

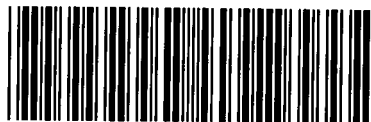
WINCANTON.CO.UK

**At the heart of
British supply chains**

Annual report and accounts 2022

Registered in England & Wales under No. 04178808

MONDAY



AB8ZNXMA

A05

25/07/2022

#103

COMPANIES HOUSE

Our purpose roadmap

Our purpose

Great people delivering sustainable supply chain value.

Read more on p12

Our strategic ambitions

Already underway, transforming who we are and how we work.

Financial ambitions

We will look to profitably grow the business through focusing on our strategic growth markets while continuing development of our foundation markets.

People ambitions

We will do everything we can to provide an inclusive environment, to make sure our colleagues are safe at work and have the support they need to have long and enjoyable careers with Wincanton. We will focus on people retention and encouraging supply chain and logistics as a career choice.

wincanton.co.uk/why-wincanton/our-people/

Future ambitions: technology and sustainability

Through our innovation activities supporting the deployment of technology to provide efficiencies we will:

- support our customers to navigate the supply chain challenges of tomorrow
- develop new propositions with a clearly defined technology-enabled service provision, alongside the traditional physical fulfilment
- transform the consumer experience and grow our customers' market share.

wincanton.co.uk/why-wincanton/innovation/

We have set ambitious goals to achieve net-zero by 2040: to have carbon neutral home delivery operations in 2022 and to be carbon neutral for all our own non-transport operations from 2025.

Our strategic pillars

Our key strategic areas of focus drive positive gains across the business.

Read more on p16

Our products
and services

Our
markets

Our
operating
model

Our
people

**The
Wincanton
Way**

Our ESG commitment is to the delivery of long term, sustainable supply chain solutions which have a positive impact on all of our stakeholders.

Read more on p22

Environmental

Building the road to net-zero by 2040: a commitment to being the leading supply chain partner of net-zero solutions for fleet, property and waste.

Social

Celebrating diversity, fostering a safe, empowering and inclusive workplace and supporting the communities in which we operate.

Governance

Ensuring direction and control of our business through effective management, culture, systems and processes.

Our purpose roadmap

Our purpose

Great people delivering sustainable supply chain value.

Read more on p12

Our strategic ambitions

Already underway, transforming who we are and how we work.

Financial ambitions

We will look to profitably grow the business through focusing on our strategic growth markets while continuing development of our foundation markets.

People ambitions

We will do everything we can to provide an inclusive environment, to make sure our colleagues are safe at work and have the support they need to have long and enjoyable careers with Wincanton. We will focus on people retention and encouraging supply chain and logistics as a career choice.

wincanton.co.uk/why-wincanton/our-people/

Future ambitions: technology and sustainability

Through our innovation activities supporting the deployment of technology to provide efficiencies we will:

- support our customers to navigate the supply chain challenges of tomorrow
- develop new propositions with a clearly defined technology-enabled service provision, alongside the traditional physical fulfilment
- transform the consumer experience and grow our customers' market share.

wincanton.co.uk/why-wincanton/innovation/

We have set ambitious goals to achieve net-zero by 2040: to have carbon neutral home delivery operations in 2022 and to be carbon neutral for all our own non-transport operations from 2025.

Our strategic pillars

Our key strategic areas of focus drive positive gains across the business.

Read more on p16

Our products
and services

Our
markets

Our
operating
model

Our
people

*The
Wincanton
Way*

Our ESG commitment is to the delivery of long term, sustainable supply chain solutions which have a positive impact on all of our stakeholders.

Read more on p22

Environmental

Building the road to net-zero by 2040: a commitment to being the leading supply chain partner of net-zero solutions for fleet, property and waste.

Social

Celebrating diversity, fostering a safe, empowering and inclusive workplace and supporting the communities in which we operate.

Governance

Ensuring direction and control of our business through effective management, culture, systems and processes.

Summary of compliance

Highlights

Group highlights

Revenue

£1,421.4m
+16.3%

Underlying EBITDA¹

£108.3m
+13.8%

Profit before tax

£54.8m
+18.6%

Underlying profit before tax¹

£58.1m
+23.1%

Underlying earnings per share¹

40.8p
+27.5%

Basic earnings per share

38.6p
+22.5%

Underlying profit before tax margin

4.1%
+20bps

Net cash¹

£3.7m
-68.9%

Dividend per share

12.0p
+15.9%

ESG highlights

Carbon intensity

235 tCO₂e/£m rev
-12.9%

Waste recycling

54.7%
+18.4%

Employee engagement score

69%
+3.0%

¹ Alternative performance measures (APMs): See page 42 and Notes 3, 9 and 30 to the consolidated financial statements for further information on these underlying measures, including definitions and a reconciliation of APMs to statutory measures.

Contents

Strategic report

IFC	Our purpose roadmap
001	Highlights
002	At a glance
004	Our investment case
006	Chair's statement
008	Chief Executive Officer's review
014	Market review
016	Strategy
018	Business model
020	Our KPIs
022	ESG and sustainability
034	Section 172 statement
035	Task Force on Climate-related Financial Disclosures (TCFD)
036	Chief Financial Officer's review
044	Risk report

Governance

052	Introduction from the Chair
053	Summary of compliance
056	Board of Directors
058	Governance structure
066	Nomination Committee report
070	Audit Committee report
075	Directors' remuneration report
089	Directors' Remuneration Policy
092	Directors' report
095	Statement of Directors' responsibilities
096	Independent auditor's report

Accounts

104	Consolidated income statement
105	Consolidated statement of comprehensive income
106	Consolidated balance sheet
107	Consolidated statement of changes in equity
108	Consolidated statement of cash flows
109	Notes to the consolidated financial statements
145	Wincanton plc Company balance sheet
146	Wincanton plc Company statement of changes in equity
147	Notes to the Wincanton plc Company financial statements
149	Group five year record
150	Shareholder information
152	Board of Directors and advisers

Non-financial information statement

As required by the non-financial reporting requirements of sections 414A and 414CB of the Companies Act 2006, information on environmental matters, the Group's employees, social matters, respect for human rights and anti-corruption and anti-bribery are included within the ESG section of the Annual Report on pages 22 to 32. Details of our business model can be found on pages 18 and 19, principal risks and our response to them are on pages 49 to 51 and non-financial key performance indicators are on page 20.

Wincanton is a leading supply chain partner for British business, providing supply chain solutions up and down the country with colleagues working across more than 170 sites.

What we do

High volume eFulfilment

- Carrier management services
- Returns management
- Picking and packing
- Two-person premium home delivery
- Grocery 'dark stores'

Extended supply chain management

- Inbound logistics for manufacturing
- Transport control tower design and operation
- Extended materials management and consolidation

Large scale outsourced operations

- Storage handling and distribution
- Transport and warehouse asset management
- Inspection and control

Innovation

- Turnkey automation and robotics
- Future network design and optimisation
- Artificial Intelligence (AI) and data analytics

Read more about our business model on p18

Key facts

£1.4bn

revenue

170+

sites

16.1m sq ft

warehousing space

20,300

colleagues

5,380

drivers

8,500

vehicles responsible for

Our key sectors

Percentage of Group revenue

eFulfilment

Technology focused sector to support the growing eCommerce market.

Revenue **£223.2m**

Markets served:

- eCommerce, including high volume eFulfilment, and value-added services
- Grocery home delivery and Customer Fulfilment Centre (CFC)
- Omnichannel retail

wincanton.co.uk/what-we-do/eFulfilment/

eFulfilment
15.7%

General Merchandise

Non-food retail focused sector to meet the evolving needs of major multichannel customers.

Revenue **£396.4m**

Markets served:

- Non-food retail
- Manufacturers and distributors

wincanton.co.uk/what-we-do/general-merchandise/

General
Merchandise
27.9%

Grocery and Consumer

Food focused sector creating a logical connection in one of the UK's most critical supply chains.

Revenue **£517.6m**

Markets served:

- Grocery
- Consumer packaged goods

wincanton.co.uk/what-we-do/grocery-and-consumer/

Grocery and
Consumer
36.4%

Public and Industrial

Services focused sector for customers in government and public sector, infrastructure, defence, construction and energy.

Revenue **£284.2m**

Markets served:

- Public sector
- Infrastructure
- Healthcare
- Defence
- Building materials
- Fuel and gases
- Bulk food

wincanton.co.uk/what-we-do/public-and-industrial/

Public and
Industrial
20.0%

Five reasons to invest in Wincanton

1

A supply chain partner of choice for UK businesses

- Trusted partner to businesses and public sector organisations with long term customer relationships
- Strong heritage of providing a broad spectrum of contract logistics services and delivering sustainable supply chain value
- Scale delivers resilient operations and the ability to respond to rapidly changing markets

See business model on p18

2

Delivering value through innovation

- Innovation at the heart of the service proposition, continually evolving the offering to respond to the changing needs of customers
- Strategic focus on eCommerce and eFulfilment sector boosted by recent acquisition of Cygnia Logistics and our state of the art eFulfilment facility (The WEB)

See KPIs on p20

3

Investing in growth

- Disciplined growth through a selective approach to new business in attractive markets
- Positioned to take share in growth and higher margin markets – retail omnichannel and pureplay eFulfilment; consumer products; infrastructure development; and the public sector
- Building on a well-established position in our foundation markets of General Merchandise and Grocery & Consumer

See KPIs on p20

4

Financially resilient and cash generative

- Consistent track record of delivering returns, underpinned by multiyear contracts
- Strong cash generation and working capital position; refinancing secured through to 2026
- Strong financial profile facilitates complementary, earnings accretive acquisitions
- Total shareholder return consistently outperforming market comparators

See financial review on p36

5

Committed to sustainable business practices

- Delivering long term, sustainable solutions to customers and committed to leading the way in responsible supply chain management
- Plans to reduce emissions across our business, with a Group target of net-zero by 2040
- A positive working culture underpinned by the guiding principles of The Wincanton Way
- Investing in programmes to ensure a talented, sustainable and diverse workforce

See ESG on p22

Underpinned by a strong track record of delivery

Revenue
£1,421.4m
 +16.3%

Consolidated Group revenue:

2022	£1,421.4m
2021	£1,221.9m
2020	£1,201.2m
2019	£1,141.5m
2018	£1,171.9m

Underlying PBT

£58.1m
 +23.1%

Statutory PBT £54.8m
 (2021: £46.2m as restated)

2022	£58.1m
2021	£47.2m
2020	£52.8m
2019	£49.3m
2018	£46.4m

Dividends declared

12.00p
 (2021: 10.35p)

Final recommended dividend for 2022
 of 8.0p per share

2022	12.00p
2021	10.35p
2020	3.90p
2019	10.89p
2018	9.90p

Basic underlying EPS

40.8p
 +27.5%

Statutory basic EPS 38.6p (2021: 31.5p)

2022	40.8p
2021	32.0p
2020	36.1p
2019	33.5p
2018	30.8p

See KPIs on p20

“

A year of strong growth in both underlying revenue and profit.

Dr. Martin Read CBE
Chair

Introduction

I am pleased to report that Wincanton has had a successful year despite the continuing problems arising from Covid-19 and supply chain disruption. Revenue in the year ending March 2022 grew 16.3% to £1,421.4m. This compares with £1,201.2m in the pre-Covid-19 year ending March 2020 which included revenue from the now divested Containers and Pullman businesses. In the year ending March 2022 revenues excluding disposed businesses, increased by 21.4%.

The growth in underlying profit before tax in the year ending March 2022 was also strong, up 23.1% to £58.1m. This compares with £52.8m in the pre-Covid-19 year ending March 2020.

Over the last five years, our balance sheet has been transformed. This enables us to invest in the business and pursue growth opportunities.

The funding of our pension scheme continues to improve and the deficit recovery programme is tracking well ahead of expectations. We ended the year with a substantial accounting surplus against a deficit of £78.4m five years ago. The next pension triennial valuation is due in March 2023.

Crucially, encouraging progress has been made in delivering against our strategic initiatives. This has strengthened our position as we enter the new financial year.

Our people

This is the second year that the Company has had to operate against a backdrop of Covid-19 and significant supply chain disruption. That we have successfully overcome the difficulties and exceeded expectations is in no small measure due to the commitment and resourcefulness of our people and I should like to thank each one of them for their hard work and loyalty.

I should also like to congratulate our colleagues for yet another improvement this year in the Company's already outstanding health and safety record. The details can be found on page 28.

The last two years have greatly increased the public's understanding of the importance of the logistics industry and the contribution made by the people who work in it. This has recently been underlined by the shortage of labour, particularly HGV drivers. Wincanton has worked hard to attract, train and retain

Dividend

The Board is recommending a final dividend of 8.00p for the year ending March 2022. If approved at our Annual General Meeting, this will take the total dividend for the year to 12.00p, which is in line with our progressive dividend policy. This compares with 10.35p in the year ending March 2021 and 10.89p in the year ending March 2019, which was the last dividend before decisions started to be affected by Covid.

Environmental, social and governance

Wincanton has well developed and robust governance policies in place and has always taken a strong interest in the communities in which it operates. In recent years, we have placed increasing emphasis on environmental issues. Last year, we introduced an environmental strategy with explicit goals, including net-zero by 2040 for our total business. We also targeted and achieved carbon neutral premium home delivery operations in the year ending March 2022.

Developing and progressing our environmental strategy is driven by a committee of our executive team chaired by our CEO. Debbie Lentz, one of our Non-executive Directors, also sits on this committee and provides an additional interface to the Board. Further details are given on page 32.

Strategic development

Good progress has been made in delivering the strategy which we developed in the summer of 2020 and significant changes were made in our structure last year to reflect our new direction.

During the year, we considerably strengthened our capabilities in eFulfilment, capitalising on changing retail and consumer trends which have been accelerated by the pandemic. Our state of the art, automated eFulfilment facility in Rockingham (The WEB) and our acquisition of Cygnia have been key components in progressing our strategy. The integration of Cygnia has progressed well and we welcome our new colleagues to Wincanton. We look forward to working with them to grow our business in the promising mid-sized company market.

In the public sector, our commercial relationship with HM Revenue & Customs has continued to grow, supporting new customs arrangements which came into force from the beginning of 2022. In addition, we assisted the Department

of Health and Social Care in delivering Covid-19 related services and we won a major contract with the Department for the Environment, Food and Rural Affairs (Defra) to operate border checks on plants and animals being imported into the country. We have also stepped up our activities in infrastructure-related businesses.

Focus on our four core divisions provides us with a diverse range of customers, considerable stability and strong platforms for growth. In addition, we have stepped up our investment in technology to raise productivity and provide cutting edge solutions for our customers. This investment includes the deployment of Autonomous Mobile Robots (AMRs) for eFulfilment, Winsight-ORTEC to underpin our digital transport proposition and Oracle Cloud to transform our back office processes. We believe the repositioning we have undertaken over the last two years provides us with an excellent base from which to expand our business in the years ahead.

Further details on the development of our strategy are given in our CEO's review on pages 8 to 12.

Outlook

Despite the continued difficulties arising from the pandemic and industry wide challenges such as driver shortages, the Group remains well positioned to achieve growth in its chosen markets and continues to invest in innovation and in implementing its strategy.

We have little direct exposure to the conflict in Ukraine or the economic sanctions placed on Russia and we continue to work with our customers to address the effects of inflation and fuel cost increases.

While we are cautious about the state of the economy and consumer sentiment, we remain confident in the future growth opportunities across all four of our sectors and in the continued delivery of our strategy.



Dr. Martin Read CBE
Chair
19 May 2022

drivers and other workers. One of our key initiatives has been the launch of our Future Drivers Programme, aimed at developing a stronger flow of drivers into the business. We have also been active in making representations to government on practical short and medium term measures to address the problems.

We have continued to strengthen our communication with our workforce including the launch of our intranet 'MyPlace', as well as making good progress in delivering our Diversity and Inclusion Strategy. Further details are given on pages 29 to 30.

The Board

Tim Lawlor our CFO left the Company in March to take up a position at Countryside Partnerships plc. We thank him for his important contribution to the Company over the last six years. The Board is currently engaged in a search for a new CFO. In the meantime, we are grateful to James Clarke, Finance Director, UK & Ireland, who has stepped up to take on the role of interim CFO.

During the year ending March 2022, we undertook an internal Board evaluation which confirmed that the Board continues to function well. Further details are given in the Report of the Nomination Committee on page 66. An external Board evaluation will take place in the new financial year.

We have put in place a strong Board at Wincanton with a wide variety of experience and diversity of thought. I should like to thank my Board colleagues for their continued diligence and commitment.

“

Wincanton has delivered another strong set of results, with growth across all four sectors leading to a substantial increase in revenue and profit ahead of pre-pandemic levels.

James Wroath
Chief Executive Officer

Introduction

Wincanton has delivered another strong set of results, with growth across all four sectors leading to a substantial increase in revenue and profit ahead of pre-pandemic levels. The core foundation sectors of Grocery & Consumer and General Merchandise continue to be a source of strength for the Group, and we have made significant progress in our focused growth markets of Public & Industrial and eFulfilment.

We have invested behind our strategy, particularly in eCommerce with the successful integration of Cygnia Logistics and the eFulfilment capacity created at The WEB, Rockingham. We continue to develop automation solutions and robotic technologies to create supply chains that are efficient, agile and resilient. This approach, coupled with Wincanton's longstanding reputation for high quality service delivery enabled us to secure a number of high-profile new contracts and extensions.

I want to thank all our people who have driven this performance through their relentless attention on delivering for our customers in what were often challenging

operating conditions. While mindful about the macroeconomic headwinds facing our sector, we are confident in the growth opportunities we have ahead of us and in our continued ability to deliver our strategy successfully.

Group performance overview

Financial performance for the year ended 31 March 2022 was excellent, with revenue increasing 16.3% versus last year and importantly also up by 18.3% on pre-pandemic levels (2020: £1,201.2m). Retail volumes remained strong and we saw the benefit of new contract wins, particularly in our key strategic growth markets: eCommerce; Public sector; and Infrastructure.

Underlying profit before tax increased by 23.1% against last year and was up 10.0% on pre-pandemic levels (2020: £52.8m), demonstrating the Group's positive momentum. We are in attractive markets with widening opportunities. Our performance was good despite inflationary pressures experienced this year together with the lag effect of price renegotiations with customers. We remain vigilant to respond to future market conditions as necessary.

Our service levels remain excellent, and Wincanton's reputation and track record for delivering at scale for customers continues to be industry-leading. Notwithstanding the well-publicised challenges around driver and warehouse resource availability in our industry during the year, we worked closely with our customers to mitigate these issues and kept the country moving, clothed, fed, and of course supplied with essential Covid-19 tests and personal protective equipment (PPE) during the pandemic.

Our industry leading safety programme remains a clear priority for Wincanton. This year we outperformed our Group Lost Time Incident Frequency Rate performance indicator target, which was 0.37 for the year, by achieving 0.33 (2021: 0.32).

Sector performance

eFulfilment

Our three major sub-markets within eFulfilment all made major strides forward in the year. Overall revenue has grown to over £220m this year from £115m in the year ended 31 March 2020. In two-person home delivery, volumes continued to accelerate and will be further boosted by a three year contract extension with Loaf starting in June 2022. In omnichannel, the ramp-up of our 'dark store' operations for Waitrose & Partners has driven further growth alongside wins including Dobbies Garden Centres. Finally, in high-volume eFulfilment we made major investments with the acquisition of Cygnia and the new facility The WEB, Rockingham, to significantly increase our scale and presence in this high-growth market.

Automation and robotics are central to our strategy to drive service enhancement and efficiency in this sector. The WEB, Rockingham, is our new highly automated facility, and during the year further investments in robotic technology in our Nuneaton and Cygnia operations have been made. The demand from the market for later cut-off times and lower cost to serve will provide opportunities and deliver attractive returns and growth in the coming years.

The announcement of our contract with The White Company is a milestone for Wincanton. They are a premium omnichannel retailer who have recognised the huge benefit our approach will afford them, and they will be a cornerstone customer in Rockingham. The acquisition of Cygnia further diversifies our portfolio, and we are delighted to welcome brands such as Molton Brown, Feelunique, Moonpig, BrewDog and Whittard of Chelsea to our customer base. Brands such as these, allied to Wincanton's significant retail logistics reputation, are already leading to exciting growth opportunities with new customers.

End-to-end capabilities are essential in eFulfilment, so it was pleasing to have onboarded new customers such as Wickes and City Plumbing Supplies onto our carrier management services platform. These customers, when added to the Cygnia volumes, increase our scale and buying power significantly in this critical area.

Further new business with DFS in our two-person home delivery network, an extension of this service for Wickes and the award of IKEA's new Dartford distribution centre further demonstrate Wincanton's strength and reputation in this growth sector.

Public & Industrial

Our Public & Industrial sector has gone from strength to strength. Revenue was up 15.7% on a pandemic-impacted year, and importantly was up 6% on the year ended 31 March 2020 as construction volumes were more consistent and the full year effect of our HMRC contract was realised.

We continued to build on our relationship with the public sector and in particular our inland border operations for the UK Government. We secured an additional contract with the Department for Environment, Food and Rural Affairs (Defra) and expanded the number of Inland Border Clearance facilities. We also continued our support operations for the national pandemic response, shipping over one billion Covid-19 tests throughout the UK and managing the storage of PPE.

The recovery in volumes in our construction business brought operational and commercial

challenges, with demand uneven and resources stretched, particularly for mechanical-offload vehicles. We successfully concluded price renegotiations with many customers passing through the impact of wage inflation. Our discipline on re-tendering, pricing and margins has resulted in some lost business but our offering remains well positioned in the market.

Finally, we secured long-term extensions to our key relationships in the defence and infrastructure markets with BAE Systems and Alstom.

Grocery & Consumer

Our Grocery & Consumer sector continued to perform well throughout the year despite challenges with drivers and high levels of Covid-19 absence. Record volumes were again delivered, often twice: once from our consumer goods warehouses to retailers; and again when we picked and delivered them from supermarket distribution centres into stores.

As a result, revenue was up 15.8% year on year, despite the previous year already seeing strong pandemic-driven volumes. Additional transport business was awarded by Asda in the North West and important renewals were secured with Co-op, Nestlé Purina and La Doria. However, some lost business illustrates the necessity to continue working on growth opportunities in the sector for which we have a healthy pipeline.

General Merchandise

The General Merchandise sector continued to support new and existing customers through a period of increased volumes as the pandemic and lockdowns focused customer demand on life at home. Consequently, revenue was 18.6% higher versus last year and over 32.5% against the year ended 31 March 2020.

We completed automation and robotics projects in two of our Kingfisher distribution centres, increasing throughput and reducing reliance on people as the labour market tightened. We also opened a new dedicated location for the Kingfisher Group, as well as launching an operation for them in The WEB, Rockingham.

Notably, we entered the apparel market this year with a five-year Primark contract for the provision of transport services. Wincanton will make more than 50,000 deliveries to 191 stores across the UK each year and deliver significant operational efficiencies to the supply chain.

Finally, we also commenced a toys and games warehouse and transport operation for MGA Entertainment, further broadening our General Merchandise offering.

Group Operations

The power of the structural reorganisation implemented in 2020 was evident this year, most obviously in the success of the team delivering a 'One Wincanton' operations approach across our sectors.

In Group Transport, an industry leading transport management system was implemented, allowing us to increase visibility of our transport operations across the business for the benefit of both our customers and our haulier partners.

This exciting initiative lays a firm foundation for driving further efficiencies and synergies from our transport networks and is a differentiator in the marketplace. Winsight Powered by ORTEC provides the Group with a substantial opportunity to sell Transport Control Tower services (4PL) to the market. In this technology-led business model, ownership or management of the assets becomes an additional consideration for the Group rather than the core offer.

The Group Transport team also led the recruitment of over 480 new drivers in the year, working across our four sectors and with the UK Government to attract people to the industry and to Wincanton.

Group Operations co-ordinates and leads on the automation and robotics activities described in this report, and we continue to build capability and expertise via a growing team of IT experts and engineers, ensuring we lead the market in this area.

Furthermore, the team provides class leading capability in continuous improvement, start-ups, fleet operations and compliance which are critical to both our own and our customers' operations.

In response to labour and skill shortages, we also developed and launched an innovative 'labour campus' model in the year, hiring Wincanton permanent colleagues and deploying them flexibly during periods of peak activity in geographies where we have multiple operations.

Outlook

The Group is well positioned to maintain its positive performance across its chosen markets, driven by ongoing investment in the business and continuing progress in delivering our strategy. We remain focused on delivering sustainable, profitable growth over the long-term which is underpinned by a relentless focus on customer service. Our healthy cashflow enables continued investment in our people, innovations and distributions to shareholders.

Whilst we are mindful about the macro-economic headwinds and the potential impact on consumer sentiment, there is good momentum in the new business pipeline and we remain confident in the future growth opportunities across all four of our sectors and in our continued ability to deliver our strategy successfully.

Market environment

The current economic environment, driver shortages, Covid-19, inflation and the war in Ukraine have all created additional pressures on the supply chain. The Board has been shocked and saddened by Russia's invasion of Ukraine in February 2022 and ongoing events in the region. In response to the conflict and the economic sanctions placed on Russia, we have

reviewed our own supply chains and procurement channels and remain mindful of the ongoing geo-political and macro-economic uncertainties. Management continues to closely monitor key suppliers, though we remain confident that our supply channels are robust.

Retail markets have stabilised in recent months following the relaxation of Covid-19 restrictions although there has been a significant impact from the pandemic with high levels of staff absence across all sectors. The stop-start pattern of lockdowns through 2020 and 2021 has made comparison of our financial results more challenging, with significant swings between H1 and H2.

Wincanton is largely protected from the recent increases in fuel prices through the fuel price escalation clauses built into many of our contracts with customers and, with 72% of revenue derived from open book contracts, the Group is navigating the current inflationary environment well and does not consider it a significant risk.

The Wincanton Way, our ESG strategy

The Group continues to build on our ESG commitments and strategy. From an environmental performance perspective, although our growth led to increased carbon emissions, our carbon intensity ratio decreased again year-on-year, see pages 24 to 27. Our strategy makes explicit environmental commitments both for the long term, net-zero carbon emissions by 2040, and for the near-term, delivering our commitment to a carbon neutral two-person home delivery business this year. Additionally, we announced this year that our own non-transport operations will be carbon neutral by 2025. Meanwhile, we made good progress towards our target of doubling our recycling from residual waste by 2025.

Engagement with our colleagues remains a critical ingredient to our success. Throughout the pandemic we ran shorter pulse surveys followed by our full bi-annual survey in the summer. Areas of strength remain in 'Safety', 'Meaningful Work' and 'Peer Relationships'. Communication is an area for improvement: this has been partially addressed with the roll-out of our Group wide intranet, 'MyPlace' in April 2022. This enables every colleague to have immediate access to information such as Company news and job vacancies. New questions were added to the survey last year on inclusion, the results of which were encouraging with 8 out of 10 of our colleagues recognising our efforts towards creating a better culture in this area.

New supply chain reality through next generation thinking

W² Innovation programme

W² – incorporating W² Labs, W² Partner Network and W² Innovation Centre – is Wincanton's way of delivering innovation in supply chains, creating new ideas and harnessing them to deliver real outcomes. The W² Labs programme is open to early-stage businesses and digital disruptors and sees entrants pitch ideas and products that can bring efficiencies across digitised supply chains.

Last year the third W² Labs accelerator programme focused on three categories: dark store, people and open season – safety technology. Some 207 businesses from around the world applied, resulting in a day of 23 'Dragons' Den-style' pitches.

The ideas from the six finalists included rack climbing robotics; automated volume recruitment with realistic pre-hire assessment; asset tracking and intelligence; warehouse labour optimisation; demand forecasting; and transport visibility. Three of these have entered extended trials within the business as we support our products and services strategy.

A fourth accelerator programme began in March 2022, focusing on digital fulfilment; Environmental, Social and Governance (ESG); and a 'wild-card' option – technology and robotics.

This year also saw the opening of the W² Innovation Centre at The WEB. This unique facility demonstrates our commitment to shaping the digital supply chains of the future through collaboration and innovation.

Read more on p34

WSCI: transparency made simple

Our materials management solution, Winsight Supply Chain Integrator (WSCI), plays a pivotal role in ensuring surety of supply across many thousands of product lines, creating transparency to better manage the flow of materials for major infrastructure and capital projects.

Originally a bespoke system built for EDF Energy, WSCI provides visionary supply chain control to enhance the delivery of its £23bn Hinkley Point C nuclear power station, of which we are the Tier 1 warehouse and transport service partner. Here, WSCI is making engineering teams more productive, worksites safer and reducing environmental impact.

WSCI provides total, real-time visibility of materials and co-ordination of suppliers, significantly increasing project delivery reliability, optimising working capital and reducing waste.

Discover how WSCI is making the complex simple

Improving warehouse processes and efficiencies with robots

We have developed a unique solution, pairing autonomous mobile robots (AMRs) with colleagues using wearable technology at our shared user facility in Nuneaton, Warwickshire.

Fully integrated with order processing and inventory management, our robotics solution has automated the movement of goods between order allocation, picking and packing stations. In a fast moving and demanding eCommerce market the solution has improved productivity, order accuracy and stock accuracy, providing flexibility and scale during periods of increased demand.

At all times, the needs of our customer, Neal's Yard Remedies, has remained at the heart of this transformation. Accurate, automated data has reduced the number of queries to its customer care team and no loss of service was experienced during the implementation period. Now the concept has been proved, we're looking at opportunities to improve productivity with robotics across our business.

Discover how Wincanton's innovative approach is improving productivity

The Wincanton Way, our ESG strategy continued

There is scope to improve our ethnic diversity across the business. We are one of the first signatories of the CBI's Change the Race: Ratio Charter showing our commitment to improving our representation of ethnic minority groups. Alongside this external pledge, we have spent time with groups across our business to understand some of the perceived barriers to attracting talent from such backgrounds and identifying opportunities to improve. Education of all our line managers is key to this, starting at the very top.

We are also seeking to improve our support for under-represented groups and in the past year we have introduced practical initiatives into employment including ex-offenders and ex-service personnel, as well as offering work experience opportunities to those with physical or learning disabilities.

Our culture remains focused on health, safety and wellbeing; learning and development; diversity and inclusion; and colleague engagement. Our sites actively work with their communities, fundraising for local schemes.

Our graduate group, the Wincantoneers, raised £13,000 for the Prince's Trust which has been matched by the Group, and they were a runner-up for the 'Shoot for the Stars Award'. We use initiatives such as a funding match to encourage further involvement in social engagement and most recently the Group matched colleagues' local fundraising totals for victims of the Ukraine conflict.

For governance, we have continued to build on our Code of Conduct, strengthening our awareness programmes around 'Speaking Up', 'Modern Slavery', 'Data Protection' and 'Anti-Bribery and Corruption'. Our governance framework is embedded within the business and has been supplemented this year with an ESG Committee of which I am Chair.

Delivering on our strategy

The Executive Management Team and Board remain focused on Wincanton's vision:

“

**Great people
delivering sustainable
supply chain value.**

We deliver this through the continued development of our people, alongside technology enabled products for our chosen markets.

We have a clear market strategy. Grocery, consumer, non-food retail markets, building materials, fuel and gases and bulk food markets form the foundation of our business, providing scale as well as demonstrating capability in the highest pace supply chain environments. We are optimistic about our sales pipeline across all of these markets.

Meanwhile, we have made key moves in the markets we have identified as key strategic growth opportunities, being eCommerce, public sector and infrastructure.

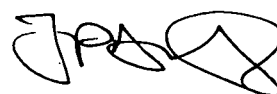
We acquired Cygnia, a specialist in multichannel fulfilment with expertise spanning the full breadth of their customers' requirements, including high-volume order fulfilment, returns and carrier management services. Cygnia has approximately 700 colleagues across three sites. The acquisition boosts our reputation in the market and broadens our customer base. Cygnia's shared-user model does expose us to more risk with volumes than our more traditional open-book dedicated retail contracts. This year's peak season did highlight this, with trading softer than expected; however, we remain convinced that it will be a driver of longer-term growth in eCommerce. Furthermore, as our first acquisition in over ten years it paves the way for further selective bolt-on opportunities.

We have also invested in property specifically for eFulfilment. Critically, however, we have done so alongside automation and robotics deployment. We see a clear opportunity in the market for a pureplay logistics provider to offer customers efficient, scalable services to drive the growth of their businesses. In doing so, we believe there will be opportunities for increased Wincanton margins.

The Group continues to invest in supply chain innovation enabled by our W² Labs programme; digital solutions to support people recruitment, asset tracking and warehouse performance management are all in extended pilots. In Nuneaton, we deployed our first Autonomous Mobile Robots (AMRs) in combination with glove technology to improve speed, accuracy and safety for Neal's Yard Remedies. Further deployment of AMRs across our warehousing businesses is ongoing.

Wincanton's presence in public sector logistics has increased significantly, delivering solutions to HMRC, Defra, Department for Transport (DfT) and Department of Health & Social Care (DHSC) that are underpinned by scalable IT systems.

Finally, Winsight Supply Chain Integrator (WSCSI), our major infrastructure product designed for EDF, is live and is attracting substantial interest from similar large-scale projects.



James Wroath
Chief Executive Officer
19 May 2022

Diverse and growing markets

Supporting the provision of public services

Department of Health and Social Care

Building on our 2020 contract with the Department of Health and Social Care (DHSC), Wincanton responded rapidly to deliver 64 million units of Covid-19 testing equipment and Personal Protective Equipment (PPE) to schools across a three-week period in summer 2021.

In November 2020, Wincanton was awarded a contract by the UK Government to support the nation's programme of mass testing for Covid-19, via the Crown Commercial Service (CCS) Logistics and Warehousing Framework Agreement. This involves storage, order fulfilment and customer delivery of mass testing kits to priority locations across the UK.

In addition to the existing operation, Wincanton rapidly supported the UK Government by designing and implementing a packing operation at our site in Doncaster within seven days. This involved assembling and distributing 29,000 Covid-19 self testing kits to UK schools before the end of the school year.

HMRC

In 2020 we were awarded a contract to provide logistics services at Inland Border Clearance (IBC) facilities operated by HMRC. This year saw the commencement of operations at our sixth IBC facility in Holyhead, Wales, the latest milestone demonstrating our expertise and experience in providing valuable support to public sector customers.

Supporting the growing eCommerce market

Cygnia

In September 2020 we acquired Cygnia Logistics, a specialist mid-market eCommerce and multichannel eFulfilment provider with expertise spanning the full breadth of its customers' requirements, including high volume order fulfilment, returns and carrier management services. Working with leading brands such as Molton Brown, Whittard of Chelsea and Brewdog, Cygnia delivers agile, scalable and responsive eCommerce solutions for mid market customers, ensuring they have a robust platform for growth.

The integration of the Cygnia business is progressing well, and new business has already been won to manage the entire UK fulfilment operations for pop culture collectables retailer Eaglemoss, which holds licences with the likes of Marvel, Disney and Warner Bros.

The WEB, Rockingham

In April 2021 Wincanton launched The WEB, our second state of the art eFulfilment centre. This highly automated 528,000 sq ft shared user facility extends our eCommerce proposition and this year has resulted in the addition of new business with B&Q, for its Click & Collect service, and Saint-Gobain.

From The WEB, we also provide eFulfilment, stock management and final mile home delivery services for fast growing online furniture retailer Snug. Rob Bridgman, Founder & CEO at Snug, says that as a "category creator and leader, we are continuing to invest in offering a world-class customer experience and Wincanton offers us capabilities to scale at pace and to deliver on our customer promise."

The WEB is also home to Wincanton's W² Innovation Centre. This unique facility demonstrates our commitment to shaping the digital supply chains of the future through collaboration and innovation.

Seasonal support

Supply chain agility is an essential tool for retailers to build resilience and maximise on opportunities during peak trading periods. We continue to add value to our customers' operations through the exceptional execution of seasonal support.

John Waldoock, Head of Logistics, The White Company, says: "Wincanton provided vital peak support for The White Company in 2021 from its facilities in Northamptonshire. Its collaborative approach allowed us to scale up quickly and make sure that we hit the Christmas peak running.

"The Wincanton team, which included both experienced managers and talent from its graduate scheme, integrated professionally and quickly delivered a commendable performance. They adopted a can-do approach, providing invaluable warehousing expertise, and adopted our business values seamlessly. As a result, we had a very successful peak as a business with Wincanton adding great value to our customers."

Tackling global challenges with technology, skills and insight

Current market disruptors

Labour market disruption

The number of job vacancies in the last quarter of 2021 rose to a record high¹. There is competition in the job market for similar skill sets, making retention of valued staff vital.

Our response

- Continuation and broadening of our apprenticeship programmes. Developing and upskilling our colleagues to offer clear long term career paths that facilitate retention.
- Introduction of future drivers programme to attract and train new drivers.
- Development of tools and initiatives supporting our colleagues to manage their own and each other's wellbeing.
- Fostering a culture of inclusion that represents, encourages and respects our diverse workforce.
- Trialling and implementing automation technology that reduces reliance on manual labour.

Gas and fuel prices

The cost of crude oil has risen by over 50%² over the past year, and these costs are being passed through the supply chain, resulting in higher costs on transport contracts.

- Direct links with key government offices provided input into decisions ensuring supply chain continuity for our customers.
- Working with our supply partners to implement procurement strategies to minimise supply disruption and mitigate cost increases for our customers.

Supply chain disruption

Brexit

Potential delays at borders with increased lead times.

- Where affected, supported our customers to limit disruption to their supply chain.

Covid-19

Every market has been impacted by Covid-19 disruption: online businesses have boomed while health sector supply chains have been severely tested.

- Focused on health and safety and wellbeing programmes for all colleagues.
- Provided storage and distribution for testing kits.

The surge in eCommerce

Almost half of non-food retail sales in the UK (46.9%) were conducted online during 2021³ and the habits of shoppers have been fundamentally changed as a result of the pandemic.

- Acquired Cygnia Logistics.
- Invested in The WEB – our highly automated eFulfilment warehouse.
- Delivered the first grocery home delivery customer fulfilment centre (CFC) for Waitrose.

Future market trends

The drive to net-zero

Businesses' responsibility to reduce carbon emissions and waste is driving change throughout the supply chain.

Responsible sourcing is also a factor.

Our response

We have set ambitious goals to achieve net-zero by 2040 by:

- having carbon neutral premium home delivery operations in 2022
- making our own non-transport operations carbon neutral from 2025
- having an all-electric company car fleet by 2026
- doubling our recycling rates from residual waste by 2025
- eliminating difficult to recycle packaging materials by 2030.

Digital transformation

Logistics and supply chains have been undergoing significant levels of disruption, resulting in rapid adoption of technology services.

Digital services that have been tentatively discussed are now at the forefront of solutions to improve visibility and productivity, to ease the strain caused by gaps in the workforce due to Covid-19.

- Invested in automation to support eCommerce activity.
- Acquired Cygnia Logistics.
- Invested in The WEB – our highly automated eFulfilment warehouse.
- Third W² Labs programme, for early-stage businesses and digital disruptors, focused on dark store, people and open season. Fourth programme focused on high volume eFulfilment, ESG and a 'wild-card' option is now open.

Manufacturer innovation⁴

Shorter lead times, reduced costs, development of local supply chains and, above all, increased resilience against disruption are driving manufacturers to evaluate and innovate across their value chains. The added pressure from consumers and government legislation to address environmental issues are also playing a role in increasing the levels of innovation that are required.

- Collaborated with one of our customers to drive productivity efficiencies for new repack methodologies, increasing departmental capacity, reducing colleague fatigue and cutting carbon dioxide emissions.

Shifting consumer demands

Personalisation, pressure on speed and flexibility demands from end consumers add weight to the complexity of how retail supply chains will run in the future.

While this trend is already visible from the increase in eCommerce, it is set to develop into an ever-growing pressure on retailers and their supply chains to remain agile and competitive.

- Supporting our customers developing and growing their direct-to-consumer channel.
- Supporting retailers with an ethical delivery service.
- Delivering uncomplicated, seamless and convenient services for the delivery of goods and products.
- White glove two-person home delivery services play a vital role in the delivery of big-ticket and heavyweight purchases or products, facilitating customers with delivery options and on-time delivery and providing room of choice for assembly.
- Offering best practices, real-time tracking, accurate time of delivery, full installation/assembly and removal of old items and packaging.

1 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/latest>.

2 <https://www.marketwatch.com/investing/future/crude%20oil%20-%20electronic>.

3 <https://econsultancy.com/stats-roundup-the-impact-of-covid-19-on-e-commerce/>.

4 https://content.thesmartcube.com/hubfs/Infographic-Megatrends-Industrials_2021.pdf?hsLang=en.

Delivering sustainable supply chain value

Strategic pillar

Our products and services

Customer propositions which deliver sustainable value and innovation throughout the supply chain, meeting changing market demands and harnessing industry leading technologies.

[Read more on p3](#)

Our markets

Deliberately chosen markets for investment, which offer the potential for organic and inorganic growth, leveraging our capabilities and our expertise.

[Read more on p3](#)

Our operating model

A disciplined and efficient operating model which is agile and easy for our customers and our people to engage with and enables economies of scale.

[Read more on p18](#)

Our people

An inclusive culture supporting performance and growth for our colleagues: developing the best teams which attract and retain the most talented people in the supply chain industry.

[Read more on p22](#)

Progress in 2021/22

- Autonomous Mobile Robot (AMR) and wearable technology picking solution implemented for Neal's Yard Remedies at our Nuneaton eFulfilment Centre.
- Winsight Supply Chain Integrator (WSCI) deployed for EDF at Hinkley Point C to manage end-to-end material movement and flow.
- Our transport optimisation platform Winsight powered by ORTEC implemented in Group Transport.
- Integrated yard management and traffic flow implemented at Inland Border Clearance (IBC) facilities for HMRC.
- Building on eCommerce growth and laying the foundation for our future through:
 - the acquisition of Cygnia Logistics, a supply chain partner to SME eCommerce
 - our investment in The WEB, our highly automated, shared user eFulfilment centre.
- Accelerated growth in the public sector with additional government contracts awarded by HMRC, Defra and the DHSC.
- Health and safety: year on year performance improvement across all KPIs.
- ESG governance: policy and statement published; ESG Board Committee implemented with an ESG Board champion.
- Net-zero: agreed and shared net-zero targets for the business. Wincanton two-person home delivery network carbon neutral commitment implemented for 2022.
- Oracle Cloud: phase one of our implementation to support finance and HR systems rolled out.
- Winsight powered by ORTEC: commenced rollout of a single platform to manage all Group transportation activity.
- Strengthening our talent through robust succession planning and development plans, alongside key management recruitment to broaden our skills offering.
- Through continuous funding, our defined benefit pension scheme position continues to improve and is ahead of the recovery plan due to a well-executed investment strategy over recent years.
- Positively promoting supply chain and logistics as a career with a focus on HGV driver recruitment; actively promoting apprenticeships, our driving academy, and our future drivers programme; and launching labour campus/warehouse labour sharing opportunities.

	Work to do in 2022/23	Highlights	Links to KPIs
Innovation funnel to create new products: – W² Labs – over 100 global start-up participants ranging from robotics to data analytics to people engagement. Six pilots run and three new products developed: • warehouse people optimisation • eRecruitment • asset tracking. – Our Innovation Centre built and launched to showcase our digital product capability including robotics and asset optimisation.	Product development priorities: – accelerate AMR deployment at scale across eFulfilment, General Merchandise and Grocery & Consumer sectors – Winsight Supply Chain Integrator (WSCl) deployment for large infrastructure projects – expanding cloud-based eFulfilment carrier management and returns services for SME customers – expansion of Winsight powered by ORTEC for large scale network clients.	27% of warehouse operations now enabled by robotics and automation 3 new W² Labs products created 6 AMRs' deployed in Nuneaton	– Profitability
– Successful continuation of our partnership with EDF Energy supporting the construction of Hinkley Point C. – Strong volume growth in our foundation markets: General Merchandise and Grocery & Consumer.	Growth priorities: – eFulfilment – organic and inorganic growth driven by Cygnia and The WEB – Public Sector – extending relationships in healthcare and border control – Infrastructure – expanding with prime contractors and government to support major build projects in energy, rail and road.	10 new contracts 1 acquisition	– Revenue
	– Health and safety: continued focus on maintaining a 'best in class' performance. – ESG: focus on social value and creating a unified Company-wide approach. – ESG: continue to implement our carbon neutral commitment for our own non-transport operations. – Oracle Cloud: phase two of our implementation, in summer 2022, to include payroll systems. – Winsight powered by ORTEC: conclude rollout across all Group transportation activity.	0.33 Lost Time Injury Frequency Rate (LTIFR) 782 fleet assets use Winsight powered by ORTEC 300 sub-contractors using Winsight powered by ORTEC	– Health and safety targets – ESG targets
– Empowering our colleagues by investing in high quality technology and systems, enabling all colleagues to own their data and careers. – Supporting our colleagues through a wellbeing programme and community available to everyone, as well as further embedding our diversity and inclusion strategy to ensure all colleagues can be at their best through an inclusive culture.	– Further develop our 'People Promise' by continuing to deliver on our diversity and inclusion strategy, communication channels and wellbeing initiatives with our colleagues. – Continue to develop key skills for the future across digital supply chains which add value to our customers. – Review of Wincanton values followed by development of Behavioural Framework. – Oracle Cloud: phase two of our implementation will see our colleagues personally empowered to manage their own data, making Wincanton a better place to work.	25% of our Executive Management Team is female 480 future drivers programme and driver academy participants	– Employee engagement score

Read more on KPIs on p20

A customer-centric, innovation-driven approach

What sets us apart

Optimisation

By analysing, optimising and then transforming the supply chains, overall performance is enhanced, leading to better service and lower cost.

Responsiveness

We help our customers deliver faster and exceed their customers' rising expectations.

Customer experience

We act as brand ambassadors for our customers, delivering products and services into their customers' homes, and ensuring a great experience from start to finish.

Trusted expertise

We are the supply chain experts at the heart of British supply chains, providing solutions which give our customers the competitive edge in their chosen markets.

Sustainable value

We deploy existing and create new processes and technologies to reduce and enhance our own and our customers' environmental, social and ethical impact for the long term.

People management

We enable our people to be their best. The skills, capabilities and experience of our workforce are what make us different. They form a key part of The Wincanton Way.

What we do

Great people delivering sustainable supply chain value

High volume eFulfilment

Our eFulfilment solutions are the perfect platform for customers to thrive in a fast-paced, eCommerce-first environment. With dedicated and shared user facilities incorporating the latest automation technology, we handle everything from goods in and order picking through to fully branded fulfilment and despatch.

Extended supply chain management

Our integrated supply chain approach brings together a number of services, from inbound logistics to manufacturing, transport control tower design and operation and materials management and consolidation. We manage activity, create visibility and drive efficiency throughout supply chains with an emphasis on resilience and traceability.

Large scale outsourced operations

We provide business critical services including storage, handling and distribution, transport and warehouse asset management along with inspection and control.

[Read more about what we do on p2](#)

The Wincanton Way is our commitment to how we work and our recipe for success in becoming the UK's most innovative, effective and respected logistics company.

