Wincanton plc

Annual Report and Financial Statements

31 March 2024

Company registration number: 04178808

Contents

Strategic Report

The Directors are pleased to present the Annual Report and Financial Statements of Wincanton plc (the Company) for the year ended 31 March 2024.

Principal activities

Wincanton plc and its subsidiaries (together, the Group) is a leading British supply chain solutions company, providing business critical services for UK companies.

As disclosed in Note 30 to the Group financial statements, Wincanton plc is now a wholly owned subsidiary of GXO Logistics, Inc., as of 29 April 2024.

Business review

This has been a transformational year for Wincanton. The business completed milestone investments into technology, including the acquisition of the Invar Group, including UK and European entities (Invar), a leading UK based specialist in warehouse software, automation and controls. The Group also acquired exclusive evergreen UK and Ireland software rights for digital freight management technologies from Zeus, one of the fastest growing logistic-tech innovators in Europe. Both investments accelerate Wincanton's strategic roadmap to becoming the leading supply chain technology partner to UK businesses.

Landmark new business implementations for customers including Sainsbury's and Marshalls, as well as major new business wins across the Group, including Tata Chemicals Europe and Jet2, have helped deliver a resilient revenue and profit performance in a continuing context of significant macro-economic headwinds. Meanwhile, our long term customer relationships continue to flourish with extensions and expansions of multiple contracts, including IKEA, Rheinmetall BAE Systems Land, Howdens, Jewson and Jollyes.

Wincanton has continued to build within its foundation markets of Grocery & Consumer and General Merchandise, whilst targeting significant growth in markets well placed to benefit from structural trends in eFulfilment and Public & Industrial.

The acquisition of Invar represents a key milestone in Wincanton's strategic roadmap to create sustainable supply chain value through technology and automation. Invar adds the people and technology to the Group that will enable the delivery of more robotics and automation projects at pace for customers. Several projects are already underway, focusing on autonomous mobile robot (AMR) deployment across Wincanton's existing blue chip customer base.

Wincanton further developed EyeQ this year, the Group's digital transport planning and optimisation product. The acquisition of Zeus' software rights will enable Wincanton to enhance EyeQ through the integration of proven, market leading technology in sub-contraction management.

The Group has reported revenue of £1,406.6m for the year ended 31 March 2024 (2023: £1,462.0m). Revenues from core activities (excluding closed book transport) were 0.2% lower year on year as the Group made sustained progress in exiting unprotected closed book transport contracts. The Group's full year underlying profit before tax was £58.5m (2023: £62.1m), ahead of market expectations and delivered against an external background characterised by acute macro-economic uncertainty with the pressures of high inflation and increased interest rates constraining consumer budgets and creating a volume based recession.

The Group made a statutory loss before tax of £44.9m (2023: Profit £38.2) driven by material transactions. These include the impairment of closed book transport, which the Group commenced the strategic exit in the prior year, impairment of Cygnia, driven by ongoing macroeconomic headwinds, and the two-person home delivery network, as a result of the loss of a key customer; the onerous contract provision relating to the customer loss in the two-person home delivery network; acquisition related costs and costs relating to the sale of Wincanton plc. See Note 3 'Alternative performance measures' for further narrative on these exceptional costs.

In the second half of FY24 the Group became the target of an acquisition bid from CMA-CGM and subsequently GXO Logistics, Inc. The final cash offer from GXO Logistics, Inc. of 605p for each Wincanton share represented a 104% premium to the closing price of 297p on the last business day before the commencement of the offer period. GXO Logistics, Inc. recognised the significant value inherent in Wincanton's business and the bid offered an opportunity to realise that value for Wincanton shareholders. The enterprise valuation of approximately £960m is testament to the Group's compelling strategy, operational excellence, strong customer relationships and talented team.

Strategic Report *(continued)*

Sector performance

	2024 £m	2023 £m	Change %
eFulfilment	**278.1**	254.1	9.4
Grocery & Consumer	**499.8**	512.5	(2.5)
General Merchandise	**381.8**	410.2	(6.9)
Public & Industrial	**246.9**	285.2	(13.4)
	1,406.6	1,462.0	(3.8)

The Group's operating sectors delivered a resilient performance and generated revenues in line with market expectations. eFulfilment achieved strong revenue growth whilst the foundation sectors, Grocery & Consumer and General Merchandise, mitigated softer retail volumes with new business wins and seamless implementations for customers. Public & Industrial delivered significant growth across defence and infrastructure markets partially compensating for the previously announced HMRC contract loss.

eFulfilment

The consumer-led shift towards eCommerce is a fundamental trend which Wincanton is well placed to service given the Group's track record of partnering with the UK's fastest growing brands.

eFulfilment delivered a strong revenue performance with 9.4% growth year on year. This impressive growth was delivered against a background of softer retail volumes.

The Group continued to respond to customer demand for shared user services which offer customers the flexibility to effortlessly scale their operations in line with experienced demand. This customer appetite for shared user services demonstrates growing recognition of the role collaboration plays in achieving long term sustainable supply chain value.

Grocery & Consumer

A key foundation sector for the Group, Grocery & Consumer achieved a resilient performance in 2023/24 with revenues 2.5% lower year on year in the context of a retail environment experiencing a marked divergence of value and volume. Consumer baskets increasingly contained less but costed more. Revenues from core activities were up 5.3% year on year.

The sector delivered a seamless implementation of a major new contract with Sainsbury's which saw Wincanton become the grocer's primary partner for transport across the UK. This landmark agreement further strengthened the Group's position as a market leading supply chain partner to UK business. The significant growth with Sainsbury's offset the Morrisons and Lucozade Ribena Suntory (LRS) contract losses.

General Merchandise

General Merchandise reported a 6.9% decline in revenue reflecting a nuanced volume landscape across the customer portfolio, reinforcing the value of the Group's diversified customer base. Revenues from core activities were 6.6% lower year on year.

The sector benefited from the significant new business win with New Look, signing a three-year contract to provide transport services from the retailer's national distribution centre to replenish New Look's 400 stores across the UK and Republic of Ireland. Wincanton's partnership with the retailer included management of Click and Collect. The sector also welcomed Segen, a solar energy and storage distributor, and JD Sports as new customers and was pleased to renew an existing contract with Seagate.

Public & Industrial

A key strategic growth sector, Public & Industrial remains a significant area of opportunity for the Group and experienced strong customer revenues across defence and infrastructure end markets where the Group's customer portfolio includes BAE Systems, Thales, Tata Chemicals Europe, Alstom and EDF.

Overall, sector revenues were 13.4% lower year on year against a strong prior year comparator which included the inland border contract with HMRC. Revenues from core activities were 8.8% lower year on year.

The sector signed significant new business including a three-year contract extension and expansion with defence engineering company Rheinmetall BAE Systems Land (RBSL), a ten-year warehousing and logistics agreement with Tata Chemicals Europe and recently a new public sector contract with Supply Chain Coordination Limited (SCCL) to support with the post-pandemic management of PPE.

Strategic Report *(continued)*

Overall results

Wincanton delivered a robust financial and operational performance in a challenging external environment. However, the Group reported a loss in the year of £39.6m (2023: profit £33.2m). This loss was driven by the costs incurred to sell Wincanton plc, material impairments and onerous contract provisions recognised in the period. The Group reported an operating profit before non-underlying items of £64.6m for the year ended 31 March 2024 (2023: £70.8m).

The Group continued its strategic shift away from closed book transport contracts with open book warehouse and transport contracts representing 79.0% of total revenue (2023: 73.5%), which helps to hedge against macro-economic headwinds. These large-scale, labour-intensive operations also represent a significant opportunity pipeline for investment in robotics and automation.

Revenue of £1,406.6m (2023: £1,462.0m) was 3.8% behind last year, with continued growth in eFulfilment offset by volume downsides and contract losses in other sectors. New business from customers including Segen and New Look in General Merchandise and Tata Chemicals Europe in Public & Industrial and an IKEA expansion in eFulfilment have all contributed to partially offset volume declines and customer churn. Finally, our Grocery & Consumer sector benefited from increased Sainsbury's capacity largely offsetting the Morrisons contract loss.

Underlying profit before tax decreased by 5.8% to £58.5m (2023: £62.1m), as expected, and the Group's underlying profit before tax margin was 4.2% (2023: 4.2%). The Group's performance is in line with market expectations which takes into account the HMRC contract loss, volume downsides seen in the transport network and a shift in our mix towards lower risk open book contracts.

Closing net cash was £20.7m (2023: net cash £13.2m) demonstrating strong cash conversion. There is significant liquidity headroom enabling further growth and strategic investments, alongside providing protection to potential uncertainties from the macro-economic environment.

The Alternative Performance Measures (APMs) or underlying results reported in this Annual Report and Financial Statements are statutory measures adjusted for items which management considers could distort the understanding of performance and comparability year on year. The definition of non-underlying items and details of the items reported as non-underlying in the current and prior years are included in Note 3 to the financial statements.

2023 triennial valuation

The Group and the Trustees of the Defined Benefit Pension Scheme reached an agreement on the terms of the 2023 triennial valuation. Wincanton is pleased to report that as of 31 March 2023 the scheme had an actuarial surplus of £3.9m compared to an actuarial deficit of £154.3m at 31 March 2020. This significant improvement was driven by the Group's sustained contributions to the scheme alongside the strong performance of the scheme's underlying assets.

Reflecting the scheme's performance, the Trustees agreed that Group contributions to the scheme would cease from September 2023 and conditions applied to the distribution of shareholder returns would be removed. Scheme members can take comfort from the health of the scheme, along with additional security offered in the unlikely event of extreme adverse performance of the scheme or a significant increase in Group leverage.

Over the past five years, 35% of the Group's free cash flow has been dedicated to reducing the scheme's deficit. The elimination of the deficit and corresponding cessation of contributions provides significant capital investment optionality for the Group.

Principal risks and uncertainties

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

The Board has ultimate accountability for the execution of risk management and internal control systems, with the Risk Management Committee providing assurance regarding the management of Group and operational risks. The Executive Management Team (EMT) reviews specific financial, reputational, operational, legal/compliance, strategic, and climate change related risks. 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.

Strategic Report *(continued)*

Principal risks and uncertainties (continued)

The following key risks have been identified by the Group as part of the risk management process:

Risk description	Key controls and mitigations
Pensions 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 alter the value and lead to a material change in cash contributions, and/or 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.	The Group has undertaken steps to mitigate its exposure to financial market movements and macro-economic 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 who is responsible for managing the fund and setting the investment strategy. This strategy is intended to reduce investment risk through an appropriate level of matching between assets and liabilities in the Scheme. Hedging is reviewed to ensure it mitigates the impact of inflation and interest rate movements. The Group and the Trustees engage high quality external fund managers and actuaries, and have separate legal, covenant and audit advisers to support and inform their decision making. Together they have agreed during the 2023 triennial process that no current contributions to the Scheme are required and have contingency plans to protect the Scheme in the event of adverse developments. The objective is to ensure that the Group meets its commitments to pensioners and the Scheme and that recovery contributions are affordable and sustainable for the Group. Any increase in contribution may reduce the level of investment the business has at its disposal. Management is exploring longer term strategies to materially reduce the impact of the Scheme's financial impact on the Group.
Recruitment and retention The Group employs a large workforce from drivers to warehouse operatives to executive talent. Failure to attract and retain people with the right skills, competencies and values needed to operate and grow the business would impact the long term success of the Group. The labour market remains competitive; attraction and retention remain a concern given our current uncertainty regarding ownership.	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. It 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 established relationships with preferred agencies to provide 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 (SID) visited sites to bring employee feedback into the boardroom. Talent and development are 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 and further consideration is currently being given to our retention strategy and potential bespoke actions deemed necessary to retain key talent during the acquisition period. The Board and Nomination Committee (which disbanded on 29 April 2024) closely monitor and review the Board and executive and senior management strategies for succession planning and review the Group's talent pool on a regular basis.

Strategic Report *(continued)*

Principal risks and uncertainties (continued)

Legal and regulatory compliance	
The Group must comply with a wide range of regulations and legislation 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 lead to significant operational disruption or result in reputational damage to the Group and our customers and potential harm to the Group's employees or property.	Policies and processes are in place throughout the Group to ensure systems, operations and central functions comply with relevant areas of legislation. The governance, risk and compliance function 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 reviewing of Group policies, as a minimum, annually or in response to legislation change. 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 a renewed focus has been placed on modern slavery and human trafficking, to ensure our safeguarding measures are fully implemented across the business. Additional training has also been rolled out in this area, utilising materials from Stronger Together, an NGO Wincanton is now working with in this area. Our code of conduct helps our employees understand their obligations with regard to legislation and regulation. Awareness sessions are regularly distributed in different formats across the business to ensure our colleagues know the legal and regulatory risks we face and we undertake appropriate colleague training to ensure legal compliance. The Group also has a whistleblowing policy supported by a Speaking Up hotline and portal, training and awareness.
Cyber security	
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.	The Group routinely assesses 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. Increased controls have been implemented through the year. Awareness sessions are regularly held across the business to ensure our colleagues remain vigilant.
Significant market changes	
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, as these can be affected by customer confidence and the geopolitical situation; which may have a knock-on effect on volume pass-through; and • loss of long standing and/or key customers whose contribution to the Group profit is significant.	An embedded strategy process provides the leaders of the business with market context, competitor insight, emerging trends and an economic outlook. An example of this is the identification of the need to digitalise transport and become more competitive in robotics and automation. During FY24 Wincanton acquired an evergreen licence for the UK and Ireland software rights with Zeus, and acquired Invar. The Group regularly reviews its wins, losses and renewals pipeline to ensure that appropriate new business wins are secured to reach the sales targets. The Group has clear sector sales targets and development strategies, with accountability to deliver.

Strategic Report *(continued)*

Principal risks and uncertainties (continued)

Business continuity management The Group has 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 a denial of access situation and/or global pandemics and events. Risks to our operations include: • labour shortages due to denial of service, 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; and liquidity pressure due to delayed receipts, potential customer failure and availability of financing.	The Group operates a strong programme office which enables rapid, controlled responses to 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: • a new enterprise-wide business continuity system and associated processes implemented in the year; • close liaison with customers to adapt processes and requirements to ensure continuity of service; • the redeployment of resources across business areas; • interaction with government and industry bodies to ensure regulatory requirements are understood and best practice is being adopted; • strong focus on cash management and a close relationship with financial stakeholders; and extensive impact analysis and downside scenario testing.
Climate-related risks The use of fossil fuels and the associated release of greenhouse gases have led to rising average global temperatures with the associated physical risks such as flooding and drought. 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 UK and Ireland business, investment and consumer landscape that may 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; • loss of customers if we are complacent in this area; and • poor response to climate-related risks leading to reputational damage and loss of business	The Group has a sustainability strategy which leads on climate and other environmental risks. We have developed 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 office which enable sustained, positive action towards our goals and targets; course correction in response to performance indicators; and new propositions and opportunities in response to technology developments. Actions taken include: • setting our own short, medium and long term carbon emissions targets; • development of long term roadmaps with sector specific technology solutions; • liaison with customers to propose and develop lower and zero carbon solutions; • maintaining a carbon neutral two-person home delivery service through authentic carbon offsetting using forestry carbon reduction credits only; • engagement with government and industry bodies to help shape a regulatory and fiscal landscape conducive to positive climate action; and establishment of a strategic procurement process with our value chain and innovation partners.

Strategic Report *(continued)*

Principal risks and uncertainties (continued)

Significant health, safety or environmental incident The Group operates in environments which have the potential to be hazardous to people or property if not actively managed. A failure to manage these risks properly could result in injury or death 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.	The Group has detailed health, safety and environment procedures and processes in place and employs health, safety and environment teams at all business locations. A second-line health, safety and environment team tracks accident and incident rates and leading indicators and rolls out seasonal accident reduction programmes.
Failure to develop appropriate business systems The Group provides secure, highly available and innovative technology solutions, which enable our business and those of our customers. The potential inability to meet the expectations of our business and customers could impact our growth/profitability objectives, and lead to reputational damage and contractual implications leading to loss of custom, penalties, fines and/or regulatory action.	The Group continues to develop its IT and technology products, services and capability aligned with our product focused business strategy. Our strategic focus remains on delivering robots, automation and our transport and supply chain Control Tower products, whilst rationalising and connecting our application portfolio to ensure we have the right technology solution. Active decommissioning and replacement of legacy systems reduce risk. Our organisational structure has been strengthened to support the delivery of our strategy.
Managing customer contracts and delivery of service Commercial contractual terms within our day to day operations can be complex and require a high level of familiarity with the detail. Changes within our customers operations must be reflected throughout our contractual relationship. Colleagues' pay and conditions have traditionally been managed locally which has resulted in a payroll which is complex and difficult to operate.	Support from the operational and legal teams is available to site management to ensure contract terms are understood and clearly handed over to new and/or promoted colleagues performing the role of contract management on sites. A centralised contract management system has been introduced to increase oversight. Training has been rolled out to operational teams to ensure awareness of the need to keep contractual arrangements current.
Failure to achieve strategic transformational change through adoption of robotics, automation and new product offerings If Wincanton is unable to sufficiently adopt robotics and automation, there is a risk to the business of: • not being competitive, leading to losing renewals and not winning new business; and • customers deploying new technology themselves, leading to the loss of revenue and margin.	• A wide pipeline of projects covering the business to ensure good coverage. • Engagement of sector managing directors to put robotics and automation at the forefront of our service offerings. • Our organisational structure has been strengthened to support the delivery of our strategy. • Engagement of the sales and solutions teams in new business opportunities. • Sufficient resource and approach to be able to proactively handle opportunities at pace. • Acquisition of Invar to bolster the capabilities of the business.

Strategic Report *(continued)*

Principal risks and uncertainties (continued)

Economic effects such as inflation, customer confidence and spending	
The Group operates across a broad range of markets and sectors which have been impacted by the current inflationary and interest rate pressures. These pressures may stem from: • increased competition for renewals and new business as customers increase their focus on costs; • reduced volumes as markets contract from reduced consumer spending; • a challenge to our existing business models with a transfer of risk towards closed book contracts; • increased costs resulting from key supplier failures; and • loss of revenues and profit from customer failure.	An embedded strategy process which provides the leaders of the business with market context, competitor insight, emerging trends and an economic outlook. During FY24, Wincanton acquired an evergreen licence for the UK and Ireland with Zeus, and acquired Invar, providing Wincanton with the ability to deliver cost effective and sustainable solutions. Wincanton continues to exit unprotected closed book contracts and include volume protection measures in all other contracts. The Group regularly reviews key customer and supplier performance. The business model is weighted towards open book contracts which provide Wincanton with protection from cost escalation clauses. During FY24, Wincanton took out debt insurance to protect against customer failure.

Strategic Report *(continued)*

Business model

Wincanton boasts nearly a century of experience across the logistics and supply chain industry. Today, the Group specialises in the provision of outsourced warehousing and transport services in the UK and Ireland, supported by deep expertise in robotics and automation and supply chain integration.

The Company's mission to create value across the ecosystem for customers, colleagues, communities, suppliers and stakeholders is achieved through the synergistic alignment of our four key assets: people, warehouses, transport and technology. This value creation framework is underpinned by our values, innovative approach and commitment to becoming the UK's most effective and trusted logistics company.

