For immediate release 19 November 2021

WINCANTON plc

Half Year results for the six months to 30 September 2021 (unaudited)

Wincanton delivers strong growth and continued strategic progress

Wincanton plc ("Wincanton" or "the Group"), a leading supply chain partner for UK business, today announces its half year results for the six months ended 30 September 2021.

Key financial measures

	H1 21/22	H1 20/21	Change
Revenue (£m)	**690.3**	578.7	19.3%
Underlying EBITDA (£m) [1]	**50.8**	43.2	17.6%
Underlying profit before tax (£m) [1]	**27.3**	19.1	42.9%
Underlying basic EPS (p) [1]	**18.2**	12.9	41.1%
Dividend per share – interim (p)	**4.00**	2.85	40.4%
Free cash flow (£m) [2]	**17.9**	76.4	
Net (debt) / cash (£m) [3]	**(16.4)**	63.3	
Statutory results			
Profit before tax (£m)	**25.1**	19.1	31.4%
Basic EPS (p)	**16.9**	12.9	31.0%

Financial highlights

- Revenue growth of 28.6% in H1, excluding businesses disposed of during FY 20/21
- Underlying profit before tax of £27.3m up 42.9% from prior year, back ahead of pre-pandemic profit levels (H1 19/20: £26.2m)
- Driver cost headwinds mitigated by business model; less than 20% of Group revenue is closed book transport of which price increases or exits have been agreed on c.90%
- Free cash flow generation of £17.9m in H1, prior year cash position benefitted from significant temporary Covid-19 deferred payments, acquisition funded through cash reserves
- Interim dividend of 4.00p (H1 20/21: 2.85p), up 40.4% in line with underlying earnings

Positive progress against strategy

- Acquisition of Cygnia Logistics (Cygnia), a specialist eCommerce and multichannel eFulfilment provider, strengthens capabilities and accelerates growth prospects
- Continued organic investment in eCommerce, operations commenced at the Group's automated facility in Rockingham, further investment in robotics in other locations
- Both short and medium-term actions taken to secure a sustainable and diverse workforce with, for example, our Wincanton Future Drivers programme, dedicated recruitment functions and representations to Government
- On track to achieve net-zero emission target for our premium home delivery service by end of the year; new targets introduced of net-zero for Wincanton owned transport by 2026
- Year to date contract wins include new customers such as Primark, MGA Entertainment, Lakeland, Snug Sofa and Saint-Gobain
- Notable contract renewals and extensions with Asda, IKEA, Roper Rhodes, HMRC, BAE Systems and the Department for Transport (DfT) demonstrate success across all parts of the business
- Pipeline of further opportunities continues to grow with a number in negotiation for implementation in FY23

James Wroath, Chief Executive Officer of Wincanton commented:

"We have delivered a strong set of results in the first half of the year with record levels of growth and positive contributions from all parts of the business. Importantly, we have also made meaningful progress against our strategic priorities. We completed the acquisition of Cygnia and commenced operations at our automated facility in Rockingham, and this significantly strengthens our eCommerce proposition. I am particularly pleased that we have delivered this performance notwithstanding the well-documented challenges across the supply chain. We are taking steps to address shortages of labour and we are well positioned to deal with the cost pressures we are seeing across our markets.

So far this year, we have secured a healthy level of new customer contracts, renewed agreements with businesses we are proud to have supported for many years and have a strong pipeline of new opportunities ahead of us. We are continuing to strengthen our offer to customers through investments in digital and robotic innovation and a culture of continuous improvement in our services. All of this positions us well to benefit from the changes we are seeing in our markets."

