	22.8	**–**	(0.8)	**17.2**	22.0

[1] Other tax liabilities consist primarily of deferred tax on acquired intangibles.

Unrecognised deferred tax assets and liabilities

	2017 £m	2016 £m
Deferred tax asset on losses carried forward	**0.3**	0.1

Deferred tax assets have not been recognised in respect of losses carried forward due to the uncertainty of their utilisation in the relevant companies.

Movement in deferred tax assets and liabilities during the current year

	At 1 April 2016 £m	Recognised in income £m	Other movements £m	At 31 March 2017 £m
Property, plant and equipment	3.1	**(0.5)**	**–**	**2.6**
Equity compensation benefits	1.4	**–**	**(0.1)**	**1.3**
Pension provisions	19.0	**(1.7)**	**(4.0)**	**13.3**
Other assets	0.2	**0.2**	**–**	**0.4**
Other liabilities	(1.7)	**1.3**	**–**	**(0.4)**
	22.0	**(0.7)**	**(4.1)**	**17.2**

14. INVENTORIES

	2017 £m	2016 £m
Raw materials and consumables	**4.0**	4.8

15. TRADE AND OTHER RECEIVABLES

	2017 £m	2016 £m
Trade receivables	**87.1**	94.0
Less: provision for doubtful debts	**(0.8)**	(0.8)
Net trade receivables	**86.3**	93.2
Other receivables	**0.4**	1.0
Prepayments and accrued income	**46.7**	45.2
	133.4	139.4

All receivables are due within one year, except for other receivables which include £0.2m (2016: £0.4m) in respect of amounts recoverable from customers and others under contracts of more than one year and prepayments and accrued income which include £0.6m (2016: £0.5m).

Movement in the provision for doubtful debts

	2017 £m	2016 £m
At 1 April	**0.8**	0.6
Impairment losses recognised on receivables	**0.1**	0.3
Amounts written off as unrecoverable	**(0.1)**	(0.1)
At 31 March	**0.8**	0.8

Ageing of trade receivables and the associated provision for doubtful debts at the balance sheet date

	2017		2016	
	Gross £m	Provision £m	Gross £m	Provision £m
Current	**79.5**	**–**	83.2	–
1 month overdue	**5.5**	**–**	7.9	–
2 months overdue	**0.7**	**–**	1.2	–
3+ months overdue	**1.4**	**(0.8)**	1.7	(0.8)
	87.1	**(0.8)**	94.0	(0.8)

The standard period of credit on sales is up to 30 days. Interest is chargeable on overdue amounts.

16. CASH AND CASH EQUIVALENTS

	2017 £m	2016 £m
Cash at bank and in hand	**33.0**	26.3
Restricted cash deposits held by the Group's insurance subsidiary	**7.9**	10.0
Cash and cash equivalents	**40.9**	36.3

Details of the Group's treasury policies are set out in Note 25.

17. BORROWINGS AND OTHER FINANCIAL LIABILITIES

	2017 £m	2016 £m
Current		
Bank loans and overdrafts[1]	**0.1**	20.1
Other financial liabilities	**0.1**	0.3
	0.2	20.4
Non-current		
Bank loans	**65.0**	55.0
Other financial liabilities	**–**	0.4
	65.0	55.4

[1] Bank loans in 2016 include the US$ private placement as swapped into sterling.

The following are the contractual maturities of financial liabilities, excluding interest payments:

At 31 March 2017

	Carrying amount £m	Contractual cash flows £m	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m
Non-derivative financial liabilities					
Bank loans and overdrafts	**65.1**	**65.1**	**0.1**	**65.0**	**–**
Trade and other payables	**265.4**	**265.4**	**265.4**	**–**	**–**
Derivative financial liabilities					
Interest rate swaps	**0.6**	**0.6**	**0.3**	**0.3**	**–**
Forward foreign exchange contracts	**(0.5)**	**(0.5)**	**(0.2)**	**(0.3)**	**–**
	330.6	**330.6**	**265.6**	**65.0**	**–**

At 31 March 2016

	Carrying amount £m	Contractual cash flows £m	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m
Non-derivative financial liabilities					
Bank loans and overdrafts	55.0	55.0	–	48.8	6.2
Unsecured bond issues – US$ private placement[1]	22.7	22.4	22.4	–	–
Trade and other payables	272.1	272.1	272.1	–	–
Derivative financial liabilities					
US$/GBP fixed to floating swap – asset[1]	(22.7)	(22.4)	(22.4)	–	–
US$/GBP fixed to floating swap – liability	20.1	20.1	20.1	–	–
Interest rate swaps	0.8	0.8	0.3	0.5	–
Forward foreign exchange contracts	(0.1)	(0.1)	–	(0.1)	–
	347.9	347.9	292.5	49.2	6.2

[1] Contractual cash flows denominated in foreign currencies are translated at the year end exchange rate. Carrying amounts are stated at fair value.

18. TRADE AND OTHER PAYABLES

	2017 £m	2016 £m
Current		
Trade payables	**42.2**	47.3
Other taxes and social security	**36.6**	36.2
Other payables	**34.3**	48.4
Accruals and deferred income	**152.3**	140.2
	265.4	272.1

19. PROVISIONS

	Note	Insurance £m	Property £m	Other provisions £m	Total £m
At 1 April 2016		35.6	15.3	0.5	51.4
Effect of movements in foreign exchange		–	0.3	–	0.3
Provisions used during the year		(9.0)	(2.7)	(0.5)	(12.2)
Unwinding of discount	5	0.6	0.6	–	1.2
Reclassification		1.4	0.9	–	2.3
Provisions made during the year		4.9	2.1	–	7.0
At 31 March 2017		**33.5**	**16.5**	**–**	**50.0**
Current		**10.0**	**5.2**	–	**15.2**
Non-current		**23.5**	**11.3**	–	**34.8**
		33.5	**16.5**	**–**	**50.0**

The Group owns 100% of the share capital of an insurance company which insures certain of the risks of the Group. The insurance provisions in the above table are held in respect of outstanding insurance claims, the majority of which are expected to be paid within one to seven years. The discount unwinding arises primarily on the employers' liability policy which is discounted over a period of seven years at a rate based on the Group's assessment of a risk free rate.

The property provisions are determined on a site by site basis, as the best estimate of the expected costs of empty and under-utilised properties, including dilapidations. Provisions made in the year comprise dilapidations made in the normal course of business. The provisions are utilised over the relevant lease term, with the majority expected to be utilised over the next three years. Amounts have been discounted at a rate based on the Group's assessment of a risk free rate.

Reclassification includes amounts previously reported within creditors.