Wincanton's business model is people focused, with an average of 19,225 colleagues across the UK and Ireland. The Group continues to foster an inclusive, diverse and supportive working environment to allow colleagues to perform to the best of their ability. Clear strategic direction and focused resource allocation enable the team to deliver its core strategic priorities.

Wincanton acts as a brand ambassador for its customers enabled by the Group's customer-centric approach and trusted expertise which gives customers the competitive edge in their chosen markets. The Group's blue chip customer base and established contractual structures provide it with financial resilience and a business model characterised by high levels of cash generation, investment in innovation and shareholder returns.

Our strategy

Our strategy has been developed with technology, productivity and our team at its heart. It is being successfully delivered, positioning Wincanton at the forefront of competitive technology and operational excellence. The goal is to profitably grow the business, allowing us to compete at the highest levels as a trusted partner to our customers.

Our purpose: Great people delivering sustainable supply chain value.

Our strategic ambitions

Our strategic ambitions keep us focused and help us measure our progress.

- Growth ambitions: we look to profitably grow the business by developing our products and services, building new relationships, diversifying into different products and services and building on our market leading position in our foundation sectors.
- People ambitions: we aim to provide an inclusive environment that supports our colleagues to be safe at work, and enables them to do their best for our customers and have the opportunity to have a positive impact on social value, while having fulfilling careers.
- Technology ambitions: we design and deliver best in class warehouse automation, helping customers to navigate the supply chain challenges of tomorrow. We offer the broadest range of digital transport benefits, providing our customers with real time updates, powerful data insights and the most sustainable transport solutions.
- Sustainability ambitions: we have set ambitious goals to achieve net-zero by 2040, including to be carbon neutral for all our own non-transport operations from 2025.

Our key strategic priorities

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

- Great people who care about colleagues, customers, and communities: embed an inclusive culture, supporting the performance and growth of our colleagues, to attract and retain the most talented people in the supply chain industry.
- Great technology to transform our industry: develop innovative warehouse automation and digital transport solutions to deliver sustainable, resilient, and future proof operations for our customers.
- Great operations delivering value for our customers**:** enhance our focus on safety to deliver an efficient operating model, with excellence at its core; becoming more agile and easier for customers to engage with, while supporting our continued growth.

Strategic Report *(continued)*

Sustainability

Protecting our futures

Innovation and transparency drive Wincanton's sustainability strategy to ensure that we have a clear path to protect our customers, our business, our people, and our planet.

Wincanton's net-zero commitments and our people strategy combine to ensure that our communities and the environment are brought together to enable us to deliver genuine social value.

By incorporating a culture of care into all aspects of our business, we are safeguarding the health, safety and wellbeing of our colleagues and stakeholders, our local communities and our natural environment.

We encourage involvement at all levels. Driven by our ESG Committee and management team, our champion groups across the organisation represent all operational functions and locations, including environment, health and safety and diversity and inclusion. These groups are all linked by a common purpose to reduce our environmental impact and deliver social value. By using the United Nations Sustainability Development Goals (UN SDGs) as a framework, we focus our projects on enhancing our local communities by involving stakeholders in continual improvement initiatives and social value activities.

Full details of our UN SDGs are available on our website at www.wincanton.co.uk/sustainability/governance/esg-reporting/

The road to net-zero by 2040

Our environmental programme is overseen by the Head of Sustainability, who co-ordinates an environmental working group to guide our programme. This team provides updates on progress to the Executive Management Team and to the ESG steering groups. Every operation nominates an environment champion who is empowered to promote and drive continuous improvement in environmental performance and colleague engagement at their sites.

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

Our environmental management system (EMS) is certified to ISO 14001 and available across the business. The EMS describes how we manage a range of key environmental parameters, enabling us to take prompt actions where necessary and to identify and exploit performance improvement opportunities wherever they arise.

In 2024, we continued to collaborate closely with industry partners and customers to develop sustainability projects covering our contract operating locations. These projects are designed to reduce our environmental impacts and ensure that we continue to make progress towards our sustainability targets.

Greenhouse gas emissions and energy use

We continue to utilise the Achilles 'Carbon Reduce' process for certification to ISO 14064 which has given us the appropriate external scrutiny of our scope 1 and 2 and material scope 3 emissions.

Our 2023 climate risk disclosure and emissions performance were again rated 'B' by CDP (formerly known as the Carbon Disclosure Project). This rating indicates that we are a company 'managing carbon' and demonstrates that we are 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 GHG Protocol Corporate Accounting and Reporting Standard for operational control. Carbon factors used are as per Defra conversion factors for company reporting 2023, 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.

We record and publish energy and fuel use for managed supplies, which includes all supplies 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 deliberately excluded any scope 1 and 2 emissions sources regardless of materiality.

Strategic Report *(continued)*

Sustainability (Continued)

Greenhouse gas emissions and energy use (Continued)

We recognise that scope 3 emissions are material to interpreting our emissions performance and that when we set a science based target, we will need to include scope 3 emissions in that target. We have included scope 3 emissions in our Annual Report and we have been reporting them in our CDP submission for over five years and in our PPN 06/21 carbon reduction plan (CRP) available on our website. Our scope 3 emissions are calculated from spend reports and from journey data provided from our Winsight digital transport suite and represent the ‘downstream transport and distribution’, primarily sub-contract road freight, and ‘business travel’ categories of scope 3 emissions. Additional, quantified scope 3 categories are available in our CRP on our website.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 2024 was 185 tonnes of carbon dioxide equivalent (tCO_2e) per £m of revenue.

Our scope 1 emissions reduced significantly reflecting the deployment of fuel usage initiatives driven by more efficient fleet and planning optimisation; use of increased volumes of hydrotreated vegetable oil (HVO) and electric vehicles; and lower year on year transport volumes. The resilient top-line revenue performance was achieved despite these lower transport volumes through inflationary price increases; more carbon efficient sub-contract activities; and the Group's robust open book contractual model. This resulted in a significant reduction in carbon intensity.

Within the context of our ESG policy which aligns our ESG programme to the most relevant UN SDGs, 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, as our customers continue to define and refine their own net-zero carbon plans.

2040 commitment to net-zero carbon emissions

Our energy use and carbon emissions figures are as follows:

Energy use

Energy use (MWh)	**2023/24**	**2022/23**	**2021/22**	**2020/21**	**2019/20**
Scope 1 transport	1,025,192	1,252,200	1,175,113	1,145,210	1,207,317
Scope 1 non-transport	38,100	72,171	149,718	134,995	120,207
Scope 2 electricity, transport	662	-	-	-	-
Scope 2 electricity, non-transport	77,485	80,916	83,943	80,562	83,767
Total energy	**1,141,439**	**1,405,287**	**1,408,774**	**1,360,767**	**1,411,291**

Carbon emissions

Carbon emissions (tCO_2e)	**2023/24**	**2022/23**	**2021/22**	**2020/21**	**2019/20**
Scope 1 transport	234,907	297,956	278,295	275,512	295,547
Scope 1 non-transport	7,948	15,830	36,504	32,879	28,810
Scope 2 electricity, transport	149	-	-	-	-
Scope 2 electricity, non-transport	17,433	17,079	19,401	20,398	23,229
Total scope 1 and 2 emissions	260,437	330,865	334,200	328,789	347,586
Scope 1 and 2 carbon intensity (tCO_2e/£m)	185	225	235	270	290
Scope 3 emissions	67,039	71,435	-	-	-

Less than 1% of total scope 1 and 2 emissions relate to operations outside the UK. Scope 3 emissions are provided for the past two years, but we have not stated prior years because of internal system changes that occurred during 2021/22 preventing like-for-like calculation.

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 own net-zero carbon plans.

Strategic Report *(continued)*

Sustainability (continued)

2040 commitment to net-zero carbon emissions (Continued)

Wincanton has communicated its net-zero strategy and targets to each of its customers and provided net-zero roadmaps for transport and fleet, warehouse and infrastructure and packaging and waste. The communication of our net-zero vision and roadmaps continues to evolve as technology and the investment landscape change.

Our operational emissions are primarily from diesel transport fuel and, until it is feasible to adopt wholesale renewable fuels or widespread electrification of our fleets, we are optimising our use of diesel through a variety of continuous improvement measures and deployment of our Winsight suite and EyeQ platform to optimise the efficiency of our network operation.

We continue to operate a small number of biomethane trucks and this year we have used 4.3 million litres of certified HVO as a drop-in replacement fuel for diesel.

Our company car fleet is targeted to be all electric by 2026 and to date 56% of the fleet is pure electric vehicles with no open orders for internal combustion engine vehicles. During FY24, we have operated 50 electric commercial vehicles up to 16.7 tonnes on our premium home delivery fleet. We are planning to collaborate with multiple customers on more trials and deployments of a variety of electric vehicles as availability increases and electricity price volatility reduces.

As we try to shape our net-zero future, we have engaged with a number of innovation consortia working on catenary electric road systems, and battery electric trucks and charging infrastructure. We are participating in the Innovate UK 'Zero Emissions HGV and Infrastructure Demonstration' (ZEHID) funding programme and hope to be operating battery electric trucks over 40 tonnes no later than March 2026.

We have committed 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 then purchase authentic carbon credits to offset residual emissions from 2025. We have been evaluating and collaborating on the installation of rooftop solar photovoltaic systems across our own estate and have completed the first 'landlord-led' installation this year with plans for further projects beyond this.

This year we have purchased further carbon credits to allow us to maintain a carbon neutral premium home delivery operation. These purchased carbon credits were entirely forestry credits relating to Verra and Gold Standard certified projects in Columbia and India. We retired a mix of these forestry credits and our remaining Indian renewable energy credits to enable our 2024 'carbon neutral' declaration for our premium home delivery operation. This was self-assessed using our carbon accounting process which is certified to ISO 14064.

In future, our international carbon offset projects will be sourced from afforestation and reforestation projects only, such as the ones in Columbia and India. These projects deliver environmental and social value to communities in developing economies which, potentially, make a further contribution to the UN SDGs against which we have chosen to make progress.

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 at 36.3%, making our target 72.6% by 2025, and have achieved 58% against a 2024 interim year end target of 63%. Our challenge related to some larger than expected year end stock to waste decisions that reduced our ability to recycle.

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. The UK plastic packaging tax was introduced in April 2022 and we moved to higher recycled content in applications where it was appropriate, choosing to reduce plastic packaging volumes through technical innovation in other applications, the goal being reduced overall use of new plastic. We will continue to innovate on packaging to support our customers, meet our targets and comply with legislation such as the extended producer responsibility regulations which went live during the year.

Although we have set a long term net-zero carbon target and some interim sub-targets, we have not yet committed to a formal science based target (SBT). We evaluated an SBT during 2023 and while we recognise that this has become a standardised approach for many companies, decarbonisation trajectories for the freight transport sector remain unclear. We aim to complete our SBT submission pack during FY25 and achieve a verified SBT during FY26. 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 alternative fuels and electrification technologies and infrastructure, potentially including hydrogen, become more widespread and commercially available.

Strategic Report *(continued)*

Sustainability (continued)

Social values

With inclusion at heart, we continue to enhance our work environment and enrich the communities that we operate in. We do this by developing and caring for our colleagues and others, providing training and employment opportunities to local people and strengthening our strategic partnerships to deliver greater social value.
We focus our activities around four core pillars:

- looking after ourselves and others: contributing to a society that considers all aspects of health, safety and wellbeing, with a focus on a culture of care;
- embedding an inclusive culture: to be recognised as a leader in diversity and inclusion;
- enriching our communities: supporting and engaging with the communities in which we operate; and
- strengthening social value partnerships: making a positive and innovative impact through our suppliers and partners.

To drive positive action in this space, in April 2023 we also launched our Group-wide Million Hours Mission. By working together with our people, suppliers and customers we have set ourselves an ambitious challenge to deliver one million hours of social value by the end of 2025, enriching the communities that we operate in. Engaging with the community is an important part of embedding our inclusive culture. Throughout the year we have successfully supported many local community groups and charities, hosted wellbeing events and championed inclusivity awareness activities. This has resulted in over 304,000 social value hours recorded as part of our Million Hours Mission, and, therefore, we are confident of achieving our million hour target in 2025.

Gender pay reporting

We track gender pay reporting in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Our 2024 Gender Pay Gap Report can be found on our website at www.wincanton.co.uk/investors/corporate-governance/Corporate-disclosures-and-policies/

Governance

Our Board is accountable for the delivery and success of our sustainability strategy. An ESG Committee chaired by the CEO was in place during the reporting period to focus on strategy, target setting, performance and communication.

The ESG Committee, which met during the year, was supported by working groups, which meet regularly to roll out ESG initiatives and to address the communication around the programme of work, including climate-related matters.

The environmental working group consists of relevant representatives from operations and the Group's head office with different areas of expertise and stakeholder interactions relating to sustainability and climate change.

The Audit Committee had oversight of non-financial disclosures and assurance, including reporting in line with leading ESG frameworks. It also oversaw and evaluated the Company's approach and controls relating to the prevention and detection of fraud and bribery, including overseeing the effectiveness of whistleblowing mechanisms.

We have sustainability targets in our remuneration structures, applicable to our senior management.

We have set the necessary measures and targets to manage our ESG performance and ensure transparent and consistent reporting. We use standardised measurement systems aligned to the Global Reporting Initiative (GRI), to enable our stakeholders to better monitor our ESG performance over the long term and provide transparency on methodology.

Our governance position relies heavily on the rollout of appropriate policies with associated compliance training and awareness sessions run throughout the business, for example modern slavery; GDPR; IT acceptable use; and Speaking Up.

Our ESG materiality assessment aligns with our principal business risks and is also aligned with our selected UN SDGs and GRI reporting.

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

Strategic Report *(continued)*

Sustainability (continued)

Climate-related financial disclosures

Climate-related change will have long term impacts on our customers, markets and operations. We manage these climate risks for the long term benefit of our stakeholders. We have continued to enhance our climate governance, deliver our targets and communicate our net-zero strategy to our customers at each relationship milestone.

We have integrated our climate-related disclosures throughout this Annual Report, which are consistent with the climate change requirements of section 414A and 414CB of the Companies Act 2006, and have summarised them in the table below. This year we completed qualitative climate scenario modelling of risks, opportunities and resilience. The results are included in this Annual Report. In addition to the table and disclosures in this report, 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 long term supply chain partner of net-zero solutions for fleet, property and waste.

As a Group, we have publicly reported our GHG (carbon) emissions since 2014. Our carbon accounting and reporting are certified to ISO 14064-1:2018 using the Achilles 'Carbon Reduce' process. The Group will continue to refine its disclosures to enhance our reporting for stakeholders with further quantitative scenario analysis planned during FY25.

		Wincanton reference	Page(s)
Governance	A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities;	Our ESG Committee focused on strategy, target setting, performance and communication. This management committee was chaired by the Chief Executive Officer and included a Non-executive Director to provide additional Board interface.	13
	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 and this year we emphasised the need to identify business opportunities presented by climate change.	3 to 8
Risk management	A description of how the company identifies, assesses, and manages climate-related risks and opportunities and a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process	More details can be found in the risk report and in the tables below. Further details on climate-related principal risks are given with additional comments on opportunity identification and integration into business strategy and financial models.	17 to 19

Strategic Report *(continued)*

Sustainability (continued)

Climate-related financial disclosures (continued)

		Wincanton reference	Page(s)
Strategy	A description of— (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed	Details of climate-related risks are included in the disclosure of principal risks and uncertainties and the tables below. We have focused on general summaries of 'physical' and 'transition' risks with management of 'transition' risks providing the main opportunities for differentiation with our customers.	3 to 8 and 17 to 19
	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy	We have made a commitment to net-zero carbon emissions. We deploy processes and technologies to reduce our own and our customers' environmental impact for the long term. Details are provided in our ESG report.	10 to 12
	An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	Wincanton partnered with an expert consultancy to develop a range of qualitative scenarios in which to evaluate physical and transition risks and opportunities relative to three temperature scenarios over the short, medium and long term. 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 the evolution and integration of our scenario planning. Some of the output of this analysis is presented in tables 1, 2 and 3 below.	17 to 19
Metrics and targets	A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.	Climate-related opportunities are considered monthly as part of our strategy review process.	19
	Our scope 1, 2 and 3 GHG emissions	The environmental section in the ESG report. KPIs for scope 1 and 2 emissions are reported in Annual Reports. Selected scope 3 emissions are provided in this Annual Report with further detail and explanation on our ESG reporting web page.	11
	A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Our ESG targets are included in the sustainability section of this Annual Report and Accounts. ESG related remuneration targets are included in the Annual Bonus for the Executive Management Team, specifically relating to health and safety; diversity and inclusion; and carbon intensity.	11

Strategic Report *(continued)*

Sustainability (continued)

Climate-related financial disclosures (continued)

Wincanton’s senior leadership identified, through a facilitated workshop and follow up discussions, the following climate-related physical and transition risks as the most relevant.

