

**WORKING
TOGETHER**

EFFECTIVE

RESPECTED

INNOVATIVE

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COMPANIES HOUSE

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Highlights

Value. Performance. Delivery.

Financial highlights

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Revenue	Underlying EBITDA	Underlying operating profit
£1,107.4m	£64.1m	£49.7m
+0.9%	+1.1%	+3.5%

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Underlying profit before tax	Underlying EPS	Net debt
£31.4m	21.1p	£57.6m
+22.7%	+27.1%	-11.2%

Operational highlights

Winning business and creating new partnerships

Customers continue to see Wincanton as their natural partner in the drive for greater efficiency. In 2014/15, we won new contracts with a diverse range of customers including Halo Foods and Howdens Joinery, and created a new five-year partnership with Lavendon Group plc which sees us take sole responsibility for all of their logistics services.

Renewing existing contracts

Over the last year our continued focus on operational excellence and continuous improvement delivered important contract renewals with long-established customers. These included Magnet (a Wincanton customer for 13 years) and Total (16 years), as well as Waitrose Wines and Spirits, H J Heinz and Britvic (all over 20 years).

Taking market leadership

We added to our strong reputation in the defence sector by winning a number of new contracts, including BAE Systems, Supacat and General Dynamics.

Building on our multichannel strengths

We support customers how, where and when they need support, through a wide range of integrated, tailored services. Argos and Screwfix are just two of the customers who rely on our multichannel capabilities to help deliver their business objectives.

Broadening our relationships with key customers

Long term relationships are reliable indicators of a successful business. During the year we were proud to extend established relationships with customers such as BAE Systems into new areas.

Continuing our focus on efficiency

We strive to improve our operational efficiency and cost structure every year. Our Pullman business underperformed in the year and we have taken action to improve this business going forward.

Safeguarding our people

We never compromise the safety of our people. During 2014/15, our Lost Time Incident Frequency Rate (LTIFR) reduced for the third consecutive year.

Overview

We have a clear vision

Together we will build the most innovative, effective and respected logistics company.

It is our **mission** to make our customers' business better. Every day.

We will achieve our **vision** through our shared **values** and the passion that our people bring to work.

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Vision

Together we will build the most innovative, effective and respected logistics company.

Mission

We make our customers' business better. Every day.

Values

Excellence
Integrity
Passion
Proactivity
Togetherness
Trust

Chairman's review



Another year of progress and improvement. We delivered a sound financial performance, and also laid out our new vision, mission and values that will drive future sustainable growth.

Steve Marshall

Chairman

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Introduction

2014/15 represented another year of progress and improvement for Wincanton. The contributing elements remain the same; strong renewal levels with additional contract awards from existing customers; targeted new business wins in growth sectors such as construction; all underpinned by continued delivery of operational cost efficiencies, to the shared benefit of Wincanton and its customers.

The improving economic backdrop in the UK and Ireland continues. Despite this, key Wincanton sectors within retail are coping with rapid channel and consumer driven changes which also had some impact on our business as certain retailers reshaped their networks resulting in some site closures during the year. To support their customers and so prosper themselves, logistics suppliers are required to actively innovate, collaborate and deliver continuing efficiencies.

Results

Group revenues at £1,107.4m were up by 0.9% on the prior year. A strong performance on new business wins and renewals was partly offset by the impact of certain site closures as retailers reshaped their distribution networks and also the impact of lower fuel prices as fuel is largely a pass through cost to Wincanton. Underlying operating profits grew by 3.5% from £48.0m to £49.7m, assisted by continuing cost efficiencies and good customer retention. The strong operating profit performance in Contract logistics from organic growth and a high level of customer project activity was partially offset by the losses suffered in Pullman operations, within Specialist businesses.

Underlying pre-tax profits were up by 22.7% to £31.4m, reflecting lower interest expense following a successful refinancing during the year and the reduced average debt. Underlying earnings per share was up 27.1% to 21.1p.

The Group has continued to prioritise reducing net indebtedness and actively managing the risks arising from its pension obligations. Year end net debt reduced from £64.9m to £57.6m and more importantly, average net debt during the year reduced from £168m to £136m. However, despite the closure of the defined benefit sections of the pension scheme to future accrual from 31 March 2014, the year end IAS 19 accounting deficit stood at £144.2m (2014: £110.9m), due largely to market discount rate movements.

Looking ahead, with the expected annual cash outflows from items such as onerous lease provisions and interest expense expected to lower, the Board will continue to prioritise reducing net indebtedness. No dividend is recommended for this year, however the Board will assess on an ongoing basis when it judges it to be in the Company's interests to recommence a dividend payment to shareholders.

People and the Board

The Group's most important calling card remains its reputation for strong customer focus and operational delivery. Importantly, this is being delivered alongside a trend line of improved safety performance. This is all to the great credit of our employees, who I would like to thank as always for their hard work and dedication.

Turning now to the Board:

It was announced in April 2015 that Eric Born will be stepping down as Chief Executive at the end of July 2015 to take up an international appointment outside the logistics sector. I would like to thank Eric for his strong leadership and his very considerable contribution to Wincanton during his six years with the Group. He leaves with our best wishes for the future.

I am pleased to report that Adrian Colman, currently Group Finance Director, will be promoted to Chief Executive with effect from 1 August 2015. Adrian was selected by the Board following a full external search process. As a result, a search process is now underway to appoint a replacement Group Finance Director.

Within the non-executive team Stewart Oades joined the Board in November 2014 and brings with him very considerable logistics sector experience. Paul Dean joined the Board in February 2015 and brings strong financial and business expertise. Paul will chair the Audit Committee from the conclusion of the AGM in July 2015.

Paul Venables, our current Audit Committee Chairman and Senior Independent Director, is stepping down from the Board after six years. Wincanton has benefited significantly from his financial and logistics sector expertise and Paul leaves with our thanks and best wishes.

Outlook

The Group will continue to pursue its strategy. Whilst existing customer retention and cost efficiencies will continue to be our key value drivers, increased emphasis is also being placed on winning new business where long term collaborative relationships can be built as well as returning the Pullman business to profitability. The emphasis on further increasing free cash flow generation and paying down net debt will also continue. The Board expects that Wincanton will show continued progress during the coming year.

Marketplace

Rising to the challenges

We operate in a dynamic, changing marketplace that is benefiting from a recovery in the UK economy. Opportunities are being driven by a range of factors, particularly the growing importance of areas we serve such as multichannel, retail, construction, transport, home and DIY.

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 new, faster and improved levels of service
- Provides access to a wide range of specialist expertise not available in-house

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Market background

The total UK logistics market including postal and courier activities is estimated to be worth £96bn¹, with around a third of this addressable for Wincanton.

The contract logistics market in the UK has consistently grown above the rate of growth of GDP, which according to the International Monetary Fund (IMF) grew strongly throughout 2014 at 3.2%, demonstrating the resilience of the industry. The IMF is forecasting GDP to continue growing by a further 2.7% in 2015 and 2.4% in each of 2016, 2017 and 2018.

According to recent research around half of all logistics activity is outsourced to third parties; however growth in multichannel retailing will provide incremental opportunities to increase this share of business as the market evolves and matures.

New opportunities in a complex business

Multichannel continues to increase in importance across the retail sector. The Interactive Media in Retail Group (IMRG) e-Retail Sales Index suggests that online consumer spending in the UK reached £104bn in 2014.

Online is forecast to be the fastest growing grocery sector in the UK. According to Cooperative News / IGD, online grocery will double in value to £17bn by 2019. However, the clear shift to online is complicated by a fragmentation of the retail market as a whole. The same source reports that the average UK consumer shops no fewer than 24 times per month and uses four different channels, with 90% of them buying from both a supermarket and a convenience store.

What does this mean for the logistics industry? In our view it confirms the key role that multichannel plays for Wincanton customers such as Screwfix, Williams-Sonoma, Inc. and Argos. As consumer shopping habits evolve, it is becoming more important than ever that retailers' logistics operations provide excellent service via consumers' preferred channels. No matter whether the consumer is buying in-store or online, doing their main food shop, returning clothing or waiting for a furniture delivery at home, they want a seamlessly effective and efficient experience.

IMRG reports that customer satisfaction with their overall online retail delivery experience stands at 82%, with the percentage of on-time delivery or attempted delivery above 90%, apart from around the Christmas peak. These are good figures which demonstrate that logistics companies are rising to the challenge of multichannel. Innovations such as Winsight, our application that tracks the delivery process, will ensure that businesses like Wincanton are well positioned to partner with ambitious customers and drive further growth in efficiency.

Construction is another area of opportunity for logistics organisations. This sector, where we have an excellent track record and in 2014/15 won valuable new business from Lavendon, grew by 4.8% in 2014, with growth in 2015 anticipated to reach 5.3%. Construction output is expected to reach £128bn in 2015² and we anticipate that many construction companies will follow the lead of Lafarge and others who outsource their logistics operations to companies such as Wincanton, in search of greater efficiencies.

The increase in economic activity across the UK also boosted volume demand for road haulage services. 2014 saw annual growth of 8% (Mintel Road Haulage, UK, February 2015) in the sector. This is a congested market characterised by competitive tendering and success depends on the type of innovation and efficiency improvements that we are delivering through our integrated national haulage network. By bringing together our previously independently managed contracts and resources, we are already delivering benefits, through new contracts and customers such as Howdens Joinery and Halo Foods.

Looking ahead

The latest UK logistics survey from Barclays and Moore Stephens, in conjunction with specialist sector research agency Analytiqa, reports an optimistic outlook together with an increased prospect of operators investing in capital expenditure and headcount in the near term. Despite the fact that challenges will remain in the market, the survey reports that the future looks and feels positive for logistics businesses.

The survey also highlights the rise in new service demands from customers, including collaboration, greater use of consolidation centres, short lead times and complementary traffic for back-haul opportunities. All these factors represent growth opportunities for Wincanton due to our size, scale, our expertise in convenience, as well as the range and diversity of our customers.

Further findings of the survey include the establishment of price competitiveness as one of the key drivers of contract wins in the market, alongside personal relationships and scale of network. Consolidation and collaboration are two main areas that can enhance this, as contract logistics businesses and their customers search for maximum return on investment and service quality.

Other challenges in delivering growth rely on organisations being able to overcome the continued national driver and skills shortfall. At Wincanton, we are addressing this shortage through our work with NOVUS, school visits, career fairs and apprenticeship schemes.

Additionally, as multichannel models evolve and mature, investment in value add services such as IT systems by logistics providers will demonstrate commitment to retailers looking to outsource their fulfilment operations.

¹ Chartered Institute of Logistics and Transport.
² Construction Products Association.

Our business

A diverse business, focused on excellence

Innovation, service and scale lie at the heart of Wincanton and drive our business and our customers' business to ever higher levels of performance. This has great relevance to all our customers, but particularly for those engaged in multichannel operations where consumers expect a constantly evolving range of ordering and fulfilment options. We never tire of striving to work better, faster and more cost-efficiently than our competitors in two clear segments: Contract logistics and Specialist businesses.

Contract logistics

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.

£928.8m

Revenue

£44.8m

Underlying operating profit

Services

- Bonded warehousing
- 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

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15,600

Employees

200+

Locations

Customer base includes:

• AgustaWestland	• GlaxoSmithKline	• Lavendon	• Rolls-Royce
• Argos	• H J Heinz	• Loaf.com	• Sainsbury's
• ASDA	• Halo Foods	• Marks & Spencer	• Tesco
• BAE Systems	• Home Retail Group	• Morrisons	• Total
• Britvic	• Howdens Joinery	• The NHS	• Waitrose
• CEMEX	• Kingfisher Group	• Premier Foods	• Williams-Sonoma, Inc.
• Dairy Crest	• Lafarge	• Procter & Gamble	

Market sectors

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

Specialist businesses

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

£178.6m
Revenue

£4.9m
Underlying operating profit

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 on their return journeys to port. 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 is one of the UK's most respected records management companies. It provides a blue-chip customer base with services including secure document and data storage, scanning, imaging, shredding and other ancillary office consumables.

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3,900

Operating responsibilities for vehicles

13 million

Square feet of warehousing space

Business model

Creating value across the business

We draw on all our expertise and resources in order to fulfil our mission of making our customers' business better, every day. That means developing and managing sophisticated supply chain solutions, being 100% focused on providing excellent service levels, and exploiting a competitive advantage based on innovation, people and assets.

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Innovation

Logistics is an industry on the move in more ways than one. Innovation shapes the way we continue to drive down costs and drive up performance levels.

For example, this year we created and launched new technology that is helping us track every delivery across our network, in real-time. Winsight, a smartphone-based application, incorporates a number of features in a single tool, including electronic proof of delivery, live vehicle tracking and the plotting of individual consignments onto digital maps. We use the data to optimise routes, leading to reduced mileage, faster deliveries and greatly enhanced customer service. Winsight also enables drivers to significantly reduce paperwork, improve time management by supporting vehicle compliance checks, defect logging and driver debriefing, and to collect customer feedback at the point of delivery.

Winsight is already improving efficiency across 1,000 of our vehicles and will be rolled out across the rest of the fleet vehicles in 2015. We will also provide it to subcontract hauliers that work with Wincanton, ensuring a more easily and consistently managed delivery process throughout our operations.

Winsight links with our transport management system, which provides our teams with visual planning, incident reporting, load planning, empty leg mapping and performance reports.

Every year, we invest in fuel efficiency initiatives which will help us reduce costs and therefore provide even greater value to customers. Our fleet replacement policy ensures a modern and efficient fleet with over 80% of our vehicle fleet now Euro 5 specification or above.

Safety is a clear priority for Wincanton and during the year we again introduced a number of innovations to protect vulnerable road users. These include additional training modules for drivers together with enhanced mirror checking stations at all sites to minimise blind spots, new cyclist aware decals on the rear of vehicles and educational projects at schools to raise awareness of vehicle risk. We have also worked with trailer manufacturers to improve safety. We believe that the new BS EN 12642 XL standard, which incorporates bungee load restraints, is an important innovation and have lobbied the Government to adopt it as a legal requirement.

Our commercial models

57%

Open book operations

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 for 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 agreement. In the same way, we aim to minimise any employee-related liabilities at the end of a contract. This means that while open book contracts provide relatively modest margins, they do not involve substantial business risk.

43%

Closed book operations

Closed book operations see us retaining the principal financial opportunity as well as the risk. We seek to maintain higher margins across our closed book operations, within the limits of a competitive market.

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People

Our people are on the front line of our business. They shape external perceptions, they deliver customer satisfaction and they deserve our wholehearted support at all times. During the year we launched a new vision, mission and values programme to encapsulate what we stand for, express our strengths and guide us to fulfil our ambitions. Based on input from over 650 colleagues and customers, the vision, mission and values statements underpin the services we deliver and provide a sharp focus for our development plans.

Those plans include a relentless focus on health and safety, a top priority at Wincanton. The year saw our Lost Time Incident Frequency Rate (LTIFR) fall for the third year in succession to a new record low. Although we are proud of this achievement, we know that one injury is one too many and have therefore set further demanding targets for the coming years.

We continued to invest in training and development programmes for our people during the year. These included a home delivery training scheme that has increased customer satisfaction levels from an already impressive 98.0% to 99.2%. In addition, we deployed several initiatives, including Certificate of Professional Competence (CPC) training programmes, to address the shortage of drivers in our industry. When mandatory CPC legislation came into effect in September 2014, 100% of our drivers were already qualified, allowing us to maintain deliveries through the peak Christmas period.

Maximising our assets

Property and fleets are our major assets and we use all our skills and knowledge to manage both as effectively as possible.

Our property portfolio extends to over 13 million square feet of managed warehousing and 114 acres of land at over 200 locations across the UK and Ireland. We reduced property costs in 2014/15 by taking an active and innovative approach to asset management, constantly reviewing and optimising our portfolio. Our approach combines strategic disposals and acquisitions with the restructuring of leases and other asset management mechanisms to enhance value. In 2014/15, we reduced vacant space from 12.5% to 3% via new business, improved utilisation, disposals, assignments or surrenders.

Our mission

We make our customers' business better. Every day.

We have a clear **vision** of what we want this Company to be, and a simple **mission** that we want to achieve for our customers.

Our people will be working alongside these customers sharing our **values** across the diverse range of solutions that we work on.

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Vision

Together we will build the most innovative, effective and respected logistics company.

Mission

We make our customers' business better. Every day.

Values

Excellence
Integrity
Passion
Proactivity
Togetherness
Trust

Chief Executive's statement



In the broader multichannel market we continue to see further growth opportunities for the Group.

Eric Born

Chief Executive

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Introduction

We have continued to deliver against our strategy during the year and delivered organic revenue and profit growth as well as a further reduction in the level of net debt. This was achieved through operational excellence and close customer relationships.

Financial performance

Group revenue grew by 0.9% to £1,107.4m in 2014/15 from £1,098.0m in 2013/14. The continued focus on growing our business, delivering important projects for our customers, improving asset efficiency and strong cost control have resulted in a 3.5% increase in underlying operating profit in the year to £49.7m from £48.0m in 2013/14. Underlying operating profit margin improved to 4.5% from 4.4%.

Net debt was reduced by £7.3m from £64.9m to £57.6m. In June 2014 we renewed our principal bank facility, putting in place a new £170m, five-year facility through to June 2019 which provides the Group with a well balanced medium term financing profile with total committed facilities of approximately £300m.

Our markets

The UK and Ireland marketplace in which we operate has been relatively stable and the economy overall has performed positively. We have seen a strong performance year over year in the construction industry and also in the volume of business with our retail customers that are in adjacent sectors of household and home related products. The retail grocery market has been through substantial change in the year with the large UK grocers experiencing major strategic and management change. Despite this, our business portfolio with our grocery customers has remained stable during the year and we firmly believe that we can continue to develop and offer new initiatives to drive greater efficiencies and lower cost of operation for them. Our aim is to support them in meeting the challenges they face in their market place.

The retail market place continues to change rapidly with multichannel retail becoming increasingly important. We have already developed a substantial market share in managing multichannel operations with some £140m of revenues per annum derived from servicing retail customers such as for Screwfix, Argos, Williams-Sonoma, Inc, Marks & Spencer and Loaf.com.

In the broader multichannel market we continue to see further growth opportunities for the Group. A high proportion of multichannel logistics operations are still in their infancy compared to main store 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.

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Chief Executive's statement continued

>650

Colleagues provided input to our vision, mission and values

200

Apprentices completed their programmes

£140m

Revenue generated from multichannel operations

Delivering against our strategy

Our strategy has remained unchanged and progress against the strategic pillars is described below:

Continue to deliver improvements for our customers in our existing operations and to retain existing contracts

The Group delivered another strong performance in renewing contracts with long standing customers such as General Dynamics, adidas, Total and Britvic during the period. The strong trend of successful renewals of business with customers is built on the foundation of operational excellence, reliability and dependability over the long term. We build long term partnerships and many of the contracts renewed this year have extended the working relationship with our customers to over 20 years, as was the case with Waitrose Wines and Spirits which was renewed for a further five years.

Improve 'share of wallet' with our existing customers and focus on cross-selling of our services

We have focused our teams on building strong relationships with customers to ensure they understand their needs and the opportunities where we can help add value to their businesses. During the year we demonstrated this with the delivery of significant projects for customers alongside our existing business. A good example of such was for a major FMCG customer where we supported the integration of their new worldwide ERP system by integrating it with their warehousing systems. We managed this to tight deadlines whilst continuing to deal with their peak volumes. The customer subsequently disposed of part of the business and we have undertaken a similar project for the divested business.

In the Construction sector we extended our relationship with Marley Eternit. Building on our existing contract to distribute roof tiles, we now also distribute sheeting and cladding materials which now makes us Marley Eternit's sole distribution partner in the UK.

Acquire new customers through improved prospecting process and service propositions

New business wins included a three-year agreement for transport logistics with Howdens Joinery, the building products group, and a three-year agreement with Halo Foods. We continue to leverage our expertise, systems and infrastructure to add real value to our customers operations. Additionally, we were also appointed to be the sole logistics provider to Lavendon Group plc (which trades as Nationwide Platforms in the UK). Lavendon is a market leader in the rental of specialist powered work platforms and we have taken sole responsibility for collecting products from all 26 of their UK storage facilities and delivering them to customers across the country. Lavendon's selection to outsource their logistics operation to us is integral to their growth strategy, designed to improve customer service and create efficiencies in their supply chain.

Drive ongoing cost reductions and cash generation

We improved our underlying operating margin from 4.4% in 2013/14 to 4.5% in 2014/15. Our track record in continuous improvements 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 £576m (2014: £64.9m) and the average level of net debt to £136m (2014: £168m) as a result of the continued focus on cash generation and improved working capital management.

Our people

Our people are at the very core of what makes Wincanton great at operational delivery, working to make our customers' business better every day. I would like to thank them for their dedication and performance during the year.

We developed and launched our vision, mission and values during the year. These were developed with the input and contributions from several hundred colleagues to ensure they represent the aspirations and values of the entire organisation. Our colleagues are key to the future success of the Group and we strive to ensure that their welfare is maintained and that they have the opportunities and environment in which to develop.

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 are also focused on the safety of others in the community and were awarded the Transport for London Fleet Operator Recognition Scheme (FORS) Bronze accreditation for our dedication to maintaining best practice standards across the business for the second year running. FORS is a voluntary certification scheme designed to ensure that fleet operators in London, and throughout the UK, work to high standards that go beyond the minimum legal requirements in areas such as health and safety and environmental impact with a particular focus on the safety of vulnerable road users.

We were also recognised in the prestigious Top 100 Apprenticeship Employers list which is compiled annually by the National Apprenticeship Service in partnership with City & Guilds. We are immensely proud that in the last three years around 200 apprentices have completed their programmes at Wincanton, and the business currently has over 200 apprentices on programmes at various stages of completion. Apprentices are truly seen as integral members of the team, embraced by both our business and our customers.

Developing our people is a high priority for the Group and the Wincanton Academy is now in its third year. This development programme allows high-performing colleagues to grow their skills and expertise around customer excellence, leadership and commercial finance.

The future

As announced in April, I will be stepping down as Chief Executive at the end of July 2015 to pursue an opportunity outside of logistics. I am privileged to have served as Chief Executive of Wincanton for the last 4½ years and I am pleased and proud with the progress the team and Group has made in that time. The Group has an excellent operational pedigree and a strong financial platform and I am sure it will continue to grow and prosper in the future.

