


WE MAKE OUR CUSTOMERS' BUSINESS BETTER. EVERY DAY




ANNUAL REPORT AND ACCOUNTS 2016

90 years of delivery

WINCANTON 90 1925 2015 YEARS OF SERVICE

Delivering excellent customer service for 90 years

We started life delivering milk in 1925 and although we have never forgotten our heritage, and are still transporting milk daily, we now deliver so much more. Over the past 90 years we have entered new industry sectors, broadened our services and used technology to manage the increasing pace and complexity of the supply chain. Our people have consistently delivered and continue to strive to make our customers' business better, every day.

90 years of service

1925
Wincanton starts life as a subsidiary of West Surrey Central Dairy Company, which later became Cow & Gate.

1940s
The Milk Marketing Board (MMB) took on responsibility for all farm milk collections and contracted Wincanton Transport and Engineering to collect milk on their behalf for all UK dairies.

1960s
Legislation changes allow for heavier lorries to be used. Wincanton introduced the 'long tom' articulated vehicle capable of carrying 4,500 gallons of milk.

1970s
Wincanton diversifies into new market sectors, including petroleum, and develops new temperature controlled operations.

1990s
Wincanton merges with Unigate Chilled Distribution and enters the retail market through the acquisition of Glass Glover.

London Stock Exchange

Motor Transport Awards 2013 WINNER CUSTOMER CARE AWARD

Hermes RetailWeek SupplyChain AWARDS 2013 WINNER

WINCANTON 1925 90 2015 YEARS OF SERVICE

2001
Wincanton and UNIQ (formerly Unigate) demerge to form separate organisations.

Wincanton plc quoted on the London Stock Exchange.

2002 – 2010
Wincanton makes a number of acquisitions into new markets: Europe, containers, construction, defence and UK home delivery.

2012
Wincanton disposes of its Mainland European operations to focus on growth in its market leading UK&I business.

2013
Wincanton has an award winning year.

2015
Wincanton concentrates on core contract logistics activity with disposal of its records management business.

Wincanton wins Retail Week Supply Chain Award 'Team of the Year' in partnership with Screwfix.

Wincanton celebrates 90 years of service.

2016

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Delivering everyday excellence

Our customers rely on us to organise, store and move their goods as efficiently and effectively as possible. In a fast changing and competitive environment the supply chain is becoming increasingly complex and the need for the right expertise has never been greater.

We are focused on delivering operational excellence for our customers. In addition, we constantly seek opportunities to improve and innovate within the supply chain. Our people are key to this and are fundamental to our future success.

Key themes

A strong financial performance

2015/16 has seen further financial improvement as we have grown revenue, EBITDA, operating profit, profit before tax and earnings per share (EPS) and reduced debt. As a result we are recommending a final dividend for the current year.

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Our people

Wincanton's success is based on the quality, dedication and focus of our 17,500 people. In line with our vision, mission and values we are more focused on 'making our customers' business better. Every day'

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Improved focus

The sale of Wincanton Records Management (WRM) means that the Group is now focused on the UK and Ireland contract logistics markets. The Containers and Pullman operations have been brought closer to the core logistics business.

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Making good progress

"A KEY MILESTONE HAS BEEN THE BOARD'S RECOMMENDATION TO RESUME THE PAYMENT OF AN ANNUAL DIVIDEND, STARTING WITH A FINAL DIVIDEND THIS YEAR."

Steve Marshall
Chairman

Introduction

2015/16 proved to be a year of intense activity for Wincanton and also something of a milestone. The Records Management business (WRM), which lacked fit with the rest of the Group, was sold for an enterprise value of £60m, which represents an excellent return for shareholders. The Pullman business was stabilised and returned to profitability in the second half.

The Contract logistics business continued to grow revenues and profits in a market that remains highly competitive as our customers strive to make progress across a broad cross-section of changing markets.

Whatever the sector, rising customer expectations, unprecedented information transparency, the rapid evolution of multichannel and accelerating technological change all impose intense cost efficiency and responsiveness challenges on customers' supply chains, of which Wincanton is an integral part. Our role in meeting and exceeding our customers' needs and requirements have been achieved with the utmost proficiency.

A key milestone has been the Board's recommendation to resume the payment of an annual dividend, starting with a final dividend this year. Over the last four years, the Group has sought to simplify and concentrate on its UK contract logistics heartland, strengthen what was a heavily geared balance sheet and drive customer and operational focus. It is appropriate to record that shareholders have without exception been supportive and patient during this period.

This has enabled the Board to address Wincanton's priorities in the appropriate order and for the long term benefit of all stakeholders.

Results

Group revenues at £1.15bn were up by 3.6% on the prior year and by 4.4% excluding the WRM disposal from both years. Underlying operating profits were up by 2.4% from £49.7m to £50.9m and by 5.4% excluding WRM again from both years.

The Contract logistics business continued to grow revenues and profits materially during the year. Although the new business pipeline provided fewer large opportunities than in the prior year, the emphasis on existing customer account growth and renewal together with delivering cost efficiencies once again underwrote financial performance. Within Specialist businesses, profits were down, due to only a part year contribution from WRM prior to disposal and increased first half losses from Pullman, prior to the successful resolution of its two onerous customer contracts in the second half.

Underlying profit before tax was up 12.4% to £35.3m, reflecting lower financing costs due to reduced average net debt and last year's refinancing. Underlying earnings per share continued to advance, up by 13.3% to 23.9p.

The focus on strengthening the balance sheet continued. Net debt at the year end was down, from £57.6m in the prior year, to £39.5m. The net cash inflow from the WRM disposal plus the free cash flow generated within the year were in fact well in excess of this £18.1m reduction. These cash inflows were partly offset by a managed reduction in year end working capital movements which has resulted in a £37.3m reduction in our trade payables from last year. As a result of the reduced working capital volatility, average net debt and period end net debt will be more closely aligned in future.

The period end IAS 19 accounting deficit stood at £105.6m (gross of deferred tax), down from £144.2m in the prior year. However, the more meaningful actuarial deficit is significantly higher, and the Board continues to be focused on meeting the Group's ongoing obligations to this important stakeholder group.

People and the Board

There was a smooth transition of Adrian Colman into his new role of Chief Executive Officer, and I would like to thank the outgoing Chief Executive, Eric Born, for his contribution to Wincanton's recovery in his four years in the role. Following Adrian's promotion in August 2015, a search was conducted to appoint his replacement as Group Finance Director. It was a pleasure to welcome Tim Lawlor to the Board in that role, his appointment effective from the end of September 2015. Tim's extensive experience and his ready understanding of a demanding business to business contracting environment has already proved an asset. There were no other Board changes during the period.

Most importantly, the hard work and dedication of Wincanton's 17,500 employees should once again be recognised. The Board appreciates that their commitment to safely and enthusiastically meeting the needs of our customers remains one of Wincanton's key competitive advantages. We do not take it for granted.

Dividend

The Board is proposing a final dividend of 5.5p for 2015/16 payable in August 2016. It is anticipated that in future years, the interim and final dividend split will be broadly one-third / two-thirds.

The Board's intention is to adopt a progressive dividend policy, with annual dividend growth broadly matched to the growth in underlying earnings.

Outlook

The key themes that have been the hallmark of Wincanton's recovery phase over the last four years – the strong emphasis on contract renewal and customer retention, delivering internal and customer cost efficiencies, on operational and portfolio simplification and on generating free cash flow – will remain.

Importantly, the Group now has the financial capability to also support limited scale investments in skills and technology to both protect and grow the core contract logistics business for the longer term. This will be done progressively, and in bite size chunks, to avoid raising the Group's overall risk profile.

During the coming year, the Board expects Wincanton to make continued progress.

Steve Marshall
Chairman

Revenue
£1,147.4m
+3.6%
+4.4% (excluding WRM)

Underlying EBITDA
£65.4m
+2.0%
+5.3% (excluding WRM)

Underlying operating profit
£50.9m
+2.4%
+5.4% (excluding WRM)

Underlying operating profit margin
4.4%
-10bps

Underlying EPS
23.9p
+13.3%

Net debt
£39.5m
-31.4%

A diverse logistics business, focused on UK and Ireland

Consumers' expectations continue to evolve and to demand a range of ordering and fulfilment offerings from retailers. The impact of this is felt throughout the supply chain with retailers, manufacturers and suppliers adjusting their processes and outputs based on the expectations of the end consumers.

This results in an ever increasing need to focus on offering flexible, agile, cost-effective and scalable logistic solutions. We strive to understand the unique needs of our customers and their sectors in order to deliver innovative solutions more cost-efficiently than our competitors.

Contract logistics

Revenue

£979.2m

Underlying operating profit

£48.4m

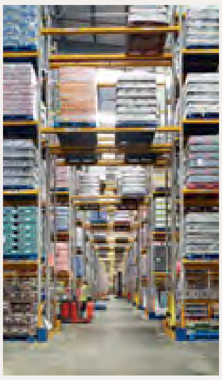
We provide contract logistics solutions to customers across a wide range of sectors and have leading positions in the retail, construction and defence markets. Our services extend from setting up and operating distribution services to bonded warehouses and technology hosting.

Services:

- Bonded warehousing
- Call centres
- Change management
- Co-packing
- Dedicated and shared user warehousing
- Home delivery solutions
- Multichannel fulfilment solutions
- Operational start-up services
- Returns management
- Road transport
- Supply chain consulting and system design
- Supply chain technology implementation and hosting

Market sectors:

- Construction
- Defence
- FMCG
- Fuel and energy
- Milk
- Retail stores, convenience, online and multichannel:
  - General merchandise
  - Grocery
  - Home and DIY



Employees*	Locations*	Vehicles responsible for*	Warehousing space*
17,500	200+	3,400	6.6m sqft

Our customers include:

- Argos
- ASDA
- BAE Systems
- British Sugar
- Britvic
- B&Q
- CEMEX
- GlaxoSmithKline
- H J Heinz
- Halfords
- Hope Construction Materials
- Howdens Joinery
- Ibstock
- Lafarge
- Loaf.com
- Lucozade Ribena Suntory
- Magnet
- Marks & Spencer
- Müller Milk and Ingredients (previously Dairy Crest)
- Nestlé
- Sainsbury's
- Screwfix
- Tesco
- The Co-op
- Waitrose
- Williams-Sonoma, Inc.

Specialist businesses

Revenue	Underlying operating profit
£168.2m	£2.5m

We have two remaining specialist businesses which add depth and expertise to our supply chain capability, enabling us to support customers across the breadth of their operations.

Containers

Our containers business includes road and rail transport and storage as well as specialist capabilities such as skeletal tail lifts that enable us to fill containers to reduce empty running. We work closely with shipping lines, freight forwarders, retailers and manufacturers, using our logistics expertise to maximise the potential of intermodal transport.

Pullman

The UK's leading independent vehicle repair and maintenance specialists, Pullman provides the expertise that keeps many of the country's commercial vehicle fleets on the road. It offers a 24/7 mobile service delivered by a UK wide network of experienced professionals.

Wincanton Records Management (WRM)*

WRM provides a blue-chip customer base with services including secure document and data storage, scanning, imaging, shredding and other ancillary office consumables. We sold our WRM business on 8 December 2015.

* WRM contribution is included in Specialist businesses up to the date of disposal and is excluded from the end of year figures for employees, locations, vehicles and warehouse space which are stated at a point in time. The nature of WRM's business required it to occupy multiple floors within properties to maximise accessible document storage space and therefore its removal reduces the year end numbers by 6.4m sqft.

Focusing on key goals to achieve growth

"THE SALE OF RECORDS MANAGEMENT IN LATE 2015 ENABLES US TO FOCUS PURELY ON THE CONTRACT LOGISTICS SKILLS AND SPECIALISMS OF THE GROUP IN ITS CORE UK AND IRELAND MARKETS."

Adrian Colman
Chief Executive Officer

Number of new colleagues welcomed to the Group

>1,900

Number of aspiring managers who participated in our in-house management and leadership development programmes

36

Employee engagement score

64%

Introduction

We have continued to deliver improved operating performance during the year and delivered both organic revenue and profit growth. A key part of the profit growth has been the return to stability and profitability of the Pullman business in the second half of this year. Furthermore, we have delivered a material reduction in the level of net debt following the disposal of Records Management (WRM) in late 2015. The sale of that business enables us to focus purely on the contract logistics skills and specialisms of the Group in its core UK and Ireland markets.

Financial performance

Group revenue grew by 3.6% to £1,147.4m in 2015/16 from £1,107.4m in 2014/15 and by 4.4% excluding WRM from both years. The continued focus on growing our business, delivering important projects for our customers, improving asset efficiency and strong cost control have resulted in a 2.4% increase in underlying operating profit, 5.4% excluding WRM. Underlying operating profit margin remained at a similar level at 4.4% (2015: 4.5%).

In addition, the continued focus on reducing debt levels in the business and the use of the sale proceeds from the disposal of the Records Management business to repay more expensive elements of our historic borrowings allowed us to reduce interest costs substantially this year. This contributed to the 12.4% increase in underlying profit before tax to £35.3m. The strong trading resiliency that the Group has demonstrated and the material reduction in net debt that has now been achieved have enabled the Group to reintroduce a dividend payment to shareholders this year.

This is an important step for all stakeholders in Wincanton signifying the completion of the recovery journey we have been on and the positive outlook that we believe the Group has for the future.

Our markets

The UK and Ireland marketplace in which we operate has been relatively stable and the economy overall has performed positively in the financial year ended 31 March 2016. We have seen a strong performance year over year in the volume of business with our retail customers in the household and home-related products sectors.

The retail marketplace continues to change rapidly with multichannel retail becoming increasingly important. We continue to see further growth opportunities for the Group in this area as a high proportion of multichannel logistics operations are still in their infancy compared to traditional logistics operations. Our scale, operational excellence, technology capabilities and innovation means we are well placed to partner with retailers to help them develop and outsource their multichannel logistics operations to a larger extent over the coming years.

The retail grocery marketplace remains a challenging environment for many of our customers due to the combination of the changing consumer habits and shopping profiles, deflationary pressures on goods and price competition from discounters. Our retail grocery portfolio has remained broadly stable, which is encouraging given the change happening in the industry and reflects our delivery of continued operational and financial performance for customers to help them meet the challenges they face in their marketplace.

The construction marketplace continues to perform well although the growth trend in the UK market has flattened off over the last year, as a number of decisions on projects have been delayed in part due to macro-economic uncertainty over the future outlook for the UK economy.

Other markets in which we operate, such as defence, fuels and bulk foods, have remained stable over the course of the year and are forecast to remain resilient. We continue to look for opportunities in these markets to leverage our strong existing credentials.

Strategic update

We have undertaken a wide-ranging review of our operations and strategic aims during the year. This review has confirmed that the primary markets we serve and the geographical regions in which we operate remain attractive and our strategic focus should continue in these areas. Additionally our business performance will continue to be driven by:

- Delivering improvements for our customers in our existing operations and retaining existing contracts
- Improving 'share of wallet' with our existing customers and focusing on cross-selling of our services
- Acquiring new customers through improved prospecting process and innovative service propositions
- Driving ongoing cost reductions and cash generation

From the review process we have recognised that the key to our future success requires a stronger emphasis on:

- Placing the customer even closer to the heart of our organisation
- Key major growth markets and opportunities in retail, consumer products and construction
- Developing more innovative propositions and solutions which harness the creativity of Wincanton and its ability to bring collaborative benefits to our customers

Strategic progress in the year ended 31 March 2016

In the year ended 31 March 2016, we made the following significant progress against our strategic aims and objectives:

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

The Group delivered another good performance in renewing contracts with long-standing customers such as HJ Heinz and Müller Milk and Ingredients (previously Dairy Crest) during the period, built on the foundation of operational excellence, reliability and dependability over the long term. These renewals extended our relationships with these valued customers to 24 and 25 years respectively. As with any contracting business not all business is retained and the wins noted above were balanced by certain contracts we exited or which were not renewed during the year. These included contracts such as the onerous Pullman home shopping contracts and the Morrisons convenience grocery distribution activity following the disposal of their convenience stores.

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

We have focused our teams on building strong relationships with customers to ensure we understand their needs and the opportunities where we can help add value to their businesses. New business wins included the entire warehousing operations for one of the UK's leading home and DIY retailers, B&Q, where not only was our service proposition and excellent record of transition key to the customer's decision to award, our commercial offer was also innovative and compelling.

Acquiring new customers through improved prospecting process and innovative service propositions

We were delighted to be awarded the transportation services contract with cycling and motoring specialist Halfords and have created a strong partnership approach with them in our first year of operations. As well as taking over an existing central operation we have also established a network of out bases utilising available space in both our own sites and those we operate for other customers. This type of collaboration brings financial and operational efficiencies to both the customers involved and ourselves.

Other notable wins in the year included bulk sugar transportation for British Sugar. During the year, we demonstrated our innovative and flexible approach with the delivery of a number of short term but significant projects for customers including a 'pop up' seasonal peak operation for Amazon which provided a flexible solution to their need to meet volume growth by intelligently utilising space within our warehouse network. This demonstrated Wincanton's skill at achieving fast start-up operations for customers and our ability to create a 'plug and play' solution that delivers robust operating performance from day one.

Driving ongoing cost reductions and cash generation

We maintained our underlying operating margin reporting 4.4% in 2015/16 (2015: 4.5%). 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 over year trend of reducing the level of closing net debt to £39.5m (2015: £57.6m) and the average level of net debt to £108m (2015: £136m), as a result of the continued focus on cash generation, improved year round working capital management plus the impact of the Records Management disposal proceeds of £55.7m.

Future focus

We will look to bring greater focus to deliver our growth aspirations and will make some adjustments to the operational structure of the business by integrating the two remaining Specialist businesses, Containers and Pullman, within Contract logistics. Both of these businesses have a high level of customer overlap with Contract logistics customers and we will ensure that there is a single point of customer relationship accountability in the future.

In future we will manage and report the business under two segments as follows:

- Retail & Consumer – Our existing retail business will work more closely with our consumer products business to ensure that we bring the thought-leadership and collaboration opportunities to customers vertically through the entire supply chain from producer to retailer. From a service proposition perspective we will seek to build on the substantial existing multichannel operations that we run for customers and will continue to broaden our offering in the e-fulfilment arena to meet the change in consumer shopping habits.
- Industrial & Transport – This segment will seek to maximise the opportunity for delivering value to our customers from an integrated and optimised transport operation. The Containers business will form part of this integrated transport operation. The Pullman business will also sit within this segment as a provider of transport and fleet services.

Our people

Our people are core to the great operational delivery that Wincanton excels at, working to make our customers' business better every day. I would like to thank them for their dedication and performance during the year. In the year we welcomed more than 1,900 new colleagues, primarily from the new B&Q and Halfords operations, who transferred to us as part of new business won in the year. Our experience and expertise in the transfer and induction of large numbers of employees, whilst maintaining service delivery and quality in the operation, is a key strength of Wincanton and we seek to make these new colleagues quickly feel part of the Group and engaged to deliver a high level of performance for our customers.

In partnership with our customer Screwfix, the Wincanton team has been awarded the accolade of 'Supply Chain Team of the Year' at the Retail Week's annual Supply Chain Awards. This leading industry award comes as a result of both businesses and their people working together to increase innovation, sustainability and efficiency for Screwfix customers.

The health and safety of our colleagues is of the highest importance and the Group has continued to reduce the number of reported incidents that occurred in operations during the last year. We believe we are industry leading in our approach and results and this is a great credit to the determination of the entire Wincanton team to deliver a safe working environment for all colleagues.

During the year, we have maintained our focus on driver resourcing and the resiliency this programme underpins in our business is a real strength of the Group as a proposition to customers. We source drivers from as wide a pool as possible, conduct and support driver training and licence acquisition and do all that we can to ensure we retain our driving talent by recognising their skills through such events as the Wincanton Driver of the Year competition. This competition is a year long programme that culminates with a final day of competition of driving skills, last year at Silverstone circuit, celebrating the skills and capabilities of our driver population.

Developing our people is a high priority for the Group and the Wincanton Academy is now an established part of our development programmes, allowing high-performing colleagues to grow their skills and expertise around customer excellence, leadership and commercial finance. Our Accelerate and Get Ahead schemes for aspiring managers saw 36 colleagues participate. Developing a pipeline of talent is crucial for the maintenance of existing activities and driving the delivery of our ambitious growth targets. As part of this drive we are also focused on ensuring we maximise the opportunities for colleagues irrespective of background or gender and evidence of this success is that almost half of the delegates on our talent programmes are female.

As a founding member of the NOVUS Trust initiative the business is working with the Chartered Institute of Logistics and Transport to provide a pipeline of future talent and we believe this investment will help to ensure both the long term prosperity and also future sustainability of not only our business but also the wider logistics industry. This year we have offered places to graduates from the NOVUS backed degree programme from Huddersfield University to join the Group.

Summary

As a reflection of the progress the business has made in recent years we are especially pleased that we are reintroducing dividend payments with a proposed final dividend for the year of 5.5p payable to shareholders in August 2016. This is anticipated to be the start of a progressive dividend policy with annual growth broadly matched to the growth in underlying earnings of the business in future years. The reinstatement of the dividend marks the start of the next phase for Wincanton following the completion of the recovery and transformation programme over the last five years. We believe that the business is now on a strong foundation focused on its core activity, having reduced debt and onerous lease obligations. It now has the capacity to make investments for future growth as well as to meet the needs of its key stakeholders. Furthermore, we believe the Group is well positioned, with a strong track record of profitable growth to make further progress for the benefit of shareholders and all other stakeholders including the pension scheme, our customers and all colleagues. We look forward to the future with confidence.

How we measure our performance

Revenue

£1,147.4m
+3.6%
+4.4% (excluding WRM)

2016	1,147.4
2015	1,107.4
2014[1]	1,098.0

Underlying EBITDA

£65.4m
+2.0%
+5.3% (excluding WRM)

2016	65.4
2015	64.1
2014	63.4

Underlying operating profit

£50.9m
+2.4%
+5.4% (excluding WRM)

2016	50.9
2015	49.7
2014	48.0

Underlying operating profit margin

4.4%
-10bps

2016	4.4
2015	4.5
2014	4.4

Underlying EPS

23.9p
+13.3%

2016	23.9
2015	21.1
2014	16.6

Net debt

£39.5m
-31.4%

2016	39.5
2015	57.6
2014	64.9

1 Amounts have been restated for the change in accounting for joint ventures.

Key contract wins and renewals

This year featured a number of significant contract wins and renewals, including:

- B&Q appointed Wincanton to manage its national distribution network, taking over the management of all six of B&Q's distribution centres. In addition, B&Q also awarded a contract extension for all of its kitchen, bedroom and tiles (KBT) deliveries across mainland UK. Wincanton has supported B&Q's Midland region for the last three years and was awarded the national transport and final mile contract delivery for mainland UK. These new and extended partnerships will drive cost-efficiency and provide the highest standards of customer service across the whole distribution network.
- British Sugar awarded a new transport contract to Wincanton. We have taken responsibility for transporting approximately 275,000 tonnes of packed sugar a year to locations across the UK.
- Halfords appointed Wincanton as the sole operator of its national transport, managing more than 80 vehicles to distribute the retailer's goods across the UK.
- Hope Construction Materials have renewed their current bulk transport contract along with the inclusion of additional bagged cement volumes to support a new site in the South East. This extended partnership will put customer service and supply chain efficiency at the heart of the operation.
- Müller Milk and Ingredients (previously Dairy Crest) renewed its distribution contract for a further three years, bringing our relationship with them to 25 years.

WE MAKE OUR CUSTOMERS' BUSINESS BETTER. EVERY DAY

Companies are increasingly looking for efficient logistics to move their goods around the country and respond to changes in the marketplace. Over the following pages we look at some of the key drivers and trends and explain what we are doing to help our customers, which in turn will help us to grow our business.

WE MAKE OUR CUSTOMERS' BUSINESS BETTER.
EVERY DAY BY

FOCUSING ON OUR PEOPLE

When many people think of Wincanton they think of the thousands of drivers carrying out deliveries up and down the country, but behind the scenes are thousands more, supporting, innovating and transforming supply chains every single day.

Here at Wincanton, we take pride in how we work together. After all, if we want to work in partnership with our customers we have to demonstrate faultless teamwork ourselves.

It is this approach that we think sets Wincanton apart. At the heart of our business are our people.

Besides delivering operational excellence, our people are constantly identifying and implementing improvements and innovations for our business and our customers' businesses. In the last year we have successfully managed site expansion plans, systems migrations, new technology installations along with many continuous improvement actions which together make a big difference.

To achieve excellence we make sure our people are experts in their fields. Nurturing talent is vital. Wincanton works hard to develop skills across the business, encouraging our colleagues to forge ahead with their careers. For example, as a part of our leadership development programme, aspiring general managers will develop and present improvement ideas for the business. These range from new ways of working to efficiency improvements but they consistently draw on the skills of our people and their focus on our customers.

Whether it's apprenticeships, on-the-job learning through the Wincanton Academy or our partnership with a leading academic research body The Novus Trust, with this training and education we are constantly pushing the boundaries on how best to create a leaner, more agile supply chain.

Central to this is the open and positive working culture we embrace at Wincanton. We carry out an annual staff engagement survey, which is closely scrutinised to develop a series of actions to work on the following year.

Through this we have seen the difference first hand that small changes can make. What might seem like a minor adjustment to a particular process, when amplified across the business delivers at a large scale. Similarly five minutes out can unlock the knowledge and experience within our teams, not just building relationships but triggering new ideas for change.