In setting and monitoring delivery of Wincanton’s strategy, the Board and leadership team consider climate-related risks and opportunities across the:

- Short term – 1 to 3 years
- Medium term – 3 to 7 years
- Long term – 7 to 25 years

Each risk and opportunity are ranked based on their determined likelihood and impact. These are defined below:

Likelihood is the chance of the event concerned occurring:

- Rare <5%
- Unlikely >5% and 20%
- Moderate >20% and <50%
- Likely >50% and <80%
- Almost certain >80%

Impact is measured predominately relating to either the reduction or increase to operational income:

- Very low – less than 1% of operating income
- Low – 1% to 2.5% of operating income
- Moderate – 2.5% to 5% of operating income
- High – 5% to 10% of operating income
- Very high – more than 10% of operating income

Strategic Report *(continued)*

Sustainability (continued)

Climate-related financial disclosures (continued)

Table 1 – Physical risks by temperature scenario and time horizon

Rank	ID	Risk type	Risk title	Likelihood	Impact	Scenario		Location	Time horizon
1	PR5	Acute physical	Risk that increased frequency and/or severity of extreme weather events (e.g. flooding, storms) result in damage to Wincanton's facilities (e.g. warehouses, data centres), disrupting operations and increasing operating costs.	Almost certain (5)	High (4)	Primary	4°C	UK	Short to medium term
						Secondary	2.5°C disorderly		
2=	PR1	Acute physical	Risk that increased frequency and/or severity of extreme weather events (e.g. flooding, storms) result in damage to transport networks and Wincanton's vehicles, disrupting operations, and increasing operating costs.	Likely (4)	Moderate (3)	Primary	4°C	UK	Medium to long term
						Secondary	2.5°C disorderly		
2=	PR3	Acute physical	Risk that increased frequency and/or severity of extreme weather events (e.g. extreme heat, fires) impact employee safety and productivity, leading to decreased output.	Likely (4)	Moderate (3)	Primary	4°C	UK	Short term
						Secondary	2.5°C disorderly		
3	PR6	Acute physical	Risk that increased frequency and/or severity of extreme weather events impact Wincanton's customers' supply chains, resulting in business uncertainty and decreased revenue.	Likely (4)	Low (2)	Primary	4°C	Global	Short/medium/ long term
4	PR2	Chronic physical	Risk to physical structures, facilities and vehicles (e.g. warehouses and offices, roads, power supplies) from increased chronic subsidence, resulting in increased maintenance and repair costs.	Unlikely (2)	Moderate (3)	4°C		UK	Short term
5	PR4	Chronic physical	Risk of suppliers being impacted by the physical impacts of climate change, leading to shortages in raw materials/components for Wincanton's electric vehicles and automation/robotics, decreasing output.	Unlikely (2)	Low (2)	4°C		Global	Long term

Strategic Report *(continued)*

Sustainability (continued)

Climate-related financial disclosures (continued)

Table 2 – Transition risks by temperature scenario and time horizon

Rank	ID	Risk type	Risk title	Likelihood	Impact	Scenario	Location	Time horizon
1	TR4	Policy and legal	Risk of a ban on the sale of petrol and diesel vehicles and the introduction of low emission zones requiring electric vehicle adoption, including a transitional period requiring alternative fuel powered vehicles, increasing costs during this period.	Almost certain (5)	Moderate (3)	Primary 1.5°C Secondary 2.5°C disorderly	UK	Short to medium term
2=	TR5	Markets	Risk of increasing volatility in electricity prices, leading to fluctuating operating costs for Wincanton's transportation, warehousing and value-add services, harming business resilience.	Likely (4)	Moderate (3)	2.5°C disorderly	UK	Short term
2=	TR1	Policy and legal	Risk of an increased burden from carbon tax mechanisms, such as road tolling and/or a carbon tax on fuel/cross-border logistics, increasing Wincanton's operating costs and reducing profitability.	Likely (4)	Moderate (3)	1.5°C	UK	Medium term
3	TR3	Markets	Risk of reduced demand for services due to a shift in customer preferences away from traditional transport and towards greener transportation alternatives offered by peers, reducing Wincanton's market share and revenue.	Moderate (3)	Moderate (3)	Primary 1.5°C Secondary 2.5°C disorderly	UK	Short to medium term
4	TR2	Reputation	Risk of increased administrative and compliance costs as Wincanton gets captured by further disclosure and reporting requirements, and mandatory standards, increasing Wincanton's overhead costs.	Likely (4)	Low (2)	1.5°C	UK	Medium to long term

Strategic Report *(continued)*

Sustainability (continued)

Climate-related financial disclosures (continued)

<table>
<tr><th colspan="10">Table 3 – Opportunities by temperature scenario and time horizon</th></tr>
<tr><th>Rank</th><th>ID</th><th>Risk type</th><th>Risk title</th><th>Likelihood</th><th>Impact</th><th colspan="2">Scenario</th><th>Location</th><th>Time horizon</th></tr>
<tr><td>1</td><td>O2</td><td>Resource efficiency</td><td>Opportunity to harness green-led resource efficiency across transportation leading to a reduction in operating costs by greening Wincanton's fleet e.g. switching to a fully electric truck fleet.</td><td>Likely (4)</td><td>High (4)</td><td colspan="2">1.5°C</td><td>UK</td><td>Short to medium term</td></tr>
<tr><td rowspan="2">2=</td><td rowspan="2">O1</td><td rowspan="2">Resource efficiency</td><td rowspan="2">Opportunity to harness green-led resource efficiency across Wincanton's warehousing and value-add services leading to a reduction in operating costs by using renewable energy sources, i.e. solar panels.</td><td rowspan="2">Likely (4)</td><td rowspan="2">Moderate (3)</td><td>Primary</td><td>2.5°C disorderly</td><td rowspan="2">UK</td><td>Short term</td></tr>
<tr><td>Secondary</td><td>1.5°C</td><td>Long term</td></tr>
<tr><td rowspan="2">2=</td><td rowspan="2">O6</td><td rowspan="2">Resource efficiency</td><td rowspan="2">Opportunity to harness automation, robotics, and low carbon data management practices to reduce Wincanton's operating costs by improving efficiency.</td><td rowspan="2">Likely (4)</td><td rowspan="2">Moderate (3)</td><td>Primary</td><td>1.5°C</td><td rowspan="2">UK</td><td rowspan="2">Short to medium term</td></tr>
<tr><td>Secondary</td><td>2.5°C disorderly</td></tr>
<tr><td>3=</td><td>O5</td><td>Products and services</td><td>Opportunity to leverage Wincanton's scale and partnerships to boost lower carbon innovations and industry collaborations, improving business resilience.</td><td>Moderate (3)</td><td>Moderate (3)</td><td colspan="2">2.5°C disorderly</td><td>UK</td><td>Medium to long term</td></tr>
<tr><td>3=</td><td>O3</td><td>Products and services</td><td>Opportunity to gain a larger share of the market by diversifying Wincanton's offerings to incorporate sustainable practices and greener services than peers, tapping into a growing market of environmentally conscious customers, increasing revenue.</td><td>Moderate (3)</td><td>Moderate (3)</td><td colspan="2">1.5°C</td><td>UK</td><td>Short term</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">O4</td><td rowspan="2">Resource efficiency</td><td rowspan="2">Opportunity to reduce operating costs by improving business circularity and increase recycling rates, through Wincanton's value-add services.</td><td rowspan="2">Moderate (3)</td><td rowspan="2">Very Low (1)</td><td>Primary</td><td>1.5°C</td><td rowspan="2">UK</td><td>Short term</td></tr>
<tr><td>Secondary</td><td>2.5°C disorderly</td><td>Long term</td></tr>
</table>

On page 6 Wincanton have summarised the actions taken to mitigate the identified climate-related risks.

Strategic Report *(continued)*

Sustainability (continued)

Non-financial and sustainability 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 strategic report section of the Annual Report on pages 1 to 23. Details of our business model can be found on page 9, principal risks and our response to them are on pages 4 to 8.

Stakeholder engagement

As a leading supply chain partner for UK business, our customers are at the heart of everything we do, and our long term relationships deliver consistent returns.
Our suppliers play an important role in helping our business deliver for our customers. We form strong, sustainable and trusted partnerships and look to secure excellent value for money, whilst minimising risks in our supply chain.
The health, safety and wellbeing of our colleagues and our communities continue to be of paramount importance. See social values on page 13, where we reflect on how we are enriching our local communities, and employee engagement on page 33.

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.

The Wincanton Board considers it has fulfilled its responsibilities under Section 172(1) of the Act. It recognises the need to reflect the views of and impact on the Group's key stakeholders in its discussions and in the decisions it takes.

This year such decisions have involved the Group's Pension Scheme, new business opportunities and offers to acquire the Group:

- **Group Pension Scheme**
  The Board approved a proposal between Wincanton and the Group Pension Scheme Trustee that no further contributions would be currently payable into the Scheme as a consequence of the 2023 Triennial valuation. One of the key elements of this valuation and related covenants was that prior conditions around shareholder distributions were removed. The interests of stakeholders including current and future members of the Scheme, who could be reassured of its stability, shareholders and the Group's lenders were taken into consideration, as were the long term consequences of this decision (specifically the releasing of capital for reinvestment in the business).

- **New business opportunities**
  Consideration of community and environmental impact was a factor in the decision of the Board to approve submission of a bid for a total waste management services contract relating to the disposal of end-of-life PPE purchased by government bodies during the pandemic. The wider stakeholder group was also considered with the proposal designed to deliver the lowest economic cost to the taxpayer, having strong operational compliance built in, aligning with Wincanton's commitment to maintaining high standards of business conduct.

- **Acquisition of the business**
  The decision to engage with proposed offers for the Group and to ultimately approve the progression of an offer through to acquisition involved careful consideration of the interests of shareholders, wider stakeholders and employees, whilst acting fairly between members and taking account of the long term consequences of such a decision. The Board followed the high standards set by the UK Takeover Code, the UK Corporate Governance Code and other relevant legislation and guidance. All shareholders had an equal opportunity to vote on the offers and to question the Board at the court and general meetings held. Individual consultation took place with major shareholders. The Wincanton Board was pleased to recommend the offer from GXO Logistics, Inc. which delivered very substantial shareholder value, at a level significantly above the Company's pre-offer period all-time share price high. GXO Logistics, Inc. expects the Wincanton management and employees will benefit from greater opportunities as a result of being part of an enlarged Group.

Strategic Report *(continued)*

Corporate governance

We aim to comply with the 2018 UK Corporate Governance Code, so far as is practicable.

Board leadership and company purpose **Code principle**		**How we aim to 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 section 172(1) statement on page 20.
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.	The Board met during the year to review the purpose, values and strategy. During the year, the values were reviewed to align with the outcome of a series of cultural workshops undertaken in conjunction with Brands with Values.
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.	The Board set a series of strategic objectives and measured performance against these as part of its strategic review. The Board has also established a framework of internal controls which are assessed regularly through second and third line compliance and audit activity. During the year both the Audit Committee and the Risk Management Committee met four times.
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 employee engagement on page 33, stakeholder engagement on page 20, and our section 172(1) statement on page 20.
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 on our website www.wincanton.co.uk/sustainability/the-wincanton-way/ The workforce can raise concerns via line management, employee forums and a dedicated Speaking Up hotline.
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 ensures that directors receive accurate, timely and clear information.	The Senior Independent Director (SID) held an annual discussion with the rest of the Board to ensure the Chair's effectiveness was kept under review. The SID would feed back any areas of concern from this process. There were no concerns in this regard.
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.	During the reporting period the Board comprised six Non-executive Directors and two Executive Directors. The roles of CEO and Chair are clearly defined and separate from each other.
H	Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge and strategic guidance, offer specialist advice and hold management to account.	In addition to being available at the Annual General Meeting, Non-executive Directors attended Board meetings each month plus any ad hoc meetings to deal with time-sensitive business.

Strategic Report *(continued)*

Corporate governance (continued)

Composition, succession and evaluation 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 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, and 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 annual Board evaluation. This year all were found to be working well.
J	Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for the 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, and cognitive and personal strengths.	During the reporting period appointments to the Board of Wincanton were made on the recommendation of the Nomination Committee, chaired by Sir Martin Read CBE. Due consideration was given to the outcome of the annual Board evaluation, the review of skills, experience and diversity and informed succession planning.
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.	The skills of each Board member, the composition of the Board as a whole and the tenure of each Director were reviewed annually by the Nomination Committee.
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 was held every three years with an internal evaluation in the intervening years. This year, the Board engaged in an internal self-assessment exercise. The Chair held individual assessment calls with each NED and the SID appraised the Chair's performance (as mentioned above).

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 was assisted by the Audit Committee to ensure that the Board presented a fair, balanced and understandable assessment of the Company's position and prospects.
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 35.
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 the risk section in the Strategic Report on pages 3 to 8.

Strategic Report *(continued)*

Corporate governance (continued)

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.	Wincanton's remuneration policies were designed with consideration of wider workforce remuneration and related policies, as well as the alignment of incentives and rewards with the Company's 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 before shareholders for approval at the 2023 AGM.
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 applied in the 2023/24 remuneration outcomes, see page 25.

For more information, see our website www.wincanton.co.uk/investors/corporate-governance/Corporate-disclosures-and-policies/

Future developments

We have a well defined and ambitious investment plan that will see us grow the business over the coming years. The foundations are in place to enable us to do so, whilst retaining the balance between servicing our existing and potential customers, sustainability and delivering strong financial performance. The implications of the acquisition of the Group by GXO Logistics, Inc. have been discussed in the going concern disclosures; see Note 1 to the financial statements.

Strategic Report signed on behalf of the Board

DocuSigned by:
James Wroath
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James Wroath

Chief Executive Officer

19 June 2024

Directors' Remuneration Report

Introduction to the Directors' Remuneration Report for the year ended 31 March 2024

This is the annual introductory statement to the Directors' Remuneration Report for the year ended 31 March 2024. Following the Company's acquisition by GXO Logistics, Inc. which completed on 29 April 2024, the former independent Non-executive Directors have resigned and the Remuneration Committee which served during the year ended 31 March 2024 has been decommissioned.

Accordingly, Tom Hinton has been nominated by the Directors of Wincanton plc in his capacity as Chief Financial Officer to make the introductory statement to the Directors' Remuneration Report for 2024.

During the financial year:

- There were no substantial changes in the process relating to Directors' remuneration.
- Discretion was exercised in relation to Directors' remuneration by the Remuneration Committee during the period; please refer to page 25 below.
- Decisions were made in relation to Directors' remuneration in respect of the change of control; details are set out below.

The Company operated an annual bonus plan and a Long Term Incentive Plan during the year ended 31 March 2024 in accordance with the terms of those plans as summarised in last year's Directors' Remuneration Report.

Any determinations made by the Remuneration Committee in connection with the acquisition of Wincanton plc by GXO Logistics, Inc. were made following the year ended 31 March 2024 and shortly prior to the completion of the transaction.

Directors' Remuneration Report

This report contains the material required to be set out as the Directors' Remuneration Report for the purposes of Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the DRR regulations).

The auditor has reported on certain parts of the Directors' Remuneration Report and stated whether, in its opinion, those parts have been properly prepared in accordance with the Companies Act 2006. Those parts of the Directors' Remuneration Report which have been subject to audit are clearly indicated.

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 2024 and 31 March 2023.

	James Wroath[1]		Tom Hinton[2]	
	31 March 2024 £'000	31 March 2023 £'000	**31 March 2024 £'000**	31 March 2023 £'000
Salary	**531**	495	**371**	227
Taxable benefits	**12**	11	**8**	11
Pension-related benefits	**21**	20	**15**	9
Total fixed pay	**564**	526	**394**	247
Annual Bonus	**426**	144	**297**	70
LTIP	**945**	–	**–**	n/a
Total variable pay	**1,371**	144	**297**	70
Total	**1,935**	670	**691**	317

1 The 2021 LTIP was due to vest on 30 July 2024. In previous reports an estimate outturn was used which followed the regulation methodology due to the timing of the report and the vesting date. Due to the acquisition by GXO Logistics, Inc., the actual vesting amount is known. On this basis the LTIP has been calculated as 156,186 options multiplied by a share price of 605p.

2 Tom Hinton joined the Board on 15 August 2022. The 2023 figures include remuneration paid from that date.

Directors' Remuneration Report *(Continued)*

Taxable benefits and pension-related benefits

Benefits include a company car benefit, healthcare, and critical illness cover.

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 each of the Executive Directors. This is aligned to the pension available to the wider workforce.

Incentive outturns

Year ended 31 March 2024 Annual Bonus

James Wroath and Tom Hinton had a maximum bonus opportunity of 100% of salary. The performance measures were underlying profit before tax (PBT) (70% of weighting) and delivery of strategic objectives (30% of weighting). All strategic objectives were based on quantitative targets.

The performance targets for these measures are not disclosed as they contain information which, in the opinion of the Directors, is commercially sensitive in respect of the Company.

Objectives and achievements for the Executive Directors:

Metric	Weighting CEO	Weighting CFO	CEO pay out	CFO pay out	CEO pay out (% of weighting)	CFO pay out (% of weighting)
Profit	70%	70%	63%	63%	90%	90%
ESG (safety LTIFR)	5%	5%	4.17%	4.17%	93%	93%
ESG (DEI)	5%	5%	2.25%	2.25%	45%	45%
ESG (carbon)	5%	-	5%	-	100%	-
Cash	5%	10%	5%	10%	100%	100%
Revenue growth	10%	10%	0%	0%	0%	0%
Pay out (% max bonus/salary)	**100%**	**100%**	**79.42%**	**79.42%**		

2021 LTIP

In July 2021 a Long Term Incentive Plan (LTIP) award of 150% of salary was granted to James Wroath, based 50% on relative TSR performance vs the FTSE All-Share Index (excluding Investment Trusts) and 50% based on EPS performance over the three financial years to 31 March 2024.

Measure	Threshold (25% vesting of relevant portion)	Maximum (100% vesting of relevant portion)	Actual performance achieved	Vesting (% of maximum) before Committee discretion	Vesting (% of maximum) after Committee discretion
Underlying EPS growth (50% of award)	5% p.a. growth	10% p.a. growth	4.1% p.a. growth	0% (out of 50%)	100%[1]
Relative TSR (50% of award)	Median	Upper quartile	Above upper quartile (85th percentile)	100% (out of 50%)	100% (no change)
Total LTIP vesting					**100% of award**

1 The Committee, before it was decommissioned, completed an assessment of the performance conditions carefully. It recognised the exceptional performance by management which has created the opportunity for significant value creation for shareholders through the recommended cash offer for Wincanton by GXO Logistics, Inc.

For the TSR performance condition, applying to 50% of the award, Wincanton's performance was measured against the constituents of the FTSE All-Share (excluding Investment Trusts). The six month average share price before the start and end of the performance period, both for Wincanton and the comparator group, was used.

For the EPS performance condition, applying to the remaining 50% of the award, the application of the EPS performance condition has failed to recognise the exceptional value created. In the view of the Committee, this has led to a misalignment of the reward outcome with the overall performance experienced by shareholders. Accordingly, to provide a stronger link between reward and performance and alignment of interest to the shareholder outcome, the Committee has applied discretion to allow the 50% EPS element to vest by reference to the TSR performance condition outcome. With this use of Committee discretion, as permitted under the policy, the entire award (EPS and TSR elements) has achieved the performance conditions and vested on completion.

Directors' Remuneration Report *(Continued)*

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 2024 and 31 March 2023.

		Fees
£'000	**2024**	2023
Gill Barr	**63**	61
Anthony Bickerstaff	**63**	61
Mihiri Jayaweera	**52**	50
Debbie Lentz	**57**	50
Stewart Oades[1]	**37**	61
John Pattullo OBE[2]	**24**	-
Sir Martin Read CBE	**208**	202
Total	**505**	483

1 Stewart Oades stepped down on 31 October 2023.
2 John Pattullo joined the Board on 1 November 2023.

Directors' interests
The interests (all being beneficial) of the Directors in the Company's Ordinary Shares are set out below:

Director	**Owned 31 March 2024**	Owned 31 March 2023
James Wroath	**33,737**	30,439
Tom Hinton	**989**	98
Sir Martin Read CBE	**58,016**	58,016
Gill Barr	**8,000**	8,000
Anthony Bickerstaff	**8,000**	8,000
Mihiri Jayaweera	**8,000**	8,000
Debbie Lentz	**10,022**	10,022
Stewart Oades	**n/a**	20,024
John Pattullo OBE[1]	**8,000**	Nil

1 John Pattullo joined the Board on 1 November 2023.

Following completion of the acquisition of the entire share capital of the Company by GXO Logistics, Inc. in April 2024, the Directors' beneficial interests in the Company's Ordinary Shares are now nil.

Directors' Remuneration Report *(Continued)*

Share plan interests

	Date of award	Vest date	Option exercise price	Share price at date of award[1]	No. of shares under award at 31 March 2023	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 2024**
James Wroath										
LTIP	2 Sep 2019	2 Sep 2022	Nil	£2.26	101,689	–	–	–	–	**101,689**
LTIP	30 Jul 2020	30 Jul 2023	Nil	£1.82	350,910	–	350,910	202,125	–	**148,785**
LTIP	30 Jul 2021	30 Jul 2024	Nil	£4.16	156,816	–	–	–	–	**156,816**
LTIP	15 Jul 2022	15 Jul 2025	Nil	£3.62	213,461	–	–	–	–	**213,461**
LTIP	31 Jul 2023	30 Jul 2026	Nil	£2.43	–	331,172	–	–	–	**331,172**
Deferred Annual Bonus 2021	30 Jul 2021	30 Jul 2023	n/a	£4.16	4,542	–	–	–	–	**4,542**
Deferred Annual Bonus 2022	15 Jul 2022	15 Jul 2024	n/a	£3.62	9,577	–	–	–	–	**9,577**
					836,995	331,172	350,910	202,125	–	**966,042**
Tom Hinton										
LTIP	15 Aug 2022	15 Aug 2025	Nil	£3.81	113,287	–	–	–	–	**113,287**
LTIP	31 Jul 2023	30 Jul 2026	Nil	£2.43	–	208,000	–	–	–	**208,000**
					113,287	208,000	–	–	–	**321,287**

1 Three day average share price immediately preceding the date of award.

Share Incentive Plan (SIP)

Director	Purchase date	Date of release of free shares	Purchased shares	Free shares[1]	Share price in pence[2]
James Wroath	2023/24	2029	676	159	2.98
Tom Hinton	2023/24	2029	676	159	2.98

1 Free shares became available to the participant after five years from the date of purchase.
2 Average share price of purchases through the year.