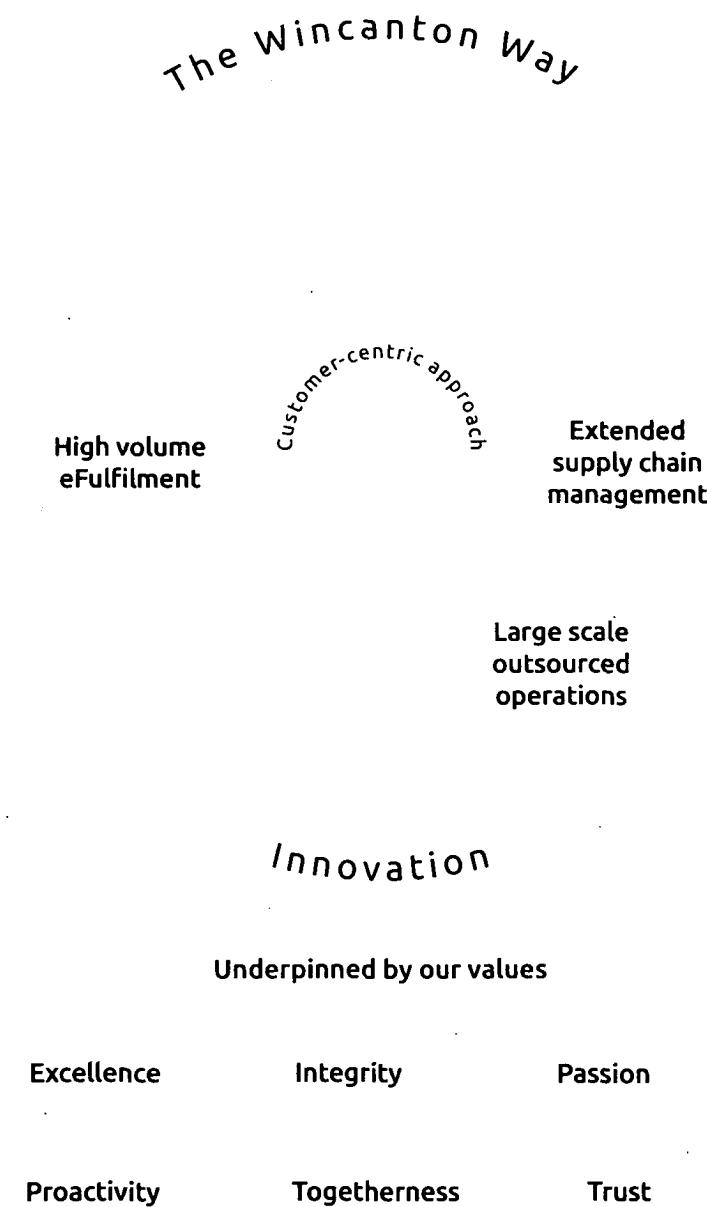
wincanton.co.uk/sustainability/the-wincanton-way/

Innovation

W² is our way of delivering supply chain innovation. We enable customers to navigate the challenges of tomorrow, develop new propositions, transform the consumer experience and grow their market share.

wincanton.co.uk/why-wincanton/innovation/

Through a wealth of experience and knowledge Wincanton provides business critical services including storage, handling and distribution; high volume eFulfilment; retailer 'dark stores'; two-person home delivery; fleet and transport management; and network optimisation for many of the UK's best-known companies.



The value we create

For customers

We provide the highest standards of cost efficient logistics to help businesses to run smoothly and successfully.

[Read more about our customers on p2](#)

For colleagues

We aspire to develop a safe environment with a culture where our people feel valued and enabled to be their best.

[Read more about our colleagues on p28](#)

For communities

We strive to make sure we do the right thing. We are good neighbours, creating a positive impact in our local communities and adding social value.

[Read more about our communities on p28](#)

For suppliers

We highly value our partnerships as we explore collaborative ways of working which will enable better and more agile solutions across the supply chain.

For shareholders

We are focused on creating long term value that we will distribute to our shareholders when appropriate.

[Read more about our reasons to invest on p4](#)

Measuring performance

Revenue £1,421.4m +16.3%	Underlying profit before tax¹ £58.1m + 23.1%	Profit before tax £54.8m +18.6%
2022 1,421.4 2021 1,221.9 2020 1,201.2 2019 1,141.5 2018 1,171.9 Consolidated Group revenue.	2022 58.1 2021 47.2 2020 52.8 2019 49.3 2018 46.4 Profit before tax before non-underlying items.	2022 54.8 2021 46.2 2020 43.8 2019 48.6 2018 37.9 Statutory IFRS profit before tax.
Link to our strategy	Link to our strategy	Link to our strategy
Underlying profit before tax margin¹ 4.1% +20bps	Net cash/(debt)¹ £3.7m -£8.2m	Underlying earnings per share¹ 40.8p +27.5%
2022 4.1 2021 3.9 2020 4.4 2019 4.3 2018 4.0 Underlying profit before tax as a percentage of revenue.	2022 3.7 2021 11.9 2020 (10.1) 2019 (19.3) 2018 (29.5) Borrowings and other financial liabilities net of cash and cash equivalents, excluding lease liabilities.	2022 40.8 2021 32.0 2020 36.1 2019 33.5 2018 30.8 Profit for the year attributable to Wincanton plc shareholders before non-underlying items and related tax, divided by the weighted average number of shares in issue.
Link to our strategy	Link to our strategy	Link to our strategy
Lost Time Injury Frequency Rate (LTIFR) 0.33 +3.0%	Employee engagement score 69% +3.0%	Earnings per share 38.6p +22.5%
2022 0.33 2021 0.32 2020 0.41 2019 0.51 2018 0.62 Number of lost time incidents per 100,000 hours worked.	2022 69 2021 67 2020 69 2019 67 2018 66 The percentage of positive responses to five specific statements within the employee survey.	2022 38.6 2021 31.5 2020 31.1 2019 34.5 2018 25.2 Profit for the year attributable to shareholders divided by the weighted average number of shares in issue.
Link to our strategy	Link to our strategy	Link to our strategy

¹ Alternative performance measure – see page 42 and Note 3 to the consolidated financial statements.
 Note: IFRS 16 Leases was adopted on 1 April 2019 using the modified retrospective approach without restating prior year figures. 2018 figures are therefore presented on an IAS 17 basis.

Link to strategy

Our products and services
 Our markets
 Our operating model
 Our people

Our operating model

Digital supply chains

Oracle Cloud: providing agility, scalability and the infrastructure for innovation

Our digital infrastructure took a major step forward this year as Oracle Cloud went live across the business, a landmark moment in the evolution of our business.

Providing necessary resilience and assurance in a highly secure manner, Oracle Cloud supports a more streamlined operating model and refines our agility, making it easier for us to evolve in the future.

Oracle Cloud is a world-class, evergreen infrastructure which facilitates our continued innovation; ensures we have scalability to execute our growth strategy; and makes us more agile for our people and our customers.

Phase one went live in the summer of 2021, integrating and automating finance, procurement and HR processes seamlessly, improving the employee experience and making it easier for businesses to do business with us via our newly created supplier portal. It has also provided the foundations for us to bring our payroll services in house, facilitating a significant improvement in our service.

Oracle Cloud provides our colleagues with quality and consistency of information and more visibility of what is ahead. All our colleagues benefit from a single entry point for key processes as well as being personally empowered to manage their own data, making Wincanton a better place to work.

We also benefit from the standardisation of process which Oracle Cloud facilitates, enabling greater efficiencies across the business. Standardisation allows us to make changes more easily in the future, from onboarding new business through to making the changes required by governance standards.

It's been a great achievement to deliver the first phase of this investment over the last 12 months. Oracle Cloud provides our organisation with greater agility, both internally and for our customers.

Richard Gifford
Chief Information Officer

Transforming transport with Winsight powered by ORTEC

Our transport optimisation platform, Winsight powered by ORTEC, positions us at the forefront of the digital transport market, managing all transportation activity across digitally transformed supply chains.

It gives our customers accurate, real-time visibility and ensures the optimum utilisation of every asset across our transport network. It also effortlessly confirms deliveries and collections, providing GPS-tagged evidence of execution alongside signature, document and timestamp proof of delivery. Our driver app supports communications and workflow management providing further proof of what has been delivered, to who, where and when.

All data captured feeds into predictive modelling to allow intelligent and agile decision making, dramatically reducing time, resources and cost. Our investment in Winsight powered by ORTEC ensures Wincanton and our customers will benefit from the digital transport market revolution.

Protecting our futures

Our ESG strategy

Our ESG strategy is closely linked to our Group strategy, which comprises four key areas: our markets, our products and services, our people and our operating model.

Each of these areas is underpinned by the issues that are most significant to our stakeholders in the areas of Environmental, Social and Governance, to ensure we take a proactive and responsible approach to the way we operate.

ESG

The Wincanton Way – our ESG commitment

Our commitment to how we work and live our values, connecting and delivering with our colleagues, customers, communities and suppliers.

Environmental

Building the road to net-zero by 2040: a commitment to being the leading supply chain partner of net-zero solutions for fleet, property and waste.

Our achievements include:

- our premium home delivery service is carbon neutral from 2021/22
- we have made our net-zero proposals and roadmaps available to each of our customers during 2021/22.

Our targets include:

- net-zero carbon emissions by 2040
- all our own non-transport businesses will be carbon neutral from 2025
- we will double recycling rates from residual waste by 2025
- all company cars will be electric by 2026
- we will eliminate difficult to recycle packaging by 2030
- we will reduce our carbon offsetting needs over time through innovation and continuous improvement.

Social

Celebrating diversity, fostering a safe, empowering and inclusive workplace and supporting the communities in which we operate.

We are committed to:

- looking after our colleagues, providing a safe and inclusive workplace
- building relationships with our colleagues to promote engagement
- helping our colleagues to develop their careers with Wincanton
- upholding diversity and inclusion for our colleagues and leadership
- supporting and investing in local communities.

Governance

Ensuring direction and control of our business through effective management, culture, systems and processes.

We are committed to:

- Board accountability
- transparent reporting
- continuous improvement.

Transparent reporting

Wincanton is committed to transparent ESG reporting. In order to achieve this we have begun to reference our reporting against standard measures from the Global Reporting Initiative (GRI). This is not yet comprehensive and our reporting will evolve over time. Read more about the UN SDGs and GRI at wincanton.co.uk/sustainability/governance/esg-reporting/

Environmental

Building the road to net-zero by 2040: a commitment to being the leading supply chain partner of net-zero solutions for fleet, property and waste

At Wincanton we want to be the leading partner of net-zero solutions for fleet, property and waste to support current and future customer engagement, and to be the best performing and most trusted supply chain partner.

Our performance:

334
ktCO₂e

Carbon

235
tCO₂e/
£m rev

Carbon
intensity

1.41
TWh

Energy

54.7
%

Waste
recycling

6,132
tCO₂e

Offsets

Strategic report

Governance

Accounts

Social

Celebrating diversity, fostering a safe, empowering and inclusive workplace and supporting the communities in which we operate

Our long term success is dependent on our employees; providing a safe, inclusive and ethical working environment, to support them and help them grow. This is all intrinsic to The Wincanton Way and sets out what we stand for as a company.

Our performance:

0.33

Lost Time Injury
Frequency Rate
(LTIFR)

81%

increase in
volunteer
diversity
champions

58%

of driver
programme
participants
under the age
of 34

8.0

(out of 10)
score on
inclusivity at
Wincanton

Governance

Ensuring direction and control of our business through effective management, culture, systems and processes

At Wincanton we lead by example, and to achieve this we have refocused our approach to ESG across our Board and senior leadership team, to ensure we deliver on all of our promises.

Our performance:



No modern
slavery
incidents



ESG linked
remuneration
in place



ESG Committee
in place

Companies are facing challenges that limit their potential to grow, such as scarce natural resources, climate risk, lack of qualified talent, access to infrastructure and investment opportunities.

Our customers and stakeholders expect a strong leadership team who can address these environmental and social risks and opportunities, and who supports our purpose of 'great people delivering sustainable supply chain value'.

Environmental

Our commitment to the UN Sustainable Development Goals (SDGs)

The road to net-zero by 2040

Our environment programme is overseen by the Head of Sustainability, who chairs an environmental 'task force' to guide our programme. This team provides monthly updates on progress to the Executive Management Team (EMT) and to the new ESG Committee as required.

Monthly management reports include detailed carbon reports for each business sector and contract, as well as performance against our headline ESG targets, such as our commitments to achieve net-zero emissions by 2040 and to double our recycling rates from residual waste by 2025.

Sitting at the heart of the environment strategy, our Environmental Management System (EMS) is certified to ISO 14001 and available across the business. The EMS tracks a range of key indicators, enabling us to take prompt actions where necessary and to identify and exploit performance improvement opportunities wherever they arise.

During the year, we continued to collaborate closely with industry partners and customers to develop sustainability plans covering our contract operating locations. These plans include projects designed to reduce our environmental impacts and ensure that we continue to make progress towards our ESG targets.

Greenhouse gas emissions and energy use

As a Carbon Trust Standard bearer since 2010, we've made continual reductions in our annual carbon emissions. For 2021, our climate risk disclosure and emissions performance were again rated 'B' by CDP. This rating indicates that we're a company 'managing carbon' and demonstrates that we're implementing actions, policies and strategies to address climate risks and opportunities and have achieved carbon reduction performance that demonstrates this.

Our carbon emissions information is prepared with reference to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard for operational control. Carbon factors used are as per Defra conversion factors for company reporting 2021, with both electricity generation and distribution emissions included as scope 2 emissions. For all UK mainland operations where we have the supply contract, we continue to purchase 'green tariff' electricity which complies with the market-based scope 2 reporting requirements of the GHG Protocol. However, we continue to report electricity use at UK grid average emissions for the purposes of this Annual Report and Accounts.

We record and publish energy and fuel use for managed supplies, which includes all supplies that are managed at sites wholly operated by our teams, either for ourselves or our customers, irrespective of whether the fuel and/or energy is purchased by us directly. The sources of emissions include road transport fuels; fuels for non-road transport uses; energy utilities for buildings; and fuel for business travel in Wincanton-driven vehicles. Energy figures are provided on the same scope 1 and 2 basis as carbon emissions.

We also include consumption of fluorinated refrigerant gases as a scope 1 emission and have not excluded purposely any scope 1 and 2 emissions sources regardless of materiality.

Our commitment to net-zero carbon emissions by 2040 is an absolute target for carbon emissions reduction, irrespective of future growth, and we strive to decouple emissions performance from business performance. However, as changes in our business activities continue to directly affect our emissions, we use a carbon intensity measure to manage our carbon efficiency.

Our carbon intensity is defined as total scope 1 and 2 carbon emissions from managed supplies per unit of revenue, and our carbon intensity ratio for the year ended 31 March 2022 was 235 tonnes of carbon dioxide equivalent (tCO₂e) per £m of revenue.

2040

commitment to net-zero carbon emissions

The increase in scope 1 and 2 carbon emissions this year relates to our strong revenue growth, offset by improvements in transport efficiency through continued deployment of our transport optimisation platform Winsight powered by ORTEC; continued deployment of "green" tyres; and increased fuel and energy efficiency as we continue to upgrade our fleet and warehouse estate. Increases in emissions would have been more significant but have been further offset by increases in sub-contracted deliveries which have become scope 3 emissions. As a result of these actions, our scope 1 and 2 carbon intensity has reduced significantly this year.

We recognise that scope 3 emissions are material to interpreting our emissions performance and anticipate including our scope 3 emissions in future annual reports.

Transparent reporting

Use the QR code for more details on our environmental reporting against GRI or visit wincanton.co.uk/sustainability/governance/esg-reporting/

As a result of the work we have done to optimise our fleet efficiency and take our first steps towards net-zero carbon by 2040, our energy use and carbon emissions figures are as follows:

Energy use table

Energy use (MWh)	2021/22	2020/21	2019/20
Scope 1 transport	1,175,113	1,145,210	1,207,317
Scope 1 non-transport	149,718	134,995	120,207
Scope 2 electricity	83,943	80,562	83,767
Total energy (MWh)	1,408,774	1,360,767	1,411,292

Carbon emissions table

Carbon emissions (tCO ₂ e)	2021/22	2020/21 ¹	2019/20	2018/19	2017/18
Scope 1 transport	278,295	275,512	295,547	290,470	308,227
Scope 1 non-transport	36,504	32,879	28,810	18,567	22,931
Scope 2 electricity	19,401	20,398	23,229	26,760	35,943
Total emissions	334,200	328,789	347,586	335,797	367,101
Carbon intensity (tCO ₂ e/£m)	235	270	290	295	315

Note: Less than 1% of total scope 1 and 2 emissions relate to operations outside the UK (1,398 tCO₂e).

Greenhouse gas emissions and energy use continued

Within the context of a new ESG policy, published this year, which aligns our ESG programme to the UN Sustainable Development Goals against which Wincanton can deliver the most value, we have been communicating our targets, further defining the detail of their implementation and contributing to a range of projects that we anticipate will make us a compelling long term supply chain partner for our customers as they continue to define and refine their net-zero carbon plans.

In line with our 2021 commitments, Wincanton has communicated its net-zero strategy to its customers and provided net-zero roadmaps for transport and fleet, warehouse and infrastructure and packaging and waste.

We continue to ensure we optimise our use of diesel through a variety of continuous improvement measures in both transport and warehousing and deployment of our Winsight powered by ORTEC digital fleet technology to optimise the efficiency of our network operation.

We have implemented new customer activity utilising biomethane trucks and have prepared trials of Hydrotreated Vegetable Oil (HVO) as a drop-in replacement fuel for diesel for several customers although HVO pricing has proved challenging over the year.

We completed evaluations of a number of electric commercial vehicles up to 16.7 tonnes; have installed our first two rapid commercial vehicle chargers in our estate; and have prepared customer proposals for further deployment of electric vehicles although no adoption has been agreed so far.

As we try to shape our net-zero future we have provided operating data and operational input to several innovation consortia working on catenary electric highway systems, hydrogen fuel cell trucks and electric truck charging infrastructure. We anticipate that this work will continue into 2023 and beyond and we hope to trial our first hydrogen fuel cell truck in 2022 and also join consortia delivering further innovation towards our net-zero future.

During 2021 we added a new target to our commitments, specifically to be carbon neutral in our own non-transport operations by 2025. To deliver this we will electrify as much of our warehouse energy use as we can; increase energy efficiency where feasible; generate and/or purchase renewable electricity and/or green tariff utilities; and then offset residual emissions from 2025.

Towards this new, non-transport target, we are planning further investments in our remaining LED lighting opportunities; exploring further electrification of mechanical handling equipment including lithium-ion and hydrogen fuel cells; and developing a landlord-led project to install solar photovoltaic generating capacity which we hope will become a template for further such projects across our estate.

In March 2022 we purchased our first carbon offset credits to allow us to deliver a carbon neutral premium home delivery operation this year. These 6,132 credits were a blend of certified carbon credits

from a range of international offset projects and we also chose to invest in UK forestry projects to allow us to build a pipeline of UK offsets verified against the Woodland Carbon Code. These 1,022 UK 'Pending Issuance Units' (PIU) will take some time to mature into UK 'Woodland Carbon Units' (WCU) and were not utilised in our 'carbon neutral' declaration which was self-assessed.

Our international offset projects were predominantly sourced from an afforestation project in Bukaleba, Uganda, with the balance from renewable energy development in Karnataka, India. These projects deliver environmental and social value to communities in developing economies which make a further contribution to the UN Sustainable Development Goals that we have chosen to make progress against.

Until we can electrify our commercial vehicle fleet at scale, we have committed to electrifying our company car fleet by 2026 and, after announcing the programme in April 2021, over 60% of all open orders are for pure electric vehicles, with over 30% plug-in hybrids (PHEVs) and a small number of diesel vehicles approved on an exception basis. We will be making significant further investment in workplace charging to ensure we maintain our change momentum and we will eliminate PHEVs from the car list during 2022.

Our waste management programme is on track to meet our target of doubling recycling rates from residual waste by 2025. We set our performance baseline during this year at 36.3%, making our target 72.6% by 2025, and have achieved 54.7% against a 2021/22 interim year end target of 44.2%.

We have continued to consolidate our preferred packaging supplier list to ensure that we have strong innovation capability in our supplier base and will continue to drive waste reduction and circular economy principles into our packaging sourcing in collaboration with our customers, linking packaging design to our Innovation Centre where appropriate. The UK plastic packaging tax was introduced in April and we moved to higher recycled content in applications where it was appropriate and simply reduced plastic packaging volumes through technical innovation where it was advantageous environmentally. We will continue to innovate on packaging to support our customers, meet our targets and comply with legislation.

Although we have set a long term net-zero carbon target and some interim sub-targets, we have not committed to a formal Science-Based Target (SBT). We plan on evaluating an SBT during 2022/23 and while we recognise that this has become a standardised approach for many companies, decarbonisation trajectories for the freight transport sector are, as yet, unclear. Our progress against targets is currently focused on scope 1 and 2 emissions and we anticipate that we will achieve a 30% reduction in emissions by 2030 based on the wider industry decarbonisation and legislative landscape. We expect a further 70% reduction from 2030 to 2040 as electrification technologies and infrastructure, potentially including hydrogen, become more widespread and commercially available.

To date, since we have been focused on our scope 1 and 2 emissions, we have chosen not to declare any scope 3 emissions in our Annual Report. However, we have been quantifying our scope 3 emissions for the past eight years as part of our Carbon Trust

Standard certification. Downstream third party transport and distribution will take us above the SBT qualifying threshold for scope 3 emissions and our net-zero 2040 target was set with this in mind and covers scope 3 emissions. During this year, as part of our compliance to the Crown Commercial Service PPN 06/21 requirement, we declared scope 3 emissions estimates related to upstream and downstream transport and distribution; employee commuting; waste; and business travel. Details of methodology and figures are available on our external website please use the below QR code. We will develop our scope 3 methodology and emissions statements in conjunction with our SBT evaluation work and future interim target setting. We consider this work in progress and have not included it here although more information will be available through the ESG reporting page referenced on page 22.

Learn more about our carbon reduction plan

Social

Our commitment to the UN Sustainable Development Goals (SDGs)

8.2

eNPS score on colleagues reporting having meaningful work

380

active learners engaged in apprenticeships

0.33

Lost Time Injury Frequency Rate (LTIFR) performance

Setting the highest standards

Our people are at the heart of our success. Through a combination of flexible working practices, openness and support we enable them to be their best and to understand the integral role they play in making our business a great place to work.

Looking after our colleagues through the pandemic

Covid-19 has decimated lives and livelihoods worldwide. By the time of the UK's first lockdown in March 2020, we already had extensive business continuity plans to keep our people safe while protecting our business and that of our customers. These included establishing a Covid-19 task force which brought together key central departments to manage communications, daily bulletins and policy changes.

As the pandemic continued, we were well placed to ensure that all our locations were safe for our colleagues and customers, while at all times following government regulations. In some cases, we went further than those regulations, for example by increasing standards for face coverings. We also took part in pilot schemes for lateral flow tests, further ensuring that our colleagues felt confident in their safety at work.

Providing a safe workplace

The safety of our colleagues and everyone affected by our processes is of paramount importance and is absolutely non-negotiable. Everybody has the right to go home safe after a day's work. While there's no room for complacency, we've made good progress again this year, reducing lost time accidents while also increasing engagement with colleagues through our safety conversation and hazard spotting programmes.

Our safety measures

During the year, we retained our sharp focus on our Lost Time Injury Frequency Rate (LTIFR) measure. We exceeded our target of 0.37 and delivered an LTIFR of 0.33 against a backdrop of busy implementations of new business, ensuring that our safety standards are present from the outset.

Our Total Recordable Injury Frequency (TRIF) measure was a success this year. Based on our target of 4.10, we achieved 3.75, showing a real reduction in the underlying smaller incidents that can become a lost time incident.

We also focus on blameworthy Collisions per Million KMs (CMK), achieving 5.70 in 2021/22. Last year we achieved 5.17 CMK, however, fleet utilisation during 2020/21

was lower due to the impact of Covid-19 lockdowns on operations. Every driving record, behaviour and incident is tracked, monitored and regularly reviewed.

As always, the aim is to do everything we can to minimise the impact of our activities on our employees, other road users and members of the public.

Continuous improvement

We've continued to deliver schemes to promote the safety of our people and the public. For example, The Wincanton Drivers' Handbook sets out specific guidelines on driving and handling including details on the EVADE programme, which aims to improve awareness of the dangers that HGVs can pose to vulnerable road users, particularly cyclists.

Our employees' expertise in health and safety matters is supplemented by regular courses. During 2021/22, our portfolio of courses grew from around 80 to more than 120, enabling us to upskill over 8,500 colleagues.

We have also benefitted from adapting the majority of our training courses so that they could be delivered virtually alongside other courses that were held face to face in Covid-19 secure environments.

Wincanton is now also the only provider in the supply chain to hold training accreditations for the Institution of Occupational Safety and Health (IOSH), the National Examination Board in Occupational Safety and Health (NEBOSH), Quasafe and the Institute of Environmental Management and Assessment (IEMA).

Sustainability is at the heart of Wincanton's ambitions with a Group target to be net-zero carbon by 2040. By training the next generation of logisticians, Wincanton is inspiring supply chain professionals to deliver sustainable value to our customers and colleagues.

Our training teams are always looking for ways in which new technology can improve the effectiveness of courses. For example, we have added a mixed reality capability into our Virtual Reality (VR) fire safety solution, using a real fire extinguisher as part of the VR experience.

In February 2022, we launched our new dedicated training and research facility at Magna Park in Lutterworth. Developed through a partnership between industry and education, the Centre for Logistics Education and Research (CLEAR) will eventually host around 1,000 students and address the key challenges faced by the logistics sector. The pandemic has highlighted the role of logistics and supply chain operators in keeping shelves

58%

Percentage of future drivers programme participants under the age of 34

stocked. As clients demand increased efficiencies, higher safety standards and greater sustainability, CLEAR will help us act smarter as a sector and make sure that we're attracting, developing and retaining the highly skilled individuals on which our business relies.

Supporting our people

At Wincanton, we continue to support a diverse and inclusive workplace that treats colleagues with dignity and respect. We ensure our colleagues are given the right support and opportunities to reach their full potential, ensuring we deliver sustainable supply chain value. This year all our colleagues have continued to have access to wellbeing training and development as we support them through and beyond the pandemic.

Our Diversity and Inclusion Steering Group, chaired by Chief Executive James Wroath and including executive sponsors responsible for gender, race, disability and LGBTQ+, has expanded its remit this year to include ex-military personnel. The number of volunteer diversity champions who support the Group has grown by 81%.

Last year we included three new questions in our 'Your Pulse' survey to measure how satisfied our employees are in relation to our approach to inclusion within Wincanton. The results were encouraging with respondents reporting an 8.0 (out of 10) score regarding our inclusive culture.

Transparent reporting

Use the QR code for more details on our social reporting against GRI or visit wincanton.co.uk/sustainability/governance/esg-reporting/

Future drivers programme

We are dedicated to making driving a more inclusive, flexible and rewarding profession to ensure our customers' supply chains are properly resourced and capable of meeting the needs of a resurgent economy.

This year we piloted and implemented our future drivers programme to attract, select and train new drivers. Through a combination of targeted apprenticeships and fast track driver's licence acquisition schemes, supported by the government's Plan for Jobs skills and employment programme, we are developing the careers of our existing colleagues as well as attracting and training new colleagues as Wincanton drivers.

Some 480 colleagues participated in our future drivers programme this year, with all participants ultimately qualifying as drivers. With 58% of this year's intake to our future drivers programme under the age of 34, and 6% female, the programme is developing a more diverse pool of drivers. This success has been delivered in collaboration with our customers, as the programme is open to our customers' warehouse-based colleagues looking to advance their careers in our transport network.

In a challenging year for driver recruitment and labour sourcing our future drivers programme has built a strong foundation to ensure retention, engagement and loyalty among our drivers as we invest in, develop and support their career paths.

Our future drivers programme has delivered exceptional results this year, developing a diverse pool of driving talent. Its continued success ensures a strong foundation as we continue to meet the needs of our customers.

Sally Austin
Chief People Officer

Learn more about how we are developing our future drivers through targeted apprenticeships

Supporting our people continued

Diversity matters at the highest level of our organisation. Our Executive Management Team (excluding CEO and CFO) is 33% female and there is 43% female representation among our Board of Directors, exceeding the Hampton-Alexander Review target of 33% representation on FTSE 350 Boards and Executive Committees. Below the Executive Management Team level, female representation in our Senior Management Group has fallen slightly from 29% to 27% in the past year.

Our gender pay gap remains consistent with previous years and we believe that we are on the right course to greater gender pay parity in the future. There were a far greater number of bonuses paid out in the last year. The proportion of males receiving a bonus doubled and the proportion of females receiving a bonus tripled.

We remain committed to the CBI-led 'Change the Race: Ratio Charter' and continue to work with the Department for Work and Pensions Disability Confident Campaign and the Armed Forces Covenant and will continue to honour these commitments in the coming year.

Supporting the wellbeing of our colleagues

We have continued to focus on creating a supportive environment at Wincanton and we understand and appreciate that the Covid-19 pandemic, and its subsequent impact on supply chains, has affected our colleagues in different ways.

Our initiatives support our colleagues and this year we have launched our wellbeing commitment of 'looking after ourselves and others'. Our dedicated wellbeing intranet and resource centre, supported by our investment in Oracle Cloud, has built a community throughout the year to provide support, advice and ideas for our colleagues to help them learn about, manage and enhance their health and wellbeing.

We have supplemented this support through continued development of our colleague app, iSmile, which facilitates our direct communication with all colleagues. Our Company-wide peer-to-peer recognition platform, A Little Thank You, has also launched this year, and saw some 400 recognition messages sent in the first week.

We delivered a series of Covid-19 pulse surveys exploring colleagues' feelings and feedback on Wincanton communications, health and safety measures, return to work guidance and wellbeing during the pandemic.

New questions have been built into our annual engagement survey to explore wellbeing and mental health. This data is supporting the business in understanding where and how additional support services can be provided. We have developed a number of training programmes from finance to stress management over the past year to support our colleagues and we have further increased the provision of qualified mental health first aiders across Wincanton by 76%.

This year we have also strengthened our partnership with Mates In Mind, a registered charity that raises awareness and addresses the stigma of poor mental health in the workplace. We have also built on our relationship with Retail Trust, our employee assistance programme service provider.

7.3

eNPS score on how appropriately the business has managed the pandemic

8.0

eNPS score on inclusivity in Wincanton

76%

increase in mental health first aiders across Wincanton

Developing the next generation of supply chain talent

Apprenticeships

We rely on our 20,300 colleagues to deliver for our customers every day. We need to be able to access all the talent that exists in our country and provide an exceptional career development path. Our apprenticeship programmes are designed to develop and progress internal talent, while balancing a pipeline of external recruitment to support growth and sustainable succession planning.

At Wincanton we offer over 80 different apprenticeship programmes reflecting the breadth and diversity of our people and our business. Our apprentices range from 17 to 64 years of age; 31% are female and 69% male while 3% have declared disabilities. Our apprenticeship programmes range from driver and warehouse roles through to specialist areas such as HR and finance.

We maintained our apprenticeship numbers over the past year with approximately 2% of our workforce, some 380 active learners engaged in programmes. This is in line with consistent learner numbers since April 2017, which are steady at 1.9% of our colleagues engaged in apprenticeships.

This year we have seen 76% retention of apprentices after programme completion and engagement has improved as we continue to deliver night shift apprenticeship programmes. A blended style of delivery has made our apprenticeship programmes more inclusive, enabling colleagues to enrol for an apprenticeship when before they might have not been able to commit to attending daytime face-to-face sessions.

We have also seen a growing number of colleagues embark on a second, higher level apprenticeship to further develop their careers within Wincanton with some 20% of active learners engaged in a second apprenticeship.

Graduate placements

This year has seen a 50% increase in our graduate intake, with the number of female graduates on placements increasing by 54% and male graduates increasing by 46%. Overall on our one year graduate placement scheme, entrants from ethnic minority backgrounds have increased by 37%. Our graduates have raised over £13,000 for The Prince's Trust Million Makers entrepreneurial challenge, which is changing the lives of young people across the UK.

Plan for jobs

This year we have offered 37 roles and employability training for young people through the government's Kickstart Scheme. This scheme provides funding for employers to create jobs for 16 to 24 year olds on Universal Credit. 30% of these young people are now Wincanton colleagues and have secured permanent roles with us.

Strategic resourcing

This year we brought our recruitment activities inhouse, creating a strategic resourcing team to identify, attract and recruit the very best talent to our business. As we emerge from the pandemic and address the regulatory changes and challenges to day to day operations brought about by the UK's withdrawal from the European Union, and the economy reboots itself, we have improved our capabilities to source quality people, respond quickly and improve the overall recruitment experience in line with our values and behaviours.

Governance

Transparent reporting

Use the QR code for more details on our governance against GRI or visit wincanton.co.uk/sustainability/governance/esg-reporting/

Our Board is accountable for the delivery and success of our ESG strategy. An ESG Committee chaired by the CEO will focus on strategy, target setting, performance and communication.

The ESG Committee is supported by a Working Group, which meets regularly to roll out ESG initiatives and to address the communication around the programme of work.

We have also introduced sustainability targets applicable to our senior management for discussion in their performance reviews.

We have set the necessary measures and targets to manage our ESG performance and ensure transparent and consistent reporting. We are beginning to use

standardised measurement systems aligned to the Global Reporting initiative (GRI), to better enable our stakeholders to monitor our ESG performance over the long term and provide transparency on methodology.

We published our first ESG policy statement on our website in November 2021, please scan the QR to find out more.

Read more about our ESG policy statement

Our governance position has been further strengthened through revised policies and associated compliance training and awareness sessions run throughout the

business, for example modern slavery; GDPR; IT acceptable use; and Speaking Up.

We completed the Business in the Community 'Responsible Business Tracker' and the EcoVadis CSR assessment this year and received valuable external feedback on our ESG programme. Our ESG materiality assessment aligns with our principal business risk heatmap provided on page 46 and is also aligned with our selected UN Sustainable Development Goals and GRI reporting described elsewhere in this report.

Wincanton's Code of Conduct and our compliance programme help colleagues make the right choices

Code of Conduct

- Sets out what we stand for as a company
- Underpinned by a robust corporate governance framework
- Applied across the Group wherever we work

Speaking Up

- Speaking up is the right thing to do
- EthicsPoint provides our helpline and reporting portal
- Awareness campaigns encourage an open and transparent culture

Modern Slavery

- Modern slavery statement is on our website
- Supply chain risk assessment and social audits
- Modern slavery awareness campaigns and targeted training

Data Protection

- Personal data is only collected and processed and stored in line with our Company policies and legal requirements
- Systems and processes are assessed before implementation to ensure data is securely processed and stored

Anti-Bribery and Corruption

- Zero tolerance policy
- Mandatory e-learning training module
- Gifts and hospitality approval process and register

A responsible and sustainable business focused on the future

Investing in our people

At Wincanton, we strive to enable our people to be their best and to offer meaningful development opportunities to all our colleagues. A career in supply chain and logistics is varied and rewarding and provides long term opportunities for our colleagues to achieve their potential. Investing in the development of our people provides new skills for our customers' needs and the capabilities we require to execute against our strategy.

Throughout this year we have successfully delivered new learning and development programmes across the business. Our future skills programme has delivered apprenticeships focused on data, engineering and technology solutions:

- this year we launched our data analyst apprenticeship programme to support Winsight powered by ORTEC, which manages all transportation activity across digitally transformed supply chains
- we have placed 15 apprentices on engineering focused programmes
- we launched our first Business Technology Solutions (BTS) apprenticeship programme to address future skills requirements and talent pipelining.

This year we have put 56 colleagues through our new sales and account management development programme, which standardises responsibilities and methodologies for the benefit of our customers. We have also introduced an employee relations and industrial relations development programme, developing knowledge and capability in our people team, and our NextGen programme for emerging and strategic leaders.

wincanton.co.uk/why-wincanton/our-people/

Leading the way in diversity and inclusion

National Inclusion Week is designed to celebrate everyday inclusion in all its forms and brings organisations together to celebrate, share and inspire inclusion practices. Wincanton was proud to support National Inclusion Week this year at our customer focused 'It's All About Inclusion' Conference on 30 September, 2021 at The WEB, our state of the art eFulfilment centre.

The event was host to speakers from organisations including HS2, Nestlé and B&Q and themes such as disability, inclusive procurement and inclusive leadership were discussed alongside workshops focusing on race, mental health and women in logistics.

Our colleagues and our customers were able to interact with representatives from our diversity partner organisations including Business in the Community; Business Disability Forum; Remploy; and CBI's Change the Race: Ratio Charter. Attendees included representatives from our customers, trade unions and our employment law partner.

“

Diversity and inclusion at Wincanton means providing a supportive, motivating working environment, regardless of background, race, gender, sexuality or level of ability.

Wincanton has long been an industry leading champion of safety. A strong culture of diversity and inclusion is a critical part of providing a safe, welcoming working environment.

James Wroath
Chief Executive Officer

Engaging with our stakeholders

Under section 172(1) of the Companies Act 2006 (the Act), Directors are required to explain how they have performed their duty to promote the success of the Company having regard to the likely long term consequences of their decisions, their employees' interests, the Company's relationships with its suppliers, customers and others, and any operational impact on the community and environment, whilst maintaining a good reputation and acting fairly.

Our responsibilities

The Board considers it has fulfilled its responsibilities under section 172 of the Act. It recognises the need to reflect the views of the Group's key stakeholders in its discussions and consider the impact of the decisions it takes on them. This year such key decisions have included the acquisition of Cygnia, capital investment in the W² Innovation Centre and The WEB, and the dividend payment to shareholders.

Our approach

The Board maintains strong relationships with Wincanton's stakeholders (customers, colleagues, investors, communities and suppliers) through multiple methods of engagement, including a Non-executive Director dedicated to bringing the voice of the workforce into the boardroom. There is a comprehensive programme of pulse surveys, newsletters, a CEO blog, and monthly CEO and leadership calls with colleagues. The Board visits operational sites and has regular conversations with investors plus results roadshows and specific consultations. Dedicated account teams alongside management engage with customers in regular reviews to deliver the best business outcomes and build long terms strategic partnerships through delivering insights, innovation and direct investment in new solutions. Our Supplier Management Framework also includes operational, commercial development and strategic review meetings.

Key decision: Cygnia acquisition

The decision to acquire Cygnia in September 2021 was in line with Wincanton's strategic focus on eCommerce and aligned to the interests of investors and colleagues by bolstering the Group's growing eFulfilment business division. It offered new growth opportunities via access to the mid-market sector.

The acquisition provides Cygnia with access to Wincanton's scale and expertise, enabling it to accelerate the pace of its growth.

Having a specialist eFulfilment provider in the Group strengthens capabilities for the Group as a whole and accelerates growth prospects. A stronger business division with new growth opportunities offers positive future prospects for both Wincanton and Cygnia colleagues and a positive impact on employment in the community. Customers were contacted by both Cygnia and Wincanton management in advance of the announcement, and detailed account reviews of the top ten clients took place for the first 30 days post-acquisition. The deal was also considered through the lenses of affordability and financial benefit for our investors. The expected additional revenue and new business opportunities resulting from the acquisition are in the interests of the long term success of the Company.

Key decision: reinstatement of dividend payments

Regular contact with Wincanton's investors and shareholders has made the Board very cognisant of how important dividends are to them, and the reinstatement of the payment of dividends in August 2021 demonstrated the Board's recognition of this. Having repaid all the government assistance received at the height of the pandemic, the Board approved the recommencement of the dividend programme to return profits to shareholders. The interim dividend payment was 4.0p per share with a proposed final dividend of 8.00p.

Engagement in action:

Investment in The WEB and W² Innovation Centre

The Cygnia acquisition follows the Group's investment earlier in 2021 in its state of the art, automated eFulfilment facility in Rockingham, Northamptonshire (The WEB), to create additional capacity to drive growth in eCommerce.

The Board has visited the new W² Innovation Centre adjacent to The WEB, which opened in September. The purpose of the Centre is to develop and showcase cutting edge design and technology for the benefit of Britain's supply chains and all those who rely on them. The centre will host customers, partners, colleagues and community groups. The Innovation Centre has been visited by its local MP and has also hosted visits from universities including Aston and Derby (Wincanton is a NOVUS sponsor company), Cranfield, Coventry and Royal Holloway in relation to students' career development and potential joint working opportunities with those institutions. Mencap has also visited as part of its young learners' programme that Wincanton is involved with.

A recruitment day was hosted in conjunction with Logistics UK, a CILT Women in Logistics event was held in March and our first diversity and inclusion event was held at The WEB and Innovation Centre in September. This saw experts from our customers' businesses and from across other sectors sharing knowledge and experiences. We have also hosted our Trade Union Council Meetings in the Centre and the local South East Midlands Local Enterprise Partnership has visited, strengthening our presence in the local community.

Task Force on Climate-related Financial Disclosures (TCFD)

Wincanton recognises that climate change will have significant long term impacts on our customers, markets and operations. To ensure we manage these climate risks, opportunities and changes effectively and for the long term benefit of our stakeholders, we have integrated climate governance into our standard operating models, adopted climate risk as a principal business risk, set ambitious targets for greenhouse gas reduction and communicated our net-zero strategy to customers.

We have made disclosures throughout this Annual Report consistent with the TCFD recommendations this year for the first time and have summarised them in the table below. We have not yet completed climate scenario modelling for our business and we are in the process of developing our metrics to assess climate related risks and opportunities. We have provided some guidance on when and how this will be done. In addition to the table and disclosures in this document, we have also provided links to our external ESG reporting website where more detail on measures aligned to the Global Reporting Initiative can be found.

Within our sustainability strategy we have set a clear objective to achieve net-zero carbon emissions by 2040 and have made a commitment to be the leading third party logistics partner of net-zero solutions for fleet, property and waste. We achieved our 2021/22 target to be carbon neutral for our premium home delivery service and we are working towards being carbon neutral for our own non-transport operations from 2025.

As a Group, we have publicly reported our GHG (carbon) emissions since 2014 and have been a Carbon Trust Standard bearer since 2010. A summary of our progress against the TCFD recommendations is given below and the Group will continue to refine these disclosures to enhance our reporting for stakeholders.

TCFD reference	Wincanton reference	Page(s)
Governance		
Board oversight of climate-related risks and opportunities	Our ESG Committee focuses on strategy, target setting, performance and communication. This management committee is chaired by the CEO and includes a Non-executive Director to provide additional Board interface	52, 58
Management's role in managing climate-related risks and opportunities	Ownership of the management of climate related risks ultimately sits with the Chief Operating Officer and is managed by the Head of Sustainability. Climate change risks feature on the principal risk register.	51
Strategy		
What are our climate-related risks, in the short, medium and long term?	Details of climate-related risks are included in the disclosure of Principal risks and uncertainties	51
What is the impact of climate-related risks and opportunities on our business, strategy and financial planning?	We have made a commitment to net zero carbon emissions. We deploy existing and create new processes and technologies to reduce and enhance our own and our customers' environmental impact for the long term. Details are provided in the Market Review and our Strategy sections	14 to 19
How resilient is our business strategy to different climate scenarios?	Wincanton has not yet completed a formal assessment of business resilience to climate scenarios. We anticipate utilising the IPCC Representative Concentration Pathways (RCPs) and the associated condition statements to complete this no later than 2024. As a UK supply chain company for a wide range of sectors, we anticipate that our customers' scenario planning will play a key role in shaping the resilience of our business strategy and our own scenario planning statements	
Risk management		
What are the processes through which we assess and manage climate-related risk and how are these integrated into our risk management programme?	More details in the risk report Further details on climate-related principal risk	44 to 51 51
Metrics and targets		
How do we assess the climate-related risks and opportunities facing the business?	We are still in the process of developing metrics to assess our climate related risks and opportunities. Climate-related opportunities are considered monthly as part of our strategy review process	44 to 51
Our scope 1, 2 and 3 GHG emissions	Environmental section in the ESG and sustainability report. KPIs for scope 1 and 2 emissions have been reported in recent Annual Reports; provisional scope 3 KPIs are available on our website	24 to 27
The targets we use to manage the risks and opportunities	Long and short term targets are set out in the Environmental section of the ESG report. ESG-related remuneration targets are included in the Annual Bonus for the Executive Management Team, specifically relating to health and safety and Diversity and Inclusion. Targets around climate have not been included this year due the long term nature of these targets	24 to 27

“

The Group's underlying profit before tax saw significant growth of 23.1%, despite headwinds in labour and fuel costs and other inflationary pressures, which were mostly mitigated by our business model and strategy.

James Clarke
Interim Chief Financial Officer

Financial performance for the year ended 31 March 2022 was strong, with revenue increasing 16.3% versus last year and importantly also up by 18.3% on pre-pandemic levels (2020: £1,201.2m). Revenue increased across all four sectors and we saw the benefit of new contract wins, particularly in our key strategic growth markets: eCommerce; public sector; and infrastructure.

Underlying profit before tax increased by 23.1% against last year's Covid-19 affected result and was up 10.0% on pre-pandemic levels (2020: £52.8m), demonstrating the Group's positive momentum.

Positive cashflow performance is reflected in net cash of £3.7m (2021: net cash £11.9m) notwithstanding the acquisition of Cygnia for £27.6m in September 2021. The net pension asset has increased to £114.5m (2021: £48.2m) with net assets at £63.6m (2021: net liabilities £1.7m). We have also successfully renewed our revolving credit facility (RCF) for a further four years until March 2026 and extended the commitment to £175.0m.

The key financial aspects are outlined below with the results presented on an underlying basis, excluding non-underlying items, to provide a better understanding of the underlying performance.

Reconciliations to statutory numbers are set out in the Alternative Performance Measures section at the end of this review on pages 42 and 43, and Notes 3,9 and 30 to the consolidated financial statements which also include details of the items reported as non-underlying in the current and prior year.

Financial performance summary

Revenue for the year ended 31 March 2022 was at its highest level since the 2011 Group restructuring, increasing over the prior year by £199.5m to £1,421.4m despite lost revenue following the disposal of the Specialist Services businesses (Containers and Pullman Fleet Services) in the prior year. Compared to the year ended 31 March 2020, revenue increased 18.3%; this reflects the excellent trading across all four sectors. Growth came from increased volumes and new contracts as well as renewals and extensions with existing customers. The Group also benefited from the full year impact of a number of the new contracts such as the Waitrose & Partners 'dark store', Dobbies Garden Centres and HMRC Inland Border Clearance facilities which commenced late in the previous year. Growth was particularly strong in the eFulfilment sector from two-person home deliveries, omnichannel and high-volume eFulfilment.

The Group's underlying profit before tax also saw significant growth of 23.1%, increasing by £10.9m to £58.1m, with growth of 10.0% against the year ended 31 March 2020. The underlying profit margin has strengthened to 4.1% (2021: 3.9%). This is despite headwinds in labour and fuel costs, and other inflationary pressures, which are mostly mitigated by our business model and strategy. Revenue from open book contracts which provide protection from price increases was 72% (2021: 69%) of our total revenue.

Financial performance summary

	2022 £m	2021 (Restated) ¹ £m	Change
Revenue	1,421.4	1,221.9	16.3%
Underlying EBITDA ²	108.3	95.2	13.8%
Underlying EBITDA margin (%) ²	7.6%	7.8%	(20bps)
Net financing costs	(6.6)	(4.6)	(43.5)%
Underlying profit before tax ²	58.1	47.2	23.1%
Underlying profit before tax margin (%) ²	4.1%	3.9%	20bps
Non-underlying items ³	(3.3)	(1.0)	
Profit before tax	54.8	46.2	18.6%
Income tax	(6.9)	(7.1)	
Profit after tax	47.9	39.1	22.5%
Underlying EPS	40.8p	32.0p	27.5%
Basic EPS	38.6p	31.5p	22.5%
Closing net cash (£m)	3.7	11.9	(8.2)
Dividend per share	12.00p	10.35p	

1 Certain comparatives have been restated due to a required change in accounting policy which has resulted in costs previously capitalised now presented as a non-underlying expense within net operating profit, as explained in Note 1 to the consolidated financial statements.

2 The section on Alternative Performance Measures (APMs) below and Notes 3 and 9 to the consolidated financial statements provide further information on these underlying measures, including definitions and a reconciliation of APMs to statutory measures.

3 Details of items reported as non-underlying in the current and prior year are included in the section headed non-underlying items below and in Note 3 to the consolidated financial statements.

Furthermore, for the majority of our closed book contracts, contract renegotiations have been completed in the year with price increases agreed at an average of 15%. In addition, our driver training programmes have enrolled over 480 colleagues to become future drivers in our business and this both ensures a good pipeline of future drivers as well as reducing the reliance on more expensive agency labour.

Statutory profit before tax of £54.8m (2021: £46.2m as restated) is impacted by non-underlying costs primarily reflecting cloud computing configuration and customisation costs now expensed as a result of changes in accounting guidance and acquisition-related costs. Non-underlying credits include the release of a historic warranty provision and consequential gains on business and asset disposals. Profit after tax for the year on a statutory basis increased to £47.9m (2021: £39.1m as restated), an increase of 22.5%.

Underlying EPS, which excludes earnings from non-underlying items, increased by 27.5% to 40.8p (2021: 32.0p), reflecting increased profits and the benefit of a lower effective tax rate. Basic EPS increased by 22.5% to 38.6p (2021: 31.5p as restated).

Acquisition of Cygnia Logistics

On 10 September 2021, the Group acquired Cygnia Logistics, a specialist in multichannel fulfilment with expertise spanning the full breadth of their customers' requirements, including high-volume order fulfilment, returns and carrier management services. The Group paid consideration of £23.9m for the business including the repayment of borrowings acquired and there was a further £3.7m of cash outflow in respect of working capital acquired and capital expenditure incurred after the lockbox date. The accounting for the acquisition has been finalised and further details can be found in Note 27 to the consolidated financial statements.

Cygnia contributed £22.6m to revenue in the period since acquisition in September 2021 and, alongside our existing automated facilities has resulted in significant new business wins. Customer retention has been strong, with Wincanton re-securing over 95% of Cygnia's existing customers at contract renewal.