It's the same for the UK supply chain. We know there is a huge opportunity to achieve more in terms of sustainability, efficiency and the economy. By working together, we can create a safe and sustainable environment for all, fostering talent and nurturing growth.

WE MAKE OUR CUSTOMERS' BUSINESS BETTER.
EVERY DAY BY

DRIVING SUCCESS

Our drivers play a key role in delivering excellent service to our customers and to end consumers. They are highly-skilled professionals, who display focus and determination every working day to keep our customers' business moving whatever the weather.

We know that our drivers are among the best in the business and they are in high demand, not least because of the high standards of customer service and everyday excellence they deliver.

As a whole, however, our industry is in the midst of an acute driver shortage. According to figures from the Freight Transport Association, over the past 10 years the number of LGV drivers has decreased by 12.5%, and the logistics sector currently needs to recruit around 50,000 extra LGV drivers.

The problem is compounded by the fact that the majority of drivers across the logistics industry are over the age of 45. With a quarter of the 600,000 HGV-licensed drivers in the UK due to retire in the next decade, this becomes an ever more pressing concern. Our experienced, older drivers are a key part of our make-up, but as they retire the gap needs to be filled.

The challenge is one we are meeting head on, with a series of initiatives to recruit new drivers. Not only are we reaching out to drivers via traditional routes but we are increasingly using other channels such as social media to attract new recruits. We are also working to promote driving as a career, offering a career path from the warehouse to the 'cab' for colleagues keen to progress. We are reaching out to schools and colleges to showcase the work we do and taking the conversation to influential stakeholders in government, the media and elsewhere.

Driving is a highly-skilled, rewarding profession, but suffers from outdated stereotypes. To combat this we are spreading the word that it's time to look again at driving as a career.

Our initiatives have resulted in a 75% increase in new drivers during the year.

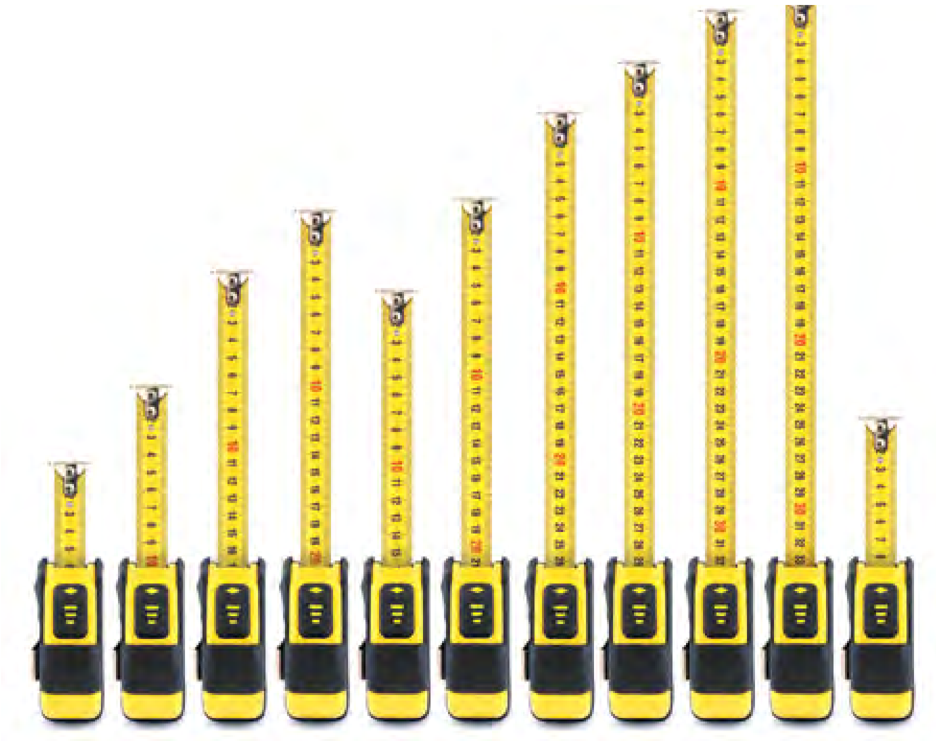
Wincanton is also proactive in retaining its talent, by ensuring our drivers are happy in their work and are given every opportunity to continue to develop. Our STAR driver training programme is designed to enhance drivers' skill and ability. We use a sophisticated risk-based analysis to ensure targeted individual development.

Wincanton's commitment to safety and driver training culminates in our annual Driver of the Year competition which showcases the professionalism and skills of our drivers. From over 1,000 applicants, 28 competed in the final and three winners were rewarded for their skills, dedication and focus.

Through the work Wincanton is doing, many are beginning to recognise the vital role drivers play not just for us but for the wider UK economy.

WE MAKE OUR CUSTOMERS' BUSINESS BETTER.
EVERY DAY BY

MANAGING PEAKS IN DEMAND



We know what it takes to deliver safely and on time for our customers every single day. However, no two days are alike and each of the sectors we work in experiences peaks in demand at different times, often for different reasons.

Take retail as an example, which is increasingly using holidays to entice and excite shoppers, both online and in-store.

The traditional Christmas peak has now widened to include Black Friday and Cyber Monday bringing orders in earlier but also driving these orders over hours rather than days. With many goods coming from overseas the Christmas peak in our ports and warehouses also comes much earlier.

To cope with the rush we re-assign drivers and vehicles from our construction operations, which experiences lower demand in the run-up to Christmas, and redeploy them to support our retail operations. We also work closely with a number of the UK's best known retailers to provide additional staff for their warehouse and pop-up operations during this crucial time.

Retail has other peaks throughout the year. Easter is best known for chocolate, but it is also the time of year when homeowners up and down the country start on their annual DIY projects. With spring in the air, this year we helped a major paint manufacturer shift tens of thousands of tins over the Easter period delivering a welcome spot of colour to their sales.

While these events are predictable others are far more fickle. Extending the example, all retailers need to adapt quickly to the weather; a sunny bank holiday forecast will see demand for BBQ food and t-shirts soaring within hours. There are similar peaks, albeit for different reasons, in other sectors Wincanton works in such as construction and fuels.

Herein lies our strength, we are adept at deploying our skills to meet each peak head on.

With 90 years' experience, Wincanton is constantly thinking ahead to make the best use of the assets we have and ensure our customers can make the most of every opportunity.

WE MAKE OUR CUSTOMERS' BUSINESS BETTER. EVERY DAY BY

SUPPORTING OUR ECONOMY

From bricks and mortar to bread and milk, from toys and bikes to screws and drills Wincanton delivers up and down the country, 24 hours a day, 7 days a week, 52 weeks a year.

As the largest British logistics business, we are at the forefront of an industry that supports every facet of the UK economy. We know the supply chain is critical to every business's success, now more than ever.

Fortunately we are part of a forward thinking industry. According to Deloitte, 70% of companies will use developments such as predictive analytics and wearable technology to support their supply chains by 2020.

The Queen, in her annual speech, unveiled the Government's plans to introduce legislation to reduce red tape around new technology that would enable autonomous driving. The Modern Transport Bill will put the UK at the forefront of safe technologies in the autonomous vehicles industry, such as drones, cars and lorries, and will be key in ensuring that appropriate insurance is available to support the use of autonomous and driverless vehicles. Whilst this technology is in an early stage it will transform the supply chain and Wincanton will look to maximise the benefits of these new technologies.

More immediate opportunities include increased automation, particularly within warehouses and e-fulfilment operations. Our transformation teams have successfully implemented numerous projects this year to automate product handling, speed up picking times and improve traceability and accuracy.

While technology has huge potential for increased efficiency, the greatest opportunity for immediate change lies in closer collaboration. By sharing loads and reducing empty running even between competitors we can cut fuel costs, speed up delivery times and raise the bar on sustainability. As we enter our 10th decade, Wincanton is uniquely placed to enable these relationships to develop.

We continue to innovate and adopt these new developments to stay at the forefront of our industry and to provide lasting benefits for our customers.

Rising to the challenges

We embrace the challenges of an evolving industry, which continues to be driven in part by the recovering economy and strengthening consumer confidence.

Our aim is to continue delivering consistent high standards across our business to provide our customers with the edge that they need to be successful, while internally focusing on new ways to improve and innovate our services and offerings to remain competitive.

Main drivers for outsourcing

Outsourcing is a proven route to enhanced business performance for many sectors of the economy. For logistics operations, outsourcing increases competitiveness and promotes growth because it:

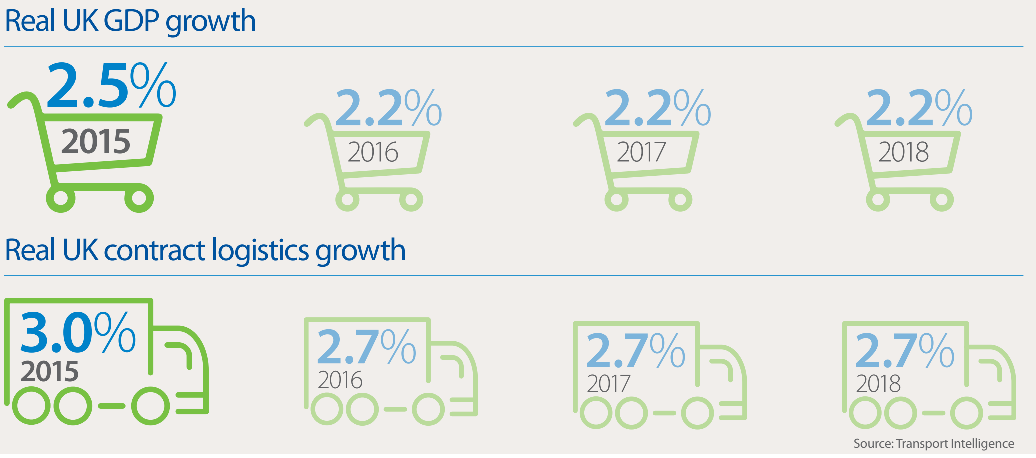
- Allows companies to focus on their core areas of expertise
- Delivers efficiencies, better productivity and reduced costs through the use of specialist providers
- Enables customers to offer newer, faster and improved levels of service
- Provides access to a wide range of specialist expertise not available in-house

A resilient market

Market growth forecasts

Contract logistics growth continues to show resilience, and is forecast to continue to grow at a stronger rate than overall GDP, proving that there is continued appetite for smarter solutions and collaborative relationships between customers and third party logistics providers:

The logistics market has consistently grown above the rate of growth of Gross Domestic Product (GDP) demonstrating the resilience of the industry. Current forecasts predict this will continue.



UK contract logistics growth has slowed slightly from the previous year, but has remained at a solid 3%. In real terms contract logistics performance within the retail environment is proving to be the stronger area, growing at 4.3%, it was industrial production growth that appeared to be weaker throughout the period, at just 1%.

The slight slowdown in terms of growth, albeit still positive, has been reflected in the latest UK Logistics Confidence Index (H2 2015), where 26% of respondents believed that business conditions were slightly less positive at the end of the year than they were during the first half.

The impact of the forthcoming referendum on Europe may have an effect on some markets.

Confident consumers

UK consumer confidence saw year on year improvement throughout 2015 (compared to 2014 where the measure remained negative for the large majority of the year) as the country looked to stabilise following what has been a difficult financial time, almost without exception, right across Europe. The fluctuation in these scores highlights that things remain fragile in terms of consumer confidence with regards to 'making major purchases', however the overall increase in confidence has remained a positive driving force throughout the last year.

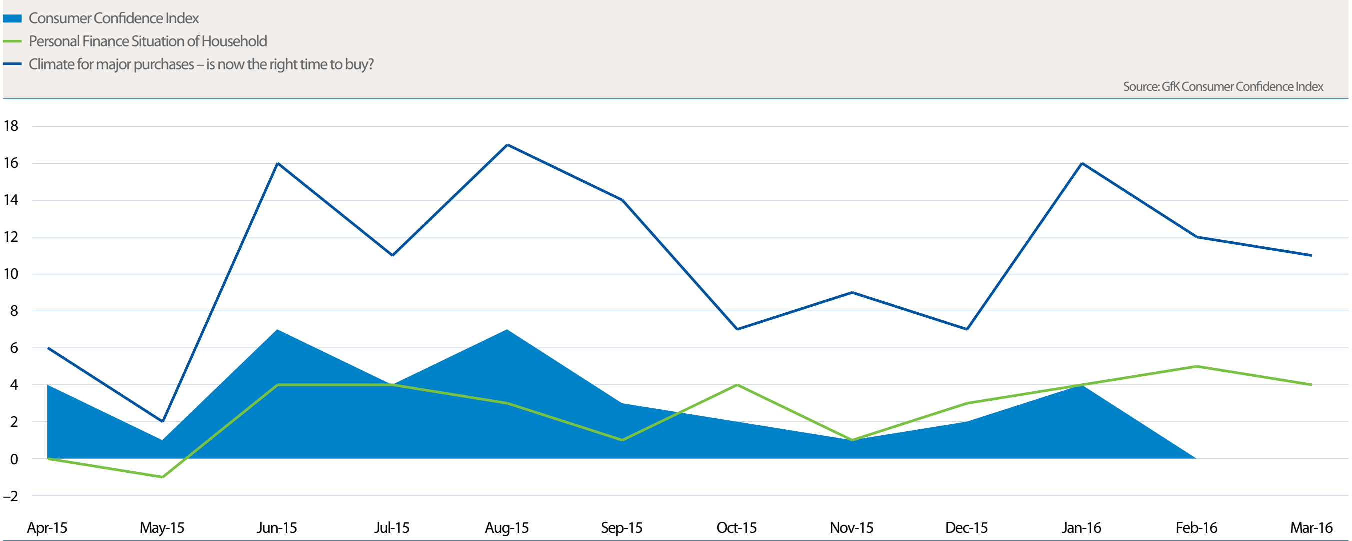
This increase in consumer confidence has given the retail environment a boost, allowing it to have a busy year, with the usual key trading milestones now underpinned with the additional promotional days, Black Friday and Cyber Monday. However, customers remain focused on service and price leading to a competitive marketplace.

The multichannel and online retail influence on bricks and mortar operations continues to be closely monitored; in general the high street is still managing to maintain buoyant trade, but with online retailing going from strength-to-strength it will remain under pressure. Supply chain models are now constantly evolving in order to optimise and accommodate the changes in consumer buying behaviour. The growth in multichannel retailing remains an exciting challenge.

Consumers have also continued to make larger purchases, something that can be seen in the growth of house sales in the year. This is also positive for other sectors that we service including the construction industry, which according to the Construction Trade Survey, was buoyant throughout the financial year, with consecutive growth throughout. This was seen across the sector from building product manufacturers upward to large contractors.

Europe and the UK in particular, has been a hotbed of merger and acquisition activity (with the likes of XPO's acquisition of Norbert Dentressangle). In recent times there have been a considerable number of competitor collaborations, which in itself is accountable for changing the dynamics of the industry. As the fragmented logistics marketplace becomes more and more competitive there is a growing emphasis on maintaining and renewing existing customer contracts. The outcome of this is a general review of operations, investment in more innovative solutions and stronger focus on customer relationships and account management.

Consumer confidence



How we create value

As supply chain experts we are focused on improving our customers' operations whether this is service levels, customer satisfaction, 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

Skilled knowledge and expertise of our people

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

Flexible warehouse facilities

Actively managed portfolio of Wincanton and customer locations from dedicated to shared user.

Multimodal transport options

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

Proven technology and logistics systems

Integrated systems providing our customers with visibility and control.

WHAT WE DO

We solve our customers' problems through our people and our innovative ideas.

As experts in our field we work with our customers to help them to achieve their goals and solve their challenges. We can design and evaluate transport networks and find the solutions that balance costs with service. We can create and build high density, automated warehouses or high volume pick and pack e-commerce operations.

However it does not stop there. Our IT teams can specify and deploy warehouse management solutions, manage them in-life and migrate them to alternative systems. Our HR team can transfer employees (in line with TUPE legislation), handle large workforces, build effective teams and develop employees.

Open book operations

59%

In open book contracts, we typically receive a management fee plus revenues equal to our operating costs for providing outsourced supply chain activities, with the ability to earn additional fees by meeting certain operational or financial targets.

We usually operate properties and vehicles for customers on their behalf. Alternatively, we may take on these properties and vehicles, provided there is no risk exposure at the end of the contract. In the same way, we aim to minimise any employee-related liabilities at the contract end. This means that while open book contracts provide relatively modest margins, they do not involve substantial business risk.

Our property team can source warehouses across the UK and Ireland, manage leases and seek collaborative opportunities to maximise space. Our innovation team implement leading edge technology and drive continuous improvement initiatives with over 700 Lean Six Sigma trained specialists.

All of this comes together in the solutions that we design, implement and run for our customers. From the initial concepts through to the implementation, our project teams are formed to create a compelling solution pulling from operational experts across Wincanton. Our approach ensures that what we design will work in practice.

Closed book operations

41%

Closed book operations see us retaining the principal financial opportunity along with manageable and controllable risks. Customers maintain the risks outside of our control (eg fuel costs). We seek to make higher margins across our closed book operations within the limits of a competitive market.

THE VALUE WE CREATE

Customer focused delivery

Whether delivering to a depot, store or end consumer our aim is to provide a leading customer experience.

More efficient supply chains

Through improving service, reducing waste and maximising capacity across all aspects of the supply chain.

A safer environment for all

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

Sustainable operations

CO_2

Through driving reductions in our emissions via investment, awareness, training and recognition.

Shareholder value

Rigorous management of our business, our costs and our risks.

Working responsibly

Our people

Our people are at the core of our business. Whether they are delivering day to day operational excellence, driving business transformation or working together to deliver Group-wide projects; we develop, involve and engage our people to ensure they are fully informed and motivated. We believe this makes a difference in everything they do.

We are particularly proud that 20% of our workforce has over 10 years service, testament to an engaging working environment.

Diversity

We employ over 17,500 people across the UK and Ireland. We are committed to the creation and support of a truly diverse and equal working environment with opportunities for all. This is reflected clearly within our policies and processes.

In an industry where gender balance is unequal we are engaged in a number of activities, such as focused recruitment and development, to ensure that we address this imbalance and promote equal opportunities. We are delighted that one of our female warehouse team managers was selected as a finalist for the FTA Everywoman in Transport and Logistics annual awards.

Developing our people

At the heart of our employment strategy is the attraction, development and retention of talented individuals. We believe this is critical to our success. The Wincanton Academy, our bespoke approach to learning and development, supports capability development throughout the Group to create high-performing teams and deliver business success. The Academy provides tailored, business-relevant learning and development solutions, to deliver value to individuals, the organisation and our customers. Our aim is to ensure a robust internal talent pipeline which meets the evolving needs of the business and provides clear career paths for all our colleagues.

Our training and development incorporates blended learning such as work-based projects, customer interaction and engagement, and experiential learning. Since the inception of the Academy in 2012/13, our unique learning approaches have delivered cost savings and efficiencies in excess of £3.5m and an enviable internal promotion rate of approximately 75%. We are incredibly proud that our talent programmes have seen increased gender diversity, from 11% female delegates in 2013, to 44% in 2016.

Engaging with our people

Colleague engagement levels, as measured by our 'Your Voice' survey, remain strong. We're proud to have improved our best in class levels of participation, achieving an 80% response rate, an improvement of 4% on the previous year. The results have enabled the development of targeted and robust action plans at both Group and local level, with colleague participation being central to their continued success. This includes our Senior Visibility programme with 24 of our senior managers visiting multiple sites across the UK to improve engagement with our colleagues.

These activities re-enforce our vision, mission and values which we launched in early 2015. The collaborative approach, inclusive communications process and subsequent follow-up have ensured that our vision, mission and values have been brought to life and quickly embedded in our culture. Further local and Group level activities are constantly being developed and implemented which has maintained the energy and enthusiasm generated by the successful launch.

Our vision, mission and values are now embedded into our culture following a successful rollout and continued activities

Response rate of our engagement survey 'Your Voice'

80%

Employees promoted internally through the Wincanton Academy

75%

Lost Time Incident Frequency Rate (LTIFR)

0.71*

Valuing our drivers

As a result of the well publicised national driver shortage in the UK, we remain acutely focused and committed to our driver population, as a critical asset of our business. This is demonstrated by our activities during the year on resourcing, health and well-being, and training and development, plus focused actions in response to colleague feedback from the last 'Your Voice' engagement survey. The approach that we have taken has seen targeted solutions implemented which have been tailored for specific requirements and have resulted in a 75% increase in our new starters over the past 12 months. We have embedded long term partnerships with a number of external bodies to establish a sustained driver resource pipeline and continue to support colleague training to deliver internal succession.

Offering graduate opportunities

Our talent strategy is clearly focused on the attraction of high calibre employees into the Group, and offering appropriate and challenging career opportunities within logistics.

As part of our wider commitment to the attraction of talent into the logistics industry, we are one of the founding members of the award winning NOVUS Trust initiative, a not for profit organisation operating under the umbrella of, and managed by, the Chartered Institute of Logistics and Transport (CILT). NOVUS is working in partnership with Huddersfield University to develop and supply high calibre, commercially astute graduates into the logistics industry, thereby creating a pipeline of talent for the future.

Health and Safety

Safety continues to be a top priority within the Group. We have built on our performance and equalled our best ever result achieving a Lost Time Incident Frequency Rate (LTIFR) of 0.71*. Our targets are industry leading and focus on continuous sustainable improvement.

As we have driven our safety culture forward, the engagement from colleagues in the business has grown with an increase in hazard reporting and colleagues feeling empowered to drive safety at site level.

The focus on drivers has been crucial and the development of a driver programme to target key areas of improvement has been completed.

Compliance remains high, as are the basic safety standards across the Group. Audits are completed on a risk basis with the operations that need additional focus receiving this through the safety team.

We have focused throughout the year on improving management information to analyse trends to drive performance. The primary measure has remained LTIFR with a strong emphasis on Total Incident Frequency Rate (TIFR) with the ultimate goal being to move down the safety triangle and further address causes.

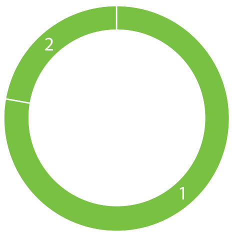
* Number of LTIs per 100,000 hours worked.

Birds Triangle
Commonly used safety graphic demonstrating the frequency of events until a single conclusion

Winners of Wincanton's Driver of the Year 2015

Wincanton's commitment to safety and driver training techniques culminates in its annual Driver of Year competition

Emissions from managed supplies tonnes CO_2e



1	Transport (Scope 1)	78%
2	Non-transport (Scope 1, 2)	22%

CDP disclosure score

The Group has been submitting fully collated data to the CDP (formerly the Carbon Disclosure Project) for the past five years. The CDP is the leading international index of climate change and carbon management maturity for companies. Since 2011, our CDP disclosure score has risen significantly from 56% to 95% currently.

CDP disclosure score

95%

2015	95%
2014	83%
2013	75%
2012	70%
2011	56%

Environmental principles

Wincanton uses its environmental principles to guide the Group in identifying and managing the impact of its operations on the environment. These principles are set out below:

1 Integrate

We will integrate environmental considerations into key business decisions.

2 Develop

We will develop progressive products and services that help our customers improve their environmental performance.

3 Management systems

We will ensure operational excellence and legal compliance through the operation of environmental management systems and the provision of training for employees.

4 Measure

We will monitor, measure and continuously improve our environmental performance.

5 Communicate

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

6 Carbon emissions

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

7 Resources

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

8 Waste

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

9 Pollution

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

10 Communication

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

Environmental strategy

During 2015/16, the Group updated its environment strategy to identify an action plan designed to deliver the Group's goal of "a safe and sustainable environment for all". Execution of the action plan will continue to build our reputation for delivering environmentally sustainable logistics through a focus on operational excellence and innovative product leadership.

For our customers we know that a well managed supply chain plays a key role in mitigating their impact on the environment. The Group therefore has an important part to play in helping customers achieve their wider environmental goals. The Group supports customers by identifying efficiencies, promoting collaborative working and by offering significant expertise and experience in managing environmentally sustainable logistics.

Greenhouse gas (carbon) emissions

The Group recognises continuous improvement and operational excellence is enhanced by robust environmental governance and management systems.

The environmental management system we operate is certified to ISO14001 and responsibility for our environment programme sits with the Group HSE Committee. The Committee is chaired by the Group HSE Director and attended by members of the Executive Management Team.

The Group's reporting system measures performance on a monthly basis for a range of indicators. This gives business sectors visibility of environmental parameters and allows improvement and corrective action project planning.

The Group prepares its carbon emissions information in line with the guidance provided by the Carbon Disclosure Standards Board (CDSB) Framework 1.1. Emissions categorisation and organisational boundaries are as per the GHG Protocol Corporate Standard for operational control. Carbon Factors are as per Defra/DECC conversion factors for company reporting 2015 with both electricity generation and distribution emissions being included in the scope 2 emissions.

We currently 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 the Group. The sources of emissions include road transport fuels; fuels for non-road transport uses; energy utilities for buildings and fuel for business travel in Group driven vehicles. The Group has also included its consumption of refrigerant fluorinated gases as a scope 1 emission and has not excluded any emissions sources on the basis of any Group defined materiality threshold.

The Group is 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.

The Group complied with the UK Energy Saving Opportunities Scheme's (ESOS) original deadline of 5 December 2015 and has utilised the costed energy saving measures identified to inform internal environmental target setting for the period to 2020. In this way we have tried to derive full value from compliance with the ESOS legislation.