Unaudited information

The members of the Remuneration Committee during the year were:

Gill Barr (Chair to 1 November 2023)

Debbie Lentz (Chair from 1 November 2023)

Sir Martin Read CBE

The position of Chair was changed during the year but all members served on the Committee during the year to 31 March 2024.

The CEO, CFO 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.

During the year the Committee was 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 was achieved through the Committee approving all aspects of Executive Director and EMT remuneration, and monitoring pay arrangements for the wider workforce. In addition, the Committee ensured that the Company's Remuneration Policy and its implementation were consistent with the six factors set out in provision 40 to the Code.

Directors' Remuneration Report *(Continued)*

External advisers

During the year, external advisers attended Committee meetings upon invitation to provide advice and support to the Committee.

Korn Ferry was appointed as adviser to the Committee on 31 July 2023 following a competitive tender process.

Korn Ferry is represented on the Board 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 Korn Ferry provides objective and independent remuneration advice and has no conflicts of interest with the Company that may impair its independence.

Total fees payable to Korn Ferry for advice provided to the Committee during the year amounted to £76,875. Fees are charged on a time and materials basis. Deloitte LLP also provided advisory work in relation to controls review, internal audit services, share scheme and taxation advice in the period.

Implementation of Policy in the year ended 31 March 2025

The details of how the Policy will be implemented for the year ended 31 March 2025 will be determined by the new owners GXO Logistics, Inc.

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 the year ended 31 March 2023 to the year ended 31 March 2024, and the increase in dividends related to each of those financial years.

Item	**31 March 2024 £m**	31 March 2023 £m	Difference £m
Remuneration of all employees[1]	757.6	751.1	6.5
Dividend	16.2	15.3	0.9

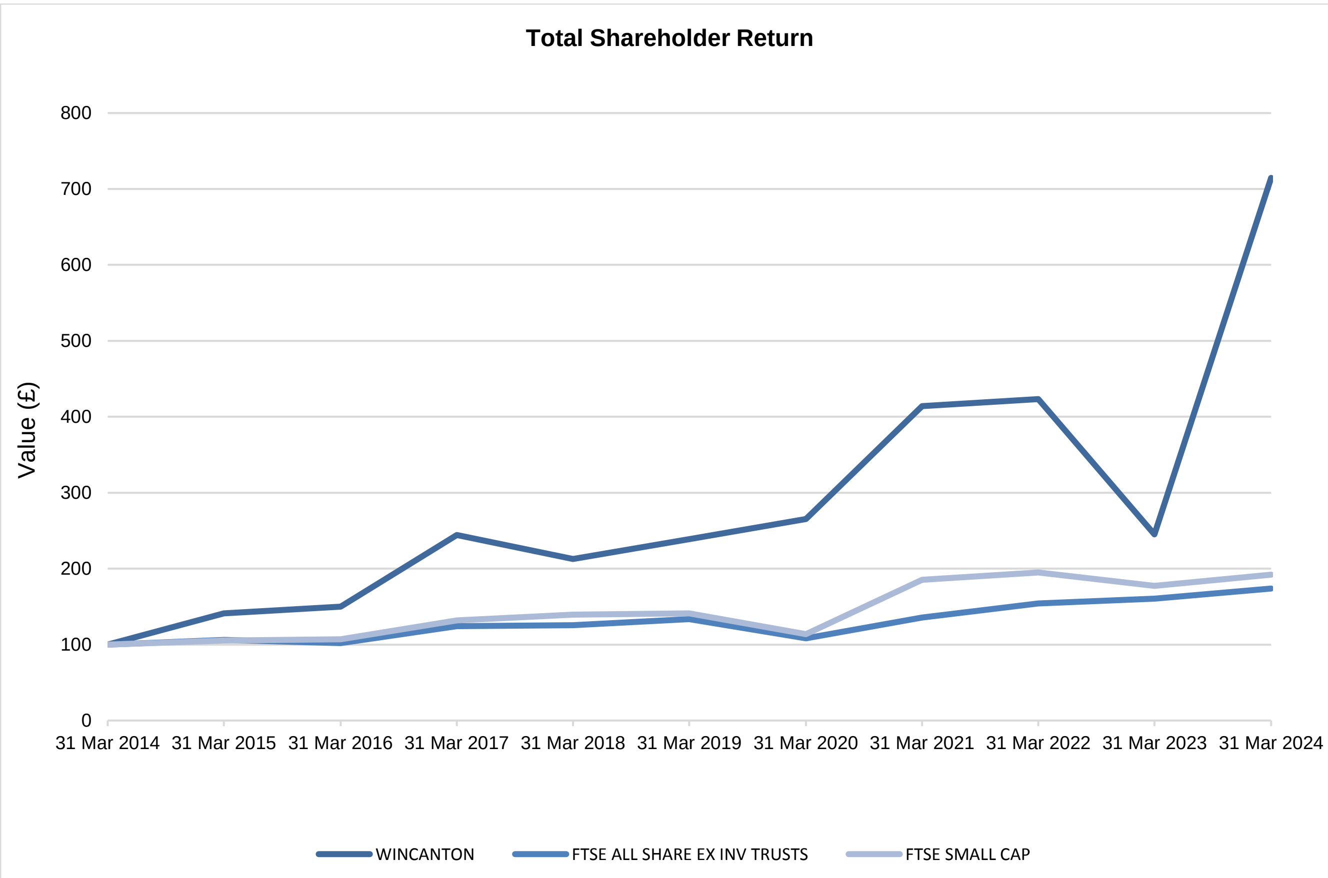
1 Includes all personnel expenses, as set out in Note 6 to the consolidated financial statements.

Directors’ Remuneration Report *(Continued)*

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. FTSE SmallCap and FTSE All-Share excluding Investment Trusts – value of £100 invested on 31 March 2014



Directors' Remuneration Report *(Continued)*

Performance graph and CEO remuneration table (Continued)

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 Officer	Chief Executive Officer single figure of total remuneration £'000	Annual Bonus outturn (% of maximum)	LTIP vesting (% of maximum)
2024	**James Wroath**	**1,935**	**79%**	**100%**
2023	James Wroath	670	28%	0%
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%

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.

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 the financial years FY24 back to FY21 compared to the change for all colleagues.

	FY24			FY23			FY22			FY21		
	Base salary/ fees	**Taxable benefits**	**Annual bonus**	Base salary/ fees	Taxable benefits	Annual bonus	Base salary/ fees	Taxable benefits	Annual bonus	Base salary/ fees	Taxable benefits	Annual bonus
	(% change)	**(% change)**	**(% change)**	(% change)	(% change)	(% change)	(% change)[5]	(% change)	(% change)	(% change)[5]	(% change)	(% change)
James Wroath[1]	**7%**	**9%**	**196%**	15%	-78%	-50%	7%	54%	14%	-20.6%	-54.1%	-31.7%
Tom Hinton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gill Barr	**4%**			4%	–	–	7%	–	–	-1.8%	–	–
Anthony Bickerstaff[2]	**4%**			4%	–	–	111%	–	–	n/a	–	–
Mihiri Jayaweera[3]	**4%**			4%	–	–	9%	–	–	n/a	–	–
Debbie Lentz[9]	**13%**			4%	–	–	9%	–	–	17.9%	–	–
Stewart Oades[4]	**4%**			4%	–	–	7%	–	–	-1.8%	–	–
Sir Martin Read CBE	**4%**			4%	–	–	7%	–	–	-5.3%	–	–
Other employees[5]	**1%**	**-4%**	**155%**	1%	-4%	-43%	1%	14%	17%	0.4%	2.3%	11.6%

1 The FY21 value for James Wroath represents 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 Stewart Oades left the Board on 31 October 2023.
5 The calculation of the average change in salary for employees excludes joiners and leavers during the year.
6 John Pattullo joined the Board on 1 November 2024, his fees did not change during his tenure.
7 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-19 pandemic.
8 A comparison has not been provided for Tom Hinton in FY24 as he joined 15 August 2022 which was part of the way through the previous comparator year, FY23.
9 Debbie Lentz was appointed as the Chair of the Remuneration Committee in the year.

Directors' Remuneration Report *(Continued)*

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
2024	Option B	78:1	71:1	65:1
2023	Option B	32:1	25:1	19:1
2022	Option B	57:1	47:1	35:1
2021	Option B	38:1	32:1	22:1
2020	Option B	63:1	49:1	41:1

Employees	25th percentile pay	Median pay	75th percentile pay
Salary	£24,182.16	£26,410.10	£29,088.56
Total pay and benefits	£24,748.75	£27,078.16	£29,827.52

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 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 2023/24, 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.

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 2024.

The year on year change in the pay ratio reflects the positive variable remuneration outturn for the CEO in 2024. If the ratio was determined based on basic salary only the outturn would be 22:1 (25th), 20:1 (median) and 18:1 (75th). The Committee considers wider workforce pay and conditions in determining CEO remuneration.

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 2023 AGM and the binding resolution for approval of the Directors' Remuneration Policy at the 2023 AGM:

Resolution	Votes for	%	Votes against	%	Total votes	% of issued share capital voted	Votes withheld
Annual Report on Remuneration	87,032,099	99.15	749,622	0.85	87,781,721	70.48	35,602
Directors' Remuneration Policy	84,988,112	97.26	2,395,863	2.74	87,383,975	70.16	433,348

Directors' Remuneration Policy

The Directors' Remuneration Policy for the Executive and Non-executive Directors for the three year period expiring at the Company's 2026 AGM, and which was approved by shareholders at the 2023 AGM, can be found within the Company's Annual Report and Accounts for 2023 which is available on the Company's website at www.wincanton.co.uk

This report was reviewed and approved by the Board on 19 June 2024 and signed on its behalf by:

DocuSigned by:
Tom Hinton
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Tom Hinton

Chief Financial Officer

19 June 2024

Directors' Report

The Directors present their Annual Report and the audited financial statements of the Company for the year ended 31 March 2024.

The Company is required to prepare a fair review of the business during the year ended 31 March 2024 and of the position at the end of the financial year and a description of the principal risks and uncertainties facing the Company (known as a Strategic Report). The purpose of the Strategic Report is to enable shareholders to assess how the Directors have performed their duty under Section 172(1) of the Companies Act 2006. The information that fulfils the requirement of the Strategic Report can be found on pages 1 to 23.

Directors

The persons serving as Directors during the year and to the date of this report are shown below:

J Wroath (Chief Executive Officer)
T Hinton (Chief Financial Officer)
I Kielty (Chief Operating Officer) (appointed 1 June 2024)
M Read (Chair) (resigned 29 April 2024)
G Barr (Independent Non-executive Director) (resigned 29 April 2024)
A Bickerstaff (Independent Non-executive Director) (resigned 29 April 2024)
M Jayaweera (Independent Non-executive Director) (resigned 29 April 2024)
D Lentz (Independent Non-executive Director) (resigned 29 April 2024)
J Pattullo (appointed 1 November 2023) (Independent Non-executive Director) (resigned 29 April 2024)
S Oades (Senior Independent Director) (resigned 31 October 2023)

As a result of the acquisition of the Group by GXO Logistics, Inc., the Independent Non-executive Directors resigned their positions as of 29 April 2024.

Results and dividends

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The income statement showed an underlying profit of £58.5m (2023: £62.1m), and a statutory loss of £39.6m (2023: profit £33.2m).

During the year the following dividends were paid:

	2024 £m	**2023** £m
Final dividend for the prior financial year of 8.8p (2023: 8.0p) per share	10.8	9.9
Interim dividend for the current financial year of 4.4p (2023: 4.4p) per share	5.4	5.4
Total dividends paid	**16.2**	**15.3**

As a result of the acquisition of the Group by GXO Logistics, Inc., the Directors do not propose the payment of a final dividend in respect of the financial year ended 31 March 2024.

Political and charitable donations

No political donations were made during the year (2023: £nil). During the year ended 31 March 2024, the Company contributed £43,075 (2023: £35,785) to charitable and community programmes.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further information is disclosed in Note 1 to the Group financial statements.

Share capital and reserves

Details of the issued share capital of the Company are shown in Note 23 to the financial statements. Movements in the share capital and reserves are shown in the consolidated statement of changes in equity on page 50.

Directors' Report *(Continued)*

Employee information

The average number of employees of the Group is disclosed in Note 6 of the Group financial statements.

Employment policies are designed to provide equal opportunities irrespective of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation or political affiliation.

The Company's policy is to ensure that disabled applicants for employment are given equal access to training, career development and promotional opportunities. In the event of existing employees becoming disabled, all reasonable means would be explored to achieve retention in employment in the same or an alternative capacity, including arranging appropriate training.

Employee engagement

Under the leadership of John Pattullo, Non-executive Director, a process was 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.

A number of key themes and focus areas were identified as part of this year's programme of site meetings, including health and safety, Group communications and progression opportunities. There was a consistent and strong focus on health and safety across the business, including in areas of wellbeing activity. In terms of Group communications, information about corporate initiatives was not as consistent as hoped across frontline managers, which has led to the development of a managers' memo to be issued each month with key corporate updates for team briefings. Following the discussions on progression opportunities, which are in line with a focus the Company had already placed on this area, the talent and development team has reviewed the recruitment process and a line manager training and development framework has been put in place.

Wincanton has a number of initiatives in place to allow the views of our staff to be heard and acted upon 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 Executive Management Team (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;
- the Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief People Officer (CPO) plan to attend four sites per year for direct engagement with colleagues and all members of the Senior Management Group (SMG) visit sites to build stronger relationships with the operations; and
- regular 'Your Pulse' engagement surveys and a network of local engagement champions.

Year	FY23/24	FY22/23	FY21/22
Employee engagement (scored 1 – 10)	7.0	6.9	6.9

Streamlined Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 require quoted and large unquoted companies to disclose their annual energy use and greenhouse gas emissions, and related information. This information can be found within the Strategic Report.

Stakeholder engagement

Directors consider all our stakeholders as key to achieving success. These include our suppliers, customers, employees and also the local communities that we operate within. We consider both current and prospective stakeholders in our engagements.

For further information on how the Board engages with our stakeholders, see our section 172(1) statement within the Strategic Report.

Directors' Report *(Continued)*

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Annual 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.

Auditor

BDO LLP has indicated its willingness to continue in office as auditor of the Company.

Post balance sheet events

On 29 April 2024, Wincanton plc, including its subsidiaries was acquired by GXO Logistics, Inc. As a result of the transaction, the Group was de-listed from the premium listing segment of the Official List and the cancellation of the admission to trading of Wincanton Shares on the London Stock Exchange's main market for listed securities was also effected.

As part of the above transaction Wincanton plc issued 1,437,048 shares on 26 April 2024. This increased the total number of shares to 125,980,718. The additional shares were used to settle the outstanding LTIP schemes, see Note 26 'Equity compensation benefits'.

See Note 30 to the Group financial statements for further details.

Matters of strategic importance

Certain information is not shown within the Directors' Report as it is instead included within the Strategic Report in accordance with section 414C(11) of the Companies Act 2006. It has been done in respect of financial risk management.

On behalf of the Board

DocuSigned by:

Lyn Colloff

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Lyn Colloff

Company Secretary

19 June 2024

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

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

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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors approved the responsibility statement on 19 June 2024.

DocuSigned by:
Tom Hinton
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Tom Hinton

Chief Financial Officer

19 June 2024

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 2024 and of the Group's loss 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 2024 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 material accounting information. 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 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) (ISA (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 Directors.

Independence

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 4 years, covering the years ended 31 March 2021 to 31 March 2024. 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;

- A review of the Directors' reverse stress test assessment including the likelihood of such a scenario materialising;

- A review of the Directors' assessment of the impact of the acquisition of the company by GXO Logistics, Inc. ("GXO") which was completed following the year end, on the trading and cashflows of the Group and Parent Company within the forecast going concern period including, their assessment of the intentions of GXO and the impact on any change of control clauses included in the Group's financing, customer and supplier arrangements; and

Independent auditor's report to the members of Wincanton plc *(Continued)*

Conclusions relating to going concern (Continued)

- 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

<table>
<tr><td>Coverage</td><td>97% (2023: 94%) of Group profit before tax
97% (2023: 97%) of Group revenue
98% (2023: 90%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td><table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Revenue recognition - accrued income and new and modified contract terms</td><td>✔</td><td>✔</td></tr>
<tr><td>Valuation of certain defined benefit pension scheme assets</td><td>✔</td><td>✔</td></tr>
<tr><td>Measurement of the gross defined benefit pension scheme obligation</td><td>✔</td><td>✔</td></tr>
</table></td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£2.6m based on 4.5% of underlying profit before tax (2023: £2.8m based on 4.5% of underlying profit before tax).</td></tr>
</table>

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 in addition to the Parent Company. 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 a BDO member firm in Guernsey, all full scope audits, specified procedures and desktop review procedures were completed by the group audit team.

Independent auditor's report to the members of Wincanton plc *(Continued)*

An overview of the scope of our audit (Continued)

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 instruction, along with key communications on materiality levels and risks associated to the specific audit procedures; and
- Review of the final reporting received.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in Directors' going concern assessment, impairment assessment and the recognition of deferred tax assets. .

We also assessed the consistency of management's disclosures included as Other Information with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

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.

Independent auditor's report to the members of Wincanton plc *(Continued)*

An overview of the scope of our audit (Continued)

Key audit matters (Continued)

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>Revenue Recognition – Accrued Income and new and modified contract terms

Group Revenue is £1,406.6m (2023: £1,462.0m)

Contract receivables, contract assets and contract fulfilment assets are disclosed in Note 16 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.</td><td>As part of the monthly reporting process manual adjustments are recorded to revenue which are necessary to record revenue 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, accounting for new contracts entered into during the year may require judgements to be made regarding promises in contracts that are treated as performance obligations. As such we consider that accounting for new contracts gives rise to a significant risk of error in revenue recognition.

Given the significance of the above areas to the income statement, revenue recognition was considered to be an area of focus for our audit and a key audit matter.</td><td>Our procedures included.
Testing a sample of accrued income balances on open book and closed book contracts and agreeing the amounts recorded to post year end invoice and, where settled at time of audit, to cash receipts, 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 based on our risk criteria 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 – Revenue Recognition, 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 and recorded in accordance with IFRS 15.</td></tr>
</table>

Independent auditor's report to the members of Wincanton plc *(Continued)*

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 25, the Group has £845.8m (2023: £891.1m) of plan assets which are included in the measurement of the net defined benefit asset recorded on the Group balance sheet	The quantum of the Group's plan assets recorded in the net defined benefit pension 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 £483.7m (2023: £517.6m) of liability driven investments and £85.3m (2023: £99.6m) of private debt assets, the latter being determined with reference to the latest net asset valuations which occur at a date prior to the financial year end. Given the subjectivity in the valuation of the liability driven assets and the private debt assets, these were 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 internal valuation experts to assist us in sourcing relevant market data to assess whether 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 Management's assessment of 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 financial year 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.