Systems investment

We have successfully implemented phase one of a new enterprise-wide finance and HR system, Oracle Cloud, across the business, on time and on budget. The new system, together with the standardised processes and controls to support it, are being embedded. We are moving into phase two of the project, which is to rationalise and insource payroll operations across the business and is scheduled to be completed in 2022. Following new accounting guidance (an IFRS Interpretations Committee agenda decision), the costs of this project can no longer be capitalised and costs incurred in the year have been expensed as a non-underlying charge of £4.1m. To complete this project over the next 12 months, a similar cost to this year is expected to be incurred.

Sector revenue

	2022 £m	2021 £m	Change %
eFulfilment	223.2	144.4	54.6%
Public & Industrial	284.2	245.6	15.7%
Grocery & Consumer	517.6	447.0	15.8%
General Merchandise	396.4	334.3	18.6%
Ongoing operations	1,421.4	1,171.3	21.4%
Disposed businesses	–	50.6	(100.0)%
Total	1,421.4	1,221.9	16.3%

eFulfilment was our fastest growing sector for the second successive year, reflecting the strong demand for its services from retail markets. Organic growth was 38.9% reflecting both new business wins as well as the full year impact of contract wins in the previous year which included the Waitrose & Partners 'dark store'. Our investment into The WEB, Rockingham, an automated facility, also provided further growth capacity where we commenced operations with Lakeland, Snug and Saint-Gobain. In time the recently secured contract with The White Company will transition to this facility. The acquisition of Cygnia delivered additional revenue to the sector of £22.6m. This was slightly down on our expectation reflecting some softening in consumer online demand during the final quarter although the sales pipeline has presented some good prospects for continued growth.

The Public & Industrial sector saw full year revenue growth of 15.7% and importantly grew against pre-pandemic levels. The recovery seen during the second half of the previous year continued within the construction and energy markets. The strategy to increase our public sector business saw the full year impact of our HMRC Inland Border Clearance facility contract and we were successful in securing a new contract with Defra (border checks and clearance of imported plants and animals) where mobilisation commenced towards the end of the year. We also started a new contract to receive, sort and store PPE on behalf of the UK Government, which was facilitated through our innovative shared warehousing platform, OneVAST warehouse. Finally, we also expanded our relationship with BAE Systems through an additional site at Linwood.

Both Grocery & Consumer and General Merchandise sectors have seen similar levels of strong growth in the year reflecting the largely strong consumer demand for our customers' products as well as contract expansion and new business wins. We continue to support the growth of the Kingfisher Group and opened a further distribution centre in Daresbury, welcoming 400 new colleagues to Wincanton. We also won new work with MGA Entertainment and Primark and benefited from the full year revenues of Heineken and Kelkay.

The mix of open to closed book business continues to be a focus as we seek to balance the relative risks and opportunities presented from each sector. With strong growth across all four sectors the mix of business remained fairly consistent with revenue from open book contracts increasing slightly to 72% (2021: 69%).

Net financing costs

	2022 £m	2021 £m	Change £m
Interest income	–	0.1	(0.1)
Interest on the net defined benefit pension asset	1.1	2.3	(1.2)
Interest expense	(2.1)	(2.8)	0.7
Unwinding of discount on provisions	(0.4)	(0.4)	–
Interest on lease liabilities	(5.2)	(3.8)	(1.4)
Net financing costs	(6.6)	(4.6)	(2.0)

Net financing costs were £6.6m (2021: £4.6m), £2.0m higher year on year. The largest proportion of this relates to interest on lease liabilities which reflects a higher proportion of leased assets acquired for new contracts.

Bank interest payable on loans of £2.1m (2021: £2.8m) includes commitment fees and arrangement fees of £0.7m (2021: £1.5m).

Non-cash net interest income of £1.1m (2021: £2.3m) relates to the net defined benefit pension asset. The discount rate applied in calculating the interest decreased from 2.3% to 2.0%, reducing the net position from £2.3m to £1.1m in the current year.

Taxation

	2022 £m	2021 £m	Change £m
Underlying profit before tax ¹	58.1	47.2	10.9
Underlying tax charge	(7.5)	(7.5)	–
Non-underlying tax	0.6	0.4	0.2
Tax charge as reported	(6.9)	(7.1)	0.2
Effective tax rate on underlying profit before tax	12.9%	15.9%	(300)bps

1 Alternative Performance Measure: refer to Note 3 to the consolidated financial statements.

The underlying tax charge of £7.5m (2021: £7.5m) represents an underlying effective tax rate (ETR) of 12.9% (2021: 15.9%) on underlying profit before tax and is stated before net tax credits of £0.6m (2021: £0.4m) in respect of non-underlying items. Corporation tax paid in the year was £3.3m (2021: £5.7m).

The ETR is lower than the statutory rate of 19.0%, in part due to the introduction of super capital allowances of 130% on qualifying assets which will remain effective until 31 March 2023. The benefit of this deduction has reduced underlying tax by £1.4m resulting from the permanent deduction of 30% on qualifying capital spend and has reduced the tax paid in the year by £5.2m. In addition, the Group has optimised the use of tax losses and will accelerate tax payments to benefit from the change in tax rates from 19% to 25% from 1 April 2023.

In line with the increase in the corporation tax rate to 25% from 1 April 2023 the rate at which deferred tax is calculated has increased. Net deferred tax at the end of the year is a liability of £16.9m (2021: £1.6m) which mainly comprises deferred tax liabilities related to the net pension assets, partially offset by deferred tax assets arising on tax losses carried forward and the tax treatment of IFRS 16 leases. As the movement in deferred tax liability related to the net pension asset is reported through other comprehensive income, it does not impact the profit and loss tax charge.

Profit after tax and earnings per share

Underlying profit before tax for the year increased by 23.1% to £58.1m (2021: £47.2m as restated) due to the increased revenue as outlined above. There was also a small contribution to underlying profits resulting from improved margins across the Group, following the implementation of cost control measures and contract renegotiations completed in the year. This increase was partially offset by increased net financing costs, principally due to higher interest payable on leases and less interest income on the defined benefit pension surplus.

Underlying profit after tax for the year is £50.6m (2021: £39.7m). The increase of 27.5% reflects the increase in underlying profit before tax as well as the reduction in the underlying effective tax rate from 15.9% to 12.9% as explained above.

Profit after tax for the year on a statutory basis increased to £47.9m (2021: £39.1m as restated), an increase of 22.5%. This reflects increases in non-underlying costs primarily relating to cloud computing configuration and customisation costs now expensed as a result of changes in accounting guidance and acquisition-related costs. Non-underlying credits include the release of a historic warranty provision and consequential gains on business and asset disposals.

Underlying EPS, which excludes earnings from non-underlying items, increased by 27.5% to 40.8p (2021: 32.0p). Basic EPS increased by 22.5% to 38.6p (2021: 31.5p as restated).

The calculation of these EPS measures is set out in Note 9 to the consolidated financial statements. The weighted average number of shares used in the calculation of basic EPS is impacted by shares issued and purchased during the year related to share options, and for diluted EPS, by share options in issue not yet exercised.

Dividends and dividend policy

	2022 pence	2021 pence
Interim	4.00	2.85
Final (proposed)	8.00	7.50
Total	12.00	10.35

In setting the dividend the Board considers a range of factors, including the Group's strategy (including downside sensitivities), the current and projected level of distributable reserves and projected cash flows, including cash payments to the pension scheme and deferred payment arrangements.

The Board is proposing a final dividend of 8.0p (2021: 7.5p), which, together with the interim dividend of 4.0p per share (2021: 2.85p per share), will result in a total dividend per share for 2022 of 12.0p (2021: 10.35p). This brings the total dividend back above pre-pandemic levels and broadly tracks the improvement in underlying earnings. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 12 July 2022 and if approved by shareholders, will be paid on 5 August 2022 to shareholders on the register on 15 July 2022. The estimated final dividend amount to be paid is £10m and in accordance with Adopted IFRS has not been included as a liability in these statements.

Dividend payments in the year of £14.3m (2021: £3.5m) comprised the final 2021 dividend and the 2022 interim dividend (2021: interim 2021 dividend only).

Financial position

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

	2022 £m	2021 Restated ¹ £m	Change £m
Non-current assets (excluding pension assets)	325.6	235.1	90.5
Net current liabilities	(156.2)	(158.0)	1.8
Non-current liabilities (excluding pension liabilities)	(224.0)	(138.9)	(85.1)
Net cash (excluding lease liabilities)	3.7	11.9	(8.2)
Net pension asset (excluding deferred tax)	114.5	48.2	66.3
Net assets	63.6	(1.7)	65.3

1 The comparative for non-current assets has been restated following a required change in accounting policy as explained in Note 1 to the consolidated financial statements.

The increase in net assets of £65.3m since 31 March 2021 relates primarily to the positive movement on the net pension asset which has increased to £114.5m (2021: £48.2m), an increase of £66.3m. The pension movement is primarily due to the impact of external market factors as explained in the Pension section below.

The increase in both non-current assets and non-current liabilities during the year reflects significant new leases for property and other assets, including those acquired

with Cygnia, with right-of-use (ROU) assets being offset by increased lease liabilities. Movements in non-current assets also include goodwill recognised on the business combination, with non-current liabilities reflecting increased borrowings and deferred tax liabilities, mainly related to the net pension asset.

Revenue growth and good cash management have led to the Group reporting a net cash position of £3.7m at 31 March 2022 (2021: £11.9m net cash),

despite reporting a net debt position at the end of H1 of £16.4m, shortly after completion of the Cygnia acquisition. The prior year cash position included the benefit of significant temporary cash protection measures including the deferral of VAT, corporation tax and pension recovery payments and the Coronavirus Job Retention Scheme (CJRS), which were repaid during the second half of the prior year.

Cash flow and net debt/cash

Net cash at 31 March 2022 was £3.7m (2021: net cash £11.9m), reflecting a net cash outflow of £8.2m over the intervening 12 months. Free cash flow, defined as the movement in net debt/cash before acquisitions, pension payments, dividends and the purchase of own shares, was an inflow of £54.0m (2021: £43.8m inflow).

	2022 £m	2021 (Restated) ¹ £m	Change £m
Underlying EBITDA ²	108.3	95.2	13.1
Working capital	6.0	3.0	3.0
Tax	(3.3)	(5.7)	2.4
Net interest	(8.3)	(6.3)	(2.0)
Other items	(2.7)	(2.2)	(0.5)
Repayment of obligations under leases	(37.7)	(35.1)	(2.6)
Capital expenditure	(11.2)	(9.6)	(1.6)
Proceeds from asset disposals	2.9	4.5	(1.6)
Free cash flow	54.0	43.8	10.2
Pension payments	(18.5)	(18.3)	(0.2)
Dividends	(14.3)	(3.5)	(10.8)
Own shares acquired	(1.8)	–	(1.8)
Acquisition:			
– Consideration	(23.9)	–	(23.9)
– Additional net assets acquired	(3.7)	–	(3.7)
(Decrease)/increase in net cash	(8.2)	22.0	(30.2)

1 Certain comparatives have been restated due to a required change in accounting policy which has resulted in costs previously capitalised now presented as a non-underlying expense within net operating profit, as explained in Note 1 to the consolidated financial statements.

2 Alternative Performance Measure: refer to Note 3 to the consolidated financial statements.

Working capital movement in the year resulted in an inflow of £6.0m (2021: inflow of £3.0m) driven mainly by good cash management, the mix of revenue growth from both new and existing customers on favourable terms,

and a timing difference on payables supporting growth.

The Group paid cash tax in the year of £3.3m, benefiting from enhanced capital allowances together with tax deductions

received on pension contributions. Additional tax of £3.9m was paid in April 2022 as a consequence of group tax losses being deferred until future years to benefit from the higher rate of tax 25% from 1 April 2023.

Net interest includes arrangement fees of £1.4m paid on completion of the Group successfully renegotiating its revolving credit facility. During H2, additional drawdowns were made against the Group's revolving credit facility principally to fund the Cygnia acquisition and support cashflows associated with the peak period for the foundation markets.

The Group manages capital expenditure tightly as demonstrated during the pandemic period. This year it has made significant investment in the upgrade and replacement of assets where appropriate. Capital expenditure increased to £11.2m (2021: £9.6m) supporting growth through investment in automation and innovation in Nuneaton and The WEB, Rockingham; the prior year has been restated to reflect the change in accounting policy around cloud computing implementation costs.

Net proceeds from asset disposals of £2.9m relates to the disposal of a number of specialist vehicles in the year and includes the proceeds of assets recorded as held for sale at 31 March 2021. In the prior year, the net proceeds of £4.5m primarily relate to the disposal of sundry vehicles.

Other items of £2.7m (2021: £2.2) comprise non-cash items relating to net movements on provisions and share-based payment charges in the year. It also includes cash costs relating to the upgrade of our finance and HR systems that have been expensed in line with our revised accounting policy around cloud computing implementation costs and acquisition-related expenses, offset by contingent consideration from the disposal of our Specialist Services businesses in the prior year.

The cash contributions to fund the pension deficit in the current year to 31 March 2022 were £19.2m (31 March 2021: £18.9m)

less administration costs of £0.7m (2021: £0.7m). The Group expects to contribute £20.7m to the pension scheme in the next financial year.

Equity dividends of £14.3m (2021: £3.5m) were paid in the year, reflecting the return to the Group's progressive dividend policy. The interim cash dividend paid in the second half was £4.9m (2021: £3.5m). As noted above, the recommended final dividend for the year ended 31 March 2022 will result in an estimated cash outflow of £10.0m in the first half of the year ended 31 March 2023.

The Group acquired 500,000 of its own shares (2021: nil) during the year for a total payment of £1.8m (2021: nil) to provide shares for the Employee Benefit Trust in respect of its long term incentive plan commitments.

The acquisition of Cygnia in September 2021 resulted in a net cash outflow of £27.6m as described above.

Financing and covenants

The Group has a £175.0m (2021: £141.2m) committed RCF which has been renegotiated during the year and matures in March 2026. The headroom in these committed facilities in addition to net cash of £3.7m at 31 March 2022 was £150.0m (2021: £132.2m). The Group also has a Receivables Purchase Facility (RPF) and operating overdrafts which provide day to day flexibility, amounting to a further capacity of up to £50m and £7.5m respectively in uncommitted facilities. At 31 March 2022, utilisation of the Group's non-recourse RPF was £4.1m (2021: £7.1m).

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

Covenant	Ratio	At 31 March 2022	At 31 March 2021
Leverage ratio	<3.0:1*	0.7	0.3
Interest cover	>3.5:1	38.8	29.2
Fixed charge cover	>1.4:1	2.7	2.8

* Leverage ratio was <2.75:1 under previous RCF agreement.

The calculation of these covenants and reconciliations to reported numbers are included in Note 30 to the consolidated financial statements.

Pensions

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

Defined benefit arrangements

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

The Group has reported an IAS 19 net asset of £114.5m (£85.9m net of deferred tax) at 31 March 2022 (2021: £48.2m).

£m	31 March 2022	30 September 2021	At 31 March 2021
Assets	1,208.3	1,256.4	1,211.9
Liabilities	(1,093.8)	(1,188.8)	(1,163.7)
Net pension asset	114.5	67.6	48.2
Discount rate (%)	2.7%	2.0%	2.0%

The movement in the net defined benefit asset in the year was primarily the result of the impact of external market factors. Scheme liabilities are calculated using a discount rate based on high quality corporate bond yields while Scheme assets are hedged against movements in gilt yields. Credit spreads on corporate bonds increased due to market uncertainty resulting in a reduction in the liabilities, which was not matched with a corresponding fall in the value of assets as at 31 March 2022.

The deficit funding contribution in the year, net of expenses, was £18.5m (2021: £18.3m).

The estimated actuarial deficit on a technical provision basis has reduced to £37m at 31 March 2022, compared to £67m at 31 March 2021. At 31 March 2022, the Scheme's investments were split between 19% in return-seeking assets and 81% in defensive assets. The inflation and interest rate risks facing the Scheme are hedged to mitigate the quantum of any future movements in the actuarial valuation.

The sensitivities of the present value of the Scheme obligations to changes in the key actuarial assumptions have been assessed; an increase of 0.25% in the discount rate has been estimated to further reduce the liability by £41m and reduce the assets by £52m, a net reduction in the net asset of £11m.

Defined contribution arrangements

The Group's defined contribution arrangements include the Retirement Savings Section, including the Auto Enrolment section, and the Pension Builder Plan in the UK, Cygnia contributions to a Master trust and a separate similar local scheme in Ireland. The charge incurred for these arrangements total £36.7m (2021: £34.0m).

Contingent liabilities

From time to time, the Group is notified of legal claims in respect of work carried out and the potential exposure can be material. Where management believes we are in a strong position to defend these claims and the likelihood of an outflow of economic benefit is not probable, no provision is made.

The Group has received notification of a potential claim from a former customer and is in the early stages of defending this claim. At this time, the Group considers that it is not probable that any claim will result in an outflow of economic benefit. The Group is actively seeking further information to substantiate the allegations made. Given the early stage of the legal and commercial process it is not practicable to make an estimate of the

potential financial impact. In parallel, the Group continues to work with its insurance providers to confirm coverage if required.

Going concern

The financial statements have been prepared on a going concern basis. Having considered the ability of the Company and the Group to operate within its existing facilities and meet its debt covenants, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

In determining whether the financial statements can be prepared on a going concern basis, the Directors considered the Group's business activities, together with the principal risks and uncertainties likely to affect its future performance and position. The review also included the financial position of the Group, its cash flows, and adherence to its banking covenants.

The Board considered the following key uncertainties in considering the Group's future:

- a deterioration in trading performance together with unplanned working capital outflows
- further waves of the Covid-19 pandemic and its impact on trading

- a decline in current market conditions, including the impact of further increases in inflation and increased competition, resulting in lower Group revenues and profits.

The Board has also considered a base case and a severe but plausible downside case. In both scenarios, the Group has adequate headroom in existing bank facilities to meet its liabilities as they fall due, and it complies with the financial covenants under its committed borrowing facilities throughout the forecast period.

The forecasts on which the going concern assessment is based have also been subject to sensitivity analysis and stress testing to assess the impact of the above uncertainties. The Directors also reviewed the potential mitigation actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected.

The Directors have considered the impact of climate related matters on the Group's going concern assessment, and do not expect this to have a significant impact on the going concern assessment throughout the forecast period to 30 September 2023.

Further details are provided in Note 1 'Accounting policies' in the consolidated financial statements.

Alternative Performance Measures

The table below reconciles the APMs to the statutory reported measures.

	2022			2021		
	Underlying £m	Non- underlying Items £m	£m	Underlying £m	Non- underlying items (Restated) ¹ £m	Statutory (Restated) ¹ £m
Revenue	1,421.4	–	1,421.4	1,221.9	–	1,221.9
EBITDA	108.3	(2.7)	105.6	95.2	0.6	95.8
EBITDA margin (%)	7.6%	–	7.4%	7.8%	–	7.8%
Depreciation, amortisation and impairments	(43.6)	(0.6)	(44.2)	(43.4)	(1.6)	(45.0)
Operating profit	64.7	(3.3)	61.4	51.8	(1.0)	50.8
Net financing costs	(6.6)	–	(6.6)	(4.6)	–	(4.6)
Profit before tax	58.1	(3.3)	54.8	47.2	(1.0)	46.2
Income tax	(7.5)	0.6	(6.9)	(7.5)	0.4	(7.1)
Profit after tax	50.6	(2.7)	47.9	39.7	(0.6)	39.1
Earnings per share ²	40.8p		38.6p	32.0p		31.5p
Dividend per share	12.00p		12.00p	10.35p		10.35p
Net cash excluding lease liabilities	3.7		3.7	11.9		11.9

1 Comparatives have been restated following a required change in accounting policy as explained in Note 1 to the consolidated financial statements.

2 Alternative Performance Measure: – refer to Notes 3 and 9 to the consolidated financial statements.

The Alternative Performance Measures (APMs) or underlying results reported in this Annual Report and Accounts statutory measures adjusted for items which management considers could distort the understanding of performance and comparability year on year.

APMs are used by the Board to assess the Group's performance and are applied consistently from one period to the next. They therefore provide additional useful information for shareholders on the underlying performance and position of the Group but should not be viewed in isolation. Additionally, underlying profit before tax is used in determining annual bonus payments and underlying EPS is used as a key performance indicator for most awards under the Long Term Incentive Plan (LTIP) share incentive scheme. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures. Wincanton's underlying measures may not be comparable to similarly titled measures used by other companies.

The Group presents underlying EBITDA, operating profit, profit before tax and EPS which are calculated as the statutory measures stated before non-underlying items. These are items which the Directors consider separate disclosure would assist

both in a better understanding of the financial performance achieved and in making projections of future results. A balanced approach to both gains and losses is applied, to be both consistent and clear in the accounting and disclosure of such items.

The Group identifies items as non-underlying based on the following principles:

- items that are significant in nature. The event or transaction is clearly unrelated to, or only incidentally related to, the trading activities of the Group or the event or transaction would not reasonably be expected to recur in the foreseeable future; and/or
- items that are significant in size. The event is considered significant in size and therefore distorts the underlying results

In addition, the Group will always disclose the items below as 'non-underlying items':

- amortisation charges relating to acquired intangible assets
- profits or losses arising on the disposal of continuing or discontinued operations
- adjustments to amounts previously reported as non-underlying
- the tax impact of non-underlying items

Further details of underlying results and the definition of non-underlying items can be found in Note 3 to the consolidated financial statements.

EBITDA refers to earnings (operating profit) before interest, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of finite-lived intangible assets. This measure also excludes the impact of impairment of non-current assets.

Other APMs used which relate to cash flow are net debt/cash and free cash flow. Net debt/cash is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities excluding lease liabilities. Note 30 to the consolidated financial statements provides a breakdown of net debt/cash for the current and prior year. Free cash flow is defined as the movement in net debt/cash before acquisitions, pension payments, dividends and the purchase of own shares.

Non-underlying items

	2022 £m	2021 (Restated) ¹ £m	Change £m
Cloud computing configuration and customisation costs ¹	(4.1)	(2.2)	(1.9)
Acquisition-related costs	(1.0)	0.2	(1.2)
Amortisation of acquired intangibles	(0.6)	–	(0.6)
Release of warranty provision	1.0	–	1.0
Gain on disposal of businesses	0.9	0.4	0.5
Net profit on disposal of assets and freehold property	0.5	1.3	(0.8)
Pension Scheme – Guaranteed Minimum Pension (GMP)	–	(0.7)	0.7
	(3.3)	(1.0)	(2.3)

¹ Certain comparatives have been restated due to a required change in accounting policy which has resulted in costs previously capitalised now presented as a non-underlying expense within net operating profit, as explained in Note 1 to the consolidated financial statements.

The Group has reviewed and clarified its policy on non-underlying items during the year and seeks to take a balanced approach to both gains and losses, to be both consistent and clear in the accounting and disclosure of such items.

Cloud computing configuration and customisation costs relate to a major systems implementation which has gone live during the year. These costs have been expensed following a revised accounting policy implemented in accordance with updated accounting guidance. They have been presented as a non-underlying item as they are not reflective of underlying

performance. Comparatives have been restated to reflect the change of accounting policy, with £2.2m previously capitalised now being expensed.

The Group has incurred acquisition-related costs, professional fees and integration costs of £1.0m related to the acquisition of Cygnia, which have been recognised as an expense as required by accounting standards. In the prior year, a balance related to estimated costs of aborted M&A activities was released following the conclusion of these bids.

The Group has released the value of a potential claim under a historic warranty provision now considered to be remote and

has recognised a gain of £0.9m arising from contingent consideration recognised on the Group's disposal of its Containers business in October 2020. Further gains which relate to the disposal in the year of a number of specialist vehicles that were not required for ongoing operations have also been treated as non-underlying.

James Clarke
Interim Chief Financial Officer
19 May 2022

How we manage risk

“

The Board accepts that in order to achieve its strategic objectives and generate suitable returns for shareholders, it must accept and manage a certain level of risk.

Lyn Colloff
Company Secretary

The Board sets the policy for managing risk in the business. It recognises the importance of having effective policies and procedures for identifying, actively monitoring, mitigating and managing the financial and non-financial risks facing the Group.

By regularly reviewing the Group risks, which are derived from the detailed operational risks identified across the Group by businesses and functions, and satisfying itself that these risks are managed within the Group's risk appetite, the Board ensures that the Group's risk exposure remains appropriate and links to the effective delivery of its strategic objectives.

The Board has ultimate accountability for the execution of risk management and internal control systems, with the Executive Management Team responsible for execution of the management of risk throughout the Group. The Risk Management Committee provides assurance regarding the management of Group and operational risks.

The Financial Assurance Committee provides assurance regarding the management of financial risk.

The Board has delegated responsibility for the monitoring and reviewing of the effectiveness of the Group's risk management and internal control systems to the Audit Committee. Assurance over the effectiveness of these systems is provided through regular management reporting to the Audit Committee. The process for monitoring and controlling risk emphasises ongoing evaluation and monitoring by the management teams at each appropriate level: sector, specialist function and Group level.

All risks are assessed using an 'impact and likelihood' model; the heatmap shown on page 46 is a summary of where on that model the current score for each principal risk resides. The outcome of the risk management process is moderated through the Risk Management Committee in the first instance. Both the Risk Management Committee and the Audit Committee undertake 'deep dives' with the relevant risk manager into specific risk areas to ensure that management of the risk is understood and the mitigation actions and scoring challenged.

Climate change risks are considered in exactly the same way as other operational risks within the business and feature on the principal risk register; see page 49. Ownership of the management of climate-related risks ultimately sits with the Chief Operating Officer and is managed by the Head of Sustainability.

We have adopted a proactive approach to the management of emerging issues and horizon scanning with sectors and central functions providing early identification through a number of routes. These include weekly operational trading updates; twice weekly EMT touchpoints; monthly EMT meetings; and sector reviews. Externally, potential risks are picked up from sources such as media scanning, and legal and market updates. A good example of our work in action was demonstrated in response to the recent Ukraine/Russia conflict where we were able to do a thorough assessment of potential impacts to our business within

a very short timeframe and to increase our controls around payments and supply chain control appropriately.

The Group manages risk by operating a three lines of defence risk and control model.

The first line of defence consists of operational management implementing and maintaining effective risk identification, reporting, management and internal control systems. This ensures that risk management remains an integral part of the Group's day to day operations and facilitates the escalation of significant risks as and when they are identified.

The second line of defence consists of the subject matter expert functions which, in addition to supporting operational management in their own specialist areas, also maintain their own risk registers. The second line also includes the EMT, Risk Management Committee and Financial Assurance Committee which regularly review the Group risks and other strategic risks affecting the Group and perform deep dive reviews on specific risk areas.

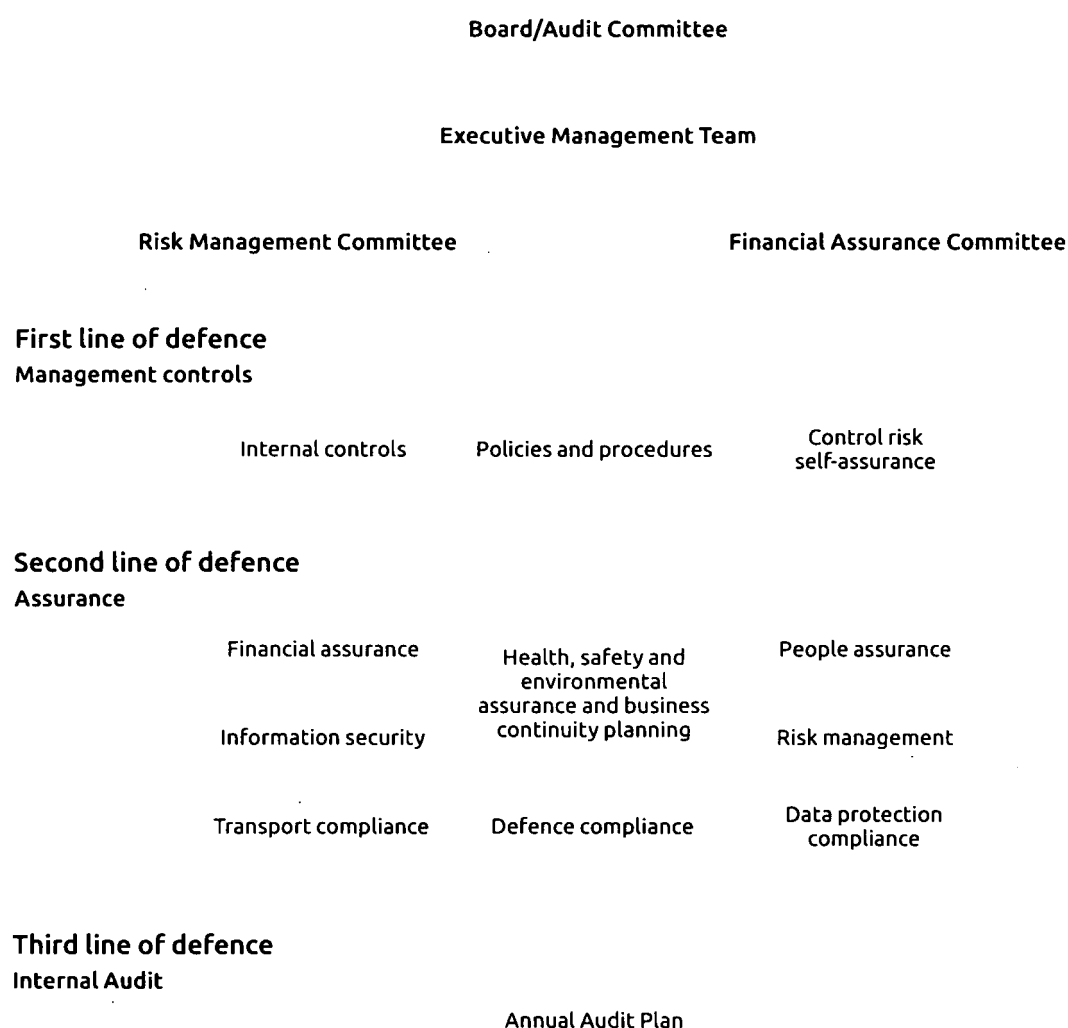
Internal Audit, which forms the third line of defence, is empowered to provide an independent assessment of the effectiveness of risk management and internal control systems, as well as

identifying areas for improvement. The Audit Plan has been built with input from the Group risk registers. The audit assignments planned for the coming year include providing assurance on a number of Group risk types.

The Internal Audit function reports directly to the Audit Committee Chair to ensure its independence and objectivity. These lines of defence also include the Group's whistleblowing reporting system, which enables employees to raise concerns over ethics and compliance matters.

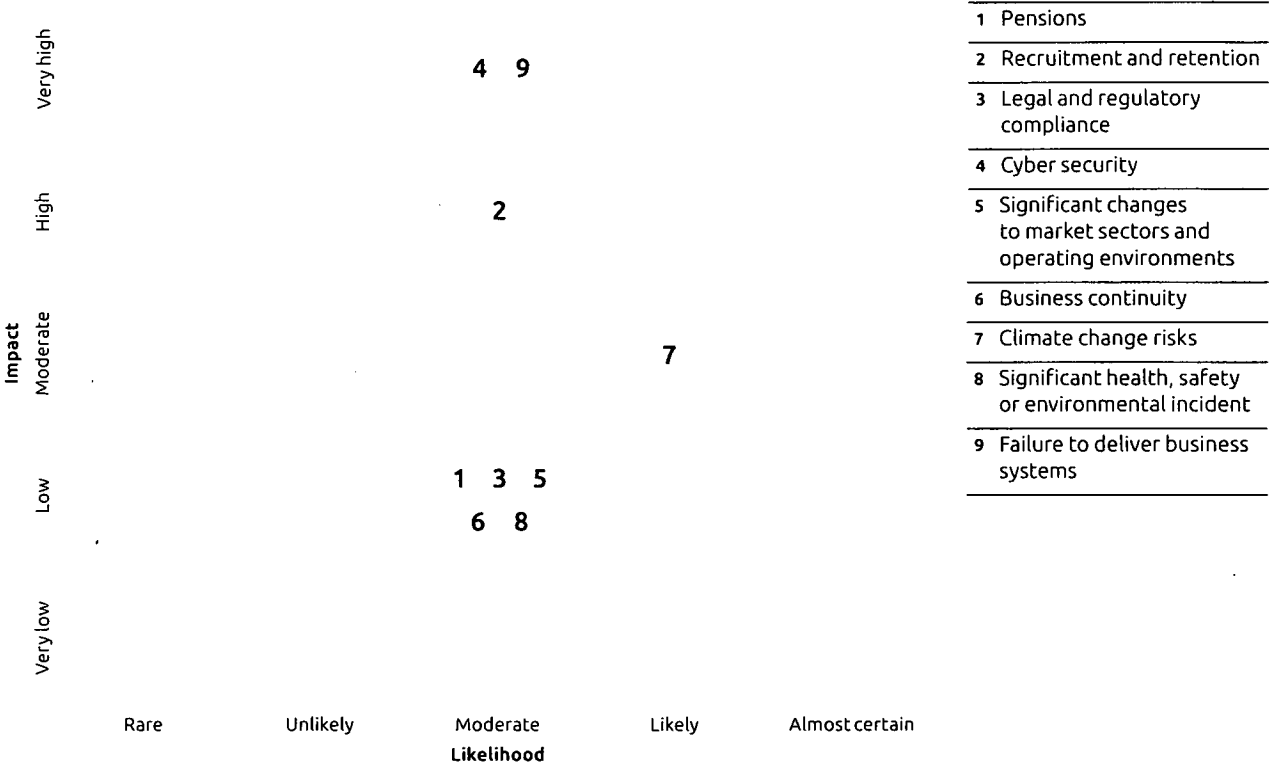
In support of our 'people' focus in our strategic deliberations this year, Internal Audit will be providing a summary of culture indicators that it encounters in audit assignments which will be reported to the Audit Committee.

Wincanton three lines of defence



Risk heatmap

Current risk assessments taking account of current mitigations



Principal risk and uncertainties

The Group maintains a register of Group (or principal) risks and uncertainties which are identified as either: financial; reputational; operational; legal/ compliance; strategic; or climate change-related risk types. The Group's risk management framework is structured to ensure that risks are identified promptly by management teams so that they are mitigated and managed appropriately in support of the delivery of the Group's strategic plan. The risks identified are documented and measured, including the ownership of individual risks. Data from this process has been aggregated and has been used as the basis for the Group's principal risk disclosure on pages 49 to 51. The risks are regularly reviewed and exposure is rated in terms of both gross risk (before mitigations) and current risk

(after mitigations), which allows the Group to identify risks that are heavily dependent on internal mitigating controls and to allocate resources appropriately. Risks are also given a target risk score which, along with an action plan to achieve, sets out where each risk is targeted to move to within a 12–18 month time horizon. In this way the Board and management teams can monitor progress to reduce risk within the business. The Board has overall responsibility for risk management, for determining the risk appetite in relation to the risk types, for implementation of the risk management policy and for reviewing effectiveness of the risk management systems. The Risk Management Committee is chaired by the Company Secretary and meets to review the Group risk register entries and make recommendations regarding any new or

emerging risks and any potential impact they may have on the risk appetite and the ability of Wincanton to manage such risks. The Board accepts that in order to achieve its strategic objectives and generate suitable returns for shareholders, it must accept and manage a certain level of risk. It undertakes an exercise, at least annually, to consider the nature and level of risk it is prepared to accept to deliver the strategy. Risk appetite is set across the risk types directly relevant to the Group, supported by high level risk assertions and parameters which set out how our people are expected to work across each category of risk. The resulting assessment of risk appetite is set out in the table on page 47. **Conclusion** By following the risk management processes outlined above, the Board considers it has performed a robust assessment of principal and emerging risks.

Risk appetite

Risk appetite – process

The risk appetite statement details the Group's approach to risk and includes a series of risk assertions, together with the risk parameters within which we expect our people to work. Compliance with the risk appetite statements for each Group risk is assessed six monthly through the risk management process, moderated by the risk management team and challenged by the Risk Management and Audit Committees. The Board reviews the risk appetite statement annually.

Risk appetite statement

Our markets are subject to disruption by new market entrants based on advances in technology and automation. We continue to pursue ambitious growth plans increasing revenue and margin and transforming the capabilities of the Group, thus changing its market perception. We are willing to accept a controlled level of risk to increase the likelihood of achieving or exceeding our growth and transformational objectives.

Risk appetite varies depending on the risk type

The Board's appetite for risk varies depending on the risk type. The Group measures risk by estimating the potential financial impact. The Board has a low tolerance for compliance, reputational or finance-related risk. Conversely, it has a higher tolerance for strategic risk (growth and transformation). Prevailing market conditions are taken into account when setting the risk appetite.

Risk type	Risk assertion	Risk parameter	Risk appetite
Financial	We will manage or avoid situations or actions that might adversely impact the integrity of financial reporting or the strength of our balance sheet.	It is a critical requirement that financial reporting complies with relevant accounting standards and is fair, balanced and understandable. It is also imperative that financial risk is limited to between 1% and 2.5% of operating profit.	Low
Reputational	We will manage or avoid negative press or media coverage which will adversely impact the way that Wincanton is perceived or adversely affect the share price.	It is imperative that the Wincanton reputation or share price is not impacted by media or press comment.	Low
Legal/ compliance	We will ensure we comply with all legal requirements and manage or avoid situations or actions that could have a negative impact on our reputation or our brand.	There is no tolerance for breaches of: – legislative or statutory requirements – delegated authority levels – policies and procedures – health, safety and environment regulations.	Low
Operational	We will train and develop our people to ensure they have an inclusive working experience and understand The Wincanton Way of working. We will manage our property assets to make the best use of space and maximise the return from premises. We will manage our vehicle assets in a safe and considerate way, in order to maximise the return from each asset.	The management of our assets must be considerate and commensurate with the benefits we aim to achieve.	Moderate
Climate	We will limit our impact on the climate in any way we can identify, subject to mitigation being available at commercial scale.	We will work with our suppliers and our customers to offer climate friendly solutions in our transport and warehouse operations, as they become available.	Moderate
Strategic	We will not pursue growth at any cost. We will expect reasonable margins and returns on capital.	We will pursue our growth strategy to meet our market growth objectives. We aim for high operating margins in our eFulfilment and Public and Industrial sectors (our growth markets).	High

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects and financial viability of the Group and have concluded that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. They have assessed the viability of the Group over a three year period to 31 March 2025, taking into account the Group's current position and the potential financial and operational impact of the principal risks documented on pages

49 to 51 of the Annual Report, in severe but plausible scenarios. In making its assessment, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Board has determined that a three year period is an appropriate period over which to provide its viability statement. This period aligns with the Group's annual planning and forecasting process, which is led by the CEO and CFO with input from operational and

central support functions. It is also consistent with the Group's debt cycle reflecting historical refinancing which typically occurs one year prior to the expiry date.

We believe that this presents the Directors and readers of the Annual Report and Accounts with a reasonable degree of confidence over the longer term outlook. The Directors have no reason to believe the Group will not be able to meet its liabilities as they fall due over a longer period.

Scenarios tested include the following:

Scenario 1: Future pandemic

In the event of another pandemic causing either temporary or national lockdown the Group is likely to suffer lower revenue and profits as certain activities of the Group are suspended

Assumptions:

- Based on the impact of the pandemic in 2020, lower trading has been modelled for three months starting in April 2022, with a slow recovery for a further six to nine months

Risk 6: Pandemic and other worldwide events

Scenario 2: Growth and retention

The Group could lose a major customer as they fail to renew a rolling or fixed contract. This could also have a wider impact on reputation and could result in a reduction in new wins

Assumptions:

- Loss of major customer with effect from 1 October 2022
- Contract wins 50% lower
- Contract losses 50% higher

Risk 5: Significant changes to market sectors and operating environments

Risk 8: Significant health and safety or environmental incidents

Scenario 3: Operational performance

The ability to run a disciplined and efficient operating model is key and any lack of controls or ability to capture the correct costs could impact the Group's overall margin

Assumptions:

- Reduction in margin in foundation markets to 1%
- Increased support function costs
- Inability to negotiate favourable supplier rates

Risk 2: Recruitment and retention

Risk 3: Legal and regulatory compliance

Risk 5: Significant changes to market sectors and operating environments

Risk 9: Failure to deliver business systems

Scenario 4: Operational performance

IT systems and technology underpin the Group's operating model and any delay with the new ERP implementation or system failures could have a significant reputational impact on the Group

Assumptions:

- A major IT system fails for an extended period of time
- Delayed implementation of finance and HR system
- Loss of customer contracts at renewal due to the poor systems and IT failure

Risk 3: Legal and regulatory compliance

Risk 4: Cyber security

Risk 9: Failure to deliver business systems

Scenario 5: Customer claim

The contractual terms with which Wincanton engages with its customers can be complex, reflecting the nature of the services offered. As such, it is plausible that a dispute could arise, leading to a potential outflow

Risk 3: Legal and regulatory compliance

Risk 5: Significant changes to market sectors and operating environments

The Directors have considered the potential impact of climate change on the viability assessment. The impact of regulatory change resulting from the effort to mitigate climate change has been considered and built into the Group's forecasts, which include cash outflows from the purchase of carbon offsetting credits. However, there is not considered to be a significant risk of climate change causing a significant downturn in cash flows across the Group over the viability assessment period and therefore no specific sensitivities relating to climate change have been considered over and above the scenarios above.

Having conducted this viability scenario testing, the Directors have concluded that none would impact the Group's ability to meet its liabilities in full as they fall due. The Group

would have sufficient liquidity and adequate headroom in the bank facilities and compliance with the Group's financial covenants would not be affected. In the highly unlikely situation that all downside scenarios occurred simultaneously, only one of the covenants (net debt: EBITDA) would be breached at one testing point (31 March 2023).

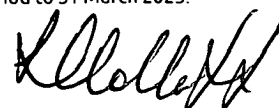
The facility headroom as at 31 March 2022 was £150.0m.

In severe but plausible scenarios, mitigating actions such as tighter cost controls as implemented throughout the Covid-19 pandemic during the year ended 31 March 2021 would need to be introduced.

Based on this assessment, the Directors have a reasonable expectation that the Company

and the Group will be able to continue in operation and meet liabilities as they fall due over the three year period to 31 March 2025.

Lyn Colloff
Company Secretary
19 May 2022



Principal risks and uncertainties of the Group

1. Pensions

Description

The Group has a significant Defined Benefit Pension Scheme. The employer contribution levels required and the value of the pension fund itself are subject to: financial market conditions, global economic and political matters, demographic factors, expected future investment returns and the legal and regulatory environment. Significant adverse changes in any of these factors could materially alter the value and lead to a material change in cash contributions, a change to the repayment period, regulatory intervention, or a combination thereof. These changes could impact the cash flow and profitability of the Group and restrict its ability to invest in the business, pay dividends and repay debt.

Controls and key mitigations

The Group has undertaken steps to mitigate the risk exposure of financial market movements and economic and political conditions. The Defined Benefit section of the Scheme was closed to future accrual in 2014, to cap the risk. The Group maintains a strong working relationship with the Trustee, which is responsible for managing the fund and setting the investment strategy. The investment strategy is intended to reduce the investment risk through an appropriate level of matching between assets and liabilities in the Scheme. The level of hedging is under constant review to ensure it mitigates the impact of inflation and interest rate movements. The Group and the Trustee engage high quality external fund managers and actuaries, and have separate legal, covenant and audit advisers to support and inform their decision making. The Group and the Trustee have agreed an appropriate level of annual contributions to the Scheme together with contingency plans to protect the Scheme in the event of adverse developments. The objective remains to ensure that the Group meets its commitments to pensioners and the Scheme and that the recovery contributions are affordable and sustainable for the Group.

Accountability

Risk owner: Chief Financial Officer

Risk manager: Director of Treasury, Tax and Insurance

2. Recruitment and retention

Description

The inability to recruit and retain employees, from drivers and warehouse operatives to executive talent, is considered a principal risk. Failure to retain people with the right skills, competencies, values and behaviours needed to operate and grow the business would impact the long term success of the Group.

Controls and key mitigations

The Group has a strong and highly capable People function to monitor and maintain a high standard of recruitment and a regular appraisal process, based on key competencies. The Group constantly reviews and refreshes strategies and processes for recruitment and retention, monitoring vacancies and future requirements and utilising data to manage and adapt the service provision. The Group has also established relationships with preferred agencies to provide additional contingency workforce. Regular engagement surveys are completed to ensure feedback is received from our people and the scores are monitored as a KPI. The Senior Independent Director visits sites to bring employee feedback into the boardroom. Talent and development are monitored and supported by a dedicated team to ensure people at all levels have access to our comprehensive training programme and development opportunities. Rewards are reviewed against market practice to ensure they remain competitive. The Board and Nomination Committee closely monitor and review the Board, executive and senior management strategies for succession planning and review the Group's talent pool on a regular basis.

Accountability

Risk owner: Chief People Officer

Risk manager: Group Learning and Development Director

3. Legal and regulatory compliance

Description

The Group must comply with an extensive range of regulations and legislation in order to provide its services and solutions. Failure to comply with the required standards could lead to significant legal claims and regulatory actions, sanctions, removal of licences and permits, penalties and fines. It could also result in reputational damage to the Group and our customers and potential harm to the Group's employees or property.

Controls & key mitigations

Policies and processes are in place throughout all areas of the Group to ensure systems, operations and central functions comply with relevant areas of legislation. The Group Secretariat monitors emerging legislation and determines any potential impact to the Group and its policies, controls, communications and training provision. Second-line oversight by central functions reviews the operation of controls and their effectiveness, including on annual review of Group policies. External expert advice is sought as appropriate.

Processes and controls around sanctions and money laundering have been tightened in light of the current climate and the sanctions placed on Russian citizens and interests during this year.

Awareness sessions are regularly distributed in different formats across the business to ensure our colleagues know the legal and regulatory risks we face.

Accountability

Risk owner: Company Secretary

Risk managers: Deputy Company Secretary and Head of Compliance

Trends

Increasing

Static

Reducing

Link to strategy

Our products and services

Our markets

Our operating model

Our people

4. Cyber security

Description

The Group is aware of cyber risk and its potential for disrupting our business and that of our customers. A cyber security incident could impact the Group's operational performance and reputation through the application of penalties, fines and/or regulatory action.

Controls and key mitigations

The Group routinely assesses our cyber risk and has established comprehensive information security controls to reduce our exposure. Controls include but are not limited to: vulnerability management, penetration testing, regular audits and routine access reviews.

In response to the current geopolitical situation, we have increased security awareness to ensure our colleagues remain vigilant.

Accountability

Risk owner: Chief Information Officer

Risk manager: Head of IT Security and Risk

Trends

Increasing

Static

Reducing

Link to strategy

Our products and services

Our markets

Our operating model

Our people

5. Significant changes to market sectors and operating environments

Description

The Group provides services in a competitive and complex environment, with large customers. The Group faces commercial pressures to renew and win business with acceptable levels of margin in order to deliver sustainable growth and returns. These pressures may stem from:

- changes in customer appetite for outsourcing services
- strategic or behavioural changes in the competition, which may impact market pricing
- new disruptors, in particular the emergence of new technologies
- customer business models can be affected by customer confidence and the geopolitical situation; this may have a knock-on effect on volume pass-through in our business
- cost increase pressures specifically in relation to wage inflation.

Controls and key mitigations

The Group regularly reviews its strategy as part of an annual strategy planning process. That process includes, but is not limited to, the review of market opportunities and threats including changes to high level customer requirements, the competitive environment or individual sector strategies, developments in new business and innovation propositions, and other areas of strategic importance to the business.

The Group reviews its strategic performance through a set of strategic KPIs and ensures execution through strategic programme management of the initiatives resulting from the aforementioned strategy planning process.

Wage inflation is managed through customer collaboration on open book contracts, and cost escalation clauses on closed book operations.

Accountability

Risk owner: Strategy Director

Risk manager: Strategy Manager

6. Business continuity

Description

Since the beginning of the Covid-19 crisis, the Group has been committed to keeping its customers, colleagues and communities as safe as possible, while continuing to play a vital role in delivering essential goods throughout the UK. There remains risk of other global pandemics and events.

Risks to our operations include:

- labour shortages due to illness and other absence
- inability to deliver contracted services due to regulatory or safety requirements
- loss of revenue and profit due to business interruption, reductions in customer volumes or customer failure
- cost pressures due to additional process steps, increased staffing costs and lost economies of scale
- liquidity pressure due to delayed receipts, potential customer failure and availability of financing.

Controls and key mitigations

The Group operates a strong programme office which enables rapid, controlled responses to be implemented in the changing landscape. Business continuity plans are in place across all areas of the business. These plans identify the requirements that may be needed for each area of the business to function under a wide range of scenarios. The plans are mobilised as the situation evolves and include:

- the introduction of additional health and safety measures
- close liaison with customers to adapt processes and requirements to ensure continuity of service
- the redeployment of staff and resources across business areas
- interaction with government and industry bodies to ensure regulatory requirements are understood and best practice is being adopted
- expense control and elimination of cost, where possible
- strong focus on cash management and a close relationship with financial stakeholders
- extensive impact analysis and downside scenario testing. Please refer to the viability statement on page 48 and the basis of preparation note in Note 1 Accounting policies in the financial statements on page 111.