20. CAPITAL AND RESERVES

Share capital

	10p Ordinary Shares	
Allotted, called up and fully paid	**2017 millions**	2016 millions
At 1 April	**123.7**	121.7
Issued during the year	**–**	2.0
In issue at 31 March	**123.7**	123.7

The number of shares detailed above differs from those in Note 7 as a result of the inclusion, in the above total, of the shares held within an Employee Benefit Trust (EBT) and also the effect of weighting for the purpose of the earnings per share calculations.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time. At general meetings of shareholders each shareholder (or appointed proxy) present in person is entitled to vote; on a show of hands each person has one vote, and on a poll has one vote per share. In respect of the Company's shares that are held by the EBT (see over), all rights are suspended until these shares are reissued.

During the year ended 31 March 2002, the Company established a Capital Redemption Reserve of £49,998 on redemption of redeemable preference shares.

Merger reserve

The merger reserve arose from the original acquisition of the then Wincanton group of companies by Wincanton plc, on the demerger from the previous parent in May 2001, which was accounted for under merger accounting principles.

Hedging reserve

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecast transaction, the effective part of the gain or loss on the derivative is recognised directly in equity within the hedging reserve. When the forecast transaction that was being hedged is realised the cumulative gain or loss on the derivative is recognised in the income statement in the same period.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from any translation of liabilities that hedge the Company's net investment in foreign subsidiaries.

20. CAPITAL AND RESERVES (CONTINUED)

Own shares

The own shares reserve comprises the cost of the Company's shares held by the EBT established in Jersey and managed on its behalf by independent trustees. At 31 March 2017, the number of the Company's shares held by the EBT had decreased to 295,033 (2016: 1,806,521). The EBT has waived the right to receive dividends in respect of the shares it holds. The average cost of the shares held is 161p each (2016: 173p) and at 31 March 2017, the market value of the shares held was £0.8m (2016: £3.0m).

All of the shares in the EBT are held in respect of the Group's various equity compensation schemes (see Note 24) and at 31 March 2017 there were 295,033 (2016: 1,806,521) shares held in respect of vested options.

21. CAPITAL COMMITMENTS

Capital commitments for the Group at the end of the financial year for which no provision has been made, are as follows:

	2017 £m	2016 £m
Contracted	**9.7**	1.8

22. OPERATING LEASES

Leases as lessee

The Group leases warehousing facilities, commercial vehicles and other logistics equipment for use in its operations. Typical lease periods for new warehouse rental contracts are between three and ten years although older rental contracts are for longer periods with intervening break clauses. The average period for vehicles and equipment is five years. The amounts charged to the income statement in the current and prior years are shown in Note 3.

The total future minimum lease payments under non-cancellable operating leases fall due for repayment as follows:

	2017		2016	
	Plant and equipment £m	**Land and buildings £m**	Plant and equipment £m	Land and buildings £m
Less than 1 year	**19.0**	**19.0**	20.5	19.6
Between 1 and 5 years	**30.9**	**46.7**	31.8	46.6
More than 5 years	**1.2**	**108.5**	1.6	108.7
	51.1	**174.2**	53.9	174.9

Wherever possible these commitments are mitigated through contractual commitments from customers for whom the properties are occupied and/or vehicles and plant are rented. The degree of mitigation can be banded according to the nature of the contract between the Group and its customers. This includes 'back-to-back' leases which are fully underwritten by customers throughout the life of the lease and multi-user locations where, although there is no specific matching of lease and contract terms, there are varying degrees of contract backing and therefore mitigation is spread across a number of customers.

A summary of leases by customer contract type is shown in the following table:

	2017		2016	
	Plant and equipment £m	**Land and buildings £m**	Plant and equipment £m	Land and buildings £m
Element of lease underwritten by customer contract	**30.8**	**30.1**	35.8	34.5
Element of lease where the period of the lease extends beyond the current maturity of the customer contract	**14.1**	**8.4**	6.8	15.1
Multi-user locations where mitigation is spread across a number of customers	**5.1**	**120.7**	10.0	107.3
Leases with limited or no mitigation	**1.1**	**7.5**	1.3	8.7
	51.1	**166.7**	53.9	165.6
Covered by property provision	**–**	**7.5**	–	9.3
	51.1	**174.2**	53.9	174.9

23. EMPLOYEE BENEFITS

The employee benefit liabilities of the Group consist primarily of the post-retirement obligations of the Group's pension arrangements. In addition, frozen holiday pay obligations exist in respect of a limited number of employees. These two elements are analysed in the table below and the pension arrangements discussed in detail:

	2017 £m	2016 £m
Holiday pay	**0.2**	0.3
Pension schemes (see below)	**78.4**	105.6
	78.6	105.9
These employee benefits are split as follows:		
Current	**0.2**	0.3
Non-current	**78.4**	105.6
	78.6	105.9

Pension schemes

Employees of Wincanton participated in funded pension arrangements in the UK and Ireland during the year ended 31 March 2017 details of which are given below.

The principal Wincanton Scheme in the UK (the Scheme) is a funded arrangement which has three defined benefit sections and two defined contribution sections, called the Wincanton Retirement Savings Section and the Wincanton Pension Builder Plan. The employees of Wincanton Ireland Limited are eligible to participate in a separate defined contribution scheme. Assets of these pension arrangements are held in separate Trustee administered funds independent of Wincanton. The weighted average duration of the funded defined benefit obligation is approximately 18 years.

In previous years, a small number of employees, who were subject to the statutory earnings cap on pensionable earnings prior to 6 April 2006, were entitled to participate in an unfunded unapproved arrangement in addition to accruing benefits from the Scheme. There have been no active members of this arrangement throughout the years ended 31 March 2016 and 2017.

The defined benefit sections of the Scheme were closed to future accrual on 31 March 2014. This means that no future service benefit will accrue but pensions built up to the date of closure have been preserved.

The latest formal valuation of the Scheme was carried out as at 31 March 2014 by the Scheme actuary, Hymans Robertson. It was agreed between the Trustee and the Group in April 2015 and submitted to the Pension Regulator. The Group, in consultation with the Trustee, agreed to leave the terms of the cash contribution that the Group makes to the Scheme in order to address the past service deficit unchanged from that previously agreed and it will continue to increase by RPI each year through to September 2024. In addition, it was agreed that certain administration expenses would be paid directly by the Group and deducted from these deficit funding contributions. The expenses, which amount to £0.7m (2016: £0.6m), are not included in the contributions below. The deficit funding contribution in the year net of these expenses was £14.1m (2016: £13.9m; £20.9m including an additional £7.0m paid into the Scheme following the disposal of WRM). The next triennial valuation will be carried out by the Scheme actuary as at 31 March 2017.