Independent auditor's report to the members of Wincanton plc *(Continued)*

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
Measurement of the gross defined benefit pension scheme obligation As disclosed in note 25, the Group has recorded a gross defined benefit obligation of £767.1m (2023: £776.4m) in the measurement of the net defined benefit pension asset recorded on the Group balance sheet. Note 25 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 pension 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 have taken independent actuarial advice in respect of the appropriateness of these assumptions. 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 whether 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.

Independent auditor's report to the members of Wincanton plc *(Continued)*

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**	
	2024	2023	2024	2023
Materiality	£2.6m	£2.8m	£2.05m	£1.45m
Basis for determining materiality	4.5% of underlying profit before tax	4.5% of underlying profit before tax	1% of total assets	1% of total assets
Rationale for the benchmark applied	Underlying profit before tax was 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 was 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 was considered to be the most appropriate measure as the Parent Company is a holding company that does not trade	Total assets was considered to be the most appropriate measure as the Parent Company is a holding company that does not trade
Performance materiality	£1.82m	£1.96m	£1.43m	£1.02m
Basis for determining performance materiality	70% of overall materiality	70% of overall materiality	70% of overall materiality	70% of overall materiality
Rationale for the percentage applied for performance materiality	70 % of overall materiality was considered to be appropriate taking into consideration factors including the aggregation risk within our testing.	70 % of overall materiality was considered to be appropriate taking into consideration factors including the aggregation risk within our testing.	70 % of overall materiality was considered to be appropriate taking into consideration factors including the aggregation risk within our testing.	70 % of overall materiality was considered to be appropriate taking into consideration factors including the aggregation risk within our testing.

Independent auditor’s report to the members of Wincanton plc *(Continued)*

Our application of materiality (Continued)

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 60% and 90% (2023: 60% 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 £1.45m to £2.15m (2023: £1.68m to £2.52m). In the audit of each component, we further applied performance materiality levels of 70% (2023: 70%) 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 Board that we would report to them all individual audit differences in excess of £90,000 (2023: £100,000). 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 Financial Statements 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.

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.

Independent auditor's report to the members of Wincanton plc *(Continued)*

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, the Group's legal counsel and the Audit Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

We considered the significant laws and regulations to be the applicable accounting framework, the Companies Act 2006, applicable UK law and the principles of the UK Corporate Governance Code.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Road Transport regulations, Employment Law, pensions and UK tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Independent auditor’s report to the members of Wincanton plc *(Continued)*

Auditor’s responsibilities for the audit of the financial statements

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group’s policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Identifying and testing journal entries, in particular any manual journal entries posted to revenue or expense accounts, those with unusual account combinations and journals posted by unexpected users by agreeing to supporting documentation;
- Review of minutes of Board meetings throughout the year and post year end to identify any known or suspected instances of fraud;
- Review of internal audit reports for reference of any internal control failures;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular, the assessment of performance obligations in customer contracts, the valuation of defined benefit pension assets, the measurement of the gross defined benefit pension obligation (as set out in the key audit matters section of the report), impairment assessments, the measurement of other provisions and going concern; and
- The procedures in the key audit matters section above in relation to revenue recognition.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were all deemed to have appropriate competence and capabilities and remained 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.

Independent auditor's report to the members of Wincanton plc *(Continued)*

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.

DocuSigned by:
Sophie Michael
CD4490ED1C4942A...

Sophia Michael (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
19 June 2024

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 2024

		2024			2023		
	Note	**Underlying £m**	**Non-underlying £m**	**Total £m**	Underlying £m	Non-underlying £m	Total £m
Revenue	2	**1,406.6**	**-**	**1,406.6**	1,462.0	–	1,462.0
Net operating costs	3, 4	**(1,342.0)**	**(103.4)**	**(1,445.4)**	(1,391.2)	(23.9)	(1,415.1)
Operating profit/(loss)	4	**64.6**	**(103.4)**	**(38.8)**	70.8	(23.9)	46.9
Financing income	7	**6.6**	**-**	**6.6**	3.6	–	3.6
Financing cost	7	**(12.7)**	**-**	**(12.7)**	(12.3)	–	(12.3)
Profit/(loss) before tax		**58.5**	**(103.4)**	**(44.9)**	62.1	(23.9)	38.2
Income tax credit/(expense)	8	**(14.1)**	**19.4**	**5.3**	(9.7)	4.7	(5.0)
Profit/(loss) attributable to equity shareholders of Wincanton plc		**44.4**	**(84.0)**	**(39.6)**	52.4	(19.2)	33.2

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Note	**2024 £m**	2023 £m
Profit/(loss) for the year		**(39.6)**	33.2
Other comprehensive income/(loss)			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of net defined benefit asset	25	**(52.1)**	(22.4)
Income tax relating to items that will not subsequently be reclassified to profit or loss	8	**13.0**	4.2
		(39.1)	(18.2)
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange gain/(loss) on investment in foreign subsidiaries		**(0.4)**	0.2
		(0.4)	0.2
Total other comprehensive loss for the year, net of income tax		**(39.5)**	(18.0)
Total comprehensive income/(loss) attributable to equity shareholders of Wincanton plc		**(79.1)**	15.2

Consolidated balance sheet

At 31 March 2024

	Note	**2024 £m**	2023 £m
Non-current assets			
Goodwill and intangible assets	10	**127.5**	105.4
Property, plant, equipment and vehicles	11	**25.5**	28.8
Right-of-use assets	13	**148.8**	176.2
Deferred tax assets	14	**4.7**	–
Trade and other receivables	16	**11.2**	–
Employee benefits	25	**80.6**	116.6
Total non-current assets		**398.3**	427.0
Current assets			
Inventories	15	**2.0**	1.8
Trade and other receivables	16	**214.4**	170.6
Income tax receivable		**–**	4.6
Cash and cash equivalents	17	**28.7**	13.2
Total current assets		**245.1**	190.2
Total assets		**643.4**	617.2
Current liabilities			
Income tax payable		**(1.1)**	–
Lease liabilities	19	**(41.4)**	(37.5)
Trade and other payables	20	**(387.4)**	(289.6)
Provisions	21	**(24.1)**	(11.3)
Total current liabilities		**(454.0)**	(338.4)
Net current liabilities		**(208.9)**	(148.2)
Total assets less current liabilities		**189.4**	278.8
Non-current liabilities			
Borrowings and other financial liabilities	18	**(8.0)**	–
Lease liabilities	19	**(166.5)**	(168.9)
Employee benefits	25	**(1.9)**	(1.9)
Provisions	21	**(47.0)**	(32.0)
Deferred tax liabilities	14	**–**	(16.9)
Total non-current liabilities		**(223.4)**	(219.7)
Net (liabilities)/assets		**(34.0)**	59.1
Equity			
Issued share capital	23	**12.5**	12.5
Share premium		**12.9**	12.9
Merger reserve		**3.5**	3.5
Translation reserve		**(0.7)**	(0.3)
Own shares		**(5.4)**	(5.6)
Retained profit/(loss)		**(56.8)**	36.1
Total (deficit)/equity		**(34.0)**	59.1

These financial statements were approved by the Board of Directors on 19 June 2024 and were signed on their behalf by:

DocuSigned by:

Tom Hinton

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Tom Hinton
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 March 2024

	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
Balance at 1 April 2022		12.5	12.9	3.5	(0.5)	(2.2)	37.4	63.6
Profit for the year		–	–	–	–	–	33.2	33.2
Other comprehensive income/(loss)		–	–	–	0.2	–	(18.2)	(18.0)
Total comprehensive income		–	–	–	0.2	–	15.0	15.2
Share based payment transactions	26	–	–	–	–	(3.4)	(0.7)	(4.1)
Tax on share based payment transactions	8	–	–	–	–	–	(0.3)	(0.3)
Dividends paid to shareholders	9	–	–	–	–	–	(15.3)	(15.3)
Balance at 31 March 2023		12.5	12.9	3.5	(0.3)	(5.6)	36.1	59.1
Balance at 1 April 2023		**12.5**	**12.9**	**3.5**	**(0.3)**	**(5.6)**	**36.1**	**59.1**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**(39.6)**	**(39.6)**
Other comprehensive loss		**–**	**–**	**–**	**(0.4)**	**–**	**(39.1)**	**(39.5)**
Total comprehensive loss		**–**	**–**	**–**	**(0.4)**	**–**	**(78.7)**	**(79.1)**
Share based payment transactions	26	**–**	**–**	**–**	**–**	**0.2**	**0.6**	**0.8**
Tax on share based payment transactions	8	**–**	**–**	**–**	**–**	**–**	**1.4**	**1.4**
Dividends paid to shareholders	9	**–**	**–**	**–**	**–**	**–**	**(16.2)**	**(16.2)**
Balance at 31 March 2024		**12.5**	**12.9**	**3.5**	**(0.7)**	**(5.4)**	**(56.8)**	**(34.0)**

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	2024 £m	2023 (Restated)[1] £m
Cash flows from operating activities			
Profit/(loss) before tax		**(44.9)**	38.2
Adjustments for:			
– depreciation and amortisation		**46.9**	52.2
– research and development expenditure credit		**(0.1)**	(0.2)
– net financing costs	7	**6.1**	8.7
– impairments	12	**43.9**	19.1
– (profit)/loss on disposal of property, plant and equipment		**(3.2)**	1.9
– (profit)/loss on derecognition of lease liabilities		**(0.5)**	2.4
– Gain on disposal of businesses	3	**–**	(0.4)
– share based payment transactions		**0.8**	(0.4)
		49.0	121.5
(Increase)/decrease in trade and other receivables		**(44.1)**	37.2
(Increase)/decrease in inventories		**(0.1)**	0.8
Increase/(decrease) in trade and other payables		**76.6**	(33.5)
Increase/(decrease) in provisions		**29.4**	(0.6)
Increase in employee benefits before pension deficit payment		**1.1**	0.9
Income taxes received/(paid)		**3.5**	(8.8)
Net cash flows from operating activities before pension deficit payment		**115.4**	117.5
Pension deficit payment		**(11.3)**	(20.1)
Net cash flows from operating activities		**104.1**	97.4
Cash flows from Investing activities			
Proceeds from sale of property, plant and equipment		**4.3**	2.0
Purchase of business net of cash acquired	24	**(11.6)**	–
Additions of property, plant, equipment and vehicles	11	**(12.8)**	(14.7)
Additions of computer software	10	**(7.9)**	(1.8)
Net Cash flows used in investing activities		**(28.0)**	(14.5)
Cash flows from Financing activities			
Increase/(decrease) in borrowings		**8.0**	(25.0)
Own shares acquired		**–**	(3.7)
Capital repayments of lease liabilities		**(39.0)**	(42.5)
Equity dividends paid	9	**(16.2)**	(15.3)
Interest paid on lease liabilities	7	**(8.5)**	(6.2)
Interest paid on borrowings		**(4.9)**	(5.7)
Net Cash flows used in financing activities		**(60.6)**	(98.4)
Net increase/(decrease) in cash and cash equivalents		**15.5**	(15.5)
Cash and cash equivalents at beginning of the year		**13.2**	28.7
Cash and cash equivalents at end of the year		**28.7**	13.2
Represented by:			
– Cash and cash equivalents	17	26.4	10.4
– restricted cash, being deposits held by the Group's captive insurer	17	2.3	2.8
		28.7	13.2

1 The comparatives of ‘Capital repayments of lease liabilities’ and ‘Interest paid on lease liabilities’ have been restated due to a prior year adjustment as explained in Note 1 ‘Accounting policies’

Notes to the consolidated financial statements

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 is Methuen Park, Chippenham, SN14 0WT and its registered number is 04178808. 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.

Standards, amendments and interpretations effective or adopted in the year

New and amendments to accounting standards issued by the IASB and adopted in the year ended 31 March 2024 did not have a material impact on the results or financial position of the Group.

Standards and amendments that are issued but not yet applied by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group. These standards, amendments and interpretations are not expected to have a material impact on the results or financial position of the Group in future reporting periods.

Prior year restatements

Cash flow statement disclosure prior period adjustment

The lease repayments in the consolidated statement of cash flow for the year ended 31 March 2023 has been restated to separately disclose the capital repayment of lease obligations and Interest paid on lease liabilities in the financing activities to be in accordance with IFRS 16. This results in the previously disclosed £48.7m as capital repayment being bifurcated into capital repayment of lease obligations of £42.5m and interest paid on lease liabilities of £6.2m. There is no other impact from this restatement on any other primary statements.

Prior period adjustment of note 3 Alternative performance measures (APMs)

Within the notes to the financial statements the income statement is subdivided into cost of sales, administrative expenses and other income. An error was identified in the table presented for the year ended 31 March 2023 as such the table has been restated in these financial statements. The administrative expense has reduced by £14.2m to £38.6m whilst the cost of sales balance has increased by £13.5m to £1,382.4m and other income has reduced by £0.7m to £5.9m. There is no impact on the Income Statement for the year ended 31 March 2023 and no impact on reported equity as at 1 April 2022.

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 million. They are prepared on the historical cost basis except where assets or liabilities are required to be stated at their fair value, as stated in the accounting policies.

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 the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those 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 discussed with the Audit Committee the development, selection, application and disclosure of the Group's critical accounting estimates and judgements.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

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 Note 3 'Alternative performance measures';
- in performing assets with finite live impairment assessments, the determination of cash generating units and the assumptions used to determine the recoverable amount as detailed in Note 12 'Impairment'; and
- 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 25 '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 21 'Provisions'.

The judgements which have had a significant effect on the amounts recognised in the financial statements in relation to the insurance provision are 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 provisions to assist in determining the reserving position.

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.

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 £18.8m (2023: £19.0m) compared to an actuarial range of £11.2m to £22.0m (2023: £14.7m to £18.0m), with the scope of the actuarial review being increased to include more recent, immature years. Management has taken into consideration the actuarial review, the development of larger claims since the actuarial review, and historical development patterns of the claims in determining the level of provision held.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Key sources of estimation uncertainty (Continued)

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 12 '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.

Onerous provisions

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under an onerous contract is recognised and measured as a provision, see Note 21 'Provisions'. Unavoidable costs under a contract are defined as being the least net cost of exiting the contract, this is the lower of the cost to exit or fulfil the contract. This assessment is performed after an impairment review has been performed.

The calculation of both the direct costs to fulfil the contract and the expected recoverable amount requires the Directors to estimate the future costs and revenue expected to directly arise from the contract. Where a resultant loss is identified it is recorded as an onerous contract provision.

Other sources of estimation uncertainty

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, goodwill impairment testing and reviews of property, plant and equipment. However, in our view, climate change does not represent a key estimation uncertainty. For further details of the Group's assessment of climate change risks refer to the Risk report and to the strategic report.

Going concern

The consolidated financial statements have been prepared on a going concern basis. In determining the appropriate basis of the Financial Statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the Financial Statements.

Note 27 'Financial instruments' to the Group Financial Statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to foreign exchange, credit and interest rate risk.

Further details of the Group's net debt at 31 March 2024 are included in Note 27 'Financial instruments'.

The Group Statement of Financial Position shows total current assets of £245.1m and net current liabilities of £208.9m. At the year end, the Group had a committed Revolving Credit Facility ("RCF") of £175m (of which £8m was drawn) and an overdraft facility of £5.0m (none of which was drawn).

As disclosed in note 30, the company was acquired by GXO on 29 April 2024. The UK Competition and Markets Authority ("CMA") is to complete the review of the acquisition and until clearance is obtained both GXO and Wincanton continue to be run independently. In considering the going concern of the group, the Directors have considered the ability of the group to meet its obligations as they fall due as a standalone business and, separately, ability of the group to meet its obligation as they fall due as part of GXO. In connection with the GXO acquisition, a waiver for the change of control restrictions in the RCF agreement has been agreed with the Group's lenders.

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; and
- 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.

The Group operates comfortably within these covenants with significant headroom and indicates adequate liquidity post downside scenarios modelled by the Directors. The below table summarises the covenant headroom, see note 27 for further details.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Going concern *(Continued)*

Covenant	Calculation	Ratio	**2024**	2023
Leverage ratio	Consolidated net borrowings (A)/consolidated EBITDA (B)	<3.0:1	**0.4**	0.5
Interest cover	Consolidated EBITDA (B)/consolidated net finance charges (C)	>3.5:1	**15.7**	17.1
Fixed charge cover	Consolidated EBITDA (B) plus operating lease costs (D)/consolidated net finance charges (C) plus operating lease costs (D)	>1.4:1	**4.1**	2.6

The Group's borrowing facilities are due to expire in March 2027. The Group's forecast and projections show the Group should be able to operate without the need for any increase in borrowing facilities. The Directors have assessed the future funding requirements of the Group and the Company and compared them to the bank facilities which are available. The assessment includes a detailed review of financial and cash flow forecasts for at least 12 months from the date of approval of the Financial Statements. The Directors considered a range of potential downside scenarios within the key markets the Group serves and how these might impact on the Group's cash flow. The Directors also considered what mitigating actions the Group could take to limit any adverse consequences.

The Directors' assessment of the acquisition by GXO on the Group's financing and commercial arrangements, includes the impact of the change of control on customer and supplier contracts, the stated intentions of GXO set out in the shareholder scheme circular dated 14 March 2024, and statements made by GXO management since the acquisition, including GXO first quarter's earning call. Based on their assessment, the Directors have not identified any material uncertainties relating to events or conditions that may cast significant doubt on the group's ability to continue as a going concern or its ability to realise its assets or discharge its liabilities in the normal cause of business.

Wincanton conducted a comprehensive review of its customer contracts to identify change of control rights and determine if positive actions, such as seeking consent, were necessary. In cases where action was required, Wincanton contacted the relevant customers in line with contractual obligations. For suppliers, Wincanton generally does not include change of control clauses in its contracts. A review of the top 30 suppliers, representing 37% of their supply base, confirmed the continued supply of essential services like agency labour and fuel. Additionally, Wincanton reviewed longer-term commitments, such as leases and HP agreements for fleet, securing consents from most lenders to ensure ongoing financing arrangements.

Furthermore, the Directors acknowledge that there is a possible scenario in which the outcome of the CMA review does not permit GXO to continue to own the group and that GXO are instructed to dispose of all or part of the business in a timeline that the CMA will dictate.

The Directors have considered the unlikely scenario that all or part of the Group is required to be sold in the going concern period because of the CMA's ruling. The Directors' view is that whilst the identity and intention of any new owner in this scenario is unknown, given the limited impact on the business arising from the change of control following the GXO acquisition, no material uncertainties arise that require disclosure in these financial statements.

Having undertaken the above reviews, the Directors are of the opinion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

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 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 Group financial statements from or up to the date that control passed.

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated Group financial statements.

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 as incurred in the period.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Intangible assets (Continued)

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	6 to 10 years
Trademarks	5 years
Acquired software	3 to 5 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.

Licence agreements to use cloud software are treated as service contracts and expensed in the Group income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets.

Costs to configure or customise a cloud software are expensed alongside the related service contract, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

Amortisation is charged to the income statement on a straight-line basis over the following estimated useful lives:

Computer software costs	3 to 5 years

Major software projects may be amortised over lives of up to ten years.

