10 November 2016

WINCANTON plc

Half Year Results for the six months ended 30 September 2016 (unaudited)

Wincanton plc ("Wincanton" or "the Group"), a leading provider of supply chain solutions in the UK and Ireland, today announces its half year results for the six months ended 30 September 2016.

	2016	2015	Change	Change (excl. WRM)[1]
Revenue (£m)	**561.8**	582.8	(3.6)%	(1.7)%
Underlying EBITDA (£m)[2]	**32.3**	30.5	5.9%	15.4%
Underlying operating profit (£m)[3]	**26.1**	23.5	11.1%	19.2%
Underlying operating margin (%)	**4.6%**	4.0%	60bps	80bps
Underlying profit before tax (£m)[3]	**20.7**	15.2	36.2%	
Profit before tax (£m)	**19.6**	12.9	51.9%	
Underlying EPS (pence)[3]	**14.0**	10.3	35.9%	
Basic EPS (pence)	**13.2**	8.8	50.0%	
Closing net debt (£m)[4]	**(32.2)**	(62.2)	48.2%	
Dividend per share – interim (pence)	**3.0**	-		

Highlights

- Expansion of strong construction logistics capability into ready-mixed concrete logistics market supported by contract won with Hanson UK
- Creation of eCommerce national fulfilment centre for Majestic Wine
- Successful renewals of long term grocery logistics partnerships with Co-op and Sainsbury's
- Revenue decreased by 1.7%[1] to £561.8m primarily due to the cessation of certain contracts, partly offset by prior year contract wins
- Underlying operating profit increase of 19.2%[1] to £26.1m, benefitting from an improvement in performance of the Pullman business and end of contract settlements
- Underlying EPS up 35.9% to 14.0p per share as a result of the increase in operating profit together with lower finance charges and effective tax rate
- Closing net debt £32.2m, a £7.3m reduction in the six-month period
- Interim dividend of 3.0p per share (2015/16: Final dividend only, at 5.5p per share)

[1] On a like for like basis excluding the results of the Records Management business (WRM) from the prior period, which was disposed of in December 2015. Note 2 to the financial statements provides a reconciliation to the reported results.

[2] Underlying EBITDA refers to underlying operating profit before depreciation and amortisation and is reconciled in note 2 to the financial statements.

[3] Underlying operating profit, profit before tax and earnings per share are stated before amortisation of acquired intangibles of £1.1m (2015: £2.3m). Operating profit, including amortisation of acquired intangibles, amounted to £25.0m (2015: £21.2m), as shown in the Consolidated income statement. See note 5 to the financial statements for a reconciliation to underlying earnings and the weighted average number of shares.

[4] Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities. Note 8 to the financial statements provides a breakdown of net debt for the current and prior periods.

Adrian Colman, Wincanton Chief Executive Officer commented:

"In the first half of the year the Group has delivered strong financial results from disciplined operational performance. Following the reintroduction of a final dividend at the end of last year, we are pleased to follow this with an interim dividend in the current year.

During the period we successfully renewed contracts with two of our largest customers, which were further supported by new contracts in Retail & Consumer, whilst at the same time extending our capabilities in the construction market by becoming the first 3PL provider to enter the ready-mixed concrete logistics market.

We have seen no significant change to trading volumes since the date of the EU referendum however we will ensure we are prepared to meet any challenges that our end customer markets experience over the coming period as the United Kingdom works through its exit from the EU. Our recent refinancing and continued strong cash generation provides us with a sound platform and capacity for future investment to deliver against our strategy and we look forward to making further progress."

For further enquiries please contact:

Wincanton plc	
Adrian Colman, Chief Executive Officer	Tel: 020 7466 5000 today, thereafter
Tim Lawlor, Chief Financial Officer	Tel: 01249 710000
Buchanan	
Richard Oldworth, Victoria Hayns	Tel: 020 7466 5000

A meeting for analysts will be held at Buchanan, 107 Cheapside, London, EC2V 6DN today, Thursday 10 November 2016 commencing at 9.30am. Wincanton's Half Year Results 2016 are available at www.wincanton.co.uk

An audio webcast of the analysts' meeting will be available from 12 noon today
http://vm.buchanan.uk.com/2016/wincanton101116/registration.htm

Half Year Review
for the six months to 30 September 2016

Performance summary

	2016	2015	2015 excl. WRM*
Revenue (£m)	**561.8**	582.8	571.8
Underlying EBITDA (£m)	**32.3**	30.5	28.0
Underlying operating profit (£m)	**26.1**	23.5	21.9
Underlying operating margin (%)	**4.6%**	4.0%	3.8%
Financing costs (net) (£m)	**(5.4)**	(8.3)	
Underlying profit before tax (£m)	**20.7**	15.2	
Amortisation of acquired intangibles (£m)	**(1.1)**	(2.3)	
Profit before tax (£m)	**19.6**	12.9	
Profit after tax (£m)	**16.2**	10.4	
Underlying EPS (pence)	**14.0**	10.3	
Closing net debt (£m)	**(32.2)**	(62.2)	

* On a like for like basis excluding WRM from the prior period. Note 2 to the financial statements provides a reconciliation to the reported results.

Revenue for the six months of £561.8m represents a 1.7% decrease compared to £571.8m in the equivalent six months of 2015/16 excluding the Records Management business (WRM). This has been driven primarily by the cessation of certain contracts in the prior year, including an exit from all closed book home shopping contracts in Pullman, which have been partly offset by revenue from prior year contract wins.

Underlying operating profit excluding WRM has increased by 19.2% from £21.9m to £26.1m, driven by the improvement in performance of the Pullman business, including the exit from the onerous home shopping contracts and property-related credits arising at the end of other contracts. As a result, we have achieved an underlying operating margin of 4.6% (2015 excluding WRM: 3.8%).