Accountability

Risk owner: Chief Operating Officer

Risk manager: Group HSEQ Director

7. Climate change risks

Description

The use of fossil fuels and the associated release of carbon dioxide and other greenhouse gases have led to rising average global temperatures and accelerating climate change with the associated physical risks that this brings. The UK target of net-zero carbon emissions by 2050 came into force in 2019. The interim UK carbon budgets and targets associated with the 2050 goal will result in legislation, taxation and incentive changes to the business, investment and consumer landscape that represent material risks and opportunities for Wincanton.

Risks to operations include:

- physical risks such as more extreme weather events and regional flooding
- changing policy on fuel duties and taxation, leading to increased costs for carbon intensive fuels
- new low and zero carbon technology and infrastructure requiring higher capital expenditure
- consumer preference and awareness driving changes to our customers' sourcing criteria and targets
- poor response to climate change risks leading to reputational damage and loss of business.

Controls and key mitigations

The Group has launched a sustainability strategy which seeks to lead on climate and other environmental risks, developing net-zero propositions which offer both mitigation and new opportunities for engagement with our customers. The Group has also made changes to its ESG policy and governance statements to increase visibility and transparency on climate and other environmental risks. We have enhanced our ESG and environment programme offices which enable sustained, positive action towards our goals and targets; course correction in response to performance indicators; and new propositions in response to technology developments and opportunities for collaboration.

Actions taken include:

- setting our own short, medium and long term carbon emissions targets
- development of long term roadmaps with sector specific technology solutions
- close liaison with customers in all sectors to propose and develop lower and zero carbon solutions
- achieving a carbon neutral two-person home delivery service through carbon offsetting
- engagement and interaction with government and industry bodies to ensure regulatory requirements are well defined and understood and shaped where possible
- establishment of a strategic procurement process with our supply chain and innovation partners to deliver the solutions we need.

Accountability

Risk owner: Chief Operating Officer

Risk manager: Head of Sustainability

8. Significant health, safety or environmental incident

Description

The Group operates in environments which have the potential to be hazardous to people or property if not actively managed. A failure to manage these risks properly could result in injury or death and/or damage to property and the environment. Should such an event occur it could lead to regulatory action, fines, withdrawal of licences, site closures and damage to the Group's reputation. All of these outcomes have the potential to impact the Group's ability to win and do business.

Controls and key mitigations

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

Accountability

Risk owner: Chief Operating Officer

Risk manager: Group HSEQ Director

9. Failure to deliver business systems

Description

The Group relies on secure and highly available solutions and capabilities that enable our business and that of our customers. The potential inability to meet the expectations of our business and customers could result in reputational damage and contractual implications leading to loss of custom, penalties, fines and/or regulatory action.

Failure to onboard customers and/or facilities could result in reduced profitability.

Controls and key mitigations

The Group continues to develop its IT strategy which supports the business strategy. The IT strategy is underpinned by a new product-centric operating model combined with the investment required for its adoption. The Group has invested significantly in its back office and transport management systems with the goal of driving competitive advantage and reducing risk through the decommissioning of legacy systems. The evolving pandemic has led to an increased need to support flexible working, resulting in Group-wide improvements to our infrastructure, connectivity and collaboration tool sets.

Accountability

Risk owner: Chief Information Officer

Risk manager: Infrastructure and Operations Director

“

During the year we have set up an ESG Committee to focus on strategy, target setting, performance and communications.

Dr. Martin Read CBE
Chair

Dear shareholder

On behalf of the Board, I am pleased to introduce the Group's Corporate Governance Statement for 2022. In the reports that follow, we set out our activities during the year, explain our governance arrangements and detail how we have applied the provisions of the UK Corporate Governance Code 2018 (the Code).

Further information on the Code can be found on the FRC's website at www.frc.org.uk.

Governance and the impact of Covid-19

The continued impact of Covid-19 during this financial year meant that some of our Board and Committee meetings had to be held remotely. However, the majority took place in person and Board members were able to make site visits to Sevington in August and to two of our Screwfix sites, one in Stafford and one in Trentham, in October. We also had the opportunity to hold a Board meeting at our new site in Rockingham (The WEB) and visit our Central Distribution Centre at Greenford in London which we operate on behalf of Waitrose.

Our Environmental, Social and Governance strategy

We have made good progress in the various areas of our ESG strategy. For further details, please refer to pages 22 to 33.

During the year, we set up an ESG Committee to focus on strategy, target setting, performance and communication. This is a management committee, chaired by the CEO, but includes a Non-executive Director to provide an additional interface to the Board.

Board balance and composition

A detailed review of our Board balance and composition was completed by the Nomination Committee in the year. Further details can be found on page 68.

Changes to the Board

In November 2021 we announced the resignation of Tim Lawlor, Chief Financial Officer. In February 2022 we announced that Tim would step down from the Board with effect from 28 February 2022, with James Clarke (Finance Director, UK & Ireland) assuming the role of Interim CFO pending the selection of a permanent successor. We thank Tim for his service over the last six years and wish him well in his new role. The Nomination Committee is progressing the appointment of his replacement.

Board and Committee evaluation

The Board and its Committees continuously monitor their own performance and seek to improve their effectiveness. Informally this happens through open channels of communication between members with the support of the senior management

team and the Company Secretary. Formally, and in line with the Code requirements, an effectiveness evaluation exercise is undertaken annually, either internally or through an externally led process. This year an internal evaluation process was facilitated by the Company Secretary. Details of the process and outcomes are set out on page 69.

Our stakeholders

The Board places great emphasis on ensuring that the Group can deliver on its strategy and is operating in the best interests of the Group's stakeholders over the long term. On page 34 you can read how we continue to meet our statutory obligations to ensure that the interests of all our stakeholders are considered and how we engage with them.

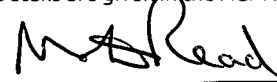
As a people-driven business, Board engagement with employees continues to be a focus for us. Stewart Oades, our Senior Independent Director, leads our employee engagement programme which supports the Board's relationship with the wider workforce. On page 64 you can read about the engagement events and the outcomes that have resulted from this programme.

AGM

The ongoing uncertainty regarding restrictions arising from the Covid-19 pandemic meant we were unable to hold our 2021 AGM as a face to face meeting. We recognise the importance of shareholders' interaction with the Board, and therefore offered a live webcast of the AGM. This online event included an overview of the business by the CEO. There was an opportunity for shareholders to ask questions of the Board both in advance and during the meeting itself, as well as to vote their shares in real time during the AGM. No questions were received.

Our AGM will be held at 11:00 am on Tuesday 12 July 2022 at the offices of Herbert Smith Freehills, Exchange House, Primrose Street, London EC2A 2EG.

Details are given in the AGM Notice.



Dr. Martin Read CBE
Chair
19 May 2022

Our compliance with the 2018 code

In accordance with the Listing Rules of the UK Listing Authority, the Board confirms that throughout the year and as at the date of this report, the Company has complied with the Principles and Provisions set out in the 2018 UK Corporate Governance Code (the Code).

This report, together with the Audit Committee and Nomination Committee reports, the Directors' Remuneration Report, the Strategic Report and the Directors' Report, sets out how we have done that.

Board leadership and company purpose

Code Principle	How we comply
A A successful company is led by an effective and entrepreneurial Board, whose role is to promote the long term sustainable success of the Company, generating value for shareholders and contributing to wider society.	See our s172 statement on page 34. More information about Board Leadership can be found on page 58.
B The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	More information about our purpose and The Wincanton Way can be found on pages 18 and 22. Our values are set out in our Code of Conduct and on our website.
C The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	See our Audit Committee report on page 70.
D In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	See Board Engagement on page 63.
E The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long term sustainable success. The workforce should be able to raise any matters of concern.	Our Code of Conduct and our Corporate Framework set out the Group's values and policies. Read more about The Wincanton Way on our website www.wincanton.co.uk/sustainability/the-wincanton-way/ .

Division of responsibilities

Code Principle	How we comply
F The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all Non-executive Directors, and ensure that Directors receive accurate, timely and clear information.	The effectiveness of the Chair is considered as part of the Board evaluation process. The Senior Independent Director leads a discussion with the rest of the Board to ensure that the Chair's effectiveness is monitored and would feed back any areas of concern from this process.
G The Board should include an appropriate combination of Executive and Non-executive (and, in particular, independent Non-executive) Directors, such that no one individual or small group of individuals dominates the Board's decision-making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business.	Biographies of Board members are on pages 56 and 57. As at the date of this report, the majority of members on the Board are Non-executive. There are six Non-executive Directors and pending the appointment of a new CFO, one Executive Director. See governance framework on page 58. See roles of CEO and Chair on page 65.
H Non-executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	See meeting attendance chart on page 61. See External Directorships on page 65.

Summary of compliance continued

Division of responsibilities continued

Code Principle	How we comply
I The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Directors are provided with appropriate documentation approximately one week in advance of each Board or Committee meeting. Papers include a trading update, and reports on people matters, health and safety, regulatory and governance matters, financial performance, and papers where a decision or approval is required. The Board reviews the support provided to it along with the processes followed and the value of the Board papers as part of the Board evaluation. This year all were found to be efficient. The Board evaluation outcome can be found on page 69.

Composition, succession and evaluation

Code Principle	How we comply
J Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	As at the date of this report, the majority of members on the Board are Non-executive. There are six Non-executive Directors, pending the appointment of a new CFO, and one Executive Director. Appointments to the Board of Wincanton are made on the recommendation of the Nomination Committee with due consideration given to the outcomes of the annual Board evaluation, the review of skills, experience and diversity and informed succession planning. See Board diversity data on page 67.
K The Board and its Committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	Changes to the Board are set out on page 67. See biographies of Board members on pages 56 to 57. See Skills matrix on page 68.
L Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.	An external evaluation is held every three years, the last one completed was in 2019. This year, the Board has undertaken a rigorous self-evaluation exercise via questionnaires and discussion, to assess the performance of the Board, its Committees and individual Directors. See the outcome of the evaluation in the Nomination Committee report on page 69. The Chair held individual assessment calls with each Non-executive Director and the SID appraised the Chair's performance.

Audit, risk and internal control

Code Principle	How we comply
M The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Board has established formal and transparent policies and procedures relating to external and Internal Audit functions and the management of risk. The Board is assisted by the Audit Committee to ensure that the Board presents a fair, balanced and understandable assessment of the Company's position and prospects. The work of the Audit Committee is set out in its report on pages 70 to 74.
N The Board should present a fair, balanced and understandable assessment of the company's position and prospects.	See the Statement of Directors' Responsibilities in the Directors' Report on page 95.
O The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long term strategic objectives.	See Risk Report in Strategic Report on page 44.

Remuneration

Code Principle	How we comply
P Remuneration policies and practices should be designed to support strategy and promote long term sustainable success. Executive remuneration should be aligned to Company purpose and values, and be clearly linked to the successful delivery of the Company's long term strategy.	Our remuneration policies have been designed with consideration of wider workforce remuneration and related policies as well as the alignment of incentives and rewards with our culture.
Q A formal and transparent procedure for developing policy on executive remuneration and determining Director and senior management remuneration should be established. No Director should be involved in deciding their own remuneration outcome.	The Remuneration Policy was put to shareholders in 2020 and received 96.45% approval.
R Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	Account is taken of the outcome of remuneration decisions, both for the individual elements and in totality, with reference to the Group's performance to consider whether discretion should be applied. Discretion was not considered necessary in the 2021/22 remuneration outcomes.

For more information, see page

For more information, see our website

A well managed, open and questioning team

Dr. Martin Read CBE Chair

Committee membership

N R

Experience

Chair of the Nomination Committee and Member of the Remuneration Committee, Martin joined Wincanton as Chair in August 2018. He is Chair of the UK Government's Senior Salaries Review Body and a member of the Council of Shakespeare's Globe where he sits on the Audit and Risk Committee. Martin is a former Chair of Laird plc, the Low Carbon Contracts Company, the Electricity Settlements Company and the Remuneration Consultants Group. He has served on the Boards of Lloyd's, Invensys, Aegis Group, British Airways, Siemens Holdings, Boots, ASDA and the UK Government Efficiency and Reform Board. He was Chief Executive of International IT Services company Logica from 1993 to 2007.

Reasons for reappointment

As an experienced Executive and Chair, Martin brings invaluable leadership qualities and business understanding to the Board. Martin's extensive remuneration knowledge also adds value to the Remuneration Committee.

James Wroath Chief Executive Officer

Committee membership

N

Experience

James was appointed Chief Executive Officer in September 2019. He was formerly Head of North America with LSG Sky Chefs, the airline catering division of Lufthansa AG, best known as one of the world's largest airline and rail catering and hospitality companies. Before joining LSG in 2015, James worked for Kuehne + Nagel as the Senior Vice-President in North America for both Contract Logistics and Overland Transportation, as well as Managing Director in the UK for their Drinks Logistics business. Prior to this, he was Head of Distribution for Scottish & Newcastle plc.

Reasons for reappointment

James has relevant prior experience and extensive knowledge of supply chain management and, having spent two years with Wincanton, has gained valuable listed company experience.

Stewart Oades Senior Independent Director

Committee membership

A N

Experience

Stewart became a Non-executive Director of Wincanton in November 2014 and was appointed as the Senior Independent Director in July 2015. He is the dedicated Non-executive Director for Employee Engagement. Stewart is currently Chair of John Good & Sons Limited, a freight forwarding and travel industry leader, and is also a Non-executive Director of Forth Ports Limited.

Reasons for reappointment

Stewart's prior position as President of the Freight Transport Association and his director roles at companies including XPO, Clipper, DHL, Christian Salvesen plc and Exel plc give him invaluable industry experience and connections throughout the wider transport sector.

Gill Barr Independent Non-executive Director

Committee membership

N R

Experience

Gill was appointed as a Non-executive Director of Wincanton in September 2017 and is currently a Non-executive Director of PayPoint plc and N Brown Group plc. She was previously a Non-executive Director of construction group Morgan Sindall plc and of developer McCarthy & Stone. She was Group Marketing Director of The Co-operative Group and Marketing Director of John Lewis. Gill spent seven years at Kingfisher plc where she held a variety of senior marketing, business development and strategy roles.

Reasons for reappointment

Gill's Executive and Non-executive experience brings a valuable focus on the end customer and B2B environment. She is also an experienced Remuneration Committee Chair.

Committee membership key

- A** Audit Committee
N Nomination Committee
R Remuneration Committee
 Committee Chair

Debbie Lentz

Independent Non-executive Director

Committee membership

N R

Experience

Debbie became a Non-executive Director of Wincanton in June 2019. She is currently President of Global Supply Chain and a member of the Executive Management Team at RS Group plc, a global multichannel provider of industrial and electronic products and solutions. Formerly Chief Supply Chain Officer at Toys 'R' Us from 2014 to 2017, she held senior management positions in customer service, logistics, product supply, procurement, manufacturing and IT at Kraft Foods Group, in both North America and Europe as well as at Nabisco Food Company.

Reasons for reappointment

As a working Executive Debbie is very aware of operational and supply chain issues and their relevance to the Wincanton Group. She provides particular customer insight for the Board and deep knowledge of ESG programmes.

Mihiri Jayaweera

Independent Non-executive Director

Committee membership

A N

Experience

Mihiri joined the Board as a Non-executive Director in April 2020. Until October 2019, she was Group Head of Strategy and a member of the Group Executive Committee of TP ICAP Group, the FTSE 250 professional intermediaries' firm, operating in financial, energy and commodities markets internationally. She was previously a consultant at Trivedi Capital, a private equity investment advisory firm based in London. She has also held positions at Nomura International, Lehman Brothers and UBS Investment Bank.

Reasons for reappointment

Mihiri brings expertise in corporate finance and financial markets to the Wincanton Board.

Anthony Bickerstaff

Independent Non-executive Director

Committee membership

A N

Experience

Anthony (Tony) Bickerstaff became a Non-executive Director of Wincanton in September 2020, and Chair of the Audit Committee in March 2021. He was appointed Chief Financial Officer (CFO) of Cadent Gas Limited, the UK's largest gas distribution network, in February 2022. Prior to this he was CFO of Costain Group plc, the FTSE All-Share smart infrastructure solutions company. Before joining Costain, Tony held a number of senior management and financial positions at Taylor Woodrow. He was also a Non-executive Director and Chair of the Audit and Risk Committee at Low Carbon Contracts Company Limited and Electricity Settlements Company Limited from November 2014 to October 2020.

Reasons for reappointment

Through his Executive responsibilities in a listed company environment, Tony has experience of public procurement, commercial contracting and mergers and acquisitions, all of which are relevant to Wincanton's business and strategy. Tony is an experienced Audit Committee Chair.

Our governance structure

To assist in the discharge of its duties and responsibilities, the Board has established a number of committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Wincanton governance framework

Shareholders

As owners of the Company, the shareholders appoint the Directors and delegate to them collectively the responsibility for the long term sustainable success of the Company within a framework of good governance.

The Board

The Board's role is to provide effective leadership and guide the business towards achieving its strategy and objectives, taking account of the risks and opportunities. It also ensures the business is focused on building and maintaining healthy relationships with its stakeholders. It is ultimately responsible for endorsing and applying a robust corporate governance structure. To assist in discharging its duties, some areas of responsibility are delegated to the Committees of the Board.

The Audit Committee

The Audit Committee leads on reviewing the Group's external and Internal Audits, the risk management process and the effectiveness of the Group's systems of internal control.

The Committee ensures that the Board presents a fair, balanced and understandable assessment of Wincanton's position and prospects. This is underpinned by processes to help with independent and effective internal and external auditing.

[Read more on page 70](#)

The Nomination Committee

The Nomination Committee leads on the Board succession planning; the recruitment of new members; and evaluating composition and diversity to ensure Board effectiveness.

[Read more on page 66](#)

The Remuneration Committee

The Remuneration Committee leads on designing remuneration policy, determining Board and senior management remuneration and the review of the wider workforce pay and associated policies.

[Read more on page 75](#)

The Executive Management Team (EMT)

The EMT meets regularly, and led by the Chief Executive, comprises senior leadership who have management responsibility for the operations of the business and the central support functions.

The Risk Management Committee

Provides assurance regarding the management of operational and Group risks.

The Financial Assurance Committee

Provides assurance regarding the management of financial risks.

The ESG Committee

To focus on ESG strategy, target setting, performance and communication.

Our Executive Management Team

The Executive Management Team has been reorganised and is fully resourced to focus on the delivery of our strategy and financial performance.

1 2 3 4 5 6 7 8

1. James Wroath

Chief Executive Officer

James was appointed Chief Executive Officer in September 2019. He was formerly Head of North America with LSG Sky Chefs, the airline catering division of Lufthansa AG, best known as one of the world's largest airline and rail catering and hospitality companies. Before joining LSG in 2015, James worked for Kuehne + Nagel as the SVP in North America for both Contract Logistics and Overland Transportation, as well as Managing Director in the UK for their Drinks Logistics business. Prior to this, he was Head of Distribution for Scottish & Newcastle plc.

2. Sally Austin

Chief People Officer

Sally joined Wincanton in August 2019 as Chief People Officer and a member of the Executive Management Team. Sally was previously the Group HR Director with Costain Group plc, a British technology-based construction and engineering company, where she held a variety of HR roles and became Group HR Director in 2014. Prior to Costain, Sally began her career in HR at BAE Systems followed by Coopervision and latterly Eaton Corporation where she held a number of HR management roles across Europe, the Middle East and Africa. Externally Sally is a Foundation Governor at Warwick Independent Schools Foundation and Chair of Governors for King's High School, Warwick.

3. James Clarke

Interim Chief Financial Officer

James joined Wincanton in March 2017 as Group Financial Controller, but has also been Group Transformation Director and Group Operational Finance Director. Previously James was a Finance and Commercial Director with Mitie Group plc, the British facilities management and energy company, where he also held a number of senior group roles including Group Financial Controller. He is also a non-executive of the Building Services Research and Information Association (BSRIA) since 2019. James is a Chartered Accountant.

4. Daniel Porte

Strategy Director

Daniel joined Wincanton in January 2021 as Strategy Director and a member of the Executive Management Team. Daniel was most recently VP Strategy – North America (LSG Group) leading key strategic projects, including M&A projects as well as driving the region's strategic initiatives. He also held other senior roles within the LSG Group in the UK and Europe including Director Supply Chain Optimisation UK. Daniel holds an MBA degree (Diplom-Kaufmann) from the University of Mainz, Germany, with a specialty in accounting and information technology.

5. Richard Gifford

Chief Information Officer

Richard was appointed Chief Information Officer in April 2017 and is responsible for driving the IT and digitised strategy of the business while also ensuring that IT continues to support successful growth and operational requirements. He was formerly CIO of Carillion plc, driving the digital programmes in their Construction and Group Services businesses. Prior to joining Carillion, Richard began his career with Whitbread plc and has worked in other large plc and public sector organisations.

6. Ian Keilty

Chief Operating Officer

Ian joined Wincanton in November 2018 as Managing Director – Retail and Consumer, and was appointed Chief Operating Officer in April 2020. He was previously Vice President, European Supply Chain, at Sysco and Chief Operating Officer at Brakes, the UK's leading foodservice supplier. Ian has also held various positions on the operating boards and executive committees at Booker Group plc and Iceland Stores. Prior to this Ian worked in engineering and supply chain roles for Mars, British Gas and Nissan, and holds an MBA from London Business School.

7. Paul Durkin

Chief Customer and Innovation Officer

Paul was appointed Chief Customer and Innovation Officer in June 2021. Previous to this Paul led Wincanton's eFulfilment business, responsible for developing our direct to customer propositions and growth. Over the past ten years Paul has established Wincanton as a market leader in home delivery and eFulfilment services with clients such as IKEA, M&S, Wickes and Screwfix. Before joining Wincanton Paul worked for Tibbett and Britten and latterly DHL Supply Chain, leading supply chain operations for blue chip clients in the UK and Asia. Paul has a passion for developing people and chairs the CILT's ASPIRE Foundation, which provides funded education and training opportunities for those in transport and logistics.

8. Lyn Colloff

Company Secretary

Lyn was appointed Company Secretary in April 2020. She was formerly Company Secretary at Cobham plc for over ten years and brings a wealth of experience to Wincanton. Lyn is a qualified Chartered Secretary and worked exclusively in the financial services sector before joining Cobham from the Financial Services Authority (now the Financial Conduct Authority). Lyn achieved an MBA at Aston University in 2004 and now chairs the Company Secretary's Forum of the CGI, the Chartered Governance Institute.

The work of the Board

How the Board monitors culture

The Board recognises that corporate culture affects all the Company's stakeholders, and that a healthy corporate culture is an important factor in the successful delivery of the Company's strategy.

While it is the role of management to articulate the culture, to identify gaps between actual and desired culture and to drive cultural change, the Board has a responsibility to monitor and evaluate progress in this area.

Wincanton's Board monitors the culture of the Company in various ways:

- through its site visits
- through its discussions with management and employees across the business on those visits, both formally and informally pre- and post-meetings
- by reviewing various direct and indirect culture metrics included in the People, Health and Safety, Audit and Compliance reports included on each Board meeting agenda
- by evaluating how the Executive Directors and EMT live the desired behaviours
- by monitoring how effectively the desired culture is communicated to the wider workforce.

The Board's current approach to monitoring culture is therefore embedded into its work. However, given the increasing challenges brought about by the labour challenges we face as a business and our increased focus on social value, the format of reporting to the Board is being reviewed. It is proposed to design a dashboard which will better enable the Board to monitor a more holistic view of culture as part of the strategic work in the year.

The role of the Board

The Board is collectively responsible for the long term performance of the Company, and is made up of the Company's two most senior Executives, namely the CEO and the CFO (referred to collectively as the 'Executive Directors') and a number of independent Directors, known as the 'Non-executive Directors'.

These independent Directors include the Board Chair and the Senior Independent Director, whose roles are explained below. There is always a majority of Non-executive Directors on the Board.

The Board develops and promotes its collective vision of the Company's purpose, culture and values and keeps the Company's business strategy, performance and risk profile under regular review. The Board meets frequently during the year to make and review major business decisions, and to monitor and test the operational performance of the Group.

Between official Board meetings, there is also regular contact between Board members, and between the Board and management to ensure the Group's business is being properly progressed.

Overview of the Board's responsibilities

To facilitate the Board's work, there is a schedule of matters which are reserved exclusively for the Board to decide. These matters are set out overleaf and feed into the annual programme of Board activities. The Schedule of Matters Reserved is reviewed annually to ensure it remains fit for purpose and sets the parameters for management.

Where appropriate, the Board receives recommendations in relation to matters delegated to the Committees of the Board which conduct their work in accordance with their respective terms of reference.

Matters Reserved for the Board:

- develops, reviews and assesses delivery of the Group's strategy to generate value for shareholders and contribute to wider society
- establishes and promotes the Group's purpose, values and culture
- reviews and approves the Group's annual budget and three year financial plan
- approves the Group's Annual Report
- maintains and reviews the Group's controls and approves the Group's material contracts
- engages with the Group's shareholders and stakeholders
- approves the payment of a dividend to shareholders at the half year and full year in line with the Group's dividend policy
- ensures that the workforce policies and practices are consistent with the Group's values and supports its long term sustainable success, enabling the workforce to raise any matters of concern.

The Schedule of Matters Reserved and the Committee terms of reference can be viewed on our website www.wincanton.co.uk/investors/corporate-governance/board-responsibilities/.

Board Committees

The Board sets the Committees' terms of reference which are reviewed annually by the Committee and the Board. These are available on the Group's website www.wincanton.co.uk/investors/corporate-governance/board-committees.

Membership of each Committee is determined by the Board on the recommendation of the Nomination Committee and in consultation with the appropriate Committee Chair. The membership, role and duties discharged in the year ended 31 March 2022 for each Committee are set out in the respective Committee reports in this Report.

Board activity in the year

The Board held ten scheduled meetings during the year at which it considered all matters of a routine nature, structured through clear agenda setting, written reports and presentations from both internal members of staff and external advisers and consultants. In addition there were three ad hoc meetings of the Board to deal with non-routine, time-sensitive business and one full day strategy meeting.

During the year, the Chair and Non-executive Directors met once without the Executive Directors being present. The Senior Independent Director and the Non-executive Directors met once without the Chair being present.

Attendance

Directors are expected to attend all scheduled meetings and their attendance during the 2021/22 financial year is set out below.

	Appointed	Committees	Role	Status	Board	Audit	Nomination	Remuneration
Total meetings in year					14	4	5	5
Dr. Martin Read CBE	August 2018	B N R	Chair	Ind	14/14	–	5/5	5/5
James Wroath	September 2019	B N	CEO	Exec	14/14	–	5/5	–
Tim Lawlor*	September 2015	B	CFO	Exec	13/13	–	–	–
Gill Barr	September 2017	B N R	NED	Ind	14/14	–	5/5	5/5
Anthony Bickerstaff**	September 2020	B A N	NED	Ind	14/14	4/4	4/5	–
Mihiri Jayaweera	April 2020	B A N	NED	Ind	14/14	4/4	5/5	–
Debbie Lentz	June 2019	B N R	NED	Ind	14/14	–	5/5	5/5
Stewart Oades	November 2014	B A N	NED	Ind	14/14	4/4	5/5	–

* Mr Lawlor stepped down from the Board on 28 February 2022.

** Mr Bickerstaff was unable to attend one Nomination Committee meeting due to an unavoidable schedule conflict.

Key: B Board R Remuneration Committee N Nomination Committee A Audit Committee

Activities of the Board

Board activity in the year continued

A review of operational and financial performance and oversight of the health, safety and wellbeing of our colleagues are standing items at each Board meeting. Other topics considered and items covered by the Board during the year included:

STRATEGY

Continued oversight of the strategy implementation

Continued development of the ESG strategy including setting up a new ESG Committee

Oversight of the development of the Information Technology strategy and approach to Cyber Security

Technology in logistics – external presentation

Contract and property approvals with values in excess of the delegated authority of Management

Oversight of the acquisition and integration of the Cygnia business

Review of the transport model

Contract reviews and deep dives into our sectors

Review of the operating model in light of the implementation of Oracle Cloud

Further development of the People strategy with a strong focus on equality, diversity and inclusion

Oversight of the further development of succession plans and talent development programmes

Review of employee engagement activities, led by the SID

FINANCE

Continued strengthening of the financial control environment

Approval of the budget and three year plan

Approval of the half year and full year financial results, including dividends

Continued oversight of the implementation of the cloud based finance and HR system

Consideration of Group funding

Oversight of long term strategy for the Group's pension schemes

GOVERNANCE AND RISK

Continued emphasis on embedding risk management into business activities

Continued development of risk methodology, scoring and reporting

Monitoring of contract approvals to ensure financial returns forecast have been achieved

Policy approvals in line with matters reserved to the Board, including the Modern Slavery Statement and new Sanctions policy

Review of compliance with each of the Board Committees' terms of reference

Link to strategy

Our products and services

Our markets

Our operating model

Our people

Board engagement

...with our stakeholders

The Board recognises that to meet its responsibilities to shareholders and stakeholders, it is important to ensure effective engagement with, and encourage participation from, these parties. The way in which the Board factors the needs and concerns of the Company's stakeholders into its discussions and decisions in accordance with section 172 of the Companies Act 2006 is described in greater detail on page 34.

The Group's website not only contains important stakeholder information (including current and past Annual Reports and Accounts, share price, Stock Exchange announcements, circulars and shareholder documentation), but also our press releases and thought leadership articles, giving stakeholders insight into the vital work we do for the economy, and how we are delivering supply chain value both now and for the future.

...with our shareholders

The Company maintained effective dialogue with shareholders during the year to ensure that the strategy and business model are understood, and to discuss any developments in either the Company or the sectors we operate in that might affect our shareholders' views on their investment. The main topics of discussion with our investors this year have been driver shortages and costs, the growth opportunities within eFulfilment and our innovation activity. The financial discussions tended to focus on the investment opportunities that our strong balance sheet offers.

There are regular meetings between Executive Directors and institutional shareholders, fund managers and analysts and the Board receives feedback on this engagement to enable the Directors to form a view of the priorities and concerns of stakeholders. Brokers' reports and analysts' briefing notes are regularly distributed to all Directors, and form part of the Board agenda at half year and year end.

The Chair of the Board and the Remuneration Committee Chair have communicated with larger shareholders during the year. There was recently a consultation with our major shareholders specifically with regard to CEO remuneration.

Capital Markets Day

Investors and analysts will have the opportunity to engage with the Board and management directly at a Capital Markets Day, planned for 7 July 2022. Shareholders will be invited to join the Board and management of Wincanton at The WEB in Rockingham to see our innovation in action and have a tour of our WEB facility.

Annual General Meeting

The AGM, scheduled this year for 12 July 2022, provides an opportunity for shareholders to receive the financial results for the financial year, ask questions of the Board and receive an update on the current performance.

...with our employees

Wincanton is a people business, and employees are key stakeholders. Stewart Oades is our designated Non-executive Director for workforce engagement. Wincanton chose this method of engagement as the most effective given the various employee forums and listening groups already established. It was felt that a designated Non-executive Director would be best placed to raise the visibility of the workforce's views, to be considered in the Board's discussions and decision-making processes. A formal feedback session is scheduled into the Board's annual work plan, with ongoing dialogue during the year between Mr Oades and the Chief People Officer.

Last year we set an objective to obtain greater breadth and depth of employee engagement, by increasing the number of engagement events with Mr Oades, and receiving input from a wider range of roles across the business. Over the past year he has held seven events, across four locations, two of which were held virtually.

Discussion topics have been broad-ranging and included onboarding, communications, training and development opportunities, and flexible working arrangements and shift patterns. You can read more about the outcome of these engagement events on page 64.

...with the business

Over the course of the year, members of the EMT and their direct reports are invited to attend Board meetings to present an update on the current performance and future focus of their areas of responsibility, and to respond to the Board's questions directly.

The Board appreciates the value of visiting operational sites to maintain its understanding of the business. This first hand knowledge enables the Directors to better guide and challenge management through its discussions. Facilitated by the Company Secretary, each of these visits includes a formal presentation by that site's management team to set the scene prior to a site tour, and time is factored in to engage informally with the local teams. There are three such visits already scheduled for the coming year.

Employee engagement Q&A

Stewart Oades, Non-executive Director with responsibility for workforce engagement, responds to questions about his work this year.

Q How has the Wincanton Board approached its responsibilities towards workforce engagement?

A The Corporate Governance Code suggests three core options for companies to use: a dedicated Non-executive Director, a worker Director and an advisory panel. We chose the dedicated NED option, and I am very pleased to take on this role as the link between the Board and the workforce. The Board recognised that there were already various workforce engagement groups in place and functioning well, and it was felt that the NED option would complement and support this existing infrastructure. I set up a calendar of sessions over the year to meet diverse groups of employees at different sites. I report back to the main Board summarising this work annually. Between those formal reports, I am in touch with the Chief People Officer to raise issues and clarify points raised at those sessions, and naturally I relate the voice of the workforce into our Board discussions as appropriate at each Board meeting. This year, in particular, much of the feedback has been around our retention rates and our training for first time line managers and managers generally.

Q What do your engagement sessions look like, and what do you talk about?

A Each session is designed to involve colleagues at differing levels of experience, grade and role, to stimulate good discussion. I introduce and position each session then open the forum for constructive discussion. I ensure the participants understand that these sessions are not to communicate grievances directly to the Board, but rather they are an opportunity for colleagues to offer their thoughts on the business as a whole, what works, what could be improved and so on.

We have covered topics such as community engagement, training and development, site leadership, customer expectations, employee recognition mechanisms, recruitment processes, employee communications and even uniforms.

Q What have you learned from these engagement sessions? What will you do with that knowledge?

A The format of the engagement sessions has developed during the year as we have been able to get back to some face to face meetings and have learned what works well. Smaller groups work better; colleagues from multiple sites at one session reduce the amount of time spent on local issues and result in a more balanced session.

I have been very encouraged to hear from groups that are largely positive, enthusiastic and engaged with the business. It is heartening for me personally and others at the sessions to hear about success stories and to share best practice with colleagues. Of course our workforce have frustrations which have been expressed in a constructive manner, and indicate a level of trust

that they feel comfortable to raise at these sessions. The frustrations brought to my attention have been broadly consistent with other indicators of employee satisfaction.

As a result of this year's engagement we are going to be launching MyPlace, our Group-wide intranet, in order to improve communication channels and provide colleagues with easy access to company news, policies, vacancies and so on. We will also be exploring further ways to understand and enhance a consistent culture across our locations so that all colleagues have the same, inclusive experience regardless of their place of work.

We have brought a high level of focus on the critical role that our first line managers fulfil and the importance of effective recruitment, training and development of these colleagues. Colleague retention and reduced turnover is an important issue and we continue to look to identify opportunities to improve this issue. I am confident that the Executive team are responding proactively to the points raised through these forums.

Q What are the next steps?

A We must continue to focus on the participation of a broad range of employees – not just geographically but by experience, role and sector. Our aim is to continue to receive input and opinion from colleagues into what the Board should focus upon to make Wincanton a better place to work and a more successful business.

Visit wincanton.co.uk/why-wincanton/our-people

Division of responsibilities

The Chair

The Chair, Dr. Martin Read CBE, is responsible for leadership of the Board and ensures the Board carries out all aspects of its responsibilities effectively. In particular the Chair is responsible for setting the Board's agenda, ensuring that adequate time is available for discussion of all agenda items and facilitating effective communication with shareholders. Dr. Read was deemed independent on appointment.

Senior Independent Director (SID)

Stewart Oades is the Senior Independent Director on the Board. His role is to act as a sounding board for the Chair and perform an intermediary role to other Directors, where necessary. The Senior Independent Director leads the appraisal and review of the Chair's performance and he is available to shareholders if they have reason for concern that contact through the normal channels of the Chair and Chief Executive Officer has failed to resolve.

Non-executive Directors

Non-executive Directors (including the Chair and SID) have a number of responsibilities, including constructively challenging the Group's strategy, helping to develop possible alternative strategies and appointing, setting remuneration for and (where necessary) replacing Executive Directors.

The Code requires there to be an appropriate combination of Executive and Non-executives, in particular independent Non-executives, on the Board. A good balance of Executive and Non-executive Directors ensures there is healthy discussion and challenge for effective decision-making.

All the Non-executive Directors were deemed to independent on appointment and continue to be so. They were each appointed on the basis of their capabilities, skills, experience and backgrounds thereby providing enriched diversity to support the discussions on the Board. You can read their biographies on pages 56 to 57. Collectively they add value and provide independent oversight and challenge across all corporate and commercial aspects with their contributions and external perspective. Non-executive Directors challenge management and hold them to account; they assist and guide in the development of Group strategy; offer advice and engage with the wider business and its employees as appropriate.

Each Non-executive Director is appointed for an initial fixed term of three years, subject to annual re-election by shareholders at the AGM. Their appointment term may be renewed by mutual agreement with due regard to the Code, their performance, contribution, and their ongoing independence. They are expected to dedicate sufficient time to their role to discharge their obligations effectively. Appointment dates for Board members are set out in the Attendance table on page 59.

The Chief Executive Officer (CEO)

The Board delegates the day to day operation of the Group's business to the CEO whose duties include to propose the Group's strategy to the Board for approval and then deliver it, to ensure that the Governance, Risk and Compliance framework of controls is applied throughout the organisation and to act as a role model for the Company's employees, setting out clearly the Board's expectations about the Company's culture, values and the behaviours expected of every employee.

The Executive Management Team (EMT)

The CEO is supported by his Executive Management Team (EMT). The EMT comprises the senior leadership team that report directly to the CEO and have management responsibility for the business operations and support functions. The EMT meets monthly and relevant matters are reported to Board meetings by the CEO and, as appropriate, the CFO and other EMT members.

External directorships

The Chair and Non-executive Directors hold appointments as directors on a small number of other companies, as detailed in their biographies on pages 56 to 57. It is considered that the Chair and Non-executive Directors allocate sufficient time and commitment to fulfil their duties to the Company.

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

Annual re-election of Directors

In accordance with the Code and the Company's Articles of Association, all Directors are subject to election or re-election by shareholders at the AGM. All the Directors, being eligible, will put themselves forward for annual re-election at the Company's AGM.

Conflicts of interest

Directors are required to notify the Company of any situation that could give rise to a conflict or potential conflict of interest and compromise independent and objective decision-making. The Board regularly monitors and reviews all notifications recorded in the register and considers any situational conflicts at each Board meeting. Where any conflict arises, the Board determines whether or not a Director can vote or be a party to discussions in accordance with the Company's Articles of Association.

The Board is satisfied that potential conflicts have been effectively managed throughout the year.

Board support and the role of the Company Secretary

All the Directors have unfettered access to the advice and services of the Company Secretary.

The Board and its Committees are supported by the Company Secretary who ensures that the Directors are able to discharge their duties and responsibilities in an effective and efficient manner. This means making sure that there are robust and clear Board policies, processes and information in place and that time and resources have been appropriately allocated. It also means ensuring that meetings are efficiently managed and that there are clear communication flows within the Board and its Committees and between the Board and senior members of Wincanton's team.

The Company Secretary keeps Board members briefed on corporate governance and assists with ensuring all decisions are made in accordance with the Matters Reserved, see page 60.

In addition, the Company provides the Directors with access to independent professional advice at the Company's expense, as and when required.

Nomination Committee report

“

I am pleased to say that our Board is functioning well.

Dr. Martin Read CBE
Nomination Committee Chair

Committee membership

Member	Role	Status	Appointment date
Dr. Martin Read CBE	Chair	Independent	August 2018
Gill Barr	NED	Independent	September 2017
Anthony Bickerstaff	NED	Independent	September 2020
Mihiri Jayaweera	NED	Independent	April 2020
Debbie Lentz	NED	Independent	June 2019
Stewart Oades	NED	Independent	November 2014
James Wroath	ED	Executive	February 2021

The above table sets out the Committee membership as at 31 March 2022. It shows the role and independence of the members and the date they were appointed to the Committee. Appointments to the Committee are made for a term of three years and may be renewed for a further two terms. The Committee's composition meets the requirements of the Code.

Attendance for all Board and Committee meetings is set out on page 61.

Dear shareholder

I am pleased to introduce the report of the Nomination Committee and to highlight its main points.

Tim Lawlor, our CFO, left us at the end of the financial year to take on a similar role at Countryside Partnerships plc. He has played a major role in the development of Wincanton over the last six years and we thank him for his loyalty and commitment to the business. We have employed the search firms Egon Zehnder and Independent Search Partners to assist us in appointing his replacement. In the meantime, we are pleased that James Clarke, our Finance Director, UK & Ireland, has stepped up to be Interim CFO.

This year, we carried out an internal Board evaluation. I am pleased to say that our Board is functioning well. There is an open and questioning environment, good diversity of experience and thought, and the Board operates well as a team. The exercise highlighted a few points for us to address and these will be progressed in the new financial year. Further details of the process and the conclusions of the Board evaluation are set out in the report below.

We place great emphasis on management succession and talent identification within the business. Given their importance, these topics are addressed twice yearly at Board rather than Nomination Committee meetings. Our governance structure reflects this. Succession planning for Board members continues to be carried out by the Nomination Committee.

We have formally adopted a Board Diversity Policy. This is in addition to the Diversity Policy that is applicable across the wider Group. The constitution of our Board fully reflects these policies.

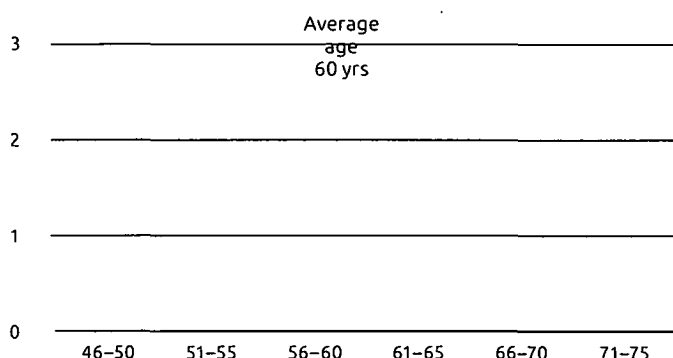
I would like to thank the members of the Committee and those who have supported its work for their contribution over the last year.



Dr. Martin Read CBE
Chair
19 May 2022

Board Directors' age diversity (years)

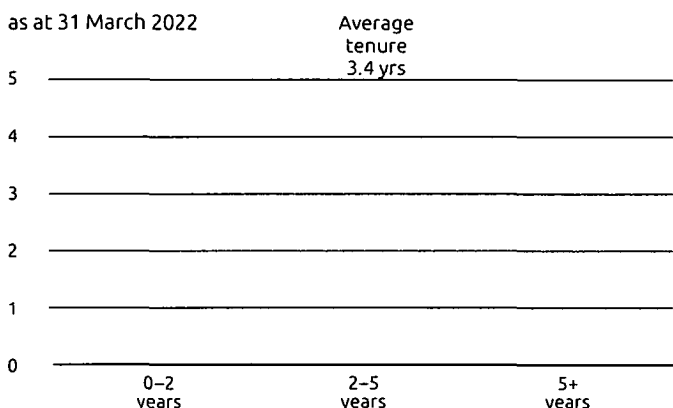
as at 31 March 2022



The average age of Board members has increased from 58.25 years to 60 years following Tim Lawlor stepping down.

Board tenure

as at 31 March 2022



The average tenure of Board members has increased from 2.8 years to 3.4 years following Tim Lawlor stepping down.

Plc Board gender diversity

as at 31 March

Female: 2022 – 43%
2021 – 38%

Male: 2022 – 57%
2021 – 62%

Executive Management Team gender diversity (excludes EDs on the Board)

as at 31 March

Female: 2022 – 29%
2021 – 50%

Male: 2022 – 71%
2021 – 50%

Senior Management Group gender diversity (below EMT)

as at 31 March

Female: 2022 – 27%
2021 – 29%

Male: 2022 – 73%
2021 – 71%

Role of the Committee

The Board has the responsibility for ensuring the Group attracts, retains and incentivises the best talent to support its strategy and long term vision for sustainable success. The Board has delegated the oversight for Board succession planning to the Nomination Committee. The Committee is responsible for reviewing the annual performance evaluation outcomes for the areas under its remit. The outcomes of the Board evaluation process feed into the discussions around succession planning.

The Committee reviews Board composition, balance and committee membership. It considers the independence of Board members, any potential conflicts that have been declared and time commitments.

The framework of the Nomination Committee's duties and responsibilities is set out in its terms of reference which are reviewed annually by the Committee and the Board. These terms of reference can be viewed on the Company's website. The work carried out by the Committee during the year is set out below. The Committee reports to the Board on all items of business considered at its meetings.

CFO recruitment

Tim Lawlor announced his intention to resign on 16 November 2021 to take up the role of CFO at Countryside Partnerships plc. The Board of Wincanton wishes to thank him for his hard work, commitment and contribution to the Group over the last six years. Tim left the business on 18 March 2022.

The Committee delegated the initial stages of the project to replace the CFO to the CEO, the Chair of the Board, the Audit Committee Chair and the Chief People Officer (CPO). A role specification was agreed and we briefed the search firms Egon Zehnder (EZ) and Independent Search Partners. The Company confirms that neither firm has undertaken any other work for the Board of the Group during the FY 2021/22. Both firms drew up a long list of external candidates and the initial interviews were undertaken by the CEO and the CPO, alongside internal candidates who expressed an interest in the role. The full Nomination Committee was involved throughout this process.

Board skills and experience

	Pensions 5	Finance 11	
Environmental 4			City/investor 14
Legal 8			Chief Executive 9
Sales & Marketing 7	Skills and experience matrix The skills review undertaken last year assessed the experience of the Board members in a number of areas deemed particularly relevant to Wincanton's business. Each Director was awarded points ranging between zero for low and three points for high level experience. The maximum possible score for each skill was, therefore, 21 points. The results of this analysis were set out in last year's report and accounts and have not changed. However, we have set out the results differently this year to highlight the diverse experience and skills on the current Board. The skills matrix will continue to be reviewed each year.		
Remuneration 8			Executive 8
			Mergers & Acquisitions 12
People 11			Logistics 11
Automation 4			Retail 11
	Information Technology 9	E-retail 9	

CFO recruitment continued

A short list of candidates who met the job specification and would fit with the culture of the business were interviewed by the Chair of the Board and the Audit Committee Chair. Early in the process, the Remuneration Committee Chair, the Chair of the Board and the CPO were in contact regarding remuneration considerations and the Remuneration Committee Chair has remained engaged in the process throughout. The recruitment process is still ongoing at the time of this report.

In the meantime, James Clarke was appointed as Interim CFO whilst the recruitment process was underway. James is an experienced member of the Group's finance team having held a number of roles at Wincanton since 2017 and he was the Finance Director, UK & Ireland immediately prior to stepping up.

Board evaluation

The Board and its Committees continuously monitor their own performance and seek to improve their effectiveness. Informally this happens through the open channels of communication between members with the support of the senior management team and the Company Secretary. In line with the Code requirements, a formal effectiveness evaluation exercise is undertaken annually, either internally or through an externally led process.

The Board evaluation process

This year, an internal evaluation process was facilitated by the Company Secretary. This process gathered feedback from all Directors, the Secretary and the CPO. A questionnaire was used which particularly focused on the actions and themes arising from the previous year's evaluation.

Questions were designed to elicit how effectively the Board considered the actions from the previous year had been achieved. In addition to scored answers, free text response questions were posed to draw out Board members' comments on overall effectiveness, in line with the Code and the guidance published by the Financial Reporting Council. Responses were submitted anonymously to encourage candid feedback.

Board evaluation outcome

The results of the Board evaluation were positive and affirmed that the Board is well managed, open and questioning and that the members function well as a team.

The key actions from the evaluation are as follows:

- it was felt that the recent visits to Wincanton operated sites had been very insightful but that they could be improved by the opening of each site visit with a more detailed presentation from the site manager before the site tour and by leaving more time to meet colleagues
- the Committee discussed presentations from external advisers received over the past 12 months. It was concluded that future presentations should better set out the objectives to be gained from the session
- the setting up of an ESG Committee was agreed, to be chaired by the CEO and to include a permanent Non-executive member and any other Non-executives who wished to attend. The Committee will focus on strategy, target setting, performance and communication
- the new approach to the strategic agenda was felt to be effective. There will be a particular focus on the People cog of the strategy in the coming year, in support of the Group's Social agenda.

Priorities for 2022/23

An external evaluation will be held in 2022/23. The last external evaluation took place in 2019 and was conducted by Condign Board Consulting.