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 an item of property, plant, equipment and vehicles. 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, equipment and vehicles. 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.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Inventories

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

Trade and other receivables

Trade and other receivables are stated at their fair value on initial recognition 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.

Cash and cash equivalents

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

Trade and other payables

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

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on such translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into sterling at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into sterling at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised 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.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Employee benefits (Continued)

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.

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, taking into account historical settlement amounts and other third party evidence. The Group also applies 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, sundry claims and settlements. A restructuring provision is recognised only when a constructive obligation exists, with the amount recognised based on the estimated liability.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment, 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 cash generating unit (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.

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.

Notes to the consolidated financial statements *(Continued)*

1. Accounting policies (Continued)

Revenue recognition (Continued)

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. 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.

Notes to the consolidated financial statements *(Continued)*

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.

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 ‘Alternative performance measures (APMs)’.

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:

	2024 **£m**	2023 £m
eFulfilment	**278.1**	254.1
Grocery and Consumer	**499.8**	512.5
General Merchandise	**381.8**	410.2
Public and Industrial	**246.9**	285.2
	1,406.6	1,462.0

Revenue from open book contracts totalled £1,107.8m (2023: £1,073.9m) and from closed book contracts £298.8m (2023: £388.1m).

Revenue of £282.8m (2023: £305.6m) and £261.8m (2023: £164.3m) 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 £1,380.5m (2023: £1,445.4m) in respect of customers based in the UK.

Notes to the consolidated financial statements *(Continued)*

2. Contract revenue and costs (Continued)

Contract costs

The following table shows the carrying amount of the assets recognised from costs incurred to obtain contracts or fulfil contracts:

	2024 £m	2023 £m
Costs to obtain contracts	**0.9**	0.7
Costs to fulfil contracts	**8.7**	2.6
	9.6	3.3

Costs to obtain contracts relate to sales bonuses paid as a result of obtaining contracts. 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 the contracts obtained. In the year ended 31 March 2024, the amortisation charged of costs to obtain contracts was £0.4m (2023: £0.4m). The amortisation charged of costs to fulfil contracts was £2.3m (2023: £1.1m). An impairment loss of £1.3m (2023: £0.1m loss) was recorded in the year in relation to the costs capitalised, see Note 12 ‘Impairment’.

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 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 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. These relate to an acquisition event and are 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; and
- 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, equipment and vehicles and right-of-use assets and amortisation of finite-life intangible assets. This measure also excludes the impact of impairment of non-current assets. See Note 27 ‘Financial instruments’ for a reconciliation of underlying operating profit to underlying EBITDA.

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 27). Free cash flow is defined as the movement in net debt before pension payments, dividends and the acquisition of own shares.

Notes to the consolidated financial statements *(Continued)*

3. Alternative performance measures (APMs) (Continued)

Details of additions to non-current assets, which are all held in the UK, are included in Notes 10, 11 and 13.

A reconciliation between statutory IFRS operating profit/(loss) and underlying operating profit is given below.

	2024			2023		
	Underlying £m	**Non-underlying £m**	**Total £m**	Underlying (Restated)[1] £m	Non-underlying £m	Total (Restated)[1] £m
Revenue	**1,406.6**	**–**	**1,406.6**	1,462.0	–	1,462.0
Cost of sales	**(1,332.9)**	**–**	**(1,332.9)**	(1,382.4)	–	(1,382.4)
Gross profit	**73.7**	**–**	**73.7**	79.6	–	79.6
Other income and gains on disposal of assets	**3.2**	**–**	**3.2**	5.5	0.4	5.9
Administrative expenses	**(12.3)**	**(103.4)**	**(115.7)**	(14.3)	(24.3)	(38.6)
Operating profit/(loss)	**64.6**	**(103.4)**	**(38.8)**	70.8	(23.9)	46.9

1 Certain comparatives have been restated due to a prior year adjustment as explained in Note 1 'Accounting policies'

Non-underlying items

	Note	**2024 £m**	2023 £m
Costs relating to sale of Wincanton plc	**a**	**(19.3)**	–
Restructure and impairment of transport related assets	**b**	**(4.6)**	(19.5)
Impairment charges	**c**	**(41.8)**	–
Onerous contract provision	**d**	**(25.3)**	–
Cloud computing configuration and customisation costs	**e**	**(2.2)**	(3.2)
Acquisition related costs	**f**	**(6.5)**	(0.5)
Settlement of litigation	**g**	**(1.8)**	–
Amortisation of acquired intangibles	**h**	**(1.9)**	(1.1)
Gain on disposal of business	**i**	**–**	0.4
		(103.4)	(23.9)

a) Costs relating to sale of Wincanton plc

During FY24 the Board received two offers to acquire Wincanton plc, firstly from Ceva Logistics and secondly from GXO Logistics Inc. Significant incremental costs were incurred in FY24 to respond to the offers including completion of the requisite due diligence processes. Costs incurred include corporate broker advisory fees, legal fees and other advisory fees.

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. Further costs are to be incurred in FY25 as the sale process to GXO Logistics Inc completed on 29 April 2024. Further costs are expected to be recognised in FY25 as the transaction continues.

b) Restructure and impairment of transport related assets

In the prior year, the Group commenced a strategic restructure of its transport operations recognising an impairment and a restructuring charge of £19.5m to the income statement. Further costs of £4.6m have been incurred in the year due to the ongoing exit of closed book transport contracts. Costs relate to a further impairment loss of £2.1m recognised against PPE and right-of-use assets and £1.8m of onerous contracts for committed fleet orders which are surplus to requirements. The net charge also includes £0.7m (2023: £0.4m) of redundancy related costs as the Group continues to exit closed book contracts.

c) Impairment charges

Impairment charges of £41.8m relate to the Cygnia CGU and two-person home delivery network CGU. The charge comprises £7.2m relating to tangible fixed assets, £1.3m contract assets, £2.6m intangible assets and £30.8m right-of-use assets, see note 12 for further details.

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.

d) Onerous contract provisions

Onerous contract provisions relate to provisions recognised for customer contracts and supplier contracts where the future economic benefit expected to be obtained is less than the costs incurred to fulfil the contracts, principally related to the two-person home delivery network. For further details of the determination of the two-person home delivery network provision, see Note 21 'Provisions'.

Notes to the consolidated financial statements *(Continued)*

3. Alternative performance measures (APMs) (Continued)

d) Onerous contract provisions (Continued)

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 of the Group in the year.

e) Cloud computing configuration and customisation costs

Following the IFRS Interpretation Committee agenda decision published in April 2021, the Group has been undertaking a major systems implementation for new cloud computing software, resulting in costs of £2.2m (2023: £3.2m) being recognised as an expense in FY24. The project is expected to conclude in FY25 with an immaterial cost to be recognised.

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.

f) Acquisition related costs

On 8th March 2024 the Group acquired Invar Group, a specialist in automated warehouse solutions. See note 24. £5.0m of the non-underlying cost is the FY24 earn-out consideration payable to shareholders based on results up to 31 March 2024. The earn-out is payable in H1 FY25 and has been recognised as an expense as required by IFRS3 Business combinations. As part of the acquisition, the Group has incurred acquisition related costs including professional fees and integration costs.

Costs incurred in connection with acquisitions are presented as non-underlying as they are not reflective of underlying performance.

g) Settlement of litigation

During the year the Group received a claim relating to a customer contract that ceased in 2018, which was settled in October 2023. Claims relating to historic contracts are irregular and are not reasonably expected to recur. Due to the nature of these costs they have been presented as non-underlying.

h) Amortisation of acquired intangibles

As part of the acquisition of Cygnia in 2021 the Group has recorded finite-life intangible assets identified as part of the purchase price allocation accounting in line with IFRS 3 Business combinations. The amortisation of these finite-life intangibles is presented in non-underlying with a total expense in the period of £1.9m (2023: £1.1m). The inclusion of these costs in non-underlying is consistent presentation with the prior period.

i) Gain on disposal of businesses

In the year ended 31 March 2023, £0.4m 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.

4. Operating profit/(loss)

	Note	**2024 £m**	2023 £m
The following items have been charged/(credited) in arriving at operating profit/(loss):			
Auditor's remuneration:			
Audit fees for statutory audit services:			
– parent Company		**0.3**	0.2
– subsidiary undertakings		**0.6**	0.6
Non-audit fees:			
– fees paid to the auditor and its associates for assurance services		**0.1**	0.1
Amortisation: acquired intangibles	10	**1.9**	1.1
Amortisation: software intangibles	10	**1.1**	1.6
Depreciation: property, plant, equipment and vehicles	11	**7.2**	8.4
Impairment charges: intangibles	10, 12	**2.6**	4.0
Impairment charges: right-of-use assets	12, 13	**31.7**	15.1
Impairment charges: property, plant, equipment and vehicles	11, 12	**8.3**	–
Depreciation: right-of-use assets	13	**36.7**	41.1
Short term leases:			
– plant and equipment	19	**23.6**	23.4
– land and buildings	19	**0.6**	2.0
Profit on disposal of freehold property, less costs		**(2.8)**	–
Government grants and other support	5	**(0.1)**	(0.2)

Notes to the consolidated financial statements *(Continued)*

5. Government grants and other support

During the year, the Group has recognised a credit of £0.1m (2023: £0.2m), net of fees, in other income in respect of RDEC claims for the years ended 31 March 2023. The Group has submitted a claim under the Research and Development Expenditure Credit (RDEC) scheme for expenditure incurred in the year ended 31 March 2023 on qualifying research and development. The credit due to the Group is equal to 13.0% of qualifying expenditure (2023: 13.0%) and is given as a taxable credit payable as cash or as an offset against corporation tax liabilities.

6. Personnel expenses, including Directors

	Note	**2024 £m**	2023 £m
Wages and salaries		**667.2**	640.2
Share based payments (including IFRS 2 fair value charges)	26	**0.9**	0.7
Social security contributions		**68.0**	70.5
Contributions to defined contribution pension arrangements	25	**21.5**	38.6
		757.6	750.0

	2024	2023
Average number of persons employed by the Group (including Directors) during the year		
Warehouse	**10,327**	10,773
Transport	**5,804**	6,012
Administration	**3,094**	3,220
Total	**19,225**	20,005

Directors' emoluments

	2024 £'000	2023 £'000
Salaries	**902.1**	722.2
Bonus	**723.4**	251.5
Other benefits	**19.1**	21.6
Pension-related benefits	**35.6**	29.4
Non-executive Directors' fees	**505.1**	483.3
Total emoluments	**2,185.4**	1,508.0

The aggregate of the amount of gains made by James Wroath and Tom Hinton on exercise of share options during the year was £14,442. (2023: £nil). The element of the share based payment expense attributable to the two Directors was £0.3m (2023: £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 24 to 31.

7. Net financing costs

	Note	**2024 £m**	2023 £m
Interest income		**0.7**	0.2
Interest on the net defined benefit pension asset	25	**5.9**	3.4
		6.6	3.6
Interest expense		**(5.8)**	(5.5)
Interest on lease liabilities		**(8.5)**	(6.2)
Unwinding of discount		**1.6**	(0.6)
		(12.7)	(12.3)
Net financing costs		**(6.1)**	(8.7)

Notes to the consolidated financial statements *(Continued)*

8. Income tax (income)/expense

Recognised in the income statement

	2024 £m	2023 £m
Current tax expense		
Current year	**2.9**	4.8
Adjustments for prior years	**0.6**	–
	3.5	4.8
Deferred tax (income)/expense		
Current year	**(8.2)**	0.4
Adjustments for prior years	**(0.6)**	(0.2)
	(8.8)	0.2
Total income tax (income)/expense	**(5.3)**	5.0

	2024 £m	2023 £m
Reconciliation of total income tax (income)/expense		
Profit/(loss) before tax	**(44.9)**	38.2
Income tax (credit)/charge using the UK corporation tax rate of 25% (2023: 19%)	**(11.2)**	7.3
Non-deductible (income)/expenditure	**(0.2)**	0.1
Recognition of tax losses	**–**	(0.4)
Non-taxable expense included in non-underlying items	**6.1**	0.1
Tax incentives – super capital allowances	**–**	(1.9)
Adjustments for prior years:		
– current tax	**0.6**	–
– deferred tax	**(0.6)**	(0.2)
Total tax (income)/expense for the year	**(5.3)**	5.0

Recognised in other comprehensive income

	2024 £m	2023 £m
Items which will not subsequently be reclassified to the income statement:		
Remeasurements of defined benefit pension liability	**(11.4)**	(2.0)
Impact of change in UK corporation tax rate	**–**	1.4
Current tax on contributions on defined benefit pension schemes	**(1.6)**	(3.6)
Total recognised in other comprehensive income	**(13.0)**	(4.2)

Recognised directly in equity

	2024 £m	2023 £m
Current tax on share based payment transactions	**–**	(0.1)
Deferred tax on share based payment transactions	**(1.4)**	0.4
Total recognised directly in equity	**(1.4)**	0.3

In line with the Finance Bill 2021 the main UK corporation tax rate increased to 25% (2023: 19%) from the 1st April 2023.

The total tax (income)/expense above includes a tax credit on non-underlying items of £2.1m (2023: £4.7m).

Global Minimum Top-Up tax (Pillar Two)

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 April 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in the jurisdictions in which the Group operates are above 15%. Therefore the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group has implemented the temporary exception to the accounting requirements for deferred taxes in IAS 12, so that the deferred tax assets and liabilities related to Pillar Two income taxes are neither recognise nor disclosed in the financial report.

Notes to the consolidated financial statements *(Continued)*

9. Dividends

Dividends paid in the year comprise:

	2024 £m	2023 £m
Final dividend for the year ended 31 March 2023 of 8.8p per share (2022: 8.0p)	**10.8**	9.9
Interim dividend for the year ended 31 March 2024 of 4.4p per share (2023: 4.4p)	**5.4**	5.4
Total dividends paid	**16.2**	15.3

As a result of the acquisition of the Group by GXO Logistics, Inc, the Directors do not propose the payment of a final dividend in respect of the financial year ended 31 March 2024.

10. Goodwill and intangible assets

	Note	Goodwill £m	Acquired intangibles £m	Computer software costs £m	Total £m
Cost					
At 1 April 2022		99.9	59.2	10.4	169.5
Effect of movements in foreign exchange		0.1	–	–	0.1
Additions		–	–	1.8	1.8
Disposals		–	–	(0.9)	(0.9)
At 31 March 2023		100.0	59.2	11.3	170.5
At 1 April 2023		**100.0**	**59.2**	**11.3**	**170.5**
Effect of movements in foreign exchange		**(0.1)**	**–**	**–**	**(0.1)**
Additions		**–**	**–**	**7.9**	**7.9**
Acquisitions	24	**20.2**	**–**	**–**	**20.2**
Disposals		**–**	**–**	**(0.1)**	**(0.1)**
At 31 March 2024		**120.1**	**59.2**	**19.1**	**198.4**
Amortisation and impairment losses					
At 1 April 2022		(2.5)	(53.0)	(3.3)	(58.8)
Charge for year			(1.1)	(1.6)	(2.7)
Impairment		–	–	(4.0)	(4.0)
Disposals		–	–	0.4	0.4
At 31 March 2023		(2.5)	(54.1)	(8.5)	(65.1)
At 1 April 2023		**(2.5)**	**(54.1)**	**(8.5)**	**(65.1)**
Charge for year		**–**	**(1.9)**	**(1.1)**	**(3.0)**
Impairment		**–**	**(2.4)**	**(0.2)**	**(2.6)**
Disposals		**–**	**–**	**(0.2)**	**(0.2)**
At 31 March 2024		**(2.5)**	**(58.4)**	**(10.0)**	**(70.9)**
Carrying value					
At 31 March 2022		97.4	6.2	7.1	110.7
At 31 March 2023		97.5	5.1	2.8	105.4
At 31 March 2024		**117.6**	**0.8**	**9.1**	**127.5**

Assets under construction of £0.7m (2023: £1.3m) are included within computer software costs.

The total amortisation charge of £3.0m (2023: £2.7m) is recognised in the income statement within net operating costs.

Details of the impairment testing carried out are included in Note 12 ‘Impairment’.

Notes to the consolidated financial statements *(Continued)*

11. Property, plant, equipment and vehicles

	Note	Property £m	Plant, equipment and vehicles £m	Total £m
Cost				
At 1 April 2022		20.2	103.5	123.7
Additions		0.8	13.9	14.7
Disposals		–	(12.6)	(12.6)
At 31 March 2023		21.0	104.8	125.8
At 1 April 2023		**21.0**	**104.8**	**125.8**
Additions		**–**	**12.8**	**12.8**
Acquisitions	24	**–**	**0.2**	**0.2**
Disposals		**(0.9)**	**(7.0)**	**(7.9)**
At 31 March 2024		**20.1**	**110.8**	**130.9**
Depreciation and impairment losses				
At 1 April 2022		(14.8)	(83.0)	(97.8)
Charge for year		(1.6)	(6.8)	(8.4)
Disposals		–	9.2	9.2
At 31 March 2023		(16.4)	(80.6)	(97.0)
At 1 April 2023		**(16.4)**	**(80.6)**	**(97.0)**
Charge for year		**(1.2)**	**(6.0)**	**(7.2)**
Impairment		**(0.1)**	**(8.2)**	**(8.3)**
Disposals		**0.7**	**6.4**	**7.1**
At 31 March 2024		**(17.0)**	**(88.4)**	**(105.4)**
Carrying amount				
At 31 March 2022		5.4	20.5	25.9
At 31 March 2023		4.6	24.2	28.8
At 31 March 2024		**3.1**	**22.4**	**25.5**

Within plant, equipment and vehicles £1.4m (2023: £5.0m) relates to assets under construction.

The carrying amount of property comprises:

	2024 £m	2023 £m
Freehold	**0.6**	0.9
Leasehold improvements	**2.5**	3.7
	3.1	4.6

Capital commitments for the Group at the end of the financial year for which no provision has been made are £5.2m (2023[1]: £10.3m).

1 The prior year comparative has been updated to include additional long term fleet purchase contracts with a value of £9.3m that were not previously included.

Notes to the consolidated financial statements *(Continued)*

12. 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.

The recoverable amount of the CGU, to which significant goodwill has been allocated, 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 in respect of the cash flow forecasts used in the impairment assessments of non-current assets including goodwill. However, there has been no material impact identified on the impairment judgements and estimates. 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:

	2024 %	2023 %
Estimated long term growth rate	**2**	1.2
Discount rate	**9.2**	10.6

Management determined the growth rates based on expectations for market development and these are consistent with external forecasts and historical trends. Management estimates discount rates using pre-tax rates that reflect the market assessment as at the balance sheet date of the time value of money. The pre-tax discount rate is derived from the Group's post-tax weighted average cost of capital. Risk free rates are based on government bond rates and equity risk premia are based on forecasts by recognised bodies.

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 £831.2m (2023: £568.0m). The Group has conducted sensitivity analysis on the impairment testing. Management believes 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 or group of assets may be impaired. Impairment tests are performed by comparing the carrying amount of assets held in a CGU with its recoverable amount. Management considers contracts with the same customer 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 9.2% (2023: 10.6%) unless otherwise stated below.

Estimates for value in use calculations include discount rates, long term growth rates and expected future cash flows. These are based on past experience and expectations of future changes in the market. Cash flow projections are based on the Group's budget, the results of which are reviewed by the Board. The projections are extrapolated to five years based on management's expectations and, where relevant, beyond five years using estimated long term growth rates.