How we measure our performance – KPIs

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Key contract wins and renewals

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

- Magnet, the UK's largest kitchen and joinery specialist, renewed its national home delivery and transport contract with Wincanton which sees our award-winning home delivery systems creating a 'step change' in customer satisfaction and service performance
- New customers such as Howdens Joinery and Halo Foods, who were attracted by our integrated haulage network
- BAE Systems, an existing customer, has extended our relationship to include on-site logistics and warehousing activities for their Maritime operations
- A new five-year contract with Lavendon Group plc replacing their in-house logistics operations, recognising the deal as integral to their growth strategy

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Operational excellence in convenience sector

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Award winning home delivery service

Market leaders in construction

People are key to future success of the Group

Case study

A FOCUS ON GROW

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Helping **Nationwide Platforms** gain competitive advantage and achieve growth

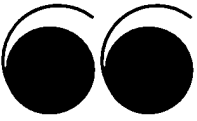
With reliable product delivery absolutely central to business success an increasing number of companies are turning to outsourced logistics to improve customer satisfaction.

In January 2015, we took sole responsibility for the UK logistics operations of Lavendon Group plc, a market leader in the rental of specialist powered work platforms, trading as Nationwide Platforms in the UK. The move to replace its in-house logistics capability is integral to the company's growth strategy which is designed to improve service and create efficiencies in the supply chain.

This contract is a further demonstration of how our cross-sector expertise combines with our asset management skills and proven technology to optimise processes and deliver exceptional service.

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The switch over was virtually unnoticed by customers. Going forward, however, we expect to see real improvements in on-time deliveries, reduced collection times and increased communication.

Jeremy Fish

Managing Director, Nationwide Platforms (A Lavendon Group Company)



The move to replace its UK in-house logistics operations with Wincanton is integral to Lavendon's growth strategy.

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Graphic removed

A dedicated fleet of

124

vehicles will make over

200,000

deliveries a year, collecting products from

26

Graphic removed

Nationwide Platforms facilities for delivery to their customers across the country.

Image removed

Graphic removed

The equipment Nationwide Platforms provides enables users to work safely, productively and comfortably at height, whatever the application.

Case study

PEAK PERFORMANCE

Graphic removed

Enabling our customers to effectively manage surges in demand

A high percentage of retail sales are generated in the peak period from September to December. The criticality of this period and the way in which this peak is handled can make or break the reputation of a retailer and its financial performance in the year.

At Wincanton, we have enormous experience in understanding and managing peaks across all sectors. While such periods of intense activity can challenge retailers and manufacturers, for our teams they represent 'business as usual'. For example, planning for Christmas starts at the beginning of the year, working with retailers to gain real knowledge of forecasts and volumes. As our business is so diverse, we are able to redeploy resources used in areas that experience contra-peaks such as construction, which is typically less busy towards the end of the year. We then use all available assets including warehouse teams, drivers and vehicles to support retailers and ensure that they, like their customers, enjoy a happy Christmas.



Christmas is crunch time for retailers. By making sure we have the right people and resources in the right place at the right time, we help them maximise opportunities across the holiday period.

DIY peaks during Spring

Graphic removed

Image removed

Our operations in retail drive 32% more miles overall in peak season compared to low season

Graphic removed

Image removed

Case study

Graphic removed

Delivering satisfaction to the e-tail sector

E-tailing is here to stay. A multichannel strategy is essential for retailers to reach consumers and enable them to shop where they want and when they want. It also presents real challenges.

Our shared user order management system ensures good performance and sits at the heart of our home delivery service. Offering real-time visibility of orders, it gives our customers greater control of their businesses. At the same time, an SMS service means that consumers enjoy an enhanced experience because they know exactly when their delivery will take place. The system also leads to a reduction in time from order placement to fulfilment – a crucial battleground for retailers.

Image removed

MEETING DEMAND IN A MULTI WORLD

Our service has helped one particular customer achieve:

11%
increase in customer rating

33%
customer growth in 12 months

Graphic removed

99%
on-time two-man home deliveries

3 day
reduction in lead time for one-man parcel deliveries

Image removed

We provide an end-to-end supply chain solution that manages the risk and complexity of multichannel orders, allowing customers to focus on growth.

Graphic removed

CHANNEL



Changing consumer habits are making the supply chain more important than ever. With our support, multichannel retailers are rising to the challenge and achieving new levels of delivery performance.

Graphic removed

Corporate responsibility

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 Company-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 ten years service; a fantastic achievement and testament to an engaging working environment.

Vision, mission and values

In January 2015, following a period of interactive collaboration and communication with colleagues and customers, we were proud to launch our new vision, mission and values for the Group. Our engagement with a diverse group of colleagues during the development process was essential to understanding what was really important to all colleagues and how we could reflect these in our statements and more importantly, to ensure their successful and seamless integration into operations.

Diversity

We employ over 15,600 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.

Engaging with our people

The relaunch of our annual colleague engagement survey, Your Voice, in 2014 provided us with a fantastic opportunity to collect insight and analyse how our colleagues feel about working at Wincanton. We were proud to have achieved a 76% response rate, that showed strong results in the areas of colleague commitment, health and safety awareness and understanding, and focus on our customers. On the back of the survey, we have developed robust corporate and local action plans to address our colleagues' feedback. A number of activities are well underway, including the launch of our new vision, mission and values in the year; an improved senior management visibility programme; and a refreshed communication framework and programme. Our 2015 survey was launched in May, and should provide valuable feedback about the success of our communications and engagement activities over recent months, and again support the entrenchment of our values.



Image removed

We were proud to launch our new vision, mission and values programme in January 2015

Image removed

Attracting new drivers

Graphic removed

70%

Employees promoted internally through the Wincanton Academy

Graphic removed

40%

Reduction in Lost Time Incident Frequency Rate

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 employees.

Our development solutions incorporate blended learning such as work based projects, customer interaction and engagement, and experiential learning. Since the inception of the Academy in 2013, our unique learning approaches have delivered cost savings and efficiencies in excess of £3m and an enviable internal promotion rate of approximately 70%.

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 development, and responding to colleague feedback from the last Your Voice survey. Our driver retention rate has increased over the last 12 months. We have formed 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 NOVUS, 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.

The success and contribution of NOVUS was recognised by two awards in 2014: the CILT Annual Awards for Excellence 2014 for the 'Development of People' category, Retail Week Supply Chain Awards and 'Wincanton Supply Chain Innovation Project of the year'.

Nurturing a safety culture

Safety continues to be a top priority within the Group. Our focus on the behaviour of all our people as well as targeting sites that need additional support, has resulted in a significant reduction in LTIFR.

The significant improvement and impact on safety behaviours and results were driven by targeting specific sites and activities for improvement. Building on the success of the programme during the year, the initiative has been revised for the next financial year and will be rolled out to all sites in the Group to ensure the safety behaviour culture continues to be embedded.

During the year we made significant headway in reducing our LTIFR. The overall reduction in lost time accidents dropped by approximately 40% compared to the previous year.

The accident reductions have been a result of sites understanding their risk profile and being able to plan accordingly. Our people have been engaged in workshops on working safely so that they have an input on the sites performance.

Investment in safety training was identified as a priority. During the year we completed various training programmes with our people which included: health and safety for first line managers, 278 people trained; risk assessment, 160 employees trained; accident investigation, 204 people trained; manual handling (train the trainer), 50 employees trained; and root cause analysis, 16 colleagues trained.

We continue to roll out our 'Alert Today, Alive Tomorrow' vulnerable road user programme. This has been well received at schools where children are taught the dangers of large vehicles. Our drivers have received targeted training and enhanced road craft skills which links to the driving assessment programme and the driver CPC (certificate of professional competence) scheme. Another initiative we have rolled out is 'mirror checking' stations within our transport locations to ensure that our drivers set their mirrors to the optimum position. In addition, stickers displaying the 'Alert Today, Alive Tomorrow' slogan have been fixed to all Wincanton vehicles, as well as a full back door version on a selection of vehicles, displaying our commitment to the programme.

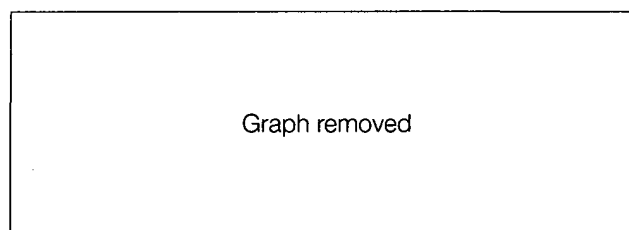
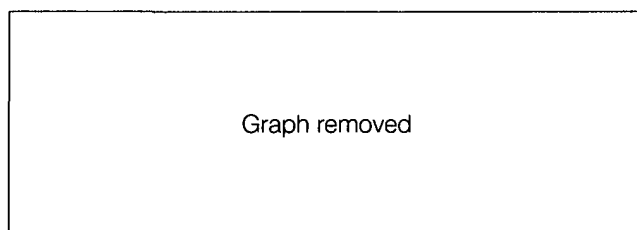
External programmes such as FORS (the Freight Operators Recognition Scheme) remain a focus for our sites that deliver within London and other urban areas.

Improving health and well-being

During 2014 we launched a well-being campaign, providing healthy lifestyle support and advice to all our people. The objective is to provide informative tools on relevant health issues to encourage better health and well-being.

Initiatives have been innovative and wide-ranging, and the programme, created and led by our colleagues, has focused on a 'calendar of events' to engage our people and raise awareness of a variety of important health and lifestyle topics, including healthy diet and nutritional information, early recognition and management of health conditions such as cardiovascular disease (CVD), diabetes and high blood pressure. The campaign also provides our employees with lifestyle resources.

Corporate responsibility continued



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

In June 2013, the Group refreshed and re-launched its environmental strategy to reflect the positive progress made against its objectives. The updated strategy is available on the Company's website and provides more details in relation to the Group's environmental strategy, policy and principles.

The Group's goal is to be the first choice for customers, employees and investors from an environmental perspective. Building a reputation as a company delivering environmentally sustainable logistics through a focus on operational excellence and innovative product leadership supports this goal.

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

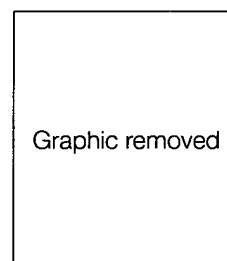
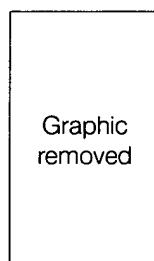
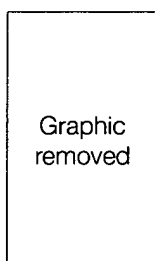
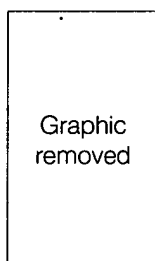
The Group recognises continuous improvement and operational excellence is enhanced by robust environmental governance and management systems.

The environmental management system we operate within the Group is certified to ISO14001 and responsibility for our environment programme sits with the Group Environment Committee. The Committee is chaired by the *Managing Director of Specialist businesses*, who is a member of the Executive Management Team.

The Group's reporting system measures performance on a monthly basis for a range of indicators. This gives business segments visibility of monthly carbon emissions and encourages reduction.

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 2014 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 transport diesel, LPG and LNG, mains electricity and natural gas, gas oil and LPG for non-transport uses, 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 a Group defined materiality threshold.



Reducing the carbon intensity ratio

The Group sets internal targets for carbon emissions reduction, which are absolute in nature and encourage the Group 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 2015 was 350 tonnes of carbon dioxide equivalent (tCO₂e) per £m of revenue. This is unchanged from 2014 but slightly reduced when 2014 figures are restated using this year's 2014 carbon factors.

See the summary results table provided:

Carbon emissions (tCO ₂ e)	2014/15	2013/14 (restated) ¹	2013/14 ²
Transport (scope 1)	304,747	293,557	293,374
Non-transport (scope 1 & 2)	82,631	94,856	88,543
Total emissions	387,378	388,413	381,917
Carbon intensity (tCO ₂ e/£m)	350	355	350

¹ Restated for 2014 Defra Carbon Factors.

² AR2014 used 2013 Defra/DECC Carbon Factors.

External reporting and recognition

Carbon Trust standard

During the year, the Group successfully retained the Carbon Trust Standard, which we have been certified with since 2010.

The Group is a proud participant in the UK CRC Energy Efficiency Scheme, and all CRC qualifying emissions are included in our scope 1 and 2 carbon emissions figures.

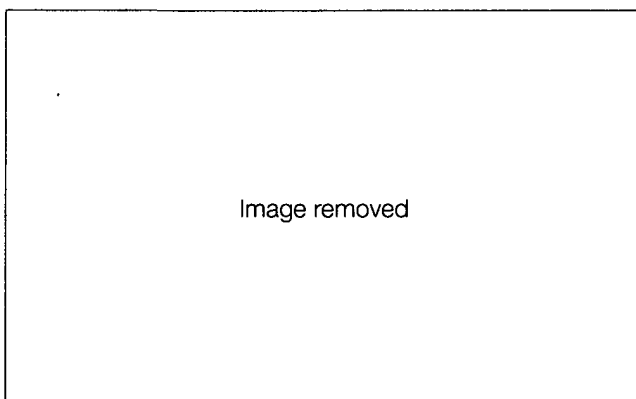
The Group has been submitting fully collated data to the CDP (formerly the Carbon Disclosure Project) for the past four years. The CDP is the leading international index of climate change and carbon management maturity for companies. Since 2011, our CDP disclosure score has risen significantly from 56% to 83% currently.

Logistics carbon reduction scheme

As a Group, we are a member of the Freight Transport Association Logistics Carbon Reduction Scheme (FTA LCRS). In the 2015 awards we won the FTA 'Leader in Logistics Carbon Reduction' award for the reduction of emissions over the past three years and the integration of its carbon measurement and reporting systems.

Motor Transport Awards

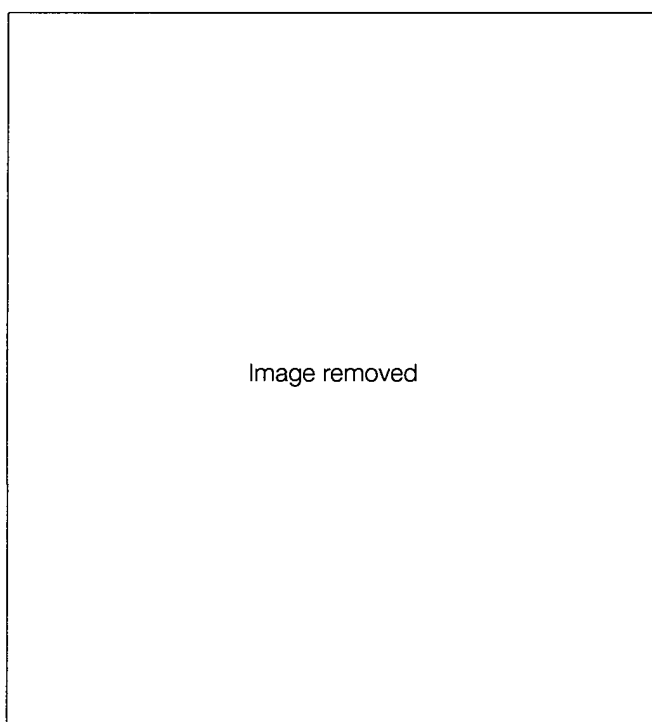
Furthermore, we are proud to share that the Group has been recognised and shortlisted as a finalist for two 2015 Motor Transport Awards: the Low Carbon & Efficiency award, and the Training award. The results will be announced in July 2015.



Award winning customer service supported by industry leading training

Financial review

A strong operating and financial platform, improving profitability and reducing net debt



Underlying operating profit growth of 3.5% to £49.7m, reducing debt levels and a new five year bank facility contributed to a 27.1% growth in underlying EPS.

Adrian Colman

Group Finance Director

Performance summary

	2015 £m	2014 restated ¹ £m	Change
Revenue	1,107.4	1,098.0	+0.9%
EBITDA	64.1	63.4	+1.1%
Underlying operating profit	49.7	48.0	+3.5%
Underlying operating margin (%)	4.5%	4.4%	+10bps
Net financing costs	(18.3)	(22.4)	
Underlying profit before tax	31.4	25.6	+22.7%
Amortisation of acquired intangibles	(6.5)	(6.5)	
Impact of pensions changes	–	15.8	
Profit before tax	24.9	34.9	
Underlying EPS (p)	21.1p	16.6p	+27.1%
Net debt	(57.6)	(64.9)	(11.2)%

¹ Comparatives have been restated for the change in accounting for joint ventures, see note 1 to the financial statements.

Graph removed

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In the year ended 31 March 2015, Wincanton reported revenue of £1,107.4m (2014: £1,098.0m), which represents a year on year increase of 0.9%. A strong performance on new business wins and renewals was partly offset by the impact of certain site closures as retailers reshaped their distribution networks. Additionally revenues have also faced a marginal headwind from the impact of lower fuel prices as fuel is largely a pass through cost to Wincanton. Changes in the price of fuel have had no material impact on the Group's profitability as contractual arrangements typically pass any fuel price risk through to the end customer. As such the impact of the fall in fuel prices during the year is largely limited to a modest decrease in gross costs and corresponding revenues year over year.

Underlying operating profit grew by 3.5% to £49.7m (2014: £48.0m), providing an underlying operating margin of 4.5% up from 4.4% in the prior year.

In the prior year the Group reported an exceptional net pension gain of £15.8m in respect of a programme of changes made to its pension arrangements, principally the closure of the defined benefit sections of the Wincanton plc Pension Scheme (the Scheme) to future accrual; no equivalent exceptional items arose in the current year.

Net financing costs were £18.3m (2014: £22.4m), £4.1m lower year on year. Financing charges principally comprise interest payable on loans, plus other non-cash financing items, of £13.3m (2014: £16.0m) and £5.0m (2014: £6.4m) of pension financing charge, a non-cash item arising in respect of the UK defined benefit arrangements.

Profit before tax of £24.9m compares to £34.9m in the prior year. Tax in the year was a charge of £5.6m compared with £7.5m in the prior year.

Underlying earnings per share of 21.1p increased by 27.1% from 16.6p in the prior year reflecting the improved operating profit and the lower net financing costs year over year. Basic earnings per share was 16.6p compared with 23.6p in 2013/14, the reduction reflecting the non-recurrence of the prior year one off pension gain referred to above.

Trading

	2015 £m			2014 £m		
	Contract logistics	Specialist businesses	Total	Contract logistics	Specialist businesses restated ¹	Total restated ¹
Revenue	928.8	178.6	1,107.4	930.1	167.9	1,098.0
Underlying operating profit	44.8	4.9	49.7	38.3	9.7	48.0
Margin (%)	4.8%	2.7%	4.5%	4.1%	5.8%	4.4%

¹ Comparatives have been restated for the change in accounting for joint ventures, see note 1 to the financial statements.

The Group's internal management structure aligns the Group under two sectors; Contract logistics which is a provider of supply chain logistics solutions and services and Specialist businesses of Containers, Wincanton Records Management and Pullman. This structure has been constant in both years to 31 March 2015 and hence the segments disclosure remains unchanged.

Contract logistics

The Contract logistics business reported revenues of £928.8m in the year, consistent overall with the £930.1m reported in the year to 31 March 2014. The contractual split of this segment between open and closed book remains relatively constant at 67% open book (2014: 69%).

Underlying operating profit for the year was £44.8m, 17.0% up on the £38.3m reported in 2013/14. The improvement in profitability primarily reflects a strong performance in relation to customer projects during the year and continued operational efficiency improvements from our ongoing programmes across our major assets of labour, fleet and property.

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

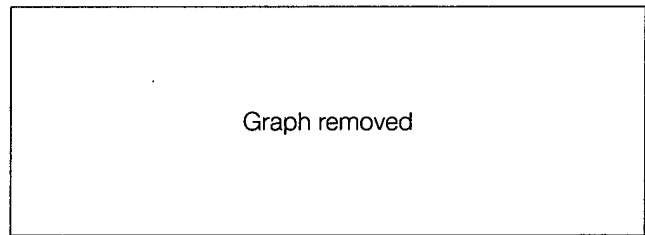
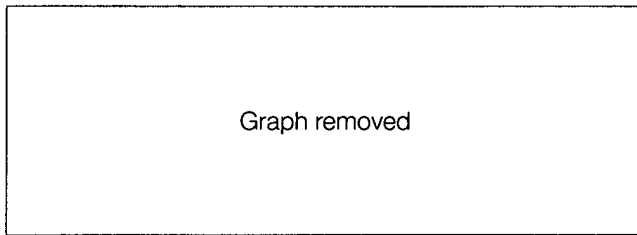
	2015 £m	2014 £m
Construction	135.2	126.1
FMCG	179.7	171.6
Retail grocery	237.4	243.7
Retail general merchandise	221.2	230.5
Tankers and bulk	94.6	99.0
Other	60.7	59.2
	928.8	930.1

The Construction sector has performed strongly in the year with good underlying volume increases reflecting the strong year that the UK construction sector enjoyed, in particular in relation to domestic house-building. Additionally this sector delivered important new business wins such as Lavendon Group plc to operate their UK logistics operations delivering/collecting powered platforms under the Nationwide Platforms brand for a five year term. In FMCG good volumes were again evident along with successful start ups of transport logistics operations for Halo Foods under a three year contract and a three year transport logistics contract with Howdens Joinery, the building products group.

Volumes in the retail sector were under pressure, particularly in the grocery sector, consistent with the market pressures that our large retail grocery customers have been facing in their market place. In the general merchandise sector our Home and DIY retail customers saw stronger volumes across the year as the buoyant property and construction market drove volumes through these retail customers. However, these strong volumes were more than offset by the impact of site closures as retailers reshaped their networks.

A number of key renewals were finalised in the year including General Dynamics, Waitrose Wines and Spirits, adidas, Total, Britvic and HJ Heinz.

Financial review continued



Specialist businesses

The Specialist business segment of the Group comprises Wincanton container logistics, Wincanton Records Management, which provides a full suite of document storage and associated scanning and shredding services, 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 are managed as one segment.

	2015 £m	2014 restated ¹ £m
Containers	81.0	78.2
Pullman	75.2	68.6
Records Management	22.4	21.1
	178.6	167.9

¹ Comparatives have been restated for the change in accounting for joint ventures, see note 1 to the financial statements.