Reducing the carbon intensity ratio

The Group sets internal targets for carbon emissions reduction, which are absolute in nature and encourage us to decouple emissions performance from business performance. Changes in business activity do affect emissions however, so we utilise a 'carbon intensity' measure to optimise the carbon efficiency of our operations wherever possible.

The Group defines its carbon intensity as total scope 1 and 2 carbon emissions from managed supplies per unit of revenue.

Wincanton's carbon intensity ratio for the year ended 31 March 2016 was 340 tonnes of carbon dioxide equivalent (tCO_2e) per £m of revenue. This is down from previous year because, whilst we have seen revenue growth, our carbon emissions are unchanged, thereby reducing our overall carbon intensity.

See the summary results table provided:

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

External reporting and recognition

Carbon Trust Standard

The Group continues to hold the Carbon Trust Standard, against which we have been certified since 2010. We expect to re-certify during 2016/17.

Retail Week Supply Chain Awards

Screwfix, in partnership with the Group, were awarded the accolade of 'Supply Chain Team of the Year' at Retail Week's annual Supply Chain Awards. The award comes as a result of the businesses working in partnership to improve innovation, sustainability and efficiency for Screwfix's customers.

A strong operating and financial platform

"IN THE LIGHT OF CONTINUED IMPROVEMENT IN REDUCING THE GROUP'S NET DEBT FOLLOWING THE DISPOSAL OF WRM THE BOARD HAS PROPOSED A DIVIDEND."

Tim Lawlor
Chief Financial Officer

Performance summary

	2016 £m	2015 £m
Revenue	**1,147.4**	1,107.4
Underlying EBITDA	**65.4**	64.1
Underlying operating profit	**50.9**	49.7
Underlying operating margin (%)	**4.4%**	4.5%
Net financing costs	**(15.6)**	(18.3)
Underlying profit before tax	**35.3**	31.4
Amortisation of acquired intangibles	**(4.5)**	(6.5)
Exceptionals	**35.0**	–
Profit before tax	**65.8**	24.9
Profit after tax	**61.1**	19.3
Underlying EPS (p)	**23.9p**	21.1p
Dividend per share	**5.5p**	–
Closing net debt	**(39.5)**	(57.6)

In the year ended 31 March 2016, Wincanton reported revenue of £1,147.4m (2015: £1,107.4m), which represents a year on year increase of 3.6% (4.4% excluding WRM from both years). A strong performance on new business wins and additional volumes in particular with retail general merchandise customers plus higher volumes in construction were partially offset by the impact from contract exits and losses and the disposal of the Records Management business part way through the year.

Underlying operating profit grew by 2.4% to £50.9m (2015: £49.7m), providing an underlying operating margin of 4.4% marginally down from 4.5% in the prior year. Excluding the profits of the disposed Records Management business, underlying operating profit was £48.7m, up 5.4% from £46.2m in 2015, with margins consistent at 4.3%.

Net financing costs were £15.6m (2015: £18.3m), £2.7m lower year on year. Financing charges consist of interest payable on loans and finance leases of £9.9m (2015: £11.0m) and £5.7m of non-cash items (2015: £7.3m) in relation to pension financing charges and the unwinding of discounts on provisions.

Amortisation of acquired intangibles of £4.5m are £2.0m lower than the prior year as balances relating to the acquired containers businesses were fully amortised at the end of March 2015.

On 4 November 2015, the Group announced the disposal of the Records Management business, for an enterprise value of £60m, on a cash and debt free basis, and resulting in a pre-tax exceptional gain of £32.4m as set out below.

Profit on disposal of Records Management:

	£m
Enterprise value	60.0
Tax and working capital adjustments	(4.3)
	55.7
Assets disposed of:	
Tangible fixed assets	(16.4)
Stock	(0.2)
Debtors	(0.6)
	(17.2)
Transaction and other associated costs	(6.1)
Profit on disposal	32.4

The cash proceeds of £55.7m received is after the deduction for retained working capital of £2.4m and certain tax costs of £1.9m. Proceeds have been used primarily to reduce the Group's M&G fixed interest debt. In addition, a further deficit recovery payment of £7m has been made to the Wincanton Pension Scheme.

In addition to the gain on sale, exceptionals include a £2.6m credit arising from a release of warranty balances established on the sale of the European operations in 2012.

Tax in the year was a charge of £4.7m compared with £5.6m in the prior year, a reduction due to the fall in the tax rate together with the utilisation of brought forward losses. Underlying earnings per share of 23.9p increased by 13.3% from 21.1p in the prior year reflecting the improved operating profit and the lower net financing and underlying tax charges year over year. Basic earnings per share was 50.7p compared with 16.6p in 2014/15, the increase also reflecting the exceptionals and lower amortisation charges.

Construction

According to the UK Government the number of starts and completions on new build homes continued to rise to the highest levels since the 2008 recession. Figures released in November 2015 showed that the total number of new homes in the country rose by 25% over 2014 to 2015.

Trading

	2016 £m			2015 £m		
	Contract logistics	**Specialist businesses**	**Total**	Contract logistics	Specialist businesses	Total
Revenue	**979.2**	**168.2**	**1,147.4**	928.8	178.6	1,107.4
Underlying operating profit	**48.4**	**2.5**	**50.9**	44.8	4.9	49.7
Margin (%)	**4.9%**	**1.5%**	**4.4%**	4.8%	2.7%	4.5%

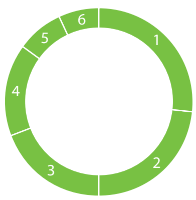
The Group's internal management structure in the year to 31 March 2016 aligned the Group under two sectors; Contract logistics, which is a provider of supply chain logistics solutions and services and Specialist businesses consisting of Containers, Wincanton Records Management and Pullman. This structure has been constant in both years to 31 March 2016 and hence the segments disclosure remains unchanged. Following the disposal of Records Management and the resultant reduction in the size of the Specialist businesses segment, the Group has reviewed its operational and reporting structure. With effect from 1 April 2016, the Group has reorganised its operations into two operating segments, Retail & Consumer and Industrial & Transport. Reporting will be aligned with this structure and from 1 April 2016, the segment information disclosed will reflect this change.

Contract logistics

The Contract logistics business reported revenues of £979.2m in the year, a 5.4% year on year increase compared with the £928.8m reported in the year to 31 March 2015. The contractual split of this segment between open and closed book remains relatively constant at 69% open book (2015: 67%).

Contract logistics
2015/16

£979.2m



1 Retail general merchandise	£261.5m
2 Retail grocery	£229.8m
3 FMCG	£188.1m
4 Construction	£153.1m
5 Tankers and bulk	£80.0m
6 Other	£66.7m

The split of Contract logistics revenue by sub sector is as follows:

	2016 £m	2015 £m
Construction	**153.1**	135.2
FMCG	**188.1**	179.7
Retail grocery	**229.8**	237.4
Retail general merchandise	**261.5**	221.2
Tankers and bulk	**80.0**	94.6
Other	**66.7**	60.7
	979.2	928.8

The revenue increase was driven primarily by strong volumes and new business wins in the retail general merchandise and construction sectors, together with good volume performance in the FMCG sector.

The business successfully concluded a number of important renewals and extensions of services with key customers in the year. New business wins in the retail general merchandise sector included a five-year contract to operate B&Q's distribution centres, a three-year agreement for transport logistics with Halfords and the expansion of our services for B&Q to include home delivery services for their Kitchens, Bedrooms and Tiles products. Additionally, in the defence business the Group extended the breadth and length of its contract with BAE Systems where it manages goods inspection, storage and packing, and transportation services into their Military Air and Information division.

The Group also successfully renewed business with long-standing customers such as HJ Heinz and Müller Milk and Ingredients (previously Dairy Crest) during the period, taking our relationship with these valued customers to over 24 and 25 years respectively.

In a contracting business such as Wincanton inevitably the new business growth has been partially offset by contract losses and exits due to changes in customer requirements or transfers to alternative providers. During the period, these included the cessation of activity with Morrisons in the third quarter following the announcement of the sale of their convenience store network. In both tankers and retail grocery revenue has been lower in the period due to reduced volumes and the in-sourcing of a contract in each sector.

Underlying operating profit for the year was £48.4m, up 8.0% on the £44.8m reported last year.

Specialist businesses

The Specialist businesses segment of the Group comprises Wincanton container logistics, Wincanton Records Management up to the date of its disposal, and the vehicle maintenance and repair business, Pullman.

These Specialist businesses operate almost entirely under a closed book model. Whilst the three activities are identifiable sub sectors, and for information the revenue split is given in the table below, these have been managed as one segment.

	2016 £m	2015 £m
Containers	**79.7**	81.0
Pullman	**73.6**	75.2
Records Management*	**14.9**	22.4
	168.2	178.6

* Disposed of with effect from 8 December 2015.

Revenue for this segment was £168.2m, 5.8% down on the previous year of £178.6m. Underlying operating margin fell to 1.5% (2015: 2.7%) and underlying operating profit reduced to £2.5m (2015: £4.9m). As previously highlighted, the reduction in both margin and operating profit in the sector are attributable to the disposal of Records Management and the losses suffered in the Pullman business, primarily due to two loss making contracts in its home shopping operation. During the year, Pullman continued its recovery plan which included the introduction of a new management team, successful exit from the two loss making contracts and commencement of a turnaround of other underperforming elements of the Pullman business. As a result of the progress, Pullman's trading returned to profitability in the second half of the year. Furthermore, the final months of operation and exit from the onerous home shopping contracts were managed better than expected and the losses on these two contracts through to closure were lower in the second half than anticipated.

Retail

Throughout December 2015, total online sales rose 12.1% year on year as consumer purchasing behaviour continues to advance, with average weekly online sales reaching a record high of £1.1bn.

(Source: Retail Economics).

The Container transport market continues to be competitive but it presents a number of opportunities for the business, in particular in growing with customers serviced in the Contract logistics segment.

Records Management produced a strong organic growth performance up to the date of disposal.

Net financing costs

	2016 £m	2015 £m
Bank interest payable on loans/leases	**10.1**	11.2
Interest receivable	**(0.2)**	(0.2)
Net interest payable	**9.9**	11.0
Discounts unwinding re provisions	**1.3**	2.3
Pension financing item	**4.4**	5.0
Net financing costs	**15.6**	18.3

Financing costs, related to the Group's debt, of £10.1m reduced by £1.1m compared to the prior year charge of £11.2m, principally due to the lower average debt in the year which was £28m lower at £108m (2015: £136m) and following the repayment of £50m of the M&G debt in the final quarter of the year. The non-cash financing items total £5.7m (2015: £7.3m) and comprise the discounts unwinding on the Group's long term provisions for onerous property leases and insurance claims plus the pensions financing charge in respect of the defined benefit deficit.

Taxation

The tax charge of £4.7m (2015: £5.6m) reflects an effective tax rate on underlying profits of 18.4% (2015: 22.0%). This reduction is a result of the drop in the main UK corporation tax rate from 21% to 20% and from 20% to 18% in respect of the deferred tax rate, together with utilisation of brought forward losses recognised in the period. This has resulted in an effective tax rate slightly below the standard UK rate for the current year, as compared to marginally above in the prior year. The factors influencing the effective tax rate in 2015/16 are expected to remain reasonably constant, resulting in an effective tax rate continuing slightly below the headline UK rate for the foreseeable future.

The Group paid cash tax in the current year of £3.1m, lower by £1.1m compared to the prior year payment of £4.2m, primarily as the Group received a refund of overpaid tax of £1.8m in respect of finalisation of prior year tax returns. 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. This is expected to continue going forward.

The total deferred tax asset carried forward at 31 March 2016 has reduced to £22.8m (2015: £30.3m), primarily as a result of the reduction in the pension deficit and the deferred tax asset thereon.

Profit after tax, earnings per share and dividend

The profit after tax reported for the Group for the year of £61.1m compares to £19.3m in the prior year.

These retained earnings translate to a basic earnings per share of 50.7p (2015: 16.6p), the year on year increase primarily driven by the exceptional gain on the disposal of Records Management recognised in the year. As set out in note 7 the Group reports an alternative, underlying earnings per share figure, excluding the impact of amortisation of acquired intangibles and the exceptional gain, which has increased year on year by 13.3% to 23.9p from 21.1p.

Dividends

In light of the continued improvement in the Group's net debt position and the Board's confidence in the Group's strategy, the Board has proposed a final dividend of 5.5p. In setting the dividend the Board has considered a range of factors, including the Group's strategy (including downside sensitivities), the current and projected level of distributable reserves and projected cash flows.

In future years, the Board expects to show progressive dividend growth broadly matched with growth in underlying earnings. We expect that the interim and final dividend split will be broadly one-third / two-thirds.

FMCG

The packaged goods industry is driving demand for smarter solutions around areas such as automation, co-packing, and collaboration. There is a shared goal to reduce costs whilst maintaining optimised service levels, which is driving innovation across the sector.

Financial position

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

	2016 £m	2015 £m
Non-current assets	**148.5**	185.4
Net current liabilities (ex net debt)	**(150.9)**	(203.2)
Non-current liabilities (ex net debt/pension deficit)	**(36.8)**	(42.1)
Net debt	**(39.5)**	(57.6)
Pensions deficit (gross of deferred tax)	**(105.6)**	(144.2)
Net liabilities	**(184.3)**	(261.7)

The movement in the year of £77.4m is principally due to retained profit for the year of £61.1m following the Records Management disposal. In addition, the remeasurement in the pension deficit, net of deferred tax, is a small gain of £16.0m which is attributable to the higher discount rate prevailing at 31 March 2016, offset by a fall in the market value of assets held by the Scheme.

Financing and covenants

The Group's committed facilities at the year end were £215m and the headroom in these committed facilities to reported net debt at 31 March 2016 was £176m (2015: £242m). 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.

The Group's facilities comprise the following: the main bank facility of £170m which amortises by £10m in June 2016 and each year thereafter until it matures in June 2019; £25m from the Prudential/M&G UK Companies Financing Fund LP, which matures in January 2022, after four equal repayments commencing in January 2019; and the balance of the US Private Placement debt of £20m which matures in November 2016. It is expected that the US Private Placement debt will be redeemed from cash generated in the year and other existing facilities.

During the year, the Group fully repaid the maturing element of its US Private Placement debt of £34m and repaid £50m of the Prudential/M&G UK Companies Financing Fund LP, the latter using proceeds from the disposal of Records Management.

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, £45m 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 2016
Adjusted net debt: EBITDA	<2.75:1	1.07
Interest cover	>3.5:1	7.7
Fixed charge cover	>1.4:1	2.4

Net debt and cash flows

Group net debt at the year end was £39.5m (2015: £57.6m), representing a net cash inflow in the year of £18.1m. This inflow reflects cash generated from operations offset by the settlement of a number of significant onerous lease liabilities in the second half. The cash proceeds from the Records Management disposal of £55.7m, less the pension scheme contribution and other payments, have reduced the absolute level of debt in the second half, although this is partly offset in the closing reported debt position by a managed reduction in working capital movements at the year end, with an associated reduction in trade payables of £37.3m from last year. The Group's average level of net debt during the year was reduced by £28m from £136m in 2014/15 to £108m in 2015/16 from the cash generation of the business and, in part, the disposal proceeds received in late 2015. Going forward our reported year end closing net debt will be more aligned to our reported average net debt as we lower intra-period volatility of cash and working capital and closing net debt will be a good proxy for the overall indebtedness of the Group.

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

	2016 £m	2015 £m
Underlying operating profit	**50.9**	49.7
Depreciation and amortisation	**14.5**	14.4
EBITDA	**65.4**	64.1
Net capital expenditure	**(6.0)**	(9.7)
Net financing costs	**(9.1)**	(12.6)
Pension deficit payment	**(20.9)**	(14.4)
Disposal of WRM	**55.7**	–
Onerous leases	**(7.7)**	(12.1)
Working capital movement	**(51.8)**	(1.6)
Tax/other	**(7.5)**	(6.4)
Total	**18.1**	7.3

Included in the net financing cost outflows last year was £2.6m of arrangement fees payable in respect of the new refinancing facility agreed and the latest tranche of the M&G facility fee (£nil for 2015/16). The amount of cash interest paid, excluding fees, of £8.5m reduced significantly in the year reflecting the lower level of average net debt compared to the prior year. The average borrowing rate on debt including all fees, but excluding the non-cash items of discounts unwinding and pension financing charges, is 8.3% (7.3% in 2014/15) this has increased year on year due to the fixed fee element forming a larger proportion of the overall financing costs.

Net capital expenditure totalled £6.0m (2015: £9.7m). The year on year reduction is driven by the increase in receipts from sales of end of contract assets in the year of £4.4m (2015: £0.5m). Gross capital spend of £10.4m in the year was in line with prior years (2015: £10.3m) with key projects including £1.3m for specialist vehicles for construction, £1.0m for racking and other fit out in Records Management sites prior to sale and lastly £3.4m on the Group's information systems infrastructure.

The cash outflows in respect of the onerous lease liabilities in the year ended 31 March 2016 were £7.7m, a £4.4m reduction compared to the prior year of £12.1m. This is in line with the previously expressed view that the Group's cash exposure to these onerous leases will fall materially over time. During the year the Group successfully secured a number of agreements to exit from certain properties and to settle remaining dilapidations discussions. In the coming year to 31 March 2017, and subsequent years, the cash outflows in respect of onerous property leases are forecast to continue to reduce.

The working capital outflow of £(51.8)m compared to prior year outflow of £(1.6)m reflects the reduced scope of year end working capital movements.

The Group also acquired £4.5m of its own shares (2015: £nil) in order to satisfy extant share awards.

Pensions

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

Defined benefit arrangements

The Wincanton plc Pension Scheme (the Scheme), which closed its defined benefit sections to future accrual on 31 March 2014, had an IAS 19 deficit of £105.6m (2015: £144.2m) (£86.6m net of deferred tax) at the year end. The deficit has reduced due to a reduction in liabilities, resulting from an increase in the discount rate and contributions received from the Group, being partly offset by a fall in the market value of the investments. The discount rate has increased to 3.5% compared with the prior year of 3.25%. Each 0.1% movement in the rate impacts the liabilities of the Scheme by 1.9%, currently some £19.0m.

The triennial valuation as at 31 March 2014 was finalised with the Trustee in April 2015, with a technical provision basis deficit agreed of £195m. The additional cash contribution made in the current year to fund the deficit was £14.5m as agreed in the latest valuation. Certain administration costs have been paid directly by the Group and in line with the agreement with the Trustee, deducted from these contributions. Going forward the payment profile agreed with the Trustee increases the deficit recovery payment by RPI each year through the recovery period to September 2024. In addition, following the disposal of Records Management an additional payment of £7.0m of deficit recovery contribution was made to the Scheme in the year.

The approximate membership data split by key categories is as follows:

	2016	2015
Deferred	**8,525**	8,720
Pensioners	**7,125**	7,130
	15,650	15,850

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 2015/16 with changes to both the return-seeking and matching portfolios. A trigger mechanism is being used to reduce the return-seeking asset allocation as the funding level improves and at 31 March 2016 the target allocation is 51:49 return-seeking to matching (2015: 51:49). During the year both the overall market and the funding level have been impacted by the continuing low interest rate environment, albeit partially offset by investment performance. As part of the de-risking strategy the Trustee, in conjunction with the Company, has put in place liability hedging arrangements in the year covering c. 38% (2015: c. 35%) of the interest rate and inflation exposure of the Scheme.

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 15,437 (2015: 14,317) in the year. The income charge incurred for these arrangements totals £18.1m (2015: £16.3m).

Principal risks and uncertainties

Principal risks and uncertainties

This report, incorporated within the Strategic Report, sets out how the Group manages its key principal risks and uncertainties by explaining the controls and risk management system. The Group has determined its key principal risks as those risks that the Group considers material and which 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 has designed and embedded a risk management system to identify and monitor current and potential risks and uncertainties relevant to the Group and the markets it operates within, and then seeks to eliminate or reduce these to the lowest extent possible to protect the business, its people and customers, and support delivery of its strategy.

The risk management system is intended to mitigate and reduce risk to the lowest extent possible, but cannot eliminate all risks to the Group and its businesses. The Group's risk management system and controls can only provide reasonable and not absolute assurance against material misstatement or loss.

Operational oversight and application of risk management in the Group is the responsibility of the Executive Management Team (EMT). Independent oversight and monitoring is undertaken by the Board's Audit Committee, comprised of independent non-executive Directors. Both the EMT and Audit Committee have risk as a rolling agenda item at their respective meetings to ensure sufficient time and consideration is allocated to deliberation of the effectiveness of risk management and the swift resolution of any areas that could be further strengthened.

The internal risk and control environment is subject to Internal Auditor review throughout the year, and their findings are reported to the Audit Committee. The Audit Committee makes recommendations to the Board or determines, within the remit of its authority, 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. Acting within authority delegated by the Board, the Audit Committee has oversight responsibility for the Group's risk management and internal control environment. The EMT has operational responsibility for the application and effectiveness of the risk management processes.

The Board believes that the risk management system provides it with 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.

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: the Risk Management Committee; risk registers; and control risk self-assessment.

1. Risk Management Committee

The Risk Management Committee (RMC) is an internal working committee set up to undertake second level assurance. The RMC maintains an up-to-date view on the current and prospective risks relevant to the Group and its macro environment, monitors the effectiveness of the control environment, and makes improvements to controls and processes to achieve the Group's target risk appetite and reduce risks to the lowest level of acceptability.

The Committee makes reports to the EMT and the Audit Committee on activities under its remit, provides assurance, and escalates matters or makes recommendations, if appropriate. The RMC meets seven times per year and comprises senior operational and functional leadership to ensure representation of the significant risk areas within the Group; to provide collective oversight of the whole Group; and to influence and embed risk management behaviours and implement change and control enhancements.

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

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

2. Risk registers

An annual assessment of the key risks of the Group, on an individual business unit, support function and Group basis, is undertaken.

Following comprehensive risk assessment, an appropriate response to mitigate each risk is determined. The mitigation response will depend upon the impact and likelihood assessment and, for example, may include a control action or insurance arrangement. The risk mitigation response is intended to materially reduce either the likelihood of the risk occurring or the impact on the Group if the risk occurred, or both.

During the year the RMC undertook a thorough and comprehensive risk review project and interrogated the risk environment and profile of the business and Group from a 'grass root up' and 'top down' basis. The outcome of the review was a refreshment of the approach and design of the risk registers, determination of target risk scores, and clarification of the Group's current principal risks and risk appetite for each. The refreshed risk registers were endorsed by the EMT and then approved by the Audit Committee. The Audit Committee were satisfied a comprehensive and thorough refreshment process had been undertaken.

3. Control risk self-assessment

The Group operates a control risk self-assessment programme (CRSA) which requires, on an annual basis, all business sites to complete a self-assessment on the application and effectiveness of controls and processes at site level. The completed reviews are submitted to Internal Audit who then follow up if any issues of concern have been raised by: incorporating areas for further investigation into the scope of their Internal Audit assignments; and notifying the RMC of any issues or remedial actions that need to be addressed and completed. Internal Audit report on the outcome of all submitted CRSAs to each Audit Committee meeting throughout the year.

Business continuity planning

The Group has detailed business continuity plans (BCPs) in place for all sites to ensure an immediate and appropriate response to a business continuity issue or disaster scenario. During the year under review, the Group successfully completed its IT disaster recovery migration for certain business critical applications and services to a new data centre. A rolling review of the quality and testing of all BCPs is undertaken by a central team and is monitored by the RMC and through the CRSA process.

Whistleblowing

The Group has in place a Whistleblowing Policy, which all employees and other defined individuals are required to adhere to, and is open to suppliers and customers to use if they wish to report any concerns. The Whistleblowing Policy sets out the ethical standards expected of all persons the policy legally applies to and includes the procedure for raising concerns in strict confidence. Employees are encouraged to first talk to their line manager if they feel able to do so or contact the central HR team directly. However, in circumstances when this is not possible or appropriate to do so the Group has provided an independent, external Whistleblowing hotline, via Expolink, for the reporting of any matters of concern on a named or anonymous basis. All reports are treated in strict confidence and investigations are overseen by the Company Secretary, or, if they are not available, the Head of Internal Audit, to ensure a thorough, fair and transparent process is undertaken and any actions addressed. The Whistleblowing register is monitored and regularly reviewed by the Audit Committee at its meetings.

All persons that follow the correct procedure and raise genuine concerns in good faith about actual or suspected wrongdoing have full protection from any reprisal, criticism or discrimination.

Principal risks of the Group

The Group's risk register identifies the significant and principal risks that face the Group as a whole, which include, but are not limited to, risks that are principally managed directly at Group level.

Summarised below are the key risks, not in order of significance, that have been identified and which could have a material impact on the Group's reputation, operations or financial performance in the year ended 31 March 2016 or future years. A number of other risks also encompass social and ethical issues.