Profit after tax improved by 55.8% from £10.4m to £16.2m. In addition to the improvement in operating profit there were lower financing charges, resulting from reduced average debt levels; lower amortisation charges; and a reduction in the effective tax rate from 19.5% to 17.5%.

Closing net debt reduced to £32.2m from £39.5m at 31 March 2016, with the cash inflow of £7.3m being after the payment of a final dividend totalling £6.7m. The Group's pension scheme deficit stood at £169.2m at 30 September 2016 (September 2015: £125.1m, March 2016: £105.6m).

In line with the dividend policy announced at the year end, the Board has declared an interim dividend of 3.0p. This follows the reintroduction of a final dividend in the year ended 31 March 2016 of 5.5p per share which was paid in the period.

Outlook

The re-organisation of the Group into Retail & Consumer and Industrial & Transport sectors has been completed and positions the Group well to better service its customers. The exit from certain contracts, notably the onerous Pullman home shopping contracts, has contributed to improved operating profits in the first half. Together with lower financing costs and taxation, this is expected to lead to full year earnings being marginally above expectations. In the remainder of the year these contract exits will also slightly reduce gross revenues.

The structural drivers for our services remain strong and the Group is well positioned to manage any uncertainty that arises as the United Kingdom works through its exit from the EU. Additionally, the Group now has the financial certainty and capability to support limited scale investments to both protect and grow the business for the longer term. The Board expects Wincanton to make continued progress by delivering excellent service and added value for its customers.

Trading

	2016 £m			2015* £m				
	Retail & Consumer	**Industrial & Transport**	**Total**	Retail & Consumer	Industrial & Transport	Total excl. WRM	WRM	Total
Revenue	**319.6**	**242.2**	**561.8**	305.0	266.8	571.8	11.0	582.8
Underlying EBITDA	**15.0**	**17.3**	**32.3**	15.0	13.0	28.0	2.5	30.5
Underlying operating profit	**11.8**	**14.3**	**26.1**	11.5	10.4	21.9	1.6	23.5
Margin (%)	**3.7%**	**5.9%**	**4.6%**	3.8%	3.9%	3.8%		4.0%

* Prior period segmental information has been restated to reflect changes to the reportable segments.

Following the disposal of the Records Management business, the Group has, with effect from 1 April 2016, refocused its internal management structure under the following two reportable segments; Retail & Consumer (including retail general merchandise, retail grocery and consumer products) and Industrial & Transport (including transport services, construction and other).

Segmental information for the period ended 30 September 2015 has been realigned to reflect the above changes to the reportable segments. To aid comparability, and in line with management reporting, the results of the Records Management business, which was disposed of in December 2015, have been excluded from the results of the two reportable segments in the prior period and are shown separately in the table above.

Retail & Consumer

Retail & Consumer reported revenues of £319.6m in the period, up 4.8% on the £305.0m reported in the same period in the prior year.

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

	2016 £m	2015 £m
Retail general merchandise	**154.3**	129.8
Retail grocery	**114.4**	120.6
Consumer products	**50.9**	54.6
	319.6	305.0

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

Underlying operating profit for the period was £11.8m, consistent with the £11.5m reported last year.

In the six-month period to 30 September 2016 the business successfully concluded a number of important renewals and extensions of services with key customers, such as Co-op providing food distribution services and Sainsbury's providing warehousing and distribution services, taking our relationship with both customers to over 25 years. Both of these important renewals demonstrate the strong partnership-based ethos with our customers and our commitment to driving greater efficiency into these logistics operations. In a challenging grocery marketplace we will deliver substantial savings into the future for our customers.

New business wins included a four year contract with ambient grocery product company LDH (La Doria) Ltd for warehousing and storage solutions and a five year contract with Majestic Wine to establish and operate an eCommerce national fulfilment centre. Wincanton has deployed its eCommerce solution to enable storage, pick, pack and despatch for Majestic Wine's online click and collect and home delivery services which is an important component of Majestic Wine's transformation plan.

Industrial & Transport

Industrial & Transport reported revenues of £242.2m in the period, down 9.2% on the £266.8m reported in the same period in the prior year. The split of Industrial & Transport revenue by the industry sectors it serves is as follows:

	2016 £m	2015 £m
Transport services	**108.3**	124.0
Construction	**67.1**	74.2
Other	**66.8**	68.6
	242.2	266.8

The decrease in revenue compared to the equivalent period last year is primarily due to the cessation of the closed book Pullman home shopping contracts in the second half of last year together with volume pressures in container transport operations and the insourcing of a construction logistics contract. We anticipate that revenues will marginally reduce in the second half of the year due to these items.

The underlying operating result was a profit of £14.3m compared to £10.4m in the equivalent period last year. The primary contributor to this result was the improvement in performance of the Pullman business including the successful exits from onerous home shopping contracts in the second half of last year together with minor non recurring items from contract cessations such as property-related credits.

During the period the Construction logistics business expanded its service offering into the ready-mixed concrete market and has commenced the acquisition of more than 70 ready-mix vehicles. This investment is backed by an eight year contract with Hanson UK and supports the Group's view that the prospects for the UK construction industry are positive as evidenced by the Government's desire to build a million new homes by 2020 and to invest in major infrastructure projects.

Construction also extended and expanded its relationship with Hope Construction Materials (now part of Breedon Group plc) by renewing its existing bulk cement transportation contract as well as establishing and running a warehouse and transport solution for Hope's new bagged cement facility.