In the year commencing 1 April 2017, the Group contributions are expected to be the deficit funding contribution of £15.2m (£14.6m after deduction of certain administration expenses as mentioned above) which has been increased by RPI as set out in the triennial valuation as at 31 March 2014. In addition, other administration costs of the Scheme will be borne directly by the Group, these are expected to total £0.7m.

The defined benefit sections of the Scheme expose the Group to various risks: longevity risk (members living longer than expected), inflation and interest rate risk (higher or lower than expected), and market (investment) risk (lower returns than expected). The Trustee and Group have taken steps to mitigate these risks through the use of:

- hedging instruments within the investment portfolio; and
- diversification of the investment portfolio.

The Group has also taken steps to reduce risk and the build-up of further liabilities and associated risk, as mentioned above, by closing the defined benefit section to future benefit accrual and undertaking various liability management exercises. These include a pension increase exchange exercise reducing the Group's exposure to inflation risk; a trivial commutation exercise where, in line with the Scheme rules, members with small accrued defined benefit pensions are able to exchange their pension for a one off cash sum; and a recently launched Enhanced Transfer Value exercise, where deferred members approaching retirement may choose to transfer out of the Scheme in order to access the new flexible retirement options now available.

The Group is not exposed to any unusual, entity specific or scheme specific risks.

23. EMPLOYEE BENEFITS (CONTINUED)

The assets and liabilities of the defined benefit sections of the Group are calculated in accordance with IAS 19 Employee Benefits (Revised) and are set out in the tables below.

The calculations under IAS 19 are based on actuarial assumptions which are the best estimates chosen from a range of possible assumptions about the long term future which, unless by chance, will not necessarily be borne out in practice. The fair value of the assets, which are not intended to be realised in the short term, may be subject to significant change before they are realised, and the present value of the liabilities are derived from cash flow projections over long periods and are thus inherently uncertain.

	2017 £m	2016 £m
Present value of unfunded defined benefit obligations .	**(2.2)**	(1.7)
Present value of funded defined benefit obligations	**(1,156.7)**	(1,001.0)
Fair value of Scheme assets	**1,080.5**	897.1
Net defined benefit liability	**(78.4)**	(105.6)

The movement in the above net defined benefit liability in the year was primarily the result of an increase in the market value of the investments, a reduction in liabilities due to demographic assumptions and contributions received from the Group, being partly offset by an increase in liabilities resulting from a fall in the discount rate. The net defined benefit liability, after taking into account the related deferred tax asset, is £65.1m (2016: £86.6m).

Movements in the present value of the net defined benefit liability

31 March 2017	**Assets £m**	**Obligations £m**	**Net liability £m**	**Unfunded arrangements £m**	**Total net liability £m**
Opening position	**897.1**	**(1,001.0)**	**(103.9)**	**(1.7)**	**(105.6)**
Included in Income statement:					
Administration costs	**(1.7)**	**–**	**(1.7)**	**–**	**(1.7)**
Interest on the net defined benefit liability	**30.8**	**(34.2)**	**(3.4)**	**(0.1)**	**(3.5)**
Cash:					
Employer contributions	**14.8**	**–**	**14.8**	**–**	**14.8**
Benefits paid	**(57.0)**	**57.0**	**–**	**–**	**–**
Included in Other comprehensive income:					
Changes in financial assumptions	**–**	**(202.1)**	**(202.1)**	**(0.4)**	**(202.5)**
Changes in demographic assumptions		**24.2**	**24.2**	**–**	**24.2**
Experience	**–**	**(0.6)**	**(0.6)**	**–**	**(0.6)**
Return on assets excluding amounts included in net financing costs	**196.5**	**–**	**196.5**	**–**	**196.5**
Closing defined benefit liability	**1,080.5**	**(1,156.7)**	**(76.2)**	**(2.2)**	**(78.4)**

31 March 2016	Assets £m	Obligations £m	Net liability £m	Unfunded arrangements £m	Total net liability £m
Opening position	924.8	(1,067.2)	(142.4)	(1.8)	(144.2)
Included in Income statement:					
Administration costs	(1.5)	–	(1.5)	–	(1.5)
Interest on the net defined benefit liability	29.8	(34.1)	(4.3)	(0.1)	(4.4)
Cash:					
Employer contributions	21.5	–	21.5	–	21.5
Benefits paid	(32.2)	32.2	–	–	–
Included in Other comprehensive income:					
Changes in financial assumptions	–	53.3	53.3	0.2	53.5
Experience	–	14.8	14.8	–	14.8
Return on assets excluding amounts included in net financing costs	(45.3)	–	(45.3)	–	(45.3)
Closing defined benefit liability	897.1	(1,001.0)	(103.9)	(1.7)	(105.6)

23. EMPLOYEE BENEFITS (CONTINUED)

The amounts recognised in the income statement comprise administration costs and interest on the net defined benefit liability. These charges are included in the following lines in the income statement:

	Note	2017 £m	2016 £m
Cost of sales		–	–
Administrative expenses		1.7	1.5
Within underlying operating profit		1.7	1.5
Financing costs	5	3.5	4.4
Recognised in Income statement		5.2	5.9

The market value of the Scheme assets held at the end of the year were as follows:

	2017 £m	2016 £m
Equities and synthetic equities	306.4	257.1
Hedge funds	67.7	83.9
Property and other growth assets	58.3	66.7
Corporate bonds	143.0	178.9
Multi asset credits	78.9	71.4
Senior real estate and private debt	76.2	52.3
Index-linked gilts (LDI portfolio collateral)	458.5	256.1
Notional exposure for synthetic equities/LDI hedging arrangements	(170.1)	(134.9)
Other, including cash	61.6	65.6
	1,080.5	897.1

All equities, bonds and funds have quoted prices in active markets.

The synthetic equities provide exposure to the UK, North America, Europe, Asia-Pacific and Japan. The LDI portfolio currently hedges c. 89% of the defined benefit scheme's inflation rate risk and c. 78% of the interest rate risk (relative to Scheme assets) through holding a combination of index-linked gilts, interest rate and inflation swaps, gilt total return swaps, gilt repos, and cash.