	Risk	Mitigation
Health, safety and environment of our people	The Group's operations take place in a diverse range of operating environments. These operations require ongoing monitoring and management of health and safety risks in order to ensure a safe working environment for our colleagues and others we engage with. A failure to manage these risks properly could result in injury to colleagues or others and therefore could also give rise to significant potential impacts to Group reputational relationships, operations, and other potential liabilities.	The Group maintains detailed health and safety procedures and processes which are managed by a team of dedicated health and safety professionals. The team focus on developing behaviours which identify situations that could lead to accidents as well as supporting and advising operational management and running a rolling programme of site Health, Safety and Environmental reviews and audits. Extensive reporting of incidents and 'near misses' help to identify specific areas for focus.
IS infrastructure, solutions and security	The Group is highly dependent on the provision of a high quality IS infrastructure and solutions to its customers and operations. This is essential to the smooth running of the business as well as that of its customers where we operate key systems such as warehouse management and transport planning.	The Group completes regular reviews and updates the IS strategy to ensure a programme of phased refreshment, prioritises areas for development and enhancement, and ensures adequate disaster recovery processes and procedures are in place. The Group maintains an extensive IS team to develop solutions and maintain the stability and security of the infrastructure. The IS team also includes change experts working with appropriate project management methodologies.
Strategic market position and ongoing commercial operations	The Group provides services in competitive, challenging and complex markets, with large and sophisticated customers. The Group therefore faces into challenging commercial pressures in the logistics industry to maintain acceptable levels of revenue and margin from existing customers, win new business, minimise any contract losses, build and maintain customer relationships, and maximise the utilisation of assets.	To manage this area of risk the Group closely monitors its operational performance to maintain the consistent high level required by customers. In addition, the Group employs a high quality business development team to work alongside the businesses and identify opportunities in the third party logistics market, to strengthen and communicate Wincanton's brand, and present propositions for new and innovative solutions to the market. The business management and leadership team manage ongoing customer relationships and contract renewal processes within the Group's defined frameworks.
Recruitment and retention of our people	The inability to recruit and retain management and employees, including drivers, that have the skills, competencies, values and behaviours needed to operate and grow the Group.	The Group has a strong human resources capability to monitor and maintain a high standard of recruitment and regular appraisal process, based on key competencies. There is a dedicated team to support the business and management in developing a talent pool for succession within the Group. A targeted driver recruitment and retention strategy was developed and embedded during the year and has achieved significant results. However, this remains an industry challenge and therefore the strategy continues to be monitored closely in order to maintain driver levels.

	Risk	Mitigation
Pension deficit	The level of, and contribution levels required to eliminate, the Group's Pension Scheme deficit are subject to external market conditions, the performance of the financial markets and the regulatory environment. Significant movements in those markets or changes to regulations could alter the value of the deficit and require materially higher cash contributions from the Group, a change to the payment period, or industry regulator intervention.	At 31 March 2014 the Group closed the defined benefit pension arrangements to future accrual to eliminate the build-up of further risk. The Group maintain a strong working relationship with the Trustee of the Pension Scheme and the Trustee closely monitors and engages with the Company on fund performance and the investment strategy. Both engage high quality internal and external advisers, including fund managers, actuaries, legal and audit firms, to support and inform decision making. The Pension Scheme has increased the level of hedging of its liabilities to mitigate interest rate and inflation risk.
Legal and regulatory compliance	The Group acts within jurisdictions, markets and sectors which are highly regulated or covered by significant legislation.	The Group employs internal and external subject matter experts, supported by legal counsel, to set the highest standards in policies, document retention and record keeping and monitor application of controls including risk-based testing programmes. The Group maintains programmes of training to ensure legal compliance, operational efficiencies and to minimise mistakes. Applicable legislation and regulation relevant to the Group are diligently tracked and monitored and any changes reflected in policies and controls within required timescales. Compliance with contractual and commercial arrangements are monitored and reported to the EMT on a regular basis. IS management processes are used to ensure system access controls operate and to monitor use and control of systems, property and data.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code 2014, the Directors have assessed the viability of the Group over a three year period to 31 March 2019, taking into account the Group's current position and the potential financial and operational impact of the principal risks documented on pages 32 and 33 of the Annual Report, 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 have determined that a three year period to 31 March 2019 is an appropriate period over which to provide its Viability Statement. This is the period reviewed by the Board in our annual planning process, and for which forecasting assumptions are used. We believe that this presents the Board and readers of the Annual Report and Accounts with a reasonable degree of confidence over the longer term outlook.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet liabilities as they fall due over the period to 31 March 2019.

This statement was approved by the Board on 8 June 2016.

Alison Dowling
Company Secretary

Board of Directors

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 Group Holdings Ltd, 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 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 and a member of its governing Council.

Adrian Colman

Chief Executive Officer

Nomination Committee member

Adrian was appointed Chief Executive Officer on 1 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.

Tim Lawlor

Chief Financial Officer

Tim Lawlor joined Wincanton on 28 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. Until December 2015 he was a non-executive Director and Audit Committee Chairman of the Institute of Directors. Prior to Serco, Tim was Group Financial Controller at Sea Containers Limited. Tim is a chartered accountant.

Stewart Oades

Senior Independent Director

Member of the Audit Committee, Nomination Committee and Remuneration Committee

Stewart became a non-executive Director of Wincanton on 1 November 2014 and was appointed as the Senior Independent Director on 17 July 2015. Stewart is currently a non-executive director of Palmer & Harvey and LCV Hire Solutions and Chairman of Dalepak Ltd. He was formerly a non-executive director of MW Brands until March 2016 and also held the positions of President of the Freight Transport Association (FTA) for four years until 2013, and non-executive director of Clipper Group plc until 2011. Prior to these he was Chief Executive of Christian Salvesen plc and held a number of senior posts at Exel plc.

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 on 1 February 2015 and was appointed Chairman of the Audit Committee on 17 July 2015. He is currently a non-executive director and Audit Committee Chairman of Focusrite plc, Porvair plc and Polypipe plc, and the Senior Independent Director of Porvair plc and Polypipe plc. Paul is a Trustee and director of two charities, Beanstalk and The Oxford Trust. Prior to these appointments he held the position of Group Finance Director at Ultra Electronics Holdings plc and Foseco plc. Paul is a Chartered Management Accountant.

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 held the position of Group HR Director of Rentokil Initial plc until 31 December 2015. Martin has operated within a plc and private equity environment. He was previously 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.

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 where David has spent most of his career.

Chairman’s introduction to Governance

The Board considers good corporate governance is fundamental to ensure that the Group is run in a successful, responsible and sustainable way. All reports in this Governance section in respect of the year ended 31 March 2016 are intended to assist our stakeholders understand our approach to governance and how we apply governance in everything we do.

The Governance section includes reports from the Chairmen of the Audit and Nomination Committees. The report of the Remuneration Committee Chairman is included in the Directors’ Remuneration Report.

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 UK Corporate Governance Code (the Code).

The Board is committed to the principle of full compliance and in this report I would like to highlight how the Code’s main principles are applied in practice.

Board effectiveness

At the end of each financial year the Board undertake a performance review of the Board, its Committees and I appraise each Director.

Following these reviews, I am satisfied that the Board and its Committees continue to perform efficiently and that the Board changes during the financial year have further strengthened the diversity of the Board through value adding skills and experience, different but complementary personalities, and knowledge and understanding of logistics and supply chain solutions and our current and target markets. These elements provide a solid foundation to enable the Board to discharge its duties and responsibilities effectively and to balance support and constructive challenge on Group strategy, business model and performance.

It is intended that an external evaluation process will take place later in 2016 following an appropriate period after the Board changes in 2015. The purpose of the external evaluation will be independent appraisal and insight on the effectiveness and performance of the Board, its Committees and the Directors.

Commitment

The non-executive Directors devote a significant amount of time to the Group over and above attendance at Board and Committee meetings whilst ensuring they all continue to remain independent. During the year, the Board has visited business sites and received briefings from members of the Group’s management team on the business, its customers and market environment to ensure non-executive Directors have sufficient operational knowledge of the Group to fully understand the business and to provide appropriate challenge and independent oversight of management and activities.

The Board remains committed to the success of the Group and will continue to require that Wincanton operates to the highest standards of corporate governance and ethical conduct in all of our business activities.

Steve Marshall
Chairman
8 June 2016

Corporate Governance report

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 the Directors' Remuneration Report have been prepared in accordance with the 2014 UK Corporate Governance Code (the Code) that applies to accounting periods beginning on or after 1 October 2014.

Throughout the year ended 31 March 2016, the Board considers that it, and the Company, have complied with the principles and provisions of the 2014 Code.

The Code is issued by the Financial Reporting Council and can be obtained from the Financial Reporting Council's website, www.frc.org.uk.

Board role and structure

Role

Wincanton plc (the Company) is led and controlled by the Board of Directors, who are collectively responsible for the long term success of the Company and the endorsement and application of corporate governance.

Decision making

The Board has a formal schedule of matters reserved for its decision making. These 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 formal schedule sets out matters 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 formal 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 of its areas of responsibility. The Board considers all of these areas within routine agenda matters at each Board meeting.

Roles of Chairman and Chief Executive Officer

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

The Chairman is primarily responsible for the operation of the Board and to ensure 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 Officer 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 the EMT.

Executive Management Team (EMT)

The EMT comprises the senior leadership team that reports directly to the Chief Executive Officer and has management responsibility for the business operations and support functions. The EMT meets monthly and relevant matters are reported to Board meetings by the Chief Executive Officer and as appropriate the Chief Financial Officer and other EMT members.

Senior Independent Director

The Senior Independent Director is an independent non-executive Director of the Board, appointed 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 Officer have failed to resolve, or it is inappropriate 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. 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. More detailed background information on each Board Director can be found in their biographies on pages 34 and 35.

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.

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, a Nomination Committee, and a Remuneration Committee. Each Committee has 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 2016 for each Committee is set out in their respective Committee reports that follow.

Meetings attendance

During the year and to the date of this report there has been full attendance at all Board and Committee meetings by all Directors during their tenure, other than one Nomination Committee meeting that Eric Born did not attend. It is acknowledged that there may be unforeseen circumstances which prevent a Director from attending. In such a case 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 2016 financial year the Board held eight scheduled Board meetings and one ad hoc meeting. The table below sets out the attendance of the Directors at the scheduled and ad hoc Board and Committee meetings during the year under review:

	Board Meetings Attended/ Scheduled	Audit Committee Attended/ Scheduled	Remuneration Committee Attended/ Scheduled	Nomination Committee Attended/ Scheduled
Steve Marshall	9/9		6/6	3/3
Paul Venables[1]	2/2	1/1	4/4	3/3
Stewart Oades	9/9	3/3	6/6	3/3
Paul Dean	9/9	3/3	6/6	3/3
David Radcliffe	9/9	3/3	6/6	3/3
Martin Sawkins	9/9	3/3	6/6	3/3
Eric Born[2]	2/2			2/3
Adrian Colman	9/9			
Tim Lawlor[3]	6/6			

1 Retired 17 July 2015.
2 Resigned 31 July 2015.
3 Appointed 28 September 2015.

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 forward focus of their area(s) of responsibility.

Board changes

There were three changes to the Board during the 2016 financial year. Paul Venables retired from the Board at the Annual General Meeting (AGM) on 17 July 2015, after nearly six years as a non-executive Director of the Company. Stewart Oades was appointed as Senior Independent Director and Paul Dean as Chairman of the Audit Committee, both with effect from 17 July 2015.

Eric Born, former Chief Executive, resigned with effect from 31 July 2015 and Adrian Colman, the former Group Finance Director, was appointed as Chief Executive Officer on 1 August 2015. Tim Lawlor was appointed as Group Finance Director (known as the Chief Financial Officer) on 28 September 2015.

Board effectiveness and evaluation

The Board, its Committees and each Director participate in an annual performance evaluation process. In respect of the year ended 31 March 2016 the evaluation process was conducted by way of an internal questionnaire for the Board and Committees and performance discussions between the Chairman and Directors. The Senior Independent Director led the Chairman's annual performance evaluation with the other non-executive Directors, and considered input from the Executive Directors.

The findings of the evaluation were analysed and presented to the Board by the Company Secretary. The evaluations confirmed that the composition, interaction and experience of the Board was performed to a consistently high standard in all aspects of their responsibility and duties.

The Board agreed it would be a valuable exercise to seek an independent evaluation towards the end of 2016, undertaken by an external consultant. The results of the external evaluation will be disclosed in the Annual Report next year.

Other directorships

The Board acknowledges that Executive Directors may wish to undertake external non-executive director roles outside of the Group. It is recognised that such opportunities broaden development and commercial experience and benefit the Group. To protect the interests of the Group each Executive Director is restricted to one non-executive role at any one time. From appointment until December 2015 Tim Lawlor held one external directorship as a non-executive director of the Institute of Directors. He was not required to pay any remuneration received to the Company.

Conflicts of interest

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

Directors' insurance and indemnity

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 and Transparency Rules, which include penalties such as private or public censure, fines and/or imprisonment.

In line with normal market practice, the Company believes it is in the Company's best interests to protect Directors from the consequences of innocent error or omissions and maintains, at the Company's expense, a Directors' and Officers' liability insurance policy. 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 a director or officer had knowingly acted fraudulently or dishonestly.

Engagement with shareholders and major stakeholders

Relations with shareholders

The Company has continued to maintain an effective dialogue with its shareholders and major stakeholders during the year 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 Officer and Chief Financial Officer. Brokers' reports and analysts' briefing notes are regularly distributed to all Directors. The Board receives 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 makes himself available and seeks engagement with major institutional shareholders from time to time.

Shareholder communications

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 communications from the Company. Electronic communications are endorsed by the Board as the most efficient method of communication which also helps to reduce the Group's environmental impact and reduce cost to the business. Accordingly, all shareholders are encouraged to receive electronic communications by contacting the Company's registrars, Computershare. Contact details and telephone numbers can be found on both the Wincanton website and Computershare's website.

Stakeholder communications

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.

Annual General Meeting

The Company's fifteenth AGM will be held at 11am on Thursday, 21 July 2016 at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. Details of the business to be proposed at the meeting are contained in the Notice of AGM.

The AGM provides an opportunity for shareholders to engage with the Board and receive an update on the performance and strategy of the Company and ask questions during the meeting. Shareholders also have the opportunity to meet the Company Secretary, senior managers and the External Auditor.

Risk management

The Board is ultimately responsible for the Group's systems of risk management and internal control, and reviews 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. The Group's principal risk management systems comprise: risk registers and reviews; control risk self-assessment; and Risk Management Committee oversight. Full details of the Group's risk management systems and processes are set out in the Risk report on pages 30 to 33.

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. All outcomes of internal audit reviews are reported to the Audit Committee, acting on behalf of the Board. Full details of the Group's Internal Audit function and performance are set out in the Audit Committee report on pages 42 and 43.

Group employees

Employees are at the heart of Wincanton's business and the engagement, welfare and diversity of the workforce are primary objectives of the Group. Wincanton are committed to providing a safe environment and development opportunities to all of its employees, to support a high performance culture and develop and retain the most talented people in the logistics and supply chain industry. To achieve this the Group applies the following guiding principles:

- build and maintain close harmony with its customers;
- treat every employee with care, respect and integrity;
- ensure the health and safety of every employee;
- recruit the best people and to develop them to their full potential;
- ensure that teamwork thrives; and
- minimise operational effects upon the community and the environment.

On 31 March 2016, the Group employed approximately 17,500 people in the United Kingdom (UK) and Republic of Ireland (ROI), of which approximately 14,500 are men and 3,000 are women. The average age of the Company's employees is 42 years. Of all management level employees, 235 are men and 61 are women. The Board of Directors is fully comprised of men.

As a responsible and ethical business and employer, the Group seek to ensure compliance with all regulatory and legislative requirements. The Group has communicated its expectations for compliance in respect of the workforce to ensure all colleagues are paid correctly and in accordance with the new National Living Wage. The Group will make disclosures under the new gender pay reporting requirements when they become effective next year.

Further details of the Group's equality, fairness and diversity policy are set out in the Corporate Responsibility report on pages 20 to 23.

Community and charitable activities

During the years ended 31 March 2016 and 31 March 2015 the Group did not contribute to charitable and community programmes.

Board support and advice

There is an agreed procedure for Directors to take independent professional advice, at the Company's expense, if necessary. In addition, all Directors have access to the advice and services of the Company Secretary.

Steve Marshall
Chairman
8 June 2016

Nomination Committee report

Membership

The Nomination Committee comprises the Chairman as Committee Chair, the Chief Executive Officer and the four non-executive Directors. Following the change in Chief Executive Officer during the year Eric Born left the Committee on 31 July 2015, and Adrian Colman was appointed a member on 1 August 2015.

Meetings

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

Role of the Nomination Committee

The Board has 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 evaluates 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 ensures the selection process is rigorous and transparent and appoints a professional external firm. 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 purely to gender.

Activities in the year ended 31 March 2016

During the year the Committee met three times and 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 annual evaluation results;
- appointed external recruitment firms to support the selection processes for the Chief Executive Officer and Chief Financial Officer positions;
- selected and recommended the appointment of Adrian Colman to the Chief Executive Officer position;
- selected and recommended the appointment of Tim Lawlor to the Chief Financial Officer position;
- reviewed the time commitment and conflict of interests declarations of the Directors; and
- reviewed and updated the Committee's terms of reference.

Following a thorough and robust internal and external selection process, assisted by Korn Ferry Associates, the Committee recommended to the Board that Adrian Colman, an internal candidate, be appointed as Chief Executive Officer. The Committee ran a further internal and external selection process, assisted by Odgers, and recommended to the Board that Tim Lawlor, an external candidate, be appointed the Chief Financial Officer.

As part of the Board evaluation process, the operation and performance of the Committee was assessed and the Committee and Board were satisfied that the Committee had continued to operate effectively during the year.

Composition of the Board

The Committee reviews the composition of the Board and the Board's 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 Committee and the Board consider the current membership of two Executive Directors, a non-executive Chairman and four 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 is committed to diversity on the Board in accordance with recommendations from the Davies Review (published in 2011) and the Code. The Committee and Board consider and review diversity in the fullest sense when making appointments and undertaking 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.

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 develop greater commercial awareness of the Group.

On acceptance of their appointment Directors are provided with a comprehensive suite of Group materials, which comprise: 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
Nomination Committee Chairman
8 June 2016

Audit Committee report

Committee Chairman's Annual Statement

I am pleased to present the Audit Committee report for the year ended 31 March 2016.

I was appointed as the new Audit Committee Chairman in July 2015, following the retirement of my Board colleague, Paul Venables, after the 2015 AGM. Our role as an Audit Committee during the year has been to continue to provide robust and thorough review and challenge on the financial performance and reporting of the Group, its risk management and control environment, and to monitor the effectiveness of the Internal Audit function and External Auditor. We have also undertaken additional projects following the 2014 Code changes which applied to the Group in the year ended 31 March 2016.

The Committee led a number of key activities during the year which I would like to highlight in particular. The first was focused on a thorough review of the Group's risk approach, refreshment of Group's risk registers at all levels, and the redefinition of our principal risks. Following the application of the new 2014 Code requirements we determined the period of assessment for the viability statement and provided oversight, review and challenge on a comprehensive and transparent viability assessment process undertaken by management. On behalf of the Board we reviewed analysis and monitored the impact and completion of the remedial actions to address the onerous contract issues in the Pullman Fleet Services business in order to mitigate the impact on operational and financial performance to the business and the Group. Finally, towards the end of the year, after review of the audit effectiveness for the year ended 31 March 2015 and completion of the half year review to 30 September 2015, the Committee led a thorough external auditor tender process the outcome of which was a recommendation to the Board to reappoint KPMG LLP as the Company's External Auditors until the conclusion of the 2017 AGM.

Each of the areas I have highlighted are included in greater detail within the Committee's report which follows and in the Risk report on pages 30 to 33.

I hope that you find this report helpful and the Committee welcomes constructive engagement throughout the year on the areas under our remit; we can be contacted via the Company Secretary.

Paul Dean
Audit Committee Chairman
8 June 2016

Audit Committee report

Membership

The Audit Committee comprises the four non-executive Directors. Paul Dean was appointed as Audit Committee Chairman on 17 July 2015, following the retirement of Paul Venables effective the same date.

Each member of the Audit Committee is independent and membership meets the requirements of the Code.

Meetings

The 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 Officer also regularly attend Committee meetings by invitation.

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

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

Role and responsibilities

The Audit Committee assists the Board in 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 monitor 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 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, the External Auditor and any other advisers, as and when required.

Activities in the year ended 31 March 2016

The Audit Committee met three times during the year and, following the year end, met a further two times for scheduled meetings. During those meetings the Committee covered the following activities:

Financial statements

- review of the financial statements and narrative financial reporting in the 2015 Annual Report and Accounts, and financial statements in respect of the half year results to 30 September 2015, 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 2015 Annual Report and Accounts and 30 September 2015 half year results;
- review of the key judgement and accounting matters in respect of the half year to 30 September 2015 and full year to 31 March 2016; 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 and Non-Audit Services;
- review of the Risk Management Committee's activities, approval of a new risk approach, and a comprehensive risk review process and refreshment of Group and business sector risk registers;
- 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 year ending 31 March 2017;
- review and challenge of the Group's 2016 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; and
- review of the effectiveness of the Internal Audit function.

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 responses from the audit of financial year ended 31 March 2015;
- approval of the terms of appointment, areas of responsibility, duties and scope of the 2016 external audit set out in the engagement letter for the year ended 31 March 2016;
- review and approval of the audit strategy for the year ended 31 March 2016;
- review of the External Auditor's performance, independence and objectivity; and
- conduct of an external auditor tender and recommendation to the Board to reappoint KPMG LLP for the year ended 31 March 2017, subject to shareholder approval.

The Committee reviewed its own Terms of Reference and, as part of the Board evaluation process, the operation of the Committee was evaluated and the Committee and Board were satisfied that the Committee operates effectively.

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 2016 and how they were addressed are set out below:

Property provisions

The year end balance sheet includes property provisions of £15.3m.

The Committee reviewed a report by management on a property by property basis and considered the size and nature of the provision, the utilisation of the provision during the year and the basis of the year end provision. The Committee also considered the External Auditor's testing of the assumptions.

The Committee discussed the appropriateness of the assumptions used in the year, and after robust consideration, were satisfied the assumptions used, and the disclosures in the Annual Report and Accounts, were appropriate.

Goodwill

The year end balance sheet includes goodwill of £77.1m.

The Committee reviewed the carrying value of goodwill and associated calculations contained in a report prepared by management, which sets out in detail the values attributable to each cash-generating unit, and the expected value in use based on projected cash flows and the key economic assumptions related to growth rates and discount rates. The Committee also considered the work undertaken by the External Auditor in testing the projections.

After extensive discussion, the Committee was satisfied the assumptions used, and the disclosures in the Annual Report and Accounts, were appropriate.

Pension scheme deficit

The year end balance sheet includes a pension scheme deficit of £105.6m.

The Committee considered the accounting basis of the pension scheme in the year ended 31 March 2016 and reviewed the pension items, by examining a report by management based on work performed by the Scheme actuary that sets out the key assumptions underpinning the calculation of the deficit and the related income statement items. The Committee also considered the work performed by the External Auditor in testing the assumptions.

The Committee discussed the appropriateness of the key assumptions used in calculating the deficit and, after extensive discussion, were satisfied that the assumptions used, and the disclosures in the Annual Report and Accounts, were appropriate.

Materiality and misstatements

The External Auditor, following discussion with the Committee, set materiality at £1.4m. The Committee agreed with the External Auditor that all corrected and uncorrected misstatements identified through their audit with a value in excess of £0.1m would be reported to the Committee.

The External Auditor reported to the Committee the misstatements that they had found in the course of their work and no material amounts remain unadjusted. The Committee confirmed that it was satisfied that the External Auditor had fulfilled its responsibilities with diligence and professional scepticism.

After reviewing presentations and reports from management and consulting, where necessary, with the External Auditor, the Committee was satisfied that the financial statements appropriately addressed the critical judgements and key estimates (both in respect of the amounts reported and the disclosures). The Committee was also satisfied that the significant assumptions used for determining the value of assets and liabilities had been appropriately scrutinised, challenged and were sufficiently robust, and recommended the Annual Report and Accounts to the Board for approval on 8 June 2016.

Pullman Fleet Services
During the year the Committee undertook a thorough control review of the Pullman Fleet Services business, on behalf of the Board, following the emergence of losses on two major contracts. The actions to address the onerous contracts were monitored by the Committee throughout the year through to completion.

Wincanton Records Management (WRM)
In December 2015 the Group disposed of the WRM business. The Committee reviewed the financial impact of the sale on the Group and scrutinised the financial reporting of the transaction.

Risk management

The Group's principal risk management systems comprise: risk registers and reviews; control risk self-assessment; and Risk Management Committee oversight. Further detail of the Group's risk management systems and controls, principal risks and statement following the viability assessment are included in the Risk Report on pages 30 to 33.

Internal Audit Function

The Head of Internal Audit reports to the Chief Financial Officer and has direct access to the Chief Executive Officer and Chairman of the Audit Committee.

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

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

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

Auditor performance

The Committee was satisfied the External Auditor had performed effectively during the year on their audit for the year ending 31 March 2015 and their review of the half year to 30 September 2015.

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 current External Auditor, KPMG, confirmed compliance with the firm's ethics and independence policies, partner and staff compliance with their ethics and independence manual, and the prohibition on holding Company shares. KPMG have given assurance to the Committee that their ethics and independence manual is fully consistent with the professional practice rules of the APB Ethical Standards, the auditors' regulator.

In addition, KPMG confirmed they have 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/refresh 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 Andrew Campbell-Orde, the current Senior Statutory Auditor.

External Audit Tender
Under the Committee's terms of reference, the Committee is responsible for recommending the appointment, reappointment and removal of the External Auditor to the Board.