Net financing costs

	2016 £m	2015 £m
Interest payable on loans	**3.1**	5.1
Interest receivable	**(0.1)**	(0.1)
Net interest payable	**3.0**	5.0
Provisions discount unwinding	**0.7**	1.0
Pension financing item (net)	**1.7**	2.3
	5.4	8.3

Net financing costs were £5.4m, £2.9m lower overall compared to the prior year charge of £8.3m. Net financing costs of £3.0m relate to the Group's debt compared to the prior year charge of £5.0m. The reduction primarily reflects a lower average net debt achieved in the six-month period of £54m compared to £124m for the equivalent six-month period last year, the result of the Group's ongoing cash management efforts together with the proceeds from the disposal of Records Management in December 2015.

The pension financing item has reduced in the period as the IAS 19 pension deficit at the start of the year used to generate this non cash item has reduced. The increase in the deficit reported herein will not change this item in the current year as it remains based on the opening net liability.

Amortisation of acquired intangibles

The reduction in the amortisation charge from £2.3m to £1.1m in the period is the result of the acquired intangible relating to one acquisition becoming fully amortised, leaving one remaining acquired intangible to be amortised. This is expected to be fully amortised by 31 March 2018.

Taxation

The effective tax rate applied at the half year is an estimate of the expected full year rate. The overall tax charge for the half year is £3.4m (2015: £2.5m) and the underlying effective tax rate has reduced to 17.5% (2015: 19.5%). The period on period reduction in the underlying effective tax rate is a result of a number of factors including the reclassification of certain expenditure previously treated as disallowable in prior years which has subsequently been allowed. This has resulted in an effective tax rate continuing below the standard UK rate, which has remained at 20% since 1 April 2015, for the current period.

Corporation tax paid in respect of the period was £0.5m, which has been more than offset by a refund in respect of the prior year of £1.5m.

Profit after tax, earnings per share and dividend

Profit after tax for the period of £16.2m represents an increase of 55.8% over the amount of £10.4m for the equivalent period of the prior year.

These earnings translate to a basic EPS of 13.2p (2015: 8.8p). The Group reports an alternative, underlying EPS measure which excludes amortisation of acquired intangibles and, where relevant, exceptionals. This has increased year on year by 35.9% to 14.0p from 10.3p.

Following the reintroduction of dividends in the year ended 31 March 2016, the Group paid a final dividend in the six-month period of 5.5p per share relating to the period ended 31 March 2016. The Board has declared an interim dividend of 3.0p per share relating to the six-month period ended 30 September 2016, payable in January 2017.

Financial position

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

	30 Sept 2016 £m	30 Sept 2015 £m	31 March 2016 £m
Non-current assets	**155.3**	179.9	148.5
Net current liabilities (ex net debt)	**(153.9)**	(196.1)	(150.9)
Non-current liabilities (ex net debt/pension deficit)	**(33.5)**	(35.2)	(36.8)
Net debt	**(32.2)**	(62.2)	(39.5)
Pensions deficit (gross of deferred tax)	**(169.2)**	(125.1)	(105.6)
Net liabilities	**(233.5)**	(238.7)	(184.3)

The movement since the year ended 31 March 2016 of £49.2m is principally due to the remeasurement of the pension deficit net of deferred tax of £(57.9)m and the payment of the prior year final dividend of £6.7m, partially offset by the profit for the period of £16.2m. The increase in the pension deficit is primarily driven by a reduction in the discount rate used to value the liabilities of the Scheme. The discount rate assumed at 30 September 2016 of 2.30% compared with 3.50% at 31 March 2016. The resulting increase in liabilities has been partly offset by an increase in the market value of the investments in the same period.

Financing and covenants

The Group's committed facilities at the period end were £205m and the headroom in these committed facilities to reported net debt at 30 September 2016 was £173m (2015: £237m). The Group also had additional operating overdrafts which provide day to day flexibility and amount to a further £11m in uncommitted facilities. Bank account pools are operated and whenever possible, surplus cash is netted against overdrafts.

At the period end the Group's facilities comprised the following: the main bank facility of £160m amortising by £10m in June 2017 and each year thereafter until maturity in June 2019; £25m from the Prudential/M&G UK Companies Financing Fund LP, which matures in January 2022, after four equal repayments commencing in January 2019; and the balance of the US Private Placement debt of £20m with a maturity date of 7 November 2016.

Following the period end the Group agreed an extension of the maturity of its principal bank facilities to October 2021. The amended facility of £141.2m will first amortise by £8.8m in October 2019, with a second equal amortisation at the four-year anniversary in October 2020. The US Private Placement debt of £20m was redeemed from cash generated in the year and other existing facilities on 7 November 2016. Taken with the other remaining facilities, the Group's committed facilities as at the date of this report total £166m giving headroom of £134m against reported net debt at 30 September 2016. The uncommitted facilities remain unchanged at £11m.

The Group maintains a mix of hedging instruments (swaps) to give an appropriate level of protection against changes in interest rates. At the half year, £25m of debt was at fixed rates and the balance at floating rates.

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

Covenant	Ratio	At 30 September 2016
Adjusted net debt:EBITDA	<2.75:1	1.15
Interest cover	>3.5:1	8.2
Fixed charge cover	>1.4:1	2.2

Net debt and cash flows

	30 Sept 2016 £m	30 Sept 2015 £m	31 March 2016 £m
Closing net debt	**32.2**	62.2	39.5

Group net debt[1] at the period end was £32.2m (2015: £62.2m), representing a net cash inflow of £30.0m over the intervening 12 months and £7.3m since 31 March 2016.

The Group's reported average net debt[1] position for the six-month period to 30 September 2016, was £54m, a £70m reduction from the average of £124m in the comparative period, primarily reflecting the proceeds received from the disposal of the Records Management business. Net cash financing costs for the period totalled £2.6m and were substantially lower than the prior period of £4.6m.