Performance of the Chair

The performance of the Chair was assessed by the Senior Independent Director with feedback from the Executive and Non-executive Directors, plus the Secretary. It was considered that Dr. Read remains an effective Chair, as supported by the outcome of the Board evaluation.

Performance of individual Directors

The Chair reviewed the performance and contribution of each of the Non-executive Directors individually. These reviews confirmed that each Board member continues to make an effective contribution to the Board and the various Committees on which they serve.

Board Diversity Policy

The Board is committed to diversity in its broadest sense. It recognises that a diverse Board is likely to lead to better decision-making as a result of the varied background, experience, ways of thinking, gender and ethnicity of its members.

The Board believes that its own membership is an important factor in delivering the Wincanton Group's diversity and inclusion commitments. As a people-driven business, Wincanton places particular emphasis on developing a diverse and inclusive culture, which reflects its employee population and the communities in which it operates.

The Board Diversity Policy takes account of the voluntary targets for gender and ethnic diversity as set out in the Hampton-Alexander Review and Parker Review respectively. We aim to continue to exceed the target of 33% female representation on the Main Board and maintain a minimum of one Board Director (either Executive or Non-executive) from an ethnic minority background. We only engage with search agencies that understand the Board's aims and share the diversity values of the Group when identifying candidates for Board appointments, including candidates with little or no previous FTSE-listed Board experience.

Non-executive Director (NED) training and awareness

Through the year, the NEDs undertake various training and awareness sessions. The Secretary retains a record of the sessions completed to evidence that the NEDs are taking their continued professional development obligations seriously. To supplement this individual self-development by the NEDs, the Secretary and members of her Governance, Risk and Compliance team undertook a risk awareness session with each Director on a one to one basis in the year. These sessions had two objectives: firstly to raise awareness with the Board members of the legal and regulatory risk posed to the Group; and secondly to identify any areas of development needed for each Director. Directors gave their opinion on areas of risk identified through their experiences elsewhere and these insights have been factored into the Group's risk management and assurance workplan.

Audit Committee report

“

The work of the Committee has reflected the changing risk landscape as businesses move out of the effects of the pandemic.

Anthony Bickerstaff
Audit Committee Chair

Committee membership

Member	Role	Status	Appointment date
Anthony Bickerstaff	Committee Chair	Independent	September 2020*
Stewart Oades	NED	Independent	November 2014
Mihiri Jayaweera	NED	Independent	April 2020

* Chair with effect from 1 March 2021.

The table above shows the Audit Committee membership as at 31 March 2022, the role and independence of the members and the date of their appointment to the Committee. Appointments to the Committee are made for a term of three years and may be renewed for a further two terms.

Attendance for all Board and Committee meetings is set out on page 61.

For the purposes of the Code, the Board is satisfied that Anthony Bickerstaff has recent and relevant financial experience and that the Committee's composition meets the requirements of the Code.

Dear shareholder

I am pleased to present the Audit Committee's report for the year ended 31 March 2022.

The Committee supports the Board in fulfilling its corporate governance responsibilities and has continued to ensure that robust and effective risk management processes and internal controls remain in place. The framework of the Committee's duties and responsibilities is set out in its terms of reference, which are reviewed annually by the Committee and the Board. The terms of reference can be viewed on the Company's website www.wincanton.co.uk/investors/corporate-governance/board-committees/.

Wincanton has had a successful year, despite the problems arising from Covid-19, supply chain disruption, driver shortages and economic factors, including inflation.

The focus of the Committee's financial review activities has been:

- the half year and full year results
- monitoring the significant judgements made in the Group's financial reporting
- consideration and recommendation of the interim and final dividends to shareholders.

The Committee has also considered the integration and accounting treatment of the acquisition of the Cygnia entities. Further details of the activities this year are provided in the report below.

Following the External Auditor BDO's first full financial year with Wincanton, the annual evaluation of audit effectiveness has been completed and is described in this report.

As the risk landscape continues to change as businesses move out of the worst of the effects of the pandemic, the Committee has overseen the continued strengthening of risk management across the business as a whole. This has involved the development of a heat map, deep dives into individual operational and Group risks and refinement of the risk appetite statement. Read more about our risk management on pages 44 to 51.

There has been a particular focus for the Committee on cyber security which has been identified as a principal risk for the Group and is considered a heightened risk given the Russian/Ukraine conflict. We have also strengthened our controls and processes around sanctions and money laundering for the same reason.

I have been heavily involved in the recruitment process of our new CFO and the process is ongoing at the time of this report.

Focus in 2022

In the coming year, the Committee will ensure that the new Head of Internal Audit and CFO provide a good continuity of support to the business as they settle in to their respective roles.

The Committee will continue to monitor the impact of macro events on the Group, particularly global conflicts, the effects of inflation and other external cost pressures. There will be a continued focus on enhancing the assurance around the Group's climate change strategy and its reporting.

The Committee will continue to ensure that robust internal controls and risk management systems are in place and effective and that best practice is implemented. Deep dives will be conducted as appropriate to include cyber security and the Oracle Cloud implementation.

The Committee welcomes constructive engagement on any of the areas under its remit. I will be available at the AGM and can be contacted through the Company Secretary.

Anthony Bickerstaff
Audit Committee Chair
19 May 2022



Role of the Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities by:

- monitoring and reviewing the content and integrity of the Company's financial statements and narrative reporting, including review of the significant financial reporting judgements contained therein
- considering the appropriateness of adopting the going concern basis of accounting, identifying any material uncertainties and reviewing the methodology and robustness of the viability assessments undertaken
- reviewing the Company's internal and external controls, risk management framework and the quality of the internal and external audit processes
- reviewing certain Group policies including Non-audit Services, Tax, Treasury, Anti-Bribery and Corruption, Share Dealing, Speaking Up, including the procedures in place for whistleblowing and Sanctions
- overseeing the engagement with the External Auditor and reviewing and monitoring their independence and making recommendations to the Board regarding their remuneration and terms of engagement.

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

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

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

Systems of internal control and risk management

The Committee monitors and reviews the Group's systems of internal control and risk management on behalf of the Board.

The Wincanton finance manual sets out the Group's policies, procedures and controls and is regularly updated to ensure that there is continuous improvement to the Company's control environment.

The Group's systems and controls are designed to ensure that exposure to significant risk is reduced and mitigated to the fullest extent possible, with acknowledgement that not all risk can be eliminated.

Details of the Group's principal risks and uncertainties, its systems for risk management and control, and statement following the viability assessment are set out on page 48 of the Strategic Report.

The Audit Committee receives regular updates on the development and operation of the Risk Management Framework and during the year received reports on the continued development of the Group Risk Register to better align with the Group strategy, which includes a rolling programme of deep dives into individual risks, and on the update of methodology for risk reporting and administration.

Audit Committee effectiveness evaluation

The effectiveness of the Audit Committee was considered as part of the Board and Committee Evaluation, the process for which is described in detail on page 69.

Positive results were received in response to the Audit Committee related questions in the evaluation, with the quality and presentation of the information received from management scoring particularly highly. Actions for the Committee as a result of the evaluation include a further review of the length of Committee papers to increase efficiency, and a review of the agenda setting process to allow wider input at an earlier stage.

The members of the Audit Committee receive regular opportunities for training to ensure their knowledge of current best practice is up to date, as is the case for all Board members. They all play a full role in ensuring the Committee meets its objectives and responsibilities, and there is no over-reliance on any particular Committee member.

Audit Committee report continued

Activities this year

During the year, the Committee held four scheduled meetings to deal with procedural matters as required. The Audit Committee also met privately with the External Auditor and separately with the Head of Internal Audit after three of those four meetings.

May 2021 – meeting 1	May 2021– meeting 2	November 2021	January 2022
Year end Review of final draft preliminary announcement Review of final draft Annual Report and Accounts Going Concern: Review of methodology of the process used to compile the going concern and viability statements, including modelling of severe but plausible downside scenarios, and stress testing	Year end approvals Annual Report and Accounts including External Auditor's year end report summary for sign off Review of Stock Exchange Announcement of preliminary results for sign off	Half year: Review of draft Half Year Statement for recommendation to the Board Review of the half year going concern statement	Consideration of governance, themes and planning for the Annual Report and Accounts
Review of accounting estimates, judgements areas and compliance, including financial reporting and accounting policy Approval of accounting judgements report Review of Non-audit fees report for approval		Review of accounting estimates, judgements areas and compliance, including financial reporting and accounting policy	Review of accounting estimates, judgements areas and compliance, including financial reporting and accounting policy Finalisation of accounting process for Cygnia acquisition for sign off
Consideration of final dividend recommendation proposal and recommendation to the Board		Consideration of interim dividend proposal and recommendation to the Board	
External Audit: Review of annual year end report to the Audit Committee incl. draft audit opinion including Auditor independence & objectivity and compliance with ethical and professional guidance)		External Audit: Review of half year report to the Audit Committee including letter of representation, Auditor independence and objectivity and compliance with ethical and professional guidance Review of External Auditor fee for recommendation to the Board Consideration of process for External Auditor effectiveness evaluation Review of Non-audit Fees Policy and Report	External Audit: Review of External Auditor annual audit plan Annual effectiveness evaluation Approval of Auditor terms of engagement
Review of Risk Management Report Review of Internal Controls report		Review of Risk Management Report Risk Management Update and approval of half year risk disclosure statement Review of fraud controls report	Review of Risk Management Report Group Risk deep dives
Financial Control Environment & Assurance update		Review of Committee annual workplan	Annual review of Treasury & Tax policy
Receipt of Speaking Up (whistleblowing) Register update		Receipt of Speaking Up (whistleblowing) Register update	Receipt of Speaking Up (whistleblowing) Register update

Priorities for next year include:

- ensuring continuity of support to the business and the Committee from the new Head of Internal Audit and CFO when appointed
- monitoring and reviewing processes and controls in light of the fast moving geo-political and regulatory environment

- continued oversight of the Group's risk management systems, continuing with deep dives into specific Group Risks against the backdrop of developing macro-economic events
- ongoing focus on further strengthening internal controls and ensuring that they continue to be applied whilst at the same time addressing the efficiency of operations and delivery of service to our customers

- continuing to monitor the delivery of the Oracle Cloud Enterprise Resource Planning (ERP) solution, implemented to substantially reduce risk and improve control across Finance, People and Procurement processes whilst reducing current infrastructure and future upgrade costs
- monitoring and implementing as appropriate best practice in good governance and internal controls for Audit Committees.

Internal Audit Function

The Group's Internal Audit (IA) function independently reviews and tests the effectiveness of the internal controls and risk management systems through an annual IA programme, to ensure the Group complies with corporate governance and regulatory responsibilities.

The Head of Internal Audit and Assurance reports to the Audit Committee Chair and has direct access to the Chief Executive Officer and

Chief Financial Officer. In addition to attendance at all Audit Committee meetings, the Head of Internal Audit reports regularly on Internal Audit reviews to the Executive Management Team and the Risk Management Committee.

The Internal Audit reports produced consider the extent to which systems of internal control and risk management are designed, operate effectively, manage or mitigate key risks, and safeguard assets or limit liabilities.

The IA role and the scope of its work are regularly reviewed to ensure it remains independent, fit for purpose and addresses business changes and regulatory requirements. The formal Audit Charter is reviewed for approval by the Committee annually. This year the IA team completed its planned number of audits, with audit report grades showing a year on year improvement.

Significant financial judgements and key sources of estimation uncertainty

Area of focus	Role of the Committee	Conclusion
Pensions: Defined Benefit Scheme	The Committee considered the key assumptions used in calculating the pension asset and obligation and related income statement items. These have been based on reports produced by the external investment manager and the Scheme actuary.	The Committee concluded that the valuation of the assets and the assumptions made about the discount rate, mortality, Consumer Price Index and Retail Price Index were appropriate and that the disclosures in the Annual Report were appropriate.
Provisioning	The Committee considered the management judgement applied in determining the amount and timing of provisions, reviewing reports on the provisions held, including property, insurance, legal claims and other, during the year and as part of the year end process. A key source of estimation uncertainty arises in relation to the insurance provision, and the determination of the assessment of claims incurred but not received (IBNR).	The Committee receives regular updates on legal claims and the level of provisions assessed by management. The Committee satisfied itself that the level of provisions was appropriate.
Goodwill and other impairment reviews	The Committee has reviewed management's approach to impairment reviews, including the key estimates and judgements made. They have challenged the cash flows, and projected financial information in light of the historical results and the current industry conditions.	The Committee concluded that the key judgements and assessments used are appropriate and reasonable. There is sufficient headroom and no goodwill impairment is required. The Committee satisfied itself that the impairment provisions made relating to other assets were appropriate.
Acquisition and fair value	The Group acquired 100% of the equity shares in Caledonia Bidco Limited and its subsidiaries which include Cygnia Logistics Limited. Management, supported by an external team, have undertaken a purchase price allocation exercise to identify and measure any acquired intangible assets separately from goodwill.	The Committee was satisfied with the purchase price allocation and related disclosures regarding the acquisition.
Revenue recognition	The Committee has considered management reports on the following: – accounting for new and modified contracts under IFRS 15, in particular: the assessment of whether promises in contracts constitute performance obligations; whether the services are distinct; and whether they have been priced at a standalone selling price – the assessment of start up costs in determining if they relate to an upfront fee or should be spread over the contract term – the monthly assessment of accrued and deferred revenue to ensure revenue is accounted for in the correct period, as the contracts and invoicing arrangements vary considerably and differ depending on the customer.	The Committee concluded that management have a robust process in identifying new contracts and undertake detailed reviews of significant contracts to identify the appropriate accounting treatment. Similarly, management's appropriateness of the recognition of revenue was considered satisfactory.
Alternative performance measures and non-underlying items	The use of alternative performance measures and disclosure of non-underlying items requires significant judgement given that these measures are used in addition to statutory performance measures and that no accounting standard defines specifically what items should or what items should not be presented as non underlying.	The Committee considered management's presentation of non-underlying items to ensure that alternative performance measures have not been given undue prominence and are clearly reconciled to statutory information, and assessed the reasonableness of the assumptions. The Committee agreed with the recommendations made by management.
Going concern and viability	The Committee has considered if the Group has access to sufficient resources to continue as a going concern. It has reviewed management's assessment of going concern and long term viability, including the availability of committed facilities and the associated financial covenants. The Committee has given particular attention to the downside scenarios applied and the disclosures made in respect of the going concern and viability statements.	The Committee concluded that it is appropriate to prepare the accounts on a going concern basis and recommend approval of the viability statement together with the associated disclosures.

Internal Audit Function continued

The Committee noted how greater collaboration between the IA team and the wider business, along with the IA team's approach and assistance whilst performing fieldwork had resulted in faster resolution of issues and positive feedback from the business.

The Internal Audit plan has been developed alongside the risk management process each audit mapped into the relevant Group. Risk register includes reviews of key risks, cyclical audits of basic areas of process and site control environment reviews. In addition there is a specific plan for financial and non-financial reviews of commercial contracts. The IA plan includes contingency time to allow for investigation of emerging risks.

Internal Audit Effectiveness Evaluation

The UK Corporate Governance Code and the Institute of Internal Auditors call for a regular quality assessment of the IA function. Wincanton assesses effectiveness annually, this year by questionnaire completed by the Committee, members of the Board, the EMT and managers of those areas that had been audited during the year. Very positive results were returned regarding the skill and consultative approach of the IA team, and noting their clear communication and reporting. Areas to develop in the coming year include increasing the awareness throughout the business of IA's role as the third line of defence, and the use of technologies to increase efficiency.

The Head of Internal Audit left the Company in February 2022 to take up a position with another company, and pending the recruitment of a permanent replacement there has been an Interim Head of Internal Audit in place. The team has also recently been supplemented by an additional member to focus primarily on the audit of commercial contracts.

External Auditor

External Auditor Effectiveness and Independence Evaluation

The Audit Committee evaluates the effectiveness and independence of the External Auditor and its audit process annually in respect of performance and conduct, taking into consideration relevant UK professional and regulatory requirements. As reported in our Annual Report and Accounts for 2021, this year was the first evaluation of BDO as Wincanton's statutory auditor, following their appointment in 2020. The evaluation process included:

- an effectiveness questionnaire open to all members of the Audit Committee, all other members of the Board, the Company Secretary and the Group Financial Controller
- feedback was sought on the year end process and scope of the audit, communication between respective

teams, evidence of independence, challenge and insight and the auditor's commitment to audit quality

- the review of feedback from the central Finance team directly involved in the external audit for year ending March 2021
- an effectiveness discussion as scheduled annually at the Audit Committee.

Whilst the results made reference as expected to this being the Auditor's first full year, the new engagement team and unfamiliarity both with the Company and its working practices, the Committee were satisfied that the External Auditor is independent, objective and was effective in the external audit process.

The Audit Committee has considered the latest Financial Reporting Council (FRC)'s Audit Quality Inspection and Supervision report on BDO for the 2020/21 period which included the FRC's findings on a sample of BDO audits inspected and firm-wide procedures, in line with recommended governance practice for Audit Committees.

The Audit Committee have discussed the findings with the BDO engagement partner and was provided with an overview of actions already undertaken in response to the FRC report. BDO has publicly reaffirmed that quality is its absolute priority and expressed its confidence that the steps being taken will result in sustained improvements.

The Committee Chair has continued their dialogue with the External Auditor outside of scheduled meetings in order to provide more detailed feedback and strengthen the service provided from the audit firm as the engagement moves into its second year.

Auditor independence

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

For the audit of these financial statements the External Auditor has confirmed compliance with the firm's ethics and independence policies, partner and staff compliance with their ethics and independence manual, including prohibition on holding Company shares. BDO has assured the Group their ethics and independence manual is fully consistent with the professional practice rules of the FRC, the auditor's regulator.

Every significant new engagement undertaken for the Company is subject to acceptance procedures, requiring consultation with the Senior Statutory Auditor.

Sophia Michael has remained the Senior Statutory Auditor since her appointment in July 2020.

Non-audit services

The FRC Ethical Standard sets out the permissible non-audit services that External Auditors can perform, and BDO ensures that any requests from the Company to provide non-audit services, to any BDO office, are considered in the context of the Company's policy and the FRC's ethical standards.

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

Ratio of audit to non-audit work

as at 31 March (£m)

Audit fees:	2022 – 0.59 2021 – 0.5
Non-audit fees:	2022 – 0.08 2021 – 0.1

Non-audit fees solely represent the External Auditor's review of the half year financial statement. The level of non-audit fees and the ratio to audit fees is not considered to give rise to any impairment of the auditor's independence or objectivity.

Full disclosure of audit and non-audit fees paid in the year ended 31 March 2022 are set out in Note 4 'Operating profit' to the financial statements on page 120.

Audit Committee consideration of the fair, balanced and understandable statement

This Annual Report and Accounts is subject to a verification process undertaken by section contributors and independent reviewers, and, at the request of the Board, an overall review by the Audit Committee. In conjunction with these verifications and considering its own discussions during the year, the Committee forms an opinion on whether the Annual Reports and Accounts as a whole is consistent and balanced. The Committee then recommends approval of the Report to the Board.

The statement of Directors' responsibilities can be found on page 95.

Remuneration Committee report

“

The Committee seeks to ensure a clear link between Executive Directors' pay, the delivery of Group strategy and enhancement of shareholder value.

Gill Barr
Remuneration Committee Chair

The Remuneration Committee's report set out on pages 75 to 91 provides detailed explanation of its delegated responsibilities and its work during the year. The Company's remuneration structure has been designed to support strategy as well as promote long term sustainable success.

Contents

	Page
Committee Chair introduction	75
At a glance – outturn and Policy Implementation	80
Report on Remuneration	82
Directors' Remuneration Policy – A Summary	89

Committee membership

Member	Role	Status	Appointment date
Gill Barr	Committee Chair	Independent	September 2017
Debbie Lentz	NED	Independent	June 2019
Dr. Martin Read CBE	Chairman	Independent	August 2018

The table above shows the Remuneration Committee membership as at 31 March 2022, the role and independence of the members and the date of their appointment to the Committee. Appointments to the Committee are made for a term of three years and may be renewed for a further two terms. Attendance for all Board and Committee meetings is set out on page 61.

Dear shareholder

I am pleased to present the Remuneration Committee (the Committee) report for the financial year ended 31 March 2022 on behalf of the Board.

Remuneration and its strategic context

The Committee seeks to ensure a clear link between Executive Directors' pay, the delivery of Group strategy and enhancement of shareholder value.

Wincanton remains committed in its chosen markets to driving growth throughout the business through innovation and adopting new technologies. Despite the challenging economic environment created by the driver shortages and the continued economic impact of Covid-19, Wincanton continues to win in the market with a relentless focus on the delivery of our strategy.

Outturns for the year

Wincanton has had a successful year, despite the continuing problems arising from Covid-19 and supply chain disruption. Growth in underlying profit before tax increased by 23.1% to £58.1m in the year ended 31 March 2022 which also represents significant growth on the pre-pandemic profit before tax level of £52.8m in the year ending 31 March 2020.

During the year, encouraging progress has been made in delivering against our strategic objectives, including the considerable strengthening of our capabilities in eFulfilment through the opening of our state of the art automated eFulfilment facility in Rockingham and our acquisition of Cygnia.

I would like to congratulate our colleagues for their role in driving another successful year for the Company and thank them for their continued diligence and commitment.

Annual Bonus awards for the year were based 75% on underlying profit before tax and 25% on the achievement of strategic objectives. In light of the acquisition of Cygnia, the underlying profit before tax targets were increased from those set at the start of the year in order to ensure the targets were no easier to satisfy than those set at the start of the year. Performance against these targets resulted in an Annual Bonus outcome of 66% for James Wroath.

Remuneration Committee report continued

Outturns for the year continued

Tim Lawlor stepped down from the Board on 28 February 2022 and as a result, was not eligible to receive an Annual Bonus for FY22.

LTIP awards vesting in the year were based 60% on EPS growth and 40% on TSR performance relative to the FTSE All-Share Index (excluding investment trusts).

EPS growth in the period was 6.8% p.a. and TSR outperformance of the Index was 12.4% p.a., resulting in overall vesting of 61.8% of maximum.

We considered the amounts carefully in the context of the Group's performance, and the current environment, and determined that the amounts were a fair reflection of performance in this past financial year.

Salary review

During the year, the Committee undertook a review of James Wroath's salary as part of our annual review cycle, taking into account a wide range of factors including both individual and Group performance. As part of this, we engaged with our largest shareholders, covering approximately 72% of our shareholder base, who were supportive of the proposed salary adjustment based on the following rationale:

- on appointment, James' salary was set below the level of his predecessor reflecting that this was his first CEO role. In line with best practice, his pension was set at the wider workforce rate
- James has now been in the role for two and a half years, and has become an established CEO with a strong track record at Wincanton. Over this period, he has successfully led Wincanton's sustained success and progress, including navigating challenging external headwinds such as Covid-19 and pressures on the global supply chain
- he has overseen a period of significant growth, both organically and through acquisitions, which is reflected in the value that has been delivered to our shareholders. In his time since appointment Wincanton has achieved total shareholder returns of c.80% compared to a return of c.37% in the FTSE SmallCap over the same period.
- we consider that he has a high level of marketability, particularly in light of his experience working in both the UK and the US.

While benchmarking was not the primary driver of the decision, in considering the appropriateness of this adjustment the Committee reviewed FTSE SmallCap market data which took into account market capitalisation, revenue and headcount. The adjustment we are making positions our CEO around median against this FTSE SmallCap group, which the Committee considers to be appropriate based on the size and complexity of the Company.

Following consultation, the Committee determined that a salary adjustment, representing a 15% salary adjustment plus the 4% wider workforce salary increase, should be made.

	FY22 salary	Wider workforce salary increase	Additional salary adjustment	FY23 salary (effective 1 July 2022)
James Wroath	£433,500	4.0%	15.0%	£515,865

While the Committee is aware of and recognises sensitivities around salary increases, we believe the adjustment is strongly in the interests of Wincanton for the reasons outlined above. The salary adjustment is intended to be one-off in nature based on the context set out above.

I was pleased with the strong support for our proposal from the shareholders we consulted with. I continue to be delighted with the recognition of the performance and high calibre of our management team, and I would like to thank all shareholders for taking the time to engage and for the feedback provided.

Incentives for FY23

There are no significant changes to the overall incentive framework for FY23.

Wincanton is a people-powered business, employing around 20,000 people across the UK, and our workforce values are a key part of supporting our success. For FY23, a quantitative diversity and inclusion metric has been added, reflecting our values as a company that aspires and works proactively to achieve a diverse workforce across all levels of our business. The Annual Bonus measures will therefore be based 70% on underlying profit before tax, 5% on a quantitative diversity and inclusion metric and 25% on other strategic objectives.

The maximum Annual Bonus opportunity will remain at 100% of salary for the CEO.

The 2022 LTIP Award levels will remain unchanged at 150% of salary for the CEO. Performance measures will continue to be based 50% EPS and 50% on relative TSR.

In the forthcoming year, we will be conducting a review of our Remuneration Policy as part of the normal three year cycle in which further consideration will be given to the operation of the remuneration framework, including a review of the performance measures used in the incentives. We anticipate that this review will include further consideration of the way in which our sustainability agenda links to our incentive framework.

Remuneration arrangements for former CFO

As announced on 16 November 2021, Tim Lawlor stepped down as a Director and Chief Financial Officer of the Company on 28 February 2022 and continued to be employed by the Company until 18 March 2022. In line with the approved Directors' Remuneration Policy, Tim Lawlor did not receive an Annual Bonus for FY22 and all unvested awards under the Deferred Annual Bonus and Long Term Incentive Plan lapsed in full. No payment in lieu of notice was made. Further details of Tim Lawlor's leaving arrangements can be found on page 85.

Resolutions proposed at the AGM

The Annual Report on Remuneration will be presented to shareholders for an advisory vote at the forthcoming AGM.

I hope that our shareholders will continue to support the decisions we have made.



Gill Barr
Remuneration Committee Chair
19 May 2022

Consideration of wider workforce pay and conditions

Wincanton is a people-powered business, with dedicated teams at the heart of the service we aim to deliver to our customers. We are therefore committed to ensuring the pay and conditions of our workforce allow our colleagues to achieve their full potential and provide a great customer experience.

Remuneration below the Board

- Salary levels are set in line with market requirements and the workforce salary environment is taken into consideration when reviewing salary increases for EDs and the EMT.
- All employees are eligible to participate in the Wincanton plc Pension Scheme.
- The Company provides a range of benefits for employees. These are accessed online through a benefits and communication platform that also keeps colleagues updated with Company information.
- Strong individual, business line and Company performance is incentivised and recognised through our Annual Bonus schemes and, for our most senior employees, the LTIP.
- Recognition of great performance and outstanding achievements through our new Company-wide, peer to peer recognition platform 'A Little Thank You', alongside our 'Wincanton Way' and 'Driver of the Year' awards. The Driver of the Year competition is a highly celebrated annual event that recognises the very best skill, talent, professionalism and knowledge from drivers across the business. We did not hold the Driver of the Year event last year but it will be back in 2022.
- Employee ownership in the Company and alignment with the delivery of the Group strategy is encouraged through participation in the Share Incentive Plan (SIP).

Workforce engagement

Under the leadership of the Senior Independent Director, a process is in place to engage with all employees through a series of site based meetings to ensure employee opinion is considered in informing Board decision-making. These meetings provide the opportunity to inform the attendees on matters considered of interest to them including board strategy, remuneration strategy, diversity and inclusivity, corporate values and communication. During the year we held a mixture of face to face and Teams sessions.

We have a number of initiatives in place to allow us to listen to the views of our staff and act upon them to ensure Wincanton is a great place to work.

These include:

- listening group meetings with all major employee stakeholders and steering groups for other key colleagues including general managers and drivers, in addition to our regular departmental and Group-wide meetings
- the EMT hosts regular business briefings to update managers on the Group's business performance and new innovations, as well as providing opportunities for managers to raise questions through our Q&A sessions
- regular PULSE engagement surveys.

Please refer to page 64 for details of how we have responded to points raised from these engagement sessions.

The continuing impact of Covid-19

- We have continued with many of the initiatives we started through the early stages of the pandemic, such as our wellbeing initiatives, including the

development of iSmile, an app that enables us to communicate directly with colleagues.

- We have developed a number of training programmes over the past year to support our colleagues on wellbeing issues.

Not all about pay

We are committed to making Wincanton a great place to work where our employees feel safe, appreciated and engaged. We foster and embrace employee diversity and inclusion and encourage our people to live our values. We work hard to ensure that employees of all backgrounds, genders and ethnicities are valued equally and are offered the same opportunities within an inclusive workplace. We have continued our support to the CBI Change the Race: Ratio to show our corporate commitment.

At Wincanton, we place great importance on providing development opportunities for all our employees to build their careers. Employees are able to enhance their skills through a portfolio of training and development opportunities including apprenticeship, graduate and leadership programmes.

Pay ratio

The CEO pay ratio table shows the ratio of pay between the CEO of Wincanton and Wincanton's UK employees. The ratio compares the total remuneration of the CEO against the total remuneration of the median UK employee and those who sit at the 25th and 75th percentiles.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020	Option B	63:1	49:1	41:1
2021	Option B	38:1	32:1	22:1
2022	Option B	57:1	47:1	35:1

Employees	25th percentile pay	Median pay	75th percentile pay
Salary	£19,603	£23,763	£30,726
Total pay and benefits	£20,214	£24,567	£32,586

Wincanton's CEO pay ratios have been calculated using Option B, based on the availability of data at the time the Annual Report was published. This uses the most recent gender pay data to identify the three employees that represent our 25th, 50th and 75th percentile employees. The total remuneration for these individuals has then been calculated based on all components of pay for 2021/22, including base salary, performance-based pay, pension and benefits. The Committee considers that this provides an outcome that is representative of the employees at these pay levels.

Where an identified employee was part-time, their figures have been converted to a full-time equivalent. No other adjustments were necessary and no elements of employee remuneration have been excluded from the pay ratio calculation.

The date by reference to which the Company determined the 25th, 50th and 75th percentile employees was 31 March 2022.

The year-on-year increase in the pay ratio reflects both that in 2021 the CEO had a proportion of total remuneration paid impacted by the pandemic, and that in 2022 the CEO has a greater amount of performance pay. This has meant the ratios have moved back toward the level of 2020, with some improvement. The Committee believes that the median pay ratio is consistent with the remuneration policies of the Company, and consider wider workforce pay and conditions in determining CEO remuneration as outlined at the top of this page.

Consideration of wider workforce pay and conditions continued

Gender pay

	Mean	Median
Hourly rate of pay	2021/22: 6% (2020/21: 10%)	2021/22: 9% (2020/21: 10%)
Bonus pay	2021/22: 51% (2020/21: (21%))	2021/22: 32% (2020/21: (8%))

This year our mean and median gender pay gaps of 6% and 9% respectively show year on year improvement across both measures. The median gender pay gap is lower than the national figure published by the Office for National Statistics, in October 2021, of 15.4%.

The proportion of women in the upper two quartiles of pay has also improved year on year while we have seen a stabilisation of the proportion in the lower two quartiles.

The bonus pay gap has widened in comparison to 2020/21 with the mean gap at 51% and the median bonus gap at 32%. The proportion of the employee population receiving a bonus has though increased for both males and females, although no management bonus was paid in the period under review due to the pandemic.

Diversity and Inclusion

As a people-driven business, Wincanton places particular emphasis on developing a diverse and inclusive culture.

Wincanton was proud to support National Inclusion Week this year at our customer focused 'It's All About Inclusion' Conference on 30 September, at the WEB, our state of the art eFulfilment centre. The event was host to speakers from organisations including HS2, Nestlé and B&Q and themes such as disability, inclusive procurement and inclusive leadership were discussed alongside workshops focusing on race, mental health and women in logistics.

For more information on how we are leading the way on Diversity and Inclusion see page 33.

Key Committee activities in the year

Pay and reporting

- Consider exit arrangements for the outgoing CFO.
- Consider pay recommendations for the CEO and Executive Management Team.
- Approve incentive outcomes for Executive Directors and Executive Management Team, including the consideration of impact of the Cygnia acquisition.
- Consider incentive grants to Executive Directors and other senior management, including performance measures and targets.
- Monitor performance for unvested LTIP awards.
- Approve vested share awards and leaver treatment.
- Review all employee reward.

Governance, reporting, stakeholders

- Review of Executive Director remuneration arrangements against governance changes and good practice.
- Consider the Group HR strategy and compliance with Policy.
- Approval of remuneration reporting.
- Annual review of Committee's terms of reference.
- Shareholder consultation.

Committee responsibilities and composition

The Committee is responsible for ensuring that the remuneration of Directors and senior management supports the delivery of the strategic goals of the Group without encouraging undesirable risk-taking behaviour. This is achieved through the Committee approving all aspects of Executive Director and Executive Management Team remuneration, and monitoring pay arrangements for the wider workforce.

The terms of reference set out the full responsibilities of the Committee, and are available on the Group's website at www.wincanton.co.uk

The Committee comprises three members including Gill Barr as Committee Chair, Dr. Martin Read CBE, and Debbie Lentz. All Committee members have been on the Committee throughout the reporting period.

There were five Committee meetings held during the year.

During the year, all members of the Committee were independent Non-executive Directors, and were selected to represent a broad range of backgrounds and experience to provide balance and diversity. The Chief Executive Officer, Chief Financial Officer and Chief People Officer may attend the Committee's meetings by invitation to provide advice and assistance on specific matters. The Company Secretary acts as Secretary to the Committee. No attendee is present when their own remuneration is being discussed.

Further details of Committee membership and attendance at meetings are shown in the Corporate Governance report on page 61.

UK Corporate Governance Code: Provision 40

When considering the proposed operation of the Remuneration Policy for FY23, the Committee was mindful of the following factors set out in the Code:

Clarity	The Committee welcomes open and frequent dialogue with shareholders on the approach to remuneration. During the year, the Committee consulted with major shareholders in relation to the CEO FY23 salary. We refreshed and simplified our approach to remuneration disclosure in 2019.
Simplicity	Our remuneration arrangements for Executive Directors, as well as those throughout the organisation, are simple in nature and well understood by both participants and shareholders.
Risk	The Committee considers that the structure of incentive arrangements does not encourage inappropriate risk-taking. Under the Annual Bonus and LTIP, discretion may be applied where formulaic outturns are not considered reflective of underlying Company or individual performance. Annual Bonus deferral, the LTIP holding period and our shareholding requirement, including post-cessation shareholding requirement, provide a clear link to the ongoing performance of the business and the experience of our shareholders. Malus and clawback provisions apply to both the Annual Bonus and LTIP.
Predictability	Our Remuneration Policy contains details of threshold, target and maximum opportunity levels under our Annual Bonus and LTIP, with actual outcomes dependent on performance achieved against predetermined measures and target ranges. This is illustrated by the scenario charts included within the approved Remuneration Policy. Discretion provisions under the Annual Bonus and LTIP allow the Committee to adjust the formulaic outcomes where considered appropriate, including where the outcome is not considered appropriate in the context of circumstances that were unexpected or unforeseen at the start of the relevant period.
Proportionality	The Committee's ability to apply discretion ensures appropriate outturns in the context of long term Company performance. The rebalancing of the incentive package to the long term, the holdings periods, and the strengthening of our bonus deferral all provide greater alignment between Executive Directors' remuneration outcomes and long term Company performance. Our performance measures and target ranges under the Annual Bonus and LTIP are aligned to Company strategy.
Alignment to culture	Wincanton is a people-powered business, with dedicated teams at the heart of the service we aim to deliver to our customers. Consideration of the pay and conditions of our workforce is therefore an important perspective for considering executive pay. All employees are entitled to participate in the pension scheme. The pension level for the CEO and new Executive Director appointments has been set at the rate provided to the wider workforce. Strong individual, business line and Company performance is incentivised and recognised through our Annual Bonus schemes and, for our most senior employees, the LTIP.

Element	Year ended 31 March 2022 outturn
---------	----------------------------------

LTIP				
	Minimum vesting		Maximum vesting (Full vesting)	Outturn
TSR 40%	TSR in line with index	Index +12.4%	TSR equal to index +10% p.a.	100%
EPS 60%	6% p.a. growth	6.8% p.a. growth	11% p.a. growth	36.3%
Wincanton outturn				
Total vesting: 61.8% of maximum				

[illegible]

'At a glance' – Implementation for the year ended 31 March 2023

Element	Summary of implementation for the year ended 31 March 2023		
Salary	Salary adjustment of 15% plus the 4% wider workforce salary increase for the CEO implemented with effect from 1 July 2022.		
		Salary from 1 July 2022	Increase
	James Wroath	£515,865	15% + 4%
Pension and benefits	- Pension contribution of 4% of salary for James Wroath, in line with the wider workforce. - Benefits include company car or car allowance and private medical insurance.		
Annual Bonus	- Maximum opportunities: - CEO: 100% of salary - For FY23, an equality, diversity and inclusion metric has been added. - The Annual Bonus measures will therefore be based 70% on underlying profit before tax, 5% on a diversity and inclusion target and 25% on other on strategic objectives. - In line with the Policy, 50% of any bonus earned above 50% of maximum will be deferred into Company shares for two years. - The Committee retains the ability to operate discretion to override the formulaic bonus outcome where it is not reflective of underlying Company performance. - Malus and clawback provisions apply.		
LTIP	The LTIP award for 2022 will continue with targets based on EPS and TSR.		
		Threshold Vesting (25% of maximum)	Maximum Vesting
	Relative TSR vs. FTSE All-Share excluding investment trusts	50%	Median
	EPS	50%	5% p.a. growth
			Upper quartile or above 10% p.a. growth
	- Maximum opportunities: - CEO: 150% of salary. - Awards vesting will be subject to a two year post-vesting holding period. - Malus and clawback provisions apply.		
Shareholding requirements	- CEO: 200% of salary. - Executive Directors are required to hold full incumbent shareholding requirement (or actual shareholding on departure if lower) for one year post-departure. - This requirement applies to shares acquired from incentives vesting from the adoption of the revised policy.		

The following pages 82 to 86 provide details of how Wincanton's Remuneration Policy was implemented during the financial year ending 31 March 2022 and how it will be implemented in FY23.

Remuneration Committee report continued

Remuneration Report

Single total figure of remuneration – Executive Directors (audited)

The following audited table sets out the single total figure of remuneration for Executive Directors for the years ended 31 March 2022 and 31 March 2021.

	James Wroath		Tim Lawlor ¹	
	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000
Salary	431	404	337	300
Relocation benefits ²	26	85	–	–
Taxable benefits	25	26	14	17
Pension-related benefits	17	12	49	45
Total fixed pay	499	527	400	362
Annual Bonus	286	250	–	223
LTIP ³	371	–	–	177
Total variable pay	657	250	–	400
Total	1,156	777	400	762

1 Tim Lawlor stepped down from the Board on 28 February 2022 and left the Group on 18 March 2022. The figures above include remuneration paid to 18 March 2022.

2 James Wroath remained subject to both UK and US tax during FY21 and due to timing differences between UK and US tax years an additional gross up benefit of £84,728.50 arose in respect of the US tax liabilities. This benefit may reverse in future years.

3 James Wroath 2019 LTIP is due to vest on 2 September 2022. The value included in the single figure for the year ended 31 March 2022 follows the regulation methodology which prescribes that it should be an estimate based on the average share price over the last quarter of FY22 (£3.65). Using this methodology, £141,348 of the value, for James Wroath was due to share price growth. For the year ended 31 March 2021, the LTIP figure for Tim Lawlor has been updated for the actual share price on the date of vesting of the 2018 LTIP (£4.11). Tim Lawlor's 2019 LTIP lapsed upon his cessation of employment at Wincanton.

Salaries

Following strong support received from shareholders during consultation, the Committee determined that a salary adjustment, representing a 15% salary adjustment plus the wider workforce salary increase, should be applied to James Wroath, reflecting:

- on appointment, James' salary was set below the level of his predecessor reflecting that this was his first CEO role. In line with best practice, his pension was set at the wider workforce rate
- James has now been in the role for two and a half years, and has become an established CEO with a strong track record at Wincanton. Over this period, he has successfully led Wincanton's sustained success and progress, including navigating challenging external headwinds such as Covid-19 and pressures on the global supply chain
- he has overseen a period of significant growth, both organically and through acquisitions, which is reflected in the value that has been delivered to our shareholders. In his time since appointment, Wincanton has achieved total shareholder returns of c.80% compared to a return of c.37% in the FTSE SmallCap over the same period
- we consider that he has a high level of marketability, particularly in light of his experience working in both the UK and the US.

While benchmarking was not the primary driver of the decision, in considering the appropriateness of this adjustment the Committee reviewed FTSE SmallCap market data which took into account market capitalisation, revenue and headcount. The adjustment made positions the CEO around median against this FTSE SmallCap group, which the Committee considers to be appropriate based on the size and complexity of the Company.

	Salary during 2021/22	Salary Increase	Salary from 1 July 2022
		4% + 15% salary adjustment	
James Wroath	£433,500		£515,865

Taxable benefits and pension-related benefits

Benefits include a company car benefit, healthcare and, for James Wroath for FY22 only, US tax advice support related to his relocation. The tax advice support provided was £25,729 on a gross basis. The value of the company car allowance provided during the year was £25,000 for James Wroath, a portion of which was used to participate in Wincanton's company car scheme under which he was provided with a fully electric vehicle as part of Wincanton's net zero initiative.

The Company contributes to the pension scheme on behalf of Executive Directors, and provides a salary supplement in lieu of such contributions where the value exceeds the HMRC annual allowance. During the year, the Company paid a contribution equivalent to 4% of salary for James Wroath. This is aligned to the pension available to the wider workforce.

Incentive outturns

Year ended 31 March 2022 Annual Bonus

For FY22, James Wroath had a maximum bonus opportunity of 100% of salary. The performance measures were underlying profit before tax (PBT) and delivery of strategic objectives and achievements as detailed below.

The underlying profit before tax and cash flow targets were adjusted from those set at the start of the year to reflect the acquisition of Cygnia to ensure the targets were no easier to satisfy.

Underlying PBT performance (75% of Annual Bonus):

	Threshold	Target	Maximum	Actual
Underlying PBT target	£55.2m	£56.7m	£59.5m	£58.1m
Proportion of maximum payable	25%	50%	100%	75%

Strategic objectives and achievements for James Wroath (25% of Annual Bonus):

Objective	Weighting	Target	Achievement	Outcome
Health and Safety	5%	Ensure a Lost Time Frequency Rate of 0.37 or below	LTIFR of 0.33	5%
Net wins	15%	Annualised net sales wins of £75m, with no dilution to the Group margin	Net sales wins lower than £75m	0%
Cash flow	5%	Deliver an average net debt of £70m for FY22	Average net debt lower than £40m	5%
Total (maximum 25%)	25%			10%

Following consideration of the above, the Committee awarded Annual Bonuses as follows:

Objective	Weighting	James Wroath
Underlying PBT outturn (% of bonus)	75%	56%
Strategic objectives outturn (% of bonus)	25%	10%
Overall outturn (% of opportunity)		66%

The Committee considered the amounts carefully in the context of the Group's performance, and current environment, and determined that the amounts were a fair reflection of performance in the past financial year. The approach aligns with that taken for the wider management population.

In line with the Remuneration Policy, 50% of the bonus above 50% of the normal maximum will be deferred into shares (£34,718 for the CEO).

Tim Lawlor stepped down from the Board on 28 February 2022 and was not eligible to receive an Annual Bonus for FY22.

2019 LTIP

In September 2019, a Long Term Incentive Plan (LTIP) award of 87.5% of salary was granted to James Wroath, based on underlying EPS growth performance and relative TSR performance vs. the FTSE All-Share Index (excluding investment trusts).

The performance targets and actual performance are shown in the table below:

Measure	Threshold (25% of maximum vesting)	Maximum	Actual performance achieved	Vesting (% of maximum)
Underlying EPS growth (60%)	6% p.a. growth	11% p.a. growth	6.8% p.a. growth	36.3%
Relative TSR (40%)	TSR equal to index	TSR equal to index +10% p.a.	TSR equal to Index +12.4% p.a.	100%
Total LTIP vesting				61.8%

The 2019 LTIP award granted to Tim Lawlor lapsed.

Scheme interests awarded in the year ended 31 March 2022 (audited)

LTIP awards made in the year ended 31 March 2022

LTIP awards of 150% and 100% of salary were made to James Wroath and Tim Lawlor respectively during the year, as set out below.

	Date of award	Share price ¹	No. of nil cost options granted under the LTIP	Face value of award (£)	Percentage vesting at threshold performance	Performance period end date
James Wroath Former CFO	30 July 2021	£4.16	156,186	650,249	25%	31 March 2024
Tim Lawlor ²	30 July 2021	£4.16	82,074	341,699	25%	31 March 2024

1 Average share price over the three business days preceding the date of grant.

2 The award made under the 2021 LTIP to Tim Lawlor lapsed in full.

The awards are subject to 50% based on relative TSR performance vs. the FTSE All-Share Index (excluding investment trusts), with 25% vesting at median and 100% vesting at upper quartile. The remaining 50% is based on basic underlying EPS, measured on point to point growth. Threshold vesting for EPS is 5% growth per annum and maximum is 10%.

Remuneration Committee report continued

Deferred Annual Bonus Awards

In line with the Remuneration Policy, 50% of the FY21 bonus above 50% of maximum was deferred into shares, as set out below.

	Date of award	Share price ¹	No. of nil cost options granted under the LTIP	Face value of award (£)	Vesting date
James Wroath Former CFO	30 July 2021	£4.16	4,542	18,910	30 July 2023
Tim Lawlor ²	30 July 2021	£4.16	4,050	16,861	30 July 2023

1 Average share price over the three business days preceding the date of grant.

2 The award to Tim Lawlor lapsed in full.

Incentive framework for FY23

Annual Bonus

For FY23, the maximum bonus opportunity will be 100% of salary for James Wroath, in line with the approved Remuneration Policy. 50% of any bonus paid above 50% of maximum will be deferred into shares for two years.

For FY23, a diversity and inclusion metric has been added, reflecting our values as a company that aspires and works proactively to achieve a diverse workforce across all levels of our business. The Annual Bonus measures will therefore be based 70% on underlying profit before tax, 5% on a quantitative diversity and inclusion metric and 25% on other strategic objectives. Actual targets are considered commercially sensitive and therefore will be disclosed retrospectively.

LTIP

It is intended that an LTIP award of 150% will be made to James Wroath. The performance targets are set out below:

	Weighting	Threshold (25% of max)	Maximum
Relative TSR vs. FTSE All-Share excluding investment trusts	50%	Median	Upper quartile or above
EPS	50%	5% EPS growth p.a.	10% EPS growth p.a.

In line with the approved Remuneration Policy, a two year holding period will apply to awards post-vesting.

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

The following table sets out the single total figure of remuneration for Non-executive Directors for the years ended 31 March 2022 and 31 March 2021.

£'000	Fees	
	2022	2021
Gill Barr	59	55
Anthony Bickerstaff ¹	59	28
Mihiri Jayaweera	49	45
Debbie Lentz	49	46
Stewart Oades	59	55
Dr. Martin Read CBE	193	180

1 Anthony Bickerstaff joined the Board on 1 September 2020.

Fees

The base fee paid to the Non-executive Directors have been reviewed and increased by 4% in line with the wider workforce with effect from 1 July 2022.

Role	Fee from 1 July 2021	Fee from 1 July 2022
Chairman fee	£193,800	£201,552
Non-executive Director base fee	£48,960	£50,918
Additional Senior Independent Director fee	£10,200	£10,608
Additional Remuneration/Audit Committee Chairman fee	£10,200	£10,608

Payments to past Directors (audited)

There have been no payments to past Directors.

Payments for loss of office (audited)

As announced on 16 November 2021, Tim Lawlor stepped down as a Director and Chief Financial Officer of the Company on 28 February 2022 and continued to be employed by Wincanton until 18 March 2022. Mr Lawlor continued to receive his contractual salary, pension and benefits until 18 March 2022, the value of which has been included in the single figure table. He also received payment in respect of accrued holiday entitlement (less all necessary deductions).

As a leaver due to resignation, Mr Lawlor was not eligible to receive a Bonus for the financial year ending 31 March 2022. Unvested Deferred Annual Bonus awards (relating to the FY20 and FY21 bonus) and unvested awards under the LTIP (2019, 2020 and 2021 LTIP) lapsed in full.

He will be subject to a post-cessation shareholding requirement, where he will be required to hold 61,113 shares for a one year period until 18 March 2023, relating to LTIPs vesting following introduction of the post-cessation shareholding requirement on 1 April 2020.

No payments in lieu of notice were made.

Share ownership and share interests (audited)

Executive Directors are subject to shareholding requirements. James Wroath is required to accrue and then maintain a holding of shares with a value of 200% of salary respectively within five years of appointment, as assessed by the Committee from time to time.