In the report last year the Committee stated that the External Auditor had not been tendered since the Company was listed in 2001, and acknowledged changes to the Code, the FRC's Guidance for Audit Committees, and new regulations that will apply in the Company's year end in 2017 regarding the maximum tenure of external audit partners and firms, and requirement for audit tenders.

In accordance with the statement last year the Committee has undertaken the planned external audit tender during the year, to coincide with the end of the current five-year rotation of the Senior Statutory Auditor.

The Committee invited KPMG LLP, Deloitte LLP, EY and Grant Thornton LLP to tender for the Group's external audit; and led the process which involved a tender submission from each firm followed by a presentation and panel interview. The presentations and panel interviews were led by the Committee Chairman, with the support and attendance of the Chief Financial Officer, Company Secretary, Group Financial Controller and representatives from Corporate Reporting and Procurement. Following the robust and thorough tender process the Committee recommended to the Board that KPMG LLP be reappointed as external auditor until the conclusion of the AGM in 2017 and recommended their proposed annual audit remuneration fee. The Board considered and approved the recommendation to reappoint KPMG LLP as the External Auditor, and will recommend their reappointment to shareholders at the 2016 AGM.

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 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 operates a global system to ensure that all requests from the Company, via any KPMG office, to provide non-audit services are considered in the context of the Company's policy and KPMG's ethical standards.

During the year the Committee reviewed and updated the Non-Audit Services Policy and monitored the level of non-audit work undertaken by the External Auditor.

Full disclosure of audit and non-audit fees paid in the year ended 31 March 2016 are set out in Note 3 to the Group financial statements on page 77.

Paul Dean
Audit Committee Chairman
8 June 2016

Directors' Remuneration Report

Committee Chairman's Annual Statement

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2016.

Our role as the Remuneration Committee is to provide oversight and challenge to ensure that how we remunerate our Directors and senior management is sufficient to attract and retain the best talent and encourage and reward high performance in order to deliver the Group's strategic goals, without encouraging undesirable risk taking behaviour.

The Committee considers market practice and stakeholder views when setting the Group's performance-related incentives, to ensure they are underpinned by challenging and robust performance targets which are aligned to the Group's strategic goals and ultimately drive sustainable growth and generate greater shareholder value. We believe this motivates and rewards individuals appropriately for their contribution to the success of the Group and aligns their rewards with our shareholders' interests.

The Committee reviews the Directors' Remuneration Policy on an annual basis, against best practice developments and guidance issued by our shareholders and bodies that represent shareholders. We are satisfied that remuneration has remained in compliance with the Directors' Remuneration Policy approved by our shareholders in the 2014 AGM, and we consider the Directors' Remuneration Policy remains appropriate so are not proposing any amendments at the forthcoming AGM. As the 2017 AGM will be three years since the Directors' Remuneration Policy was approved, over the next year we will undertake a comprehensive review in conjunction with our Remuneration Consultant, Kepler, and engage with our shareholders and bodies that represent our shareholders on any material changes. The 2018 Directors' remuneration policy will then be presented for shareholder approval at the 2017 AGM, with the intention it will be effective from 1 April 2018.

During the year the Committee monitored pay practices of comparative companies, broader market practice and views on remuneration published by stakeholder bodies. The Committee granted the first awards under the Long-Term Incentive Plan (LTIP) in July 2015, which vest subject to achievement of stretching relative TSR (40% weighting) and EPS growth (60%) performance conditions over three years, and subject to malus and clawback provisions. When the Committee reviewed salary levels for Directors and senior management, we sought to ensure that any changes were in line with the overall Group salary increase parameters, rewarded only high performance, and were compliant with the Directors' Remuneration Policy. Furthermore the Committee sought to ensure that Group remuneration remained competitive for our size, the UK, industry sector, and the market in which we operate. Following the review in June 2015 the Committee did not recommend a change to the Chairman's fee and awarded a 1.5% increase to the salary of the Executive Directors effective 1 July 2015, in line with the average budgeted salary increase across the Group.

There were three Executive Director changes during the year which I referred to briefly in my statement last year. Eric Born stepped down as Chief Executive in July 2015 and was replaced by Adrian Colman; and we appointed a new director, Tim Lawlor, as the Chief Financial Officer in September 2015. The Committee determined the remuneration arrangements for each Executive Director, taking into account each individual's experience and responsibilities, total remuneration levels in companies of a similar size and complexity, and the Directors' Remuneration Policy.

The Committee recognised Eric Born's key role in the improvement of the Group's performance and increase in shareholder value during his five year tenure as Chief Executive, and determined that he should retain an interest in the 2012 Special Option Plan (SOP) award that vested on performance during July 2015, before his last day of employment, and that all other unvested SOP awards should lapse and he should not be eligible for any bonus for the financial year ended 31 March 2016. The Committee determined Adrian Colman's remuneration package from appointment on 1 August 2015 would be in line with the outgoing Chief Executive's remuneration package, to reflect the responsibilities of the role and his experience within the business. The Committee further determined Tim Lawlor's remuneration package in line with the outgoing Group Finance Director's package, at a cash salary approximately 5% lower than the previous incumbent's salary. Full details of all remuneration packages are provided on page 50 to 52 of the Annual Report on Remuneration.

An additional activity the Committee participated in during the year was in respect of the sale process of the Wincanton Records Management (WRM) business. The Committee sought to ensure appropriate remuneration and incentive arrangements to retain key management during the sale process, to ensure the stability and continued good performance of the WRM business and to recognise the additional work to be undertaken. This did not affect the remuneration structure for Executive Directors.

Following my statement you will find the Annual Report on Remuneration, which will be presented to our shareholders for an advisory vote at the forthcoming AGM, after which the Remuneration Policy and guidance notes are included for reference purposes.

In closing I would like to remind our shareholders and the bodies that represent them that we, as a Committee, continue to welcome engagement and constructive dialogue with all of our shareholders on remuneration throughout the year and can be contacted via our Company Secretary.

Martin Sawkins
Remuneration Committee Chairman
8 June 2016

Annual Report on Remuneration

Introduction

The Annual Report on Remuneration sets out the Company's remuneration of its Directors during the year ended 31 March 2016 in line with the Company's shareholder-approved Directors' Remuneration Policy.

This report is subject to an advisory vote by shareholders at the Company's AGM on 21 July 2016.

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 Remuneration Policy and 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 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 six Committee meetings during the year and one meeting between 1 April 2016 and the date of this report.

Members of the Committee were all 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 Officer, Chief Financial Officer and HR Director attend Committee 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/corporate-governance.

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 compliance and reporting is in line with applicable legislation and regulation.

Activities during the year ended 31 March 2016

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 consider:

- remuneration arrangements on exit of the former Chief Executive;
- remuneration packages for the new Chief Executive Officer and for the new Chief Financial Officer;
- the Chairman's and Chief Executive Officer's recommendations for remuneration for Executive Directors and the EMT, respectively;
- salary and total remuneration benchmarking and review of the Executive Directors' remuneration;
- HR strategy for the Group and compliance with the Remuneration Policy;
- finalisation of the rules of the Annual Bonus Plan and determination of the performance conditions for the 2015 Long Term Incentive Plan awards in 2015;
- review and approval of the Annual Report on Remuneration;
- review of the Chairman's fee;
- determination of final awards under the Executive Bonus Plan (EBP) to Executive Directors and senior management for the year ended 31 March 2015 after consideration of Group operating profit performance and achievement of personal objectives;
- grants of LTIP awards 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;
- measurement and monitoring of performance for the unvested SOP awards; and
- determination of achievement of performance conditions and vesting of SOP awards during the year.

Executive Directorship change

On 13 April 2015 the Company announced that Eric Born had resigned and would leave the Company on 31 July 2015, and that Adrian Colman would be appointed Chief Executive Officer on 1 August 2015. On 8 July 2015 the Company announced that Tim Lawlor would be appointed as the new Chief Financial Officer on 28 September 2015.

The Committee, in accordance with its Remuneration Policy, determined Eric Born's remuneration arrangements on leaving, Adrian Colman's new remuneration package as Chief Executive Officer and Tim Lawlor's remuneration package on appointment as Chief Financial Officer. Full details of all three remuneration packages were disclosed to shareholders in the stock exchange announcements and are detailed later in this report. No buy-out awards were made to Tim Lawlor.

Remuneration consultant

Kepler (a brand of Mercer) is the appointed adviser to the Committee regarding remuneration. The Committee annually reviews the support and advice provided and are comfortable that Kepler provides objective and independent remuneration advice and has no conflict 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. 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.

During the year, Kepler attended Committee meetings upon invitation to provide advice and support to the Committee in areas such as: current market practice; remuneration benchmark data for Directors and the EMT; governance developments; performance conditions for long term incentives; and relevant comparator groups for pay and performance.

Fees payable to Kepler amounted to £18,205 in the year (2015: £31,695), based on attendance at meetings and advisory materials. Fees were lower than in the previous year due to less advice being required as no new remuneration benefits were proposed or implemented.

Remuneration Policy in the year ended 31 March 2016

Executive Directors' remuneration for the year ended 31 March 2016 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 Directors' Remuneration Policy, which commenced on 1 April 2015, is set out on pages 55 to 60. The Policy 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 representing shareholders, and overall shareholders were positive on the principles of the policy.

Transition between Remuneration Policies

The previous remuneration policy ended on 31 March 2015. The final performance period under the EBP ended on 31 March 2015 in line with the previous remuneration policy, however, legacy SOP awards will continue until they vest or expire, subject to achieving stretching performance conditions. During the year the 2012 SOP award vested in July 2015 and the January 2013 SOP award, made to Adrian Colman on his appointment, vested in January 2016. The 2013 and 2014 SOP awards for Adrian Colman are due to vest subject to performance conditions in July 2016 and July 2017, respectively. After July 2017 there will be no remaining remuneration arrangements from the previous remuneration policy. Full details of bonus payments and share awards made during the year, and SOP awards due to vest in July 2016, are disclosed in this report on pages 50 to 53.

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 Officer 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 2016 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 below summarises 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	17 months	21 November 2017
Paul Dean	1 February 2015	21 January 2015	21 January 2015	19 months	21 January 2018
Stewart Oades	1 November 2014	30 October 2014	30 October 2014	16 months	30 October 2017
Martin Sawkins	27 July 2012	22 June 2012	27 July 2015	25 months	27 July 2018
David Radcliffe	27 July 2012	22 June 2012	27 July 2015	25 months	27 July 2018
Paul Venables	2 September 2009	23 July 2009	2 September 2012	Expired	17 July 2015[2]

1 Full months from date of this report.
2 Date of retirement from Board.

Non-executive Directors' letters of appointment are available for inspection by shareholders at the Company's registered office and will be available at the 2016 AGM.

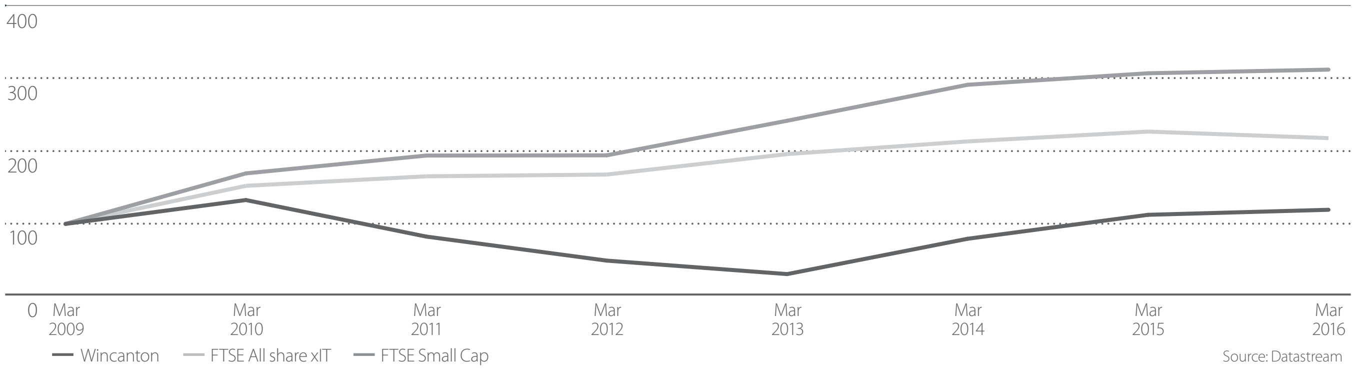
Executive Directors' external appointments

From appointment to December 2015 Tim Lawlor was a non-executive director of the Institute of Directors. Adrian Colman did not hold any external directorships during the year and does 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 a seven year period for both a holding of the Company's shares and the FTSE Small Cap. The latter was agreed by the Committee to be the most appropriate comparator, as the Company is a constituent of the FTSE Small Cap.

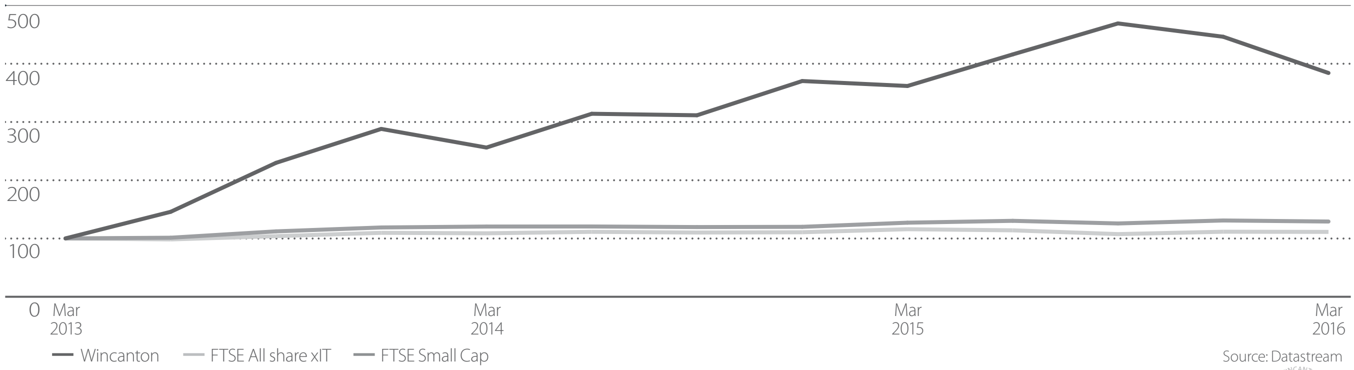
TSR – Value of £100 invested on 31 March 2009 (£)



The chart above further shows TSR for FTSE All Share excluding investment trusts as this is the comparator group for measuring TSR performance under the LTIP approved in 2014.

Below, an additional chart has been included to show the three year performance of the Group. The purpose of this is to provide context to the vesting of the Company's 2012 and 2013 SOP awards and EBP awards of Deferred shares in respect of the financial years ended 2014 and 2015, in light of the Company's strong performance over recent years.

TSR – Value of £100 invested on 31 March 2013 (£)



The table below sets out the total remuneration and the amount vesting under short term (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 Officer:

Year ended 31 March	Chief Executive Officer	Chief Executive single figure of total remuneration £'000[13]	Annual bonus payout against maximum opportunity	Long term incentive vesting rates against maximum opportunity
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 Officer and not his full year bonus for the year ended 31 March 2016 (which is set out on page 51).
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 Award under the 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 Note that the single figures reported for the years ended 31 March 2013 to 31 March 2016 are re-presented above to better comply with the new reporting regulations. In particular, Deferred Executive Bonus Plan outcomes are now captured in the financial year in which the performance period ended; previously, these awards were capture at vesting.

The table below sets out the percentage change in annual cash awarded to the Chief Executive Officer between the year ended 31 March 2015 and the year ended 31 March 2016, compared to the change in annual cash awarded to a comparator group of employees, as set out below.

	CEO			Average change for the comparator group[3]
	2015/16[1] £'000	**2014/15[2] £'000**	**Increase/(decrease)**	
Salary	428	421	1.7%	1.4%
Taxable benefits	26	26	–	–
Annual variable	262[5]	477[4]	(45.0)%	(17)%

1 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.
2 Eric Born served as Chief Executive for the full financial year ended 31 March 2015.
3 The Comparator group is an average cost per person for all management level employees.
4 During the year ended 31 March 2015 the EBP came to an end. This Plan awarded a percentage of the annual bonus award each year in options over Deferred shares, which were weighted to vest in increasing percentages over the course of the Plan to retain and align the interests of the EMT with investors and incentivise delivery of the Group's three year turnaround strategy. Please refer to the chart at the bottom of page 47 for an illustration of the Company's performance over the three year period of the EBP, and the detailed notes that accompany the single total remuneration table on page 49 for further details.
5 The Chief Executive Officer's bonus is the pro-rated element attributable to the period Adrian Colman served as Chief Executive Officer. 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. 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)

	Eric Born[1]		Adrian Colman[2]		Tim Lawlor[3]	
	At 31 March 2016 £'000	At 31 March 2015 £'000	**At 31 March 2016 £'000**	At 31 March 2015 £'000	**At 31 March 2016 £'000**	At 31 March 2015 £'000
Fixed pay						
Salary and fees	**142**	421	**389**	305	**151**	–
Taxable benefits[4]	**9**	26	**23**	16	**9**	–
Pension related benefits[5]	**31**	92	**78**	45	**22**	–
Sub total	**182**	539	**490**	366	**182**	–
Bonus[6]	**–**	477	**337**	268	**112**	–
Long term incentives[7]	**3,568**	1,035	**1,024**	317	**–**	–
Sub total	**3,568**	1,512	**1,361**	585	**112**	–
Total[8]	**3,750**	2,051	**1,851**	951	**294**	–

[1] From 1 April to 31 July 2015 Eric Born served as Chief Executive.
[2] From 1 April to 31 July 2015 Adrian Colman served as Group Finance Director, and from 1 August 2015 to 31 March 2016 as Chief Executive Officer. The figures for Adrian Colman include remuneration for his time as Group Finance Director until 31 July 2015 and remuneration as Chief Executive Officer from 1 August 2015.
[3] Tim Lawlor joined the Group from 28 September 2015 as Chief Financial Officer.
[4] 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 2016 was £8,300 for Eric Born, £21,900 for Adrian Colman and £8,000 for Tim Lawlor.
[5] 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.
[6] The bonus amount for the year ended 31 March 2015 in respect of the EBP was paid 100% in cash and will be paid 100% in cash to the Executive Directors in respect of the ABP award for the year ended 31 March 2016. Further information is detailed on pages 50 and 51.
[7] The value of long term incentives for the year ended 31 March 2016 includes awards vesting for performance during the financial year under the legacy 2012 and 2013 SOP, calculated based on the embedded gain between the option price and the share price on date of vest. For the July 2012 SOP award the embedded gain was £1.55 per share (based on the share price at date of vesting of £1.91) and for the January 2013 SOP award the embedded gain was £0.97 per share (based on the share price on date of vesting of £1.68). Further details can be found on page 51. The value for the year ended 31 March 2015 includes those Deferred shares that vested for performance to 31 March 2015 under the previous EBP, at the date of vesting on 11 July 2015. This has been re-presented above to better comply with the new reporting regulations, with the Deferred shares now captured in the financial year in which the performance period for vesting was determined (and not in the financial year of the date of vesting as previously reported).
[8] The total figure excludes the value of Matching Shares awarded under the Company's Share Incentive Plan (SIP) in the year due to the value being de minimis. Full details of shares held under the Company's SIP can be found on page 52.

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.

During the year the Committee determined the remuneration arrangements for Eric Born on his exit from Wincanton on 31 July 2015, in line with the Directors' Remuneration Policy and taking account of the Company's statements on payments on termination. Eric Born did not serve his full notice period and did not receive any payment in lieu of notice. Full details of his remuneration arrangements on leaving the Group are set out in the Committee Chairman's Annual Statement on page 44.

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 a 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 2017.

	At 31 March 2016			At 31 March 2015		
	Fees £'000s	**Committee Chair fee £'000s**	**Total £'000s**	Fees £'000s	Committee Chair fee £'000s	Total £'000s
Steve Marshall	**170**	**–**	**170**	170	–	170
Paul Venables[1]	**13**	**2**	**15**	45	8	53
Paul Dean[2]	**45**	**6**	**51**	8	–	8
Stewart Oades[3]	**45**	**–**	**45**	19	–	19
David Radcliffe	**45**	**–**	**45**	45	–	45
Martin Sawkins	**45**	**8**	**53**	45	8	53

[1] Resigned as a non-executive Director and Audit Committee Chairman on 16 July 2015.
[2] Appointed 1 February 2015 as a non-executive Director, and appointed as Audit Committee Chairman on 17 July 2015.
[3] Appointed 1 November 2014.

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 Executive Directors from 1 July 2015, aligned with the average budgeted salary increase across the Group. The salaries of the Executive Directors as at 31 March 2016 and with effect from 1 July 2016 are set out in the following table:

	Salary as at 1 July 2016 £	Change	Salary as at 31 March 2016 £	Change	Salary as at 1 July 2015 £
Adrian Colman[1]	436,450	1.5%	430,000	–[3]	310,590
Tim Lawlor[2]	300,000	1.7%	295,000	–	–

[1] Adrian Colman became Chief Executive on 1 August 2015 and his annual salary effective from that date was £430,000.
[2] Tim Lawlor became Chief Financial Officer on 28 September 2015 and his annual salary from that date was £295,000.
[3] The increase in salary is in respect of a promotion to Chief Executive Officer, not performance, and so is not comparable to prior year.

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 15% of Adrian Colman's pensionable salary until he became Chief Executive Officer on 1 August 2015 at which time it increased to 22% of his pensionable salary. From appointment on 28 September 2015 the Company paid an employers pension contribution equivalent to 15% of Tim Lawlor's pensionable salary. Where the individual's pension exceeded the HMRC annual allowance in the 2015/16 tax year, the excess was paid in the form of a taxable cash payment. Executive Director pension arrangements for 2016/17 will be consistent with this approach.

Employment benefits

Executive Directors' employment benefits for the year ended 31 March 2016 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 2016 (audited)

The new Senior Management Annual Bonus Plan (ABP), detailed in the Directors' Remuneration Policy on pages 55 to 60, was adopted by the shareholders on 16 July 2014 and came into effect on 1 April 2015. The ABP 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 are 60% weighted on Group financial performance (underlying operating profit) for the financial year and 40% weighted on performance against personal objectives. Of the personal objective proportion, half is weighted on financial and half weighted on non-financial objectives.

Senior Management Annual Bonus Plan performance for the year ended 31 March 2016 (audited)

The two eligible Directors for the ABP awards for the year ended 31 March 2016 were Adrian Colman and Tim Lawlor. Following his decision to leave the Group on 31 July 2015, the Committee determined Eric Born would not be entitled to any bonus or pro-rated bonus for the year ended 31 March 2016. The maximum bonus opportunity for the year ended 31 March 2016 for Adrian Colman was 150% of salary and for Tim Lawlor was 120% of salary, pro-rated for his tenure from 28 September 2015 to 31 March 2016.

The ABP awards for the year ended 31 March 2016 satisfied the performance conditions and were awarded as set out in the tables below based on achievement of the financial and personal objectives.

ABP awarded based on underlying operating profit performance target for the year ended 31 March 2016

	Threshold	Maximum	Actual
Operating profit performance[1]	48.7	53.9	50.9
Bonus level as percentage of maximum underlying operating profit element	0%	100%	42.3%

[1] Operating profit targets were adjusted to exclude four months of budgeted operating profit from Wincanton Records Management following its sale (which was approved by the Remuneration Committee).

ABP awarded based on achievement of personal objectives for the year ended 31 March 2016

The personal financial objectives for Adrian Colman and Tim Lawlor during the year included targets to reduce average debt below £125m; delivery of improved financial performance on revenue, operating profit and underlying EPS; and grow the new business un-factored pipeline. Personal non-financial objectives for both Executive Directors included delivery of people and organisational improvements; turnaround of the Pullman business; customer focus and industry profile targets; operational performance targets in respect of health and safety performance improvement and reduction of LTIFR; an IS infrastructure plan; and development of a high performance culture.

The Committee considered the performance of the Chief Executive Officer and of the Chief Financial Officer since appointment, and reviewed the level of achievement against each of their respective objectives. In particular the reduction in average net debt had been significantly below the objective set, from £136m at 31 March 2015 to £108m at 31 March 2016, and the Group had delivered a strong operational and financial performance with a 3.6% growth in revenue, 2.4% growth in underlying operating profit and 13.3% growth in underlying EPS. There had also been significant achievement against each of the Executive Directors non-financial objectives with the turnaround of the Pullman business and continued development of the

Group's people strategy. Both Executive Directors had stepped up into their new roles with impact and speed, reviewing the talent pool and succession planning from junior management through to the EMT and undertaken refreshment of the Group's values setting the tone and expectations from the top.

The new business won during the year alongside the focus on service improvement and innovation on the Group's market propositions and customer solutions were acknowledged. The Group also undertook its first customer survey during the year under review, to benchmark strength of customer relationships, solutions, service and perceived value. The results of the customer survey validated positive customer recognition of services and value provided, and strength in operational performance and delivery. The overall results had benchmarked Wincanton high against other companies that had undertaken the same survey.