The Group's cash flows for the six months to 30 September are summarised in the following table:

	2016 £m	2015 £m
Underlying operating profit	**26.1**	23.5
Depreciation and amortisation	**6.2**	7.0
Underlying EBITDA	**32.3**	30.5
Net capital expenditure	**(4.8)**	(5.6)
Net financing costs	**(2.6)**	(4.6)
Pension deficit payment	**(7.0)**	(7.0)
Onerous leases	**(1.9)**	(2.3)
Working capital movement	**(1.5)**	(12.4)
Equity dividends paid	**(6.7)**	-
Tax / other	**(0.5)**	(3.2)
	7.3	(4.6)

The Group generated a £7.3m net cash inflow in the period, after a £6.7m dividend payment following the reintroduction of dividends at the year end.

Other key cash flows include net capital expenditure of £4.8m, down marginally on the prior half year and outflows in respect of the onerous lease liabilities of £1.9m (2015: £2.3m). The cash outflows in respect of capital expenditure are expected to increase in the second half, whereas those relating to onerous property liabilities are expected to be similar to the first half. The tax/other movement primarily consists of a tax refund received in the period in respect of prior years now settled.

Pensions

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

Defined benefit arrangements

The Wincanton plc Pension Scheme (the Scheme), which closed to future accrual on 31 March 2014, had an IAS 19 deficit of £169.2m (£140.4m net of deferred tax) at 30 September 2016 (September 2015: £125.1m, March 2016: £105.6m).

[1]Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities. Average net debt is calculated on a daily basis throughout the period.

The following table shows the reported IAS 19 deficit:

	30 Sept 2016	30 Sept 2015	31 March 2016
Assets (£m)	**1,086.0**	859.6	897.1
Liabilities (£m)	**(1,255.2)**	(984.7)	(1,002.7)
Total (£m)	**(169.2)**	(125.1)	(105.6)
Discount rate (%)	**2.30**	3.80	3.50

Liabilities in the table above include unfunded arrangements.

The movement in the deficit since September 2015 is primarily due to the movement in the discount rate used to value the liabilities offset by the increase in the market value of the assets held. The discount rate has decreased from 3.80% at 30 September 2015 to 3.50% at 31 March 2016 and to 2.30% at 30 September 2016. Each 0.1% movement in the rate impacts the liabilities of the Scheme by 2.1%, currently some £27.0m. Any increase is mitigated by the level of liability hedging in the Scheme.

The Trustee, in consultation with the Company, has reviewed and revised the classification of its assets into the return-seeking and matching categories. As part of the ongoing de-risking strategy the target allocation has then been revised to 49:51 return-seeking to matching assets (September 2015 and March 2016: 60:40 (revised)), which will be achieved in steps over the period to November 2017.

The cash contribution to fund the deficit in the current year to 31 March 2017 will be £14.8m (31 March 2016: £14.5m, plus an additional payment of £7.0m following the disposal of Records Management); of which £7.4m was paid in the first half, less £0.4m for certain administration costs agreed to be paid directly by the Group.

The cash contributions to the Scheme as agreed at the March 2014 triennial valuation are expected to remain unchanged, at c. £15m this year and next, after which any change is subject to the outcome of the March 2017 triennial scheme valuation which would become effective in 2018.

Risks

The key risks and uncertainties facing Wincanton in the second half of the current financial year have not changed materially from those outlined on pages 30 to 33 of the Annual Report for the year ended 31 March 2016 bar the impact of Brexit. The principal commercial and operational risks are the Group's ability to source new contracts, at an appropriate financial return for an acceptable level of risk, and subsequent performance of new and existing contracts. Both the reduced average net debt level and lower reported net debt will assist in achieving a long term sustainable capital structure. The impact of Britain's decision to leave the EU will be closely monitored by the Board as the political and economic consequences become clearer in the coming months. Wincanton has a diversified customer base which spans large sectors of the UK economy, the majority of our contracts are open book and we are not directly exposed to foreign currency movements in our business.

Statement of Directors' responsibilities

The Board confirms to the best of its knowledge:

- that the consolidated half year financial statements for the six months to 30 September 2016 have been prepared in accordance with IAS 34 *Interim Financial Reporting* amended in accordance with changes in IAS 1 *Presentation of Financial Statements*, as adopted by the EU; and

- that the Half Year Report includes a fair review of the information required by sections 4.2.7R and 4.2.8R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the period and their impact on the consolidated half year financial statements; a description of the principal risks and uncertainties for the remainder of the current financial year; and the disclosure requirements in respect of material related party transactions.

The composition of the Board of Directors has not changed since the publication of the Annual Report in June 2016.

The above Statement of Directors' responsibilities was approved by the Board on 9 November 2016.

T Lawlor
Director

Consolidated income statement
for the six months to 30 September 2016 (unaudited)

	Note	**Six months to 30 Sept 2016 £m**	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Revenue	*2*	**561.8**	582.8	1,147.4
Underlying operating profit	*2*	**26.1**	23.5	50.9
Amortisation of acquired intangibles		**(1.1)**	(2.3)	(4.5)
Exceptionals	*2*	**-**	-	35.0
Operating profit	*2*	**25.0**	21.2	81.4
Financing income	*3*	**0.1**	0.1	0.2
Financing cost	*3*	**(5.5)**	(8.4)	(15.8)
Net financing costs		**(5.4)**	(8.3)	(15.6)
Profit before tax		**19.6**	12.9	65.8
Income tax expense	*4*	**(3.4)**	(2.5)	(4.7)
Profit attributable to equity shareholders of Wincanton plc		**16.2**	10.4	61.1
Earnings per share				
- basic	*5*	**13.2p**	8.8p	50.7p
- diluted	*5*	**12.9p**	8.2p	47.4p

Consolidated statement of comprehensive income
for the six months to 30 September 2016 (unaudited)