Liability for defined benefit obligations

The principal actuarial assumptions for the Scheme and for the UK unfunded arrangement at the balance sheet date were as follows:

	2017 %	2016 %
Discount rate	2.60	3.50
Price inflation rate – RPI	3.15	2.95
Price inflation rate – CPI	2.15	1.95
Rate of increase of pensions in deferment		
– for service to 31 March 2006	3.05	2.90
– for service from 1 April 2006	2.15	2.10

The assumptions used for mortality rates for members of these arrangements at the expected retirement age of 65 years are as follows:

	2017 Years	2016 Years
Male aged 65 today	21.2	21.4
Male aged 45 today	23.5	23.8
Female aged 65 today	23.4	23.5
Female aged 45 today	26.4	26.5

23. EMPLOYEE BENEFITS (CONTINUED)

Sensitivity table

The sensitivity of the present value of the Scheme obligations to changes in the key actuarial assumptions are set out in the following table. The illustrations consider the result of only a single assumption changing with the others assumed unchanged, although in reality it is more likely that more than one assumption would change and potentially the results would offset each other. For example, a fall in interest rates will increase the Scheme obligations, but may also trigger an offsetting increase in market value of certain Scheme assets.

	Change in assumption	Impact on liability £m
Discount rate	**+0.1%**	**(21.5)**
Price inflation – RPI	**+0.1%**	**10.9**
Mortality rate	**+ 1 year**	**46.3**

Defined contribution schemes

The total expense relating to the Group's defined contribution schemes in the current year was £17.9m (2016: £18.1m).

24. EQUITY COMPENSATION BENEFITS

Employees of the Group participate, subject to seniority and length of service, in the Long Term Incentive Plan (LTIP). The other schemes in existence are the Executive Bonus Plan (EBP) and Special Option Plan (SOP), although no grants were made in respect of these schemes in the year. All of these schemes involve the grant of options or conditional awards of shares in the Company.

Grants of options are accounted for in accordance with IFRS 2 Share-based Payments, which requires the fair value of services received in return for share options granted to be recognised in the Income statement over the vesting period. The Group recognised total expenses of £0.9m (2016: £0.9m) in respect of the costs of equity-settled share based payment transactions during the year. The fair value of these services is measured by reference to the fair value of the share options granted under each scheme.

The number of options outstanding and exercisable in respect of each scheme at 31 March 2017 is as follows:

	Outstanding	Exercisable	Option price pence/share	Date normally exercisable
Long Term Incentive Plan				
July 2015	656,827	–	–	2018-2025
September 2015	142,512	–	–	2018-2025
July 2016	724,142	–	–	2019-2026
November 2016	45,570	–	–	2019-2026
	1,569,051	**–**		
Special Option Plans				
July 2012	100,000	100,000	36	2015-2022
January 2013	1,059,322	1,059,322	71	2016-2023
July 2013	1,078,064	1,078,064	68	2016-2023
July 2014	1,492,450	–	137	2017-2024
December 2014	137,447	–	161	2017-2024
	3,867,283	**2,237,386**		
Total number of share options	**5,436,334**	**2,237,386**		

The number and weighted average exercise price of all share options extant under the above schemes are as follows:

	2017		2016	
	Options	**Weighted average pence**	Options	Weighted average pence
Outstanding at beginning of period	**9,387,507**	**81**	22,153,583	66
Granted during the period	**799,458**	**–**	1,017,388	–
Lapsed during the period	**(879,127)**	**218**	(4,329,740)	91
Exercised during the period	**(3,871,504)**	**50**	(9,453,724)	31
Outstanding at the end of the period	**5,436,334**	**70**	9,387,507	81
Exercisable at the end of the period	**2,237,386**	**68**	3,542,178	84

24. EQUITY COMPENSATION BENEFITS (CONTINUED)

The weighted average share price at the date of exercise for share options exercised during the period was 203p (2016: 180p). The options outstanding at 31 March 2017 had a range of exercise prices of between nil and 161p and a weighted average remaining contractual life of seven years.

The number of nil cost options awarded under the terms of the Executive Bonus Plan were calculated with reference to the 30 day average quoted market price of the Company's shares for the year ending 31 March of the financial year immediately preceding the date of award. Awards made under the Special Option Plan, Executive Share Option Scheme and Long Term Incentive Plan were granted based on the average quoted market price of the Company's shares for a period of up to three business days immediately prior to the date of grant. Upon exercise, all options granted under these schemes are equity-settled.

The terms and conditions of the grants to date under these schemes are as follows:

Long Term Incentive Plan

The Group introduced a Long Term Incentive Plan in 2015, which granted the Executive Directors and certain senior managers long term incentive awards in the form of nil cost options.

Grant date	Number of options granted	Vesting conditions	Contractual life years
July 2015 September 2015 July 2016 November 2016	874,876 142,512 753,888 45,570	3 years of service plus performance metrics weighted 60% on basic underlying EPS growth and 40% on TSR performance relative to the FTSE All-Share Index (excluding investment trusts) (the Index). The threshold entry point of 25% vesting for the EPS element requires 6% growth per annum, with 100% vesting at 11% per annum. The threshold entry point of 25% vesting for the TSR element requires performance in line with the Index, with 100% vesting at outperformance of 10% per annum (equivalent to 33% over the term of the option). Vesting will be on a straight-line basis between the threshold and maximum for both elements.	10
Total	**1,816,846**		

The grant made under this Plan has EPS and TSR growth performance conditions. The EPS requirement is a non-market based performance condition and as such is not accounted for in the fair value calculation. The TSR requirement is a market based performance condition and the fair value is calculated using a Monte-Carlo pricing model, based on assumptions at the date of the award.

	November 2016 grant	July 2016 grant	September 2015 grant	July 2015 grant
Share price at grant (p)	207.0	180.0	208.0	187.0
Exercise price (p)	–	–	–	–
Risk-free rate (%)	0.8	0.2	0.8	1.0
Expected volatility of Wincanton plc (%)	30.5	32.0	38.0	41.2
Expected volatility of Index (%)	16.0	15.2	12.9	11.9
Expected life (years)	3	3	3	3
Dividend yield (%)	4.1	4.5	3.5	3.9
Fair value per award under TSR condition (p)	101.0	76.0	107.0	97.0
Fair value per award under EPS condition (p)	183.0	157.0	187.0	167.0

Executive Bonus Plan

The Group introduced the Executive Bonus Plan during the year ended 31 March 2012. The award was made part in cash, part in deferred shares and for the years ending 31 March 2013 and 31 March 2014 was settled 50% : 50%. For the year ended 31 March 2015 the award was settled 100% in cash. The Plan ceased on 31 March 2015 and all awards of deferred shares vested in July 2015.

The Bonus Plan operated for a fixed four year period. At the end of that period the balance of a participants' Plan account became payable.