Revenue for this segment was £178.6m, 6.4% up on the previous year of £167.9m. Underlying operating margin fell to 2.7% (2014: 5.8%) and underlying operating profit reduced to £4.9m (2014: £9.7m). As previously highlighted, the reductions in both margin and operating profit in the sector are attributable to the losses suffered in the Pullman operation. Recent significant growth with a number of major retailers, reflecting the rapid expansion of their home delivery fleets, put pressure on the Pullman operating model and profitability as additional resources have been applied to manage the growth and the resultant increase in the breadth of operation. Additionally, whilst the business has been successful at winning additional volumes these higher volume contracts have returned a significantly lower margin than the traditional core HGV fleet maintenance business with two contracts proving to be loss making. Provision has been made for these contracts in the 2014/15 financial year. Action has been taken to put in place a new management team in Pullman and to address the relevant commercial issues with these contracts to prevent a continuation of these losses beyond the 2014/15

financial year. We expect an improved level of performance from this business going forward.

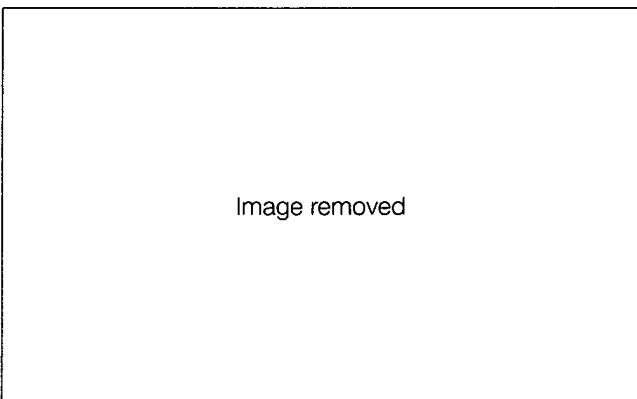
The Container transport market continues to be competitive but it presents a number of opportunities for the business in particular in growing with customers serviced in the Contract logistics segment. In the year the business was also successful in winning new operations with a major shipping line.

Records Management produced a strong organic growth performance, gaining new customers across existing and new sectors in particular in the newer ancillary activities such as shredding and scanning.

Net financing costs

	2015 £m	2014 £m
Bank interest payable on loans/leases	11.2	14.4
Interest receivable	(0.2)	(0.4)
Net interest payable	11.0	14.0
Discounts unwinding re provisions	2.3	2.0
Pension financing item	5.0	6.4
Net financing costs	18.3	22.4

Financing costs, related to the Group's debt, of £11.2m reduced by £3.2m compared to the prior year charge of £14.4m, principally due to the lower average debt in the year which was £32m lower at £136m (2014: £168m). In addition the refinancing secured by the Group in June 2014 was agreed at lower rates of both arrangement fees and margin. The non-cash financing items total £7.3m (2014: £8.4m) and comprise the discounts unwinding on the Group's long term provisions for onerous property leases and insurance claims and the pensions financing charge in respect of the defined benefit deficit.



Opportunities in new sectors for WRM

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Taxation

The tax charge of £5.6m (2014: £7.5m) reflects an effective tax rate on underlying profits of 22.0% (2014: 24.6%). This reduction is largely a result of the drop in the main UK corporation tax rate from 23% to 21%, with legislation enacted in July 2014 to further reduce this to 20% by 2015/16. The factors influencing the effective tax rate in 2014/15 are expected to remain reasonably constant, resulting in an effective tax rate continuing slightly above the headline UK rate for the foreseeable future.

The Group paid cash tax in the current year of £4.2m, an increase of £1.8m on the prior year payment of £2.4m, primarily as available tax losses have been fully utilised. The cash tax payable continues to trend below the underlying charge due to the impact of the pension deficit recovery payments made in the period. This is expected to continue going forward.

The total deferred tax asset carried forward at 31 March 2015 has increased to £30.3m (2014: £24.0m), primarily as a result of the increased 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 £19.3m compares to £27.4m in the prior year.

These retained earnings translate to a basic earnings per share of 16.6p (2014: 23.6p) the year on year reduction primarily driven by the non-recurrence of the non-cash gain on the closure of the defined benefit sections of the Scheme to future accrual reported last year. As set out in note 7 the Group reports an alternative, underlying earnings per share figure which excludes the impact of amortisation of acquired intangibles, and also in 2014 the pension changes, which has increased year on year by 27.1% to 21.1p from 16.6p.

The Group has not declared or paid a dividend this year in line with its continuing objective to reduce net debt.

Financial position

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

	2015 £m	2014 restated ¹ £m
Non-current assets	185.4	191.3
Net current liabilities (ex net debt)	(203.2)	(215.1)
Non-current liabilities (ex net debt/ pension deficit)	(42.1)	(50.4)
Net debt	(57.6)	(64.9)
Pensions deficit (gross of deferred tax)	(144.2)	(110.9)
Net liabilities	(261.7)	(250.0)

¹ Comparatives have been restated for the change in accounting for joint ventures, see note 1 to the financial statements.

The movement in the year of £(11.7)m is principally due to retained profit for the year of £19.3m and the remeasurement in the pension deficit net of deferred tax of £(32.4)m which is primarily attributable to the lower discount rate prevailing at 31 March 2015.

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Financial review continued

Financing and covenants

The Group's committed facilities at the year end were £299m and the headroom in these committed facilities to reported net debt at 31 March 2015 was £241m.

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.

During the year the Group successfully renewed its main bank arrangements, at lower rates, with a new £170m facility for a five year term to June 2019.

The Group's facilities comprise the following; the main bank facility of £170m which matures in June 2019, £75m from the Prudential / M&G UK Companies Financing Fund LP, which matures in January 2022 with four equal repayments commencing in January 2019 and the balance of the US Private Placement debt of £54m which matures in tranches in December 2015 (£34m) and November 2016 (£20m). It is expected that these will be redeemed from cash generated in the year and other existing facilities.

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 £75m 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 2015
Adjusted net debt : EBITDA	<2.75:1	1.37
Interest cover	>3.5:1	6.6
Fixed charge cover	>1.4:1	2.2

The covenant ratio of adjusted net debt to EBITDA remained at <2.75:1 at the refinancing in June 2014 and is fixed for the term of the facility.

Net debt and cash flows

Group net debt at the year end was £576m (2014: £64.9m) a net cash inflow in the year of £7.3m. This cash generation in the period reflects cash generated from operations and from improved working capital management throughout the year, offset by the settlement of a number of significant onerous lease liabilities in the second half. The Group's average level of net debt during the year was also reduced by £32m from £168m in 2013/14 to £136m in 2014/15.

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

	2015 £m	2014 £m
Underlying operating profit	49.7	48.0
Depreciation and amortisation	14.4	15.4
EBITDA	64.1	63.4
Net capital expenditure	(9.7)	(1.7)
Net financing costs	(12.6)	(13.6)
Pension deficit payment	(14.4)	(14.1)
Onerous leases	(12.1)	(10.2)
Working capital movement/tax/other	(8.0)	18.9
Total	7.3	42.7

Included in the net financing cost outflow is £2.6m of arrangement fees (2014: nil) payable in respect of the new refinancing facility agreed and the latest tranche of the M&G facility fee. The amount of cash interest paid, excluding these fees, of £10.0m 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 7.3% (7.7% in 2013/14).

Capital expenditure totalled £10.3m (2014: £7.9m). The year on year increase is largely as a result of the timing of spend on certain capital projects which included investment in the Group's information technology infrastructure (£3.7m) plus vehicles and ancillary equipment for various contract logistics operations (£2.2m) and racking for the WRM business (£0.6m). During the

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Effective operations for multichannel



The Group's average level of net debt during the year was reduced by £32m.

Adrian Colman

Group Finance Director

prior year the Group disposed of a number of assets, principally a surplus freehold property in Runcorn for £4.8m.

The cash outflows in respect of the onerous lease liabilities in the year ended 31 March 2015 were £12.1m (2014: £10.2m). In the second half of the year the Group successfully secured a number of agreements to exit from certain properties and to settle remaining dilapidations discussions. These settlements reflect the more positive property market outlook in the year. In the coming year to 31 March 2016, and subsequent years, the cash outflows in respect of onerous property leases are forecast to materially reduce.

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 £144.2m (2014: £110.9m) (£115.5m net of deferred tax) at the year end. The deficit has increased due to a significant decrease in the discount rate which has been partially offset by an increase in the market value of the investments. The discount rate has decreased to 3.25% compared with the prior year of 4.5%. Each 0.1% movement in the rate impacts the gross liabilities of the scheme by 1.9%, currently some £20m.

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 £14.4m as part of the recovery plan set at the conclusion of the previous valuation and reconfirmed at the latest. 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.

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

	2015	2014
Deferred	8,720	9,080
Pensioners	7,130	7,010
	15,850	16,090

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 2014/15 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 2015 the target allocation is 51:49 return-seeking to matching (2014: 60:40). 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. 35% (2014: c. 30%) 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 14,317 (2014: 13,252) in the year. The income charge incurred for these arrangements total £16.3m (2014: £10.9m).

Adrian Colman

Group Finance Director

Compliance statement

The Strategic report as set out on pages 1 to 31 has been approved by the Board on 3 June 2015.

On behalf of the Board

Alison Dowling

Company Secretary

Image removed

Investment in ancillary equipment and racking

Risk

Principal risks and uncertainties

Principal risks and uncertainties

This section sets out how we manage risk by explaining the assurance mechanisms we have put in place. We also disclose our key principal risks and uncertainties; those that we consider to be material and that could have a significant effect on the Group's financial position, our operations and/or our reputation.

Risk governance

The Group faces a diverse range of risks and uncertainties which may have an adverse effect on its success if not managed. The objective of the Group's risk management activity is to identify and monitor all current and potential risks and uncertainties relevant to the Group and the markets it operates within. This governance enables the Group and the Board to take clear informed decisions on the current position with some indication and understanding of the potential strategic, commercial, financial, compliance, legal and reputational implications that could arise.

The Group has put in place a risk management system to identify risk and ensure that effective processes are in place to protect the business, its people and customers and to support the delivery of its strategy. The Group, through the Audit Committee, monitor all business activities along with the external and internal environments for new, emerging and changing risks to proactively manage and adapt to the Group's risk environment, to the furthest extent possible.

The Group's systems and controls are designed to ensure that the Group's exposure to significant risk is managed appropriately. The Board recognise that any system of internal controls are designed to mitigate and cannot eliminate risk, in all cases, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board believes that the processes in place provide it with sufficient information and assurance on the key risks and uncertainties faced by the Group. The processes are subject to internal audit and findings are reported to the Audit Committee. The Audit Committee recommends to the Board or determines, within the remit of its authority, any remedial actions or adaptation to the risk management processes to ensure it is frequently refreshed and fit for purpose.

Risk responsibility and assessment

Ultimate responsibility for setting the Group's risk appetite and for the effective management of risk sits with the Board. Acting within authority delegated by the Board, the Audit Committee has oversight responsibility for the risk management and internal controls of the Group. Full details of the Audit Committee's remit can be found in the Corporate Governance section on pages 39 to 41.

The following structures comprise the risk management systems of the Group:

Risk Management Committee

This Committee monitors the risk management systems and supports management in embedding risk management throughout the Group. The Committee reports to the Executive Management Team (EMT) and the Audit Committee and prepares reports following meetings to give assurance and make recommendations, if appropriate. The Committee meets five times per year. It consists of senior management and leaders, below the EMT level, that represent all potential risk areas of the Group and have a high level of oversight over the business and its conduct, and can embed risk management behaviours.

The Committee has management and oversight responsibility for: the key business risk reviews and risk appetite; monitoring legal and regulatory compliance; the policy framework; and business continuity throughout the Group, including disaster recovery sites.

The Head of Internal Audit is invited to attend the meetings and provide updates on findings and issues arising on internal audits to consider any potential areas of risk identified.

Key business risk reviews

An annual assessment of the key risks of the Group, on an individual business sector and Group-level basis, are monitored and updated regularly.

Risk management and response

Once risks have been assessed, an appropriate response to mitigate each risk is determined for each significant risk. The mitigation response will depend upon the impact and likelihood assessment and, for example, may include a control action or insurance. 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.

On an annual basis, or earlier if necessary, a comprehensive review is undertaken to thoroughly review the Group's risk environment and mitigating actions. The refreshed risk registers are then recommended to the EMT and Audit Committee for approval.

Control risk self-assessment

The Group operates a control risk self-assessment programme which requires, on an annual basis, all business sites to complete a self-assessment. The reviews are submitted to internal audit who then follow up if there are any issues of concern and refer to the assessments when scoping internal audit assignments.

Business continuity planning

The Group has detailed plans in place to ensure an immediate and appropriate response to a disaster. During the year under review, the Group has enhanced its resilience in terms of IT disaster recovery by migrating certain business critical applications and services to a new data centre and by reporting to the Risk Management Committee on the review and testing of the business continuity plans for all Group sites.

Whistleblowing

The Group has in place a whistleblowing policy, which all employees and other defined individuals, are required to adhere to. The policy sets out the ethical standards expected of all persons the policy applies to and includes details of how matters of concern can be raised in strict confidence. Employees are encouraged to first talk to their line manager, their manager's line manager or to call the central HR team directly. However, in circumstances when this is not possible or appropriate the whistleblower must report a concern to the whistleblowing hotline provided by Expolink, an independent third party. All reports are treated strictly confidentially and will be referred to the Company Secretary, or failing that the Head of Internal Audit, for independent investigation. All persons following the correct procedures and raising concerns in good faith have full protection from recourse.

The Group risk register identifies the highest and principal risks that face the Group as a whole, which includes but is not limited to risks that are managed directly at Group level. Summarised below are the key risks, not in order, 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 2015 or future years. A number of other risks also encompass social and ethical issues.

		Risk	Mitigation
Graphic removed	Health and safety	Graphic removed 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 may cause harm to our colleagues or others we engage with and may also give rise to significant potential liabilities from the Group's interaction either with the public or employees.	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 programme of site reviews and audits.
Graphic removed	Strategic market position and ongoing commercial operations	Graphic removed The Group acts in a competitive and complex market and with large and sophisticated customers. The Group has distinct commercial pressures in maintaining levels of revenue and margin from existing customers, building new business relationships and maximising the utilisation of assets.	The Group maintains a consistently high level of operational performance. Furthermore, a high quality business development team exists to identify opportunities in the third party logistics market and the benefits to Wincanton in that market. Dedicated teams exist to manage ongoing customer relationships and contract renewal processes within the Group's defined frameworks. In addition the Group is focused on clearly articulating its existing, as well as developing new, innovative solutions in the logistics marketplace.
Graphic removed	Legal compliance	Graphic removed 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 policy and monitor application including risk-based testing programmes. The Group maintains programmes of appropriate staff training to ensure legal compliance, operational efficiencies and to minimise mistakes. This is backed up with comprehensive record keeping policies. Finally, appropriate IS management processes and governance exist to ensure system access controls operate and to monitor movements of our own and, where relevant, our customers' data.
Graphic removed	Pension deficit	Graphic removed The pension fund deficit reaches a level which demands a materially higher level of cash contribution or the industry regulator intervenes.	At 31 March 2014 the Group closed the defined benefit pension arrangements to future accrual thereby preventing the build-up of further risk. The Group maintains a strong working relationship with the Trustee of the scheme. The Trustee and the Company each engage high quality internal and external advisors to support and inform decisions. The scheme has increased the level of hedging of its liabilities to c. 35% in respect of the mitigation of interest rate and inflation risk.
Graphic removed	IS infrastructure and product development	Graphic removed The Group is highly dependent on the provision of a high quality IS infrastructure as it 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 to consider the corporate IS roadmap and to agree its IS approach. Particular focus is given to the approach and infrastructure required to ensure adequate disaster recovery processes and procedures are in place. The Group maintains an extensive IS team, including teams charged with innovating new products and services and others who maintain and secure the existing infrastructure. The IS team also includes change experts working with appropriate project management methodologies.
Graphic removed	Recruitment and retention of People	Graphic removed The inability to recruit and retain management and employees with the necessary and appropriate competencies, values and behaviours may restrict the Group's ability to grow.	The Group has an appropriate human resources structure which maintains the necessary standard of recruitment processes, based on key competencies, plus monitors and develops the talent pool within the Group's employee base.

Board of Directors

Image removed

Steve Marshall

Chairman

Nomination Committee Chairman and member of the Remuneration Committee

Steve was appointed Chairman in December 2011. Steve is also Chairman of Biffa Group Holdings Ltd. He was previously Executive Chairman of Balfour Beatty plc, non-executive Director of Halma plc, and Chairman of Delta plc, Torex Retail plc, and Queens' Moat Houses plc. Steve was also previously Group Chief Executive of both Thorn plc and Railtrack Group plc, and prior to that Group Finance Director. His earlier career included a variety of corporate and operational roles at Grand Metropolitan plc (now Diageo plc), Burton Group plc and Black & Decker. He is a Fellow of the Chartered Institute of Management Accountants.

Image removed

Eric Born

Chief Executive*

Member of the Nomination Committee

Eric was appointed an Executive Director in October 2010 and subsequently became Chief Executive in December 2010. He joined the business as Chief Operating Officer in April 2009 from Gategroup, where he was Group SVP and President West/South Europe. Prior to that, he had various senior roles in the retail industry including Managing Director of Frimago AG in Switzerland and Managing Director of Office World in the UK. Eric was also a non-executive Director of John Menzies plc until 4 December 2014.

* Eric will step down from the Board and leave the Group on 31 July 2015.

Image removed

Adrian Colman

Group Finance Director*

Adrian was appointed Group Finance Director in January 2013. He 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.

* Adrian will be appointed as the Chief Executive from 1 August 2015.

Image removed

Paul Venables

Senior Independent Director

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

Paul became a non-executive Director of Wincanton in September 2009. A Chartered Accountant, he is currently Group Finance Director of Hays plc, having joined from DHL Logistics, a division of Deutsche Post World Net. Prior to the acquisition of Exel plc by Deutsche Post in December 2006, he was Deputy Group Finance Director, a member of the executive board of Exel plc and Chairman of their Acquisitions and Projects Review Board. During 13 years with Exel he held a number of senior finance and operational roles, including Finance Director of Exel's European and Global operations.

Paul will step down from the Board and as Chairman of the Audit Committee on 17 July 2015.

Image removed

Paul Dean

Independent non-executive Director
Member of the Audit Committee, Nomination Committee
and Remuneration Committee

Paul became a non-executive Director of Wincanton on 1 February 2015. He is currently a non-executive Director and Audit Committee Chairman of Focusrite Plc, Porvair plc and Polypipe plc. Paul was appointed Senior Independent Director of Focusrite plc in April 2014 and Polypipe plc in May 2015. In addition, Paul is a Trustee and Chair of the Finance and Audit Committee for a national literacy charity, Beanstalk. Prior to these he held positions as Chief Financial Officer of Rio Tinto Diamonds, and Group Finance Director of Ultra Electronics Holdings plc and Foseco plc.

Paul will be appointed Chairman of the Audit Committee with effect from 17 July 2015, subject to his election as a Director at the Annual General Meeting.

Image removed

Stewart Oades

Independent non-executive Director
Member of the Audit Committee, Nomination Committee and
Remuneration Committee

Stewart became a non-executive Director of Wincanton on 1 November 2014. Stewart is currently a non-executive Director of Palmer & Harvey and a non-executive Director of MW Brands. Stewart also held the position of President of the Freight Transport Association (FTA) for four years until 2013 and was a non-Executive of Clipper Group plc until 2011. Prior to then he was Chief Executive of Christian Salvesen plc and held a number of senior posts at Exel plc.

Image removed

David Radcliffe

Independent non-executive Director
Member of the Audit Committee, Nomination Committee
and Remuneration Committee

David became a non-executive Director of Wincanton in July 2012. He is currently Chief Executive of Hogg Robinson Group plc where David has spent most of his career.

Image removed

Martin Sawkins

Independent non-executive Director
Remuneration Committee Chairman, and member of the Audit Committee
and Nomination Committee

Martin became a non-executive Director of Wincanton in July 2012. Martin is currently Group HR Director of Rentokil Initial plc and a non-executive Director of Scapa Group plc. Martin has operated within both the plc and private equity environments and previously held positions as Group HR Director at HomeServe plc; Group HR Director at The AA Limited and as HR Director at Centrica Home and Road Services. Prior to these Martin held a number of senior positions in HR and operations at UEF Limited, Bridon plc, British Aerospace and United Biscuits.

Chairman's introduction

The Board believe corporate governance is key to ensuring 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 2015 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 Chairman of each of the Board's Committees, with the exception of the Remuneration Committee report, which is contained 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 full compliance to the extent that it is required to 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 key Committees and the Directors.

Following these reviews, I am satisfied that the Board and its Committees are performing efficiently and that the Board has an appropriate balance of skills, experience, independence and knowledge of the Group, logistics and supply chain solutions and markets in which we operate, to enable them to discharge their respective duties and responsibilities effectively and to support and challenge the Group's strategy, business model and performance.

Commitment

The non-executive Directors devote significant time to the Group over and above attendance at Board and Committee meetings. During the year, the non-executive Directors visited business sites and received briefings from members of the Group's management team on the business, its customers and market environment.

The Board remains totally committed to the success of the Group and ensuring that it operates to the highest standards of corporate governance.

Steve Marshall
Chairman

Corporate Governance report

Compliance statement

Wincanton plc and its subsidiaries (the Group) remain committed to maintaining high standards of corporate governance. All reports in this Governance section have been prepared in accordance with the 2012 Code that applies to accounting periods beginning on or after 1 October 2012. The report and accounts for next year will be prepared in accordance with the 2014 Code.

Throughout the year ended 31 March 2015, the Board consider that it, and the Company, have complied without exception with the provisions of the 2012 Code.

The Codes are issued by the Financial Reporting Council and are available for review on the Financial Reporting Council's website www.frc.org.uk.

Organisation and structure of the Board

Role of the Board

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

Board decisions

The Board has a formal schedule of matters reserved for its decision making, which include Group strategy and structure, governance and regulatory compliance, financial reporting, major capital commitments, major contracts and agreements, internal control processes, significant remuneration changes, stakeholder engagement, and material acquisitions and disposals. The schedule also sets out matters and limitations delegated to Board Committees and a sub-committee of the Board, the Finance Committee, which is an ad hoc committee authorised to undertake day to day operational matters within limits set by the Board. The schedule is reviewed annually.

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 focuses effectively on all of its accountabilities.

Roles of the Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separate and are performed by different individuals. A responsibility statement for each of these roles has been agreed with the Chairman and Chief Executive respectively and adopted by the Board. The Chairman is primarily responsible for the workings of the Board and ensuring that its strategic and supervisory role is achieved. The Chief Executive is responsible for the day to day running of the business.

In discharging his responsibilities, the Chief Executive is advised and assisted by the Executive Management Team (EMT), which oversees the operational and financial performance of the Group.