For further enquiries please contact:

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Analyst presentation and conference call:

A presentation for analysts will be held today, Friday 19 November 2021, commencing at 10.30am. The presentation will be followed by a Q&A session with the management team. The webcast can be found at:

https://webcasting.brrmedia.co.uk/broadcast/5f8ed8b5c4d0076f2b942cc1

For those wishing to ask a question in the Q&A, please dial into the call using the following details:

Telephone: 0800 279 7204

Confirmation code: 3842724

The presentation and Q&A will be made available to watch on demand shortly after it finishes. This will be hosted on Wincanton's website: https://www.wincanton.co.uk/investors/results-reports-and-presentations/

Notes

1. The section on Alternative Performance Measures (APMs) below provides further information on these measures, including definitions and a reconciliation of APMs to statutory measures.
2. Free cash flow is defined as net cash inflow/(outflow) before the movement in debt, pension payments, dividends, net outflow on acquisition of subsidiary undertakings and the acquisition of own shares.
3. Net (debt) / cash is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities excluding lease liabilities. Note 12 to the consolidated half year financial statements provides a breakdown of net (debt) / cash for the current and prior periods.

Half Year Review
for the six months to 30 September 2021

Summary

Momentum maintained and significant growth delivered

The momentum from the second half of last year has been maintained to deliver significant growth, with revenue of £690.3m up 28.6% from prior year, excluding disposed businesses. The growth of eCommerce activity, including the start-up of the dark store operation for Waitrose, has led to revenue growth of over 50% in the Digital & eFulfilment sector. Buoyant Grocery and General Merchandise markets, and a positive post-Covid-19 recovery within Public & Industrial, supported by public sector growth, has resulted in revenue growth of over 15% in all sectors.

Underlying profit before tax increased by 42.9% to £27.3m (H1 20/21: £19.1m), with the Group's underlying profit before tax margin increasing to 4.0% (H1 20/21: 3.3%). Group profits have recovered well from the impact of the pandemic in FY20/21 and exceeded FY 19/20 levels, despite the headwinds of driver shortages and other national supply chain issues.

Underlying EPS increased by 41.1% to 18.2p per share (H1 20/21: 12.9p per share) reflecting the increase in profits.

Net debt at the end of H1 21/22 was £16.4m (H1 20/21: net cash of £63.3m, 31 March 2021: net cash of £11.9m). Free cash flow at H1 21/22 was £17.9m and the return to net debt reflects the acquisition of Cygnia during the period. The prior year cash position included the benefit of significant temporary cash protection measures including the deferral of VAT, corporation tax and pension recovery payments and the Coronavirus Job Retention Scheme (CJRS), that were repaid during the second half of FY20/21.

eCommerce offer bolstered by Cygnia and Rockingham

The Group's capabilities and market positioning in eCommerce have been further strengthened by the acquisition of Cygnia, a speciality mid-market, multichannel eFulfilment provider, enabling us to better access mid-market customers. The acquisition, announced in September 2021, is aligned with our strategy to capitalise on the opportunities presented by online retail and will position us well to benefit from many of the changes we are seeing in the broader logistics sector. Wincanton has long been a leader in supporting many of the UK's biggest brands and now, together with Cygnia, we will be able to further extend our reach to fast-growing, mid-market eCommerce customers.

Following a successful start-up, Wincanton's new Customer Fulfilment Centre (CFC) for Waitrose is now fully operational with over 13,000 online orders being processed each week, which is growing as we head into the peak trading period. This 'dark store' operation is the first outsourced facility of its kind operating in the UK, providing warehouse eFulfilment and seven day timed-delivery solutions across West London.

In addition to the successful launch of the Nuneaton eFulfilment centre opened last year, the Group has opened a second facility at Rockingham, which has been branded as The WEB (Wincanton eFulfilment Base). The Group acquired this state-of-the-art automated facility in April 2021 to extend its eCommerce proposition. The new facility has resulted in the addition of new business with B&Q, Snug and Saint-Gobain. Our investment in cloud-based technology, including carrier management and returns, underpins our shared fulfilment offering.

Innovation driving operational improvement

The WEB also houses the Group's new innovation centre which will act as a hub to host and inspire customers, partners and community stakeholders. The innovation centre demonstrates Wincanton's deployments of robotics, wearable technology and artificial intelligence as well as a 'City of the Future' that brings to life the virtual customer experience. In Nuneaton, we deployed our first Autonomous Mobile Robots (AMR's) in combination with glove technology to improve speed, accuracy and safety for Neal's Yard Remedies. Further deployment of AMR's in our eFulfilment and warehousing businesses is ongoing. The Group continues to invest in supply chain innovation enabled by our W^2 Labs programme; digital solutions to support people recruitment, asset tracking and warehouse performance management are all in extended pilots.