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 a high level of achievement had been reached on both financial and non-financial personal objectives and that the Executive Directors had delivered strong performance during the year under review. Accordingly, the table below sets out the award of bonus for the achievement of personal objectives for the year ended 31 March 2016 determined by the Committee:

	Adrian Colman	Tim Lawlor
Bonus level percentage of personal objective element	61.0%	63.2%

Following consideration of the above, the Committee awarded an annual bonus equivalent to £337,159 (91.5% of salary) to Adrian Colman based on his average salary and pro-rated bonus opportunities during the year ended 31 March 2016, and £111,837 (75.8% of salary) to Tim Lawlor, pro-rated for his six month tenure from 28 September 2015 to 31 March 2016.

Long term incentives – Special Option Plan (audited)

The SOP is the Company's long term incentive plan put in place under the previous remuneration policy, which ended on 31 March 2015 and no awards were made under the SOP during the year. 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.

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 reduced 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 for performance ending in the year ended 31 March 2016 (audited)

The awards made under the July 2012 SOP awards and the January 2013 SOP awards vested in full during the financial year ended 31 March 2016, 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 2016
Eric Born[2]	12 July 2012[3]	12 July 2015	£0.36	2,305,555	2,305,555	2,305,555[5]	–
Adrian Colman	29 January 2013[4]	29 January 2016	£0.708	1,059,322	1,059,322	–	1,059,322[5]

1 The option price is calculated using the three-day average share price immediately preceding the date of award.
2 Eric Born left the Group on 31 July 2015 and was given a 6 month window from his leave date in which to exercise the vested 2012 SOP award shares after which time they would lapse and cease to be exercisable.
3 For the award made on 12 July 2012, average annual TSR growth was 143% (maximum vesting at 22%) and EPS did not reduce over the three year period, therefore the awards vested in full.
4 For the award made on 29 January 2013, average annual TSR growth was 46% (maximum vesting at 22%) and EPS did not reduce over the three year period, therefore the awards vested in full.
5 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 36p per share for the 2012 SOP and 71p per share for the 2013 SOP and the share price at date of vest. Further details are included on page 49.

Long term incentives for the year ending 31 March 2016 (audited)

From 1 April 2015 the new LTIP, approved by the Company's shareholders at the AGM on 16 July 2014, came into force, and the first LTIP awards were made in accordance with the LTIP rules and the Remuneration Policy on 16 July 2015.

Performance targets

Performance metrics for the 2015 LTIP award are 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 (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 will be straight-line vesting between threshold and maximum. Both performance measures will be measured over three financial years.

Awards made in the year ended 31 March 2016 (audited)

LTIP awards to the Executive Directors during the year are set out below. The EPS and TSR performance period for both the 16 July 2015 and 28 September 2015 awards is 1 April 2015 to 31 March 2018.

	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	16 July 2015	16 July 2018	Nil	228,845	430,000
Tim Lawlor	28 September 2015	28 September 2018	Nil	142,512	295,000

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 £1.88 for the awards granted on 16 July 2015 and of £2.07 for the awards granted on 28 September 2015.

Operation of the ABP and LTIP for the year ended 31 March 2017

The Group intends to operate each remuneration element in the year ended 31 March 2017, including the ABP and LTIP and their respective performance conditions, in the same way as in the year ended 31 March 2016. The Committee considers it commercially sensitive to disclose targets prospectively and will provide disclosure of these in the Directors' Remuneration Report for the year ended 31 March 2017.

Share ownership

Total share interests at 31 March 2016 (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
Eric Born[1]	972,273	5,990	–	–	–	–
Adrian Colman	41,500	–	205,784	228,845	1,059,322	1,332,977
Tim Lawlor	–	–	–	142,512	–	–
Steve Marshall	20,000	–	–	–	–	–
Paul Venables[2]	35,000	–	–	–	–	–
Martin Sawkins	9,532	–	–	–	–	–
David Radcliffe	25,000	–	–	–	–	–
Paul Dean	10,000	–	–	–	–	–
Stewart Oades	19,367	–	–	–	–	–

1 Eric Born resigned on 31 July 2015 and his share interests have not been monitored since that date.
2 Paul Venables retired after the AGM on 16 July 2015 and his share interests have not been monitored from that date.

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 has met during the year following the vesting of his 2013 SOP award on 29 January 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 will be 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 2016 (audited)

	Partnership Shares held under the SIP		Unrestricted shares held		Total shares held	
	31 March 2016	31 March 2015	**31 March 2016**	31 March 2015	**31 March 2016**	31 March 2015
Eric Born[1]	**–**	5,990	**–**	57,388	**–**	63,378
Adrian Colman	**–**	–	**41,500**	41,500	**41,500**	41,500
Tim Lawlor	**–**	–	**–**	–	**–**	–

1 Eric Born resigned on 31 July 2015 and his share interests have not been monitored from 31 July 2015.

There were no changes in the Directors' personal holdings between 1 April 2016 and the date of this report.

Directors' Bonus Plan Interests

The table below shows the Deferred shares awarded under the EBP and the number of those shares that vested during the year ended 31 March 2016:

	Type	Total number of Deferred shares held at 31 March 2016[2]	Number of Deferred shares vested to 31 March 2016	% vested on performance to 31 March 2015	No. of shares vested on performance to 31 March 2015	Face value[1]	Percentage of salary at 31 March 2015
Eric Born	Nil cost option	–	–	100	542,656	£1,035,116	245%
Adrian Colman	Nil cost option	**205,784**	–	100	166,291	£317,200	104%

[1] Based on the share price on the day of vest on 11 July 2015 of £1.91.
[2] The awards that make up the total number of Deferred shares are set out in the table below.

Directors' Long Term Incentives Interests

	Date of award	Vest date	No. of shares under award as at 1 April 2015	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 2016**
Eric Born									
SOP	12 July 2012	12 July 2015	2,305,555	£0.36	£0.33	–	–	2,305,555	**–**
SOP	12 July 2013[7]	12 July 2016	1,225,997	£0.68	£0.66	–	1,225,997	–	**–**
SOP	11 July 2014[7]	11 July 2017	617,956	£1.37	£1.40	–	617,956	–	**–**
			4,149,508						**–**
Adrian Colman									
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[6]	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	–	–	**228,845**
			2,621,144						**2,621,144**
Tim Lawlor									
LTIP	28 September 2015	16 July 2018	142,512	Nil	£2.07	142,512	–	–	**142,512**
			142,512						**142,512**
Executive Bonus Plan Deferred shares									
Eric Born	12 July 2012[3]	12 July 2013 – 12 July 2015	214,591	Nil	£0.33	–	–	214,591	**–**
	12 July 2013[4]	12 July 2014 – 12 July 2015	536,260	Nil	£0.66	–	–	536,260	**–**
	11 July 2014[6]	11 July 2015	220,879	Nil	£1.40	–	–	220,879	**–**
			971,730					971,730	**–**
Adrian Colman	12 July 2013[4,5]	12 July 2014 – 12 July 2015	78,986	Nil	£0.66	–	–	–	**78,986**
	11 July 2014[6]	11 July 2015	126,798	Nil	£1.40	–	–	–	**126,798**
			205,784						**205,784**

[1] The option price is calculated using the three day average share price immediately preceding the date of award.
[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 2012, which was £0.79.
[4] 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.
[5] Adrian Colman was appointed on 7 January 2013. As a result the bonus award was pro-rated based on his length of service.
[6] 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.
[7] These awards for Eric Born lapsed on 1 August 2015 after he had left the Group.

Non-executive Directors' share interests as at 31 March 2016 (audited)

	Opening	Purchased	Disposed	Closing
Steve Marshall	20,000	–	–	20,000
Paul Venables[1]	35,000	–	–	35,000
Paul Dean	–	10,000	–	10,000
Stewart Oades	–	19,367	–	19,367
David Radcliffe	25,000	–	–	25,000
Martin Sawkins	9,532	–	–	9,532

[1] Paul Venables retired from the Company on 17 July 2015.

There were no changes in the non-executive Directors' personal holdings between 1 April 2016 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 ten year period for all share plans and 5% in any rolling ten year period for executive share plans and are in relation to new issue shares. Estimated dilution from existing awards made over the last ten years up to 31 March 2016 is as follows:

	Actual	Limit
All employee share plans	4.2%	10%
Executive share plans	3.0%	5%

Directors' Remuneration Policy

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 considered the following:

- 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.

No changes are proposed to the Directors' Remuneration Policy and therefore no resolution has been proposed to shareholders at the 2016 AGM. As the Directors' Remuneration Policy is now in its third year of application it will be thoroughly reviewed and presented for shareholder approval at the 2017 AGM, for effect from 1 April 2018.

The following tables set out the Directors' Remuneration Policy which was approved by the Company's shareholders at the AGM on 16 July 2014, and came into effect on 1 April 2015. No changes have been made since its introduction except the inclusion of malus and clawback provisions in the ABP to align with best practice and the LTIP provisions.

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 (e.g. 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 1 Matching Share for every 4 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 2 Matching Shares for each Partnership Share bought. The Company currently awards 1 Matching Share for every 4 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.
Bonus	
Purpose and link to strategy	The aim of the annual bonus is to incentivise and recognise the performance of Executive Directors in respect of their annual contribution to the delivery of the Group's strategy by rewarding performance against stretching financial and personal objectives.
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 bonus is normally settled 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. 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 underlying operating profit targets and personal objectives. Underlying operating profit has a minimum weighting of 60% and a maximum weighting of 80%, and achievement of personal objectives has a minimum weighting of 20% and a maximum weighting of 40%. Personal objectives include an element relating specifically to financial objectives other than underlying operating profit; currently 50% of personal objectives and is expected to remain so over the term of this policy. In exceptional circumstances, the Committee has 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.

Long term incentives	
Purpose and link to strategy	The aim of long term incentives 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 be awarded in shares or cash equal to the dividends paid during the period between the date of grant and the date on which the shares 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. 25% of an award vests for 'Threshold' performance and 100% of an award vests for 'Maximum' performance, with straight-line vesting in between.
Performance measures	Performance measures are TSR relative to an appropriate comparator group and EPS growth. Each measure is subject to a minimum weighting of 25%. For TSR, 'Threshold' performance for Wincanton is median ranking in the comparator group and 'Maximum' is upper quartile ranking. 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 at the start of the Remuneration Policy on 1 April 2015, which applies to Adrian Colman, the shareholding guideline remained at 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 £500,000 in aggregate, as set out in the Company's Articles of Association.

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 ABP, underlying operating profit performance reflects the basis on which the Group is managed: sustained operating profit performance improvement should enable the Group to improve its balance sheet position.

For the LTIP, the Committee has selected EPS as one performance measure as it provides a good line of sight for Executive Directors. Relative TSR is used to align Executive Director remuneration with shareholder interests and take into account the impact of external environment changes on Company performance.

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 set 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.

The Committee has discretionary powers in the ABP and LTIP to adjust performance conditions up or down during the performance period in exceptional circumstances, provided that any adjustments are not tougher or easier to achieve than the intention of the original conditions.

Stakeholder engagement and consultation

The Committee recognises 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 2015 AGM on 16 July 2015, 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
81,159,171	99.64	293,878	0.36	81,622,917	67.04	169,868

[1] The Issued Share Capital (ISC) of the Company as at the date of the Company's 2015 AGM was 121,747,293 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	**2016 £m**	2015 £m	Difference £m
Remuneration of all employees[1]	**526.6**	480.2	46.4
Dividend or share buyback	**6.7**	–	6.7

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

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.

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, 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.

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 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 do so if any significant changes to Group remuneration and employment policies were 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.

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 55 to 57.

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. If 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. Compensation for forfeited awards would only be considered on a matching fair value basis. 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. 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 6 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 vested and 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 does retain 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.

Executive Directors holding 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.

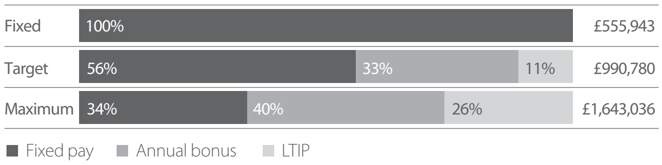
Illustrations of application of the Remuneration Policy

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 2017.

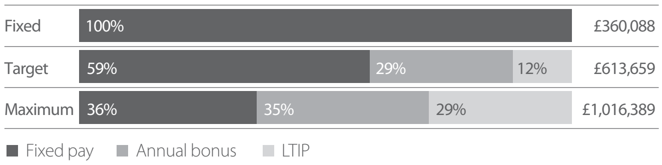
The scenarios in these charts are based on the assumptions that performance excludes the impact of any share price appreciation and accrual of dividends or dividend equivalents. The charts are not adjusted for the change in Chief Executive and Chief Financial Officer during the financial year.

	Remuneration receivable for different performance scenarios		
	Fixed	Target	Maximum
Fixed pay	• Salary effective from 1 July 2016 as disclosed in the Annual Report on Remuneration on page 50 • Pensions and taxable benefits as provided in the single figure 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

Chief Executive Officer



Chief Financial Officer



Directors' Report

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 supply chain solutions in the UK and Ireland. All subsidiaries of the Company are listed in Note 11 on pages 83 and 84.

Review of business and future developments

The Consolidated income statement for the year ended 31 March 2016 is set out on page 66.

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 fair review of the business of the Group during the year ended 31 March 2016.

A review of the Group's activities and the position of the Group at the end of the financial year and its prospects for the future are contained in the Chairman's review on pages 2 and 3. The business and financial reviews and description of the principal risks and uncertainties facing the Group are contained in the Strategic Report. The purpose of the Strategic Report is 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 2 to 33. Within the Strategic Report, the details of the Group's business goal, strategy and model are set out on pages 4 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 Chairman's Introduction to Governance and the Corporate Governance Report on pages 36 to 60. The Compliance statement as required by Rule 7.2.1 of the Financial Conduct Authority's Disclosure 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 Finance Conduct Authority's Disclosure and Transparency Rules, this Directors' Report and the Strategic Report on pages 2 to 33 comprise the Management report.

Events after the balance sheet date

There were no reportable events after the balance sheet date.

Directors

The Directors during the year and as at the date of this report are:

Executive Directors

Adrian Colman, Chief Executive Officer
Tim Lawlor, Chief Financial Officer (appointed 28 September 2015)
Eric Born, former Chief Executive Officer (resigned 31 July 2015)

Non-executive Directors

Steve Marshall, Chairman
Paul Dean
Stewart Oades
David Radcliffe
Martin Sawkins
Paul Venables (resigned 16 July 2015)

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

At the 2016 AGM all Directors will retire and offer themselves for re-election to the Board. 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 respectively. Terms of office are set out in the Directors' Remuneration Policy, and accompanying notes, on pages 55 to 60.

Results and dividends

The Group profit attributable to equity shareholders for the financial year amounted to £61.1m. The Directors propose a final dividend of 5.5p per Ordinary share for the financial year ended 31 March 2016 (2015: nil).

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 going concern review and liquidity position are provided in Notes 1 and 25, respectively to the Group financial statements.

Share capital

The Company's issued share capital as the date of this report was 123,747,293 Ordinary shares of 10p each, following the additional listing and allotment of 2,000,000 Ordinary shares of 10p each in the Company on 4 August 2015 to rank pari passu with the existing Ordinary shares in the Company (2015: 121,747,293).

Authority to purchase shares

The Company was authorised at the 2015 AGM to purchase its own shares within certain limits. During the year ended 31 March 2016, the Company purchased 2,500,000 own shares under this authority. All shares purchased were gifted to the Company's Employee Benefit Trust (EBT) to satisfy future exercise of awards under the Company's employee incentive schemes. The Directors will seek renewal of their authority to purchase the Company's shares in the market at the AGM on 21 July 2016.

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 Company approval before dealing in shares.

Employees who participate in the SIP, whose shares remain in the Plan's trust, give directions to the trustee 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.

Annual General Meeting 2016

The Company's fifteenth AGM will be held at 11am on Thursday, 21 July 2016 at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. The Notice of Annual General Meeting 2016, which contains full explanation of the business to be conducted at the AGM, is set out in a separate shareholder circular and can be found on the Company's website (www.wincanton.co.uk/investors).

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 in accordance with the Company's register of members at the report date:

Shareholder	Type of holding	Number of shares held	Holding (% of issued share capital)
Threadneedle Investments	Indirect	17,276,174	13.96
Schroder Investment Management	Indirect	13,655,387	11.03
Aberforth Partners	Indirect	13,558,470	10.96
River & Merchantile Asset Management LLP	Indirect	7,191,504	5.81
JPMorgan Asset Management	Indirect	5,601,000	4.53
Standard Life Investments	Direct and indirect	5,436,218	4.39
M&G Investment Management	Indirect	4,804,098	3.88
Wincanton Share Incentive Plan	Indirect	4,180,027	3.38

Accounting policies, financial instruments and risk

Details of the Group's accounting policies, together with details of financial instruments and of financial risk are provided in Notes 1 and 25 to the Group financial statements.

Greenhouse gas emissions

The disclosures concerning greenhouse gas emissions required by law are included in the Corporate Social Responsibility Report, on pages 22 and 23.

Political donations

No political donations were made during the year (2015: nil).

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 that ought to be disclosed in this Directors' Report.

Appointment of External Auditor

Following an external audit tender process, as detailed on page 43, the Audit Committee recommended, and the Board approved, the proposal that the current auditor KPMG LLP be reappointed as External Auditors of the Company at the 2016 AGM. Resolutions to reappoint KPMG LLP as the Company's Auditor to the conclusion of the 2017 AGM, and to authorise the Directors to fix their remuneration, will be proposed to shareholders at the 2016 AGM.

Directors' statement on the annual report

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 of which the Company's auditor is unaware; and each Director has taken all the steps that ought to have been taken in their duty as a Director to make themselves aware of any relevant audit information, and establish that the Company's auditor is aware of that information.

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.

On behalf of the Board

Alison Dowling
Company Secretary
8 June 2016

Statement of Directors' responsibilities in respect of the Annual Report and the Accounts

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 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 of the Group and parent Company and of their profit or loss for that 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 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 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 that law and those regulations.

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

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 approved the above responsibility statement on 8 June 2016.

Alison Dowling
Company Secretary

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 the Group's requirements for suppliers in procurement and ethics policies. The Group are committed to requiring our supply chain understand our standards and expectations on anti-bribery and corruption, legal compliance and ethical conduct.

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

Wincanton has reviewed its employment and procurement activities in line with the legislative requirements and confirm the following steps have, or are in the process of being, undertaken:

1. A strategy statement and policy have been drafted regarding forced labour, modern slavery and human trafficking, and related policies are also being updated. These are in the process of being communicated to educate and embed responsibility throughout the Group and its supply chain.
2. An assessment of the Group's current suppliers by size and risk has been undertaken and all suppliers have been sent a letter setting out Wincanton's requirement for their compliance with the legislation. Our largest suppliers have been requested to provide details on their strategy and approach to compliance with the legislation.
3. Due diligence and information required to satisfy the strategy statement and policy have been incorporated into the procurement pre-qualification process when tendering and procuring new suppliers and renewals, to assess suitability to provide goods and services to the Group in respect of their business practices, ethics and labour practices.
4. The impact on Group employment practices and processes, including use of agencies, is being assessed in conjunction with external advice. Any required changes will be implemented during the financial year ending 31 March 2017, and awareness training will be rolled out as part of this process.

Wincanton will continue to regularly review its policies and processes to elevate standards and conduct with regard to ethical and social responsibility in our supply chain and business, for the benefit of all of our stakeholders. Further detail and progress on the steps outlined above will be made in the Annual Report next year and published online simultaneously.

The Directors approved the above statement on 8 June 2016.

Alison Dowling
Company Secretary

Wincanton plc
Registered in England and Wales No. 4178808

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 2016 set out on pages 66 to 102. 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 2016 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.

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:

(a) Goodwill £77.1 million (2015: £76.9 million) Risk vs 2015: ▲
Refer to page 42 (Audit Committee Report), page 72 (accounting policy) and pages 81 and 82 (financial disclosures).

- **The risk –** Goodwill acquired in a business combination is allocated to the Group's Cash Generating Units (CGUs), which are aligned with its operating segments; Contract logistics and Specialist businesses.

  The recoverable amounts of the CGUs are determined from value in use calculations and where the carrying value of a CGU exceeds its recoverable amount an impairment charge is required. This is a key judgement area as inaccuracies in assumptions, particularly relating to forecast cash flows and discount rates, could result in the recoverable amount being calculated incorrectly resulting in potentially material impairment charges not being recognised or too great an impairment charge being recorded.

  In December 2015, the Group disposed of Wincanton Records Management (WRM), a significant portion of the Specialist businesses CGU (with Goodwill balance £20.2 million). This disposal significantly reduced the value in use of the CGU and conversely increased the risk of material misstatement over the Goodwill balance, as the disposal of the profitable WRM business has increased the sensitivity of the CGU to changes in key assumptions.

- **Our response –** Our audit procedures included evaluating the Group's budgeting procedures upon which the three year forecast cash flows are based by performing an assessment of the historical accuracy of budgets. We evaluated the assumptions and methodologies used by the Group, by agreeing the budgets and forecasts utilised to those approved by the Directors and assessing whether the forecasts (including growth rate) were consistent with current business strategies in place.

  We challenged the Group's selection of the discount and growth rates using external data (including competitor analysis) to determine an appropriate range and compared the actual rate used to that range.

  We evaluated the Group's sensitivity analysis, by performing our own analysis to assess the sensitivity of the impairment reviews to changes in the key assumptions of the discount rate, growth rate and the forecast cash flows. In particular, we have performed additional sensitivity analysis over the Specialist businesses CGU.

  We considered the adequacy of the Group's disclosures in respect of the impairment testing of goodwill and whether disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions properly reflected the risks inherent in it.

(b) Pension scheme deficit £105.6 million (2015: £144.2 million) Risk vs 2015: ◄ ►
Refer to page 42 (Audit Committee Report), page 73 (accounting policy) and pages 89 to 92 (financial disclosures).

- **The risk –** In 2014, the defined benefit sections of the Group's pension scheme were closed to future accrual. This closure, combined with a Pension Increase Exchange (PIE) project, resulted in a gain of £20.2 million.

  While the sections remain closed to future accrual, significant estimates are still made in valuing the Group's net pension deficit 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 response –** With the support of our actuarial specialists, we challenged the key assumptions applied in determining the Group's net deficit, being the discount rate, inflation rate and mortality/life expectancy, by comparison against externally derived data. We also evaluated the accuracy of the membership data used to determine the Group's pension obligation by agreeing to payroll records and other source data.

  We considered the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to these assumptions.

(c) Property provisions £15.3 million (2015: £21.9 million) Risk vs 2015: ◄ ►
Refer to page 42 (Audit Committee Report), page 73 (accounting policy) and page 87 (financial disclosures).

- **The risk –** The Group carries an onerous lease provision in relation to the empty sites for which the Group is a lessee.

  This provision is updated on a bi-annual basis and was initially recognised in 2012 as a result of significant unexpected withdrawals by customers from sites in response to the external market environment and a deterioration in both general economic conditions and the overall property market. The calculation of this provision 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.

  This remains an area of significant judgement in the current year as changes in assumptions, particularly relating to the forecasting of cash flows and changes in market sentiment could lead to a material impact on the profit for the period.

- **Our response –** Our audit procedures included the use of our own property specialists to assess the Group's assessment of market confidence, in particular to challenge the assumptions relating to the length of time currently marketed properties will remain empty prior to letting and the rent-free periods which would be required to be offered by comparing to industry norms for the particular location.

  We challenged the key inputs to the calculation of the provision on a property by property basis: the discount rate used, through comparison with industry competitors; the forecast cash flows by assessing the historical accuracy of forecasting; and the assessment of market confidence by performing sensitivity analysis on the key void and rent-free period assumptions.

  We considered the adequacy of the Group's disclosures in respect of the provision.

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 £1.4 million (2015: £1.5 million) determined with reference to a benchmark of Group profit before taxation (normalised to exclude the exceptional profit on disposal of Wincanton Records Management in 2016 of £32.4 million) of which it represents 4.2%, reflecting industry consensus levels (2015: 6.0%).

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.1 million (2015: £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.

The audit of the Guernsey component was performed by a component auditor and the audit of the rest of the Group by the Group audit team.

The Group audit 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 audit team approved the component materiality of £1.0 million (2015: £1.0 million) having regard to the mix of size and risk profile of the Group.

Overall, the audit of the Group covered 100% of total Group revenue, Group profit before tax, and total Group assets (2015: 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 audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor.

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 for which the financial statements are prepared is consistent with the financial statements.

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 30 to 33, 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 2019; 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 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 61 and 33, 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 of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 63, 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.