Grant date	Number of options granted	Vesting conditions	Contractual life years
July 2012 July 2013 July 2014	591,401 1,263,873 584,677	The Scheme is subject to a performance requirement based on a percentage of the profit target. Where a forfeiture threshold operates the participant will receive no contribution into their plan account for that Plan year and 50% of their Plan account balance, not yet paid, will be forfeited. Additionally participants must be employed by the Company at the point the award vests.	10
Total	**2,439,951**		

The grants made under this scheme have non-market based performance conditions. As the grant is at nil cost, the fair value is equivalent to the option value (ie the 30 day average price of the Company's shares for the period ending 31 March of the relevant financial year of award).

24. EQUITY COMPENSATION BENEFITS (CONTINUED)

Special Option Plan

Under the Special Option Plan, the Executive Directors and certain senior managers were granted long term incentive awards.

Grant date	Number of options granted	Vesting conditions	Contractual life years
September 2011	6,060,549	3 years of service plus an EPS underpin, where the Company's EPS must not reduce over the 3 year vesting period, as well as a performance requirement based on average absolute TSR growth over 3 years (the option starts to vest at >10% per annum with 100% of the option vesting for 22% per annum).	10
July 2012	13,293,685		
January 2013	1,059,322		
July 2013	5,868,259		
September 2013	128,395		
November 2013	114,993		
July 2014	2,746,551		
December 2014	250,517		
Total	**29,522,271**		

The grant made under this Plan has an absolute TSR growth performance condition with an attaching EPS underpin. The EPS requirement is a non-market based performance condition and as such is not accounted for in the fair value calculation. The TSR requirement is a market based performance condition and the fair value is calculated by applying a discount to the option value. The discount is calculated using a Monte-Carlo pricing model and is the expected outcome of meeting the performance condition. The fair value is determined on assumptions at the date of the award.

	December 2014 grant	July 2014 grant	November 2013 grant	September 2013 grant	July 2013 grant	January 2013 grant	July 2012 grant	September 2011 grant
Share price at grant (p)	155.0	140.0	125.3	103.3	66.0	68.8	33.0	78.0
Exercise price (p)	160.7	137.0	123.9	101.3	67.7	70.8	36.0	90.6
Risk-free rate (%)	1.2	2.0	1.7	1.7	1.3	1.1	0.7	1.5
Expected volatility (%)	42.8	43.1	45.5	46.3	46.4	45.0	43.2	40.0
Expected life (years)	5	5	5	5	5	5	5	5
Dividend yield (%)	4.7	–	–	–	–	–	–	5.8
Fair value (p)	29.0	41.0	39.0	33.0	20.0	19.9	8.6	9.5

Executive Share Option Schemes

At 31 March 2017 there are no outstanding options under the Executive Share Option Schemes (ESOS) as the remaining award lapsed in full in December 2016.

Grant date	Number of options granted	Vesting conditions	Contractual life years
December 2005	3,184,581	3 years of service plus average annual growth rate for underlying EPS of RPI + 3% in the 3 consecutive years following the grant (starting with the year including the grant).	10
December 2006	2,925,065		
Total	**6,109,646**		

The grants made under these schemes all have non-market based performance conditions which are taken into account in the fair value calculation using a Binomial pricing model. The contractual life of the options and the expectation of early exercises are incorporated into the model. Expected volatility is based on a three year average of the historic share price volatility.

25. FINANCIAL INSTRUMENTS

Financial risk management and treasury policies

The Group, through its activities, is exposed to a range of financial risks. Financial risks are managed through the Group's centralised treasury function which acts within clearly defined policies approved by the Board. These policies are designed to reduce the financial risks faced by the Group relating to liquidity risk, market risk (being interest rates, equity prices and currency exchange rate exposure) and credit risk. Transactions of a speculative nature are not permitted and the treasury function does not operate as a profit centre.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy on funding capacity is to ensure that there is always sufficient long term funding and short term facilities in place to meet foreseeable peak borrowing requirements.

25. FINANCIAL INSTRUMENTS (CONTINUED)

The Group has £166m (2016: £215m) of core committed funding of which £65m was drawn at 31 March 2017 (2016: £75m), leaving headroom of £101m (2016: £140m). The Group also has overdraft and other uncommitted facilities. Within the £166m (2016: £215m) of core committed facilities there is £25m (2016: £45m) in the form of term loans which must be drawn. At certain points in the working capital cycle this results in the Group having cash which is held in short term interest-bearing deposits. The Group also holds cash deposits within its insurance subsidiary; these deposits have a mix of maturities, none of which is greater than 12 months. The Group's net debt at the balance sheet date was:

	Note	2017 £m	2016 £m
Total borrowings and other financial liabilities	17	**65.2**	75.8
Cash and cash equivalents	16	**(40.9)**	(36.3)
Net debt		**24.3**	39.5

See Note 17 for further analysis of the contractual maturities of the financial liabilities.

Analysis of changes in net debt

	1 April 2016 £m	Cash flow £m	Net movement on cash flow hedges £m	Exchange movements £m	31 March 2017 £m
Cash and bank balances	36.3	4.6	–	–	**40.9**
Bank loans and overdrafts	(75.1)	10.0	–	–	**(65.1)**
Other financial liabilities	(0.7)	–	0.6	–	**(0.1)**
Net debt	**(39.5)**	**14.6**	**0.6**	**–**	**(24.3)**

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

The Group maintains a policy of using derivatives to achieve an appropriate balance between fixed, capped, and floating interest profiles, so as to limit the exposure to the cash cost of servicing its debt.

The majority of the Group's drawn debt at 31 March 2017 was at floating rates. At 31 March 2017, the Group had in place a £20m five year sterling interest rate swap (maturing 2019) with an effective rate of 2.0%. The net fair value of the financial instrument used to manage interest rates at the year end was £(0.6)m (2016: £(0.7)m).

	2017			2016		
	Floating rate £m	Fixed rate £m	Total £m	Floating rate £m	Fixed rate £m	Total £m
Sterling						
Bank loans and overdrafts	**65.0**	**–**	**65.0**	72.9	–	72.9
Other financial liabilities	**0.1**	**–**	**0.1**	0.7	–	0.7
Borrowings	**65.1**	**–**	**65.1**	73.6	–	73.6
Cash	**(40.9)**	**–**	**(40.9)**	(36.3)	–	(36.3)
Net debt	**24.2**	**–**	**24.2**	37.3	–	37.3
Interest rate swap	**(20.0)**	**20.0**	**–**	(45.0)	45.0	–
Net debt/(cash)	**4.2**	**20.0**	**24.2**	(7.7)	45.0	37.3
Euro						
Bank loans and overdrafts	**0.1**	**–**	**0.1**	2.2	–	2.2
Cash	**–**	**–**	**–**	–	–	–
Net debt	**0.1**	**–**	**0.1**	2.2	–	2.2
Total net debt/(cash)	**4.3**	**20.0**	**24.3**	(5.5)	45.0	39.5

25. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate sensitivity

The following table demonstrates the sensitivity to a change in interest rates of 1% on the Group's profit before tax and on its equity. The impact has been calculated by applying the change in interest rates to the weighted average interest rate during the year, and applying this rate to the average borrowings during the year, taking into account the impact of the interest rate swap of £20m. A variation of 1% represents management's view of a reasonably possible change in interest rates. Any impact on equity excludes the possible effect which a change in interest rates may have on the present value of the Group's pension obligations, the effects of which are set out in Note 23.