Positive contributions across all our sectors

We continue to support our established partners in the General Merchandise and Grocery & Consumer sectors, maintaining good service levels during unprecedented levels of demand and intense competition for labour. General Merchandise saw growth of approximately 30% on both last year and pre-pandemic levels, driven by high volumes at our retail customers. Grocery & Consumer expanded its relationship with Asda, which sees the Group take on collection services at Asda's Lutterworth facility. Higher volumes across customers such as Sainsbury's, Morrisons and Heinz contributed to higher revenues, up over 15% from the prior year and up over 20% from pre-pandemic levels.

Public sector growth has been delivered through new business with HMRC and DfT which commenced in early 2021. Additionally, we are 10 months into a contract with DHSC to provide storage, order fulfilment and delivery of Covid-19 testing kits. The Group successfully delivered its billionth testing unit in September. The start-up of Inland Border facilities across the country and our partnerships in Public sector, continue to open more opportunities for growth.

We are also building on our partnerships in the infrastructure market, supporting the construction of Hinkley Point C as the official storage, warehousing and logistics provider. This is underpinned by our investment in market leading technology. Our extended supply chain visibility and data management tool meets the emerging marketplace need for technology solutions to solve complex supply chain problems. Winsight-Supply Chain Integrator (WSCI) is deployed for EDF at Hinkley Point and creates transparency to better manage the flow of materials for this substantial project. Our pivotal role in ensuring surety of supply across the many thousands of product lines has been recognised and the team have been shortlisted in two categories for the HPC Excellence Awards. We are translating this capability to deliver sustainable supply chain value in other large-scale infrastructure projects.

Proactive steps taken to tackle labour shortages

Driver shortages and labour cost pressures continue to have an impact on business operations and there remains uncertainty regarding the supply of labour, particularly drivers. The Group's contractual arrangements, however, provide a good degree of commercial protection. The Group is taking steps to attract and retain drivers, including extending its dedicated driver recruitment and training functions, developing its Wincanton Future Drivers programme and funding the cost of training for new applicants. Wincanton is working alongside industry bodies and is making representations to Government regarding measures that would increase the pool of drivers in both the short and medium term. In the short term, Wincanton is active in initiatives to make driving a more inclusive, flexible and rewarding profession.

The Group has been tackling the issues together with its customers and working collaboratively to mitigate further risk and optimise service levels. Over 70% of the Group's revenue is derived from open-book contracts which provides the Group with significant direct protection against cost pressures. We have secured initial price increases or exits on approximately 90% of our closed book transport revenue and we expect further increases will be required in the second half of the year in some contracts. Where customers have been unwilling to agree price increases, we exited contracts as they are no longer viable and so divert resources to more profitable contracts.

Progress made against ESG goals

We remain committed to achieve net-zero emissions by 2040. We are working with an implementation partner for our Wincanton Woodland offset programme and remain on track to achieve net-zero operating emissions for our premium home delivery service this year. We have been investing in the most fuel-efficient diesel vehicles whilst building strong relationships with innovation consortia working on future fuels and infrastructure. The implementation of our advanced Transport Management System continues to drive improved planning and routing efficiency, reducing the use of fuel and emissions. We continue to electrify our company car fleet and are beginning to see a reduction in our mean rated emissions. During this half year, our recycling percentage from residual waste has increased by 13%.

Wincanton is also participating in a study led by the DfT and Innovate UK to assess the economic and technical potential of the UK's first 'eHighway'. We will provide information regarding our operations and movements along the M18 and M180 as part of the UK's first ever study on the electrification of long-range trucks with dynamic charging, which uses overhead wires on motorways.

We are introducing new targets to support our commitment to the social aspects of our ESG activity.

People are fundamental to our success and the Group is striving to build a diverse and inclusive organisation. Structural changes are needed in workforces across the supply chain to meet future demand. We recognise the need for more diversity, especially with regard to greater female representation. This will require creativity and flexibility around shift patterns and investment in facilities and amenities.