Andrew Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG
8 June 2016

Consolidated income statement
For the year ended 31 March 2016

	Note	2016 £m	2015 £m
Revenue	2	**1,147.4**	1,107.4
Underlying operating profit	2	**50.9**	49.7
Amortisation of acquired intangibles	9	**(4.5)**	(6.5)
Exceptionals	3	**35.0**	–
Operating profit	3	**81.4**	43.2
Financing income	5	**0.2**	0.2
Financing cost	5	**(15.8)**	(18.5)
Net financing costs	5	**(15.6)**	(18.3)
Profit before tax		**65.8**	24.9
Income tax expense	6	**(4.7)**	(5.6)
Profit attributable to equity shareholders of Wincanton plc		**61.1**	19.3
Earnings per share			
– basic	7	**50.7p**	16.6p
– diluted	7	**47.4p**	14.9p

Consolidated statement of comprehensive income
For the year ended 31 March 2016

	Note	2016 £m	2015 £m
Profit for the year		**61.1**	19.3
Other comprehensive income/(expense)			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of defined benefit liability		**23.0**	(40.5)
Income tax relating to items that will not be reclassified subsequently to profit or loss	6	**(7.0)**	8.1
		16.0	(32.4)
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange gain/(loss) on investment in foreign subsidiaries net of hedged items	5	**0.3**	(0.8)
Effective portion of changes in fair value of cash flow hedges		**(0.4)**	(1.3)
Net change in fair value of cash flow hedges transferred to the income statement		**1.3**	1.5
		1.2	(0.6)
Other comprehensive income/(expense) for the year, net of income tax		**17.2**	(33.0)
Total comprehensive income/(expense) attributable to equity shareholders of Wincanton plc		**78.3**	(13.7)

Consolidated balance sheet
At 31 March 2016

	Note	2016 £m	2015 £m
Non-current assets			
Goodwill and intangible assets	9	**90.0**	96.8
Property, plant and equipment	10	**35.6**	58.2
Investments, including those equity accounted	12	**0.1**	0.1
Deferred tax assets	13	**22.8**	30.3
		148.5	185.4
Current assets			
Inventories	14	**4.8**	5.8
Trade and other receivables	15	**139.4**	135.2
Cash and cash equivalents	16	**36.3**	105.8
		180.5	246.8
Current liabilities			
Income tax payable		**(7.3)**	(8.7)
Borrowings and other financial liabilities	17	**(20.4)**	(35.3)
Trade and other payables	18	**(272.1)**	(316.6)
Employee benefits	23	**(0.3)**	(0.2)
Provisions	19	**(15.4)**	(18.7)
		(315.5)	(379.5)
Net current liabilities		**(135.0)**	(132.7)
Total assets less current liabilities		**13.5**	52.7
Non-current liabilities			
Borrowings and other financial liabilities	17	**(55.4)**	(128.1)
Employee benefits	23	**(105.6)**	(144.2)
Provisions	19	**(36.0)**	(41.2)
Deferred tax liabilities	13	**(0.8)**	(0.9)
		(197.8)	(314.4)
Net liabilities		**(184.3)**	(261.7)
Equity			
Issued share capital		**12.4**	12.2
Share premium		**12.9**	12.8
Merger reserve		**3.5**	3.5
Hedging reserve		**(0.7)**	(1.6)
Translation reserve		**(0.2)**	(0.5)
Retained earnings		**(212.2)**	(288.1)
Total equity deficit		**(184.3)**	(261.7)

These financial statements were approved by the Board of Directors on 8 June 2016 and were signed on its behalf by:

A Colman
Chief Executive Officer

T Lawlor
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 March 2016

	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 2014	12.2	12.8	3.5	(1.8)	0.3	(14.9)	(262.1)	(250.0)
Profit for the year	–	–	–	–	–	–	19.3	19.3
Other comprehensive income	–	–	–	0.2	(0.8)	–	(32.4)	(33.0)
Total comprehensive income	–	–	–	0.2	(0.8)	–	(13.1)	(13.7)
Share based payment transactions	–	–	–	–	–	–	1.5	1.5
Deferred tax on share based payment transactions	–	–	–	–	–	–	0.5	0.5
Own shares disposed of on exercise of options	–	–	–	–	–	0.8	(0.8)	–
Balance at 31 March 2015	12.2	12.8	3.5	(1.6)	(0.5)	(14.1)	(274.0)	(261.7)
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)**

Consolidated statement of cash flows
For the year ended 31 March 2016

	2016 £m	2015 £m
Operating activities		
Profit before tax	**65.8**	24.9
Adjustments for		
– depreciation and amortisation	**19.0**	20.9
– interest expense	**15.6**	18.3
– exceptionals	**(35.0)**	–
– share-based payments fair value charges	**0.9**	1.5
	66.3	65.6
Increase in trade and other receivables	**(4.5)**	(0.3)
Decrease in inventories	**0.8**	0.6
Decrease in trade and other payables	**(49.0)**	(4.0)
Decrease in provisions	**(10.0)**	(15.1)
Increase in employee benefits before pension deficit payment	**0.9**	2.1
Income taxes paid	**(3.1)**	(4.2)
Cash generated before pension deficit payment	**1.4**	44.7
Pension deficit payment	**(20.9)**	(14.4)
Cash flows from operating activities	**(19.5)**	30.3
Investing activities		
Proceeds from sale of property, plant and equipment	**4.4**	0.6
Proceeds from Records Management disposal	**55.7**	–
Interest received	**0.2**	0.2
Additions of property, plant and equipment	**(10.0)**	(10.0)
Additions of computer software costs	**(0.4)**	(0.3)
Cash flows from investing activities	**49.9**	(9.5)
Financing activities		
Own shares acquired	**(4.5)**	–
Decrease in borrowings	**(86.2)**	(33.6)
Payment of finance lease liabilities	–	(0.5)
Interest paid	**(9.3)**	(12.8)
Cash flows from financing activities	**(100.0)**	(46.9)
Net decrease in cash and cash equivalents	**(69.6)**	(26.1)
Cash and cash equivalents at beginning of year	**105.8**	131.9
Effect of exchange rate fluctuations on cash held	**0.1**	–
Cash and cash equivalents at end of year	**36.3**	105.8
Represented by		
– cash at bank and in hand	**26.3**	93.2
– restricted cash, being deposits held by the Group's captive insurer	**10.0**	12.6
	36.3	105.8

Notes to the consolidated financial statements

1. Accounting policies

Statement of compliance

Wincanton plc (the Company) is a company incorporated in England and Wales. The Group's 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 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 1 Disclosure Initiative
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements 2012–2014 Cycle

Adoption of IFRS 16 Leases will result in the recognition on balance sheet of assets and liabilities relating to leases which are currently being accounted for as operating leases. The Group is yet to assess the full impact of IFRS 16 which becomes effective for the year ended 31 March 2020.

The Group does not currently expect that adoption of the other standards and amendments will have a significant effect on the consolidated results or financial position of the Group, but will impact disclosure requirements.

The Company has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101); these are presented on pages 98 to 102 and present information about the Company as a separate entity and not about its group.

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 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 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.

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 Annual Improvements 2010-2012 and 2011-2013 Cycles. The adoption of these amendments has not had an effect on the consolidated results or financial position of the Group.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 6 to 10 and pages 24 to 29, 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.

The Group is reporting net liabilities of £184.3m (2015: £261.7m) primarily as a result of a past loss and the pension deficit. The main movement since the prior period relates to the profit for the year which includes the exceptional gain on disposal of Records Management. During the year the Group has repaid the maturing US Private Placement (USPP) debt of £33m and repaid £50m of the Prudential/M&G UK Companies Financing Fund LP. The syndicated core bank funding facility of £170m amortises by £10m in June 2016 and expires in June 2019 and the longer term funding loan of £25m amortises from year 7 of the 10 year term and matures in 2022. In addition, the final tranche of the US Private Placement bond (USPP) matures in November 2016.

As part of the year end process the Directors have undertaken a going concern review, as required by IAS 1 Presentation of Financial Statements, including determining the headroom available when the Group's facilities are compared to the forecast monthly cash flows for the forthcoming financial year and sensitising the borrowing covenants to give an indication of the headroom therein. 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.

1. Accounting policies (continued)

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 purchase 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
Software rights	1 to 5 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 10 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.

Plant and equipment acquired by way of finance lease is stated at deemed cost, being an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described in the accounting policy on expenses. Finance leases are those under the terms of which the Group assumes substantially all the risks and rewards of ownership.

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.

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. Freehold land is not depreciated. 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.

The residual value of tangible assets, if significant, is reassessed annually.

1. Accounting policies (continued)

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, i.e. 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 arise due to a plan amendment or a curtailment. They 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.

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 and 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.

1. Accounting policies (continued)

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. 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. The two exceptions are dealt with as per the separate applicable accounting policy. 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.

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. 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.

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.

For finance leases the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 and USPP 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.

The interest expense component of finance lease payments is recognised in the income statement using the constant periodic rate of return method.

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 to 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 underlying 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, approved, or paid.

2. Operating segments

Wincanton plc provides contract logistics services in the UK and Ireland. In the year to 31 March 2016 the Group managed its operations in two distinct operating segments: Contract logistics (the majority of activities including transport and warehousing for various market sectors including retail, manufacturing, defence and construction) and Specialist businesses (Pullman, Containers and Wincanton Records Management, up to the date of its disposal).

The results of the operating segments are regularly reviewed by the 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.

		Contract logistics		Specialist businesses		Consolidated	
	Note	2016 £m	2015 £m	2016 £m	2015 £m	2016 £m	2015 £m
Revenue from external customers[1]		**979.2**	928.8	**168.2**	178.6	**1,147.4**	1,107.4
Depreciation	10	**(8.6)**	(9.5)	**(3.0)**	(2.8)	**(11.6)**	(12.3)
Amortisation of software intangibles	9	**(2.9)**	(2.1)	**–**	–	**(2.9)**	(2.1)
Reportable segment underlying operating profit[2]		**48.4**	44.8	**2.5**	4.9	**50.9**	49.7
Total Group assets[3]						**329.0**	432.2
Additions to reportable segment non-current assets:							
– property, plant and equipment	10	**8.3**	8.4	**1.7**	1.6	**10.0**	10.0
– computer software costs	9	**0.4**	0.3	**–**	–	**0.4**	0.3
Total Group liabilities						**(513.3)**	(693.9)

1 Included in segment revenue is £1,134.7m (2015: £1,083.7m) in respect of customers based in the UK.
2 Underlying operating profit includes the share of results of the joint venture and is stated before amortisation of acquired intangibles and, where applicable, exceptionals.
3 Total Group assets include non-current assets of £148.4m (2015: £180.2m) in the UK.

Revenue of £162.4m arose from sales to the Group's largest single customer, being a group of companies under common control, and is reported within the Contract logistics segment above. In 2015 no single customer contributed 10% or more of total revenue, therefore no disclosure was required. 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.

Following the disposal of Records Management and the resultant reduction in the size of the Specialist businesses segment, the Group has reviewed its operational and reporting structure. With effect from 1 April 2016, the Group has reorganised its operations into two operating segments, Retail & Consumer and Industrial & Transport. Reporting has been aligned with this structure and from 1 April 2016 the segment information disclosed will reflect this change.

3. Operating profit

	2016			2015		
	Underlying[1] £m	**Amortisation and Exceptionals[2] £m**	**Total £m**	Underlying[1] £m	Amortisation and Exceptionals[2] £m	Total £m
Revenue	**1,147.4**	**–**	**1,147.4**	1,107.4	–	1,107.4
Cost of sales	**(1,077.2)**	**–**	**(1,077.2)**	(1,039.5)	–	(1,039.5)
Gross profit	**70.2**	**–**	**70.2**	67.9	–	67.9
Administrative expenses	**(19.3)**	**30.5**	**11.2**	(18.2)	(6.5)	(24.7)
Operating profit	**50.9**	**30.5**	**81.4**	49.7	(6.5)	43.2

[1] Underlying operating profit includes the share of results of the joint venture and is stated before amortisation of acquired intangibles and, where applicable, exceptionals.
[2] Comprises the amortisation of acquired intangibles and, where applicable, exceptionals.

	Note	**2016 £m**	2015 £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			
– owned	10	**11.6**	12.3
Amortisation and other amounts written off software intangibles	9	**2.9**	2.1
Operating lease rentals			
– plant and equipment		**29.8**	29.0
– land and buildings		**28.1**	31.9

Exceptionals

	2016 £m	2015 £m
Exceptional income		
Disposal of Records Management	**32.4**	–
Release of warranty balances	**2.6**	–
	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.

On 8 December 2015 the Group disposed of Records Management for a cash consideration of £55.7m. Property, plant and equipment and working capital of £16.4m and £0.8m respectively were disposed of and, after transaction and other costs of £6.1m, an exceptional profit on disposal of £32.4m has been recognised.

In addition, exceptionals include a £2.6m credit arising from a release of warranty balances established on the sale of the European operations in 2012.

4. Personnel expenses, including Directors

	Note	2016 £m	2015 £m
Wages and salaries		**463.2**	420.9
Share-based payments (including IFRS 2 fair value charges)		**1.1**	2.8
Social security contributions		**44.2**	40.2
Contributions to defined contribution pension arrangements	23	**18.1**	16.3
		526.6	480.2

	2016	2015
Average number of persons employed by the Group (including Directors) during the year	**17,070**	15,340

Directors' emoluments

	2016 £'000	2015 £'000
Salaries	**682**	726
Bonus	**449**	745
Other benefits	**172**	179
Non-executive Directors' fees	**379**	368
Total emoluments	**1,682**	2,018

Full details of each individual Director's emoluments, bonuses deferred in shares, share options and pension entitlements are given in the Annual report on remuneration on pages 45 to 54.

5. Net financing costs

Recognised in the income statement

	Note	2016 £m	2015 £m
Interest income		**0.2**	0.2
		0.2	0.2
Interest expense		**(10.1)**	(10.8)
Finance charges payable in respect of finance leases		**–**	(0.4)
Unwinding of discount on provisions	19	**(1.3)**	(2.3)
Interest on the net defined benefit pension liability	23	**(4.4)**	(5.0)
		(15.8)	(18.5)
Net financing costs		**(15.6)**	(18.3)

The interest income relates primarily to the deposits held by the Group's captive insurer.

Recognised in other comprehensive income

	2016 £m	2015 £m
Foreign currency translation differences for foreign operations	**0.3**	(0.8)
	0.3	(0.8)

The above amounts are recognised in the translation reserve.

6. Income tax expense

Recognised in the income statement

	2016 £m	2015 £m
Current tax expense		
Current year	**6.7**	5.9
Adjustments for prior years	**(2.9)**	(2.6)
	3.8	3.3
Deferred tax expense		
Current year	**0.8**	0.4
Adjustments for prior years	**0.1**	1.9
	0.9	2.3
Total income tax expense	**4.7**	5.6
Reconciliation of effective tax rate		
Profit before tax	**65.8**	24.9
Income tax using the UK corporation tax rate of 20% (2015: 21%)	**13.2**	5.2
Effect of tax rates in foreign jurisdictions	**–**	(0.2)
Trading losses utilised in the period	**–**	(0.1)
Non-deductible expenditure	**1.2**	1.4
Exceptionals	**(8.0)**	–
Other	**1.2**	–
Change in UK corporation tax rate	**(0.1)**	–
Adjustments for prior years		
– current tax	**(2.9)**	(2.6)
– deferred tax	**0.1**	1.9
Total tax expense for the year	**4.7**	5.6

Recognised in other comprehensive income		
Remeasurements of defined benefit pension liability	**7.0**	(8.1)
Effect of movement in foreign exchange	**–**	(0.1)
	7.0	(8.2)

Recognised directly in equity		
Current tax on share based payments	**(2.2)**	–
Deferred tax on share based payments	**(0.5)**	(0.5)
	(2.7)	(0.5)

The main UK Corporation tax rate reduced from 21% to 20% with effect from 1 April 2015, will reduce to 19% with effect from 1 April 2017 and will further reduce to 18% with effect from 1 April 2020. The closing UK deferred tax provision is calculated based on the rate of 18% which was substantively enacted at the balance sheet date.

7. Earnings per share

Earnings per share calculation is based on the earnings attributable to the equity shareholders of Wincanton plc of £61.1m (2015: £19.3m) and the weighted average shares of 120.5m (2015: 116.3m) which have been in issue throughout the year. The diluted earnings per share calculation is based on there being 8.5m (2015: 13.5m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes. The weighted average number of ordinary shares for both basic and diluted earnings per share are calculated as follows:

	2016 millions	2015 millions
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at the beginning of the year	**116.5**	116.1
Net effect of shares issued and purchased during the year	**4.0**	0.2
	120.5	116.3
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at the end of the year	**120.5**	116.3
Effect of share options on issue	**8.5**	13.5
	129.0	129.8

An alternative earnings per share number is set out below, being before amortisation of acquired intangibles and, where applicable, exceptionals plus related tax, since the Directors consider that this provides further information on the underlying performance of the Group:

	2016 pence	2015 pence
Underlying earnings per share		
– basic	**23.9**	21.1
– diluted	**22.3**	18.9

Underlying earnings are determined as follows:

	Note	**2016 £m**	2015 £m
Profit for the year attributable to equity shareholders of Wincanton plc		**61.1**	19.3
Exceptionals	3	**(35.0)**	–
Amortisation of acquired intangibles	9	**4.5**	6.5
Tax impact of above items		**(1.8)**	(1.3)
Underlying earnings		**28.8**	24.5

Underlying earnings and underlying earnings per share include the results of Records Management, which was sold in December 2015. Underlying earnings excluding Records Management results and a proforma reduction in finance charge are £28.4m and earnings per share 23.5p.

8. Dividends

Under Adopted IFRS dividends are only provided in the financial statements when they become a liability of the Company. No dividends have been paid in the current or prior year.

The Board is proposing a final dividend of 5.5p for the year ended 31 March 2016 (2015: nil) which, if approved by shareholders, will be paid on 5 August 2016 to shareholders on the register on 8 July 2016, an estimated total of £6.7m. In setting the dividend the Board has 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.

It is anticipated that in future years, the interim and final dividend split will be broadly one-third/two-thirds. The Board's intention is to adopt a progressive dividend policy, with annual dividend growth broadly matched with growth in underlying earnings.

9. Goodwill and intangible assets

	Note	Goodwill £m	Acquired intangibles £m	Computer software costs £m	Total £m
Cost					
At 1 April 2014		79.8	66.5	38.6	184.9
Effect of movements in foreign exchange		(0.4)	–	–	(0.4)
Additions		–	–	0.3	0.3
At 31 March 2015		79.4	66.5	38.9	184.8
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**
Amortisation and impairment losses					
At 1 April 2014		(2.5)	(51.0)	(25.9)	(79.4)
Charge for year		–	(6.5)	(2.1)	(8.6)
At 31 March 2015		(2.5)	(57.5)	(28.0)	(88.0)
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)**
Carrying value					
At 1 April 2014		77.3	15.5	12.7	105.5
At 31 March 2015 and 1 April 2015		76.9	9.0	10.9	96.8
At 31 March 2016		**77.1**	**4.5**	**8.4**	**90.0**

The carrying value of acquired intangibles relates entirely to customer relationships £4.5m (2015: £9.0m).

The total amortisation charge of £7.4m (2015: £8.6m) is recognised in the income statement with £2.9m (2015: £2.1m) of computer software amortisation included within cost of sales and £4.5m (2015: £6.5m) 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 will be restructured in line with the change in the reported operating segments.

	2016 £m	2015 £m
Contract logistics	**56.9**	56.7
Specialist businesses	**20.2**	20.2
	77.1	76.9

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:

	Contract logistics %	Specialist businesses %
Estimated growth rate	**1.9**	**1.9**
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 2015. The key assumptions for 2016 are disclosed in the table above, in 2015 these rates were; estimated growth rate 2.0%; underlying inflation rate 2.2%; and discount rate 9.9%.

Sensitivity to changes in assumptions

The estimated recoverable amounts for both the Contract logistics and the Specialist businesses CGUs exceed their respective carrying amounts by approximately £614m and £22m (2015: £590m and £145m 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 Contract logistics. For Specialist businesses an increase in the discount rate to 11.3% or a reduction in cash flows of c. £1.5m pa would result in the carrying value of goodwill being equal to its recoverable amount.

10. Property, plant and equipment

	Note	Property £m	Plant and equipment £m	Total £m
Cost				
At 1 April 2014		50.0	162.8	212.8
Effect of movements in foreign exchange		(0.2)	(1.3)	(1.5)
Additions		–	10.0	10.0
Disposals		(4.5)	(3.3)	(7.8)
At 31 March 2015		45.3	168.2	213.5
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**
Depreciation and impairment losses				
At 1 April 2014		(32.5)	(118.6)	(151.1)
Effect of movements in foreign exchange		0.2	0.7	0.9
Charge for year		(1.0)	(11.3)	(12.3)
Disposals		4.5	2.7	7.2
At 31 March 2015		(28.8)	(126.5)	(155.3)
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)**
Carrying amount				
At 1 April 2014		17.5	44.2	61.7
At 31 March 2015 and 1 April 2015		16.5	41.7	58.2
At 31 March 2016		**14.3**	**21.3**	**35.6**

Included in the total cost of property, plant and equipment is £1.0m (2015: £1.0m) in respect of capitalised finance costs.

The carrying amount of property comprises:

	2016 £m	2015 £m
Freehold	**10.4**	10.9
Short leasehold	**3.9**	5.6
	14.3	16.5

11. Investments in subsidiaries

The significant subsidiaries and jointly controlled entity as at 31 March 2016 in the Wincanton group of companies, based on the scale of their activities, are as follows:

	Principal activity	% of equity held	Country of incorporation
Wincanton Holdings Limited	Contract logistics services	100	England and Wales
Wincanton Group Limited	Contract logistics services	100	England and Wales
Wincanton UK Limited[1]	Intermediate holding company	100	England and Wales
Wincanton Ireland Limited	Contract logistics services	100	Republic of Ireland
Risk Underwriting (Guernsey) Limited	Captive insurer	100	Guernsey
UDS Properties Limited	Building and letting of specialised warehousing facilities	100	England and Wales
CEL Group Limited	Intermediate holding company	100	England and Wales
Corstor Limited	Container storage and repair	50	England and Wales

[1] Direct subsidiary of Wincanton plc.

Other subsidiaries and jointly controlled entity as at 31 March 2016:

	Principal activity	% of equity held	Country of incorporation
C.E.L. (Engineering) Limited	Dormant	100	England and Wales
CEL Logistics Limited	Dormant	100	England and Wales
City Self Storage Limited	Dormant	100	Republic of Ireland
Data and Records Management Limited	Dormant	100	Republic of Ireland
East Anglia Freight Terminal (Holdings) Limited	Dormant	84.5	England and Wales
East Anglia Freight Terminal Limited	Dormant	100	England and Wales
Glass Glover Group Limited	Dormant	100	England and Wales
Glass Glover Management Services Limited	Dormant	100	England and Wales
Hanbury Davies Containers Limited	Dormant	100	England and Wales
Hanbury Davies Limited	Dormant	100	England and Wales
Hanbury Holdings Limited	Dormant	100	England and Wales
House of Hill Holdings Limited	Dormant	100	England and Wales
House of Hill Limited	Dormant	100	England and Wales
Lane Group plc	Dormant	100	England and Wales
Minmar (662) Limited	Dormant	100	England and Wales
Nair Properties Limited	Dormant	100	England and Wales
Product Support (Holdings) Limited	Dormant	100	England and Wales
Product Support Limited	Dormant	100	England and Wales
Pullman Fleet Services Limited	Dormant	100	England and Wales
RDL Distribution Limited	Dormant	100	England and Wales
RDL Holdings Limited	Dormant	100	England and Wales
R-Log Limited	Dormant	50	England and Wales
Roadtanks Limited	Dormant	100	England and Wales
Storedco Limited	Dormant	100	England and Wales
Swales Haulage Limited	Dormant	100	England and Wales
Trans European Holdings Limited	Dormant	100	England and Wales
W Carter (Haulage) Limited	Dormant	100	England and Wales
W O Bradstreet Limited	Dormant	100	England and Wales
Wincanton (No. 1) Limited	Secure document scanning	100	England and Wales
Wincanton (No. 2) Limited	Dormant	100	England and Wales
Wincanton (No. 3) Limited	Dormant	100	England and Wales
Wincanton Air & Ocean Limited	Dormant	100	England and Wales
Wincanton High Tech Limited	Dormant	100	England and Wales
Wincanton Logistics Limited	Dormant	100	England and Wales
Wincanton Pension Scheme Trustees Limited	Trustee for the Wincanton plc Pension Scheme	100	England and Wales

11. Investments in subsidiaries (continued)

	Principal activity	% of equity held	Country of incorporation
Wincanton Records Management (Ireland) Limited	Dormant	100	Republic of Ireland
Wincanton Trans European (Ireland) Limited	Dormant	100	Republic of Ireland
Wincanton Trans European Limited	Dormant	100	England and Wales
Wincanton Vehicle Rentals Limited	Dormant	100	England and Wales

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:

	2016 £m	2015 £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**	
	2016 £m	2015 £m	**2016 £m**	2015 £m	**2016 £m**	2015 £m
Property, plant and equipment	**3.1**	2.0	**–**	(0.2)	**3.1**	1.8
Equity compensation benefits	**1.4**	1.2	**–**	–	**1.4**	1.2
Pension provisions	**19.0**	28.7	**–**	–	**19.0**	28.7
Other deferred tax assets	**0.2**	0.2	**–**	–	**0.2**	0.2
Other deferred tax liabilities[1]	**(0.9)**	(1.8)	**(0.8)**	(0.7)	**(1.7)**	(2.5)
	22.8	30.3	**(0.8)**	(0.9)	**22.0**	29.4

[1] Other deferred tax liabilities consist primarily of deferred tax on acquired intangibles.