	2017		2016	
	Effect on profit before tax £m	**Effect on equity £m**	Effect on profit before tax £m	Effect on equity £m
Sterling				
1.0% increase in rates	**(0.4)**	**(0.4)**	(0.6)	(0.6)
1.0% decrease in rates	**0.4**	**0.4**	0.6	0.6

The methods and assumptions used to calculate the possible effect of a change in interest rates are consistent with those used in the prior year.

Currency risk and sensitivity

The Group is a largely UK based business with a small proportion of the Group's activities denominated in euro. The only non-sterling activity is in Ireland. In order to protect the sterling value of the balance sheet, the Group finances its investment in Ireland by borrowing in euro. Transactional exposure is minimal as the vast majority of transactions are denominated in euro, the relevant functional currency of the operation.

Operational foreign exchange risk, where purchases or sales are made in non functional currency, is hedged on an ad hoc basis by buying or selling the relevant currency on a forward basis if the amounts involved are material.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Deposits are only made with pre-approved counterparties. Credit evaluations are performed on all customers requiring credit. The Group does not generally require collateral in respect of financial assets. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet of £128.9m (2016: £153.3m). See Note 15 for further analysis of trade receivables and the associated doubtful debt provisions held.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide optimal returns for shareholders, and to maintain an efficient capital structure.

In doing so, the Group's strategy is to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy and maintain this position, the Group regularly monitors key credit metrics such as net debt to EBITDA, interest cover and fixed charge cover. In addition the Group ensures a combination of short term liquidity headroom with a diverse long term debt maturity profile. As at the balance sheet date the Group's average debt maturity profile was 4.5 years.

In order to maintain or realign the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

25. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

The fair values of the Group's financial assets and liabilities, together with the carrying amounts shown in the balance sheet are given in the following table:

	2017		2016	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Trade receivables	**86.3**	**86.3**	93.2	93.2
Other receivables	**0.4**	**0.4**	1.0	1.0
Cash and cash equivalents	**40.9**	**40.9**	36.3	36.3
US$ fixed to floating swaps				
– Assets	**–**	**–**	22.7	22.7
– Liabilities	**–**	**–**	(20.1)	(20.1)
Forward exchange contracts	**0.5**	**0.5**	0.1	0.1
Interest rate swaps	**(0.6)**	**(0.6)**	(0.8)	(0.8)
Bank loans and overdrafts	**(65.1)**	**(65.1)**	(55.0)	(55.0)
Unsecured bond issues – US$ private placement	**–**	**–**	(22.7)	(22.7)
Trade and other payables	**(265.4)**	**(265.4)**	(272.1)	(272.1)
Unrecognised losses		**–**		–

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table. Under the disclosure requirements of IFRS 13, all fair value measurements of financial assets and liabilities are considered to be categorised as level 2.

Derivatives

The fair value of forward exchange contracts is calculated as the contractual forward price less the current forward rate. The fair value of interest rate swaps was determined by discounting the future cash flows at rates determined by year end yield curves.

Interest-bearing loans and borrowings and unsecured bond issues

Fair value is calculated on discounted expected future principal and interest cash flows at market interest rates.

26. RELATED PARTIES

Identity of related parties

The Group has a controlling related party relationship with its parent Company Wincanton plc. In addition the Group has related party relationships with its Executive and Non-executive Directors and with its subsidiaries and jointly controlled entity.

Transactions with Executive and Non-executive Directors

The interests of the Executive and Non-executive Directors in the share capital of the Company, plus full details of the individual Directors' emoluments, bonuses deferred in shares, share options and pension entitlements are given in the Annual Report on Remuneration on pages 45 to 53.

The total of short term employee remuneration and benefits receivable by the Directors is set out in Note 4.

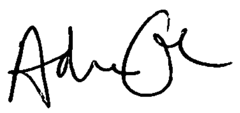
WINCANTON PLC COMPANY BALANCE SHEET

AT 31 MARCH 2017

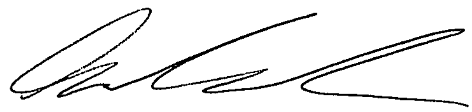
	Note	2017 £m	2016 £m
Fixed assets			
Investment in subsidiaries	2	**108.9**	108.9
		108.9	108.9
Current assets			
Debtors	3	**84.5**	58.5
Cash at bank and in hand		**2.3**	15.7
		86.8	74.2
Creditors: amounts falling due within one year	4	**(12.8)**	(24.8)
Net current assets		**74.0**	49.4
Total assets less current liabilities		**182.9**	158.3
Creditors: amounts falling due after more than one year	5	**(65.0)**	(55.4)
Net assets		**117.9**	102.9
Capital and reserves			
Called up share capital		**12.4**	12.4
Share premium account		**12.9**	12.9
Hedging reserve		**(0.1)**	(0.8)
Profit and loss account		**92.7**	78.4
Equity shareholders' funds	7	**117.9**	102.9

The Company reported a profit for the year ended 31 March 2017 of £24.0m (2016: £17.6m).

The financial statements were approved by the Board of Directors and authorised for issue on 16 May 2017 and were signed on their behalf by:



A Colman
Chief Executive Officer



T Lawlor
Chief Financial Officer

Company Registration
Number: 4178808

WINCANTON PLC COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £m	Share premium £m	Hedging reserve £m	Profit and loss account: Reserve for own shares £m	Profit and loss account: Retained earnings £m	Total equity £m
Balance at 1 April 2015	12.2	12.8	(1.7)	(14.1)	26.9	36.1
Profit for the year	–	–	–	–	17.6	17.6
Other comprehensive income	–	–	0.9	–	(0.8)	0.1
Total comprehensive income	–	–	0.9	–	16.8	17.7
Share based payment transactions	–	–	–	–	0.9	0.9
Current tax on share based payment transactions	–	–	–	–	2.2	2.2
Deferred tax on share based payment transactions	–	–	–	–	0.5	0.5
Shares issued	0.2	–	–	(0.2)	–	–
Own shares acquired	–	–	–	(4.5)	–	(4.5)
Own shares disposed of on exercise of options	–	0.1	–	15.7	(15.8)	–
Dividends received	–	–	–	–	50.0	50.0
Balance at 31 March 2016	12.4	12.9	(0.8)	(3.1)	81.5	102.9
Balance at 1 April 2016	**12.4**	**12.9**	**(0.8)**	**(3.1)**	**81.5**	**102.9**
Profit for the year	**–**	**–**	**–**	**–**	**24.0**	**24.0**
Other comprehensive income	**–**	**–**	**0.7**	**–**	**–**	**0.7**
Total comprehensive income	**–**	**–**	**0.7**	**–**	**24.0**	**24.7**
Share based payment transactions	**–**	**–**	**–**	**–**	**0.9**	**0.9**
Current tax on share based payment transactions	**–**	**–**	**–**	**–**	**1.1**	**1.1**
Deferred tax on share based payment transactions	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Own shares acquired	**–**	**–**	**–**	**(0.1)**	**–**	**(0.1)**
Own shares disposed of on exercise of options	**–**	**–**	**–**	**2.7**	**(5.3)**	**(2.6)**
Dividends received	**–**	**–**	**–**	**–**	**1.5**	**1.5**
Dividends paid to shareholders	**–**	**–**	**–**	**–**	**(10.4)**	**(10.4)**
Balance at 31 March 2017	**12.4**	**12.9**	**(0.1)**	**(0.5)**	**93.2**	**117.9**

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under Section 408(4) *of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit* attributable to the Company is disclosed in the footnote to the Company's balance sheet.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments to fair value. The principal accounting policies adopted are the same as those set out in Note 1 to the consolidated financial statements except as noted below.

Investments

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indications that the carrying values may not be recoverable.

2. INVESTMENT IN SUBSIDIARIES

Shares in Group undertakings	**2017 £m**	2016 £m
Cost at beginning and end of year	**108.9**	108.9

A list of the subsidiaries of Wincanton plc is given in Note 11 to the consolidated financial statements.

3. DEBTORS

	2017 £m	2016 £m
Amounts owed by Group undertakings	**82.4**	54.8
Group tax relief receivable	**–**	1.5
Prepayments and accrued income	**0.8**	0.8
Deferred tax	**1.3**	1.4
	84.5	58.5

All debtors are due within one year, except prepayments and accrued income of £0.6m (2016: £0.5m).

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £m	2016 £m
Bank loans and overdrafts	**0.1**	20.1
Other financial liabilities	**0.1**	0.3
Accruals and deferred income	**12.6**	4.4
	12.8	24.8

Details of bank loans and overdrafts are given in Note 17 to the consolidated financial statements.

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

	2017 £m	2016 £m
Bank loans	**65.0**	55.0
Other financial liabilities	–	0.4
	65.0	55.4

Details of bank loans are given in Note 17 to the consolidated financial statements.

6. CAPITAL AND RESERVES

	10p Ordinary Shares	
Allotted, called up and fully paid	**2017 millions**	2016 millions
At 1 April	**123.7**	121.7
Issued during the year	–	2.0
In issue at 31 March	**123.7**	123.7

Details of the Company's own shares, held within an Employee Benefit Trust, are given in Note 20 to the consolidated financial statements. Details of the Company's equity compensation benefits are given in Note 24 to the consolidated financial statements.

During the year ended 31 March 2002, the Company established a Capital Redemption Reserve of £49,998 on redemption of redeemable preference shares.

As permitted by Section 408 (4) of the Companies Act 2006, the Company has not presented its own profit and loss account. The Directors' remuneration as disclosed in Note 4 to the consolidated financial statements is incurred by Wincanton plc. The Company has taken the exemption not to disclose non-audit fees incurred as these are included in Note 3 to the consolidated financial statements.

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2017 £m	2016 £m
Profit for the year	**24.0**	16.8
Dividends received	**1.5**	50.0
Dividends paid to shareholders	**(10.4)**	–
Other recognised gains and losses relating to the year	**0.7**	0.9
Current tax on share based payment transactions	**1.1**	2.2
Deferred tax on share based payment transactions	**(0.1)**	0.5
Share based payment transactions	**0.9**	0.9
Own shares acquired	**(0.1)**	(4.5)
Own shares disposed of on exercise of options	**(2.6)**	–
Net increase in shareholders' funds	**15.0**	66.8
Opening shareholders' funds	**102.9**	36.1
Closing shareholders' funds	**117.9**	102.9

AS REPORTED UNDER ADOPTED IFRS

	2017 £m	2016 £m	2015 £m	2014 restated[1] £m	2013 restated[2] £m
Revenue	**1,118.1**	1,147.4	1,107.4	1,098.0	1,086.8
Underlying operating profit[3]	**52.1**	50.9	49.7	48.0	45.3
Operating profit	**56.0**	81.4	43.2	57.3	38.0
Net financing costs	**(10.6)**	(15.6)	(18.3)	(22.4)	(24.0)
Underlying profit before tax[3]	**41.5**	35.3	31.4	25.6	21.3
Profit before tax	**45.4**	65.8	24.9	34.9	14.0
Underlying profit after tax for the year[3]	**34.0**	28.8	24.5	19.3	15.4
Underlying earnings per share[3]	**27.7p**	23.9p	21.1p	16.6p	13.3p
Basic earnings per share	**34.2p**	50.7p	16.6p	23.6p	8.7p
Dividend per share	**9.1p**	5.5p	–	–	–
Net debt	**(24.3)**	(39.5)	(57.6)	(64.9)	(107.6)

[1] Where applicable, amounts have been restated for the change in accounting for joint ventures.
[2] Where applicable, amounts have been restated for the adoption of IAS 19 Employee Benefits (Revised).
[3] Operating profit, and hence profit before and after tax are reported on an underlying basis, ie including, where applicable, share of results of associates but before amortisation of acquired intangibles, any impairment of goodwill and acquired intangibles, exceptionals, tax relating to these items and exceptional tax. Underlying earnings per share is calculated on the same basis.

FINANCIAL CALENDAR

Annual General Meeting	To be held on 29 June 2017 at the offices of Buchanan Communications, 107 Cheapside, London EC2V 6DN at 11am
Interim results for 2017/18	Interim announcement November 2017
Full year results for 2017/18	Preliminary announcement May 2018
Annual Report	Posted to shareholders in May 2018

Annual Report

Copies can be obtained from the Company's address below.

Shareholder enquiries

The Company's Registrar is Computershare. If you have any questions about your holding or wish to notify any change in your details, please contact the Registrar at:

Computershare Investor Services plc
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ
Telephone: 0370 702 0000.