	Six months to 30 Sept 2016 £m	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Profit for the period	**16.2**	10.4	61.1
Other comprehensive (expense)/income			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of defined benefit liability	**(68.5)**	14.9	23.0
Income tax relating to items that will not be reclassified subsequently to profit or loss	**10.6**	(3.0)	(7.0)
	(57.9)	11.9	16.0
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange gain on investment in foreign subsidiaries net of hedged items	**-**	-	0.3
Effective portion of changes in fair value of cash flow hedges	**0.1**	(0.1)	(0.4)
Net change in fair value of cash flow hedges transferred to the income statement	**0.1**	0.6	1.3
	0.2	0.5	1.2
Other comprehensive (expense)/income for the period, net of income tax	**(57.7)**	12.4	17.2
Total comprehensive (expense)/income attributable to equity shareholders of Wincanton plc	**(41.5)**	22.8	78.3

Consolidated balance sheet
at 30 September 2016 (unaudited)

	Note	**30 Sept 2016 £m**	30 Sept 2015 £m	31 March 2016 £m
Non-current assets				
Goodwill and intangible assets		**88.9**	93.3	90.0
Property, plant and equipment	*7*	**34.4**	58.1	35.6
Investments, including those equity accounted		**0.1**	0.1	0.1
Deferred tax assets		**31.9**	28.4	22.8
		155.3	179.9	148.5
Current assets				
Inventories		**4.1**	5.2	4.8
Trade and other receivables		**147.6**	162.6	139.4
Cash and cash equivalents	*8*	**50.8**	76.9	36.3
		202.5	244.7	180.5
Current liabilities				
Income tax payable		**(9.9)**	(10.0)	(7.3)
Borrowings and other financial liabilities	*8*	**(20.2)**	(38.8)	(20.4)
Trade and other payables		**(280.2)**	(331.5)	(272.1)
Employee benefits		**(0.3)**	(0.1)	(0.3)
Provisions	*9*	**(15.2)**	(22.3)	(15.4)
		(325.8)	(402.7)	(315.5)
Net current liabilities		**(123.3)**	(158.0)	(135.0)
Total assets less current liabilities		**32.0**	21.9	13.5
Non-current liabilities				
Borrowings and other financial liabilities	*8*	**(62.8)**	(100.3)	(55.4)
Employee benefits	*10*	**(169.2)**	(125.1)	(105.6)
Provisions	*9*	**(32.7)**	(34.3)	(36.0)
Deferred tax liabilities		**(0.8)**	(0.9)	(0.8)
		(265.5)	(260.6)	(197.8)
Net liabilities		**(233.5)**	(238.7)	(184.3)
Equity				
Issued share capital		**12.4**	12.4	12.4
Share premium		**12.9**	12.8	12.9
Merger reserve		**3.5**	3.5	3.5
Hedging reserve		**(0.5)**	(1.1)	(0.7)
Translation reserve		**(0.2)**	(0.5)	(0.2)
Retained earnings		**(261.6)**	(265.8)	(212.2)
Total equity deficit		**(233.5)**	(238.7)	(184.3)

Consolidated statement of changes in equity

at 30 September 2016 (unaudited)

	Issued share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings: Own shares £m	Retained earnings: Profit and loss £m	Total equity deficit £m
Balance at 1 April 2016	**12.4**	**12.9**	**3.5**	**(0.7)**	**(0.2)**	**(3.1)**	**(209.1)**	**(184.3)**
Profit for the period	-	-	-	-	-	-	**16.2**	**16.2**
Other comprehensive income	-	-	-	**0.2**	-	-	**(57.9)**	**(57.7)**
Total comprehensive income	-	-	-	**0.2**	-	-	**(41.7)**	**(41.5)**
Share based payment transactions	-	-	-	-	-	-	**0.5**	**0.5**
Current tax on share based payments	-	-	-	-	-	-	**0.6**	**0.6**
Deferred tax on share based payments	-	-	-	-	-	-	**(0.3)**	**(0.3)**
Own shares disposed of on exercise of options	-	-	-	-	-	**2.0**	**(3.8)**	**(1.8)**
Dividends paid to shareholders	-	-	-	-	-	-	**(6.7)**	**(6.7)**
Balance at 30 September 2016	**12.4**	**12.9**	**3.5**	**(0.5)**	**(0.2)**	**(1.1)**	**(260.5)**	**(233.5)**
Balance at 1 April 2015	12.2	12.8	3.5	(1.6)	(0.5)	(14.1)	(274.0)	(261.7)
Profit for the period	-	-	-	-	-	-	10.4	10.4
Other comprehensive income	-	-	-	0.5	-	-	11.9	12.4
Total comprehensive income	-	-	-	0.5	-	-	22.3	22.8
Shares issued	0.2	-	-	-	-	(0.2)	-	-
Share based payment transactions	-	-	-	-	-	-	0.5	0.5
Current tax on share based payments	-	-	-	-	-	-	(2.1)	(2.1)
Deferred tax on share based payments	-	-	-	-	-	-	1.8	1.8
Own shares disposed of on exercise of options	-	-	-	-	-	14.2	(14.2)	-
Balance at 30 September 2015	12.4	12.8	3.5	(1.1)	(0.5)	(0.1)	(265.7)	(238.7)
Balance at 1 April 2015	12.2	12.8	3.5	(1.6)	(0.5)	(14.1)	(274.0)	(261.7)
Profit for the year	-	-	-	-	-	-	61.1	61.1
Other comprehensive income	-	-	-	0.9	0.3	-	16.0	17.2
Total comprehensive income	-	-	-	0.9	0.3	-	77.1	78.3
Share based payment transactions	-	-	-	-	-	-	0.9	0.9
Current tax on share based payment transactions	-	-	-	-	-	-	2.2	2.2
Deferred tax on share based payment transactions	-	-	-	-	-	-	0.5	0.5
Shares issued	0.2	-	-	-	-	(0.2)	-	-
Own shares acquired	-	-	-	-	-	(4.5)	-	(4.5)
Own shares disposed of on exercise of options	-	0.1	-	-	-	15.7	(15.8)	-
Balance at 31 March 2016	12.4	12.9	3.5	(0.7)	(0.2)	(3.1)	(209.1)	(184.3)