Unrecognised deferred tax assets and liabilities

	2016 £m	2015 £m
Deferred tax asset on losses carried forward	**0.1**	2.3
	0.1	2.3

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 2015 £m	**Recognised in income £m**	**Other movements £m**	**At 31 March 2016 £m**
Property, plant and equipment	1.8	**1.3**	**–**	**3.1**
Equity compensation benefits	1.2	**(0.3)**	**0.5**	**1.4**
Pension provisions	28.7	**(2.7)**	**(7.0)**	**19.0**
Other deferred tax assets	0.2	**–**	**–**	**0.2**
Other deferred tax liabilities	(2.5)	**0.8**	**–**	**(1.7)**
	29.4	**(0.9)**	**(6.5)**	**22.0**

14. Inventories

	2016 £m	2015 £m
Raw materials and consumables	**4.8**	5.8
	4.8	5.8

15. Trade and other receivables

	2016 £m	2015 £m
Trade receivables	**94.0**	87.1
Less: provision for doubtful debts	**(0.8)**	(0.6)
Net trade receivables	**93.2**	86.5
Other receivables	**1.0**	1.9
Prepayments and accrued income	**45.2**	46.8
	139.4	135.2

All receivables are due within one year, except for other receivables of £0.4m (2015: £1.2m) in respect of amounts recoverable from customers and others under contracts of more than one year and prepayments and accrued income of £0.5m (2015: £1.5m).

Movement in the provision for doubtful debts

	2016 £m	2015 £m
At 1 April	**0.6**	0.2
Impairment losses recognised on receivables	**0.3**	0.4
Amounts written off as unrecoverable	**(0.1)**	–
At 31 March	**0.8**	0.6

Ageing of trade receivables and the associated provision for doubtful debts at the balance sheet date

	2016		2015	
	Gross £m	**Provision £m**	Gross £m	Provision £m
Current	**83.2**	**–**	81.8	–
1 month overdue	**7.9**	**–**	2.9	–
2 months overdue	**1.2**	**–**	1.3	–
3+ months overdue	**1.7**	**(0.8)**	1.1	(0.6)
	94.0	**(0.8)**	87.1	(0.6)

The standard period of credit on sales is up to 30 days. Interest is chargeable on overdue amounts. The Group only provides for doubtful debts where, in the opinion of management, the amount is no longer recoverable. The amount of the provision is management's estimate of the irrecoverable amount.

16. Cash and cash equivalents

	2016 £m	2015 £m
Cash at bank and in hand	**26.3**	93.2
Restricted cash deposits held by the Group's captive insurer	**10.0**	12.6
Cash and cash equivalents	**36.3**	105.8

Details of the Group's treasury policies are set out in note 25.

17. Borrowings and other financial liabilities

	2016 £m	2015 £m
Current		
Bank loans and overdrafts	**20.1**	34.1
Other financial liabilities	**0.3**	1.2
	20.4	35.3
Non-current		
Bank loans[1]	**55.0**	127.7
Other financial liabilities	**0.4**	0.4
	55.4	128.1

[1] Bank loans include the US$ private placement as swapped into sterling.

The following are the contractual maturities of financial liabilities, excluding interest payments:

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**

At 31 March 2015

	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	107.8	107.8	0.2	70.1	37.5
Unsecured bond issues – US$ private placement[1]	60.7	58.5	37.0	21.5	–
Trade and other payables	316.6	316.6	316.6	–	–
Derivative financial liabilities					
US$/GBP fixed to floating swap – asset[1]	(60.2)	(58.5)	(37.0)	(21.5)	–
US$/GBP fixed to floating swap – liability	53.5	53.5	33.5	20.0	–
Interest rate swaps	1.6	1.6	1.2	0.4	–
	480.0	479.5	351.5	90.5	37.5

[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

	2016 £m	2015 £m
Current		
Trade payables	**47.3**	84.6
Other taxes and social security	**36.2**	33.7
Other payables	**48.4**	49.0
Accruals and deferred income	**140.2**	149.3
	272.1	316.6

19. Provisions

	Note	Insurance £m	Property £m	Other provisions £m	Total £m
At 1 April 2015		37.4	21.9	0.6	59.9
Effect of movements in foreign exchange		–	0.3	–	0.3
Provisions used during the year		(9.4)	(7.7)	(0.1)	(17.2)
Unwinding of discount	5	0.5	0.8	–	1.3
Provisions made during the year		7.1	–	–	7.1
At 31 March 2016		**35.6**	**15.3**	**0.5**	**51.4**
Current		**9.2**	**5.7**	**0.5**	**15.4**
Non-current		**26.4**	**9.6**	**–**	**36.0**
		35.6	**15.3**	**0.5**	**51.4**

The Group owns 100% of the share capital of a captive insurer 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 prevailing base 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. The provisions are utilised over the relevant lease term, with the majority expected to be utilised over the next three years. Where significant, amounts have been discounted at a rate based on the Group's cost of debt.

20. Capital and reserves

Share capital

	10p Ordinary shares	
Allotted, called up and fully paid	**2016 millions**	2015 millions
At 1 April	**121.7**	121.7
Issued during the year	**2.0**	–
In issue at 31 March	**123.7**	121.7

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, 2 million shares were issued at 10p per share and gifted to the EBT (2015: nil).

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 Employee Benefit Trust (EBT) established in Jersey and managed on its behalf by independent trustees. At 31 March 2016, the number of the Company's shares held by the EBT had decreased to 1,806,521 (2015: 5,256,185). Movements during the year comprise: shares issued and gifted 2m; shares purchased 2.5m; and shares sold on the settlement of options approximately 8.0m. The EBT has waived the right to receive dividends in respect of the shares it holds. The average cost of the shares held is 173p each (2015: 268p) and at 31 March 2016, the market value of the shares held was £3.0m (2015: £8.3m).

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 2016 there were 1,806,521 (2015: 1,499,334) 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:

	2016 £m	2015 £m
Contracted	**1.8**	3.9
	1.8	3.9

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 given in note 3.

The total future minimum lease payments under non-cancellable operating leases fall due for repayment as follows:

	2016		2015	
	Plant and equipment £m	**Land and buildings £m**	Plant and equipment £m	Land and buildings £m
Less than 1 year	**20.5**	**19.6**	23.9	26.3
Between 1 and 5 years	**31.8**	**46.6**	35.8	49.8
More than 5 years	**1.6**	**108.7**	0.5	119.7
	53.9	**174.9**	60.2	195.8

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:

	2016		2015	
	Plant and equipment £m	**Land and buildings £m**	Plant and equipment £m	Land and buildings £m
Element of lease underwritten by customer contract	**35.8**	**34.5**	33.2	20.7
Element of lease where the period of the lease extends beyond the current maturity of the customer contract	**6.8**	**15.1**	4.3	4.8
Multi-user locations where mitigation is spread across a number of customers	**10.0**	**107.3**	21.4	124.9
Leases with limited or no mitigation	**1.3**	**8.7**	1.3	29.0
	53.9	**165.6**	60.2	179.4
Covered by property provision	**–**	**9.3**	–	16.4
	53.9	**174.9**	60.2	195.8

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:

	2016 £m	2015 £m
Holiday pay	**0.3**	0.2
Pension schemes (see below)	**105.6**	144.2
	105.9	144.4
These employee benefits are split as follows:		
Current	**0.3**	0.2
Non-current	**105.6**	144.2
	105.9	144.4

Pension schemes

Employees of Wincanton participated in funded pension arrangements in the UK and Ireland during the year ended 31 March 2016 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 funded defined contribution scheme. Assets of these pension arrangements are held in separate Trustee administered funds independent of Wincanton. The weighted average duration of the defined benefit obligation is around 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 2015 and 2016.

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 Scheme actuary, agreed to leave the terms of the additional 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 £0.6m (2015: £nil) are not included in the contributions below. The deficit funding contribution in the year net of these expenses was £13.9m (2015: £14.4m). Following the disposal of Records Management the Group paid an additional £7.0m into the Scheme, giving a total net contribution in the year of £20.9m.

In the year commencing 1 April 2016 the Group contributions are expected to be the deficit funding contribution of £14.8m (£14.2m 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 £0.8m (2015: £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
- reducing investment risk when pre-determined funding levels are reached.

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 by undertaking a pension increase exchange exercise reducing the Group's exposure to inflation risk.

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.

	2016 £m	2015 £m
Present value of unfunded defined benefit obligations	**(1.7)**	(1.8)
Present value of funded defined benefit obligations	**(1,001.0)**	(1,067.2)
Fair value of Scheme assets	**897.1**	924.8
Net defined benefit liability	**(105.6)**	(144.2)

The movement in the above net defined benefit liability in the year was primarily the result of an increase in the discount rate and the deficit funding contributions made which have been offset by a decrease in the market value of assets. The net defined benefit liability, after taking into account the related deferred tax asset, is £86.6m (2015: £115.5m).

Movements in the present value of the net defined benefit liability

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)**

31 March 2015	Assets £m	Obligations £m	Net liability £m	Unfunded arrangements £m	Total net liability £m
Opening position	778.3	(887.8)	(109.5)	(1.4)	(110.9)
Included in Income statement:					
Administration costs	(2.9)	–	(2.9)	–	(2.9)
Interest on the net defined benefit liability	34.8	(39.7)	(4.9)	(0.1)	(5.0)
Cash:					
Employer contributions	15.1	–	15.1	–	15.1
Benefits paid	(29.6)	29.6	–	–	–
Included in Other comprehensive income:					
Changes in financial assumptions	–	(192.1)	(192.1)	(0.3)	(192.4)
Changes in demographic assumptions	–	(7.3)	(7.3)	–	(7.3)
Experience	–	30.1	30.1	–	30.1
Return on assets excluding amounts included in net financing costs	129.1	–	129.1	–	129.1
Closing defined benefit liability	924.8	(1,067.2)	(142.4)	(1.8)	(144.2)

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	2016 £m	2015 £m
Cost of sales		–	–
Administrative expenses		**1.5**	2.9
Within underlying operating profit		**1.5**	2.9
Financing costs	5	**4.4**	5.0
Recognised in Income statement		**5.9**	7.9

The market value of the Scheme assets held at the end of the year were as follows:

	2016 £m	2015 £m
Equities and synthetic equities	**257.1**	257.3
Hedge funds	**83.9**	64.7
Property and other growth assets	**66.7**	88.7
Corporate bonds	**178.9**	180.4
Multi asset credits	**71.4**	58.5
Senior real estate and private debt	**52.3**	14.9
Index-linked gilts (LDI portfolio collateral)	**256.1**	352.9
Notional exposure for synthetic equities/LDI hedging arrangements	**(134.9)**	(122.5)
Other, including cash	**65.6**	29.9
	897.1	924.8

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. 38% of the defined benefit scheme's inflation and interest rate risk (relative to pension liabilities measured on a gilts basis) 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:

	2016 %	2015 %
Discount rate	**3.50**	3.25
Price inflation rate – RPI	**2.95**	3.00
Price inflation rate – CPI	**1.95**	2.00
Rate of increase of pensions in deferment		
– for service to 31 March 2006	**2.90**	2.95
– for service from 1 April 2006	**2.10**	2.10

The assumptions used for mortality rates for members of these arrangements at the expected retirement age of 65 years are as follows:

	2016 Years	2015 Years
Male aged 65 today	**21.4**	21.4
Male aged 45 today	**23.8**	23.7
Female aged 65 today	**23.5**	23.4
Female aged 45 today	**26.5**	26.4

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%**	**19.0**
Price inflation – RPI	**+0.1%**	**(12.8)**
Mortality rate	**+ 1 year**	**(30.0)**

23. Employee benefits (continued)

Defined contribution schemes

The total expense relating to the Group's defined contribution schemes in the current year was £18.1m (2015: £16.3m).

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), Special Option Plan (SOP) and Executive Share Option Scheme, 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 (2015: £1.5m) 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 2016 is as follows:

	Outstanding	Exercisable	Option price pence/share	Date normally exercisable
Long Term Incentive Plan				
July 2015	804,803	–	–	2018-2025
September 2015	142,512	–	–	2018-2025
	947,315	**–**		
Executive Bonus Plan				
July 2013	78,986	78,986	–	2014-2023
July 2014	126,798	126,798	–	2015-2024
	205,784	**205,784**		
Special Option Plans				
July 2012	1,830,720	1,830,720	36	2015-2022
January 2013	1,059,322	1,059,322	71	2016-2023
July 2013	3,021,270	–	68	2016-2023
July 2014	1,626,227	–	137	2017-2024
December 2014	250,517	–	161	2017-2024
	7,788,056	**2,890,042**		
Executive Share Option Schemes				
December 2006	446,352	446,352	347	2009-2016
	446,352	**446,352**		
Total number of share options	**9,387,507**	**3,542,178**		

The number and weighted average exercise price of all share options extant under the above schemes are as follows:

	2016		2015	
	Options	**Weighted average pence**	Options	Weighted average pence
Outstanding at beginning of period	**22,153,583**	**66**	20,788,568	57
Granted during the period	**1,017,388**	**–**	3,581,745	116
Lapsed during the period	**(4,329,740)**	**91**	(1,860,205)	79
Exercised during the period	**(9,453,724)**	**31**	(356,525)	–
Outstanding at the end of the period	**9,387,507**	**81**	22,153,583	66
Exercisable at the end of the period	**3,542,178**	**84**	1,499,334	162

24. Equity compensation benefits (continued)

The weighted average share price at the date of exercise for share options exercised during the period was 180p (2015: 150p). The options outstanding at 31 March 2016 had a range of exercise prices of between nil and 347p 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	874,876 142,512	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	**1,017,388**		

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.

	September 2015 grant	July 2015 grant
Share price at grant (pence)	208.0	187.0
Exercise price (pence)	–	–
Risk-free rate (%)	0.8	1.0
Expected volatility of Wincanton plc (%)	38.0	41.2
Expected volatility of Index (%)	12.9	11.9
Expected life (years)	3	3
Dividend yield (%)	3.5	3.9
Fair value per award under TSR condition (pence)	107.0	97.0
Fair value per award under EPS condition (pence)	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 (i.e. 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 (pence)	155.0	140.0	125.3	103.3	66.0	68.8	33.0	78.0
Exercise price (pence)	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 (pence)	29.0	41.0	39.0	33.0	20.0	19.9	8.6	9.5

Executive Share Option Schemes

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 £215m (2015: £299m) of core committed funding of which £75m was drawn at 31 March 2016 (2015: £161m), leaving headroom of £140m (2015: £138m). The Group also has overdraft and other uncommitted facilities. Within the £215m (2015: £299m) of core committed facilities there is £45m (2015: £129m) in the form of bonds and 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 captive insurer; 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	2016 £m	2015 £m
Total borrowings and other financial liabilities	17	**75.8**	163.4
Cash and cash equivalents	16	**(36.3)**	(105.8)
Net debt		**39.5**	57.6

See note 17 for further analysis of the contractual maturities of the financial liabilities.

Analysis of changes in net debt

	1 April 2015 £m	Cash flow £m	Net movement on cash flow hedges £m	Exchange movements £m	31 March 2016 £m
Cash and bank balances	105.8	(69.6)	–	0.1	**36.3**
Bank loans & overdrafts	(161.8)	86.2	–	0.5	**(75.1)**
Other financial liabilities	(1.6)	–	0.9	–	**(0.7)**
Net debt	**(57.6)**	**16.6**	**0.9**	**0.6**	**(39.5)**

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 2016 was at floating rates. At 31 March 2016 the Group had in place £45.0m of three and five year sterling interest rate swaps (maturing 2016 and 2019) with effective rates of between 0.7% and 2.0% and the net fair value of the financial instruments used to manage interest rates at the year end was £(0.7)m (2015: £(1.6)m).

	2016			2015		
	Floating rate £m	Fixed rate £m	Total £m	Floating rate £m	Fixed rate £m	Total £m
Sterling						
Bank loans and overdrafts	**72.9**	**–**	**72.9**	161.5	–	161.5
Other financial liabilities	**0.7**	**–**	**0.7**	1.6	–	1.6
Borrowings	**73.6**	**–**	**73.6**	163.1	–	163.1
Cash	**(36.3)**	**–**	**(36.3)**	(105.7)	–	(105.7)
Net debt	**37.3**	**–**	**37.3**	57.4	–	57.4
Interest rate swap	**(45.0)**	**45.0**	**–**	(75.0)	75.0	–
Net (cash)/debt	**(7.7)**	**45.0**	**37.3**	(17.6)	75.0	57.4
Euro						
Bank loans and overdrafts	**2.2**	**–**	**2.2**	0.3	–	0.3
Cash	**–**	**–**	**–**	(0.1)	–	(0.1)
Net debt	**2.2**	**–**	**2.2**	0.2	–	0.2
Total net (cash)/debt	**(5.5)**	**45.0**	**39.5**	(17.4)	75.0	57.6

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 £45.0m. 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.

	2016		2015	
	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	**(0.6)**	**(0.6)**	(0.6)	(0.6)
1.0% decrease in rates	**0.6**	**0.6**	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.

The Group's committed facilities include $32.2m (2015: $87.2m) of US private placements. The principal has been swapped into sterling and all future cash flows are fully hedged; the fair value of the US$ principal and the US$/GBP swaps move in line with each other, so there is no resulting adjustment to the Group's income statement.

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 £153.3m (2015: £254.4m). 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 three 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:

	2016		2015	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Trade receivables	**93.2**	**93.2**	86.5	86.5
Other receivables	**1.0**	**1.0**	1.9	1.9
Cash and cash equivalents	**36.3**	**36.3**	105.8	105.8
US$ fixed to floating swaps				
– Assets	**22.7**	**22.7**	60.2	60.2
– Liabilities	**(20.1)**	**(20.1)**	(53.5)	(53.5)
Forward exchange contracts	**0.1**	**0.1**	–	–
Interest rate swaps	**(0.8)**	**(0.8)**	(1.6)	(1.6)
Bank loans and overdrafts	**(55.0)**	**(55.0)**	(107.8)	(107.8)
Unsecured bond issues – US$ private placement	**(22.7)**	**(22.7)**	(60.7)	(60.7)
Trade and other payables	**(272.1)**	**(272.1)**	(316.6)	(316.6)
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 rates 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.

Finance lease liabilities
The fair value is estimated as the present value of future cash flows discounted at market interest rates for homogenous lease agreements.

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 Director's emoluments, bonuses deferred in shares, share options and pension entitlements are given in the Annual report on remuneration on pages 45 to 54.

The total of short term employee remuneration and benefits receivable by the Directors is set out in note 4.

27. Accounting estimates and judgements

Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

The areas where policy and estimate selection are most critical for the Group are concerned with the accounting for pensions, the determination of provisions, and the testing of goodwill and acquired intangibles for impairment. Information about the assumptions and risk factors relating to these issues are given in notes 23, 19 and 9 respectively.

Wincanton plc Company balance sheet
At 31 March 2016

	Note	2016 £m	2015 restated[1] £m
Fixed assets			
Investment in subsidiaries	2	**108.9**	108.9
		108.9	108.9
Current assets			
Debtors	3	**58.5**	15.2
Cash at bank and in hand		**15.7**	82.1
		74.2	97.3
Creditors: amounts falling due within one year	4	**(24.8)**	(42.0)
Net current assets		**49.4**	55.3
Total assets less current liabilities		**158.3**	164.2
Creditors: amounts falling due after more than one year	5	**(55.4)**	(128.1)
Net assets		**102.9**	36.1
Capital and reserves			
Called up share capital		**12.4**	12.2
Share premium account		**12.9**	12.8
Hedging reserve		**(0.8)**	(1.7)
Profit and loss account		**78.4**	12.8
Equity shareholders' funds	7	**102.9**	36.1

[1] Restated on transition to FRS 101, see note 8

The financial statements were approved by the Board of Directors and authorised for issue on 8 June 2016 and were signed on its 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 2016

	Share capital £m	Share premium £m	Hedging reserve £m	Profit and loss account: Reserve for own shares £m	Profit and loss account: Retained earnings restated[1] £m	Total equity restated[1] £m
Balance at 1 April 2014	12.2	12.8	(1.5)	(14.9)	(3.2)	5.4
Profit for the year	–	–	–	–	11.0	11.0
Other comprehensive income	–	–	(0.2)	–	2.6	2.4
Total comprehensive income	–	–	(0.2)	–	13.6	13.4
Share based payment transactions	–	–	–	–	1.8	1.8
Deferred tax on share based payment transactions	–	–	–	–	0.5	0.5
Own shares disposed of on exercise of options	–	–	–	0.8	(0.8)	–
Dividends received	–	–	–	–	15.0	15.0
Balance at 31 March 2015	12.2	12.8	(1.7)	(14.1)	26.9	36.1
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**

[1] Restated on transition to FRS 101, see note 8

Notes to the Wincanton plc Company financial statements

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). The impact of this transition is set out in note 8.

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 Company reported a profit for the financial year ended 31 March 2016 of £17.6m (2015: £11.0m).

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	2016 £m	2015 £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

	2016 £m	2015 restated[1] £m
Amounts owed by Group undertakings	**54.8**	8.6
Group tax relief receivable	**1.5**	3.6
Prepayments and accrued income	**0.8**	1.8
Deferred tax	**1.4**	1.2
	58.5	15.2

[1] Restated on transition to FRS 101, see note 8

All debtors are due within one year, except prepayments and accrued income of £0.5m (2015: £1.5m).

4. Creditors: amounts falling due within one year

	2016 £m	2015 £m
Bank loans and overdrafts	**20.1**	33.9
Other financial liabilities	**0.3**	1.2
Accruals and deferred income	**4.4**	6.9
	24.8	42.0

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

	2016 £m	2015 £m
Bank loans	**55.0**	127.7
Other financial liabilities	**0.4**	0.4
	55.4	128.1

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	2016 millions	2015 millions
At 1 April	**121.7**	121.7
Issued during the year	**2.0**	–
In issue at 31 March	**123.7**	121.7

During the year ended 31 March 2016, 2 million shares were issued at 10p per share to satisfy the exercise of share options (2015: nil).

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

	2016 £m	2015 restated[1] £m
Retained gain for the financial year	**16.8**	13.6
Dividends received	**50.0**	15.0
Other recognised gains and losses relating to the year	**0.9**	(0.2)
Current tax on share based payment transactions	**2.2**	–
Deferred tax on share based payment transactions	**0.5**	0.5
Equity granted to employees of the Company and subsidiaries	**0.9**	1.8
Own shares acquired	**(4.5)**	–
Net increase in shareholders' funds	**66.8**	30.7
Opening shareholders' funds	**36.1**	5.4
Closing shareholders' funds	**102.9**	36.1

[1] Restated on transition to FRS 101, see note 8

8. Transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared under FRS 101. The accounting policies set out in note 1 to these accounts and in note 1 of the consolidated financial statements have been applied in preparing firstly the financial statements for the year ended 31 March 2016, secondly the comparative information presented in these financial statements for the year ended 31 March 2015 and lastly an opening FRS 101 balance sheet at 1 April 2014 (the Company's date of transition).

In preparing its opening FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounts (previous United Kingdom Generally Accepted Accounting Practice ('UK GAAP')).

The impact of applying IAS 12 Income Taxes has been to recognise a deferred tax asset in relation to the share options outstanding at each year end. The effect on the financial statements is summarised below:

Balance sheet as at 1 April 2014:	As reported £m	Effect of transition to FRS 101 £m	Restated[1] £m
Deferred tax asset	–	0.4	0.4

Retained earnings for the year ended 31 March 2015:			
Balance at 1 April 2014	(3.6)	0.4	(3.2)
Profit for the year	10.7	0.3	11.0
Other comprehensive income	2.6	–	2.6
Share based payment transactions	1.8	–	1.8
Deferred tax on share based payment transactions	–	0.5	0.5
Own shares disposed of on exercise of options	(0.8)	–	(0.8)
Dividends received	15.0	–	15.0
Balance at 31 March 2015	25.7	1.2	26.9

Additional information

Group five year record

Strategic report Governance Accounts

As reported under Adopted IFRS

	2016 £m	2015 £m	2014 restated[1] £m	2013 restated[2] £m	2012 restated[3] £m
Revenue	**1,147.4**	1,107.4	1,098.0	1,086.8	1,202.8
Underlying operating profit[4]	**50.9**	49.7	48.0	45.3	43.8
Net financing costs	**(15.6)**	(18.3)	(22.4)	(24.0)	(15.0)
Underlying profit before tax[4]	**35.3**	31.4	25.6	21.3	28.8
Profit/(loss) before tax	**65.8**	24.9	34.9	14.0	(47.4)
Underlying profit after tax for the year[4]	**28.8**	24.5	19.3	15.4	19.4
Underlying earnings per share[4]	**23.9p**	21.1p	16.6p	13.3p	16.9p
Dividend per share	**5.5p**	–	–	–	–
Net debt	**(39.5)**	(57.6)	(64.9)	(107.6)	(114.5)

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 Underlying profit after tax and underlying earnings per share have been restated to exclude the results of Culina Logistics Limited which was sold in March 2012.
4 Operating profit, and hence profit before and after tax is reported on an underlying basis, i.e. including where applicable, share of results of associates but before amortisation of acquired intangibles, any impairment of goodwill and acquired intangibles and exceptionals. Underlying earnings per share is calculated on the same basis.

Financial calendar

Annual General Meeting	To be held on 21 July 2016 at the offices of Buchanan Communications, 107 Cheapside, London EC2V 6DN at 11am
Half year results	Interim announcement November 2016
Full year results	Preliminary announcement June 2017
Annual report	Posted to shareholders at the end of June 2017

Shareholder information

Annual Report
Copies can be obtained from the Company's address below.

Share registrar
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: 0870 702 0000. Whenever you contact the Registrar, please quote the full names in which your shares are held. Please advise the Registrar promptly of any change of address.

Dividend mandates
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 get the correct name of the person and organisation;
- check that they are properly authorised by the FCA before getting involved by visiting www.fca.org.uk/firms/systems-reporting/register and 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.

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.

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Registered in England & Wales under No. 4178808

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