The results of the impairment review carried out at 31 March 2024 indicate the carrying amount of assets exceeded the recoverable value for CGUs within our transport operations, 2 person home delivery network and Cygnia.

The impairment of assets within the transport operations relates to the impairment of assets that are surplus to requirements due to the Group's strategic exit of closed book transport contracts that commenced in FY23. The assets were impaired to their fair value less costs to sell of £4.7m resulting in an impairment charge of £2.1m. Fair value was determined using recent third party sale values. In the prior year an impairment of £19.1m was recognised in relation to the exit of closed book contracts.

The impairment of assets within the 2 person home delivery network was driven by the loss of a key customer contract resulting in a full impairment of the assets within the CGU of £15.0m.

The impairment of assets within the Cygnia CGU is driven by ongoing and forecast macroeconomic challenges within the mid-sector high volume eFulfilment market. Due to the uncertainty within the Cygnia forecasts, as they are reliant on the growth of UK discretionary spend, an additional risk factor was added to the Group discount rate for the impairment review. A premium of 3% was added to the Group's rate with a resulting 12.2% discount rate used for the Cygnia impairment review. The recoverable amount was determined to be £9.0m resulting in an impairment loss of £26.8m being recorded.

Notes to the consolidated financial statements *(Continued)*

12. Impairment (Continued)

The split of the impairment charges between underlying and non-underlying and the allocation to assets is shown in the table below:

	2024		2023	
	Underlying £m	**Non-underlying £m**	Underlying £m	Non-underlying £m
Plant and equipment	–	**8.3**	–	–
Right-of-use assets	–	**31.7**	–	15.1
Intangible assets	–	**2.6**	–	4.0
Contract assets	–	**1.3**	0.1	–
Total impairment charges	–	**43.9**	0.1	19.1

13. Right-of-use assets

	Note	Property £m	Non-property £m	Total £m
At 1 April 2022		140.1	52.5	192.6
Additions		22.6	25.6	48.2
Depreciation		(20.4)	(20.7)	(41.1)
Impairment of assets	12	–	(15.1)	(15.1)
Disposals		–	(8.4)	(8.4)
Carrying amount at 31 March 2023		142.3	33.9	176.2
At 1 April 2023		**142.3**	**33.9**	**176.2**
Additions		**10.0**	**34.9**	**44.9**
Depreciation		**(22.0)**	**(14.7)**	**(36.7)**
Impairment		**(26.9)**	**(4.8)**	**(31.7)**
Disposals		**(0.2)**	**(3.7)**	**(3.9)**
Carrying amount at 31 March 2024		**103.2**	**45.6**	**148.8**

An analysis of the related lease liabilities is set out in Note 19 'Lease liabilities' and Note 27 'Financial instruments'.

14. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Property, plant and equipment	**–**	–	**(4.8)**	(4.4)	**(4.8)**	(4.4)
Intangible assets	**–**	–	**(0.2)**	(1.3)	**(0.2)**	(1.3)
Equity compensation benefits	**2.3**	0.8	**–**	–	**2.3**	0.8
Pension provisions	**–**	–	**(19.7)**	(28.6)	**(19.7)**	(28.6)
Tax losses carried forward	**23.3**	13.4	**–**	–	**23.3**	13.4
IFRS 16 transitional adjustment	**3.0**	3.0	**–**	–	**3.0**	3.0
Other assets	**0.8**	0.2	**–**	–	**0.8**	0.2
	29.4	17.4	**(24.7)**	(34.3)	**4.7**	(16.9)

Movement in deferred tax assets and liabilities during the current year

	At 1 April 2023 £m	**Recognised in income £m**	**Acquisitions recognised in income £m**	**Other movements £m**	**At 31 March 2024 £m**
Property, plant and equipment	**(4.4)**	**(0.3)**	**(0.1)**	**–**	**(4.8)**
Intangible assets	**(1.3)**	**1.1**	**–**	**–**	**(0.2)**
Equity compensation benefits	**0.8**	**0.1**	**–**	**1.4**	**2.3**
Pension provisions	**(28.6)**	**(2.5)**	**–**	**11.4**	**(19.7)**
Tax losses carried forward	**13.4**	**9.9**	**–**	**–**	**23.3**
IFRS 16 transitional adjustment	**3.0**	**–**	**–**	**–**	**3.0**
Other assets	**0.2**	**0.6**	**–**	**–**	**0.8**
	(16.9)	**8.9**	**(0.1)**	**12.8**	**4.7**

Notes to the consolidated financial statements *(Continued)*

14. Deferred tax assets and liabilities (Continued)

The deferred tax liability at 31 March 2024 has been calculated at 25% (2023: 25%). The Finance Bill 2021 increases the corporation tax rate to 25% as from 1 April 2023.

Deferred tax assets have not been recognised in respect of the following items, due to the uncertainty of their utilisation:

	2024		2023	
	Gross amount £m	**Unrecognised deferred tax asset**	Gross amount £m	Unrecognised deferred tax asset £m
Irish property losses carried forward	**0.7**	**0.2**	0.7	0.2
UK tax losses carried forward	**1.7**	**0.4**	3.7	0.9
	2.4	**0.6**	4.4	1.1

15. Inventories

	2024 £m	2023 £m
Raw materials and consumables	**2.0**	1.8

In the year ended 31 March 2024, inventories of £33.0m (2023: £29.1m) were recognised in the income statement within net operating costs.

16. Trade and other receivables

	Note	**2024 £m**	2023 £m
Current			
Trade receivables		**111.2**	83.5
Contract receivables		**52.0**	39.1
Contract assets		**1.2**	1.0
Contract fulfilment assets	2	**2.5**	3.3
Other receivables		**2.6**	–
Prepayments		**44.9**	43.7
Non Current			
Contract assets		**4.1**	–
Contract fulfilment assets	2	**7.1**	–
		225.6	170.6

Customers are normally invoiced on a monthly basis with payment terms of 30 to 60 days.

Trade receivables, contract receivables and contract assets are shown net of allowance for impairment of £2.9m (2023: £4.1m).

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'.

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.

Movement in the allowance for impairment loss

	2024 £m	2023 £m
At 1 April	**4.1**	2.5
Impairment losses recognised on receivables	**1.3**	2.4
Amounts written off as unrecoverable	**(0.1)**	(0.2)
Impairment losses reversed	**(2.4)**	(0.6)
At 31 March	**2.9**	4.1

Notes to the consolidated financial statements *(Continued)*

16. Trade and other receivables (Continued)

Ageing of trade receivables and contract receivables at the balance sheet date

	2024 Gross £m	2023 Gross £m
Contract receivables	**52.0**	39.1
Current	**105.6**	77.3
1 month overdue	**4.0**	4.7
2 months overdue	**0.8**	1.2
3+ months overdue	**3.7**	4.4
Gross trade receivables and contract receivables	**166.1**	126.7
Allowance for impairment	**(2.9)**	(4.1)
Trade receivables and contract receivables, net of allowance	**163.2**	122.6

There were no material individual impairments of trade receivables or contract receivables.

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 (2023: £0.1m).

17. Cash and cash equivalents

	2024 £m	2023 £m
Cash and cash equivalents	**28.7**	13.2

£2.3m (2023: £2.8m) of restricted cash, being deposits held by the Group's insurance subsidiary, is included in Cash and cash equivalents above. Details of the Group's treasury policies are set out in Note 27 'Financial instruments'.

18. Borrowings

	2024 £m	2023 £m
Bank loans	**8.0**	–

Bank loans comprise the Group's revolving credit facility (RCF) which was renegotiated during the year and matures in March 2027. Details of the contractual maturity is set out in the Liquidity risk section of Note 27 'Financial instruments'.

19. 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 is shown in Note 4 'Operating profit/(loss)'.

	2024 £m	2023 £m
Current		
Lease liabilities	**41.4**	37.5
Non-current		
Lease liabilities	**166.5**	168.9
	207.9	206.4

£41.4m (2023: £43.8m) is the potential future lease liability relating to periods following the expiry date of termination options that are not included in the lease term.

The Group had commitments of £7.6m (2023: £nil) for leases which had not commenced at the year end.

Details of the maturity analysis of discounted lease liabilities recognised on the Group balance sheet are in the liquidity risk section of Note 27 'Financial instruments'.

Notes to the consolidated financial statements *(Continued)*

19. Lease liabilities (Continued)

The amounts charged to the income statement due to applied IFRS 16 Leases practical expedients are shown below:

	2024		2023	
	Property £m	**Plant and equipment £m**	Property £m	Plant and equipment £m
Expense relating to short term leases	**0.6**	**23.6**	2.0	23.4

20. Trade and other payables

	2024 £m	2023 £m
Trade payables	**62.4**	55.9
Other taxes and social security	**55.4**	48.1
Other payables	**32.2**	20.5
Contract liabilities	**75.2**	45.7
Accruals	**162.2**	119.4
	387.4	289.6

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, £43.1m (2023: £69.3m) has been recognised as revenue during the year. All movements in the balance relate to normal trading.

21. Provisions

	Insurance £m	**Property £m**	**Onerous contracts £m**	**Other provisions £m**	**Total £m**
At 1 April 2022	24.1	14.8	–	4.4	43.3
Created	9.4	0.7	–	2.5	12.6
Utilised	(6.2)	(0.3)	–	(0.3)	(6.8)
Released	(5.1)	(0.7)	–	(0.6)	(6.4)
Unwinding of discount	0.4	0.2	–	–	0.6
At 31 March 2023	22.6	14.7	–	6.0	43.3
At 1 April 2023	**22.6**	**14.7**	**–**	**6.0**	**43.3**
Created	**10.7**	**5.7**	**27.1**	**4.6**	**48.1**
Utilised	**(7.3)**	**(1.0)**	**–**	**(6.1)**	**(14.4)**
Released	**(4.0)**	**(2.2)**	**–**	**(0.2)**	**(6.4)**
Unwinding of discount	**0.3**	**0.2**	**–**	**–**	**0.5**
At 31 March 2024	**22.3**	**17.4**	**27.1**	**4.3**	**71.1**
Current	**9.3**	**4.6**	**7.2**	**3.0**	**24.1**
Non-current	**13.0**	**12.8**	**19.9**	**1.3**	**47.0**
	22.3	**17.4**	**27.1**	**4.3**	**71.1**

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 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. The dilapidation 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.

Notes to the consolidated financial statements *(Continued)*

21. Provisions (Continued)

Onerous contract provisions relate to provisions recognised for customer contracts and supplier contracts where the future economic benefit expected is less than the costs incurred to fulfil the contracts. In the period, the Group recorded an onerous contract provision of £22.9m in connection with the two-person home delivery network. The provision recorded represents the directors' best estimate of the lower of the cost to exit or fulfil the Group's obligations under contracts with customers. The key assumptions that have been taken by the directors in determining the value of the provision to record are; no revenue from new customer contracts has been included in the estimate of future cash inflows and the timing and quantum of the costs of exiting contracts in the two-person home delivery network, which is inherently uncertain as it partly depends on the outcome of discussions with the Group's customers. The cash flows are expected to arise over a period of 4 years from the balance sheet date.

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.

22. 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 the Group is in a strong position to defend these claims and the likelihood of outflow of economic benefit is not probable, no provision is made.

In FY22, the Group received notification of a potential claim from a former customer. 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. It is not practicable to make an estimate of the potential financial impact until the allegations made are substantiated. In parallel, the Group continues to work with its insurance providers to confirm coverage if required.

23. Capital and reserves

Share capital

Allotted, called up and fully paid	**2024 £m**	2023 £m
124,543,670 (2023: 124,543,670) Ordinary Shares of 10p each	**12.5**	12.5

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 2024, the number of the Company's shares held by the EBT had reduced to 1,483,640 (2023: 1,554,873). This represents 1.2% of called-up share capital at the end of the year (2023: 1.2%). The EBT has waived the right to receive dividends in respect of the shares it holds. The average cost of the shares held is 366p each (2023: 361p) and, at 31 March 2024, the market value of the shares held was £8.9m (2023: £3.4m).

No share was purchased by the EBT during the year. All of the shares in the EBT are held in respect of the Group's various equity compensation schemes as described in Note 28. At 31 March 2024 there were 422,052 (2023: 189,626) shares held in respect of vested options.

Notes to the consolidated financial statements *(Continued)*

24. Business combinations

On 8 March 2024, the Group acquired 100% of the equity shares in Invar Group Limited and its subsidiaries (Invar) for cash. Invar is a specialist in automated warehouse solutions powered by its proprietary software, the Invar Warehousing Software (IWS). IWS is an intuitive, configurable and scalable software suite which intelligently orchestrates warehouse activity and enables the smooth integration of wider warehouse technology, particularly robots and automation. The acquisition represents a key milestone in the Group's strategic roadmap to create sustainable supply chain value through technology and automation.

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 Invar 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 Group is in the process of establishing the fair value of the assets acquired and the liabilities assumed, therefore the fair values assigned to the Invar business combination presented below are provisional:

	Note	Fair value £m
Tangible assets	11	0.2
Inventories		0.1
Trade and other receivables		12.5
Cash and cash equivalents		10.9
Income tax payable		(0.4)
Trade and other payables		(18.0)
Fair value of net asset acquired		**5.3**
Purchase consideration:		
Cash paid		22.5
Deferred consideration		3.0
Total purchase consideration		**25.5**
Excess of purchase consideration over net asset acquired	10	**20.2**

In addition to the cash purchase consideration paid of £22.5m, deferred consideration of £3.0m is expected to be paid within 12 months, comprising £2.6m withheld to cover a potential liability of the former owners and an estimated £0.4m payable following agreement of the completion accounts.

The share purchase agreement also provides for earn-out consideration if Invar's EBITDA exceeds targets for each year ending 31 March 2024 to 2026 and taking into account the amount of revenue secured for the following year for 31 March 2024 and 2026. The earn-out consideration is also dependent on the recipient remaining in employment at each of the payment dates. As required under IFRS3, these payments are accounted for as remuneration for post-combination service. They have been presented as non-underlying costs. The earn-out payment for the year ended 31 March 2024, is currently estimated at £5.0m, the maximum payable and has been recorded in other payables. The £5m earn-out will be paid in 2024. The remaining maximum amount payable is £7.5m over the 2 years to 31 March 2026.

The excess of purchase consideration of £20.2m includes amounts paid for goodwill and acquired intangible assets. Due to the acquisition being completed close to the reporting date, the Group is in the process of determining the fair value of intangible assets acquired. The excess of purchase consideration over net liabilities acquired has been included in goodwill in the consolidated balance sheet.

Total acquisition-related costs of £1.2m 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).

Invar's results have been consolidated into the Group's results from 8 March 2024. For the period from acquisition to 31 March 2024 Invar's revenue was £0.9m and contributed an operating profit of £0.2m to the overall Group loss. If the acquisition had taken effect at the beginning of the reporting period in which the acquisition occurred (1 April 2023) the total revenues of the combined Group for the year would have been £1,431.4m and an operating loss of £(37.9)m. 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 2023 and should not be taken to be representative of future results.

In addition to the cash purchase consideration paid of £22.5m above, the Group acquired cash of £10.9m and has recognised deferred consideration of £3.0m.

The Group completed no business acquisitions in the year ended 31 March 2023.

Notes to the consolidated financial statements *(Continued)*

25. Employee benefits

	2024 **£m**	2023 £m
Defined benefit surplus	**80.6**	116.6
Defined benefit deficit	**(1.9)**	(1.9)
Net defined benefit asset	**78.7**	114.7

Pension schemes

Employees of Wincanton participated in funded pension arrangements in the UK and Ireland during the year ended 31 March 2024, 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 13 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 2023 by the Scheme actuary, Hymans Robertson, and was agreed with the Trustee in September 2023 (the 2023 arrangement). Due the Scheme being measured in a surplus position it was agreed that no further deficit funding contributions are required.

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The Group is not required to recognise any additional liabilities in relation to funding plans, or limit the recognition of any surpluses, as any future economic benefits will be available to the Group by way of future refunds.

Contributions

The deficit funding contribution in the year was £11.3m (2023: £20.1m), and no further contributions are required. In addition, other administration costs of the Scheme were borne directly by the Group and a contribution made towards administration costs incurred, totalling £1.1m (2023: £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.

	2024 **£m**	2023 £m
Present value of unfunded defined benefit obligations	**(1.9)**	(1.9)
Present value of funded defined benefit obligations	**(765.2)**	(774.5)
Fair value of Scheme assets	**845.8**	891.1
Net defined benefit asset	**78.7**	114.7

The net defined benefit asset, after taking into account the related deferred tax liability, is £59.0m (2023: £86.0m). Deferred tax is recognised at 25% (2023: 25%).

Notes to the consolidated financial statements *(Continued)*

25. Employee benefits (Continued)

Movements in the present value of the net defined benefit asset/(liability)

31 March 2024	Note	**Assets £m**	**Obligations £m**	**Net asset £m**	**Unfunded arrangements £m**	**Total net asset £m**
Opening position		**891.1**	**(774.5)**	**116.6**	**(1.9)**	**114.7**
Included in income statement:						
Administration costs		**(1.1)**	–	**(1.1)**	–	**(1.1)**
Interest on the net defined benefit asset	7	**41.9**	**(35.9)**	**6.0**	**(0.1)**	**5.9**
Cash:						
Employer contributions		**11.3**	–	**11.3**	–	**11.3**
Benefits paid		**(37.6)**	**37.6**	–	–	–
Included in other comprehensive income:						
Changes in financial assumptions		–	**8.1**	**8.1**	**0.1**	**8.2**
Changes in demographic assumptions		–	**6.6**	**6.6**	–	**6.6**
Experience adjustments		–	**(7.1)**	**(7.1)**	–	**(7.1)**
Return on assets excluding amounts included in net financing costs		**(59.8)**	–	**(59.8)**	–	**(59.8)**
Closing defined benefit asset		**845.8**	**(765.2)**	**80.6**	**(1.9)**	**78.7**

31 March 2023	Note	Assets £m	Obligations £m	Net asset £m	Unfunded arrangements £m	Total net asset £m
Opening position		1,208.3	(1,091.3)	117.0	(2.5)	114.5
Included in income statement:						
Administration costs		(1.4)	–	(1.4)	–	(1.4)
Interest on the net defined benefit asset	7	32.4	(28.9)	3.5	(0.1)	3.4
Cash:						
Employer contributions		20.6	–	20.6	–	20.6
Benefits paid		(39.4)	39.4	–	–	–
Included in other comprehensive income:						
Changes in financial assumptions		–	324.2	324.2	0.7	324.9
Changes in demographic assumptions		–	14.1	14.1	–	14.1
Experience adjustments		–	(32.0)	(32.0)	–	(32.0)
Return on assets excluding amounts included in net financing costs		(329.4)	–	(329.4)	–	(329.4)
Closing defined benefit asset		891.1	(774.5)	116.6	(1.9)	114.7

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	**2024 £m**	2023 £m
Within underlying operating profit			
Administrative expenses		**(1.1)**	(1.4)
Within finance costs			
Interest on the net defined benefit asset	7	**5.9**	3.4
Recognised in income statement		**4.8**	2.0

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

	2024 £m	2023 £m
Corporate bonds	**155.5**	157.5
Secured finance	**94.3**	95.4
Senior real estate debt	**13.8**	16.4
Senior private debt and private debt	**85.3**	99.6
Index-linked gilts (LDI portfolio collateral)	**483.7**	517.6
Other, including cash	**13.2**	4.6
Total Scheme assets	**845.8**	891.1

Notes to the consolidated financial statements *(Continued)*

25. Employee benefits (Continued)

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 2024. Where appropriate, management also take into account movements in external quoted benchmarks (after adjusting for liquidity differences between such benchmarks and the private debt assets) in order to determine whether a risk adjustment is required in determining the fair value.