Role of the non-executive Directors

All of the non-executive Directors are considered independent and were appointed on the basis of their diversity of skills and experience. 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 then be renewed by mutual agreement for a further fixed term on the same basis.

Non-executive Directors scrutinise, measure and review 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 through 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.

Role of the Senior Independent Director

Paul Venables is the Senior Independent Director and a non-executive Director of the Board. Paul acts as a sounding board for the Chairman and performs an intermediary role to other Directors, where necessary. Paul is available to shareholders if they have concerns, where contact through the normal channels of Chairman and Chief Executive have failed to resolve a matter or where such contact is inappropriate.

Board Committees

There are three Board Committees: the Audit Committee; the Nomination Committee; and the Remuneration Committee. The terms of reference of each committee are set by the Board, reviewed annually and are 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. Details of each Board Committee, including membership, meetings, role and activities in the year ended 31 March 2015 are set out in each Committee's respective reports that follow.

Executive Management Team (EMT)

The EMT supports the Chief Executive and is responsible for implementing strategy and policy set by the Board, and for the operational management of the Group. At the date of this report, the EMT are the Chief Executive's direct reports, and comprise the Group Finance Director and six senior business unit and support function leaders. The EMT meet monthly and the outcome of meetings are reported to Board meetings by the Chief Executive.

Corporate Governance report continued

Attendance at Board and Committee meetings

There is normally full attendance at Board and Committee meetings, although occasionally there may be unforeseen circumstances which prevent a Director from attending. If a Director is unable to attend, they are expected to review the meeting papers and provide comments and feedback to the Chairman, Committee Chairman or Company Secretary in advance to ensure they are raised at the meeting.

During the 2015 financial year the Board held nine scheduled Board meetings. The table below sets out the attendance of the Directors at the scheduled Board meetings during the year under review:

	Attended/ scheduled
Steve Marshall	9/9
Paul Venables	9/9
Richard Adam ¹	2/2
Jonson Cox ²	2/2
Paul Dean ³	2/2
Stewart Oades ⁴	3/3
David Radcliffe	9/9
Martin Sawkins	9/9
Eric Born	9/9
Adrian Colman	9/9

1 Appointed 1 June 2014, resigned 9 September 2014

2 Resigned 31 May 2014

3 Appointed 1 February 2015

4 Appointed 1 November 2014

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

Individual members of the EMT are invited to attend Board meetings at least once a year.

Attendance at Committee meetings are set out in each Committee's respective report.

Board changes in the year

There were four changes to the Board during the 2015 financial year. Jonson Cox stepped down from the Board, after nearly nine years as a non-executive Director, on 31 May 2014.

Richard Adam was appointed as an independent non-executive Director on 1 June 2014 and resigned on 9 September 2014.

Stewart Oades and Paul Dean were also both appointed as independent non-executive Directors during the year, on 1 November 2014 and 1 February 2015, respectively.

On 13 April 2015, the Board announced the Eric Born had served notice and would leave the Group on 31 July 2015. Eric Born will be succeeded by Adrian Colman, as Chief Executive on 1 August 2015. Recruitment for a new Group Finance Director is in progress and will be announced in due course.

Board effectiveness and evaluation

The Board, its Committees and the individual Directors participate in an annual performance evaluation process. In the year under review, the Board decided the evaluation process should be carried out internally by way of questionnaires.

The findings of the evaluation were presented by the Company Secretary to the Board. The evaluations confirmed that the composition, interaction and experience of the Board remains appropriate.

The Senior Independent Director led the Chairman's annual performance evaluation, with the other non-executive Directors, and considered input from the Executive Directors.

Director independence

The Board considers that the Chairman was independent on appointment and that all non-executive Directors were independent on appointment and remain independent for the purposes of the Code.

Executive Directors' other directorships

The Board acknowledges that Executive Directors may be invited to become non-executive Directors of other companies, and recognises that such opportunities may benefit the Group through wider development and experience. Executive Directors are limited to one non-executive role at any one time.

Eric Born resigned from John Menzies plc on 4 December 2014.

No Executive Director holds an external position at the date of this report.

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.

Protection available to shareholders

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 that it is in the Company's best interests to protect Directors from the consequences of innocent error or omissions.

Therefore the Company maintains, at its expense, a Directors' and Officers' liability insurance policy to provide indemnity in certain circumstances for the benefit of Group employees that serve as directors or officers of all Group companies as recommended by the Code, which include the Board Directors. This insurance policy would not provide cover where a director or officer has acted fraudulently or dishonestly.

Engagement with shareholders and major stakeholders**Relations with shareholders**

The Company continued to maintain an effective dialogue with shareholders to ensure that the Company's strategy is understood and that any queries are dealt with in a constructive manner.

The Company maintains regular contact with institutional shareholders, fund managers and analysts through meetings led by the Chief Executive and Group Finance Director. 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 seeks engagement with major institutional shareholders from time to time.

Communications with shareholders

The Group's website contains up to date information for shareholders and other interested parties, including share price, announcements and news releases, Annual Reports, corporate governance information and shareholder circulars.

Shareholders can decide how to receive their Company communications. The Company considers electronic communications to be the most efficient method and one which also helps to reduce the Group's environmental impact. Therefore, all shareholders are encouraged to receive communications via electronic means by contacting the Company's registrars, Computershare, directly.

Communications with other stakeholders

Throughout the year, the Directors and senior managers meet with a range of external stakeholders. The purpose of these events is to discuss the Group's position on a range of business, policy and public interest issues and to learn more about stakeholders' views.

Annual General Meeting

The Company's fourteenth Annual General Meeting (AGM) will be held at 11:00am on Thursday, 16 July 2015 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 the Board and shareholders to meet and provides an update on the performance and strategy of the Company. Shareholders have the opportunity to meet senior managers and the external auditor (KPMG LLP) and are invited to ask questions at the AGM.

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.

The Group's systems and controls are designed to ensure that the Group's exposure to significant risk is mitigated to the extent possible. The Board recognises that any system of internal control is designed to reduce and not eliminate risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's principle risk management systems comprise: key business risk reviews; control risk self-assessment; and the oversight of risk by the Risk Management Committee.

Full details of the Group's risk management systems and processes are set out in the Risk Report on pages 30 to 31.

The Internal Audit function reviews the effectiveness of the internal control environment. Their audit programme is summarised in an internal audit plan, which is approved by the Audit Committee, on behalf of the Board, and updated on a rolling basis.

Full details of the Group's Internal Audit function and performance are set out in the Audit Committee report on page 40.

Group employees

Wincanton values its employees and considers them to be the heart of the Group's business.

The Group is committed to ensuring its development and the development of its employees, and adopts 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.

The Group recognises its responsibilities to its employees and values the unique contribution each employee makes and that diversity within the workplace is an integral part of achieving success.

The Group's focus is on driving a high performance culture and improving performance at every level. The Group is committed to maximising and unlocking the potential of its employees and developing and retaining the most talented people in the Group.

On 31 March 2015, the Group employed approximately 15,600 people in the United Kingdom (UK) and Republic of Ireland (ROI). Of all employees, 83% are men and 17% are women. The average age of the Company's employees is 42 years. Of all management level employees, 79% are men and 21% are women. Of the Board of Directors 100% are men.

Further details of the Group's equality, fairness and diversity strategies are set out on pages 20 to 21.

Community and charitable activities

During the year ended 31 March 2015, the Group contributed £nil (2014: £2,000) to charitable and community programmes.

Board support and advice

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

Steve Marshall
Chairman

Nomination Committee report

Membership

The table below reflects the Committee membership and meeting attendance during the year:

Attendance at Nomination Committee meetings

	Attended/ scheduled
Steve Marshall (Chairman)	4/4
Paul Venables	4/4
Richard Adam ¹	0/0
Jonson Cox ²	0/1
Paul Dean ³	2/2
Stewart Oades ⁴	2/2
David Radcliffe	4/4
Martin Sawkins	4/4
Eric Born	4/4

¹ Appointed 1 June 2014, resigned 9 September 2014.

² Resigned 31 May 2014.

³ Appointed 1 February 2015.

⁴ Appointed 1 November 2014.

Role of the Nomination Committee

The Nomination Committee's role, delegated by the Board, is to review the leadership needs of the Board and the EMT, to ensure the Group can and does perform effectively.

Committee responsibilities

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

- reviewing the structure, size and composition of the Board and its Committees and making recommendations to the Board on any desired changes;
- reviewing the succession plans for the Executive Directors and EMT;
- making recommendations for appointment for non-executive Directors and Executive Directors;
- ensuring the appointment procedure for new Directors is rigorous and transparent, appointments are made on merit, against objective criteria and to avoid conflicts of interest;
- preparing a job specification, including an assessment of the time commitment expected and recognising the need for availability in the event of a crisis for non-executive roles;
- leading and reviewing the annual performance evaluation process; and
- reviewing the external commitments of the Directors and the time required to discharge their responsibilities effectively.

Before a Board appointment is made, 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 selection process involves appointment of a professional external agent by the Committee and consultation to determine specification and requirements. Candidates from a wide range of backgrounds are considered. Appointments are made on merit, with due regard to the benefits of diversity on the Board, which includes, but is not limited to, gender.

Activities in the year ended 31 March 2015

During the year the Committee undertook the following activities:

- review of the structure, size and composition of the Board and Committees taking into consideration the results of the Board evaluation process;
- review of the Executive Director succession plans;
- appointed external recruitment firms to find three non-executive Directors;
- selected and recommended the appointment of Messrs Adam, Oades and Dean as non-executive Directors; and
- annual review of the Directors' conflict of interests declarations.

Since the year end the Committee has held a further two meetings to consider a potential change in Chief Executive and consider the year end reporting matters. Following a thorough internal and external selection process, assisted by Korn Ferry Associates, the Nomination Committee recommended to the Board Adrian Colman be appointed Chief Executive.

The Committee are currently running the new Group Finance Director, selection process, having selected an external firm Odgers, considering internal and external candidates.

As part of the Board evaluation process, the operation and performance of the Committee was evaluated and the Committee and Board were satisfied that the Committee operates effectively.

Composition of the Board

The Committee reviews the composition of the Board and Board Committees regularly to ensure that the balance and mix of skills and experience is maintained, appropriate and that there are no gaps.

At the year end, and as at the date of this report, the Board comprises the Chairman, five independent non-executive Directors and two Executive Directors. The Board considers this to be a good balance of independence and challenge, provides a diverse range of skills and experience, and safeguards the Board from any undue individual or collective influence over the Board's decision-making.

Diversity on the Board

The Company is committed to the principle of diversity set out in the Davies Review (published in 2011) and the Code. The Board considers and reviews diversity in the fullest sense. The Committee will continue to consider all diversity matters for future Board and senior management appointments, when reviewing 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 requirements. The programme includes meetings with the Executive Directors and members of the EMT and visits to key sites.

On acceptance of appointment Directors receive details of the Group's governance, policies, structure and business; including details of the risks and operational issues facing the Group; the strategic plan, financial information and trading updates; the Company's statutory documents; and Board and Committee reference documents.

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 training.

Steve Marshall

Chairman of Nomination Committee

Audit Committee report

Membership

The table below reflects the Committee membership, membership changes during the year and meeting attendance during the year:

Attendance at Audit Committee meetings

	Attended/ scheduled
Paul Venables (Chairman)	3/3
Richard Adam ¹	0/0
Jonson Cox ²	1/1
Paul Dean ³	1/1
Stewart Oades ⁴	1/1
David Radcliffe	3/3
Martin Sawkins	3/3

1 Appointed 1 June 2014, resigned 9 September 2014.

2 Resigned 31 May 2014.

3 Appointed 1 February 2015.

4 Appointed 1 November 2014.

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

The Group Finance Director, Group Financial Controller, Head of Internal Audit and the external auditor attend and report to each Audit Committee meeting. The Company Chairman and the Chief Executive also regularly attend Audit Committee meetings by invitation.

During the year, the Audit Committee met privately with the external auditor and separately with the Head of Internal Audit.

The Audit Committee has unrestricted access to Company documents and information as well as to management and the external auditor.

Role of the Audit Committee

The Audit Committee assists the Board on the effective discharge of its responsibilities for review of financial performance and internal control, financial reporting and the procedures for the identification, assessment and reporting of risks.

Committee responsibilities

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

- monitoring the integrity of the financial statements and any formal announcements relating to financial performance, including reviewing significant financial reporting judgements contained therein;
- reviewing the Company's internal financial controls and internal control and risk management systems;
- monitoring and reviewing the effectiveness of the Internal Audit function;
- making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor, their remuneration and terms of engagement;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process; developing and implementing policy on the engagement of the external auditor to supply non-audit services;
- reporting to the Board on the identification of any matters in respect of which it considers action or improvement is needed and making recommendations for rectification; and
- reporting to the Board on how it has discharged its responsibilities.

Activities in the year ended 31 March 2015

The Audit Committee met three times during the year. The business covered at these meetings included:

Financial statements

- review of the financial statements in the 2014 Annual Report and Accounts and the half year results to 30 September 2014, and consideration of reports from the external auditor on the Annual Report and Accounts and the half year results;
- review of the key judgement and accounting matters relating to the full year and half year results; and
- review of the preliminary and half year results stock exchange announcements.

Control environment and risk management

- review and agreement of the Group Internal Audit Plan for the year ending 31 March 2016;
- review and challenge of reports on progress of the Group Internal Audit programme, results of key audits, significant findings, the adequacy of management's response and resolution;
- review of reports from Internal Audit on the risk management programmes, including the control risk self assessment used by all sites and the formal Group risk registers;
- meetings with the Head of Internal Audit without management;
- review of the effectiveness of the external audit process for the year ended 31 March 2014;
- meetings with the external auditor without management to consider any potential areas of concern;
- approval of the audit strategy for the year ended 31 March 2015;
- review of the external auditor's independence and objectivity;
- agree the terms of appointment, areas of responsibility, duties and scope of the 2015 external audit set out in the engagement letter for the year;
- considered and recommended the external auditor's remuneration to the Board for approval;
- reviewed and considered the external auditor's findings and recommendations and management's response; and
- reviewed the non-audit services provided to the Group by the external auditor in accordance with the Company's Non-Audit Services Policy.

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.

Audit Committee report continued

Financial reporting and significant financial issues

The principal matters of judgement considered by the Committee in relation to the accounts for the year ended 31 March 2015 and how they were addressed:

Property provisions

The year end balance sheet includes property provisions of £ 21.9m.

The Committee reviewed a report by management on a property by property basis and considered the size and nature of the onerous lease 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. The Committee, after robust consideration, were satisfied the assumptions used, and the disclosures in the Annual Report, were appropriate.

Goodwill

The year end balance sheet includes goodwill of £76.9m.

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 discussion, the Committee were satisfied the assumptions used and the disclosures in the Annual Report were appropriate.

Pension scheme deficit

The year end balance sheet includes a pension scheme deficit of £144.2m.

The Committee considered the accounting basis of the pension scheme in the year ended 31 March 2015 and reviewed the pension items, by examining a report by management based on work performed by the Company's 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 the Committee were satisfied that the assumptions used and the disclosures in the Annual Report were appropriate.

Materiality and misstatements

The external auditor, following discussion with the Committee, set materiality at £1.5m. 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 were 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 were 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 to the Board for approval on 3 June 2015.

Internal Audit Function

The Internal Audit function review the extent to which systems of internal control:

- are designed and are operating effectively;
- are adequate to manage the Company's key risks; and
- safeguard the Company's assets.

The Head of Internal Audit reports to the Group Finance Director and has direct access to the Chief Executive and the Chairman of the Audit Committee.

The Head of Internal Audit attends all Audit Committee meetings and reports regularly on internal audit reviews to the EMT and Risk Management Committee.

Internal Audit's key objectives are to provide independent and objective assurance on risks and controls to the Board, Audit Committee and senior management, and to assist the Board in meeting its corporate governance and regulatory responsibilities.

The role of Internal Audit and the scope of its work are regularly reviewed to take account of changes within the business and emerging best practice. A formal Audit Charter is in place and is reviewed annually.

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

Effectiveness of the external auditor

To assess the effectiveness of the external audit process, the Company monitors the external auditor's performance, behaviour and effectiveness during the exercise of the annual audit.

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. Following consideration the Committee were satisfied with the external auditor's effectiveness and recommended the reappointment of KPMG LLP (KPMG).

External auditor independence

The external auditor is requested to annually confirm the actions it has taken to ensure objectivity and independence by the Committee, including where non-audit services are provided.

As part of KPMG's ethics and independence policies, all KPMG partners and staff annually confirm their compliance with their ethics and independence manual, including in particular that they have no prohibited shareholdings. KPMG's ethics and independence manual is fully consistent with the professional practice rules of the APB Ethical Standards by whom they are regulated for audit purposes. In addition, KPMG has underlying safeguards in place to maintain independence through:

- instilling professional values;
- communications;
- internal accountability;
- risk management; and
- independent reviews.

Further safeguards include a regular review of the composition of the audit team, including rotation in accordance with the relevant regulations.

Any significant new engagement undertaken for the Company is subject to acceptance procedures, requiring consultation with Andrew Campbell-Orde, the Senior Statutory Auditor.

KPMG also consider the fees paid by the Company and its related entities for professional services provided by it.

Non-audit services

The Non-Audit Services Policy is intended to ensure the nature and value of non-audit projects are considered and prior approval is sought to safeguard audit objectivity and independence.

The APB's Ethical Standard 5 and in the Company's Non-Audit Services Policy sets out the permissible non-audit services that external auditors can perform. KPMG operates a global system to ensure that all requests from the Company, via local KPMG offices, for KPMG to provide non-audit services are considered in the context of the Company's policy and KPMG's ethical standards.

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

Full disclosure of the audit and non-audit fees paid in the year ended 31 March 2015 are set out in Note 3 to the financial statements on page 75.

Audit tender

The Committee acknowledges the changes to the Code, the FRC's Guidance for Audit Committees, and new regulations that will apply to the Company in the year ending 31 March 2017 financial year, that determine the maximum tenure of external audit partners and firms, and requirement for audit tender.

The Company's external audit has not been tendered since the Company demerged in 2001. There are no contractual obligations that restrict the Group's choice of external auditor. The Committee will undertake an external audit tender during the year ending 31 March 2016, to coincide with the end of the current five-year rotation of the Senior Statutory Auditor and the results will be disclosed in the Committee's 2016 Report.

Paul Venables

Audit Committee Chairman

Directors' Remuneration Report

Chairman's Annual Statement

I am pleased to present the Remuneration Report for the year ended 31 March 2015.

Our role as the Remuneration Committee is to ensure that the remuneration of Directors and senior management supports delivery of the strategic goals of the Group, without encouraging undesirable risky behaviour, balanced with the need to ensure remuneration is also sufficiently competitive in order to attract, retain and motivate individuals of the required calibre and experience.

In line with market practice the Group weights remuneration on performance-related incentives, underpinned by challenging and robust performance targets to drive sustainable growth and generate shareholder value. As a Committee 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 Remuneration Policy, on an annual basis, against best practice developments and guidance issued by our shareholders and other stakeholder bodies. During the year the Committee monitored pay practices of comparative companies, the emergence of market practice and BIS feedback on the application of the new remuneration regulations. Following consideration, the Committee do not believe any changes to the Remuneration Policy approved by shareholders at the AGM in July 2014 are required.

In determining remuneration packages the Committee is also mindful of remuneration and salary reviews throughout the Group. During the year the Committee commissioned an external benchmark review of the Board and Executive Management Team (EMT) using Kepler Associates, the Committee's appointed remuneration consultants. The benchmark exercise reviewed packages under the existing Remuneration Policy and the new Remuneration Policy that came into force from 1 April 2015, against comparative companies and market practice. The Committee were satisfied that the levels of remuneration are competitive for a Group of our size, taking into account our industry sector, and the jurisdictions and markets that we operate in. The Committee did not recommend a change to the Chairman's fees and awarded a 15% increase to the salary of the Executive Directors to apply on 1 July 2015, aligned with the average budgeted salary increase across the Group.

During the year the Committee considered appropriate robust and challenging measures to define the performance conditions for the new Long Term Incentive Plan (LTIP) approved by shareholders at the AGM on 16 July 2014. The first awards under the new LTIP are expected to be granted in August 2015. Kepler Associates were commissioned to undertake market research and analysis to help the Committee calibrate LTIP performance targets. In doing so the Committee also considered the Group's performance and sustainable growth strategy. For the first cycle of the LTIP the Committee has defined the measures and weightings to be TSR (60%) and EPS (60%).

On a final note, although this fell just after the financial year being reported, I wanted to explain the Committee's role in determining the remuneration packages for the departing Chief Executive, Eric Born, and the promotion of Adrian Colman from Group Finance Director to Chief Executive. In line with the Remuneration Policy and taking account of the Company's statements on payments on termination and appointments of new Executive Directors, the Committee also sought independent advice from Kepler Associates and the Group's legal advisers. Taking into account all the factors and in particular the considerable improvement of the Company's performance and the shareholder value created, the Committee determined that Eric Born should retain his interest in the 2012 Special Option Plan (SOP) to the extent that performance conditions are met for the financial year ended 31 March 2015, which would vest before his last day of employment. All other SOP awards will lapse on 1 August 2015 and he will not be eligible for any bonus or pro rata bonus for the financial year ending 31 March 2016. Further Eric Born will not serve his full notice period and will not receive any payment in lieu of notice. Adrian Colman's remuneration package from appointment on 1 August 2015 will be provided in line with the current Chief Executives.

I would also like to remind our shareholders and bodies representing them that we, as a Committee, continue to seek engagement and welcome constructive dialogue with shareholders on remuneration.

Martin Sawkins
Remuneration Committee Chairman

Directors' Remuneration Policy

The Committee regularly reviews the Remuneration Policy for Directors to ensure it supports shareholder interests and closely reflects business strategy. When setting the 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 Remuneration Policy adopted by shareholders other than inclusion of malus in the Annual Bonus Plan (see below). Therefore no resolution will be proposed to shareholders until the Remuneration Policy's third year of application, unless changes are proposed beforehand.

The following tables set out the Company's Remuneration Policy for Directors which was approved by the Company's shareholders at the AGM on 16 July 2014, and which came into effect from 1 April 2015. No changes have been made.

During the year the Committee included malus as well as clawback provisions in the new Annual Bonus Plan. Both the bonus and LTIP plans are aligned and include malus and clawback provisions in their rules.

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.

Directors' Remuneration Policy continued

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 Eric Born and Adrian Colman the shareholding guideline remains 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.