Consolidated statement of cash flows

for the six months to 30 September 2016 (unaudited)

	Six months to 30 Sept 2016 £m	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Operating activities			
Profit before tax	**19.6**	12.9	65.8
Adjustments for			
- depreciation and amortisation	**7.3**	9.3	19.0
- interest expense	**5.4**	8.3	15.6
- exceptionals	**-**	-	(35.0)
- share-based payments fair value charges	**0.5**	0.5	0.9
	32.8	31.0	66.3
Increase in trade and other receivables	**(8.4)**	(27.9)	(4.5)
Decrease in inventories	**0.7**	0.6	0.8
Increase/(decrease) in trade and other payables	**6.2**	14.9	(49.0)
Decrease in provisions	**(4.5)**	(4.3)	(10.0)
Increase in employee benefits before pension deficit payment	**0.4**	0.4	0.9
Income taxes received/(paid)	**1.0**	(2.6)	(3.1)
Cash generated before pension deficit payment	**28.2**	12.1	1.4
Pension deficit payment	**(7.0)**	(7.0)	(20.9)
Cash flows from operating activities	**21.2**	5.1	(19.5)
Investing activities			
Proceeds from sale of property, plant and equipment	**0.3**	0.1	4.4
Proceeds from Records Management disposal	**-**	-	55.7
Interest received	**0.1**	0.1	0.2
Additions of property, plant and equipment	**(5.0)**	(5.7)	(10.0)
Additions of computer software costs	**(0.1)**	-	(0.4)
Cash flows from investing activities	**(4.7)**	(5.5)	49.9
Financing activities			
Own shares acquired	**-**	-	(4.5)
Increase/(decrease) in borrowings	**7.4**	(23.7)	(86.2)
Equity dividends paid	**(6.7)**	-	-
Interest paid	**(2.7)**	(4.7)	(9.3)
Cash flows from financing activities	**(2.0)**	(28.4)	(100.0)
Net increase/(decrease) in cash and cash equivalents	**14.5**	(28.8)	(69.6)
Cash and cash equivalents at beginning of the period	**36.3**	105.8	105.8
Effect of exchange rate fluctuations on cash held	**-**	(0.1)	0.1
Cash and cash equivalents at end of the period	**50.8**	76.9	36.3
Represented by			
- cash at bank and in hand	**41.8**	65.7	26.3
- restricted cash, being deposits held by the Group’s captive insurer	**9.0**	11.2	10.0
	50.8	76.9	36.3

Notes to the consolidated half year financial statements
for the six months to 30 September 2016 (unaudited)

1 Basis of preparation and Statement of compliance

Wincanton plc (the 'Company') is a company incorporated in England and Wales. The consolidated half year financial statements of the Company for the six months to 30 September 2016 comprise the Company and its subsidiaries (together referred to as the 'Group') and, where relevant, the Group's interests in jointly controlled entities.

These consolidated half year financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. As required by the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority, the half year financial statements have been prepared on the basis of the accounting policies adopted by the Group and applied and disclosed in its consolidated financial statements for the year ended 31 March 2016. As stated in the financial statements for the year ended 31 March 2016 the following amendments have been applied where applicable: Annual Improvements 2012-2014 Cycle; amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation; and amendments to IAS 1 Disclosure Initiative. The adoption of these amendments has not had a significant effect on the consolidated results or financial position of the Group. These policies are in accordance with IFRS as adopted by the EU (Adopted IFRS).

These consolidated half year financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2016. The comparative figures for the year ended 31 March 2016 have been extracted from those accounts but do not comprise the full statutory accounts for that financial year. Except for the 31 March 2016 comparatives, the financial information set out herein is unaudited but has been reviewed by the auditors and their report to the Company is set out on page 23.

The consolidated financial statements for the year ended 31 March 2016 have been reported on by the Group's auditor; delivered to the Registrar of Companies; and are available upon request from the Company's registered office at Methuen Park, Chippenham, Wiltshire, SN14 0WT or at www.wincanton.co.uk. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The preparation of these consolidated half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key areas of estimation were the same as those that applied to the consolidated financial statements for the year ended 31 March 2016.

The consolidated half year financial statements have been prepared on a going concern basis, which assumes the Group will be able to meet its liabilities as they fall due for the foreseeable future. The Directors have prepared cash flow forecasts on the basis of which they expect that the Group will continue as a going concern.

The Half Year Report, which includes the consolidated half year financial statements, was approved by the Board on 9 November 2016.

2 Operating segments

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

Segmental information for the periods ended 30 September 2015 and 31 March 2016 has been realigned to reflect the changes to the reportable segments.

The results of the operating segments are regularly reviewed by the Executive Management Team to allocate resources to these segments and to assess their performance. The Group evaluates performance of the operating segments on the basis of revenue and underlying operating profit.

			Six months to 30 Sept 2016
	Retail & Consumer £m	**Industrial & Transport £m**	**Total £m**
Revenue from external customers[1]	**319.6**	**242.2**	**561.8**
Underlying EBITDA[2]	15.0	17.3	32.3
Depreciation	(2.7)	(2.6)	(5.3)
Amortisation of software intangibles	(0.5)	(0.4)	(0.9)
Underlying operating profit[2]	11.8	14.3	26.1
Amortisation of acquired intangibles	-	(1.1)	(1.1)
Operating profit	**11.8**	**13.2**	**25.0**
Net financing costs			(5.4)
Profit before tax			**19.6**

1 Included in segment revenue is £557.6m (2015: £575.2m) in respect of customers based in the UK.

2 Underlying EBITDA refers to underlying operating profit before depreciation and amortisation. Underlying operating profit is stated before amortisation of acquired intangibles and, where applicable, exceptionals.