Actuarial assumptions

The principal actuarial assumptions for the Scheme and for the UK unfunded arrangement at the balance sheet date were as follows:

	2024 %	2023 %
Discount rate	**4.80**	4.75
Price inflation rate – RPI	**3.20**	3.25
Price inflation rate – CPI	**2.45**	2.50
Rate of increase of pensions in deferment[1]	**2.45-2.45**	2.50–2.50
Rate of increase of pensions in payment[1]	**1.90-3.10**	1.90–3.15

1 A range of assumed rates exists due to the application of annual caps and floors to certain elements of service.

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

	2024 years	2023 years
Male aged 65 today	**20.3**	20.4
Male aged 45 today	**21.5**	21.6
Female aged 65 today	**22.7**	22.8
Female aged 45 today	**25.4**	25.4

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 surplus £m
Discount rate	-1.00%	12.0
Credit spread	+0.25%	18.0
Price inflation – RPI	-0.25%	–
Mortality rate	+ 1 year	(29.0)

Defined contribution schemes

The total expense relating to the Group’s defined contribution schemes in the current year was £21.5m (2023: £38.6m).

Notes to the consolidated financial statements *(Continued)*

26. 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 £0.9m (2023: £0.7m) 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 charge for the year does not reflect any acceleration of vesting of the options as a consequence of the acquisition of the Company as disclosed in Note 30 'Post balance sheet events'. Until the acquisition was approved by shareholders on 10 April 2024, the Directors were not in receipt of information that indicated the length of the vesting period differed from the previous estimates.

The number of options outstanding and exercisable in respect of each scheme at 31 March 2024 is as follows:

	Outstanding	Exercisable	Option price pence/share	Date normally exercisable
Long Term Incentive Plan				
July 2018	8,043	8,043	–	2021–2028
July 2019	58,542	58,542	–	2022–2029
September 2019	101,689	101,689	–	2022–2029
July 2020	253,778	253,778	–	2023–2030
July 2021	404,513	–	–	2024–2031
July 2022	341,612	–	–	2025–2032
July 2022 (Long Term)	213,461	–	–	2027–2034
August 2022	113,287	–	–	2027-2031
July 2023	628,726	–		2026-2033
July 2023 (Long Term)	539,172	–	–	2028-2036
Executive Bonus Plan				
July 2022 (Deferred Annual Bonus)	57,852	–	–	2024-2031
July 2023 (Deferred Annual Bonus)	200,053	–	–	2025-2032
	2,920,728	422,052		

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

	2024		2023	
	Options	**Weighted average exercise price**	Options	Weighted average exercise price
Outstanding at 1 April	**2,294,373**	**–**	2,029,878	–
Granted during the year	**1,377,742**	**–**	821,396	–
Lapsed during the year	**(622,005)**	**–**	(335,716)	–
Exercised during the year	**(129,382)**	**–**	(221,185)	–
Outstanding at 31 March	**2,920,728**	**–**	2,294,373	–
Exercisable at 31 March	**422,052**	**–**	189,626	–

The weighted average share price at the date of exercise for share options exercised during the period was 270p (2023: 246p). The options outstanding at 31 March 2024 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.

Notes to the consolidated financial statements *(Continued)*

27. 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 (2023: £175.0m) committed syndicated bank facility which matures in March 2027. At 31 March 2024 £8.0m (2023: £nil) was drawn, leaving unutilised facilities of £167.0m (2023: £175.0m). The Group has an uncommitted facility, a £5.0m net overdraft facility and had a receivable purchase facility (RPF) with a credit limit total of £28.3m as at 31 March 2024. £8.8m of the RPF was utilised as at 31 March 2024 (2023: £4.3m).

The Group makes use of cash pooling facilities with a net overdraft facility of £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 overdraft and borrowing facilities is £20.7m (2023: £13.2m).

The Group also holds some restricted cash deposits within its insurance subsidiary as shown in Note 17 'Cash and cash equivalents'; 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 debt at the balance sheet date was:

	Note	**2024 £m**	2023 £m
Total borrowings and other financial liabilities	18	**(8.0)**	–
Cash and cash equivalents	17	**28.7**	13.2
Net cash excluding lease liabilities		**20.7**	13.2
Lease liabilities	19	**(207.9)**	(206.4)
Net debt including lease liabilities		**(187.2)**	(193.2)

The following are the contractual maturities of non-derivative financial liabilities, including interest payments except for bank loans and overdraft interest:

31 March 2024	**Carrying amount £m**	**Contractual cash flows £m**	**Less than 1 year £m**	**Between 1 and 5 years £m**	**Over 5 years £m**
Bank loans and overdrafts	**8.0**	**8.0**	–	**8.0**	–
Trade and other payables	**232.7**	**232.7**	**232.7**	–	–
Lease liabilities	**207.9**	**296.5**	**43.6**	**106.4**	**146.5**
	448.6	**537.2**	**276.3**	**114.4**	**146.5**

31 March 2023	Carrying amount £m	Contractual cash flows £m	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m
Trade and other payables	175.3	175.3	175.3	–	–
Lease liabilities	206.4	302.6	43.5	103.4	155.7
	381.7	477.9	218.8	103.4	155.7

Lease liabilities over five years include two leases which expire in over 50 years with contractual cash flows of £118.9m (2023: £121.5m).

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. Daily interest is charged on this facility based on amounts drawn and charged at SONIA rate plus a fixed margin. Commitment and utilisation fees are also charged. The contractual interest payable on the amounts drawn at 31 March 2024 was £0.1m (2023: £nil).

Notes to the consolidated financial statements *(Continued)*

27. Financial instruments (Continued)

Liquidity risk (Continued)

The Group's committed facilities at 31 March 2024 comprise a syndicated RCF of £175m, maturing in March 2027. 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	**2024**	2023
Leverage ratio	Consolidated net borrowings (A)/consolidated EBITDA (B)	<3.0:1	**0.4**	0.5
Interest cover	Consolidated EBITDA (B)/consolidated net finance charges (C)	>3.5:1	**15.7**	17.1
Fixed charge cover	Consolidated EBITDA (B) plus operating lease costs (D)/consolidated net finance charges (C) plus operating lease costs (D)	>1.4:1	**4.1**	2.6

A reconciliation of these terms to the reported amounts is as follows:

	2024 £m	2023 £m
Reported net cash	**(20.7)**	(13.2)
Finance lease liability under IAS 17	**24.8**	17.8
Cash and deposits held by captive insurer	**4.5**	3.9
Guarantees provided	**17.7**	28.9
Consolidated net borrowings for covenant reporting (A)	**26.3**	37.4

	Note	**2024 £m**	2023 £m
Underlying operating profit		**64.6**	70.8
Depreciation, amortisation and impairments		**45.0**	51.1
Underlying EBITDA		**109.6**	121.9
Adjustment to frozen GAAP (IFRS 16 to IAS 17)		**(47.5)**	(48.7)
Share based payment charges	26	**0.6**	0.4
Consolidated underlying EBITDA for covenant reporting (B)		**62.7**	73.6

		2024 £m	2023 £m
Net interest payable	7	**6.1**	8.7
Adjustment to frozen GAAP (remove IFRS 16 interest)		**(8.5)**	(6.2)
RPF interest		**(0.8)**	(0.5)
Arrangement fees		**(0.4)**	(0.5)
Captive Insurer interest		**0.1**	–
Interest on net defined benefit asset	7	**5.9**	3.4
Other discount unwinding	7	**1.6**	(0.6)
Covenant net finance charges (C)		**4.0**	4.3

	2024 £m	2023 £m
Operating lease costs for covenant reporting (D)	**15.2**	39.5

Analysis of changes in net debt

	31 March 2022 £m	Cash flow £m	Non-cash movements £m	31 March 2023 £m	**Cash flow £m**	**Non-cash movements £m**	**31 March 2024 £m**
Bank loans and overdrafts	(25.0)	25.0	–	–	**(8.0)**	–	**(8.0)**
Financial liabilities arising from financing activities	(25.0)	25.0	–	–	**(8.0)**	–	**(8.0)**
Cash and cash equivalents	28.7	(15.5)	–	13.2	**15.5**	–	**28.7**
Net cash excluding lease liabilities	3.7	9.5	–	13.2	**7.5**	–	**20.7**
Lease liabilities	(206.7)	48.7	(48.4)	(206.4)	**47.5**	**(49.0)**	**(207.9)**
Net debt including lease liabilities	(203.0)	58.2	(48.4)	(193.2)	**55.0**	**(49.0)**	**(187.2)**

Within the Cash flow movement per the above table, Cash and cash equivalents includes £10.9m resulted from the acquisition of Invar. Detail see Note 24 'Business combinations'.

Notes to the consolidated financial statements *(Continued)*

27. 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 as 79.0% (2023: 73.5%) of contracts having been negotiated on open book terms. Under these open book 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. RCF is at floating rate. 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% (2023: 0.5%) on the Group's loss 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% (2023: 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 25 'Employee benefits'.

	2024		2023	
	Effect on loss before tax £m	**Effect on equity £m**	Effect on profit before tax £m	Effect on equity £m
0.5% increase in rates	**(0.8)**	**(0.8)**	(0.3)	(0.3)
0.5% decrease in rates	**0.8**	**0.8**	0.3	0.3

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 £11.2m held in Euro and US Dollar (2023: £2.4m).

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 £201.1m (2023: £139.1m). See Note 16 'Trade and other receivables' for further analysis of trade receivables and the associated allowance for impairment loss.

Notes to the consolidated financial statements *(Continued)*

27. 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 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:

	2024 £m	2023 £m
Financial assets carried at amortised cost		
Trade and other receivables	**172.8**	125.9
Cash and cash equivalents	**28.7**	13.2
	201.5	139.1
Financial liabilities carried at amortised cost		
Lease liabilities	**(207.9)**	(206.4)
Bank loans and overdrafts	**(8.0)**	–
Trade and other payables	**(232.7)**	(175.3)
	(448.6)	(381.7)

The fair values are considered to be the same as the carrying amounts set out above.

28. Related parties

Identity of related parties

As at 31 March 2024 the Group had 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 24 to 31.

Remuneration of key management personnel

The total remuneration of key management personnel of the Group, being the Executive Management Team and Non-executive directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2024 £m	2023 £m
Short term employee benefits	**3.1**	3.9[1]
Post-employment benefits	**0.1**	0.1
IFRS 2 share option charge	**0.7**	0.6
	3.9	4.6

[1] The prior year comparative has been increased to include the non-executive director fees.

Notes to the consolidated financial statements *(Continued)*

29. Investment in subsidiaries and associates

The significant subsidiaries as at 31 March 2024 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[3]
Invar Controls Limited	Automated warehouse solutions	100	England and Wales
Invar Systems Limited	Automated warehouse solutions	100	England and Wales
Invar Integration Limited	Automated warehouse solutions	100	England and Wales
Invar Integration Europe B.V.	Automated warehouse solutions	100	Netherlands
Onevast Limited	Online solutions for warehousing space	100	England and Wales

Notes to the consolidated financial statements *(Continued)*

29. Investment in subsidiaries and associates (Continued)
Other subsidiaries and associates as at 31 March 2024:

	Principal activity	% of equity held[1]	Country of incorporation and registered office[2]
Cygnia Logistics Limited	Dormant	100	England and Wales
Caledonia Bidco Limited	Dormant	100	England and Wales
C.E.L Group Limited	Dormant	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	Dormant	100	Republic of Ireland[9]
Dalepak Limited	Dormant	100	England and Wales
Dalepak Holdings Limited	Dormant	100	England and Wales
Data and Records Management Limited	Dormant	100	Republic of Ireland[9]
Glass Glover Group Limited	Dormant	100	England and Wales
Glass Glover Management Services Limited	Dormant	100[5]	England and Wales
Hanbury Davies Limited	Dormant	100	England and Wales
Hanbury Holdings Limited	Dormant	100	England and Wales
Invar Group Limited	Intermediate holding company	100	England and Wales
Invar Polska spółka z ograniczoną odpowiedzialnością	Automated warehouse solutions	100	Poland[10]
Lane Group plc	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	Dormant	100	England and Wales
RDL Distribution Limited	Dormant	100	England and Wales
RDL Holdings Limited	Dormant	100	England and Wales
Roadtanks Limited	Dormant	100	England and Wales
Swales Haulage Limited	Dormant	100	England and Wales
Trans European Holdings Limited	Dormant	100	England and Wales
W. Carter (Haulage) Limited	Dormant	100	England and Wales
Wincanton A&R Limited	Holding company	100	England and Wales
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	Dormant	100	Republic of Ireland[9]
Wincanton TechCo, Incorporated	Intermediate holding company	100	United States of America
Wincanton TechCo Limited	Intermediate holding company	100	England and Wales
Wincanton Trans European (Ireland) Limited	Dormant	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

1 All holdings are of Ordinary Shares except where noted.
2 Registered office is Methuen Park, Chippenham, Wiltshire SN14 0WT except where noted.
3 Registered office: PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ET.
4 Direct subsidiaries of Wincanton plc.
5 14,762,245 Ordinary Shares and 10,000,000 6 1/2% 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: C/o DZP, Rondo ONZ 1, 21st floor street, 00-124 Warsaw, Poland.

Notes to the consolidated financial statements *(Continued)*

30. Post balance sheet events

On 1 March 2024, the board of Wincanton Plc announced the Directors' intention to recommend a cash offer to acquire the entire issued and to be issued share capital of Wincanton plc by GXO Logistics, Inc ("GXO"). On 10 April 2024, the Scheme was approved by the requisite majority of Scheme Shareholders and the Scheme has become effective as of 29 April 2024. The entire issued and to be issued share capital of the Company is now owned by GXO.

The UK Competition and Markets Authority is to complete its review of the acquisition, until clearance is obtained both GXO and Wincanton will continue to be run independently.

As part of the above transaction Wincanton plc issued 1,437,048 shares on 26 April 2024. This increased the total number of shares to 125,980,718. The additional shares were used to settle the outstanding LTIP schemes, see Note 26 'Equity compensation benefits'. Consequently, a share based payment charge of £4.9m has been recognised post year end.

On 30 April 2024, Wincanton plc was de-listed from the London Stock Exchange's main market for listed securities.

Wincanton plc Company balance sheet

At 31 March 2024

	Note	**2024 £m**	2023 £m
Non-current assets			
Investment in subsidiaries	2	**108.9**	108.9
Deferred tax		**2.3**	0.8
Amounts owed by Group undertakings	3	**85.2**	58.3
Total non-current assets		**196.4**	168.0
Current assets			
Trade and other receivables		**1.1**	1.6
Cash and cash equivalents		**3.3**	2.0
Income tax receivable		**–**	0.9
Total current assets		**4.4**	4.5
Total assets		**200.8**	172.5
Current liabilities			
Amounts owed to Group undertakings		**(74.6)**	(33.5)
Trade and other payables	4	**(16.6)**	(1.2)
Total current liabilities		**(91.2)**	(34.7)
Net current liabilities		**(86.8)**	(30.2)
Total assets less current liabilities		**109.6**	137.8
Non-current liabilities			
Borrowings		**(8.0)**	–
Total non-current liabilities		**(8.0)**	–
Net assets		**101.6**	137.8
Equity			
Issued share capital	5	**12.5**	12.5
Share premium		**12.9**	12.9
Own shares		**(5.4)**	(5.6)
Retained earnings		**81.6**	118.0
Total equity	6	**101.6**	137.8

The Company reported a loss for the year ended 31 March 2024 of £22.2m (2023: £4.8m).

The financial statements were approved by the Board of Directors and authorised for issue on 19 June 2024 and were signed on their behalf by:

DocuSigned by:
Tom Hinton
80F3F0B74A01469...

Tom Hinton
Chief Financial Officer

Company registration number: 04178808

Wincanton plc Company statement of changes in equity

For the year ended 31 March 2024

	Issued share capital £m	Share premium £m	Own shares £m	Profit and loss £m	Total equity £m
Balance at 1 April 2022	12.5	12.9	(2.2)	129.5	152.7
Profit for the year	–	–	–	4.8	4.8
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	4.8	4.8
Share based payment transactions	–	–	(3.4)	(0.7)	(4.1)
Tax on share based payment transactions	–	–	–	(0.3)	(0.3)
Dividends paid to shareholders	–	–	–	(15.3)	(15.3)
Balance at 31 March 2023	12.5	12.9	(5.6)	118.0	137.8
Balance at 1 April 2023	**12.5**	**12.9**	**(5.6)**	**118.0**	**137.8**
Loss for the year	**–**	**–**	**–**	**(22.2)**	**(22.2)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive loss	**–**	**–**	**–**	**(22.2)**	**(22.2)**
Share based payment transactions	**–**	**–**	**0.2**	**0.6**	**0.8**
Tax on share based payment transactions	**–**	**–**	**–**	**1.4**	**1.4**
Dividends paid to shareholders	**–**	**–**	**–**	**(16.2)**	**(16.2)**
Balance at 31 March 2024	**12.5**	**12.9**	**(5.4)**	**81.6**	**101.6**

Notes to the Wincanton plc Company financial statements

1. Accounting policies
The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 loss 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.

Investment in subsidiaries

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

2. Investment in subsidiaries

Shares in Group undertakings	**2024 £m**	2023 £m
Cost at beginning and end of year	**108.9**	108.9

3. Amounts owed by Group undertakings

	2024 £m	2023 £m
Amounts owed by Group undertakings	**85.2**	58.3

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.

Notes to the Wincanton plc Company financial statements *(Continued)*

4. Trade and other payables

	2024 £m	2023 £m
Trade payables	**0.8**	–
Other payables	**1.5**	1.0
Accruals	**14.3**	0.2
	16.6	1.2

5. Equity

Allotted, called up and fully paid	**2024 £m**	2023 £m
124,543,670 (2023: 124,543,670) 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 23 'Capital and reserves' to the consolidated financial statements. Details of the Company's equity compensation benefits are given in Note 26 '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 was 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/(loss)' to the consolidated financial statements.

6. Reconciliation of movement in total equity

	2024 £m	2023 £m
Profit/(loss) for the year	**(22.2)**	4.8
Dividends paid to shareholders	**(16.2)**	(15.3)
Tax on share based payment transactions	**1.4**	(0.3)
Share based payment transactions	**0.8**	(4.1)
Net movement in shareholders' funds	**(36.2)**	(14.9)
Opening shareholders' funds	**137.8**	152.7
Closing shareholders' funds	**101.6**	137.8

7. Post balance sheet events

On 1 March 2024, the board of Wincanton Plc announced the Directors' intention to recommend a cash offer to acquire the entire issued and to be issued share capital of Wincanton plc by GXO Logistics, Inc ("GXO"). On 10 April 2024, the Scheme was approved by the requisite majority of Scheme Shareholders and the Scheme has become effective as of 29 April 2024. The entire issued share capital of the Company is now owned by GXO.

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