Directors' Remuneration Policy continued

Notes to the Remuneration Policy

These notes are intended to support the explanation of the Remuneration Policy and understanding of its practical application. They will be reviewed and updated annually to provide clarity and aid understanding. No change to the explanations represent a change to the Remuneration Policy.

For the annual bonus, 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 long term incentives, the Committee has selected EPS as one performance measure due to it providing good line of sight for Executive Directors. In addition, relative TSR supports alignment of Executive Director remuneration with shareholder interests and it takes into account the impact of changes in the external environment on Company performance.

When setting the 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, previous Company performance and other companies' performance ranges. The Committee then sets incentive targets that are both 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 bonus and long term incentive plan to adjust performance conditions during the performance period in exceptional circumstances, provided that any adjusted targets or conditions are no tougher or easier to achieve than originally intended.

Differences between the Remuneration Policy for Executive Directors and employees generally

Pay mix – The Remuneration Policy for Executive Directors 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 Executive Bonus Plan and a management bonus scheme. In addition, some employees are eligible for a bonus depending on the customer contract on which they work.

Long term incentives – Up to 30 senior managers in the Group, including the Executive Directors, are selected on the basis of their skills and/or performance of key roles that significantly drive value in the Group and are awarded long term incentive awards. Such awards are intended to encourage sustainable long term value generation and alignment of senior employees 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 Share Incentive Plan (SIP) and actively promotes participation to all employees in order to encourage delivery of Group strategy and performance targets and long term value generation, by giving employees the opportunity to participate in the growth and success of the Group's performance. Under the SIP all employees that join are eligible to receive one matched share for every four shares bought.

Employment conditions elsewhere in the Group

When considering remuneration decisions and to ensure that there is a fair and consistent approach to remuneration, the Committee considers the pay and employment conditions across the Group. For example, the Committee considers the range of base pay increases across the Group when determining any base salary increase for Executive Directors. In addition, the Committee reviews annual bonus decisions and long term incentive awards, as well as base salaries and level of pension provision for the Executive Management Team (EMT).

The Committee has not formally consulted with employees but is involved if there are any significant changes to Group remuneration and employment policies, as well as pay reviews and bonus award levels made to employees below the EMT. Furthermore, in their capacity as Board members, all Directors receive updates from the EMT on their respective teams and on employee consultation exercises.

Consideration of shareholders' views

The Committee considers best practice developments and publications by institutional investors' and shareholder bodies and also shareholder views expressed during any dialogue. The Committee is committed to maintaining an open and consultative dialogue with Company shareholders and shareholder bodies and intends to consult extensively if making substantive changes to the Remuneration Policy.

Remuneration on recruitment of an Executive Director

When hiring or appointing a new Executive Director, including by way of internal promotion, remuneration packages will be set in accordance with the Company's Remuneration Policy for Directors.

In determining appropriate remuneration for a new Executive Director, the Committee will take into consideration all relevant factors, including: the experience and calibre of the individual, the quantum / nature of remuneration, and the jurisdiction from which the candidate was recruited to ensure that arrangements are in the best interests of the Group and its shareholders. 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 Remuneration Policy on pages 43 to 45.

The Committee may consider it appropriate to grant one off awards to compensate for the loss of incentive arrangements forfeited on leaving a previous employer. In doing so, the Committee will 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 will be on a fair value matching 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 may be used exercising the discretion available 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. Service contracts for new Executive Directors will generally be limited to 12 months notice from both the Company and the Director.

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 'gardening 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, with bad leavers determined otherwise. 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, the annual bonus is normally tested for performance over the full financial year and is pro rated for the period of the financial year worked by the Director; 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 would lose the right to the annual bonus.

For good leavers, deferred shares will vest on the date of leaving, with Committee discretion to allow for earlier release. Bad leavers would lose the right to deferred shares. For entitlement to shares under long term incentive arrangements, for a good leaver, the award will not be forfeited on cessation of employment and instead will continue to vest on the normal vesting date or earlier at the discretion of the Committee, subject to the performance conditions attached to the relevant awards. The awards will, unless the Committee determines otherwise, be scaled back pro rata for the vesting period worked by the Executive Director. Bad leavers would lose the right to any outstanding share awards.

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

In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including, but not limited to, settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These will be used sparingly and only entered into where the Committee believes that it is 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 deferred annual bonus and long term incentive arrangements would vest, to the extent that any performance conditions attached to the relevant awards have been achieved. The awards will, unless the Committee determines otherwise, be scaled back pro rata for the proportion of the performance period worked by the Director prior to the change of control. Alternatively, unvested long term incentive arrangements may not vest on a change of control and instead may be replaced by an equivalent grant of a new award, as determined by the acquiring Company.

Letters of appointment for non-executive Directors

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. In line with corporate governance best practice, all Directors currently put themselves forward for re-election at each AGM. The required notice is six months written notice from either side. Non-executive Directors are not entitled to any remuneration on loss of office.

Executive Directors holding external appointments

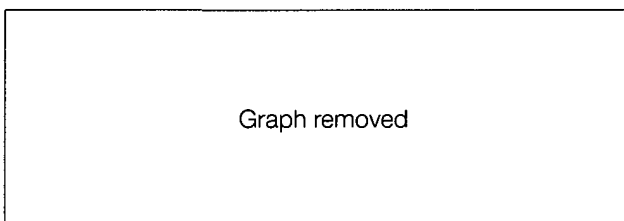
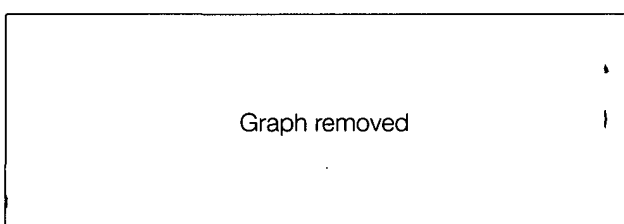
Executive Directors are able to accept one non-executive Director appointment outside the Company with the consent of the Board, as such appointments can enhance Directors' experience and add value to the Company. Any fees received may be retained by the Director.

Illustrations of application of the Remuneration Policy

The charts below set out how much the Chief Executive and Group Finance Director could earn under the Remuneration Policy in the year ending 31 March 2016.

In these charts the scenarios are based on the assumptions that performance excludes the impact of any share price appreciation and accrual of dividends or dividend equivalents, and are not adjusted for the change in Chief Executive and Group Finance Director during the 2016 financial year.

	Remuneration receivable for different performance scenarios		
	Fixed	Target	Maximum
Fixed pay	<ul style="list-style-type: none"> Salary effective from 1 July 2015 as disclosed in the Annual Report on Remuneration on page 53 Pensions and taxable benefits as provided in the single figure table in the Annual report on remuneration on page 52 		
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



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 2015 and how the Company intends to remunerate its Directors for the year ending 31 March 2016 under the Company's Remuneration Policy.

This report is subject to an advisory vote by shareholders at the Company's AGM on 16 July 2015.

Compliance Statement

The Directors' Remuneration Report 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. It will be presented to shareholders for approval at the Company's AGM, to be held on 16 July 2015. The vote on the Directors Remuneration Report is an advisory vote.

The Chairman's Annual Statement and the Remuneration Policy are not subject to audit. Sections of this report that are subject to audit are highlighted accordingly.

Role of the Remuneration Committee

The main role of the Committee is to ensure that the remuneration of Directors and senior managers supports the delivery of the strategic goals of the Group without encouraging undesirable risk behaviour. This is achieved by setting remuneration in the context of the markets in which the Group operates, making a significant proportion of remuneration dependent on delivering demanding performance targets, and developing a culture of high performance.

Membership of the Remuneration Committee

At the date of this report, the membership of the Committee comprises five independent non-executive Directors plus the Company Chairman.

The Committee's membership, membership changes and attendance at meetings are shown in the table below:

	Attended/scheduled
Martin Sawkins (Chairman)	6/6
Richard Adam ¹	1/1
Jonson Cox ²	1/2
Paul Dean ³	2/2
Steve Marshall	6/6
Stewart Oades ⁴	3/3
David Radcliffe	6/6
Paul Venables	6/6

¹ Appointed 1 June 2014, resigned from the Committee on 9 September 2014.

² Resigned from the Committee on 31 May 2014.

³ Appointed to the Committee on 1 February 2015.

⁴ Appointed to the Committee on 1 November 2014.

In addition to formal Committee meetings, Committee members met outside of the scheduled meetings as necessary.

The membership was selected to represent a broad range of backgrounds and experience to provide balance and diversity within the Committee.

In addition to the Committee members the Chief Executive, Group Finance Director and HR Director attended meetings by invitation, during the year and up to the date of this report, to provide advice and assistance on specific matters.

No attendee was present when their own remuneration was being discussed.

Terms of Reference of the Remuneration Committee

The Terms of Reference of the Committee are reviewed annually and were updated during the year to incorporate regulatory and governance changes. The Committee's Terms of Reference are available on the Group's website.

The main responsibilities of the Committee are to:

- set and determine the Remuneration Policy for the Company's Executive Directors and Chairman taking into account remuneration across the Group;
- monitor the level and structure of remuneration for the Executive Management Team;
- approve the design of, and determine targets for, relevant performance-related pay schemes operated by the Group;
- approve the design and performance targets of performance-related remuneration 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 2015

The Company's approach to remuneration arrangements for Directors has not changed from the prior year.

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

- the Chief Executive's and the HR Director's advice on awards for the Executive Directors and members of the EMT;
- the HR Director's advice on HR strategy and compliance with the Company's Remuneration Policy;
- the Group Finance Director's report on the performance conditions for unvested bonus and long term incentive awards;
- the finalisation of the rules and mechanics, including performance condition components, of the new bonus and long term incentive plans under the Remuneration Policy;
- review and approve the Directors' Remuneration Report;
- the annual salary benchmarking and review for the Chairman and Executive Directors and determine a 2% salary increase for the Executive Directors;
- the award of a bonus to the Executive Directors for the year ended 31 March 2015 after taking into consideration:
 - the Group's operating profit performance; and
 - the individual performance of the Executive Directors against both financial and operational personal objectives.

- Awards under the Company's Special Option Plan for Executive Directors and other senior managers in the Group identified with key skills and/or roles to significantly drive value in the Group;
- measurement and monitoring of performance for the unvested 2012 and 2013 Special Option Plan awards; and
- approval and determination of the performance conditions for the 2014 Special Option Plan awards.

Following the year end, the salary increase for the Executive Directors from 1 July 2015 was set at 1.5% in alignment with the 1.5% average salary increase for Group employees.

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 on 1 August 2015. The Remuneration Committee, in accordance with its Remuneration policy and advice from its Remuneration consultant, determined Eric Born's remuneration on termination and Adrian Colman's new remuneration. Full details were disclosed to shareholders in the stock exchange announcement and are also included on page 42 of this report.

Remuneration consultant

Kepler Associates are the appointed remuneration adviser to the Committee. The Committee annually review the support and advice provided and are comfortable that Kepler Associates provide objective and independent remuneration advice and have no conflict of interest with the Group that may impair their independence. Kepler Associates is a founding member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com.

During the year, Kepler Associates attended Committee meetings on 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 in malus and clawback; performance conditions for short term incentives and long term incentives; and relevant comparator groups for pay and performance.

Fees payable to Kepler Associates amounted to £31,695 in the year, based on attendance at meetings and advisory materials. Fees were higher than in the previous year due to support and advice provided on the drafting and shareholder consultation on the Company's Remuneration Policy and new remuneration regulations and market practice.

Remuneration Policy in the year ended 31 March 2015

Executive Directors' remuneration for the year ended 31 March 2015 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 continued service to encourage retention. The performance targets are set at the start of each financial year and are clear, robust and objective and set within the context of the wider economic environment of the Group.

The remuneration policy in place for the year ended 31 March 2015 was designed to support the turnaround business plan and ensure a sustainable long term future by restoring and enhancing shareholder value. It was only intended to be in place for the duration of the turnaround business plan.

The new Remuneration Policy which commenced on 1 April 2015, in respect of Executive Directors, is set out on pages 43 to 47. It was designed to continue alignment of Executive Directors with both Company performance and shareholder interests, and to simplify remuneration structure and to drive retention and further improvement in value over the long term.

Transition between Remuneration Policies

All remuneration arrangements in force during the year precede the Remuneration Policy approved on 16 July 2014, and conclude on 31 March 2015. Performance conditions for Special Option Plan awards made in July 2012 are due to be tested in July 2015, on the third anniversary of the award dates, to determine the extent the awards of shares and payments vest. Details of payments and share awards made during the year, and awards due to vest in July 2015, are disclosed in this report on pages 54 to 57.

The Committee consulted with its main shareholders in respect of the Remuneration Policy that commenced on 1 April 2015. Overall, shareholders provided positive feedback on the principles of the policy and changes from prior arrangements. During the consultation process some shareholders queried the initial proposal to reduce the minimum Executive Director shareholding requirement from 300% of salary to 100% of salary. It was generally recognised by shareholders that a shareholding requirement of 300% of salary was substantially ahead of market practice for comparative companies however a reduction to 100% of salary was too low. After careful consideration of shareholder views, the Committee decided that any new Executive Director would be required to hold 150% of salary in shares, while minimum shareholding requirements for the current Executive Directors, Eric Born and Adrian Colman, would remain at 300% of salary.

Other feedback from shareholders focused on improving disclosure regarding the factors that the Committee considers when setting incentive performance targets. The Committee values all feedback received and will seek to address issues raised.

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
Eric Born	1 October 2010	4 October 2008	12 months	6 months	Rolling 12 months
Adrian Colman	7 January 2013	6 December 2012	12 months	6 months	Rolling 12 months

From 1 August 2015 Adrian Colman will be appointed as Chief Executive of the Group and his service contract will be refreshed to reflect his new role and remuneration, which is compliant in all respects with the Company's 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 AGM.

Annual report on remuneration continued

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. In line with corporate governance best practice, all Directors currently put themselves forward for re-election at each AGM.

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	29 months	21 November 2017
Richard Adam	1 June 2014	9 April 2014	1 June 2014	Expired	9 September 2014 ²
Paul Dean	1 February 2015	21 January 2015	21 January 2015	31 months	31 January 2018
Jonson Cox	21 October 2005	21 October 2005	21 October 2011	Expired	31 May 2014 ²
Stewart Oades	1 November 2014	30 October 2014	30 October 2014	29 months	31 October 2017
Martin Sawkins	27 July 2012	22 June 2012	27 July 2012	1 month	27 July 2015
David Radcliffe	27 July 2012	22 June 2012	27 July 2012	1 month	27 July 2015
Paul Venables	2 September 2009	23 July 2009	2 September 2012	2 months	2 September 2015

¹ Full months from date of this report.

² Date of resignation.

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

Executive Directors' external appointments

Eric Born resigned as a non-executive Director of John Menzies plc on 4 December 2014. During the year ended 31 March 2015, Eric received and retained £27,844 in fees. No Executive Director holds any external directorships as at the end of the financial year or date of this report.

Stakeholder engagement and consultation

The Committee recognises the importance of engaging with stakeholders in relation to the setting of remuneration and in accordance with new regulations that came into force in 2014, in the design and approval of a Remuneration Policy for its Directors.

During the year, at the Company's 2014 AGM on 16 July 2014, 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
66,386,086	99.5	348,555	0.5	66,734,641	54.8	12,342,312

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.

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.

The previous remuneration arrangements that expired on 31 March 2015 were approved by shareholders at a General Meeting of the Company held in July 2011, the Company's Special Option Plan (the Company's current long term incentive plan) and the Company's Executive Bonus Plan (annual bonus plan). The arrangements were put in place following a detailed shareholder consultation exercise at that time.

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	2015 £m	2014 £m	Difference £m
Remuneration of all employees ¹	480.2	478.3	1.9
Dividend or share buyback	-	-	-

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

Performance and pay

Set out below is a line graph that shows the TSR performance over a six 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 most appropriate comparator, as the Company is a constituent of the FTSE Small Cap.

Graph removed

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.

Year ended 31 March	Chief Executive	Chief Executive single figure of total remuneration £'000	Annual bonus payout against maximum opportunity	Long term incentive vesting rates against maximum opportunity
2015	Eric Born	1,466	56% ⁴	100%
2014	Eric Born	885	68% ³	100% ⁵
2013	Eric Born	822	69% ³	100% ⁶
2012	Eric Born	710	41% ³	100% ⁶
2011 ¹	Eric Born	249	0%	n/a
2011 ²	Graeme McFaul	397	0%	0% ⁷
2010 ²	Graeme McFaul	655	64% ⁸	99% ⁹

1 Appointed 14 December 2010.

2 Resigned on 14 December 2010.

3 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.

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 Awards under the Company's Executive Bonus Plan vested in full.

6 Awards under the Company's Deferred Annual Bonus Scheme vested in full.

7 Awards under the Company's Share Match Incentive Scheme and the Performance Share Plan all lapsed due to performance conditions not being met.

8 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.

9 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.

The table below sets out the percentage change in annual cash awarded to the Chief Executive between the year ended 31 March 2014 and the year ended 31 March 2015, compared to the change in annual cash awarded to a comparator group of employees, as set out below.

	Salary			Taxable benefits			Bonus			Total		
	At 31 March 2015 £'000	At 31 March 2014 £'000	Change %	At 31 March 2015 £'000	At 31 March 2014 £'000	Change %	At 31 March 2015 £'000	At 31 March 2014 £'000	Change %	At 31 March 2015 £'000	At 31 March 2014 £'000	Change %
Eric Born	421	415	1.5	26	26	–	477 ¹	282 ²	59	924	723	28
Comparator group ³	72	72	–	7	7	–	6	7	(14)	84	86	(2)

1 This represents the cash portion of the bonus awarded in respect of the year ended 31 March 2015. 100% will be paid in cash.

2 This represents the cash portion of the bonus awarded in respect of the year ended 31 March 2014. 50% was paid in cash and the remaining 50% deferred in shares.

3 The Comparator group is an average cost per person for all management level employees (circa 300 employees).

The comparator group comprises all management level employees, approximately 300 people. This group were chosen on the basis that it is broadly the same group of employees that are entitled to participate in the Company's management bonus scheme and are entitled to a similar range of taxable benefits. Furthermore, a significant proportion of the Company'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.

Annual report on remuneration continued

Payments made in the year under review**Single total figure of remuneration – Executive Directors (audited)**

	Eric Born		Adrian Colman	
	At 31 March 2015 £'000	At 31 March 2014 £'000	At 31 March 2015 £'000	At 31 March 2014 £'000
Fixed pay				
Salary and fees	421	415	305	300
Taxable benefits ¹	26	26	16	16
Pension related benefits ²	92	91	45	45
Sub total	539	532	366	361
Bonus	477 ³	282	268 ³	162
Long term incentives ⁴	450	71	55	–
Sub total	927	353	323	162
Total⁵	1,466	885	689	523

1 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 2015 was £25,000 for Eric Born and £15,600 for Adrian Colman.

2 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.

3 The bonus amount is equal to the cash element of the Executive Bonus Plan which will be awarded to the Executive Directors in respect of the year ended 31 March 2015. Further information is detailed on page 54.

4 The long term incentives include the value of those deferred shares that vested under the Executive Bonus Plan in the year ended 31 March 2015 and year ended 31 March 2014, both subject to performance. These shares are valued as at the date of vest. Further information concerning the exercise of long term incentives can be found on pages 54 and 55.

5 The total figure excludes the value of Matching Shares awarded under the Company's 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 pages 56 and 57.

Payments to past Directors

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

Payments for loss of office

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

Between the end of the financial year and the date of this report, the Committee determined the remuneration arrangements for Eric Born on his exit from Wincanton on 31 July 2015, in line with the Remuneration Policy and taking account of the Company's statements on payments on termination.

Eric Born will not serve his full notice period and will not receive any payment in lieu of notice.

Taking into account all the factors and in particular the considerable improvement of the Company's performance and the shareholder value created, the Committee determined that Eric Born should retain his interest in the 2012 LTIP and his deferred shares for the financial years 2012 to 2014 due to be released from the Executive Bonus Plan on 21 July 2015, due to the operating profit performance for the year ended 31 March 2015 being not less than 80% of budgeted operating performance. Details of these awards are shown on page 57. Eric Born has been permitted a window of six months in which to exercise any of these incentive awards, after which time they will lapse.

Eric will receive his final bonus award under the Executive Bonus Plan for the year ended 31 March 2015 in cash, as disclosed on page 54.

LTIP awards made on 12 July 2013 and 11 July 2014 will lapse on 1 August 2015 and he will not be eligible for any bonus or pro rata bonus for the financial year ending 31 March 2016.

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

The below table 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 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 Chairman). The fees will remain unchanged in the year ending 31 March 2016. The other information required under the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 in respect of non-executive Directors does not apply and has therefore been excluded for simplicity.

	At 31 March 2015			At 31 March 2014		
	Fees £'000s	Committee Chair fee £'000s	Total £'000s	Fees £'000s	Committee Chair fee £'000s	Total £'000s
Steve Marshall	170	–	170	170	–	170
Paul Venables	45	8	53	45	8	53
Richard Adam ¹	12	–	12	–	–	–
Jonson Cox ²	8	–	8	45	–	45
Paul Dean ³	8	–	8	–	–	–
Stewart Oades ⁴	19	–	19	–	–	–
David Radcliffe	45	–	45	45	–	45
Martin Sawkins	45	8	53	45	8	53

1 Appointed 1 June 2014, resigned 9 September 2014.

2 Resigned 31 May 2014.

3 Appointed 1 February 2015.

4 Appointed 1 November 2014.

Executive Director salaries

Executive Director salaries are reviewed annually with any change effective from 1 July. 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 2015 and with effect from 1 July 2015 are set out in the following table:

	Salary as at 1 July 2015	Salary as at 31 March 2015	Change	Salary as at 31 March 2014	Change
Eric Born	£429,650	£423,300	1.5%	£415,000	2%
Adrian Colman ¹	£310,590	£306,000	1.5%	£300,000	2%

¹ Adrian Colman will become Chief Executive from 1 August 2015 and his annual salary will rise to £430,000.

Total pension scheme entitlements

Eric Born and Adrian Colman are members of a defined contribution section of the Wincanton plc Pension Scheme. The Company paid an employers pension contribution equivalent to 22% of Eric Born's pensionable salary and 15% of Adrian Colman's pensionable salary in the year ended 31 March 2015. Where the individual's pension exceeded the annual allowance of £40,000 in the 2014/15 tax year, the excess was paid in the form of a taxable cash payment. When Adrian Colman is appointed Chief Executive on 1 August 2015, his pension contribution will rise to 22% of his pensionable salary.