					Six months to 30 Sept 2015*
	Retail & Consumer	Industrial & Transport	Total excl. WRM	WRM	Total
	£m	£m	£m	£m	£m
Revenue from external customers	305.0	266.8	571.8	11.0	582.8
Underlying EBITDA	15.0	13.0	28.0	2.5	30.5
Depreciation	(2.8)	(2.1)	(4.9)	(0.9)	(5.8)
Amortisation of software intangibles	(0.7)	(0.5)	(1.2)	-	(1.2)
Underlying operating profit	11.5	10.4	21.9	1.6	23.5
Amortisation of acquired intangibles	-	(2.3)	(2.3)	-	(2.3)
Operating profit	11.5	8.1	19.6	1.6	21.2
Net financing costs					(8.3)
Profit before tax					12.9

* Segmental information has been restated to reflect changes to the reportable segments.

2 Operating segments *(continued)*

	Year ended 31 March 2016*				
	Retail & Consumer	Industrial & Transport	Total excl. WRM	WRM/ exceptional	Total
	£m	£m	£m	£m	£m
Revenue from external customers	624.4	508.1	1,132.5	14.9	1,147.4
Underlying EBITDA	32.3	29.8	62.1	3.3	65.4
Depreciation	(5.5)	(5.0)	(10.5)	(1.1)	(11.6)
Amortisation of software intangibles	(1.6)	(1.3)	(2.9)	-	(2.9)
Underlying operating profit	25.2	23.5	48.7	2.2	50.9
Amortisation of acquired intangibles	-	(4.5)	(4.5)	-	(4.5)
Exceptionals	-	-	-	35.0	35.0
Operating profit	25.2	19.0	44.2	37.2	81.4
Net financing costs					(15.6)
Profit before tax					65.8

* Segmental information has been restated to reflect changes to the reportable segments.

Revenue of £98.6m arose from sales to the Group's largest single customer, being a group of companies under common control, and is reported within the Retail & Consumer segment above. In the six months to 30 September 2015, no single customer contributed 10% or more of total revenue.

Exceptional income in the year ended 31 March 2016 comprises the profit on disposal of the Records Management business of £32.4m, plus £2.6m release of warranty balances established on the sale of the European operations in 2012.

3 Net financing costs

	Six months to 30 Sept 2016 £m	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Recognised in the income statement			
Interest income	**0.1**	0.1	0.2
Interest expense	**(3.1)**	(5.1)	(10.1)
Unwinding of discount on provisions	**(0.7)**	(1.0)	(1.3)
Interest on the net defined benefit pension liability	**(1.7)**	(2.3)	(4.4)
	(5.5)	(8.4)	(15.8)
Net financing costs	**(5.4)**	(8.3)	(15.6)

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

Notes to the consolidated half year financial statements *(continued)*

for the six months to 30 September 2016 (unaudited)

4 Income tax expense

Recognised in the income statement	**Six months to 30 Sept 2016 £m**	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Current tax expense			
Current year	**2.4**	1.7	6.7
Adjustments for prior years	**(0.2)**	-	(2.9)
	2.2	1.7	3.8
Deferred tax expense			
Current year	**1.2**	0.8	0.8
Adjustments for prior years	-	-	0.1
	1.2	0.8	0.9
Total income tax expense	**3.4**	2.5	4.7

Recognised in other comprehensive income	**Six months to 30 Sept 2016 £m**	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Remeasurements of defined benefit pension liability	**(10.6)**	**3.0**	**7.0**
Recognised directly in equity			
Current tax on share based payments	**(0.6)**	2.1	(2.2)
Deferred tax on share based payments	**0.3**	(1.8)	(0.5)
	(0.3)	0.3	(2.7)

In accordance with IAS 34 the tax expense recognised in the income statement for the half year is calculated on the basis of the estimated effective full year tax rate.

The main UK Corporation tax rate will reduce to 19% with effect from 1 April 2017 and will further reduce to 17% with effect from 1 April 2020. This will reduce the Group's future current tax charge accordingly. The closing UK deferred tax provision is calculated based on the rate of 17% which was substantively enacted at the balance sheet date.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2016 (unaudited)

5 Earnings per share

Earnings per share calculation is based on the earnings attributable to the equity shareholders of Wincanton plc of £16.2m (2015: £10.4m) and the weighted average shares of 122.4m (2015: 118.4m) which have been in issue throughout the period.

The diluted earnings per share calculation is based on there being 3.5m (2015: 8.7m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes.

The weighted average number of ordinary shares for both basic and diluted earnings per share is calculated as follows:

Weighted average number of ordinary shares (basic)	**Six months to 30 Sept 2016 millions**	Six months to 30 Sept 2015 millions	Year ended 31 March 2016 millions
Issued ordinary shares at the beginning of the period	**121.9**	116.5	116.5
Net effect of shares issued and purchased during the period	**0.5**	1.9	4.0
	122.4	118.4	120.5
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares at the end of the period	**122.4**	118.4	120.5
Effect of share options on issue	**3.5**	8.7	8.5
	125.9	127.1	129.0

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

	Six months to 30 Sept 2016 pence	Six months to 30 Sept 2015 pence	Year ended 31 March 2016 pence
Underlying earnings per share			
- basic	**14.0**	10.3	23.9
- diluted	**13.6**	9.6	22.3

Underlying earnings are determined as follows:

	Six months to 30 Sept 2016 £m	Six months to 30 Sept 2015 £m	Year ended 31 March 2016 £m
Profit for the period attributable to equity shareholders of Wincanton plc	**16.2**	10.4	61.1
Exceptionals	**-**	-	(35.0)
Amortisation of acquired intangibles	**1.1**	2.3	4.5
Tax impact of above items	**(0.2)**	(0.5)	(1.8)
Underlying earnings	**17.1**	12.2	28.8

5 Earnings per share *(continued)*

For the periods ended 30 September 2015 and 31 March 2016, underlying earnings and underlying earnings per share include the results of Records Management, which was sold in December 2015. Underlying earnings excluding Records Management results and a proforma reduction in finance charge for the year ended 31 March 2016 are £28.4m and earnings per share 23.5p; and for the period ended 30 September 2015 are £11.9m and 10.0p.