At 31 March 2022, James Wroath held shares to the value of £117,116 representing 27% of salary.

Post-cessation shareholding policy

Departing Executive Directors will normally be required to hold Company shares for a period of time following cessation of their roles as Executive Director. The policy took effect from 1 April 2020 and will apply to shares delivered or acquired from Annual Bonus deferral and LTIP vesting from this date.

Under this policy:

- Executive Directors will be required to hold shares to the value of 100% of their incumbent shareholding requirement (or their actual shareholding, excluding personal investment, on cessation if lower)
- this shareholding will apply for one year post-departure
- shares no longer subject to performance conditions (e.g. deferred Annual Bonus or LTIP shares within the holding period) will count towards the requirement on a net of tax basis
- the Committee retains discretion to operate this policy flexibly and waive part or all of the policy, for example in compassionate circumstances
- there are systems now in place to monitor and enforce the requirement. Each Executive Director who is subject to a withholding requirement has vested shares held within a nominee account. This account is managed by the Group's Share Plan Administrator meaning the shares could be withheld should the need arise.

Total share interests as at 31 March 2022

Director	Shares			Nil cost options		Options	
	Owned/vested 31 March 2022	Owned/vested 31 March 2021	Unvested and subject to continued employment	Vested but unexercised	Unvested and subject to performance	Vested but unexercised	Unvested and subject to performance
James Wroath	30,341	10,000	4,542	–	671,642	–	–
Tim Lawlor ¹	207,006	184,147	–	–	–	–	–
Dr. Martin Read CBE	58,016	58,016	–	–	–	–	–
Gill Barr	8,000	4,000	–	–	–	–	–
Anthony Bickerstaff	8,000	4,000	–	–	–	–	–
Mihiri Jayaweera	8,000	4,000	–	–	–	–	–
Debbie Lentz	10,022	4,000	–	–	–	–	–
Stewart Oades	20,024	30,024	–	–	–	–	–

¹ Tim Lawlor stepped down from the Board on 28 February 2022 and left the Group on 18 March 2022. Total share interests for Tim Lawlor are shown as at 18 March 2022.

There were no changes in the Directors' personal holdings between 1 April 2022 and the date of this report.

Remuneration Committee report continued

Share ownership and share interests (audited) continued

Share plan interests as at 31 March 2022

	Date of award	Vest date	Option exercise price	Share price at date of award ¹	No. of shares under award as at 1 April 2021	Shares awarded during the year	No. of shares vested 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 2022
James Wroath										
LTIP	2 Sep 2019	2 Sep 2022	Nil	£2.26	164,546	–	–	–	–	164,546
LTIP	30 Jul 2020	30 Jul 2023	Nil	£1.82	350,910	–	–	–	–	350,910
LTIP	30 Jul 2021	30 Jul 2024	Nil	£4.16	–	156,816	–	–	–	156,816
Deferred Annual Bonus 2020	30 Jul 2020	1 March 2022	N/A	£1.82	38,381	–	38,381	–	–	–
Deferred Annual Bonus 2021	30 Jul 2021	30 July 2023	N/A	£4.16	–	4,542	–	–	–	4,542
					553,837	161,358	38,381	–	–	676,814
Tim Lawlor										
LTIP	24 Jul 2018	24 Jul 2021	Nil	£2.74	113,504	–	43,131	70,373	–	–
LTIP	12 Jul 2019	12 Jul 2022	Nil	£2.64	119,763	–	–	119,763	–	–
LTIP	30 Jul 2020	30 Jul 2023	Nil	£1.82	173,813	–	–	173,813	–	–
LTIP	30 Jul 2021	30 Jul 2024	Nil	£4.16	–	82,074	–	82,074	–	–
Deferred Annual Bonus 2020	30 Jul 2020	1 March 2022	N/A	£1.82	66,484	–	–	66,484	–	–
Deferred Annual Bonus 2021	30 Jul 2021	30 July 2023	N/A	£4.16	–	4,050	–	4,050	–	–
					473,564	86,124	43,131	516,557	–	–

¹ Three day average share price immediately preceding the date of award.

Service agreements

All Executive Directors are appointed on the basis of a 12 month rolling period, subject to election and annual re-election by the Company's shareholders at the AGM. Details of employment contracts for the Executive Directors are summarised in the table below:

Director	Date of appointment to the Board	Date of current contract	Notice period (Company)	Notice period (Director)	Unexpired term as at 31 March 2020
James Wroath	2 Sep 2019	8 May 2019	12 months	6 months	Rolling 12 months

The Chairman and Non-executive Directors are appointed under letters of appointment. All Directors are subject to re-election every three years, however all Directors currently put themselves forward for annual re-election at each AGM. Details of appointment dates and terms for the Chairman and Non-executive Directors are summarised in the table below.

Director	Date of appointment to the Board	Date of original letter of appointment	Date of current letter of appointment	Unexpired term as at 31 March 2022
Dr. Martin Read CBE	1 Aug 2018	15 Jul 2018	12 Jul 2021	28 months
Gill Barr	15 Sep 2017	12 Sep 2017	2 Sep 2020	18 months
Anthony Bickerstaff	1 Sep 2020	29 Jul 2020	29 Jul 2020	17 months
Mihiri Jayaweera	7 Apr 2020	13 Feb 2020	13 Feb 2020	12 months
Debbie Lentz	1 Jun 2019	7 Mar 2019	7 Mar 2019	2 months
Stewart Oades	1 Nov 2014	30 Oct 2014	2 Sep 2020	19 months

The Executive Directors' service contracts and Chairman and Non-executive Directors' letters of appointment are available for inspection by shareholders at the Company's registered office.

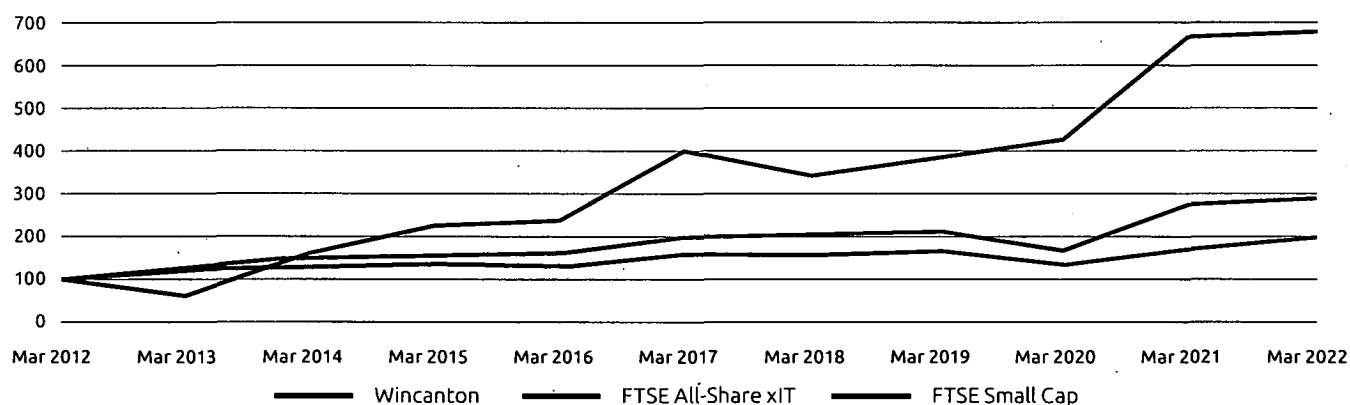
Executive Directors' external appointments

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

Performance graph and CEO remuneration table

The graph below sets out the TSR performance of the Company and of the FTSE SmallCap Index. The SmallCap is considered to be the most appropriate comparator as the Company is a constituent of this index. The chart also shows TSR for FTSE All-Share excluding investment trusts as this is the comparator group for measuring TSR performance under the LTIP.

Wincanton TSR vs. the FTSE SmallCap and the FTSE All-Share xIT – Value of £100 invested on 31 March 2012 (£)



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

Year ended 31 March	Chief Executive	Chief Executive single figure of total remuneration £'000	Annual Bonus outturn (% of maximum)	LTIP vesting (% of maximum)
2022	James Wroath	1,156	66%	62%
2021	James Wroath	777	59%	n/a
2020	James Wroath ¹	621	56%	n/a
2020	Adrian Colman ¹	554	58%	59%
2019	Adrian Colman	1,541	65%	84%
2018	Adrian Colman	1,933	56%	98%
2017	Adrian Colman	2,008	73%	100%
2016	Adrian Colman ²	1,653	61%	100%
2016	Eric Born ²	3,750	–	100%
2015	Eric Born	2,051	56%	100%
2014	Eric Born	1,264	68%	100%
2013	Eric Born	893	69%	100%

1 James Wroath was appointed on 2 September 2019, on which date Adrian Colman stepped down as CEO. These figures contain pro rated remuneration in respect of each Director according to the period served.

2 Adrian Colman was appointed on 1 August 2015. Eric Born resigned on 31 July 2015. These figures contain pro rated remuneration in respect of each Director according to the period served.

Remuneration Committee report continued

Percentage change in remuneration of Directors and employees

The table below sets out the percentage change in salary, benefits and Annual Bonus for the Directors who served on the Board in FY21 and FY22, compared to the change for all colleagues.

	FY22			FY21		
	Base salary/ fees (% change)	Taxable benefits (% change)	Annual Bonus (% change)	Base salary/ fees (% change) ⁵	Taxable benefits (% change)	Annual Bonus (% change)
Chief Executive ¹	7%	54%	14%	-20.6%	-54.1%	-31.7%
Tim Lawlor	12%	6%	N/A	-4.8%	0%	-7.9%
Gill Barr	7%	-	-	-1.8%	-	-
Anthony Bickerstaff ²	111%	-	-	n/a	-	-
Mihiri Jayaweera ³	9%	-	-	n/a	-	-
Debbie Lentz	9%	-	-	17.9%	-	-
Stewart Oades	7%	-	-	-1.8%	-	-
Dr. Martin Read CBE	7%	-	-	-5.3%	-	-
Other employees ⁴	1%	14%	17%	0.4%	2.3%	11.6%

1 The CEO values for 2019/20 represent the combined remuneration for James Wroath and Adrian Colman, including remuneration paid to Adrian Colman in respect of the period between 2 September and 31 October in which he was no longer the CEO. Taxable benefits include relocation fees paid to James Wroath.

2 Anthony Bickerstaff joined the Board on 1 September 2020.

3 Mihiri Jayaweera joined the Board on 7 April 2020.

4 The calculation of the average change in salary for employees excludes joiners and leavers during the year.

5 All directors volunteered a 20% reduction in salary for a three month period from 1 April 2020 as part of our response to the Covid pandemic.

Relative importance of spend on pay

The table below sets out the change in total remuneration of all employees and dividends paid to shareholders from year ended 31 March 2021 to year ended 31 March 2022, and the increase in dividends related to each of those financial years.

Item	31 March 2022 £m	31 March 2021 £m	Difference £m
Remuneration of all employees ¹	707.4	632.2	75.2
Dividend	14.9	12.9	2.0

1 Includes all personnel expenses, as set out in Note 6 to the consolidated financial statements.

External advisers

During the year, external advisers attended Committee meetings upon invitation to provide advice and support to the Committee.

Deloitte LLP were appointed as advisers to the Committee on 9 January 2019 following a competitive tender process.

Deloitte LLP is a founding member of the Remuneration Consultants Group and a signatory to the Code of Conduct for Remuneration Consultants. For more detail please refer to the website, www.remunerationconsultantsgroup.com. The Committee is comfortable that Deloitte LLP provides objective and independent remuneration advice and has no conflicts of interest with the Group that may impair its independence.

Total fees payable to Deloitte LLP for advice provided to the Committee during the year amounted to £83,850. Fees are charged on a time and materials basis. Deloitte LLP also provided share scheme and taxation advice in the period.

Statement of shareholder voting

The table below sets out the Company voting outcome of the advisory resolution for approval of the Annual Report on Remuneration at the 2021 AGM and the binding resolution for approval of the Directors' Remuneration Policy at the 2020 AGM:

Resolution	Votes for	%	Votes against	%	Total votes	% of issued share capital voted	Votes withheld
Annual Report on Remuneration	86,603,252	98.21	1,581,730	1.79	88,184,982	70.81	50,803
Directors' Remuneration Policy	88,034,224	96.45	3,242,796	3.55	91,277,020	73.29	68,717

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

Directors' Remuneration Policy

The following section sets out a summary of our Directors' Remuneration Policy, which was approved at the 2020 AGM. The Policy took effect from July 2020 and will operate for up to three years until the 2023 AGM. The full Remuneration Policy can be found in the Directors' Remuneration Report in the 2020 Annual Report and Accounts, which is available on the Company's website: www.wincanton.co.uk.

The table below sets out the policy in relation to the key components of remuneration.

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 and experience – pay and conditions across the workforce – salary levels in companies of a similar size and complexity. 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 significant change in responsibility – the salary of a new hire is deliberately set below market levels with the intention to implement a planned increase on a phased basis in subsequent years subject to individual performance – there is a material market misalignment – there is 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 – life assurance – private medical insurance for the Executive Director and their direct family – personal accident and travel insurance – death in service cover. Additional benefits (including the tax thereon) may be provided if considered appropriate. 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, 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.

Remuneration Committee report continued

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 one Matching Share for every four Partnership Shares acquired. In addition, any dividends paid in respect of shares held under the SIP are used to buy Dividend Shares. In the event that Wincanton were to introduce another all employee plan, the Committee retains the discretion to allow Executive Directors to participate on the same basis as other employees.
Opportunity	In line with HMRC limits, the rules of the Company's SIP set out the following maximum levels, which may be amended from time to time so that they are in line with legislation: Free Shares – The maximum value of Free Shares per tax year is £3,600. Partnership Shares bought by employees – The maximum pre-tax salary that can be used to buy Partnership Shares is £1,800 per annum. Matching Shares – The Company can match employees' Partnership Share purchases by giving them additional shares. The maximum award of Matching Shares is two Matching Shares for each Partnership Share bought. The Company currently awards one Matching Share for every four Partnership Shares bought. The maximum opportunity for any other all employee share plans would be in line with limits set for all employees.

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	Pension contributions will be set in line with the average workforce pension contribution (in percentage of salary terms) for the CEO and for new Executive Directors appointed from 1 April 2020. Pension contribution of up to 15% of salary for Executive Directors appointed prior to 1 September 2019.

Annual Bonus

Purpose and link to strategy	The aim of the Annual Bonus is to incentivise and recognise the Executive Directors' contribution to the delivery of the Group's strategy by rewarding achievement of financial and strategic objectives, and to demonstrate alignment to shareholders.
Operation	Normally 50% of any bonus earned above 50% of maximum is compulsorily deferred into Company shares for two years, with the balance paid in cash. Dividends or dividend equivalents may accrue on Deferred Shares that vest and will ordinarily be paid in shares.
Opportunity	The CEO's Annual Bonus opportunity cannot exceed 100% of salary. Reflecting legacy arrangements, the current CFO's Annual Bonus opportunity cannot exceed 120% of salary. For a new Executive Director, the Annual Bonus opportunity cannot exceed 100% of salary. The overall total incentive opportunity (Annual Bonus plus LTIP, excluding exceptional LTIP policy maximum) in any one year cannot exceed 250% of salary. No more than 25% of maximum is payable for 'Threshold' performance. Normally 50% of maximum is achievable for 'Target' performance.
Performance measure	Annual performance is typically based on achievement of financial targets and personal or strategic objectives. Normally, the Committee would expect financial measures to represent between 60% and 80% of the total Annual Bonus, with strategic objectives representing between 20% and 40%. However, the Committee retains discretion to adjust weightings to align with the business objectives for each year. At the end of the year the Committee reviews the appropriateness of the formulaic outcome and retains the discretion to adjust the outcome if considered appropriate taking into account factors including, but not limited to, the underlying performance of the business and shareholder and stakeholder experience.
Recovery provisions	In certain circumstances, the Committee has the ability to apply malus to unvested deferred bonus awards or clawback to awards paid.

Long Term Incentive Plan (LTIP)

Purpose and link to strategy	The aim of the LTIP 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	Awards may be granted as nil cost options or conditional share awards. For LTIP awards granted from 1 April 2019, any share awards that vest are subject to a two year holding period. Dividends or dividend equivalents may accrue on any shares that vest and will ordinarily be paid in shares.
Opportunity	Maximum award levels for Executive Directors are 150% of salary. The overall total incentive opportunity (Annual Bonus plus LTIP, excluding exceptional LTIP policy maximum) in any one year cannot exceed 250% of salary. In exceptional circumstances, for example on recruitment, individual awards may be granted up to 250% of salary. No more than 25% of an award may vest for 'Threshold' performance.
Performance measures	Performance is normally measured over a period of no less than three years. The Committee will review the performance measures and weighting for each award to ensure alignment with Wincanton's strategy. A significant portion of awards will be based on financial (e.g. EPS growth) and/or shareholder return (e.g. relative TSR). Performance measures for awards granted in 2020 will be based on TSR relative to an appropriate comparator group. Following the end of the performance period the Committee reviews the appropriateness of the formulaic outcome and retains the discretion to adjust the outcome if considered appropriate taking into account factors including, but not limited to, the underlying performance of the business and shareholder and stakeholder experience.
Recovery provisions	In certain circumstances, the Committee has the ability to apply malus to unvested LTIP awards or clawback to LTIP awards paid or subject to the holding period.

Shareholding requirement

Purpose and link to strategy	Ensures alignment between Executive Directors and shareholders through building a meaningful shareholding in the Company, including for a period of time post-departure.
Operation	Shareholding guidelines for the CEO are to accrue and then maintain a holding of shares with a value of 200% of salary as assessed by the Committee from time to time. Shareholding guidelines for other Executive Directors are to accrue and then maintain a holding of shares with a value of 150% of their salary. A post-cessation shareholding policy will operate for departing Executive Directors. The Committee has the discretion to waive this requirement in certain circumstances (e.g. compassionate circumstances).

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	Fees are set by reference to responsibilities, expected time commitments and market levels for companies of a similar size and complexity to Wincanton. 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. 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 (and any associated tax incurred on these costs). 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 CEO.
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. Aggregate fees for the Chairman and Non-executive Directors will not exceed the limit as set out in the Company's Articles of Association.

Directors' report

The Company

Wincanton plc (the Company) is a company incorporated in England and Wales, with company number 04178808.

Constitution

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

Principal activities

Wincanton plc is the ultimate parent Company of the Group and trades principally through its subsidiary undertakings which include no branches. The Company is listed on the London Stock Exchange main market with a premium listing. The Group is a leading provider of logistics and supply chain solutions in the UK and Ireland.

All subsidiaries of the Company are listed in Note 32 on pages 143 and 144.

Review of business and future developments

The business review and details of future developments are contained within the Strategic report on pages 16 to 21.

Research and development

The Company continues to look for innovative solutions to deliver efficient and sustainable logistic operations. This has led to development of both traffic management solutions and continued research into the efficient and sustainable approaches to running our fleet of lorries.

Compliance reporting

Directors' report

The Directors present the Annual Report together with the audited financial statements of the Company and the Group, for the year ended 31 March 2022.

The Directors' report required by the Companies Act 2006 comprises the Strategic report on pages 6 to 51, the Corporate Governance report on pages 52 to 74 and Directors' remuneration report on pages 75 to 91.

Strategic report

The Company is required to prepare a Strategic report to give a balanced and fair review of the Group's business during the year ended 31 March 2022, to enable shareholders to assess how the Directors have performed their duties under section 172 of the Companies Act 2006.

The information that fulfils the requirements of the Strategic report can be found on pages 6 to 51 and includes reviews of the business and financial performance and the principal risks and uncertainties facing the Group.

Within the Strategic report, a summary review of the Group's activities during the financial year along with its future prospects is contained in the Chair's statement on page 6. Details of the Group's business goals, strategy and model are set out on pages 16 to 21.

A statement on engagement with our stakeholders and how the Board has complied with section 172 of the Companies Act is included on page 34 and page 63.

Corporate governance reporting

During the year ended 31 March 2022, the Company has complied with the UK Corporate Governance Code 2018. Details of the Company's compliance with the UK Code, the disclosures required under the Code and the UK Listing Rules can be found in the Corporate Governance report on page 53.

The corporate governance statement required by Rule 7.2.1 of the FCA's Disclosure Guidance and Transparency Rules is set out on pages 53 to 55.

Management report

For the purposes of Rule 4.1.5R(2) and Rule 4.18 of the FCA's Disclosure Guidance and Transparency Rules, this Directors' report and the Strategic report on pages 93 to 94 and 16 to 51 together comprise the Management report.

Accounting policies, financial instruments and risk

Details of the Group's accounting policies, together with details of financial instruments and financial risks are provided in Note 1 on pages 109 to 117 and Note 30 on pages 139 to 142 of the Group financial statements.

Directors

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

Executive Directors

- James Wroath, Chief Executive Officer
- Tim Lawlor, Chief Financial Officer (stepped down 28 February 2022)

Non-executive Directors

- Dr. Martin Read CBE, Chair
- Stewart Oades, Senior Independent Director
- Gill Barr
- Anthony Bickerstaff
- Mihiri Jayaweera
- Debbie Lentz.

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

At the 2022 AGM, all of the Directors will offer themselves for re-election. The biographical details for all the Directors are set out on pages 56 and 57.

A copy of the Executive Director's service contract is available to shareholders for inspection at the Company's registered office. Details of the letters of appointment for the Non-executive Directors are set out in the Directors' Remuneration Report on page 86.

Directors' indemnity and insurance

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

In line with normal market practice, it is considered in the Company's best interests to protect the Directors from the consequences of innocent errors or omissions. Accordingly, a Directors' and officers' liability insurance policy is maintained at the Company's expense and was in place throughout the year. The policy provides indemnity to Group employees that serve as Directors or officers of any Group company, as recommended by the Code, which includes the Board of Directors. This insurance policy would not provide cover in the event that a Director or officer had knowingly acted fraudulently or dishonestly. The Company has also entered into qualifying third party indemnity arrangements with the Directors, as permitted by the Companies Act 2006.

Business ethics and combatting modern slavery

Wincanton has long recognised the importance of respecting the human rights of all our stakeholders including our colleagues, our suppliers and the wider communities in which we operate. It is core to how we do business. Our commitment to this is reflected in our Code of Conduct, which highlights the importance for all at Wincanton and all those associated with us, of behaving morally, legally and ethically, consistent with our Purpose and Values.

Our Code of Conduct

The Code of Conduct sets out the high ethical standards expected of all colleagues and is underpinned by The Wincanton Way, as well as a corporate governance structure and a robust risk, controls and compliance programme. It gives guidance on how to put these standards into practice. It incorporates policies on anti-bribery and corruption; share dealing; confidentiality and data protection; conflicts of interest; relationships with stakeholders; political activity and charitable donations; Speaking Up: raising serious concerns; and modern slavery and human trafficking. Our Code of Conduct applies to everyone who works for or represents Wincanton: our Directors, officers and colleagues; those we choose to work with and those who aspire to work with us. Our statement on compliance with the Modern Slavery Act and our Code of Conduct can be found on our website at www.wincanton.co.uk.

Financial disclosures

Going concern

The financial statements have been prepared on a going concern basis, as set out in the Statement of Directors' Responsibilities on page 95. Having considered the ability of the Company and the Group to operate within its existing facilities and meets its debt covenants, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

In determining whether the financial statements can be prepared on a going concern basis, the Directors considered the Group's business activities, together with the principal risks and uncertainties likely to affect its future performance and position. For further details of this assessment, see pages 42 and 111.

Results and dividends

The Group profit attributable to equity shareholders for the financial year amounted to £47.9m. The preliminary results will be announced on 20 May 2022, with the final dividend of 8.00p payable on 5 August 2022.

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. There is no contractual provision within Mr Wroath's service contract in the event of a change of control and no such provision will be included in future Executive Directors' contracts. The Company is not aware of any contractual or other agreement, which is essential to its business and should be disclosed in this Directors' report.

Events after the balance sheet date

There were no reportable events after the balance sheet date.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Substantial shareholdings as at 31 March 2022

The Company has been advised under the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules, or has ascertained from its own analysis, the interests held in the voting rights of the Company's issued share capital.

Shareholder	Number of shares held	Holding (% of issued share capital)
Columbia Threadneedle Investments	19,818,386	15.91
Aberforth Partners	15,589,566	12.52
JPMorgan Asset Management	7,956,526	6.39
Schroder Investment Management	7,080,229	5.68
Polar Capital	6,870,366	5.52
Tellworth Investments	5,509,427	4.42
Unicorn Asset Management	4,433,000	3.56

Equity disclosures

Share capital

The Company's issued share capital as the date of this report was 124,543,670 Ordinary Shares of 10p each. There are no preference shares or non-voting shares. There are no shares held in Treasury.

Authority to purchase shares

The Company was authorised at the 2021 AGM to purchase its own shares within certain limits. During the year ended 31 March 2022, 500,000 shares were purchased by the Trustee of the Employee Benefit Trust under this authority to satisfy the exercise of share options by employees. The Directors will seek renewal of their authority to purchase in the market the Company's shares at the 2022 AGM.

Shareholders' rights

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

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

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

Greenhouse gas emissions

The disclosures concerning greenhouse gas emissions required by law are included in the ESG report on page 24.

Charitable donations

During the year ended 31 March 2022, the Group contributed £22,986 (2021: £14,507) to charitable and community programmes.

Political donations

No political donations were made during the year (2021: Nil).

Annual General Meeting

The Company's AGM will be held on 12 July 2022 and this year will be face to face at the offices of Herbert Smith Freehills in London. The Notice of Annual General Meeting 2022, which contains full explanations of the business to be conducted at the AGM, is set out in a separate Notice addressed to shareholders and can be found on the Company's website www.wincanton.co.uk/investors/shareholder-information/general-meetings.

Employee disclosures

Wincanton is an inclusive and equal opportunities employer. The Group is committed to ensuring that disabled persons are treated with dignity and respect and that we act in accordance with the Equality Act 2010. Wincanton gives full and fair consideration to applications for employment by disabled persons and provides the necessary support to colleagues in our employment with a disability. Training, career development and promotion are equally applied regardless of disability or any other individual attribute.

Further information about how we engage, consult with and look after our employees can be found in the ESG report on pages 28, in Board Engagement on page 63 and in the Nomination Committee report on page 66.

On behalf of the Board



Lyn Colloff

Company Secretary
19 May 2022

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework.

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, relevant, reliable and prudent
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards
- 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
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

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

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

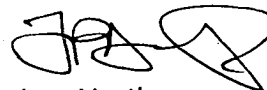
Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our 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
- the Strategic report and the Directors' report include a fair review of the development and performance of the business and the financial position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

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

The Directors approved the above responsibility statement on 19 May 2022.



James Wroath
Chief Executive Officer

Independent auditor's report to the members of Wincanton plc

Opinion on the financial statements

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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Wincanton plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company balance sheet, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the audit committee, we were appointed by the Directors on 22 July 2020 to audit the financial statements for the year ended 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 2 years, covering the years ended 31 March 2021 and 31 March 2022. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The Non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- a review of the forecasts and covenant compliance calculations for the Group for a period of at least 12-months from the date of approval of the financial statements. This included testing that the forecasts were consistent with the latest Board approved budgets and assessing the mathematical accuracy of the going concern model;
- detailed enquiries of the Board and management on the reasonableness of the assumptions made in the preparation of these forecasts. This also included making comparisons of the forecast assumptions to historic results achieved, consideration of current economic risks and knowledge of the business;
- challenge of the appropriateness of the downside sensitivities, and consideration of whether other scenarios (or specific events) might be appropriate to incorporate into the assessment;
- testing the covenant calculations, and forecast covenant compliance, against the Group's facility agreements and other key documents;
- a review of the Directors' reverse stress test assessment on the Group; and
- consideration of the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and reverse stress test assessment that the Directors have considered in performing their going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage¹	100% (2021: 99%) of Group profit before tax		
	98% (2021: 97%) of Group revenue		
	100% (2021: 100%) of Group total assets		
Key audit matters		2022	2021
	Revenue recognition	✓	✓
	Going concern and covenant compliance	x	✓
	Valuation of certain defined benefit pension scheme assets	✓	✓
	Measurement of the gross defined benefit pension scheme obligation	✓	✓
	Going concern and covenant compliance was not considered to be a key audit matter in the current year.		
Materiality	Group financial statements as a whole		
	£2.6m based on 4.5% of underlying profit before tax (2021: £2.2m based on 4.5% of a 3 year average of underlying profit before tax).		

¹ These are areas which have been subject to a full scope audit by the group engagement team.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates through a number of reporting components of which we identified two to be significant components. All significant components were subject to full scope audits. Non-significant components were subject to either specified audit procedures and/or desktop review procedures. With the exception of Specified procedures performed on the Group's insurance captive by BDO Guernsey, all audits, specified procedures and desktop review procedures were completed by the group audit team.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- holding meetings at the planning stage and the completion stage of the audit;
- directing the nature and extent of the procedures performed by the component auditor;
- sending group audit instructions, along with key communications on materiality levels and risks associated to the specific audit procedures; and
- review of final reporting received.

An overview of the scope of our audit continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition Group revenue is £1,421.4m (2021: £1,221.9m) Contract receivables, contract assets and contract fulfilment assets are disclosed in Note 18 to the financial statements. The accounting policy for revenue recognition is included in Note 1 and further information on revenue is included in Note 2.	As part of the monthly reporting process, manual adjustments are recorded in revenue to ensure that revenue is recorded in the correct period, giving rise to accrued income (contract receivables). We have identified these manual adjustments as a significant risk of fraud and error. Separately, from time to time, the Group extends, renews or modifies its contracts with customers. Accounting for contract modifications under IFRS 15 – Revenue from Contracts with Customers ('IFRS 15') is complex and requires judgement in determining whether additional services to be provided as part of a modified or extended contract have been priced at the standalone selling price or contain promises that do not constitute performance obligations. We consider this gives rise to a significant risk of error in revenue recognition. Separately, we have considered the appropriateness of the accounting treatment for significant new contracts entered into during the year, including any judgements regarding promises in contracts that are treated as performance obligations. We consider that this gives rise to a significant risk of error in revenue recognition. Our procedures included: – testing a sample of accrued income on open book and closed book contracts and agreeing the amounts recorded to post year end invoice and, where possible, cash, as well as agreeing the service provided to underlying contracts. We tested that the accrued income amounts selected were recorded in the appropriate period by obtaining corroborative evidence to support the timing of revenue recognition, such as: cost reports or customer correspondence. – we selected a sample of manual journal entries to revenue and tested that the item was appropriately accounted for through corroboration to supporting documentation and explanations by management. – for a sample of renewed, extended or modified contracts, selected by reference to the amount of revenue recorded for that contract in the year, we obtained and reviewed a copy of the contract and management's contract checklist, challenging where appropriate any conclusions drawn, including judgements regarding the existence of performance obligations and whether the transaction price was considered to be reflective of the standalone selling price of the additional promised goods or services in accordance with IFRS 15. In assessing whether the transaction price was reflective of the standalone selling price, we reviewed the contract for any significant discounts or rebates. – for a sample of new contracts, selected by reference to the amount of revenue recorded for that contract in the year, we obtained a copy of the contract and management's contract checklist and accounting paper (where available). We reviewed the Group's assessment of the accounting for the new contracts in accordance with IFRS 15, challenging where appropriate the conclusions drawn, including judgements regarding the existence of performance obligations and the point at which revenue should be recognised. Key observations: As a result of performing the procedures above, we found that the recognition of revenue relating to manual period end adjustments and new, renewed, extended or modified contracts was acceptable.

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of certain defined benefit pension scheme assets As disclosed in Note 28, the Group has £1,208.3m (2021: £1,211.9m) of plan assets which are included in the measurement of the net defined benefit liability/asset recorded on the Group balance sheet.	The quantum of the Group's plan assets recorded in the net defined benefit liability/asset on the Group's balance sheet is significant in the context of the financial statements. Some of the asset valuations, which are determined with the assistance of the investment fund managers, are highly subjective, in particular £784.4m (2021: £635.3m) of liability driven investments and £114.1m (2021: £115.4m) of private debt assets, the latter being determined in reference to the latest net asset valuations which occur at a date prior to the financial year end. Therefore, this was considered to be an area of focus for our audit and a key audit matter. Our procedures included: – assessing the competence of the investment fund managers by obtaining and reviewing relevant controls reports to understand the controls they have in place over valuation and to identify any control findings which might impact the reliability of the valuations. – for the liability driven investments, testing a sample of the valuations to either quoted market prices, where available, or by using our valuation experts to assist us in sourcing relevant market data to determine that the valuations were appropriate. – for private debt assets, we assessed the appropriateness of using the latest available net asset valuations, which occur prior to the financial year end, by considering the movements in relevant published benchmarks from the latest valuation date to the financial year end. This work was performed with the assistance of our valuation experts. – we also considered any significant valuation movements between the date of the most recent audited financial statements of the private debt funds and the valuation date to assess the level of volatility in the portfolio of private debt assets. Key observations: As a result of performing the procedures above, we found that the valuations of the liability driven assets and the private debt assets, included in the valuation of total plan assets were acceptable.
Measurement of the gross defined benefit pension scheme obligation As disclosed in Note 28, the Group has recorded a gross defined benefit obligation of £1,091.3m (2021: £1,161.1m) in the measurement of the net defined benefit pension liability/asset recorded on the Group balance sheet. Note 28 includes details of the Group's assessment of the sensitivity of the present value of the scheme obligation to changes in actuarial assumptions.	The quantum of the Group's gross defined benefit pension scheme obligation recorded in the net defined benefit liability/asset on the Group's balance sheet is significant in the context of the financial statements. The measurement of the gross defined benefit obligation is based on actuarial assumptions, which have a high degree of estimation uncertainty, with a range of possible reasonable outcomes. The Directors take independent actuarial advice in respect of the appropriateness of these assumptions and in auditing the gross defined benefit pension scheme obligation we also involved our own experts. As such, this was considered to be an area of focus for our audit and a key audit matter. Our procedures included: – we tested the underlying data used in the calculation of the gross defined benefit obligation to supporting documentation. – with the use of our internal actuarial experts, we challenged the appropriateness of the actuarial assumptions used by the Group in calculating the gross defined benefit pension obligation. This included benchmarking assumptions such as the discount rate, retail price index (RPI) and consumer price index (CPI) against those used for similar schemes and considering where each of these assumptions sit within an acceptable range of possible positions. Key observations: As a result of performing the procedures above, we found that the measurement of the gross defined benefit pension scheme obligation was acceptable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2022 £m	2021 £m	2022 £m	2021 £m
Materiality	£2.6m	£2.2m	£1.89m	£1.85m
Basis for determining materiality	4.5% of underlying profit before tax	4.5% of a 3 year average of underlying profit before tax	1% of total assets	1% of total assets
Rationale for the benchmark applied	Underlying profit before tax is considered to be the most appropriate performance measure as it removes the impact of certain one-off non-underlying items impacting the underlying performance of the Group and is also a key measure for stakeholders.	Underlying profit before tax is considered to be the most appropriate performance measure as it removes the impact of certain one-off non-underlying items impacting the underlying performance of the Group and is also a key measure for stakeholders.	Total assets is considered to be the most appropriate measure as the Parent Company is a holding company that does not trade.	Total assets is considered to be the most appropriate measure as the Parent Company is a holding company that does not trade.
Performance materiality	£1.82m	£1.496m	£1.32m	£1.26m
Basis for determining performance materiality	70% of overall materiality Higher percentage as compared to 2021 as second year audit with greater understanding of the business.	68% of overall materiality	70% of overall materiality Higher percentage as compared to 2021 as second year audit with greater understanding of the business.	68% of overall materiality

Component materiality

We set materiality for each component of the Group based on a percentage of between 48% and 87% (2021: between 42% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £1.25m to £2.25m (2021: £0.98m to £1.98m). In the audit of each component, we further applied performance materiality levels of 70% (2021: 68%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of €90,000 (2021: £80,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	– The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 93; and – The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 48.
Other Code provisions	– Directors' statement on fair, balanced and understandable set out on page 95; – Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 46; – The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 44 and 45; and – The section describing the work of the audit committee set out on page 72.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: – 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; and – the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, Financial Conduct Authority regulations including the UK Listing Rules, the principles of the UK Governance Code, pensions and tax legislation.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration and performance targets;
- the results of our enquiries of management, internal audit and the Audit Committee about their own identification of the risk of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicator of fraud. We also discussed the potential for non-compliance with laws and regulations.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. We also considered the susceptibility of the financial statements to misstatement as a result of fraud, and believed that the areas in which fraud might occur were related to revenue recognition and management override of controls.

Our tests included, but were not limited to:

- identifying and testing journal entries, in particular any journal entries posted to revenue, those with unusual account combinations and journals posted by unexpected users;
- enquiries with management, the Audit Committee and enquiries of internal legal counsel to identify any known or suspected non-compliance or fraud;
- review of minutes of Board meetings throughout the year to identify any non-compliance with laws and regulations, and fraud, not already disclosed by management;
- review of tax compliance and involvement of our tax experts in the audit;
- review of internal audit reports for reference of any internal control failures; and
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements, the assessment of performance obligations in customer contracts, the valuation of defined benefit pension assets, the measurement of the gross defined benefit pension obligation, the measurement of other provisions and going concern, and
- the procedures in the key audit matters section above in relation to revenue recognition and accounting estimates.

Auditor's responsibilities for the audit of the financial statements continued

Extent to which the audit was capable of detecting irregularities, including fraud continued

We communicated relevant identified laws and regulations and potential fraud risks to all engagement and component team members, who were all deemed to have appropriate competence and capabilities, to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sophia Michael (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

19 May 2022
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement For the year ended 31 March 2022

	Note	2022			2021		
		Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying (Restated) ¹ £m	Total (Restated) ¹ £m
Revenue	2	1,421.4	–	1,421.4	1,221.9	–	1,221.9
Net operating costs	4	(1,356.7)	(3.3)	(1,360.0)	(1,170.2)	(1.0)	(1,171.2)
Share of results of joint venture	15	–	–	–	0.1	–	0.1
Operating profit	4	64.7	(3.3)	61.4	51.8	(1.0)	50.8
Financing income	7	1.1	–	1.1	2.4	–	2.4
Financing cost	7	(7.7)	–	(7.7)	(7.0)	–	(7.0)
Profit/(loss) before tax		58.1	(3.3)	54.8	47.2	(1.0)	46.2
Income tax (expense)/credit	8	(7.5)	0.6	(6.9)	(7.5)	0.4	(7.1)
Profit/(loss) attributable to equity shareholders of Wincanton plc		50.6	(2.7)	47.9	39.7	(0.6)	39.1
Earnings per share							
– basic	9	40.8p		38.6p	32.0p		31.5p
– diluted	9	40.3p		38.2p	31.7p		31.2p

1 Certain comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

Consolidated statement of comprehensive income For the year ended 31 March 2022

	Note	2022 £m	2021 (Restated) ¹ £m
Profit for the year		47.9	39.1
Other comprehensive income/(loss)			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of net defined benefit asset	28	47.6	(65.3)
Income tax relating to items that will not subsequently be reclassified to profit or loss	8	(14.7)	12.4
		32.9	(52.9)
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange loss on investment in foreign subsidiaries		(0.1)	(0.2)
Other comprehensive income/(loss) for the year, net of income tax		32.8	(53.1)
Total comprehensive income/(loss) attributable to equity shareholders of Wincanton plc		80.7	(14.0)

1 Certain comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

Strategic report

Governance

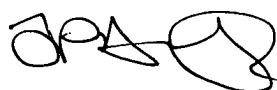
Accounts

Consolidated balance sheet At 31 March 2022

	Note	2022 £m	2021 (Restated) ¹ £m
Non-current assets			
Goodwill and intangible assets	11	110.7	84.6
Property, plant, equipment and vehicles	12	25.9	21.0
Right-of-use assets	14	189.0	129.3
Investments, including those equity accounted	15	–	0.2
Employee benefits	28	117.0	50.8
		442.6	285.9
Current assets			
Inventories	17	2.6	1.4
Trade and other receivables	18	207.4	190.2
Income tax receivable		–	0.6
Cash at bank and in hand	20	28.7	30.6
		238.7	222.8
Assets classified as held for sale	19	–	0.9
Total current assets		238.7	223.7
Current liabilities			
Income tax payable		(3.3)	–
Borrowings and other financial liabilities	21	–	(9.7)
Lease liabilities	22	(26.6)	(32.3)
Trade and other payables	23	(323.6)	(303.7)
Provisions	24	(12.7)	(15.1)
		(366.2)	(360.8)
Net current liabilities		(127.5)	(137.1)
Total assets less current liabilities		315.1	148.8
Non-current liabilities			
Borrowings and other financial liabilities	21	(25.0)	(9.0)
Lease liabilities	22	(176.5)	(113.4)
Employee benefits	28	(2.5)	(2.6)
Provisions	24	(30.6)	(23.9)
Deferred tax liabilities	16	(16.9)	(1.6)
		(251.5)	(150.5)
Net assets/(liabilities)		63.6	(1.7)
Equity			
Issued share capital	26	12.5	12.5
Share premium		12.9	12.9
Merger reserve		3.5	3.5
Translation reserve		(0.5)	(0.4)
Own shares		(2.2)	(1.0)
Retained profits/(losses)		37.4	(29.2)
Total equity/(deficit)		63.6	(1.7)

1 Certain comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

These financial statements were approved by the Board of Directors on 19 May 2022 and were signed on their behalf by:



James Wroath
Chief Executive Officer

Consolidated statement of changes in equity For the year ended 31 March 2022

	Note	Issued share capital £m	Share premium £m	Merger reserve £m	Translation reserve £m	Own shares £m	Retained (losses)/ earnings £m	Total equity/ (deficit) £m	Strategic report	Governance	Accounts
Balance at 1 April 2020		12.5	12.9	3.5	(0.2)	(1.5)	(12.5)	14.7			
Profit for the year (restated) ¹		–	–	–	–	–	39.1	39.1			
Other comprehensive loss		–	–	–	(0.2)	–	(52.9)	(53.1)			
Total comprehensive loss (restated) ¹		–	–	–	(0.2)	–	(13.8)	(14.0)			
Share based payment transactions	29	–	–	–	–	0.5	0.1	0.6			
Deferred tax on share based payment transactions	8	–	–	–	–	–	0.5	0.5			
Dividends paid to shareholders	10	–	–	–	–	–	(3.5)	(3.5)			
Balance at 31 March 2021 (restated) ¹		12.5	12.9	3.5	(0.4)	(1.0)	(29.2)	(1.7)			
Balance at 1 April 2021		12.5	12.9	3.5	(0.4)	(1.0)	(29.2)	(1.7)			
Profit for the year		–	–	–	–	–	47.9	47.9			
Other comprehensive (loss)/income		–	–	–	(0.1)	–	32.9	32.8			
Total comprehensive (loss)/income		–	–	–	(0.1)	–	80.8	80.7			
Share based payment transactions	29	–	–	–	–	(1.2)	(0.3)	(1.5)			
Current tax on share based payment transactions	8	–	–	–	–	–	0.3	0.3			
Deferred tax on share based payment transactions	8	–	–	–	–	–	0.1	0.1			
Dividends paid to shareholders	10	–	–	–	–	–	(14.3)	(14.3)			
Balance at 31 March 2022		12.5	12.9	3.5	(0.5)	(2.2)	37.4	63.6			

¹ Certain comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

Consolidated statement of cash flows For the year ended 31 March 2022

	Note	2022 £m	2021 (Restated) ¹ £m
Operating activities			
Profit before tax		54.8	46.2
Adjustments for:			
– depreciation and amortisation		43.8	41.1
– research and development expenditure credit		(0.6)	(1.0)
– net financing costs	7	6.6	4.6
– impairments	13	0.4	2.3
– profit on disposal of property, plant and equipment		(0.1)	(0.7)
– gain on derecognition of lease liabilities		1.2	–
– profit on disposal of Containers and Pullman businesses	3	(0.9)	(0.4)
– share of results of joint venture	15	–	(0.1)
– write down of trade investment		–	0.1
– share based payment transactions		0.3	0.6
		105.5	92.7
Increase in trade and other receivables		(7.9)	(64.8)
(Increase)/decrease in inventories		(1.1)	0.6
Increase in trade and other payables		15.9	66.5
Decrease in provisions		(1.7)	(0.3)
Increase in employee benefits before pension deficit payment		0.9	1.5
Income taxes paid		(3.3)	(5.7)
Cash generated before pension deficit payment		108.3	90.5
Pension deficit payment		(18.5)	(18.3)
Cash flows from operating activities		89.8	72.2
Investing activities			
Proceeds from sale of property, plant and equipment		2.9	4.5
Purchase of business, net of cash acquired		(13.6)	–
Net cash outflow from disposal of Containers and Pullman businesses		–	(0.2)
Interest received		–	0.1
Additions of property, plant, equipment and vehicles	12	(10.7)	(8.2)
Additions of computer software	11	(0.5)	(1.4)
Cash flows from investing activities		(21.9)	(5.2)
Financing activities			
Increase/(decrease) in borrowings		9.9	(62.0)
Repayment of borrowings acquired	27	(14.0)	–
Own shares acquired		(1.8)	–
Payment of lease liabilities		(37.7)	(35.1)
Equity dividends paid	10	(14.3)	(3.5)
Interest paid on borrowings		(3.1)	(2.6)
Interest paid on lease liabilities		(5.2)	(3.8)
Cash flows from financing activities		(66.2)	(107.0)
Net increase/(decrease) in cash and cash equivalents		1.7	(40.0)
Cash and cash equivalents at beginning of the year		27.0	67.0
Cash and cash equivalents at end of the year		28.7	27.0
Represented by:			
– cash at bank and in hand	20	28.7	30.6
– bank overdrafts	20	–	(3.6)
		28.7	27.0

1 Certain comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

1. Accounting policies

Statement of compliance

Wincanton plc (the Company) is a company incorporated in the United Kingdom and domiciled and registered in England and Wales. The Company provides supply chain solutions in the UK and Ireland and is a public company limited by shares. The address of the Company's registered office and its registered number are shown on page 152. The consolidated financial statements include those of the Company and its subsidiaries (together referred to as the Group).

The consolidated financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (Adopted IFRS) and the legal requirements of the Companies Act 2006, as applicable to companies reporting under those standards.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 April 2021. There were no impacts or changes in accounting policies arising from this transition.

Standards, amendments and interpretations effective or adopted in the year

The following standards and amendments became effective or were available for early adoption in the year but did not have a material impact on the consolidated financial statements:

- Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16; and
- Amendments to IFRS 16 Leases: Covid-19 Related Rent Concessions.

Standards and amendments that are issued but not yet applied by the Group

At the date of authorisation of these financial statements, the following Standards and Amendments were in issue but are not yet effective and in some cases have not yet been adopted by the UK:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current and Deferral of Effective Date Amendment
- Annual Improvements to IFRS 2018–2020
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 Reference to Conceptual Framework
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates
- IFRS 17 Insurance Contracts
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

None of the above Standards and Amendments are expected to have a material effect on the Group's financial reporting.

Prior year restatement

Change in accounting policy – Software-as-a-Service (SaaS) arrangements

Following the IFRS Interpretations Committee (IFRIC) agenda decision published in April 2021, the Group has reviewed its accounting policy regarding the configuration and customisation costs incurred when implementing a SaaS arrangement. These costs were previously capitalised, but the accounting policy has been changed to expense these costs given the latest IFRIC guidance.

The Group's revised policy aligns with the IFRIC agenda decision whereby:

- in SaaS arrangements where the Group controls the underlying software, configuration and customisation costs are capitalised as part of bringing the identified intangible asset into use
- where the Group does not control the underlying software, but the related configuration and customisation costs are not distinct from access to the software, these costs are expensed over the SaaS contract term
- in all other circumstances, configuration and customisation costs are recognised as an expense as incurred, except in the limited instances where these costs result in a separately identifiable intangible asset.

During the previous financial year, the Group commenced the implementation of a new cloud based ERP and Human Resources system, and at 31 March 2021 costs of £2.2m had been capitalised. The above change in accounting policy has been applied retrospectively and results in a prior period restatement to the 31 March 2021 primary statements, to recognise these costs as a non-underlying expense within net operating expense. No costs had been incurred prior to 1 April 2020 and as such there was no impact to the balance sheet as at 31 March 2020, hence a balance sheet at that date has not been presented.

The effect on the 31 March 2021 balance sheet is a reduction in both intangible assets and retained earnings of £2.2m. The effect on the 31 March 2021 cash flow statement is a decrease in cash flows from operating activities of £2.2m, and a corresponding reduction in cash outflows due to investing activities of £2.2m.

1. Accounting policies continued

Basis of preparation

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

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Group financial statements under Adopted IFRS 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.