Employment benefits

Employment benefits for the year ended 31 March 2015 to both Executive Directors were provided on the same basis as the previous financial year, and will continue to be provided in the next financial year.

Adrian Colman will receive taxable benefits, such as car allowance, on the same basis as the current incumbent on his appointment as Chief Executive on 1 August 2015.

Annual report on remuneration continued

Executive Bonus Plan**Executive Bonus Plan framework**

Awards made under the Executive Bonus Plan (EBP) are determined by the Committee's assessment of the performance during the year based on the key areas set out below. All performance targets are linked to the Group's strategy. This plan ended on 31 March 2015 and the last payment under the plan will be made, subject to performance conditions being met, in July 2015.

Under the EBP the maximum bonus potential for Eric Born is 200% of base salary and for Adrian Colman it is 150% of base salary.

Of an Executive Director's maximum potential 60% is based on underlying operating profit performance. The bonus accrues on a straight-line basis between minimum and maximum thresholds. No bonus will be paid for performance below the minimum threshold. At the minimum threshold 10% of this element would be payable.

The remaining 40% of an Executive Director's maximum bonus potential is based on personal objectives which are designed to support the Group's strategy and reinforce its values. This element weights 50% of the personal objectives relating specifically to financial measures other than underlying operating profit.

Over the effective life of the EBP, prior to the final award, 50% of the annual bonus has been paid in cash. The remaining 50% has been deferred in shares, which only vest subject to continued service and underlying operating profit performance. Every 12 months following the date of award, up to and including the anniversary in 2015, half of the deferred shares vest subject to 80% of each year's budgeted underlying operating profit target being met and continued employment. Deferred awards are made as nil cost options with reference to the Company's 30 day average share price for the period finishing on the last working day of the financial year of the Company.

During the year the Committee decided that the final EBP award for the year ended 31 March 2015 should be paid fully in cash subject to the performance conditions being met as at the date of the award. The Remuneration Committee confirmed the performance conditions had been met on 2 June 2015 and approved the cash bonus award for the year ended 31 March 2015.

New annual bonus arrangements, as described in the Company's Remuneration Policy for Directors, as set out on pages 43 to 47, were adopted by the shareholders on 16 July 2014 and came into effect on 1 April 2015. The Committee will consider payments and awards under the new bonus plan and Long Term Incentive Plan in July 2015, after publication and approval of these Annual Report and Accounts.

Executive Bonus Plan performance for the year ended 31 March 2015 (audited)

The bonus plan awards are based on the extent to which profit and personal objectives are met, weighted 60% on underlying operating profit and 40% on achievement of personal objectives. Of the personal objectives for Executive Directors, 50% are weighted on financial objectives (other than underlying operating profit) and 50% on personal objectives.

Achievement against the underlying operating profit performance target for the annual bonus award in the year ended 31 March 2015 was as follows:

	Minimum	Maximum	Actual
Operating profit performance	£48m	£52.5m	£49.7m
Bonus level as percentage of maximum underlying operating profit element	10%	100%	44%

Personal objectives for both Executive Directors set during the year covered areas such as: refinancing the bank facilities; reducing average debt, growing net revenue; improving health and safety performance and reducing LTIFR; improving the current operating model; delivering cost savings; and driving a high performance culture.

Overall, the Committee concluded that progress was made in the areas covered by the personal objectives and the Executive Directors delivered strong performance during the year under review. This element contributed to a payment of 75% of the maximum potential award for Eric Born and 80% of the maximum potential award for Adrian Colman, in respect of their personal objectives.

The total value of the bonus awarded in respect of the year ended 31 March 2015 will be paid 100% in cash and is set out as follows. The 31 March 2014 award includes the bonus and deferred share value element to the extent that those shares vest:

	Total award 2015	Percentage of salary at 31 March 2015	Total award 2014	Percentage of salary at 31 March 2014
Eric Born	£477,144	113%	£564,400	136%
Adrian Colman	£268,056	88%	£324,000	108%

Deferred share awards in the Executive Bonus Plan (audited)

The rules of the Executive Bonus Plan permitted bonuses to be awarded in cash and/or deferred share awards. In prior years the Remuneration Committee awarded bonuses, 50% in cash and 50% in deferred shares to vest over the period of the turnaround strategy. As the plan ended on 31 March 2015, no further deferred share awards were made and the entire bonus for the year ended 31 March 2015 was awarded as a 100% cash payment.

The table below shows the deferred shares awarded in the Executive Bonus Plan and the number of those shares that have vested during the year ended 31 March 2015:

	Type	Total number of deferred shares held at 31 March 2015 ²	Number of deferred shares vested by 31 March 2015	% vested on performance	No. of shares vested on performance	Face value ¹	Percentage of salary
Eric Born	Nil cost option	971,730	321,778	100%	321,778	£450,489	108%
Adrian Colman	Nil cost option	205,784	39,493	100%	39,493	£55,290	18%

¹ Based on the share price on the day of vest of 140p on 21 July 2014.

² The awards that make up the total number of deferred shares are set out in the table on page 57.

The Senior Management Annual Bonus Plan for the year ending 31 March 2016

A new bonus plan, detailed in the Remuneration Policy on page 44 will operate during the financial year ending 31 March 2016.

The bonus targets are set on the same basis of weighting and measures as the previous Executive Bonus Plan (above). There is a 60% weighting for underlying operating profit performance, and the remaining 40% weighting is based on personal objectives set for the financial year 2016 (20% financial and 20% non financial personal objectives).

Achievement of objectives and subsequent bonus award for the year ended 31 March 2016 will be disclosed in next year's Annual report on remuneration.

Long Term Incentives – Special Option Plan

In the year under review, the Company made long term incentive awards through the Special Option Plan. The award made in the year to both Eric Born and Adrian Colman was equivalent to 200% of salary. The awards were made as market priced options, which means that the Executive Directors only realise value, to the extent that the options meet the performance conditions and vest, from any increase in the share price above the option price.

Performance targets

In order for awards under the Special Option Plan to vest, average TSR growth must exceed 10% per annum. Full vesting would be achieved at 22% TSR growth 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 Special Option Plan awards.

Awards vesting for performance ending in the year ended 31 March 2015 (audited)

No awards vested for performance in the financial year ended 31 March 2015.

Awards made in the year ended 31 March 2015 (audited)

Details of options awarded to the Executive Directors in the year under review are set out below. The EPS performance period for the 12 July 2014 award is 1 April 2014 to 1 April 2017 and the TSR performance period is the period of 36 consecutive months commencing on the date of award.

	Date of award	Vest date	Option exercise price ¹	Share price at date of award ²	Additional 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 2015
Eric Born	11 July 2014	11 July 2017	£1.37	£1.40	617,956	–	–	617,956
Adrian Colman	11 July 2014	11 July 2017	£1.37	£1.40	446,715	–	–	446,715

¹ The option price is calculated using the three-day average share price immediately preceding the date of award.

² The closing share price on the date of award.

Annual report on remuneration continued

Long Term Incentives for the year ending 31 March 2016

The Special Option Plan came to an end on 31 March 2015. Long term incentive awards to the Executive Directors for the financial year ending 31 March 2016 will be made under the new Long Term Incentive Plan (LTIP) that was approved by the Company's shareholders at the AGM held on 16 July 2014. Awards will be made in accordance with the LTIP rules and the Company's Remuneration Policy and will be disclosed in the Annual Report and Accounts for the financial year ending 31 March 2016.

During the year the Remuneration Committee determined the performance metrics for the LTIP award to be made in August 2015. The weightings will be 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% p.a (i.e. 33% outperformance of the Index over the three year term of the award). EPS is measured on a point-to-point basis over the three year period in aggregate, with 25% of the EPS element vesting at the threshold (entry point) of 6% growth per annum and 100% vesting for 11% growth per annum. There is straight-line vesting between threshold and maximum. Both performance measures are measured over three financial years.

Share ownership**Total share interests at 31 March 2015 (audited)**

Director	Shares		Nil-cost options		Options	
	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	63,378	1,497	429,074	542,656	–	4,149,508
Adrian Colman	41,500	–	39,493	166,291	–	2,392,299
Steve Marshall	20,000	–	–	–	–	–
Paul Venables	35,000	–	–	–	–	–
Jonson Cox ²	36,589	–	–	–	–	–
Martin Sawkins	9,532	–	–	–	–	–
David Radcliffe	25,000	–	–	–	–	–
Paul Dean ³	–	–	–	–	–	–
Stewart Oades ⁴	–	–	–	–	–	–
Richard Adam ¹	–	–	–	–	–	–

¹ Richard Adam was appointed on 1 June 2014 and held no Wincanton shares. Richard left the Group on 9 September 2014 and his share interests have not been monitored from 10 September 2014.

² Jonson Cox left the Group on 31 May 2015 and is no longer a Director. His share interests have not been monitored from 1 June 2014.

³ Paul Dean was appointed on 1 February 2015.

⁴ Stewart Oades was appointed on 1 November 2014.

Share ownership policy (audited)

Employee share ownership is a key part of the Company's Remuneration Policy and is designed to help maintain long term commitment and business understanding, offering the opportunity to benefit from any growth in shareholder value. Eric Born and Adrian Colman are required to build and then maintain a shareholding level of 300%. Both Eric Born and Adrian Colman have not met this guideline at 31 March 2015.

Eric Born will leave the Company on 31 July 2015 and therefore is not expected to meet the shareholding guideline before this date.

As highlighted in last year's Annual report on remuneration it is anticipated that Adrian Colman will endeavour to reach the minimum shareholding guideline during the year ended 31 March 2016. In accordance with the Remuneration Policy effective from 1 April 2015, Executive Directors 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 2015 (audited)

	Partnership Shares held under the SIP		Unrestricted shares held		Total shares held	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Eric Born	5,990	4,961	57,388	57,388	63,378	62,349
Adrian Colman	–	–	41,500	36,000	41,500	36,000

The only changes in the Directors' personal holdings between 1 April 2015 and the date of this report are that Eric Born purchased 156 Partnership Shares and was awarded 39 Matching Shares.

Directors' Long Term Incentive Plan Interests (audited)

	Date of award	Vest date	No. of shares under award as at 1 April 2014	Option exercise price ¹	Share price at date of award ²	Additional 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 2015
Special Option Plan									
Eric Born	12 July 2012	12 July 2015	2,305,555	£0.36	£0.33	–	–	–	2,305,555
	12 July 2013	12 July 2016	1,225,997	£0.68	£0.66	–	–	–	1,225,997 ⁷
	11 July 2014	11 July 2017	–	£1.37	£1.40	617,956	–	–	617,956 ⁷
									4,149,508
Adrian Colman	29 January 2013	29 January 2016	1,059,322	£0.71	£0.69	–	–	–	1,059,322
	12 July 2013	12 July 2016	886,262	£0.68	£0.66	–	–	–	886,262
	11 July 2014	11 July 2017	–	£1.37	£1.40	446,715 ⁶	–	–	446,715
									2,392,299
Executive Bonus Plan deferred shares									
Eric Born	12 July 2012	12 July 2013 – 12 July 2015	214,591 ³	Nil	£0.33	–	–	–	214,591
	12 July 2013	12 July 2014 – 12 July 2015	536,260 ⁴	Nil	£0.66	–	–	–	536,260
	11 July 2014	11 July 2015	–	Nil	£1.40	220,879 ⁶	–	–	220,879
									971,730
Adrian Colman	12 July 2013	12 July 2014 – 12 July 2015	78,986 ^{4,5}	Nil	£0.66	–	–	–	78,986
	11 July 2014	11 July 2015	–	Nil	£1.40	126,798 ⁶	–	–	126,798
									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 will lapse on 1 August 2015.

When Eric Born leaves the Group on 31 July 2015 he will have 6 months to exercise his awards for the 2012 SOP award and the EBPs awards, subject to the performance conditions being met in July 2015, after which time they will lapse in full. Eric's SOP awards for 2013 and 2014 will lapse on his leaving date.

Annual report on remuneration continued

Non-executive Directors' share interests as at 31 March 2015 (audited)

	Opening	Purchased	Disposed	Closing
Steve Marshall	20,000	–	–	20,000
Paul Venables	35,000	–	–	35,000
Richard Adam ¹	–	–	–	–
Jonson Cox ²	36,589	–	–	36,589
Paul Dean ³	–	–	–	–
Stewart Oades ⁴	–	–	–	–
David Radcliffe	25,000	–	–	25,000
Martin Sawkins	9,532	–	–	9,532

¹ Richard Adam was appointed on 1 June 2014 and held no Wincanton shares. Richard left the Group on 9 September 2014 and his share interests have not been monitored from 10 September 2014.

² Jonson Cox left the Group on 31 May 2015 and is no longer a Director. His share interests have not been monitored from 1 June 2014.

³ Paul Dean was appointed on 1 February 2015. This is the date of his opening holdings and he held no Wincanton shares.

⁴ Stewart Oades was appointed on 1 November 2014. This is the date of his opening holdings and he held no Wincanton shares.

There were no changes in the non-executive Directors' personal holdings between 1 April 2015 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 Association of British Insurers. These limits are 10% in any rolling ten year period for all plans and 5% in any rolling ten year period for executive share plans. Estimated dilution from existing awards made over the last ten years up to 31 March 2015 is as follows:

	Actual	Limit
All employee share plans	0.4%	10%
Executive share plans	1.9%	5%

Directors' report

The Company

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

Constitution

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

Principal activities

Wincanton plc is the parent company of the Group, trading principally through its subsidiary undertakings. The Group is a leading provider of supply chain solutions in the UK and Ireland. Material subsidiaries are listed in Note 11 on page 81.

Review of business and future developments

The Consolidated income statement for the year ended 31 March 2015 is set out on page 64.

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 2015.

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 page 3. The business and financial reviews and description of the principal risks and uncertainties facing the Group are known as a 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 1 to 31. Within the Strategic report, the details of the Group's business goal, strategy and model are set out on pages 6 to 13.

Corporate governance report

The information that fulfils the requirements of the Corporate governance report under the Code and the Listing Rules can be found on pages 34 to 61.

The Corporate governance statement as required by Rule 7.2.1 of the Financial Conduct Authority's Disclosure and Transparency Rules is set out on page 35.

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 1 to 31 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

Eric Born, Chief Executive
Adrian Colman, Group Finance Director

Non-executive Directors

Steve Marshall, Chairman
Richard Adam (appointed 1 June 2014, resigned 9 September 2014)
Jonson Cox (resigned 31 May 2014)
Paul Dean (appointed 1 February 2015)
Stewart Oades (appointed 1 November 2014)
David Radcliffe
Martin Sawkins
Paul Venables

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

At the 2015 AGM, Paul Dean and Stewart Oades will offer themselves for election, Paul Venables will retire and not seek re-election, Eric Born will continue as a Director of the Company until he leaves on 31 July 2015 and therefore will not retire nor seek re-election at the AGM. All other Directors will retire and offer themselves for re-election to the Board. Biographical details of all Directors are set out on pages 32 and 33.

Details of the service contracts of the Executive Directors and the letters of appointment for the non-executive Directors are set out in the Notes to the Remuneration Policy on pages 46 to 47 and in the Annual report on remuneration on pages 49 and 50 respectively.

Results and dividends

The Group profit attributable to equity shareholders for the financial year amounted to £19.3m. The Directors do not propose a dividend.

Going concern

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

Share capital

The Company's issued share capital as the date of this report was 121,747,293 Ordinary shares of 10 each.

Authority to purchase shares

The Company was authorised at the 2014 AGM to purchase its own shares within certain limits. During the year ended 31 March 2015, the Company did not purchase any shares under this authority. The Directors will, however, seek renewal of their authority to purchase in the market the Company's shares at the AGM on 16 July 2015.

Directors' report continued

Shareholders rights

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

Employees who participate in the SIP, whose shares 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 2015

The Company's fourteenth AGM will be held at 11am on Thursday, 16 July 2015 at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. The Notice of Annual General Meeting 2015, which contains full explanations 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).

Substantial shareholdings

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

Shareholder	Type of holding	Number of shares held	Holding (% of issued share capital)
Threadneedle Investments	Indirect	16,706,355	13.72
Aberforth Partners	Indirect	12,342,270	10.14
Schroder Investment Management	Indirect	10,473,072	8.60
Standard Life Investments	Direct and indirect	9,167,431	7.53
Employee Benefit Trust	Indirect	5,256,185	4.32
M&G Investment Management	Indirect	4,873,656	4.00
JPMorgan Asset Management	Indirect	4,772,590	3.92
Wincanton Share Incentive Plan	Indirect	4,638,930	3.81

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 page 22.

Political donations

No political donations were made during the year (2014: 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.

Auditor

Upon the recommendation of the Audit Committee and approval of the Board, resolutions to appoint KPMG LLP as auditor, and to authorise the Directors to fix their remuneration, will be proposed at the 2015 AGM.

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 his or her duty as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' statement on the annual report

The Directors consider the annual report taken as a whole, to be fair, balanced and understandable and that it 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
3 June 2015

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.

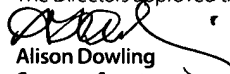
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Report and Accounts

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 3 June 2015.


Alison Dowling
 Company Secretary
 3 June 2015

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 2015 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and the related notes. 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 2015 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; 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 were as follows.

Property provisions (£21.9 million)

Refer to page 40 (Audit Committee Report), page 71 (accounting policy) and page 84 (financial disclosures).

- **The risk** – The Group carries an onerous lease provision in relation to the empty or under-utilised sites which the Group is responsible for. This provision was recognised 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 critically assess the Group's measurement 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; the discount rate used, through comparison with industry competitors; the forecast cash flows by assessing the historical accuracy of these cash flows; and the assessment of market confidence by performing sensitivity analysis on the key void and rent-free period assumptions.

Goodwill (£76.9 million)

Refer to page 40 (Audit Committee Report), page 70 (accounting policy) and pages 79 to 80 (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. This is particularly relevant due to the quantum of the Group's goodwill balance.
- **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 were consistent with current business strategies in place
- We challenged the Group's selection of the discount rates used by considering the basis of the calculation of the discount rates and used external data (including competitor analysis) to determine an appropriate range and compared the actual rate used to that range. For the period beyond the three year financial budgets and forecasts, we considered whether the growth rate used was consistent with both historical performance and future business strategies.

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.

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.

Pension scheme deficit (£144.2 million)

Refer to page 40 (Audit Committee Report), page 71 (accounting policy) and pages 86 to 89 (financial disclosures).

- **The risk** – Significant estimates are made in valuing the defined benefit section of the Group's post-retirement scheme and small changes in either the assumptions or estimates used to value the Group's net pension deficit may have a significant effect on the results and financial position of the Group. The key assumptions in the calculation of the net deficit are the discount rate, inflation rate and mortality/life expectancy.
- **Our response** – With the support of our own 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. This included a comparison of these key assumptions against externally derived data. We also evaluated the membership data used to determine the Group's pension obligation.

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

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 £1.5 million determined with reference to a benchmark of Group profit before taxation of which it represents 6.0%.

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

We treat all of the UK and Irish entities as if they are one reporting component with the Guernsey entity forming the second reporting component. We subjected both the Group's components to audits for group reporting purposes and so covered 100% of total Group revenue, Group profit before tax, and total Group assets.

The work on the Guernsey component, was performed by component auditors and the rest 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 materialities which range from £1.0 million to £1.5 million having regard to the mix of size and risk profile of the Group across the components.

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 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 Corporate governance 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.

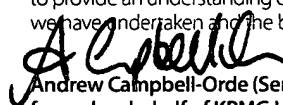
Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 61, in relation to going concern; and
- the part of the Corporate governance report on pages 35 relating to the Company's compliance with the ten provisions of the 2012 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 61, 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
3 June 2015

Consolidated income statement

For the year ended 31 March 2015

	Note	2015 £m	2014 restated ¹ £m
Revenue	2	1,107.4	1,098.0
Underlying operating profit	2	49.7	48.0
Amortisation of acquired intangibles	9	(6.5)	(6.5)
Net pension gain	3	-	15.8
Operating profit	3	43.2	57.3
Financing income	5	0.2	0.4
Financing cost	5	(18.5)	(22.8)
Net financing costs	5	(18.3)	(22.4)
Profit before tax		24.9	34.9
Income tax expense	6	(5.6)	(7.5)
Profit attributable to equity shareholders of Wincanton plc		19.3	27.4
Earnings per share			
- basic	7	16.6p	23.6p
- diluted	7	14.9p	21.7p

¹ Where applicable, comparatives have been restated for the change in accounting for joint ventures, see note 1.

Consolidated statement of comprehensive income

For the year ended 31 March 2015

	Note	2015 £m	2014 £m
Profit for the year		19.3	27.4
Other comprehensive (expense)/income			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of defined benefit liability		(40.5)	12.0
Income tax relating to items that will not be reclassified subsequently to profit or loss	6	8.1	(6.1)
		(32.4)	5.9
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange loss on investment in foreign subsidiaries net of hedged items	5	(0.8)	(0.1)
Effective portion of changes in fair value of cash flow hedges		(1.3)	(0.2)
Net change in fair value of cash flow hedges transferred to the income statement		1.5	2.0
Income tax relating to components of other comprehensive income	6	-	0.1
		(0.6)	1.8
Other comprehensive (expense)/income for the year, net of income tax		(33.0)	7.7
Total comprehensive (expense)/income attributable to equity shareholders of Wincanton plc		(13.7)	35.1

Consolidated balance sheet

At 31 March 2015

	Note	2015 £m	2014 restated ¹ £m
Non-current assets			
Goodwill and intangible assets	9	96.8	105.5
Property, plant and equipment	10	58.2	61.7
Investments, including those equity accounted	12	0.1	0.1
Deferred tax assets	13	30.3	24.0
		185.4	191.3
Current assets			
Inventories	14	5.8	6.4
Trade and other receivables	15	135.2	135.3
Cash and cash equivalents	16	105.8	131.9
		246.8	273.6
Current liabilities			
Income tax payable		(8.7)	(9.7)
Borrowings and other financial liabilities	17	(35.3)	(12.1)
Trade and other payables	18	(316.6)	(322.9)
Employee benefits	23	(0.2)	(0.3)
Provisions	19	(18.7)	(23.9)
		(379.5)	(368.9)
Net current liabilities		(132.7)	(95.3)
Total assets less current liabilities		52.7	96.0
Non-current liabilities			
Borrowings and other financial liabilities	17	(128.1)	(184.7)
Employee benefits	23	(144.2)	(110.9)
Provisions	19	(41.2)	(49.4)
Deferred tax liabilities	13	(0.9)	(1.0)
		(314.4)	(346.0)
Net liabilities		(261.7)	(250.0)
Equity			
Issued share capital		12.2	12.2
Share premium		12.8	12.8
Merger reserve		3.5	3.5
Hedging reserve		(1.6)	(1.8)
Translation reserve		(0.5)	0.3
Retained earnings		(288.1)	(277.0)
Total equity deficit		(261.7)	(250.0)

¹ Where applicable comparatives have been restated for the change in accounting for joint ventures, see note 1.