6 Dividends

During the period a final dividend of 5.5p per share was paid, relating to the year ended 31 March 2016.

The Board has declared an interim dividend of 3.0p for the period ended 30 September 2016 (2015: nil) which, if approved by shareholders, will be paid on 11 January 2017 to shareholders on the register on 9 December 2016, an estimated total of £3.7m.

7 Property, plant and equipment

Additions and disposals

During the half year to 30 September 2016 the Group acquired assets with a cost of £5.1m (2015: £5.7m). Assets with a carrying amount of £0.3m were disposed of during the half year to 30 September 2016 (2015: £0.1m).

Capital commitments

At 30 September 2016 the Group had entered into contracts to purchase property, plant and equipment for £4.8m (2015: £4.6m); delivery is expected in the second half of the year to 31 March 2017.

8 Analysis of changes in net debt

	1 April 2016 £m	Cash flow £m	Net movement on cash flow hedges £m	Exchange movements £m	**30 Sept 2016 £m**
Cash and bank balances	36.3	14.5	-	-	**50.8**
Bank loans and overdrafts	(75.1)	(7.4)	-	-	**(82.5)**
Other financial liabilities	(0.7)	-	0.2	-	**(0.5)**
Net debt	**(39.5)**	**7.1**	**0.2**	**-**	**(32.2)**

	1 April 2015 £m	Cash flow £m	Net movement on cash flow hedges £m	Exchange movements £m	30 Sept 2015 £m
Cash and bank balances	105.8	(28.8)	-	(0.1)	76.9
Bank loans and overdrafts	(161.8)	23.7	-	0.1	(138.0)
Other financial liabilities	(1.6)	-	0.5	-	(1.1)
Net debt	(57.6)	(5.1)	0.5	-	(62.2)

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2016 (unaudited)

8 Analysis of changes in net debt *(continued)*

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

9 Provisions

	Insurance £m	Property £m	Other provisions £m	**Total £m**
At 1 April 2016	35.6	15.3	0.5	**51.4**
Effect of movement in foreign exchange	-	0.3	-	**0.3**
Provisions used during the period	(5.1)	(1.9)	-	**(7.0)**
Unwinding of discount	0.4	0.3	-	**0.7**
Provisions made during the period	2.5	-	-	**2.5**
At 30 September 2016	**33.4**	**14.0**	**0.5**	**47.9**
Current	9.4	5.3	0.5	15.2
Non-current	24.0	8.7	-	32.7
	33.4	**14.0**	**0.5**	**47.9**

10 Employee benefits

Pension schemes

Movements in the net pension obligations recognised:

	Assets 2016 £m	**Liabilities 2016 £m**	**Total 30 Sept 2016 £m**	30 Sept 2015 £m	31 March 2016 £m
Opening position	**897.1**	**(1,002.7)**	**(105.6)**	(144.2)	(144.2)
Included in Income statement:					
Administration costs	**(0.8)**	**-**	**(0.8)**	(0.8)	(1.5)
Interest on the net defined benefit liability	**15.5**	**(17.2)**	**(1.7)**	(2.3)	(4.4)
Cash:					
Employer contributions	**7.4**	**-**	**7.4**	7.3	21.5
Benefits paid	**(16.1)**	**16.1**	**-**	-	-
Included in Other comprehensive income:					
Changes in demographic assumptions	**-**	**17.8**	**17.8**	-	-
Changes in financial assumptions	**-**	**(269.2)**	**(269.2)**	94.7	53.5
Experience	**-**	**-**	**-**	(8.2)	14.8
Return on assets excluding amounts included in net financing costs	**182.9**	**-**	**182.9**	(71.6)	(45.3)
Closing net defined benefit liability	**1,086.0**	**(1,255.2)**	**(169.2)**	(125.1)	(105.6)

Liabilities in the table above include unfunded arrangements.

10 Employee benefits *(continued)*

The Group, in agreement with the Trustee, has arranged to pay certain administration expenses directly and, in line with the Schedule of Contributions, these amounts have been deducted from the deficit funding contributions and are therefore not included in the above table.

The movement in the net defined benefit liability in the period was primarily the result of the change in the discount rate which has been used to discount the Scheme obligations, offset by an increase in the market value of the assets held. The defined benefit liability, after taking into account the related deferred tax asset, is £140.4m (2015: £100.0m).

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

	30 Sept 2016 %	30 Sept 2015 %	31 March 2016 %
Discount rate	**2.30**	3.80	3.50
Price inflation rate – RPI	**3.05**	3.05	2.95
Price inflation rate – CPI	**2.05**	2.05	1.95
Rate of increase of pensions in payment			
- for service to 31 March 2006	**3.00**	3.00	2.90
- for service from 1 April 2006	**2.15**	2.15	2.10

Independent review report to Wincanton plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises 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 and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Simon Haydn-Jones
for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

9 November 2016

Shareholders' enquiries

All administrative enquiries relating to shareholdings should, in the first instance, be directed to the Registrar at the following address:

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0870 702 0000   Fax: 0870 703 6101
Text phone: 0870 702 0005
Web queries: www.investorcentre.co.uk/contactus