Whenever you contact the Registrar, please quote the full name(s) in which your shares are held.

Dividends

Dividends are normally paid twice per year. The final dividend in respect of year ended 31 March 2017 will be payable, if approved, on 4 August 2017 to those shareholders on the register on 7 July 2017.

The Company encourages its shareholders to have dividends paid directly into their bank or building society account. To set this up for the shares you hold, you should contact the Registrar for a dividend mandate form.

Share dealing service

Wincanton shares may be dealt through the Company's brokers. If you would like further information, you may contact the brokers at: Corporate Broking, Numis Securities Ltd, the London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT. Telephone number 020 7260 1000. Alternatively please contact your bank, building society or stockbroker who will be able to assist you in dealing in your shares.

Share price quotation

The Company's share price is quoted via the Wincanton website, where it is regularly updated through the day.

Shareholders' enquiries

If you have an enquiry about the Company's business or about something affecting you as a shareholder (other than queries regarding shareholdings which are dealt with by Computershare) you are invited to contact the Company at the address below.

Unsolicited mail

The Company is obliged to make its Register available to other organisations. Shareholders wishing to limit the amount of unsolicited mail they may receive as a result should contact the Mailing Preference Service at:

DMA House, 70 Margaret Street, London W1W 8SS
or online at www.mpsonline.org.uk

Unsolicited investment advice

Shareholders are advised to be wary of unsolicited mail or telephone calls offering free advice, to buy shares at a discount or offering free company reports.

If you receive any unsolicited investment advice:

- make sure you confirm the correct name of the person and organisation
- check that they are properly authorised by the FCA by calling 0800 111 6768 or by visiting www.fca.org.uk/register, and then contacting the firm using the details on the register
- report the matter to the FCA either by calling 0800 111 6768 or visiting www.fca.org.uk/consumers
- report suspected fraud and internet crime to the police through Action Fraud, which you can contact on 0300 123 2040 or visiting www.actionfraud.police.uk
- if the calls persist, hang up
- inform Computershare's Compliance Department

If you deal with an unauthorised firm, you will not be eligible to receive payments under the Financial Services Compensation Scheme. If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

More detailed information on this or similar activity can be found on the FCA website www.fca.org.uk/consumers/scams

ShareGift

If you hold only a few shares and feel that it would be uneconomical or simply not worthwhile to sell them, you could consider donating your shares to charity through ShareGift (registered charity 1052686). Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK charities. To find out more visit www.sharegift.org or call 020 7930 3737. Alternatively contact the Company's Registrar who can help arrange the transfer of your shares.

Wincanton plc website

The Wincanton website at www.wincanton.co.uk provides news and information about the services offered by Wincanton as well as useful information for investors.

Forward-looking statements

These Annual Report and Accounts and Wincanton's website may contain certain 'forward-looking statements' with respect to Wincanton plc and the Group's financial condition, results of operations and business, and certain of Wincanton plc's and the Group's plans, objectives, goals and expectations with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates'. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates.

Any written or verbal forward-looking statements, made in our Annual Report and Accounts or on Wincanton's website or made subsequently, which are attributable to Wincanton plc or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date of our Annual Report and Accounts, or on the date the forward-looking statement is made. Wincanton plc does not intend to update any forward-looking statements.

BOARD OF DIRECTORS AND ADVISERS

Non-Executive Directors

Steve Marshall (Chairman)
Stewart Oades (Senior Independent Director)
Paul Dean
David Radcliffe
Martin Sawkins

Executive Directors

Adrian Colman (Chief Executive)
Tim Lawlor (Chief Financial Officer)

Secretary and registered office

A Dowling
Wincanton plc
Methuen Park
Chippenham
Wiltshire
SN14 0WT

Tel +44 (0)1249 71 00 00

Registered in England & Wales under No. 4178808

Auditors

KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Brokers

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Company's Legal Advisers

DWF
Registered office:
1 Scott Place
2 Hardman Street
Manchester
M3 3AA

Registered number: OC328794

Eversheds
Registered office:
1 Wood Street
London
EC2V 7WS

Registered number: OC304065

Clarks Legal
Registered office:
One Forbury Square
The Forbury
Reading
Berkshire
RG1 3EB

Registered number: OC308349

Clyde and Co
Registered office:
The St. Botolph Building
138 Houndsditch
London
EC3A 7AR

Registered number: OC326539

Share registrar

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

GLOSSARY

Term	Definition
3PL	Third party logistics provider
ADR	European Treaty on the international transport of hazardous substances on the road
AGM	Annual General Meeting
APMs	Alternative Performance Measures
BCP	Business Continuity Plan
Back to back leases	Leases which are fully underwritten by customers throughout the life of the lease and multi-user locations where mitigation is spread across a number of customers
Board	The Executive and Non-executive Directors of the Group as listed on pages 34 and 35
CDP	Leading international index of climate change and carbon management maturity for companies
CGU	Cash Generating Unit
CILT	Chartered Institute of Logistics and Transport
CMK	Collisions per million kilometres
Code	UK Corporate Governance Code
CRC	CRC Energy Efficiency Scheme (formerly known as the 'Carbon Reduction Commitment')
DTR	FCA's Disclosure Guidance and Transparency Rules
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBT	Employee Benefit Trust
EMT	Executive Management Team
EPS	Earnings Per Share
FCA	Financial Conduct Authority
FORS	Fleet Operator Recognition Scheme
FRS	Financial Reporting Standards
Group	Wincanton plc is a company incorporated in England and Wales with company number 4178808
HGV	Heavy Goods Vehicle
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
LGV	Large Goods Vehicle
Listing Rules	Financial Conduct Authority's Listing Rules
LTIFR	Lost Time Incident Frequency Rate
LTIP	Long Term Incentive Plan
Multichannel environment	A logistics supply chain from point of sale through to final delivery whether online or in store
Multimodel transport operations	Owned and managed vehicles as well as rail to deliver a flexible, safe and efficient service
NFC	National Fulfilment Centre
RMC	Risk Management Committee
SC21	Gold standard accreditation designed to increase the performance of suppliers and supply chains in the UK aerospace, security and defence industries
Scheme	Wincanton plc pension scheme
SIP	Share Incentive Plan
SOP	Special Option Plan
TSR	Total Shareholder Return
UKGAAP	UK Generally Accepted Accounting Practice
USPP	US Private Placement
W² Labs	The Group's business incubator program
WMS	Warehouse Management System

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Design and production
Radley Yeldar www.ry.com

Printing
CPI Colour

This report is printed on material, which is made from a mixture of recycled and virgin fibres, sourced from well managed forests according to the rules of the Forest Stewardship Council®.

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