These financial statements were approved by the Board of Directors on 3 June 2015 and were signed on its behalf by:

E Born
Chief Executive



A Colman
Group Finance Director



Consolidated statement of changes in equity

At 31 March 2015

	Issued share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings			Total equity deficit £m
						IFRS 2 reserve £m	Own shares £m	Profit and loss £m	
Balance at 1 April 2013	12.2	12.8	3.5	(3.6)	0.4	15.2	(15.3)	(311.7)	(286.5)
Profit for the year	-	-	-	-	-	-	-	27.4	27.4
Other comprehensive income	-	-	-	1.8	(0.1)	-	-	6.0	7.7
Total comprehensive income	-	-	-	1.8	(0.1)	-	-	33.4	35.1
Increase in IFRS 2 reserve	-	-	-	-	-	1.4	-	-	1.4
Own shares disposed of on exercise of options	-	-	-	-	-	-	0.4	(0.4)	-
Balance at 31 March 2014	12.2	12.8	3.5	(1.8)	0.3	16.6	(14.9)	(278.7)	(250.0)
Balance at 1 April 2014	12.2	12.8	3.5	(1.8)	0.3	16.6	(14.9)	(278.7)	(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)
Increase in IFRS 2 reserve	-	-	-	-	-	1.5	-	-	1.5
Deferred tax on share based payments	-	-	-	-	-	-	-	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)	18.1	(14.1)	(292.1)	(261.7)

Consolidated statement of cash flows

For the year ended 31 March 2015

	2015 £m	2014 £m
Operating activities		
Profit before tax	24.9	34.9
Adjustments for		
– depreciation and amortisation	20.9	21.9
– net pension gain	–	(15.8)
– interest expense	18.3	22.4
– profit on disposal of plant, property and equipment	–	(0.1)
– share-based payments fair value charges	1.5	1.4
	65.6	64.7
(Increase)/decrease in trade and other receivables	(0.3)	9.1
Decrease in inventories	0.6	0.7
(Decrease)/increase in trade and other payables	(4.0)	5.7
Decrease in provisions	(15.1)	(9.8)
Increase in employee benefits before pension deficit payment	2.1	2.1
Income taxes paid	(4.2)	(2.4)
Cash generated before pension deficit payment	44.7	70.1
Pension deficit payment	(14.4)	(14.1)
Cash flows from operating activities	30.3	56.0
Investing activities		
Proceeds from sale of property, plant and equipment	0.6	6.2
Interest received	0.2	0.4
Additions of property, plant and equipment	(10.0)	(7.9)
Additions of computer software costs	(0.3)	–
Cash flows from investing activities	(9.5)	(1.3)
Financing activities		
Decrease in borrowings	(33.6)	(10.5)
Payment of finance lease liabilities	(0.5)	(1.5)
Interest paid	(12.8)	(14.0)
Cash flows from financing activities	(46.9)	(26.0)
Net (decrease)/increase in cash and cash equivalents	(26.1)	28.7
Cash and cash equivalents at beginning of year	131.9	103.2
Cash and cash equivalents at end of year	105.8	131.9
Represented by		
– cash at bank and in hand	93.2	115.7
– restricted cash, being deposits held by the Group's captive insurer	12.6	16.2
	105.8	131.9

Notes to the consolidated financial statements

1. Accounting policies

Statement of compliance

Wincanton plc 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
- 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
- Annual Improvements 2010–2012, 2011–2013 and 2012–2014 Cycles

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

The Company has elected to prepare its parent Company financial statements in accordance with UK Accounting Standards; these are presented on pages 95 to 98 and present information about the Company as a separate entity and not about its group.

Basis of preparation

The Group and parent 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 UK Accounting Standards 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 first time application of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, amendment to IAS 27 Separate Financial Statements, amendment to IAS 28 Investment in Associates and Joint Ventures and amendments to IAS 32 Financial Instruments Presentation. The restatement at 31 March 2014 relates to the change in the accounting for a joint venture from proportionate consolidation to equity accounting. This has reduced revenue by £0.3m for the year ended 31 March 2014, but has had no impact on underlying operating profit. In the balance sheet an investment of £0.1m has been introduced, with an equal reduction in trade receivables in the comparative period. The adoption of these standards has not had any other significant 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 11 to 13 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 £261.7m (2014: £250.0m) primarily as a result of a past loss and the pension deficit. The main movement since the prior period relates to the increase in the pension deficit, offset by the profit for the year. In June 2014 the Group successfully renewed its main banking arrangements. 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 £75m amortises from year 7 of the 10 year term and matures in 2022. In addition, the US Private Placement bond (USPP) matures in tranches in 2015 and 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.

Notes to the consolidated financial statements continued

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, 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 and 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
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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 comprises 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, Deferred Annual Bonus Scheme, Special Option Plan and Executive Bonus 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 lease is due to end within three years on the basis that 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.

Notes to the consolidated financial statements continued

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.

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, 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 Board, 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 are 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.

Notes to the consolidated financial statements continued

2. Operating segments

Wincanton plc provides contract logistics services in the UK and Ireland. The Group manages 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).

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

	Note	Contract logistics		Specialist businesses		Consolidated	
		2015 £m	2014 £m	2015 £m	2014 restated ¹ £m	2015 £m	2014 restated ¹ £m
Revenue from external customers²		928.8	930.1	178.6	167.9	1,107.4	1,098.0
Depreciation	10	(9.5)	(10.7)	(2.8)	(2.5)	(12.3)	(13.2)
Amortisation of software intangibles	9	(2.1)	(2.2)	–	–	(2.1)	(2.2)
Reportable segment underlying operating profit ³		44.8	38.3	4.9	9.7	49.7	48.0
Total Group assets⁴						432.2	464.9
Additions to reportable segment non-current assets:							
– property, plant and equipment	10	8.4	5.7	1.6	2.2	10.0	7.9
– computer software costs	9	0.3	–	–	–	0.3	–
Total Group liabilities						(693.9)	(714.9)

1 Where applicable, comparatives have been restated for the change in accounting for joint ventures, see note 1.

2 Included in segment revenue is £1,083.7m (2014: £1,070.8m) in respect of customers based in the UK.

3 Underlying operating profit includes the share of results of the joint venture and is stated before amortisation of acquired intangibles and, where applicable, exceptionals.

4 Total Group assets include non-current assets of £180.2m (2014: £185.6m) in the UK.

3. Operating profit

	2015			2014		
	Underlying ¹ £m	Amortisation and Exceptionals ² £m	Total £m	Underlying restated ¹ £m	Amortisation and Exceptionals ² £m	Total restated ¹ £m
Revenue	1,107.4	–	1,107.4	1,098.0	–	1,098.0
Cost of sales	(1,039.5)	–	(1,039.5)	(1,030.0)	–	(1,030.0)
Gross profit	67.9	–	67.9	68.0	–	68.0
Administrative expenses	(18.2)	(6.5)	(24.7)	(20.0)	9.3	(10.7)
Operating profit	49.7	(6.5)	43.2	48.0	9.3	57.3

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. Where applicable, comparatives have been restated for the change in accounting for joint ventures, see note 1.

2 Comprises the amortisation of acquired intangibles and, where applicable, exceptionals.

3. Operating profit (continued)

	Note	2015 £m	2014 £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
Depreciation and other amounts written off property, plant and equipment			
– owned	10	12.3	13.2
Amortisation and other amounts written off software intangibles	9	2.1	2.2
Operating lease rentals			
– plant and equipment		29.0	25.6
– land and buildings		31.9	36.3
Exceptionals			
		2015 £m	2014 £m
Net pension gain			
Net gain on changes to pension arrangements		–	15.8
		–	15.8

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.

No exceptional cost or income arose in the year to 31 March 2015. In the prior year, following consultation with the active members, the defined benefit sections of the Group's pension arrangements closed to future accrual with effect from 31 March 2014. In addition, the Group launched a Pension Increase Exchange (PIE) project, where current pensioners and retiring members may elect to take a higher initial payment in exchange for foregoing certain rights to future pension increases. These items resulted in a net gain of £15.8m.

Notes to the consolidated financial statements continued

4. Personnel expenses, including Directors

	Note	2015 £m	2014 £m
Wages and salaries		420.9	416.5
Share-based payments (including IFRS 2 fair value charges)		2.8	2.5
Social security contributions		40.2	38.7
Contributions to defined contribution pension arrangements	23	16.3	10.9
Current service cost of defined benefit pension arrangements	23	–	9.7
		480.2	478.3
		2015	2014
Average number of persons employed by the Group (including Directors) during the year		15,340	15,440

Directors' emoluments

	2015 £'000	2014 £'000
Salaries	726	715
Bonus	745	444
Other benefits	179	178
Non-executive Directors' fees	368	366
Total emoluments	2,018	1,703

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 48 to 58.

5. Net financing costs**Recognised in the income statement**

	Note	2015 £m	2014 £m
Interest income		0.2	0.4
		0.2	0.4
Interest expense		(10.8)	(13.9)
Finance charges payable in respect of finance leases		(0.4)	(0.5)
Unwinding of discount on provisions	19	(2.3)	(2.0)
Interest on the net defined benefit pension liability	23	(5.0)	(6.4)
		(18.5)	(22.8)
Net financing costs		(18.3)	(22.4)

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

Recognised in other comprehensive income

	2015 £m	2014 £m
Foreign currency translation differences for foreign operations	(0.8)	(0.1)
	(0.8)	(0.1)

The above amounts are recognised in the translation reserve.

6. Income tax expense

Recognised in the income statement

	2015 £m	2014 £m
Current tax expense		
Current year	5.9	4.4
Adjustments for prior years	(2.6)	0.2
	3.3	4.6
Deferred tax expense		
Current year	0.4	3.5
Adjustments for prior years	1.9	(0.6)
	2.3	2.9
Total income tax expense	5.6	7.5
Reconciliation of effective tax rate		
Profit before tax	24.9	34.9
Income tax using the UK corporation tax rate of 21% (2014: 23%)	5.2	8.0
Effect of tax rates in foreign jurisdictions	(0.2)	(0.3)
Trading losses utilised in the period	(0.1)	–
Non-deductible expenditure	1.4	0.1
Change in UK corporation tax rate	–	0.1
Adjustments for prior years		
– current tax	(2.6)	0.2
– deferred tax	1.9	(0.6)
Total tax expense for the year	5.6	7.5
Recognised in other comprehensive income		
Remeasurements of defined benefit pension liability	(8.1)	6.1
Income tax relating to foreign exchange movements	–	(0.1)
Effect of movement in foreign exchange	(0.1)	–
	(8.2)	6.0
Recognised directly in equity		
Deferred tax on share based payments	(0.5)	–
	(0.5)	–

The main UK Corporation tax rate reduced from 23% to 21% with effect from 1 April 2014 and will reduce to 20% with effect from 1 April 2015. The closing UK deferred tax provision is calculated based on the rate of 20% which was substantively enacted at the balance sheet date.

Notes to the consolidated financial statements continued

7. Earnings per share

Earnings per share calculation is based on the earnings attributable to the equity shareholders of Wincanton plc of £19.3m (2014: £27.4m) and the weighted average of 116.3m (2014: 116.1m) shares which have been in issue throughout the year. The diluted earnings per share calculation is based on there being 13.5m (2014: 10.3m) 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:

	2015 millions	2014 millions
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at the beginning of the year	116.1	116.0
Net effect of shares issued and purchased during the year	0.2	0.1
	116.3	116.1
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at the end of the year	116.3	116.1
Effect of share options on issue	13.5	10.3
	129.8	126.4

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:

	2015 pence	2014 pence
Underlying earnings per share		
– basic	21.1	16.6
– diluted	18.9	15.3

Underlying earnings are determined as follows:

	Note	2015 £m	2014 £m
Profit for the year attributable to equity shareholders of Wincanton plc		19.3	27.4
Net gain on changes to pension arrangements	3	–	(15.8)
Amortisation of acquired intangibles	9	6.5	6.5
Tax impact of above items		(1.3)	1.2
Underlying earnings		24.5	19.3

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 Directors do not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: £nil).

9. Goodwill and intangible assets

	Note	Goodwill £m	Acquired intangibles £m	Computer software costs £m	Total £m
Cost					
At 1 April 2013		79.9	66.5	38.7	185.1
Effect of movements in foreign exchange		(0.1)	-	-	(0.1)
Disposals		-	-	(0.1)	(0.1)
At 31 March 2014		79.8	66.5	38.6	184.9
At 1 April 2014		79.8	66.5	38.6	184.9
Effect of movements in foreign exchange		(0.4)	-	-	(0.4)
Additions	2	-	-	0.3	0.3
At 31 March 2015		79.4	66.5	38.9	184.8
Amortisation and impairment losses					
At 1 April 2013		(2.5)	(44.5)	(23.7)	(70.7)
Charge for year		-	(6.5)	(2.2)	(8.7)
At 31 March 2014		(2.5)	(51.0)	(25.9)	(79.4)
At 1 April 2014		(2.5)	(51.0)	(25.9)	(79.4)
Charge for year	2, 3, 7	-	(6.5)	(2.1)	(8.6)
At 31 March 2015		(2.5)	(57.5)	(28.0)	(88.0)
Carrying value					
At 1 April 2013		77.4	22.0	15.0	114.4
At 31 March 2014 and 1 April 2014		77.3	15.5	12.7	105.5
At 31 March 2015		76.9	9.0	10.9	96.8

The carrying value of acquired intangibles relates entirely to customer relationships £90m (2014: £15.5m).

The total amortisation charge of £8.6m (2014: £8.7m) is recognised in the income statement as follows:

	2015 £m	2014 £m
Within cost of sales		
- computer software amortisation	2.1	2.2
Within administrative expenses		
- amortisation of acquired intangibles	6.5	6.5
	8.6	8.7

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.

	2015 £m	2014 £m
- Contract logistics	56.7	57.1
- Specialist businesses	20.2	20.2
	76.9	77.3

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	2.0	2.0
Underlying inflation rate	2.2	2.2
Discount rate	9.9	9.9

Notes to the consolidated financial statements continued

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 2014. The key assumptions for 2015 are disclosed in the table above, in 2014 these rates were: estimated growth rate 1.9%; underlying inflation rate 2.2%; and discount rate 10.1%.

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 £590m and £145m (2014: £500m and £145m respectively). Management believe no reasonably possible change in the key assumptions would cause the carrying amount to exceed the recoverable amount.

10. Property, plant and equipment

	Note	Property £m	Plant and equipment £m	Total £m
Cost				
At 1 April 2013		58.4	163.6	222.0
Effect of movements in foreign exchange		–	(0.2)	(0.2)
Additions		–	7.9	7.9
Disposals		(8.4)	(8.5)	(16.9)
At 31 March 2014		50.0	162.8	212.8
At 1 April 2014		50.0	162.8	212.8
Effect of movements in foreign exchange		(0.2)	(1.3)	(1.5)
Additions	2	–	10.0	10.0
Disposals		(4.5)	(3.3)	(7.8)
At 31 March 2015		45.3	168.2	213.5
Depreciation and impairment losses				
At 1 April 2013		(32.9)	(116.0)	(148.9)
Effect of movements in foreign exchange		–	0.2	0.2
Charge for year		(2.8)	(10.4)	(13.2)
Disposals		3.2	7.6	10.8
At 31 March 2014		(32.5)	(118.6)	(151.1)
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	2, 3	(1.0)	(11.3)	(12.3)
Disposals		4.5	2.7	7.2
At 31 March 2015		(28.8)	(126.5)	(155.3)
Carrying amount				
At 1 April 2013		25.5	47.6	73.1
At 31 March 2014 and 1 April 2014		17.5	44.2	61.7
At 31 March 2015		16.5	41.7	58.2

Included in the total carrying amount of property, plant and equipment is £nil (2014: £2.7m) in respect of assets held under finance leases, and in cost is £1.0m (2014: £1.5m) in respect of capitalised finance costs.

The carrying amount of property comprises:

	2015 £m	2014 £m
Freehold	10.9	14.1
Short leasehold	5.6	3.4
	16.5	17.5

11. Investments in subsidiaries

The significant subsidiaries as at 31 March 2015 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

¹ Direct subsidiary of Wincanton plc.

12. Interests in jointly controlled entities

Included in the consolidated financial statements of the Group are the following amounts in respect of the Group's share of the assets and liabilities of its joint venture:

	2015 £m	2014 restated ¹ £m
Current assets	0.1	0.1
Aggregate carrying amount of the Group's interest in its joint venture	0.1	0.1

¹ Restated for the change in accounting for joint ventures, see note 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	
	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m
Property, plant and equipment	2.0	3.3	(0.2)	(1.0)	1.8	2.3
Employee benefits	1.2	0.4	–	–	1.2	0.4
Pension provisions	28.7	22.2	–	–	28.7	22.2
Other deferred tax assets	0.2	1.9	–	–	0.2	1.9
Other deferred tax liabilities ¹	(1.8)	(3.8)	(0.7)	–	(2.5)	(3.8)
	30.3	24.0	(0.9)	(1.0)	29.4	23.0

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

Unrecognised deferred tax assets and liabilities

	2015 £m	2014 £m
Deferred tax asset on losses carried forward	2.3	3.1
	2.3	3.1

Deferred tax assets have not been recognised in respect of losses carried forward due to the uncertainty of their utilisation in the relevant companies.

Movement in deferred tax assets and liabilities during the current year

	At 1 April 2014 £m	Recognised in income £m	Other movements £m	At 31 March 2015 £m
Property, plant and equipment	2.3	(0.5)	–	1.8
Employee benefits	0.4	0.3	0.5	1.2
Pension provisions	22.2	(1.6)	8.1	28.7
Other deferred tax assets	1.9	(1.7)	–	0.2
Other deferred tax liabilities	(3.8)	1.2	0.1	(2.5)
	23.0	(2.3)	8.7	29.4

Notes to the consolidated financial statements continued

14. Inventories

	2015 £m	2014 £m
Raw materials and consumables	5.8	6.4
	5.8	6.4

15. Trade and other receivables

	2015 £m	2014 restated ¹ £m
Trade receivables	87.1	81.7
Less: provision for doubtful debts	(0.6)	(0.2)
Net trade receivables	86.5	81.5
Other receivables	1.9	2.4
Prepayments and accrued income	46.8	51.4
	135.2	135.3

¹ Where applicable, comparatives have been restated for the change in accounting for joint ventures, see note 1.

All receivables are due within one year, except for other receivables of £1.2m (2014: £1.5m) in respect of amounts recoverable from customers and others under contracts of more than one year, and prepayments and accrued income of £1.5m (2014: £nil).

Movement in the provision for doubtful debts

	2015 £m	2014 £m
At 1 April	0.2	0.3
Impairment losses recognised on receivables	0.4	–
Impairment losses reversed	–	(0.1)
At 31 March	0.6	0.2

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

	2015		2014	
	Gross £m	Provision £m	Gross £m	Provision £m
Current	81.8	–	78.6	–
1 month overdue	2.9	–	2.6	–
2 months overdue	1.3	–	0.3	–
3+ months overdue	1.1	(0.6)	0.2	(0.2)
	87.1	(0.6)	81.7	(0.2)

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

	2015 £m	2014 £m
Cash at bank and in hand	93.2	115.7
Restricted cash deposits held by the Group's captive insurer	12.6	16.2
Cash and cash equivalents	105.8	131.9

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

17. Borrowings and other financial liabilities

	2015 £m	2014 £m
Current		
Bank loans and overdrafts	34.1	10.5
Finance lease liabilities	–	0.1
Other financial liabilities	1.2	1.5
	35.3	12.1
Non-current		
Bank loans ¹	127.7	184.0
Finance lease liabilities	–	0.4
Other financial liabilities	0.4	0.3
	128.1	184.7

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

The Group's finance lease liabilities are payable as follows:

	2015			2014		
	Minimum lease payments £m	Interest £m	Principal £m	Minimum lease payments £m	Interest £m	Principal £m
Less than 1 year	–	–	–	0.3	(0.2)	0.1
Between 1 and 5 years	–	–	–	0.4	(0.3)	0.1
Over 5 years	–	–	–	1.9	(1.6)	0.3
	–	–	–	2.6	(2.1)	0.5

The following are the contractual maturities of financial liabilities, including interest payments on finance leases only:

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

At 31 March 2014

	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	140.1	140.1	10.0	73.8	56.3
Unsecured bond issues – US\$ private placement ¹	55.8	54.2	–	54.2	–
Finance leases	0.5	2.6	0.3	0.4	1.9
Trade and other payables	322.9	322.9	322.9	–	–
Derivative financial liabilities					
US\$/GBP fixed to floating swap – asset ¹	(54.9)	(54.2)	–	(54.2)	–
US\$/GBP fixed to floating swap – liability	53.5	53.5	–	53.5	–
Forward foreign exchange contracts	0.3	0.3	0.2	0.1	–
Interest rate swaps	1.5	1.5	1.3	0.2	–
	519.7	520.9	334.7	128.0	58.2

¹ Contractual cash flows denominated in foreign currencies are translated at the year end exchange rate. Carrying amounts are stated at fair value.

Notes to the consolidated financial statements continued

18. Trade and other payables

	2015 £m	2014 £m
Current		
Trade payables	84.6	81.4
Other taxes and social security	33.7	36.1
Other payables	49.0	40.8
Accruals and deferred income	149.3	164.6
	316.6	322.9

19. Provisions

	Note	Insurance £m	Property £m	Other provisions £m	Total £m
At 1 April 2014		38.8	33.4	1.1	73.3
Effect of movements in foreign exchange		–	(0.6)	–	(0.6)
Provisions used during the year		(12.4)	(12.1)	(0.5)	(25.0)
Unwinding of discount	5	1.1	1.2	–	2.3
Provisions made during the year		9.9	–	–	9.9
At 31 March 2015		37.4	21.9	0.6	59.9
Current		12.2	5.9	0.6	18.7
Non-current		25.2	16.0	–	41.2
		37.4	21.9	0.6	59.9

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**

	Ordinary shares	
	2015 millions	2014 millions
Allotted, called up and fully paid		
In issue at 1 April and 31 March	121.7	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 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 current and prior year no new shares were issued under any of the share-based payment schemes. 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)

IFRS 2 reserve

Since 1 April 2004, the IFRS 2 reserve comprises the charges made to the income statement in respect of share-based payments under the Group's equity compensation schemes.