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

Critical judgements in applying the Group's accounting policies

The following are key judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- the presentation of selected items as non-underlying and the use of underlying measures as described in see Note 3 'Alternative Performance Measures'
- the determination of whether any claims against the Group give rise to a possible, probable or remote outflow of economic benefit as detailed in Note 24 'Provisions' and Note 25 'Contingent liabilities'
- the determination of whether goods and services promised in the Group's contracts with customers represent distinct performance obligations, and the associated timing of revenue recognition for long term contracts. See Note 1 'Accounting policies', revenue recognition.

Key sources of estimation uncertainty

The Group's key sources of estimation uncertainty in the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are shown below:

Defined benefit pension scheme

Details of the Group's defined benefit arrangements are set out in Note 28 'Employee benefits', including the assumptions made, risk factors and tables showing the sensitivity of the pension scheme obligations to changes in actuarial assumptions. The effects of changes in the actuarial and demographic assumptions underlying the Scheme's obligations, together with experience gains or losses and the return on assets excluding amounts recognised in net financing costs, are classified as remeasurements in the defined benefit liability and recognised in other comprehensive income.

Insurance provisions

Provisions are liabilities of uncertain timing or amount and therefore judgement is applied in making a reliable estimate of the quantum and timing. Further information about the assumptions and risk factors is given in Note 24 'Provisions'.

The judgements which have had a significant effect on the amounts recognised in the financial statements in relation to the insurance provision were those relating to the estimation of the provision for claims outstanding, including reported claims and claims incurred but not reported (IBNR).

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. An external actuary is appointed to undertake an annual assessment of certain of the provisions required. The Group adopts a reserving position by applying a measurement basis which on some policy years is in excess of the external actuary's best estimate due to developments since the date of the actuary's report.

Given the uncertainty in establishing claims provisions, actual results may differ from the historical pattern on which these estimates are based and the cost of settling individual claims may exceed that assumed. It is likely that the final outcome will prove to be different from the original liability established.

The estimation of the provision for claims IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where more information about the claim event is available. Claims IBNR may often not be apparent to the insured for a considerable period after the loss event, and classes of business where the IBNR proportion of the total provision is high will typically display greater variations between initial estimates and final outcomes.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the accounting period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future underwriting periods. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected.

1. Accounting policies continued

Insurance provisions continued

Given the diversity of claim types, their size, the range of possible outcomes and the time involved in settling these claims it is impractical to provide sensitivity analysis on one single measure and its potential impact on the overall insurance provision. Provisions covered by the actuarial review at the balance sheet date were £18.9m (2021: £5.0m) compared to an actuarial range of £10.9m to £14.4m (2021: £3.2m to £4.7m), with the scope of the actuarial review being increased to include more recent, immature years. Management have taken into consideration the actuarial review, the development of larger claims since the actuarial review, and historic development patterns of the claims in determining the level of provision held.

Other sources of estimation uncertainty

Impairment of assets

Determining whether the Group's assets are impaired requires an estimation of the value in use of the cash generating units (CGUs) to which the assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. Note 13 'Impairment' provides information on the assumptions used in the value in use calculations and the amount by which the recoverable amount exceeds the respective carrying amount for each group of CGUs.

Business combinations

When accounting for business combinations using the acquisition method there are key estimates made in determining the fair value of the opening balance sheet and intangible assets. For the acquisition of Cygnia these included the estimated future cash flows and suitable discount rate used to value the acquired intangibles. See note 27 for the identifiable assets, liabilities and contingent liabilities acquired measured at fair value as at the acquisition date.

Climate change

Climate change is a global challenge and has been identified as a principal risk for the Group. The potential impact of climate change has been considered in a number of areas including our assessments of going concern and viability, goodwill impairment testing and reviews of property, plant and equipment. However, in our view, climate change does not represent a material estimation uncertainty. For further details of the Group's assessment of climate change risks refer to the risk report and to the ESG and sustainability section of the strategic report.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. In adopting the going concern basis, the Directors have considered Wincanton's business activities, together with factors likely to affect its future development and performance, as well as Wincanton's principal risks and uncertainties.

The adoption of the going concern basis is based on an expectation that the Group will have adequate resources to continue in operational existence for at least 12 months from the signing of the annual financial statements. For the purpose of this going concern assessment, the Directors have considered an 18 month period from the balance sheet date, aligned with the business forecasting outlook period, to 30 September 2023. The Group has reported a profit before tax of £54.8m for the year ended 31 March 2022 (2021: £46.2m as restated), net current liabilities of £127.5m (2021: £137.1m) and net assets of £63.6m (2021: net liabilities £1.7m as restated).

The Group's committed facilities at 31 March 2022 comprise a syndicated Revolving Credit Facility (RCF) of £175.0m, which matures in March 2026. The Group had £150.0m undrawn amounts against the RCF facility as at 31 March 2022. The RCF requires the Group to comply with the following three financial covenants at 30 September and 31 March each financial year:

- **leverage ratio:** Consolidated total net borrowings of no more than 3.0 times consolidated EBITDA for the preceding 12 month period
- **interest cover:** Consolidated EBITDA for the preceding 12 month period is not less than 3.5 times higher than consolidated net finance charges for the preceding 12 month period
- **fixed charge cover:** Consolidated EBITDA plus operating lease costs for the preceding 12 month period is not less than 1.4 times higher than consolidated net finance charges plus operating lease costs for the preceding 12 month period.

See Note 30 for the covenant assessment as at 31 March 2022 which shows we have significant headroom across all of the covenants.

In arriving at the conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources above are sufficient to accommodate the principal risks and uncertainties faced by the Group.

The Directors have reviewed the financial forecasts across a range of scenarios. Wincanton has modelled a base case based on revenue and profit run rates at the end of March 2022 that forms the basis of the budget for the year ended 31 March 2023 and three year plan.

The severe but plausible downside case assumes a deterioration in trading performance, with a 10% reduction in profit before tax resulting primarily from a reduction in budgeted trading from a major customer. This scenario also assumes a deterioration in working capital performance compared to the base case as a result of delayed cash receipts, as well as a further material unplanned cash outflow linked to a general commercial dispute. On top of these downsides, an adverse working capital outflow was assumed to occur in the year ended 31 March 2023 to simulate the timing impact of a high inflationary environment on cash collection within our open book contracts, where receipts are normally collected in arrears.

These downsides would be partly offset by the application of further mitigating actions to the extent they are under management's control, including deferrals of capital and other discretionary expenditure, as well as management bonus payment deferral and claiming against insurance cover to offset any commercial dispute.

1. Accounting policies continued

Going concern continued

In both scenarios, the Group has sufficient liquidity and adequate headroom in the committed facilities set out above to meet its liabilities as they fall due throughout the forecast period and the Group complies with the financial covenants under the RCF at 30 September and 31 March throughout the forecast period.

The Group has carried out reverse stress tests against the downside case to determine the performance levels that would result in a breach of covenants. For a breach in covenants to occur during the relevant period, the Group would need to experience a sustained drop in EBITDA (-50%) versus the downside case throughout the period. The Directors do not consider this scenario to be plausible given the ability of the Group to continue its operations through the recent pandemic, the customer contract security within the Group and the buoyant nature of many of the markets within which the Group operates.

Our assessment of the developments in Ukraine and the broader region is that they are not likely to give rise to a material financial impact on the Group, since the Group does not have any operations outside of the United Kingdom and Ireland. As a result, aside from the modelling of higher costs resulting from a rising inflationary environment, it has not been deemed necessary to include any further impact of the war in Ukraine within our forecasts.

The Directors have also considered the impact of climate related matters on the Group's going concern assessment and do not expect this to have a significant impact on the going concern assessment throughout the forecast period.

Since performing their assessment, there have been no subsequent changes in facts and circumstances relevant to the Directors' assessment of going concern.

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. Businesses acquired or disposed of since then have been accounted for using acquisition accounting principles from or up to the date that control passed.

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

The results, assets and liabilities of joint ventures 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 joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. 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 joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Intangible assets

Goodwill

All business combinations are accounted for by applying the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the fair value of any contingent consideration.

Where the consideration transferred exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. The costs of effecting an acquisition are charged to the income statement in the period in which they occurred.

Goodwill is stated at cost less any impairment losses. Goodwill is allocated to groups of CGUs 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	six to ten years
Trademarks	five years
Acquired software	three to five years

The cost of computer software purchased or developed inhouse 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	three to five years
-------------------------	---------------------

Major software projects may be amortised over lives of up to ten years.

1. Accounting policies continued

Property, plant, equipment and vehicles

Items of property, plant, equipment and vehicles 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.

Subsequent expenditure

The Group recognises in the carrying amount of an item of property, plant, equipment and vehicles 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. The estimated useful lives are as follows:

Freehold buildings	50 years
Leasehold improvements	remaining 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. Climate change is not considered to have a significant impact on the useful lives of items of property, plant and equipment. Freehold land is not depreciated. The residual value of tangible assets, if significant, is reassessed annually.

Right-of-use assets

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet.

Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when: the sale is highly probable; the asset is available for immediate sale in its present condition; and management are committed to the sale which is expected to complete within one year from the date of classification. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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 and subsequently at amortised cost, i.e. less any impairment losses.

Receivables that have been sold in accordance with a non-recourse trade receivable financing agreement are derecognised at the date sold.

The Group acts as an intermediate lessor of property assets and equipment. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The Group accounts for finance leases as finance lease receivables, using the effective interest rate method.

Cash and cash equivalents and bank overdrafts

Cash and cash equivalents comprise cash balances, restricted cash, call deposits and, for the purpose of the cash flow statement, certain bank overdrafts. Restricted cash relates to cash deposits held by the Group's insurance subsidiary with a maximum notice period of 32 days and cannot be freely transferred to the UK without prior approval. Bank overdrafts that are available for offset, repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents as presented in the cash flow statement.

In the balance sheet, bank overdrafts are presented within borrowings and other financial liabilities, and are offset against cash when, and only when, there is a legally enforceable right of set-off and the Group intends either to settle on a net basis or to realise the cash and settle the overdraft simultaneously.

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.

1. Accounting policies continued

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 through other comprehensive income into a separate component of equity. They are released into the income statement upon disposal.

Lease liabilities

The lease liability is initially measured at the present value of the remaining lease payments over the lease term, discounted using the rate implicit within the lease or, where this is not available, the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods following an option to terminate the lease if the lessee is reasonably certain not to exercise that option based on operational needs and contractual terms.

Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments over the lease term. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

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 were closed to future accrual with effect from 31 March 2014.

Defined contribution arrangements

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

Defined benefit arrangements

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

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

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

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

Share based payment transactions

The Group has applied the requirements of IFRS 2 Share-based Payments to the grants of options made under the Long Term Incentive Plan (LTIP).

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. The shares purchased are held in a separately administered offshore trust for the benefit of the Plan participants.

1. Accounting policies continued

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.

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 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 dilapidations assessment, and the expected cost of empty or under-utilised properties on short term leases for which the practical expedient to exclude from IFRS 16 Leases has been applied. Dilapidations are provided for specific individual properties where the outflow of resources is probable and the amount of the obligation can be reliably estimated. Where significant, amounts are discounted.

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

Other provisions include those for restructuring, onerous contracts, sundry claims and settlements. A restructuring provision is recognised only when a constructive obligation exists, with the amount recognised based on the estimated liability.

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, including any impacts arising from climate change. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill is tested for impairment at least annually. The two exceptions above are dealt with as per the separate applicable accounting policy.

The Group applies the simplified approach permitted by IFRS 9 Financial Instruments, which requires the application of a lifetime expected loss provision to trade receivables, contract assets, contract receivables and lease receivables. The provision calculations are based on historic credit losses for each segment adjusted to reflect current and forecast conditions at the reporting date. This approach is followed unless there are specific circumstances which would render the receivable irrecoverable and therefore require a specific provision. These circumstances are specific to each customer and subject to management judgement based upon indicators such as a change in customer credit rating or a change in payment patterns. A provision is made against trade receivables, contract assets, contract receivables and lease receivables until such time as the Group believes the amount to be irrecoverable, after which the balance is written off. For amounts owed by subsidiary undertakings, which are repayable on demand, any expected credit losses are based on the assumption that repayment is demanded at the balance sheet date and with reference to the subsidiary undertaking's access to accessible highly liquid assets.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the amount of goodwill allocated to the applicable CGU and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Calculation of recoverable amount

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

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU or group of CGUs to which the asset belongs, such as the majority of right of use assets.

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.

1. Accounting policies continued

Revenue recognition

The Group's contracts with customers are typically for the provision of supply chain management services, being transport and warehousing services (including transportation, planning, home delivery, eFulfilment, warehouse management, operation of automated facilities and co-packing). The Group recognises revenue from these contracts as the performance obligations to deliver the products and services under these contracts are satisfied. This is usually over time as the customer simultaneously receives and consumes the benefits provided and normally comprises a single performance obligation, being a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Revenue is recognised based on the amount of consideration expected to be received in exchange for satisfying the performance obligations identified in the contracts with customers.

Open book contracts will typically cover costs incurred plus either a fixed or variable management fee. Where the Group has the right to invoice the customer at an amount that corresponds directly with performance to date, the practical expedient is applied to recognise revenue at that amount.

Where the Group does not have the right to invoice the customer in line with performance to date, the input method using costs incurred is applied to measure progress of performance to date.

On closed book contracts, revenue is typically earned based on a pre-agreed rate card and is typically per unit, delivery or km travelled. The Group applies the practical expedient to recognise revenue at the amount the Group has the right to invoice the customer in line with performance to date.

Variable revenue linked to performance measures, such as key performance indicators (KPIs) and gain-share mechanisms, can arise on both open and closed book contracts. Variable revenue is estimated monthly on a contract by contract basis. Amounts of variable revenue recognised are not significant and are not deemed materially sensitive. Variable revenue is constrained and only recognised to the extent that it is highly probable that a significant reversal of the cumulative revenue recognised will not take place. As a result of the constraint, generally, the expected KPI revenue or penalties are recognised on certain contracts when the performance of those contracts meets or falls short of the targets set, and expected gain-share revenue is recognised on certain contracts when the impact of any cost saving initiatives has been agreed with the customer.

Payments made to customers that are not for the provision of distinct goods or services, are recognised as a rebate at the latter of: when revenue is recognised for the related services; or when it is paid or promised to be paid.

The Group does not have any contracts which include a significant financing arrangement and therefore does not adjust its transaction price for the time value of money.

Where payments are received in advance of revenue being recognised they are included as contract liabilities. Where revenue is recognised in advance of amounts being invoiced, it is reported as a contract receivable. Where a payment has been made to a customer, which is not in exchange for goods and services and it is in advance of the goods or services provided to the customer, it is reported as a contract asset.

Contract modifications typically arise by either: an extension to the contract term or an amendment to the rates charged. Where an extension to the contract provides additional distinct services at a standalone selling price it is treated as a separate contract. Where a modification relates to a change in rate, although the scope of the contract has not increased, the remaining services provided are distinct from the services transferred before the modification and therefore these modifications are treated as a termination of the existing contract and the creation of a new contract.

Contract fulfilment assets include costs of obtaining a contract and costs to fulfil a contract. Costs to obtain a contract are those costs incurred in obtaining a contract that would not have been incurred if the contract had not been obtained, for example sale bonuses. Incremental costs of obtaining a contract have not been capitalised where the amortisation period for the asset is one year or less.

Costs to fulfil a contract include the costs of setting up and managing projects and/or to transition the operations covered by the customer contract to the Group. An asset is recognised where those costs are specific to a contract, generate or enhance resources that will be used to satisfy the performance obligations of the contract and are expected to be recovered. Where fees are received in connection with such costs and there is no transfer of goods or services to the customer, these fees are deferred and recognised over the term of the contract. Contract fulfilment assets are recognised over the term of the contract to which they relate.

Expenses

Government grants

Income from government grants is recognised when there is reasonable assurance that the Group has complied with the conditions attached to the grant and that the grant will be received. Government grants received from the Coronavirus Job Retention Scheme (furlough) are recognised as a credit against the related staff costs and not as an item of other income.

Income received under the Research and Development Expenditure Credit (RDEC) is recognised as other income.

Lease payments

The Group has elected to apply exemptions for short term leases and leases for which the underlying asset is of low value.

For these leases, payments are charged to the income statement on a straight-line basis over the term of the lease.

Net financing costs

Net financing costs comprise interest payable on borrowings, lease liabilities, and other charges less interest income and the interest on the net defined benefit pension asset.

Interest payable on borrowings is calculated using the effective interest rate method. The interest expense on lease liabilities is calculated using the discount rate applied on inception of the lease. Other charges include bank fees, amortisation of bank arrangement fees and unwinding of discounts.

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

1. Accounting policies continued

Taxation

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

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

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

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

Operating segments

Operating segments are identified on the basis of information that is provided to the Chief Executive Officer (CEO) to allocate capital and resources and to assess performance. The CEO is a member of the Executive Management Team and the Board, and is the Group's Chief Operating Decision-Maker. The Group is structured as a single operating segment with one segment manager who reports to the CEO.

Details of additions to non-current assets, which are all held in the UK, are included in Notes 11, 12, 14 and 28.

Dividends

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

Alternative Performance Measures (APMs)

Underlying results are used in the day to day management of the Group. Definitions and a description of the use of these non-GAAP measures as shown in Note 3.

2. Contract revenue and costs

Contract revenue

Customer contracts comprise single performance obligations, being a series of distinct goods and services satisfied over time as the services are substantially the same and have the same pattern of transfer to the customer. They are typically for the provision of supply chain management services, being transport and warehousing services (including transportation, planning, home delivery, eFulfilment, warehouse management, operation of automated facilities and co-packing), with revenue generally being recognised over time.

Disaggregation of revenue

Customer contracts are disaggregated by business unit. Further detail is given in the table below:

	2022 £m	2021 £m
eFulfilment	223.2	144.4
Grocery & Consumer	517.6	447.0
General Merchandise	396.4	334.3
Public & Industrial	284.2	245.6
Containers and Pullman Fleet Services	–	50.6
Revenue from contracts with customers	1,421.4	1,221.9

Revenue from open book contracts totalled £1,025.2m (2021: £848.2m) and from closed book contracts £396.2m (2021: £373.7m).

Revenue of £319.5m (2021: £274.7m) and £172.1m (2021: £134.8m) arose from sales to the Group's two largest single customers, being groups of companies under common control. No other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior year.

Revenue includes £1,407.3m (2021: £1,209.9m) in respect of customers based in the UK.

2. Contract revenue and costs continued

Contract costs

The following table shows assets recognised from costs incurred to obtain contracts or fulfil contracts:

	2022 £m	2021 £m
Costs to obtain contracts	1.2	0.9
Costs to fulfil contracts	3.2	3.3
Total	4.4	4.2

Costs to obtain contracts relate to sales bonuses paid as a result of obtaining contracts. These costs are amortised on a straight-line basis over the period of the contracts obtained. During the period, the amount of amortisation was £0.2m (2021: £0.1m). Costs to fulfil contracts relate to project management costs and other costs incurred as a result of setting up and managing projects. These costs are amortised on a straight-line basis over the period of contract. During the period, the amount of amortisation was £1.1m (2021: £1.1m). There was no impairment loss in relation to the costs capitalised.

The Group applies the practical expedient in paragraph 94 of IFRS 15 and recognises the incremental costs of obtaining a contract as an expense in the income statement when incurred, if the amortisation period of the asset which would otherwise have been recognised is one year or less.

3. Alternative performance measures (APMs)

The alternative performance measures (APMs) or underlying results reported in this Annual Report and Accounts represent statutory measures adjusted for items which management consider could distort the understanding of performance and comparability year on year.

APMs are used by the Board to assess the Group's performance and are applied consistently from one period to the next. They therefore provide additional useful information for shareholders on the underlying performance and position of the Group but should not be viewed in isolation. Additionally, underlying profit before tax is used in determining Annual Bonus payments and underlying EPS is used as a key performance indicator for most awards under the LTIP share incentive scheme. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures. Wincanton's underlying measures may not be comparable to similarly titled measures used by other companies.

The Group presents underlying EBITDA, operating profit, profit before tax and EPS which are calculated as the statutory measures stated before non-underlying items. These are items which the Directors consider separate disclosure would assist both in a better understanding of the financial performance achieved and in making projections of future results. A balanced approach to both gains and losses is applied, to be both consistent and clear in the accounting and disclosure of such items.

The Group identifies items as non-underlying based on the following principles:

- items that are significant in nature. The event or transaction is clearly unrelated to, or only incidentally related to, the trading activities of the Group or the event or transaction would not reasonably be expected to recur in the foreseeable future; and/or
- items that are significant in size. The event is considered significant in size and therefore distorts the underlying results.

In addition, the Group will always disclose the items below as 'non-underlying items' for the following reasons:

- amortisation charges relating to acquired intangible assets. This relates to an acquisition event and therefore irregular in nature. The intangible assets identified are primarily customer contracts and relationships which are not recognised other than through an acquisition. In order for the profitability of the contracts acquired to be treated consistently with those of the existing business, the amortisation charges are presented as non-underlying
- profits or losses arising on the disposal of continuing or discontinued operations. These items are by their nature irregular. There are likely to be gross impacts that are material even if the net impact is not
- adjustments to amounts previously reported as non-underlying. Where an amount has been initially presented as non-underlying any adjustment to this amount is also reported as non-underlying
- the tax impact of non-underlying items. The tax impact may not be material on an item, however it is appropriate for the tax treatment to follow the treatment of the item as non-underlying.

EBITDA refers to earnings (operating profit) before interest, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of finite-lived intangible assets. This measure also excludes the impact of impairment of non-current assets.

Other APMs used are net debt and free cash flow, which relate to liquidity. Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities excluding lease liabilities (see Note 30). Free cash flow is defined as the movement in net debt before pension payments, dividends and the acquisition of own shares.

3. Alternative performance measures (APMs) continued

A reconciliation between statutory IFRS operating profit and underlying operating profit is given below. Details of underlying EPS can be found in Note 9.

	2022			2021		
	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying (Restated) ¹ £m	Total (Restated) ¹ £m
Revenue	1,421.4	–	1,421.4	1,221.9	–	1,221.9
Cost of sales	(1,339.5)	–	(1,339.5)	(1,149.3)	–	(1,149.3)
Gross profit	81.9	–	81.9	72.6	–	72.6
Other income and gains on disposal of assets	4.1	1.4	5.5	0.8	1.7	2.5
Administrative expenses	(21.3)	(4.7)	(26.0)	(21.7)	(2.7)	(24.4)
Share of results of associate	–	–	–	0.1	–	0.1
Operating profit	64.7	(3.3)	61.4	51.8	(1.0)	50.8

1 Comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

Non-underlying items

Non-underlying items are as follows:

	2022 £m	2021 (restated) £m
Cloud computing configuration and customisation costs	(4.1)	(2.2)
Acquisition related costs	(1.0)	0.2
Amortisation of acquired intangibles	(0.6)	–
Release of warranty provision	1.0	–
Gain on disposal of businesses	0.9	0.4
Net profit on disposal of assets including freehold property	0.5	1.3
Pension Scheme – Guaranteed Minimum Pension (GMP)	–	(0.7)
	(3.3)	(1.0)

a) Cloud computing configuration and customisation costs

Following the IFRS Interpretation Committee agenda decision published in April 2021, the Group has revised its accounting policy regarding the customisation and configuration costs incurred when implementing a SaaS software arrangement.

The Group is currently undertaking a major systems implementation for new cloud computing software, resulting in costs of £4.1m being recognised as an expense. In addition, £2.2m of implementation costs were incurred in the year to 31 March 2021 and comparatives have been restated as detailed in Note 1. The first phase of the implementation has gone live and was achieved on time and to budget. To complete this project over the next twelve months, a similar cost to this year is expected to be incurred which will be treated as a non-underlying cost.

Due to the size and nature of these costs they are presented as a non-underlying item as they are not reflective of underlying performance.

b) Acquisition related costs

As part of the acquisition of Cygnia, the Group has incurred acquisition related costs, professional fees and integration costs of £1.0m which have been recognised as an expense as required by IFRS 3 Business combinations.

In the prior year, a balance related to estimated costs of aborted M&A activities was released following the conclusion of these bids.

c) Amortisation of acquired intangibles

As part of the acquisition of Cygnia the Group has recorded finite-life intangible assets identified as part of the purchase price allocation accounting in line with IFRS 3 Business combinations (see Note 27). The amortisation of these finite-life intangibles is presented in non-underlying with a total expense in the period of £0.6m.

d) Release of warranty provision

The Group has released the value of a potential claim under a historic warranty provision, dating back to 2015, as any outflow of economic benefits is now considered to be remote. As the original provision was recognised as a non-underlying item, the write-back has been recognised in a consistent manner.

3. Alternative performance measures continued

e) Gain on disposal of businesses

In the year ended 31 March 2022, £0.9m of contingent consideration was recognised related to the Group's disposal of its Containers business in October 2020, which has been recognised as non-underlying consistent with the presentation of the profit on disposal recognised in the prior year. The contract terms allow for further sums to be received until January 2024.

During the year ended 31 March 2021, the Group disposed of its Containers business for consideration comprising cash plus contingent consideration based on volumes associated with one contract, and the Group also disposed of its Pullman Fleet Services business. A profit on disposal of £0.4m was recognised in the prior year on the disposal of these two businesses.

f) Net profit on disposal of assets including freehold properties

Profits and losses arising on the disposal of significant assets are considered non-underlying as these transactions are only incidentally related to the trading activities of the Group. During the current and prior year the Group disposed of a number of specialist vehicles that were not required for ongoing operations. A profit on disposal of £0.5m has been recognised in the year (2021: £0.8m).

In addition, in the prior year, £0.5m of transition costs were released following completion of the disposal of two freehold properties.

g) Pension Scheme – Guaranteed Minimum Pension (GMP)

A past service cost of £0.7m was recognised in the prior year as an estimate of the impact of equalising historic pension benefits for men and women, and this was accounted for as a non-underlying item. This followed the judgement of the High Court of Justice of England and Wales issued in November 2020.

4. Operating profit

	Note	2022 £m	2021 £m
The following items have been charged/(credited) in arriving at operating profit:			
Auditor's remuneration:			
Audit fees for statutory audit services:			
– parent Company		0.2	0.1
– subsidiary undertakings		0.5	0.3
Non-audit fees:			
– fees paid to the auditor and its associates for assurance services		0.1	0.1
Amortisation: acquired intangibles	11	0.6	–
Amortisation: software intangibles	11	1.0	1.9
Depreciation: property, plant, equipment and vehicles	12	7.6	7.2
Impairment charges: property, plant, equipment and vehicles	13	–	1.7
Impairment charges: right-of-use assets	13, 14	0.4	2.2
Depreciation: right-of-use assets	14	34.6	32.0
Short term leases:			
– plant and equipment		5.1	1.7
– land and buildings		1.8	1.7
Government grants and other support	5	(0.5)	(8.0)

5. Government grants and other support

The Group has submitted a claim under the Research and Development Expenditure Credit (RDEC) scheme for expenditure incurred on qualifying research and development for £0.1m. The credit due to the Group is equal to 13.0% of qualifying expenditure (2021: 12.0%) and is given as a taxable credit payable as cash or as an offset against corporation tax liabilities. During the year, the Group has recognised a credit of £0.5m (2021: £0.8m), net of fees, in other income in respect of RDEC claims for the years ended 31 March 2020 and 31 March 2021.

No claims were made during the year for financial support from the UK Government relating to Covid-19. During the prior year the Group received £12.8m in government grants from the Coronavirus Job Retention Scheme (furlough), of which £5.8m was subsequently repaid. The Group elected to recognise the grant as a credit against the related staff costs and not as an item of other income.

6. Personnel expenses, including Directors

	Note	2022 £m	2021 £m
Wages and salaries		607.1	542.2
Share based payments (including IFRS 2 fair value charges)	29	0.5	1.3
Social security contributions		63.1	54.7
Contributions to defined contribution pension arrangements	28	36.7	34.0
		707.4	632.2

	2022	2021
Average number of persons employed by the Group (including Directors) during the year		
Warehouse	10,802	9,952
Transport	6,024	5,945
Administration	3,326	3,248
Total	20,152	19,145

Directors' emoluments

	2022 £'000	2021 £'000
Salaries	768	704
Bonus	286	473
Other benefits	67	128
Pension-related benefits	65	57
Non-executive Directors' fees	468	459
Total emoluments	1,654	1,821

The aggregate of the amount of gains made by Tim Lawlor and James Wroath on exercise of share options during the year was £169,700 (2021: £173,000). The element of the share based payment expense attributable to the Directors was £0.4m (2021: £0.3m). Contributions were made for two Directors of the Company to the defined contribution pension scheme. Full details of each individual Director's emoluments, bonuses, share options and pension entitlements are given in the Directors' remuneration report on pages 75 to 88.

7. Net financing costs

	Note	2022 £m	2021 £m
Interest income		–	0.1
Interest on the net defined benefit pension asset	28	1.1	2.3
		1.1	2.4
Interest expense		(2.1)	(2.8)
Interest on lease liabilities		(5.2)	(3.8)
Unwinding of discount on provisions	24	(0.4)	(0.4)
		(7.7)	(7.0)
Net financing costs		(6.6)	(4.6)

8. Income tax expense**Recognised in the income statement**

	2022 £m	2021 £m
Current tax expense/(income)		
Current year	3.6	5.0
Adjustments for prior years	4.5	(1.1)
	8.1	3.9
Deferred tax expense/(income)		
Current year	3.7	3.6
Adjustments for prior years	(4.9)	(0.4)
	(1.2)	3.2
Total income tax expense	6.9	7.1

	2022 £m	2021 £m
Reconciliation of total income tax expense		
Profit before tax	54.8	48.4
Income tax using the UK corporation tax rate of 19% (2021: 19%)	10.4	9.2
Non-deductible expenditure	0.1	0.2
Prior year research and development tax credits	–	(0.2)
Non-taxable income included in non-underlying items	–	(0.6)
Tax incentives – super capital allowances	(1.4)	–
Change in UK corporation tax rate	(1.8)	–
Adjustments for prior years:		
– current tax	4.5	(1.1)
– deferred tax	(4.9)	(0.4)
Total tax expense for the year	6.9	7.1

Recognised in other comprehensive income

	2022 £m	2021 £m
Items which will not subsequently be reclassified to the income statement:		
Remeasurements of defined benefit pension liability	11.8	(12.4)
Impact of change in UK corporation tax rate	2.9	–
Total recognised in other comprehensive income	14.7	(12.4)

Recognised directly in equity

	2022 £m	2021 £m
Current tax on share based payment transactions	(0.3)	–
Deferred tax on share based payment transactions	(0.1)	(0.5)
Total recognised directly in equity	(0.4)	(0.5)

The main UK corporation tax rate remained at 19% (2021: 19%). The Finance Bill 2021 increases the corporation tax rate to 25% as from 1 April 2023. This Bill was substantively enacted on 24 May 2021 and therefore has been incorporated into the deferred tax balance at 31 March 2022.

The Group maintains an immaterial provision against tax risks, which is included within income tax payable.

The total tax expense above includes a tax credit on non-underlying items of £0.6m (2021: £0.4m).

9. Earnings per share

The basic earnings per share of 38.6p (2021: 31.5p as restated) is calculated based on the profit attributable to the equity shareholders of Wincanton plc of £48.0m (2021: £39.1m as restated) and the weighted average shares in issue excluding those held within an Employee Benefit Trust throughout the year as calculated below of 124.1m (2021: 124.0m). The diluted earnings per share calculation is based on there being 1.4m (2021: 1.4m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes.

	2022 millions	2021 millions
Weighted average number of Ordinary Shares (basic)		
Issued Ordinary Shares at the beginning of the year ¹	124.1	123.9
Net effect of shares issued and purchased during the year	–	0.1
	124.1	124.0
Weighted average number of Ordinary Shares (diluted)		
Weighted average number of Ordinary Shares for the year (as above)	124.1	124.0
Effect of share options in issue	1.4	1.4
	125.5	125.4

1 The number of shares excludes 0.7m Ordinary Shares (2021: 0.4m), being the weighted average number of the Company's own shares held within an Employee Benefit Trust.

An alternative earnings per share measure is set out below, being earnings before non-underlying items, including exceptional items, amortisation of acquired intangibles and related tax where applicable, since the Directors consider that this provides further information on the underlying performance of the Group:

	2022 pence	2021 pence
Underlying earnings per share		
– basic	40.8	32.0
– diluted	40.3	31.7

Underlying earnings are determined as follows:

	Note	2022 £m	2021 (Restated) ¹ £m
Profit for the year attributable to equity shareholders of Wincanton plc		47.9	39.1
Non-underlying items	3	3.3	1.0
Tax impact of non-underlying items		(0.6)	(0.4)
Underlying earnings		50.6	39.7

1 The comparatives have been restated due to a change in accounting policy as explained in Note 1 'Accounting policies'.

Underlying earnings and underlying earnings per share for the year ended 31 March 2021 include the results of the Containers and Pullman Fleet Services businesses, which were sold during that year.

10. Dividends

Dividends paid in the year comprise:

	2022 £m	2021 £m
Final dividend for the year ended 31 March 2021 of 7.5p per share (2020: £nil)	9.4	–
Interim dividend for the year ended 31 March 2022 of 4.00p per share (2021: 2.85p)	4.9	3.5
	14.3	3.5

The Directors are proposing a final dividend of 8.0p per share for the year ended 31 March 2022 (2021: 7.50p) which, if approved by shareholders, will be paid on 5 August 2022 to shareholders on the register on 15 July 2022, an estimated total of £10m. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 12 July 2022 and in accordance with accounting standards has not been included as a liability in these financial statements.

The Employee Benefit Trust has waived the right to receive dividends in respect of the shares it holds, see Note 25 'Capital and reserves' for further detail.

11. Goodwill and intangible assets

	Note	Goodwill £m	Acquired intangibles £m	Computer software costs (Restated) ¹ £m	Total £m
Cost					
At 1 April 2020		80.1	66.5	45.6	192.2
Effect of movements in foreign exchange		(0.2)	–	–	(0.2)
Additions		–	–	1.1	1.1
Disposals		–	(14.1)	–	(14.1)
At 31 March 2021		79.9	52.4	46.7	179.0
At 1 April 2021		79.9	52.4	46.7	179.0
Additions		–	–	0.5	0.5
Acquired on business combination	27	20.0	6.8	0.4	27.2
Disposals		–	–	(37.2)	(37.2)
At 31 March 2022		99.9	59.2	10.4	169.5
Amortisation and impairment losses					
At 1 April 2020		(2.5)	(66.5)	(37.6)	(106.6)
Charge for year		–	–	(1.9)	(1.9)
Disposals		–	14.1	–	14.1
At 31 March 2021		(2.5)	(52.4)	(39.5)	(94.4)
At 1 April 2021		(2.5)	(52.4)	(39.5)	(94.4)
Charge for year		–	(0.6)	(1.0)	(1.6)
Disposals		–	–	37.2	37.2
At 31 March 2022		(2.5)	(53.0)	(3.3)	(58.8)
Carrying value					
At 31 March 2020		77.6	–	8.0	85.6
At 31 March 2021		77.4	–	7.2	84.6
At 31 March 2022		97.4	6.2	7.1	110.7

1 Certain comparatives have been restated due to a required change in accounting policy as explained in Note 1 'Accounting policies'.

Assets under construction of £0.6m (2021: £6.7m) are included within computer software costs.

The total amortisation charge of £1.6m (2021: £1.9m) is recognised in the income statement within net operating costs.

Details of the impairment testing carried out is included in Note 13 'Impairment'.

12. Property, plant, equipment and vehicles

	Note	Property £m	Plant, equipment and vehicles £m	Total £m
Cost				
At 1 April 2020		20.1	115.1	135.2
Additions		4.0	4.2	8.2
Disposals		(5.0)	(21.0)	(26.0)
Transfer to assets held for resale		–	(2.3)	(2.3)
At 31 March 2021		19.1	96.0	115.1
At 1 April 2021		19.1	96.0	115.1
Additions		0.9	9.8	10.7
Acquired on business combination	27	0.2	3.5	3.7
Disposals		–	(5.8)	(5.8)
At 31 March 2022		20.2	103.5	123.7
Depreciation and impairment losses				
At 1 April 2020		(18.3)	(90.3)	(108.6)
Charge for year		(0.9)	(6.3)	(7.2)
Impairment of assets	13	–	(1.7)	(1.7)
Disposals		5.8	16.2	22.0
Transfer to assets held for resale		–	1.4	1.4
At 31 March 2021		(13.4)	(80.7)	(94.1)
At 1 April 2021		(13.4)	(80.7)	(94.1)
Charge for year		(1.4)	(6.2)	(7.6)
Disposals		–	3.9	3.9
At 31 March 2022		(14.8)	(83.0)	(97.8)
Carrying amount				
At 31 March 2020		1.8	24.8	26.6
At 31 March 2021		5.7	15.3	21.0
At 31 March 2022		5.4	20.5	25.9

Within plant, equipment and vehicles £2.8m (2021: £0.1m) relates to assets under construction.

The carrying amount of property comprises:

	2022 £m	2021 £m
Freehold	1.2	1.6
Leasehold improvements	4.2	4.1
	5.4	5.7

Capital commitments for the Group at the end of the financial year for which no provision has been made are £1.0m (2021: £0.1m).

13. Impairment

Impairment tests for goodwill

The carrying value for goodwill is tested for impairment on an annual basis or more frequently if there are indicators that it may be impaired.

Goodwill is allocated to the single operating segment, the Group as a whole, being a CGU.

The recoverable amount of the 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. The potential impact of climate change was also considered as this has been identified as a principal risk for the Group, however no adjustments were required to specifically reflect the effects of climate change. Cash flows beyond those 12 month and further 24 month periods are extrapolated to perpetuity using the estimated long term growth rates stated below, which do not exceed the long term average growth in the specific geographical area where the CGU operates.

Key assumptions used for value in use calculations:

	2022 %	2021 %
Estimated growth rate	1.3	1.3
Discount rate	10.8	14.0

Management determined the growth rates based on expectations for market development and these are consistent with external forecasts and historical trends. The methodology for determining the pre-tax discount rates is consistent with the prior year.

The estimated recoverable amount exceeds the carrying amount by approximately £741.6m (2021: £335.4m). The Group has conducted sensitivity analysis on the impairment testing. Management believe no reasonably possible change in the key assumptions would result in an impairment.

Impairment tests for assets with finite lives

The Group reviews the carrying amount of non-current assets with finite useful lives when events and circumstances indicate that an asset may be impaired. Impairment tests are performed by comparing the carrying amount of assets held in a CGU with its recoverable amount. Management considers each contract to be a CGU, except where resources are shared, in which case they are combined into one CGU. Recoverable amount is the higher of the fair value less costs of disposal and the value in use. An impairment loss is recognised whenever the carrying amount of a CGU exceeds its recoverable amount.

Recoverable amounts have been determined as value in use, using estimated future cash flows over the remaining contract term discounted to their present value using a pre-tax discount rate of 10.8% (2021: 14.0%).

From the CGU impairment reviews performed in the current year, the only impairment of assets required related to specialist leased assets used for a contract that was terminated prematurely. The residual right-of-use asset was impaired by £0.4m to its value in use amount and the impairment charge was included in net operating costs. There were no further impairments required in the year ended 31 March 2022.

In the prior year assets were impaired by £2.3m as a result of deteriorating market conditions. The impairment charge was included in net operating costs.

In addition, a right-of-use asset previously used by the Pullman Fleet Services business but not transferred on disposal was also impaired by £1.6m. The impairment charge associated with the disposal was reported as a non-underlying item.

The split of the impairment charges between underlying and non-underlying and the allocation to assets is shown in the table below:

	2022		2021	
	Underlying £m	Non- underlying £m	Underlying £m	Non- underlying £m
Plant and equipment	–	–	1.7	–
Right-of-use assets	0.4	–	0.6	1.6
	0.4	–	2.3	1.6

14. Right-of-use assets

	Note	Property £m	Non- property £m	Total £m
At 1 April 2020		63.6	45.9	109.5
Additions		29.6	26.4	56.0
Depreciation		(12.2)	(19.8)	(32.0)
Impairment of assets	13	(1.6)	(0.6)	(2.2)
Disposals		(0.3)	(1.7)	(2.0)
Carrying amount at 31 March 2021		79.1	50.2	129.3
At 1 April 2021		79.1	50.2	129.3
Additions		47.4	23.2	70.6
Acquired on business combination	27	30.3	0.8	31.1
Depreciation		(16.7)	(17.9)	(34.6)
Impairment of assets	13	–	(0.4)	(0.4)
Disposals		–	(7.0)	(7.0)
Carrying amount at 31 March 2022		140.1	48.9	189.0

An analysis of the related lease liabilities is set out in Note 22 'Lease liabilities' and Note 30 'Financial instruments'.

15. Investments including those equity accounted

At 31 March 2021 the Group held an investment in a joint venture company, with a carrying value of £0.2m. During the year ended 31 March 2022, the Group's interest in the joint venture was sold to the other joint venture party, realising an immaterial loss on disposal.

16. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Property, plant and equipment	–	3.4	(1.9)	–	(1.9)	3.4
Equity compensation benefits	1.1	1.0	–	–	1.1	1.0
Pension provisions	–	–	(28.6)	(9.1)	(28.6)	(9.1)
Tax losses carried forward	9.2	–	–	–	9.2	–
IFRS 16 transitional adjustment	3.1	2.4	–	–	3.1	2.4
Other assets	0.2	0.7	–	–	0.2	0.7
	13.6	7.5	(30.5)	(9.1)	(16.9)	(1.6)

Movement in deferred tax assets and liabilities during the current year

	At 1 April 2021 £m	Recognised in income £m	Business combination £m	Other movements £m	At 31 March 2022 £m
Property, plant and equipment	3.4	(3.4)	(1.9)	–	(1.9)
Equity compensation benefits	1.0	–	–	0.1	1.1
Pension provisions	(9.1)	(4.8)	–	(14.7)	(28.6)
Tax losses carried forward	–	9.2	–	–	9.2
IFRS 16 transitional adjustment	2.4	0.7	–	–	3.1
Other assets	0.7	(0.5)	–	–	0.2
	(1.6)	1.2	(1.9)	(14.6)	(16.9)

16. Deferred tax assets and liabilities continued

Movement in deferred tax assets and liabilities during the current year continued

The deferred tax liability at 31 March 2022 has been calculated at 25% (2021: 19%). The Finance Bill 2021 increases the corporation tax rate to 25% as from 1 April 2023. This Bill was substantively enacted on 24 May 2021 and therefore has been incorporated into the deferred tax balance at 31 March 2022.

It is management's expectation that the appropriate deferred tax rate for the pension surplus is 25% rather than 35% as it is expected the surplus will be reduced over time.

Deferred tax assets have not been recognised in respect of the following items, due to the uncertainty of their utilisation:

	2022		2021	
	Gross amount £m	Unrecognised deferred tax asset £m	Gross amount £m	Unrecognised deferred tax asset £m
Irish property losses carried forward	2.2	0.3	2.0	0.3
UK non-trading losses carried forward	3.3	0.8	3.1	0.5
	5.5	1.1	5.1	0.8

17. Inventories

	2022 £m	2021 £m
Raw materials and consumables	2.6	1.4

Raw materials and consumables with a value of £nil (2021: £nil) were written down in the year (see Note 13 'Impairment').

In the year ended 31 March 2022, inventories of £40.5m (2021: £67.6m) were recognised in the income statement within net operating costs.

18. Trade and other receivables

	Note	2022 £m	2021 £m
Trade receivables		105.7	119.6
Contract receivables		41.4	33.6
Contract assets		1.3	2.4
Contract fulfilment assets	2	4.4	4.2
Prepayments		53.6	28.8
Lease receivables		1.0	1.6
		207.4	190.2

Customers are normally invoiced on a monthly basis with payment terms of 30 to 60 days.

Trade receivables, contract receivables, contract assets and lease receivables are shown net of allowance for impairment of £2.5m (2021: £0.8m). All receivables are due within one year, except for contract assets of £0.7m (2021: £1.5m) in respect of amounts recoverable from customers and contract fulfilment assets of £3.0m (2021: £3.1m).

The contract receivables relate to the Group's rights to consideration for work completed but not billed at the reporting date. They are transferred to trade receivables when the amounts are invoiced. All movements in contract receivables relate to normal trading.

Contract assets relate to transition payments made to customers and are recognised in revenue as the related performance obligations are satisfied.

Contract fulfilment assets are outlined in Note 2 'Contract revenue and costs'.

Lease receivables at 31 March 2022 comprise finance leases of £1.0m relating to a number of sites in which Wincanton acts as a sub-lessor (2021: £1.6m). Rental income recognised by the Group during the year was £1.2m (2021: £1.3m). Future minimum rentals receivable under the contracts in place at the year end are as follows:

	2022 £m	2021 £m
Within one year	1.0	1.2
After one year but not more than five years	–	0.4
	1.0	1.6

The Group has a non-recourse trade receivable financing arrangement in place at the year end. As these receivables have been sold without recourse they have been derecognised in the table above.

18. Trade and other receivables continued

Movement in the allowance for impairment loss

	2022 £m	2021 £m
At 1 April	0.8	1.0
Impairment losses recognised on receivables	2.2	0.2
Amounts written off as unrecoverable	(0.2)	–
Impairment losses relating to disposed businesses	–	(0.4)
Impairment losses reversed	(0.3)	–
At 31 March	2.5	0.8

Ageing of trade receivables and contract receivables at the balance sheet date

	2022 Gross £m	2021 Gross £m
Contract receivables	41.4	33.6
Current	94.3	111.0
1 month overdue	13.2	5.9
2 months overdue	(0.3)	2.7
3+ months overdue	1.0	0.8
Gross trade receivables and contract receivables	149.6	154.0
Allowance for impairment	(2.5)	(0.8)
Trade receivables and contract receivables, net of allowance	147.1	153.2

There were no material individual impairments of trade receivables or contract receivables. Expected credit losses have not been recognised on receivables as the amounts are immaterial.

Sensitivity analysis

Trade receivables and contract receivables are assessed for impairment using a calculated credit loss assumption. A 10% increase in the assumed credit risk factor would increase the impairment by £0.1m.

19. Assets classified as held for sale

At 31 March 2021 the Group identified certain vehicles as being surplus to requirement which were classified as held for sale as their value was expected to be recovered by their sale and not through ongoing use in the business. These assets were disposed of during the year ended 31 March 2022.

20. Cash and cash equivalents

	2022 £m	2021 £m
Cash at bank and in hand	28.7	30.6
Bank overdrafts classified as borrowings	–	(3.6)
Cash and cash equivalents	28.7	27.0

£2.8m (2021: £1.8m) of restricted cash, being deposits held by the Group's insurance subsidiary, is included in cash at bank and in hand above. Details of the Group's treasury policies are set out in Note 30 'Financial instruments'.

21. Borrowings

	2022 £m	2021 £m
Current		
Bank overdrafts	–	9.7
Non-current		
Bank loans	25.0	9.0
	25.0	18.7

For the purposes of the cash flow statement £nil (2021: £6.1m) of bank overdrafts are not available for offset against cash balances and hence are not reflected within cash and cash equivalents as shown in Note 20 above.

Bank loans comprise the Group's Revolving Credit Facility (RCF) which was renegotiated during the year and matures in March 2026. Details of the contractual maturity is set out in the Liquidity risk section of Note 30 'Financial instruments'.

Notes to the consolidated financial statements continued

22. Lease liabilities

The Group leases warehousing facilities, commercial vehicles and other logistics equipment for use in its operations. The amounts charged to the income statement in the current and prior years are shown in Note 4 'Operating profit'.

	2022 £m	2021 £m
Current		
Lease liabilities	26.6	32.3
Non-current		
Lease liabilities	176.5	113.4
	203.1	145.7

£21.8m (2021: £16.5m) is the potential future lease liability relating to periods following the expiry date of termination options that are not included in the lease term.

Details of the maturity analysis of discounted lease liabilities recognised on the Group balance sheet are in the liquidity risk section of Note 30 'Financial instruments'.

The amounts charged to the income statement due to the practical expedients taken are shown below:

	2022		2021	
	Property £m	Plant and equipment £m	Property £m	Plant and equipment £m
Expense relating to short term leases	1.8	5.1	1.7	1.7
Expense relating to low value leases	–	–	–	–

The Group had commitments of nil (2021: £9.3m) for leases which had not commenced at the year end.

23. Trade and other payables

	2022 £m	2021 £m
Current		
Trade payables	35.3	41.2
Other taxes and social security	52.3	53.2
Other payables	20.0	14.8
Contract liabilities	69.3	65.4
Accruals	146.7	129.1
	323.6	303.7

The contract liabilities primarily relate to the consideration invoiced to customers in advance of the work being completed. Of the total balance at the beginning of the period, £65.4m has been recognised as revenue during the year. All movements in the balance relate to normal trading.