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 2015, the number of the Company's shares held by the EBT had decreased to 5,256,185 (2014: 5,612,710) due to the settlement of options exercised. The EBT has waived the right to receive dividends in respect of these shares. The average cost of the shares held is 268p each (2014: 266p) and at 31 March 2015, the market value of the shares held was £8.3m (2014: £6.3m).

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 2015 there were 1,499,334 (2014: 1,375,582) 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:

	2015 £m	2014 £m
Contracted	3.9	2.5
	3.9	2.5

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:

	2015		2014	
	Plant and equipment £m	Land and buildings £m	Plant and equipment £m	Land and buildings £m
Less than 1 year	23.9	26.3	22.5	30.6
Between 1 and 5 years	35.8	49.8	43.8	73.2
More than 5 years	0.5	119.7	1.7	142.5
	60.2	195.8	68.0	246.3

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:

	2015		2014	
	Plant and equipment £m	Land and buildings £m	Plant and equipment £m	Land and buildings £m
Element of lease underwritten by customer contract	33.2	20.7	44.8	31.9
Element of lease where the period of the lease extends beyond the current maturity of the customer contract	4.3	4.8	5.9	8.4
Multi-user locations where mitigation is spread across a number of customers	21.4	124.9	14.4	135.0
Leases with limited or no mitigation	1.3	29.0	2.9	46.7
	60.2	179.4	68.0	222.0
Covered by property provision	–	16.4	–	24.3
	60.2	195.8	68.0	246.3

Notes to the consolidated financial statements continued

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:

	2015 £m	2014 £m
Holiday pay	0.2	0.3
Pension schemes (see below)	144.2	110.9
	144.4	111.2
These employee benefits are split as follows:		
Current	0.2	0.3
Non-current	144.2	110.9
	144.4	111.2

Pension schemes

Employees of Wincanton participated in funded pension arrangements in the UK and Ireland during the year ended 31 March 2015 details of which are given below. In addition, 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 year ended 31 March 2015.

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 19 years.

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 will be preserved. The closure to future accrual resulted in a one off non-cash curtailment gain of £15.0m being recorded in the prior year, being the actuarially determined estimate of the present value of the funding cost which will no longer be incurred.

The Group also introduced a Pension Increase Exchange (PIE) whereby current members and retiring members may elect to take a higher initial pension payment in exchange for foregoing certain rights to future pension increases. This resulted in a reduction in the defined benefit obligations of £5.2m which was reported as a one off, non-cash past service credit in the prior year.

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. As a result, the Group, in consultation with the Scheme actuary agreed to leave the terms of the additional cash contribution unchanged from that previously agreed. Accordingly the additional cash contribution the Group makes to the Scheme in order to address the past service deficit will continue to increase by RPI each year through to September 2024. The contribution in the year was £14.4m (2014: £14.1m).

In the year commencing 1 April 2015 the Group contributions are expected to be the incremental cash contribution of £14.6m which has been increased by RPI as set out in the triennial valuation as at 31 March 2014. In addition, some administration costs of the Scheme will be borne by the Group, these are expected to total £0.7m (2014: £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:

- bespoke longevity tables tailored to the membership of the Scheme;
- 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 risk, as mentioned above, by closing the defined benefit section to future benefit accrual thereby preventing the build-up of further liabilities and the risk associated with these and 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.

	2015 £m	2014 £m
Present value of unfunded defined benefit obligations	(1.8)	(1.4)
Present value of funded defined benefit obligations	(1,067.2)	(887.8)
Fair value of Scheme assets	924.8	778.3
Net defined benefit liability	(144.2)	(110.9)

The movement in the above net defined benefit liability in the year was primarily the result of a decrease in the discount rate offset by an increase in the market value of assets inclusive of the further additional cash contributions being made. The net defined benefit liability, after taking into account the related deferred tax asset, is £115.5m (2014: £88.7m).

Movements in the present value of the net defined benefit liability

	Assets £m	Obligations £m	Net liability £m	Unfunded arrangements £m	Total net liability £m
31 March 2015					
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)
31 March 2014					
Opening position	743.9	(891.0)	(147.1)	(1.6)	(148.7)
Included in Income statement:					
Current service cost	–	(9.7)	(9.7)	–	(9.7)
Administration costs	(2.3)	–	(2.3)	–	(2.3)
Past service credit, including curtailment gain	–	20.2	20.2	–	20.2
Interest on the net defined benefit liability	33.3	(39.7)	(6.4)	–	(6.4)
Cash:					
Employer contributions	23.8	–	23.8	0.2	24.0
Employee contributions	0.1	(0.1)	–	–	–
Benefits paid	(28.5)	28.5	–	–	–
Included in Other comprehensive income:					
Changes in financial assumptions	–	5.9	5.9	–	5.9
Experience	–	(1.9)	(1.9)	–	(1.9)
Return on assets excluding amounts included in net financing costs	8.0	–	8.0	–	8.0
Closing defined benefit liability	778.3	(887.8)	(109.5)	(1.4)	(110.9)

Notes to the consolidated financial statements continued

23. Employee benefits (continued)

Where benefits are paid in respect of unfunded arrangements these costs are met by the employer and are included within employer contributions in the table above.

The amounts recognised in the income statement comprise current service cost, administration costs, past service credit and interest on the net defined benefit liability. These charges/(credits) are included in the following lines in the income statement:

	Note	2015 £m	2014 £m
Cost of sales		–	10.2
Administrative expenses		2.9	1.9
Within underlying operating profit		2.9	12.1
Net pension gain		–	(20.2)
Financing costs	5	5.0	6.4
Recognised in Income statement		7.9	(1.7)

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

	2015 £m	2014 £m
Equities and synthetic equities	257.3	288.5
Property funds	34.3	35.2
Hedge funds	64.7	62.4
Other growth assets	54.4	60.7
Corporate bonds	180.4	158.0
Multi asset credits	58.5	57.1
Index-linked gilts (LDI portfolio collateral)	352.9	267.5
Other	29.9	21.3
Notional exposure for synthetic equities/LDI hedging arrangements	(122.5)	(172.4)
Senior real estate and private debt	14.9	–
	924.8	778.3

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. 35% 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:

	2015 %	2014 %
Discount rate	3.25	4.50
Price inflation rate – RPI	3.00	3.25
Price inflation rate – CPI	2.00	2.25
Rate of increase of pensions in deferment		
– for service to 31 March 2006	2.95	3.10
– 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:

	2015 Years	2014 Years
Male aged 65 today	21.4	20.6
Male aged 45 today	23.7	23.2
Female aged 65 today	23.4	22.8
Female aged 45 today	26.4	25.6

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.

23. Employee benefits (continued)

	Change in assumption	Impact on liability £m
Discount rate	+0.1%	(20.0)
Price inflation – RPI	+0.1%	16.0
Mortality rate	+ 1 year	30.0

Defined contribution schemes

The total expense relating to the Group's defined contribution schemes in the current year was £16.3m (2014: £10.9m).

24. Equity compensation benefits

Employees of the Group participate, subject to seniority and length of service, in the Executive Bonus Plan and Special Option Plan. The other schemes in existence are the Deferred Annual Bonus Scheme and the Executive Share Option Scheme. 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 £1.5m (2014: £1.4m) 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 2015 is as follows:

	Outstanding	Exercisable	Option price pence/share	Date normally exercisable
Executive Bonus Plan				
July 2012	307,675	223,349	–	2013-2022
July 2013	1,130,920	565,460	–	2014-2023
July 2014	584,677	–	–	2015-2024
	2,023,272	788,809		
Special Option Plans				
July 2012	9,937,330	–	36	2015-2022
January 2013	1,059,322	–	71	2016-2023
July 2013	5,464,518	–	68	2016-2023
September 2013	128,395	–	101	2016-2023
July 2014	2,579,704	–	137	2017-2024
December 2014	250,517	–	161	2017-2024
	19,419,786	–		
Executive Share Option Schemes				
December 2005	264,173	264,173	335	2008-2015
December 2006	446,352	446,352	347	2009-2016
	710,525	710,525		
Total number of share options	22,153,583	1,499,334		

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

	2015		2014	
	Options	Weighted average pence	Options	Weighted average pence
Outstanding at beginning of period	20,788,568	57	14,221,634	55
Granted during the period	3,581,745	116	7,375,520	58
Lapsed during the period	(1,860,205)	79	(648,812)	40
Exercised during the period	(356,525)	–	(159,774)	–
Outstanding at the end of the period	22,153,583	66	20,788,568	57
Exercisable at the end of the period	1,499,334	162	1,375,582	215

The weighted average share price at the date of exercise for share options exercised during the period was 150p (2014: 107p). The options outstanding at 31 March 2015 had a range of exercise prices of between nil and 347p and a weighted average remaining contractual life of eight years.

Notes to the consolidated financial statements continued

24. Equity compensation benefits (continued)

The number of nil cost options awarded under the terms of the Executive Bonus Plan are 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 and Executive Share Option Scheme are 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:

Executive Bonus Plan

The Group introduced the Executive Bonus Plan during the year ended 31 March 2012. The award is made part in cash, part in deferred shares and for the years ending 31 March 2013 and 31 March 2014 will be settled 50% : 50%. The Plan ceased on 31 March 2015 and all awards of deferred shares will vest in July 2015, subject to non market performance conditions being met. For the year ended 31 March 2015 the award will be settled 100% in cash, see Remuneration Report, page 54.

The Bonus Plan operates for a fixed four year period. At the end of that period the balance of a participants' Plan account will be payable.

Grant date	Number of options granted	Vesting conditions	Contractual life years
July 2012	591,401	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
July 2013	1,263,873		
July 2014	584,677		
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).

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

24. Equity compensation benefits (continued)

Deferred Annual Bonus Scheme

The Group introduced a Deferred Annual Bonus Scheme in 2010 to replace a cash only bonus scheme. The Deferred Annual Bonus Scheme was effective for the year ended 31 March 2010. Under the Scheme a proportion of each participant's annual bonus was granted as nil cost options.

Grant date	Number of options granted	Vesting conditions	Contractual life years
June 2010	2,232,603	50% will vest subject to 1 year's service from date of grant and the remaining 50% will vest subject to 2 years' service from date of grant. UK tax approved options were also granted at the same date, see Executive Share Option Schemes (ESOS). If these options are exercised the ESOS options will lapse, and vice versa.	4
Total	2,232,603		

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 average price of the Company's shares for the three days prior to the grant date). On 17 June 2014 all unexercised options lapsed and the scheme closed.

Executive Share Option Schemes

Grant date	Number of options granted	Vesting conditions	Contractual life years
March 2004	250,000	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 2004	3,136,630		
December 2005	3,184,581		
December 2006	2,925,065		
June 2010	1,009,452	3 years of service. The options are UK tax approved and conditional on the Deferred Annual Bonus Scheme (DABS) options granted at the same date. If these options are exercised the DABS options will lapse, and vice versa.	4
Total	10,505,728		

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.

The Group has £299m (2014: £304m) of core committed funding of which £161m was drawn at 31 March 2015 (2014: £194m), leaving headroom of £138m (2014: £110m). The Group also has overdraft and other uncommitted facilities. Within the £299m (2014: £304m) of core committed facilities there is £129m (2014: £194m) 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	2015 £m	2014 £m
Total borrowings and other financial liabilities	17	163.4	196.8
Cash and cash equivalents	16	(105.8)	(131.9)
Net debt		57.6	64.9

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

Notes to the consolidated financial statements continued

25. Financial instruments (continued)**Analysis of changes in net debt**

	1 April 2014 £m	Cash flow £m	Net movement on cash flow hedges £m	Exchange movements £m	31 March 2015 £m
Cash and bank balances	131.9	(26.1)	–	–	105.8
Bank loans & overdrafts	(194.5)	33.6	–	(0.9)	(161.8)
Finance leases	(0.5)	0.5	–	–	–
Other financial liabilities	(1.8)	–	0.2	–	(1.6)
Net debt	(64.9)	8.0	0.2	(0.9)	(57.6)

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 2015 was at floating rates. At 31 March 2015 the Group had in place £75.0m of three and five year sterling interest rate swaps (maturing 2016 and 2019) with effective rates of between 0.7% and 3.7% and the net fair value of the financial instruments used to manage interest rates at the year end was £(1.6)m (2014: £(1.5)m).

	2015			2014		
	Floating rate £m	Fixed rate £m	Total £m	Floating rate £m	Fixed rate £m	Total £m
Sterling						
Bank loans and overdrafts	161.5	–	161.5	194.5	–	194.5
Finance leases	–	–	–	–	0.5	0.5
Other financial liabilities	1.6	–	1.6	1.8	–	1.8
Borrowings	163.1	–	163.1	196.3	0.5	196.8
Cash	(105.7)	–	(105.7)	(131.3)	–	(131.3)
Net debt	57.4	–	57.4	65.0	0.5	65.5
Interest rate swap	(75.0)	75.0	–	(75.0)	75.0	–
Net (cash)/debt	(17.6)	75.0	57.4	(10.0)	75.5	65.5
Euro						
Bank loans and overdrafts	0.3	–	0.3	–	–	–
Cash	(0.1)	–	(0.1)	(0.6)	–	(0.6)
Net (cash)/debt	0.2	–	0.2	(0.6)	–	(0.6)
Total net debt	(17.4)	75.0	57.6	(10.6)	75.5	64.9

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 £75.0m. 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.

	2015		2014	
	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)	(0.9)	(0.9)
1.0% decrease in rates	0.6	0.6	0.9	0.9

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.

25. Financial instruments (continued)

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 the relevant functional currency of the operation concerned.

The Group's committed facilities include \$87.2m (2014: \$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, are 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 £254.4m (2014: £270.7m). 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 four years. The Group's main bank facility was re-financed in June 2014.

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.

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:

	2015		2014	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Trade receivables	86.5	86.5	81.5	81.5
Other receivables	1.9	1.9	2.4	2.4
Cash and cash equivalents	105.8	105.8	131.9	131.9
US\$ fixed to floating swaps				
– Assets	60.2	60.2	54.9	54.9
– Liabilities	(53.5)	(53.5)	(53.5)	(53.5)
Forward exchange contracts	–	–	(0.3)	(0.3)
Interest rate swaps	(1.6)	(1.6)	(1.5)	(1.5)
Bank loans and overdrafts	(107.8)	(107.8)	(140.1)	(140.1)
Unsecured bond issues – US\$ private placement	(60.7)	(60.7)	(55.8)	(55.8)
Finance lease liabilities	–	–	(0.5)	(0.5)
Trade and other payables	(316.6)	(316.6)	(322.9)	(322.9)
Unrecognised losses		–		–

Notes to the consolidated financial statements continued

25. Financial instruments (continued)**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 48 to 58.

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 2015

	Note	2015 £m	2014 £m
Fixed assets			
Investments	2	108.9	108.9
		108.9	108.9
Current assets			
Debtors	3	14.0	23.3
Cash at bank and in hand		82.1	88.8
		96.1	112.1
Creditors: amounts falling due within one year	4	(42.0)	(31.7)
Net current assets		54.1	80.4
Total assets less current liabilities		163.0	189.3
Creditors: amounts falling due after more than one year	5	(128.1)	(184.3)
Net assets		34.9	5.0
Capital and reserves			
Called up share capital	6	12.2	12.2
Share premium account	6	12.8	12.8
Hedging reserve	6	(1.7)	(1.5)
Profit and loss account	6	11.6	(18.5)
Equity shareholders' funds	7	34.9	5.0

The financial statements were approved by the Board of Directors on 3 June 2015 and were signed on its behalf by:

E Born
Chief Executive
Company Registration
Number: 4178808



A Colman
Group Finance Director



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 financial statements have been prepared in accordance with applicable accounting standards (UK Generally Accepted Accounting Practice).

Under Section 408(4) of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Advantage has been taken of FRS 29 Financial Instruments: Disclosures available to parent companies not to present financial instrument disclosures as the Group financial statements contain disclosures that comply with the standard.

The Company participates in a Group defined contribution scheme. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement as incurred.

Investments

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indications that the carrying values may not be recoverable.

Foreign currencies

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

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes that have occurred but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred Tax.

Derivative financial instruments and hedge accounting

The Company 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 Company 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 profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The fair value of interest rate swaps are determined by discounting the future cash flows at rates determined by year end yield curves. The fair value of forward exchange contracts is calculated as the contractual forward price less the current forward rate.

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 profit and loss account. 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 profit and loss account (even if those gains would normally be recognised directly in reserves). Hedge accounting is discontinued when the Company 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 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 profit and loss account.

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 profit and loss account 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).

Shares held by Employee Benefit Trust

Shares in the Company held by the Wincanton plc Employee Benefit Trust are shown as a deduction from shareholders' equity at cost in accordance with UITF Abstract 38 Accounting for ESOP Trusts.

Share-based payments

Where a parent Company grants rights to its instruments to employees of a subsidiary, and such share-based compensation is accounted for as equity-settled in the consolidated financial statements of the Group, the subsidiary is required to record an expense for such compensation in accordance with FRS 20 Share-based Payments, with a corresponding increase recognised in equity as a contribution from the parent. Consequently, the Company recognises additions to fixed asset investments with a credit to equity for the same amount.

2. Fixed asset investments

Shares in Group undertakings	2015 £m	2014 £m
Cost		
At beginning of year	108.9	108.1
Additions – share-based payments	–	0.8
At end of year	108.9	108.9

A list of the significant subsidiaries of Wincanton plc is given in note 11 to the Group financial statements.

3. Debtors

	2015 £m	2014 £m
Amounts owed by Group undertakings	8.6	15.6
Group tax relief receivable	3.6	7.0
Prepayments and accrued income	1.8	0.7
	14.0	23.3

All debtors are due within one year.

4. Creditors: amounts falling due within one year

	2015 £m	2014 £m
Bank loans and overdrafts	33.9	22.8
Other financial liabilities	1.2	1.4
Accruals and deferred income	6.9	7.5
	42.0	31.7

5. Creditors: amounts falling due after more than one year

	2015 £m	2014 £m
Bank loans and overdrafts	127.7	184.0
Other financial liabilities	0.4	0.3
	128.1	184.3

Notes to the Wincanton plc Company financial statements continued

6. Capital and reserves**Reconciliation of movement in capital and reserves**

	Share capital £m	Share premium £m	Hedging reserve £m	Profit and loss account			Total equity £m
				Reserve for own shares £m	FRS 20 reserve £m	Retained earnings £m	
Balance at 1 April 2013	12.2	12.8	(3.6)	(15.3)	3.5	3.6	13.2
Total recognised gains/(losses)	-	-	2.1	-	-	(11.8)	(9.7)
Own shares disposed of on exercise of options	-	-	-	0.4	-	(0.4)	-
Equity granted to employees of the Company and subsidiaries	-	-	-	-	0.7	0.8	1.5
Balance at 31 March 2014	12.2	12.8	(1.5)	(14.9)	4.2	(7.8)	5.0
Balance at 1 April 2014	12.2	12.8	(1.5)	(14.9)	4.2	(7.8)	5.0
Total recognised gains/(losses)	-	-	(0.2)	-	-	13.3	13.1
Own shares disposed of on exercise of options	-	-	-	0.8	-	(0.8)	-
Equity granted to employees of the Company and subsidiaries	-	-	-	-	1.5	0.3	1.8
Dividends received	-	-	-	-	-	15.0	15.0
Balance at 31 March 2015	12.2	12.8	(1.7)	(14.1)	5.7	20.0	34.9

During the year ended 31 March 2002, the Company established a Capital Redemption Reserve of £49,998 on redemption of redeemable preference shares. The FRS 20 reserve comprises the charge made to the profit and loss account in respect of share-based payments under the Company's share option schemes.

Details of the Company's own shares, held within an Employee Benefit Trust, are given in note 20 to the Group financial statements.

Allotted, called up and fully paid	Ordinary shares	
	2015 millions	2014 millions
In issue at 1 April and 31 March	121.7	121.7

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 Group 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 Group financial statements.

7. Reconciliation of movement in shareholders' funds

	2015 £m	2014 £m
Retained gain/(loss) for the financial year	13.3	(11.8)
Dividends received	15.0	-
Other recognised gains and losses relating to the year	(0.2)	2.1
Equity granted to employees of the Company and subsidiaries	1.8	1.5
Net decrease in shareholders' funds	29.9	(8.2)
Opening shareholders' funds	5.0	13.2
Closing shareholders' funds	34.9	5.0

Additional information

Group five year record

As reported under Adopted IFRS

	2015 £m	2014 restated ¹ £m	2013 restated ² £m	2012 restated ³ £m	2011 restated ⁴ £m
Revenue	1,107.4	1,098.0	1,086.8	1,202.8	1,328.3
Underlying operating profit ⁵	49.7	48.0	45.3	43.8	46.7
Net financing costs	(18.3)	(22.4)	(24.0)	(15.0)	(16.7)
Underlying profit before tax ⁵	31.4	25.6	21.3	28.8	30.0
Profit/(loss) before tax	24.9	34.9	14.0	(47.4)	3.6
Underlying profit after tax for the year ⁵	24.5	19.3	15.4	19.4	22.4
Underlying earnings per share ⁵	21.1p	16.6p	13.3p	16.9p	19.6p
Dividend per share	-	-	-	-	-
Net debt	(57.6)	(64.9)	(107.6)	(114.5)	(160.4)

1 Where applicable, amounts have been restated for the change in accounting for joint ventures, see note 1.

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 Culna Logistics Limited which was sold in March 2012.

4 Amounts reported since 2011 (restated) relate to the continuing operations in UK and Ireland only and exclude the results and balances relating to Mainland Europe which were disclosed as discontinued operations in 2012.

5 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 16 July 2015 at the offices of Buchanan Communications, 107 Cheapside, London EC2V 6DN at 11 am
Half year results	Interim announcement November 2015
Full year results	Preliminary announcement June 2016
Annual report	Posted to shareholders at the end of June 2016

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 future 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 selling 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 websites 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 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.

Secretary and registered office

A Dowling
Wincanton plc
Methuen Park
Chippenham
Wiltshire
SN14 0WT

Tel +44 (0)1249 71 00 00

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Wincanton plc
Methuen Park
Chippenham
Wiltshire SN14 0WT
United Kingdom

Registered in England &
Wales under No. 4178808
Tel +44 (0)1249 71 00 00
Fax +44 (0)1249 71 00 01