24. Provisions

	Note	Insurance £m	Property £m	Other provisions £m	Total £m
At 1 April 2021		24.6	9.4	5.0	39.0
Created		9.8	3.2	2.2	15.2
Acquired with business combinations		–	4.2	0.6	4.8
Utilised		(5.4)	(2.0)	(0.3)	(7.7)
Released		(5.1)	(0.2)	(3.1)	(8.4)
Unwinding of discount	7	0.2	0.2	–	0.4
At 31 March 2022		24.1	14.8	4.4	43.3
Current		7.0	2.6	3.1	12.7
Non-current		17.1	12.2	1.3	30.6
		24.1	14.8	4.4	43.3

24. Provisions continued

The Group owns 100% of the share capital of an insurance company which insures certain 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. Provisions are released when the obligation no longer exists or there is a reduction in management's estimate of the liability. The discount unwinding arises primarily on the employers' liability policy which is discounted over a period of seven years at a rate based on the Group's assessment of a risk-free rate. The Group provides standby letters of credit to the fronting insurer for employers' liability and motor third party claims totalling £19.7m (2021: £18.6m).

The property provisions are determined on a site by site basis and comprise primarily provisions for dilapidations. Dilapidation provisions comprise dilapidation estimates made in the normal course of business. Provisions are released when the obligation no longer exists or there is a reduction in the estimate. There remains a small level of onerous lease provisions relating to short term leases which are utilised over the relevant lease term, with the majority expected to be utilised over the next year. The dilapidations provisions are expected to be utilised at the end of the lease term. Estimated costs have been discounted at a rate based on the Group's assessment of a risk-free rate, with any estimated income being discounted at a rate reflecting an appropriate level of risk.

Other provisions include the estimated costs of the warranties and indemnities provided on disposal of businesses, together with provision for sundry claims and settlements where the outcome is uncertain.

25. Contingent liability

From time to time, the Group is notified of legal claims in respect of work carried out and the potential exposure can be material. Where management believes we are in a strong position to defend these claims and the likelihood of outflow of economic benefit is not probable, no provision is made.

The Group has received notification of a potential claim from a former customer and is in the early stages of defending this claim. At this time, the Group considers that it is not probable that any claim will result in an outflow of economic benefit. The Group is actively seeking further information to substantiate the allegations made. Given the early stage of the legal and commercial process it is not practicable to make an estimate of the potential financial impact. In parallel, the Group continues to work with its insurance providers to confirm coverage if required.

26. Capital and reserves

Share capital

	2022 £m	2021 £m
Allotted, called up and fully paid		
124,543,670 (2021: 124,435,670) Ordinary Shares of 10p each	12.5	12.5

The number of shares detailed above differs from those in Note 9 'Earnings per share' as a result of the inclusion, in the above total, of the shares held within an Employee Benefit Trust (EBT) and also the effect of weighting for the purpose of the earnings per share calculations.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time. At general meetings of shareholders each shareholder (or appointed proxy) present in person is entitled to vote; on a show of hands each person has one vote, and on a poll has one vote per share. In respect of the Company's shares that are held by the EBT, all rights are suspended until these shares are reissued.

Capital redemption reserve

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 available under UK GAAP at that time.

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.

Own shares

The own shares reserve comprises the cost of the Company's shares held by the EBT established in Jersey and managed on its behalf by independent trustees. At 31 March 2022, the number of the Company's shares held by the EBT had increased to 665,812 (2021: 412,028). The EBT has waived the right to receive dividends in respect of the shares it holds. The average cost of the shares held is 324p each (2021: 246p) and at 31 March 2022, the market value of the shares held was £2.6m (2021: £1.6m).

All of the shares in the EBT are held in respect of the Group's various equity compensation schemes as described in Note 29. At 31 March 2022 there were 189,981 (2021: 62,018) shares held in respect of vested options.

27. Business combinations

On 10 September 2021, the Group acquired 100% of the equity shares in Caledonia Bidco Limited and its subsidiaries which include Cygnia Logistics Limited (Cygnia). Cygnia is a specialist mid-market eCommerce and multichannel eFulfilment provider with expertise spanning the full breadth of their customers' requirements, including high volume order fulfilment, returns and carrier management services. The acquisition is in line with the Group's strategic focus on eCommerce and provides access to exciting new growth opportunities in the mid-market sector.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 Business Combinations and consequently the Cygnia assets acquired, and liabilities assumed, have been recorded by the Group at fair value, with an excess purchase price over the fair value of the identifiable assets and liabilities being recognised as goodwill.

The fair values assigned to the Cygnia business combination at the acquisition date are:

	Note	Fair value £m
Tangible assets	12	3.7
Right-of-use assets	14	31.1
Intangible assets	11	7.2
Inventories		0.1
Trade and other receivables		7.1
Cash and cash equivalents		2.4
Trade and other payables		(4.2)
Deferred tax liability	16	(1.9)
Financial liabilities – interest bearing borrowings		(14.0)
Provisions	24	(5.6)
Lease liabilities		(30.2)
Fair value of net liabilities acquired		(4.3)
Purchase consideration:		
Cash paid		16.0
Amounts eligible for repayment upon settlement of acquired liabilities		(0.3)
Total purchase consideration		15.7
Excess of purchase consideration over net liabilities acquired	11	20.0

The estimated fair value and useful lives of intangible assets as at the acquisition date are as follows:

	Fair value £m	Useful lives years
Customer-related intangible assets	4.8	7
Cygnia trade name	2.0	5
Software	0.4	3

The fair value attributed to intangible assets was £7.2m and primarily represents existing customer relationships and contracts. These were fair valued using the excess earnings method, which uses a number of estimates regarding the amount and timing of future cash flows. The key assumptions in the cash flows are forecasted revenue, customer attrition rate and forecast profit margins. In accordance with the Group's policy on impairment assessments per Note 1, the assets were assessed for impairment at the year end.

Goodwill amounting to £20.0m was recognised on acquisition and is underpinned by a number of elements, which individually could not be quantified. Most significant amongst these is the premium attributable to a pre-existing, well-positioned business in the eCommerce and multichannel eFulfilment markets with a highly skilled workforce and established reputation. Goodwill is not expected to be deductible for tax purposes.

Total acquisition related costs of £1.0m have been incurred by the Group, which include advisory, legal, integration and other professional fees. These costs are presented within non-underlying expenses (see Note 3).

Cygnia's results have been consolidated into the Group's results from 10 September 2021. For the period from acquisition to 31 March 2022, Cygnia's revenue was £22.6m and contributed an operating loss of £0.3m to Group profit. If the acquisition had taken effect at the beginning of the reporting period in which the acquisition occurred (1 April 2021) the total revenues of the combined Group for the year would have been £1,439.2m and an operating profit of £60.5m. This information does not purport to represent the results of the combined Group that actually would have occurred had the acquisition taken place on 1 April 2021 and should not be taken to be representative of future results.

27. Business combinations continued

In addition to the cash purchase consideration paid of £16.0m above, the Group immediately settled £14.0m of Cygnia's borrowings comprising an interest-bearing loan and amounts due to a debt factoring company of £11.8m and £2.2m respectively, and acquired cash of £2.4m. Purchase consideration of £1.7m was paid into escrow to cover certain indemnities provided by the seller. The Group's best estimate of the amounts to be recovered from the seller is £0.3m as highlighted above.

28. Employee benefits

	2022 £m	2021 £m
Defined benefit surplus	117.0	50.8
Defined benefit deficit	(2.5)	(2.6)
Net defined benefit asset	114.5	48.2

Pension schemes

Employees of Wincanton participated in funded pension arrangements in the UK and Ireland during the year ended 31 March 2022, details of which are given below.

The principal Wincanton Scheme in the UK (the Scheme) is a funded arrangement which has two defined benefit sections and two defined contribution sections, called the Wincanton Retirement Savings Section and the Wincanton Pension Builder Plan. The employees of Wincanton Ireland Limited are eligible to participate in a separate defined contribution scheme. Assets of these pension arrangements are held in separate Trustee administered funds independent of Wincanton. The weighted average duration of the funded defined benefit obligation is approximately 17 years.

In previous years, a small number of employees, who were subject to the statutory earnings cap on pensionable earnings prior to 6 April 2006, were entitled to participate in an unfunded unapproved arrangement in addition to accruing benefits from the Scheme. There have been no active members of this arrangement throughout current or comparative 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 have been preserved.

Triennial valuation

The latest formal valuation of the Scheme was carried out as at 31 March 2020 by the Scheme actuary, Hymans Robertson, and was agreed with the Trustee in September 2020. The annual deficit funding contributions were agreed at £18.9m per annum from 1 April 2020 increasing in line with the Retail Prices Index over the four years to March 2024, followed by £25.0m per annum from April 2024 increasing annually in line with the Retail Prices Index to March 2027. Since the last triennial valuation as at 31 March 2020, additional protection has been provided to the Scheme in the form of a letter of credit of £3.0m increasing by £3.0m each year to a maximum balance of £9.0m. At 31 March 2022 the letter of credit provided totals £9.0m (2021: £6.0m). The annual deficit funding contributions payable from April 2024 will be reduced by £3.0m if a further letter of credit or similar is provided.

The agreement is also subject to other provisions agreed with the Trustee, being:

- additional contributions become payable if distributions to shareholders (dividends and share buybacks) grow year on year in excess of 10%. The matching will only be in relation to the distribution amounts above the threshold and are calculated at 50% of the excess or 100% of any distribution growth above 15%
- additional contribution payments become payable in the event of severe adverse Scheme investment performance where the actual deficit in the Scheme exceeds an agreed threshold above the expected deficit at the end of two consecutive six month reporting periods
- a one-off payment to the Scheme of £6.0m in any year if both the underlying profit after tax is lower than the level of profit after tax reported in the 2017/18 financial year and the dividend payout ratio increases to over 40% of profit after tax.

As with the previous agreement, it has been agreed that certain administration expenses would be paid directly by the Group and deducted from the deficit funding contributions. The expenses, which amount to £0.7m (2021: £0.7m), are not included in the contributions below.

IFRIC 14

The agreement constitutes a minimum funding requirement (MFR) under IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. IFRIC 14 requires recognition of a funding commitment in excess of the IAS 19 valuation, where any surplus created cannot be recovered through either a reduction in contributions payable or an unconditional right to a refund.

The Group has recognised a surplus in the Scheme as at 31 March 2022 and has not recognised any liabilities in relation to the MFR, as based on legal advice received under the Scheme rules, the Group has an unconditional right to the surplus after all benefits have been provided in full to members.

28. Employee benefits continued

Contributions

The deficit funding contribution in the year, net of the above expenses, was £18.5m (2021: £18.3m). In addition, other administration costs of the Scheme were borne directly by the Group and a contribution made towards administration costs incurred, totalling £0.9m (2021: £0.8m).

In the financial year commencing 1 April 2022, the Group is expecting to make deficit funding contributions of £20.1m, being the annual deficit contribution of £20.7m less certain administration expenses mentioned above. In addition, other administration costs of the Scheme will be borne directly by the Group; these are expected to total £0.9m.

Risks

The defined benefit sections of the Scheme expose the Group to various risks: longevity risk (members living longer than expected), inflation and interest rate risk (higher or lower than expected), and market (investment) risk (lower returns than expected). The Trustee and Group have taken steps to mitigate these risks through the use of:

- hedging instruments within the investment portfolio; and
- diversification of the investment portfolio.

The Group is not exposed to any unusual, entity specific or Scheme specific risks.

Net defined benefit asset

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 is derived from cash flow projections over long periods and is thus inherently uncertain.

	2022 £m	2021 £m
Present value of unfunded defined benefit obligations	(2.5)	(2.6)
Present value of funded defined benefit obligations	(1,091.3)	(1,161.1)
Fair value of Scheme assets	1,208.3	1,211.9
Net defined benefit asset	114.5	48.2

The movement in the net defined benefit asset in the year was primarily the result of the impact of external market factors. Scheme liabilities are calculated using a discount rate based on high quality corporate bond yields while Scheme assets are hedged against movements in gilt yields. Credit spreads on corporate bonds increased due to market uncertainty resulting in a reduction in the liabilities, which was not matched with a corresponding fall in assets as at 31 March 2022.

The net defined benefit asset, after taking into account the related deferred tax liability, is £85.9m (2021: £39.1m). Deferred tax is recognised at 25% (2021: 19%) as the Group expects the surplus to reduce over time, rather than obtained as a refund of the surplus on winding up.

Movements in the present value of the net defined benefit asset/(liability)

	Note	Assets £m	Obligations £m	Net asset £m	Unfunded arrangements £m	Total net asset £m
31 March 2022						
Opening position		1,211.9	(1,161.1)	50.8	(2.6)	48.2
Included in income statement:						
Administration costs		(1.7)	–	(1.7)	–	(1.7)
Interest on the net defined benefit asset	7	24.1	(23.0)	1.1	–	1.1
Cash:						
Employer contributions		19.3	–	19.3	–	19.3
Benefits paid		(34.6)	34.6	–	–	–
Included in other comprehensive income:						
Changes in financial assumptions		–	79.0	79.0	0.1	79.1
Changes in demographic assumptions		–	2.8	2.8	–	2.8
Experience adjustments		–	(23.6)	(23.6)	–	(23.6)
Return on assets excluding amounts included in net financing costs		(10.7)	–	(10.7)	–	(10.7)
Closing defined benefit asset		1,208.3	(1,091.3)	117.0	(2.5)	114.5

28. Employee benefits continued

Movements in the present value of the net defined benefit (liability)/asset continued

31 March 2021	Note	Assets £m	Obligations £m	Net asset £m	Unfunded arrangements £m	Total net asset £m
Opening position		1,157.5	(1,061.0)	96.5	(2.1)	94.4
Included in income statement:						
Past service costs		–	(0.7)	(0.7)	–	(0.7)
Administration costs		(1.6)	–	(1.6)	–	(1.6)
Interest on the net defined benefit asset	7	26.3	(23.9)	2.4	(0.1)	2.3
Cash:						
Employer contributions		19.1	–	19.1	–	19.1
Benefits paid		(40.7)	40.7	–	–	–
Included in other comprehensive income:						
Changes in financial assumptions		–	(149.2)	(149.2)	(0.4)	(149.6)
Changes in demographic assumptions		–	(11.6)	(11.6)	–	(11.6)
Experience adjustments		–	44.6	44.6	–	44.6
Return on assets excluding amounts included in net financing costs		51.3	–	51.3	–	51.3
Closing defined benefit asset		1,211.9	(1,161.1)	50.8	(2.6)	48.2

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

	Note	2022 £m	2021 £m
Within underlying operating profit			
Administrative expenses		(1.7)	(1.6)
Within non-underlying items			
Past service costs		–	(0.7)
Within finance costs			
Interest on the net defined benefit asset	7	1.1	2.3
Recognised in income statement		(0.6)	–

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

	2022 £m	2021 £m
Property and other growth (liabilities)/assets	(1.7)	2.6
Corporate bonds	173.8	325.1
Secured finance	100.1	98.7
Senior real estate debt	17.7	23.0
Senior private debt and private debt	114.1	115.4
Index-linked gilts (LDI portfolio collateral)	784.4	635.3
Other, including cash	19.9	11.8
	1,208.3	1,211.9

All equities, LDI portfolio collateral, corporate bonds and funds have quoted prices in active markets. The senior real estate and private debt along with the property assets are illiquid, unquoted assets and trade on a less regular basis.

Senior private debt and private debt includes unquoted investment funds which are measured using the most recent net asset valuations (NAV), adjusted for cash movements between the latest valuation date and 31 March 2021.

The LDI portfolio currently hedges 100% of the defined benefit scheme's inflation rate risk and 100% of the interest rate risk (relative to Scheme assets) through holding a combination of index-linked gilts, interest rate and inflation swaps, gilt total return swaps, gilt repos and cash. The Scheme does not directly hold any financial instruments issued by the Company.

28. Employee benefits continued**Actuarial assumptions**

The principal actuarial assumptions for the Scheme and for the UK unfunded arrangement at the balance sheet date were as follows:

	2022 %	2021 %
Discount rate	2.70	2.00
Price inflation rate – RPI	3.85	3.40
Price inflation rate – CPI	3.25	2.80
Rate of increase of pensions in deferment ¹	2.50–3.25	2.50–2.80
Rate of increase of pensions in payment ¹	2.20–3.65	2.05–3.30

¹ A range of assumed rates exists due to the application of annual caps and floors to certain elements of service.

On 25 November 2020, the government and UK Statistics Authority published their joint consultation response on RPI reform, confirming their intention to align RPI calculation to that already in use for the calculation of CPIH (including housing) with effect from 2030. As a result, the Group has reduced the post-2030 gap between RPI and CPI to nil, effectively assuming RPI will be aligned with CPI post-2030, resulting in a single weighted average RPI-CPI gap of 0.6% p.a. at 31 March 2022 (2021: 0.60%).

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

	2022 years	2021 years
Male aged 65 today	20.7	20.7
Male aged 45 today	22.1	22.0
Female aged 65 today	23.1	23.0
Female aged 45 today	25.5	25.5

Sensitivity table

The sensitivities 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 and includes the impact of the interest rate and inflation rate hedging. In reality it is more likely that more than one assumption would change and potentially the results would offset each other; for example, a fall in interest rates will increase the Scheme obligations, but may also trigger an offsetting increase in market value of certain Scheme assets.

	Change in assumption	(Increase)/ decrease in liability £m	Increase/ (decrease) in assets £m
Discount rate	+0.25%	41.0	(52.0)
Credit spread	+0.25%	41.0	(8.0)
Price inflation – RPI	+0.25%	(47.0)	10.0
Mortality rate	+ 1 year	51.0	–

Defined contribution schemes

The total expense relating to the Group's defined contribution schemes in the current year was £36.7m (2021: £34.0m).

29. Equity compensation benefits

Employees of the Group participate, subject to seniority and length of service, in the Long Term Incentive Plan (LTIP) which involves the grant of options or conditional awards of shares in the Company.

Grants of options are accounted for in accordance with IFRS 2 Share-based Payments, which requires the fair value of services received in return for share options granted to be recognised in the income statement over the vesting period. The Group recognised total expenses of £0.5m (2021: £0.9m) in respect of the costs of equity-settled share based payment transactions during the year. The fair value of these services is measured by reference to the fair value of the share options granted under each scheme.

The number of options outstanding and exercisable in respect of each scheme at 31 March 2022 is as follows:

	Outstanding	Exercisable	Option price pence/share	Date normally exercisable
Long Term Incentive Plan				
July 2017	12,669	12,669	–	2020–2027
July 2018	41,367	41,367	–	2021–2028
November 2018	135,945	135,945	–	2021–2028
July 2019	239,827	–	–	2022–2029
August 2019	89,286	–	–	2022–2029
September 2019	164,546	–	–	2022–2029
July 2020	873,988	–	–	2023–2030
July 2021	467,708	–	–	2024–2031
Executive Bonus Plan				
July 2021 (Deferred Annual Bonus)	4,542	–	–	2023–2030
Total number of share options	2,029,878	189,981	–	

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

	2022		2021	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at 1 April	2,760,156	–	1,978,296	–
Granted during the year	559,360	–	1,512,516	–
Lapsed during the year	(866,035)	–	(383,823)	–
Exercised during the year	(423,603)	–	(346,833)	–
Outstanding at 31 March	2,029,878	–	2,760,156	–
Exercisable at 31 March	189,981	–	62,018	–

The weighted average share price at the date of exercise for share options exercised during the period was 381p (2021: 232p). The options outstanding at 31 March 2022 had an exercise price of £nil and a weighted average remaining contractual life of nine years.

Awards made under the Special Option Plan and LTIP were granted based on the average quoted market price of the Company's shares for a period of up to three business days immediately prior to the date of grant. Upon exercise, all options granted under these schemes are equity-settled.

The terms and conditions of the grants to date under these schemes are as follows:

Notes to the consolidated financial statements continued

29. Equity compensation benefits continued

Long Term Incentive Plan

The Group introduced a LTIP in 2015, which granted the Executive Directors and certain senior managers long term incentive awards in the form of nil-cost options.

Grant date	Number of options granted	Vesting conditions	Contractual life in years
July 2017	710,691	Three years of service plus performance metrics weighted 60% on basic underlying EPS growth and 40% on TSR performance relative to the FTSE All-Share Index (excluding investment trusts) (the index). The threshold entry point of 25% vesting for the EPS element requires 6% growth per annum with 100% vesting at 11% per annum. The threshold entry point of 25% vesting for the TSR element requires performance in line with the index, with 100% vesting at outperformance of 10% per annum (equivalent to 33% over the term of the option). Vesting will be on a straight-line basis between the threshold and maximum for both elements.	Ten
July 2018	673,934		
November 2018	135,945		
July 2019	506,457		
August 2019	89,286		
September 2019	164,546		
July 2020	1,153,642	Three years of service plus performance metrics weighted 100% on TSR performance relative to the FTSE All-Share Index (excluding investment trusts) (the index). The threshold entry point of 25% vesting for the TSR element requires performance in line with the index, with 100% vesting at outperformance of 10% per annum (equivalent to 33% over the term of the option). Vesting will be on a straight-line basis between the threshold and maximum for both elements.	Ten
July 2021	550,768	Three years of service plus performance metrics weighted 50% on basic underlying EPS growth and 50% on TSR performance relative to the FTSE All-Share Index (excluding investment trusts) (the index). The threshold entry point of 25% vesting for the EPS element requires 5% growth per annum, with 100% vesting at 10% per annum. The threshold entry point of 25% vesting for the TSR element requires performance in line with the index, with 100% vesting at outperformance of 10% per annum (equivalent to 33% over the term of the option). Vesting will be on a straight-line basis between the threshold and maximum for both elements.	Ten
Total	3,985,269		

The grants made under this Plan have EPS and TSR growth performance conditions. The EPS requirement is a non-market based performance condition and an appropriate model has been used to calculate the fair value of the award linked to EPS. The TSR requirement is a market based performance condition and the fair value is calculated using a Monte-Carlo pricing model, based on assumptions at the date of the award.

Share price at grant (p)	July 2021 grant
Exercise price (p)	414.0
Risk-free rate (%)	-
Expected volatility of Wincenton plc (%)	0.12
Expected volatility of index (%)	41.4
Expected life (years)	40.4
Dividend yield (%)	3
Fair value per award under TSR condition (p)	2.5
Fair value per award under EPS condition (p)	3.01
	3.84

Executive Bonus Plan

As part of the Executive Bonus Plan an award was granted in July 2021 that was made part in cash and part in deferred shares for the year ending 31 March 2021.

Grant date	Number of options granted	Vesting conditions	Contractual life in years
July 2021 (Deferred Annual Bonus)	8,592	Continued employment within the Group to the date of vest, and a year end personal performance rating of 3 or above in the year preceding the date of vest	Ten
Total	8,592		

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 share value at the grant date.

30. 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 a £175.0m (2021: £141.2m) committed syndicated bank facility which matures in March 2026. At 31 March 2022 £25.0m (2021: £9.0m) was drawn, leaving unutilised facilities of £150.0m (2021: £132.2m). The Group has uncommitted facilities including a £7.5m net overdraft facility and £30.0m Receivable Purchase Facility (RPF). £4.1m of the RPF was utilised as at 31 March 2022 (2021: £11.0m).

The Group makes use of cash pooling facilities with a net overdraft facility of £7.5m. The Group is required to present the separate cash and overdraft balances relating to pooled facilities gross in the balance sheet. The overdraft balance relating to pooled facilities does not represent a formal overdraft limit available to the Group. The net cash balance available to the Group after deducting the pooled overdraft facilities is £28.7m (2021: £20.9m).

The Group also holds some restricted cash deposits within its insurance subsidiary as shown in Note 20; these deposits are mostly repayable on demand, but have a maximum notice period of 32 days and cannot be freely transferred to the UK without prior approval.

The Group's net cash/(debt) at the balance sheet date was:

	Note	2022 £m	2021 £m
Total borrowings and other financial liabilities	21	(25.0)	(18.7)
Cash at bank and in hand	20	28.7	30.6
Net cash excluding lease liabilities		3.7	11.9
Lease liabilities	22	(203.1)	(145.7)
Net debt including lease liabilities		(199.4)	(133.8)

The following are the contractual maturities of non-derivative financial liabilities, including interest payments except for bank loans and overdraft interest:

	Carrying amount £m	Contractual cash flows £m	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m
31 March 2022					
Bank loans and overdrafts	25.0	25.0	–	25.0	–
Trade and other payables	180.7	180.7	180.7	–	–
Lease liabilities	192.1	283.3	49.6	101.3	132.4
	397.8	489.0	230.3	126.3	132.4
31 March 2021					
Bank loans and overdrafts	18.7	18.7	9.7	9.0	–
Trade and other payables	185.1	185.1	185.1	–	–
Lease liabilities	145.7	227.4	36.6	61.9	128.9
	349.5	431.2	231.4	70.0	128.9

Lease liabilities over five years include two leases which expire in over 50 years with contractual cash flows of £124.1m (2021: £127.3m).

The Group did not hold any derivative financial instruments during the current or prior year, or at the year end.

Bank loans and overdrafts comprise the Group's RCF. Interest is charged on this facility based on daily amounts drawn and charged at the benchmark rate plus a margin. The benchmark rate on the RCF was amended from LIBOR to SONIA in October 2021. There were no adjustments to the contractual cash flows arising from this transition due to the short term nature of the Group's borrowings. Commitment and utilisation fees are also charged. The contractual interest payable on the amounts drawn at 31 March 2022 was £0.1m (2021: £nil). If the £9.0m drawn at 31 March 2021 remained drawn throughout the year to 31 March 2022, and all other factors remained the same, interest of £1.5m would be charged for the year with a minimal amount being subject to variations in SONIA.

Notes to the consolidated financial statements continued

30. Financial instruments continued

Liquidity risk continued

The Group's committed facilities at 31 March 2022 comprise a syndicated RCF of £175.0m, agreed in March 2022 and maturing in March 2026. The RCF requires the Group to comply with three financial covenants at 30 September and 31 March each financial year and the Group operates comfortably within these covenants:

Covenant	Calculation	Ratio	2022	2021
Leverage ratio	Consolidated net borrowings (A)/consolidated EBITDA (B)	<3.0:1*	0.7	0.3
Interest cover	Consolidated EBITDA (B)/consolidated net finance charges (C)	>3.5:1	38.8	29.2
Fixed charge cover	Consolidated EBITDA (B) plus operating lease costs (D)/consolidated net finance charges (C) plus operating lease costs (D)	>1.4:1	2.7	2.8

* Leverage ratio was <2.75:1 under the previous RCF agreement.

A reconciliation of these terms to the reported amounts is as follows:

	2022 £m	2021 £m
Reported net cash	(3.7)	(11.9)
Finance lease liability under IAS 17	15.6	1.3
Cash and deposits held by captive insurer	9.2	6.8
Guarantees provided	25.9	22.9
Consolidated net borrowings for covenant reporting (A)	47.0	19.1

	Note	2022 £m	2021 £m
Underlying operating profit		64.7	51.8
Depreciation, amortisation and impairments		43.6	43.4
Underlying EBITDA		108.3	95.2
Adjustment to frozen GAAP (IFRS 16 to IAS 17)		(42.9)	(37.8)
Share based payment charges	29	0.5	0.9
Consolidated EBITDA for covenant reporting (B)		65.9	58.3

	Note	2022 £m	2021 £m
Net interest payable	7	6.6	4.6
Adjustment to frozen GAAP (remove IFRS 16 interest)		(5.2)	(3.7)
RPF interest		(0.2)	(0.3)
Arrangement fees		(0.2)	(0.5)
Interest on net defined benefit asset	7	1.1	2.3
Other discount unwinding	7	(0.4)	(0.4)
Covenant net finance charges (C)		1.7	2.0

	2022 £m	2021 £m
Operating lease costs for covenant reporting (D)	35.9	29.6

Analysis of changes in net debt

	31 March 2020 £m	Cash flow £m	Non-cash movements £m	31 March 2021 £m	Cash flow £m	Non-cash movements £m	31 March 2022 £m
Bank loans and overdrafts	(77.1)	62.0	–	(15.1)	(9.9)	–	(25.0)
Financial liabilities arising from financing activities	(77.1)	62.0	–	(15.1)	(9.9)	–	(25.0)
Cash at bank and in hand	79.0	(48.4)	–	30.6	(1.9)	–	28.7
Bank overdrafts classified as cash equivalents	(12.0)	8.4	–	(3.6)	3.6	–	–
Net cash excluding lease liabilities	(10.1)	22.0	–	11.9	(8.2)	–	3.7
Lease liabilities	(129.7)	38.8	(54.8)	(145.7)	42.9	(100.3)	(203.1)
Net debt including lease liabilities	(139.8)	60.8	(54.8)	(133.8)	34.7	(100.3)	(199.4)

30. Financial instruments continued

Market risk

Market risk is the risk that changes in market prices, such as the impact of inflation, interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments.

Price inflation risk

The Group is largely protected from the risk of price increases impacting operating costs due to the majority of contracts having been negotiated on open book terms. Under these contracts, revenue is typically derived from costs incurred plus either a fixed or variable management fee and the contractual terms ensure any inflation risk is passed on to the customer.

Interest rate risk

The Group monitors market pricing and forward-looking pricing projections to manage interest rate risk. There were no derivatives in place to fix borrowing costs and all drawn debt at 31 March 2022 and the prior year end was at floating rates. If market conditions are expected to change then derivatives will be considered to manage the interest rate risk exposure.

Interest rate sensitivity

The following table demonstrates the sensitivity to a change in interest rates of 0.5% (2021: 0.5%) 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. A variation of 0.5% (2021: 0.5%) 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 28 'Employee benefits'.

	2022		2021	
	Effect on profit before tax £m	Effect on equity £m	Effect on profit before tax £m	Effect on equity £m
0.5% (2021: 0.5%) increase in rates	0.2	0.2	0.1	0.1
0.5% (2021: 0.5%) decrease in rates	(0.2)	(0.2)	(0.1)	(0.1)

The methods and assumptions used to calculate the possible effect of a change in interest rates are consistent with those used in the prior year.

Currency risk and sensitivity

The Group is a largely UK based business with a small proportion of the Group's activities denominated in euro. The only non-sterling activity is in Ireland. In order to protect the sterling value of the balance sheet, the Group finances its investment in Ireland by borrowing in euro. Transactional exposure is minimal as the vast majority of transactions of the Irish subsidiary are denominated in euro, the relevant functional currency of the operation. Non-sterling cash balances comprise £2.7m held in euro (2021: £1.6m overdraft).

Operational foreign exchange risk, where purchases or sales are made in non-functional currency, is hedged on an ad hoc basis by buying or selling the relevant currency on a forward basis if the amounts involved are material. There was no material sensitivity to changes in foreign exchange rates at the year end.

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, contract assets and bank balances.

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 in the balance sheet of £181.3m (2021: £177.5m). See Note 18 'Trade and other receivables' for further analysis of trade receivables and the associated allowance for impairment loss.

30. Financial instruments continued

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. The capital structure of the Group consists of net debt (as shown above) and equity of the Group (issued share capital, reserves and retained earnings).

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. Covenant conditions related to external borrowings are as set out in the liquidity risk section above; there were no breaches of these conditions during the current or prior year. 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 five years.

In order to maintain or realign the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Fair values versus carrying amounts

The carrying amounts of the Group's assets and liabilities which meet the definition of financial instruments are classified in the following categories:

	2022 £m	2021 £m
Assets carried at amortised cost		
Trade and other receivables	152.6	157.2
Cash and cash equivalents	28.7	30.6
Financial assets	181.3	187.8
Liabilities carried at amortised cost		
Lease liabilities	(203.1)	(145.7)
Bank loans and overdrafts	(25.0)	(18.7)
Trade and other payables	(185.9)	(185.1)
Financial liabilities	(414.0)	(349.5)

The fair values are considered to be the same as the carrying amounts set out above.

31. 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 entities.

Transactions with key management personnel

The interests of the Executive and Non-executive Directors in the share capital of the Company, plus full details of the individual Directors' emoluments, bonuses deferred in shares, share options and pension entitlements, are given in the Directors' remuneration report on pages 75 to 88.

Remuneration of key management personnel

The total remuneration of key management personnel of the Group, being the Executive Management Team, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2022 £m	2021 £m
Short term employee benefits	3.6	2.9
Termination benefits	0.1	0.2
Post-employment benefits	0.1	0.2
IFRS 2 share option charge/(credit)	0.8	0.5
	4.6	3.8

32. Investment in subsidiaries

The significant subsidiaries as at 31 March 2022 in the Wincanton group of companies, based on the scale of their activities, are as follows:

	Principal activity	% of equity held ¹	Country of incorporation and registered office ²
Wincanton Holdings Limited	Contract logistics services	100	England and Wales
Wincanton Group Limited	Contract logistics services	100	England and Wales
Wincanton Ireland Limited	Contract logistics services	100	Republic of Ireland ⁹
Risk Underwriting (Guernsey) Limited	Insurance subsidiary	100	Guernsey ¹⁰
Onevast Limited	Online solutions for warehousing space	100	England and Wales
Cygnia Logistics Limited	Supply chain services and solutions	100	England and Wales

Other subsidiaries as at 31 March 2022:

	Principal activity	% of equity held ¹	Country of incorporation and registered office ²
Caledonia Bidco Limited	Intermediate holding company	100	England and Wales
C.E.L Group Limited	Intermediate holding company	100	England and Wales
C.E.L (Engineering) Limited	Dormant	100	England and Wales
C.E.L (Logistics) Limited	Dormant	100	England and Wales
City Self Storage Limited	Non-trading	100	Republic of Ireland ⁹
Dalepak Limited	Dormant	100	England and Wales
Dalepak Holdings Limited	Intermediate holding company	100	England and Wales
Data and Records Management Limited	Non-trading	100	Republic of Ireland ⁹
East Anglia Freight Terminal (Holdings) Limited	Dormant	100	England and Wales
East Anglia Freight Terminal Limited	Dormant	100	England and Wales
Glass Glover Group Limited	Dormant	100	England and Wales
Glass Glover Management Services Limited	Dormant	100 ⁵	England and Wales
Hanbury Davies Containers Limited	Dormant	100	England and Wales
Hanbury Davies Limited	Non-trading	100	England and Wales
Hanbury Holdings Limited	Dormant	100	England and Wales
House of Hill Holdings Limited	Dormant	100	England and Wales
House of Hill Limited	Dormant	100	England and Wales
Lane Group plc	Dormant	100	England and Wales
Minmar (662) Limited	Dormant	100	England and Wales
Nair Properties Limited	Dormant	100	England and Wales
Product Support (Holdings) Limited	Dormant	100 ⁶	England and Wales
Product Support Limited	Non-trading	100	England and Wales
Pullman Fleet Services Limited	Dormant	100	England and Wales
RDL Distribution Limited	Non-trading	100	England and Wales
RDL Holdings Limited	Dormant	100	England and Wales
R-Log Limited ³	Dormant	100	England and Wales
Roadtanks Limited	Dormant	100	England and Wales
Storeco Limited	Dormant	100	England and Wales
Swales Haulage Limited	Dormant	100	England and Wales
Trans European Holdings Limited	Dormant	100	England and Wales
UDS Properties Limited	Dormant	100	England and Wales
W. Carter (Haulage) Limited	Non-trading	100	England and Wales
W O Bradstreet Limited	Dormant	100	England and Wales
Wincanton (No. 1) Limited	Dormant	100	England and Wales
Wincanton (No. 2) Limited	Dormant	100	England and Wales

32. Investment in subsidiaries and joint ventures continued

	Principal activity	% of equity held ¹	Country of incorporation and registered office ²
Wincanton Air & Ocean Limited	Dormant	100 ⁷	England and Wales
Wincanton High Tech Limited	Dormant	100 ⁸	England and Wales
Wincanton Logistics Limited	Dormant	100	England and Wales
Wincanton Pension Scheme Trustees Limited ⁴	Trustee for the Wincanton plc Pension Scheme	100	England and Wales
Wincanton Records Management (Ireland) Limited	Non-trading	100	Republic of Ireland ⁹
Wincanton Trans European (Ireland) Limited	Non-trading	100	Republic of Ireland ⁹
Wincanton Trans European Limited	Dormant	100	England and Wales
Wincanton UK Limited ⁴	Intermediate holding company	100	England and Wales
Wincanton Vehicle Rental Limited	Dormant	100	England and Wales

1 All holdings are of Ordinary Shares except where noted.

2 Registered office is Methuen Park, Chippenham, Wiltshire SN14 0WT except where noted.

3 In dissolution at year end.

4 Direct subsidiaries of Wincanton plc.

5 14,762,245 Ordinary Shares and 10,000,000 6½% cumulative convertible redeemable Preference Shares.

6 6,460,000 Ordinary Shares, 7,140,000 'A' Ordinary Shares and 409,164 Preference Shares.

7 19,393,774 Ordinary Shares and 19,372,074 Deferred Shares.

8 100 Ordinary Shares and 1,699,900 redeemable Ordinary Shares.

9 Registered office: Unit 1, Rosemount Business Park, Ballycoolin Road, Blanchardstown, Dublin 11.

10 Registered office: PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ET.

Wincanton plc Company balance sheet At 31 March 2022

	Note	2022 £m	2021 £m	Strategic report	Coverance	Accounts
Non-current assets						
Investment in subsidiaries	2	108.9	108.9			
Amounts owed by Group undertakings	3	75.0	76.3			
		183.9	185.2			
Current assets						
Trade and other receivables	4	2.6	1.1			
Cash and cash equivalents		2.9	1.2			
		5.5	2.3			
Current liabilities						
Amounts owed to Group undertakings		(7.6)	(6.1)			
Trade and other payables	5	(2.2)	(1.9)			
Income tax payable		(1.9)	(13.4)			
		(11.7)	(21.4)			
Net current liabilities		(6.2)	(19.1)			
Total assets less current liabilities		177.7	166.1			
Non-current liabilities						
Borrowings	6	(25.0)	(9.0)			
Net assets		152.7	157.1			
Equity						
Issued share capital		12.5	12.5			
Share premium		12.9	12.9			
Own shares		(2.2)	(1.0)			
Retained earnings		129.5	132.7			
Total equity	8	152.7	157.1			

The Company reported a profit for the year ended 31 March 2022 of £11.0m (2021: £18.5m).

The financial statements were approved by the Board of Directors and authorised for issue on 19 May 2022 and were signed on their behalf by:



James Wroath
Chief Executive Officer

Company registration number: 04178808

Wincanton plc Company statement of changes in equity For the year ended 31 March 2022

	Issued share capital £m	Share premium £m	Own shares £m	Profit and loss £m	Total equity £m
Balance at 1 April 2020	12.5	12.9	(1.5)	117.1	141.0
Profit for the year	–	–	–	18.5	18.5
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	18.5	18.5
Share based payment transactions	–	–	0.5	0.1	0.6
Deferred tax on share based payment transactions	–	–	–	0.5	0.5
Dividends paid to shareholders	–	–	–	(3.5)	(3.5)
Balance at 31 March 2021	12.5	12.9	(1.0)	132.7	157.1
Balance at 1 April 2021	12.5	12.9	(1.0)	132.7	157.1
Profit for the year	–	–	–	11.0	11.0
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	11.0	11.0
Share based payment transactions	–	–	(1.2)	(0.3)	(1.5)
Current tax on share based payment transactions	–	–	–	0.3	0.3
Deferred tax on share based payment transactions	–	–	–	0.1	0.1
Dividends paid to shareholders	–	–	–	(14.3)	(14.3)
Balance at 31 March 2022	12.5	12.9	(2.2)	129.5	152.7

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under section 408(4) of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments to fair value. The principal accounting policies adopted are the same as those set out in Note 1 to the consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company financial statements requires the use of certain judgements, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Estimates and judgements are evaluated continually, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimation uncertainties are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period. Significant judgements are those that the Company has made in the process of applying the Group's accounting policies, and that have the most significant effect on the amounts recognised in the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimates were based, or as a result of new information or more experience.

Key source of estimation uncertainty

Amounts owed by Group undertakings

The Company uses estimates in calculating the recoverable amounts of amounts due from its subsidiaries, which it then uses to assess whether the amounts due are impaired. The Company performed an impairment review as at the reporting date and concluded that all the amounts due from its subsidiaries were recoverable.

Investments

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

2. Investment in subsidiaries

	2022 £m	2021 £m
Shares in Group undertakings		
Cost at beginning and end of year	108.9	108.9

A list of the subsidiaries of Wincanton plc is given in Note 32 'Investment in subsidiaries' to the consolidated financial statements.

3. Amounts owed by Group undertakings

	2022 £m	2021 £m
Amounts owed by Group undertakings	75.0	76.3

Amounts owed by Group undertakings are repayable on demand. It has been determined that these amounts owed are not expected to be repaid within one year. Expected credit losses on amounts owed by Group undertakings are immaterial.

4. Trade and other receivables

	2022 £m	2021 £m
Prepayments	1.5	0.2
Deferred tax assets	1.1	0.9
	2.6	1.1

All receivables are due within one year.

5. Trade and other payables

	2022 £m	2021 £m
Other payables	1.2	1.1
Accruals	1.0	0.8
	2.2	1.9

6. Borrowings

Borrowings comprise bank loans of £25.0m (2021: £9.0m), all amounts are due after one year. Details of bank loans are given in Notes 21 'Borrowings' and 30 'Financial instruments' to the consolidated financial statements.

7. Equity

	2022 £m	2021 £m
Allotted, called up and fully paid		
124,543,670 (2021: 124,435,670) Ordinary Shares of 10p each	12.5	12.5

Details of the Company's own shares held within an Employee Benefit Trust are given in Note 26 'Capital and reserves' to the consolidated financial statements. Details of the Company's equity compensation benefits are given in Note 29 'Equity compensation benefits' to the consolidated financial statements.

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 6 to the consolidated financial statements is incurred by Wincanton plc. The Company has taken the exemption not to disclose Non-audit fees incurred as these are included in Note 4 'Operating profit' to the consolidated financial statements.

8. Reconciliation of movement in total equity

	2022 £m	2021 £m
Profit for the year	11.0	18.5
Dividends paid to shareholders	(14.3)	(3.5)
Current tax on share based payment transactions	0.3	–
Deferred tax on share based payment transactions	0.1	0.5
Share based payment transactions	(1.5)	0.6
Net movement in shareholders' funds	(4.4)	16.1
Opening shareholders' funds	157.1	141.0
Closing shareholders' funds	152.7	157.1

Group five year record

As reported under Adopted IFRS

	2022 £m	2021 ² £m	2020 ³ £m	2019 £m	2018 £m
Revenue	1,421.4	1,221.9	1,201.2	1,141.5	1,171.9
Underlying operating profit ¹	64.7	51.8	61.0	55.3	52.9
Operating profit	61.4	50.8	52.0	54.6	44.4
Net financing costs	(6.6)	(4.6)	(8.2)	(6.0)	(6.5)
Underlying profit before tax ¹	58.1	47.2	52.8	49.3	46.4
Profit before tax	54.8	46.2	43.8	48.6	37.9
Underlying profit after tax for the year ¹	50.6	39.7	44.7	41.5	38.1
Underlying earnings per share ¹	40.8p	32.0p	36.1p	33.5p	30.8p
Basic earnings per share	38.6p	31.5p	31.1p	34.5p	25.2p
Dividend per share	12.00p	10.35p	3.90p	10.89p	9.90p
Net cash/(debt)	3.7	11.9	(10.1)	(19.3)	(29.5)

1 Alternative Performance Measures: refer to Note 3 to the Group financial statements on pages 118 to 120.

2 Certain comparatives have been restated due to a required change in accounting policy which has resulted in costs previously capitalised now presented as a non-underlying expense within net operating profit, as explained in Note 1 to the Group financial statements on page 109.

3 IFRS 16 Leases was adopted on 1 April 2019 using the modified retrospective approach without restating prior year figures.

Strategic report

Governance

Accounts

Shareholder information

Annual Report and Accounts

Copies are available on the website or on request from the Company Secretary.

Shareholder enquiries

The Group's Registrar is Equiniti. When contacting the Registrar please remember to quote your 11 digit Shareholder Reference.

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: +44 (0) 371 384 2272

Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

Analysis of shareholders

Client	Wincanton plc			
Offering	Ordinary Shares of 10p			
As at Date	31 March 2022			
Balance Ranges	Number of Holdings	% of Holders	Number of Shares	% Issued capital
1 to 1,000	7,453	82.47%	2,119,613	1.70%
1,001 to 10,000	1,316	14.56%	3,627,430	2.91%
10,001 to 50,000	136	1.50%	2,885,479	2.32%
50,001 to 250,000	72	0.80%	8,213,399	6.59%
250,001 to 1,000,000	38	0.42%	18,341,575	14.73%
1,000,001 to Highest	22	0.24%	89,356,174	71.75%
Totals	9,037	100.00%	124,543,670	100.00%

Dividends

Dividends are normally paid twice per year. The Company encourages its shareholders to have dividends paid directly into their bank or building society account. To set this up for the shares you hold, you should contact the Registrar for a dividend mandate form.

Share dealing service

Wincanton shares may be dealt through the Company's Registrars. Alternatively please contact your bank, building society or stockbroker who will be able to assist you in dealing in your shares.

Share price quotation

The Company's share price is quoted via the Wincanton website www.wincanton.co.uk 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 the Registrar) you are invited to contact the Company Secretary.

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 by calling on 0207 291 3310 or online at www.mpsonline.org.uk.

Unsolicited investment advice

Shareholders are advised to be wary of unsolicited mail or telephone calls offering free advice, to buy shares at a discount or offering free company reports.

If you receive any unsolicited investment advice:

- make sure you confirm the correct name of the person and organisation
- check that they are properly authorised by the FCA by calling 0800 111 6768 or by visiting register.fca.org.uk/s and then contacting the firm using the details on the register
- report the matter to the FCA either by calling 0800 111 6768 or visiting www.fca.org.uk/consumers
- report suspected fraud and internet crime to the police through Action Fraud, which you can contact on 0300 123 2040 or visiting www.actionfraud.police.uk
- if the calls persist, hang up
- inform our Registrars Equiniti on the shareholder helpline 0371 384 2272.

If you deal with an unauthorised firm, you will not be eligible to receive payments under the Financial Services Compensation Scheme.

If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

More detailed information on this or similar activity can be found on the FCA website www.fca.org.uk/scamsmart/how-avoid-investment-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 www.wincanton.co.uk provides news and information about the services offered by Wincanton as well as useful information for investors.

Forward-looking statements

The Annual Report and Accounts and Wincanton's website may contain certain 'forward-looking statements' with respect to Wincanton plc and the Group's financial condition, results of operations and business, and certain of Wincanton plc's and the Group's plans, objectives, goals and expectations with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates'. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates.

Any written or verbal forward-looking statements, made in our Annual Report and Accounts or on Wincanton's website or made subsequently, which are attributable to Wincanton plc or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date of our Annual Report and Accounts, or on the date the forward-looking statement is made. Wincanton plc does not intend to update any forward-looking statements.

Board of Directors and advisers

Non-executive Directors

Dr. Martin Read CBE (Chair)
Stewart Oades (Senior Independent Director)
Gill Barr
Anthony Bickerstaff
Mihiri Jayaweera
Debbie Lentz

Executive Directors

James Wroath (Chief Executive Officer)
Tim Lawlor (Chief Financial Officer) to 28 February 2022

Secretary and registered office

Lyn Colloff
Tel +44 (0) 1249 710000
company.secretary@wincanton.co.uk

Wincanton plc
Methuen Park
Chippenham
Wiltshire
SN14 0WT

Registered in England & Wales under No. 04178808

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Brokers

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF

Share Registrar

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Company's legal advisers

DWF LLP
Registered office:
1 Scott Place
2 Hardman Street
Manchester
M3 3AA

Registered number: OC328794

Herbert Smith Freehills LLP
Registered office:
Exchange House
Primrose Street
London
EC2A 2EG

Registered number: OC310989

Pinsent Masons LLP
Registered office:
30 Crown Place
London
EC2A 4ES

Registered number: OC333653

Clyde & Co LLP
Registered office:
The St. Botolph Building
138 Houndsditch
London
EC3A 7AR

Registered number: OC326539

Wincanton plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Chorus Lux Silk, an FSC® certified material. This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment. Vegetable-based inks have been used and 99% of dry waste is diverted from landfill. The printer is a CarbonNeutral® company. Both the printer and the paper mill are registered to ISO 14001.

WINCANTON.CO.UK

Wincanton plc

Methuen Park
Chippenham
Wiltshire SN14 0WT
United Kingdom

Registered in England & Wales
under No. 04178808

Tel +44 (0)1249 710000