For National Inclusion week, in partnership with the Co-op, the Group held a successful conference to show support and raise awareness on how to build an inclusive environment. Our credentials as a Diversity and

Inclusion leader continue to grow and we are proud that two of our Wincanton leaders were winners at the 2021 Amazon Everywoman in Transport and Logistics Awards. In addition, our all-female transport team for Roper Rhodes were finalists for a 2021 Supply Chain Excellence Award and are current finalists for two 2021 Logistics UK Awards, due to be announced in December.

Systems investment

We have successfully implemented a new enterprise-wide finance and HR system, Oracle Cloud, across the business, on time and on budget. The new system, together with the standardised processes and controls to support it, are being embedded across the business. We are moving into the second phase of the project, which is to rationalise and insource payroll operations across the business and will be completed in 2022. Following new accounting guidance (an IFRIC Interpretation Committee agenda decision), the costs of this project can no longer be capitalised and costs incurred in the period have been expensed as a non-underlying charge of £3.2m. A further cost of approximately £4-5m is expected to be charged to non-underlying items relating to the completion of the project over the next twelve months.

People

As recently announced, Tim Lawlor, Chief Financial Officer (CFO), has resigned in order to take up the role of Chief Financial Officer at Countryside Properties PLC. The Board of Wincanton wishes to thank Tim for his hard work, commitment and outstanding contribution to the Group over the last six years and wish him every success for the future. Tim will be leaving the business during March 2022 and the Board is commencing a search for his successor.

The Group would also like to announce the appointment of Carl Moore who will take up the role of MD of Digital & eFulfilment from January 2022. Carl has spent the last 13 years in a range of senior roles including, most recently, Chief Commercial Officer at Clipper Logistics.

Dividend

The Board is declaring an interim dividend of 4.00p per Ordinary Share (2020: 2.85p per share) in line with its established policy of increasing the dividend broadly in line with underlying earnings movements. The Group's policy is for the interim dividend to be approximately one third of the expected full year dividends.

Key priorities and outlook

The Group continues to execute the strategy launched in FY 20/21 and is committed to driving growth through delivering sustainable supply chain value. The strong volume of activity seen in H1 21/22 has continued into the second half to date and the Group is positive around future opportunities following a period of heightened national interest in supply chain and logistics.

We continue to build on our partnerships with customers in our primary markets. Recent contract renewals and additional new business with Asda, BAE Systems, IKEA and Roper Rhodes is evidence that the Group's existing relationships are strong and continue to grow. The Group has delivered new wins this year with Primark, MGA Entertainment, Snug Sofa and Saint-Gobain. We continue to have a strong pipeline of sales opportunities to build on the momentum from the first half of the year.

Our high growth markets remain eCommerce, public sector and infrastructure and our activities, propositions and pipelines have all developed further during the first half of the year. The acquisition of Cygnia towards the end of the first half provides a platform from which to drive a step change in mid-market eFulfilment customers, expanding the target market within which we operate and extending the reputation and reach of the Group.

The Group remains on track to deliver full year profits consistent with market expectations and the Board is encouraged by the sales pipeline and remains confident in the Group's future growth opportunities.

Trading

Sector revenue	**H1 21/22 £m**	H1 20/21 £m	Change
Digital & eFulfilment	**103.2**	65.0	58.8%
Grocery & Consumer	**252.1**	215.4	17.0%
General Merchandise	**193.2**	149.6	29.1%
Public & Industrial	**141.8**	106.6	33.0%
Retained business (£m)	**690.3**	536.6	28.6%
Specialist Services	**-**	42.1	-
Total revenue (£m)	**690.3**	578.7	19.3%
Underlying EBITDA (£m)	**50.8**	43.2	17.6%
Underlying profit before tax (£m)	**27.3**	19.1	42.9%
Underlying profit before tax margin (%)	***4.0%***	*3.3%*	70bps

The Group delivered strong total revenue growth in the period of 19.3% on a reported basis, with a positive contribution from all four sectors despite lost revenue following the disposal of the Specialist Services businesses (Containers and Pullman Fleet Services) in Q3 FY20/21.

The Digital & eFulfilment sector delivered exceptionally strong growth through a combination of strong volumes in eFulfilment and two-person home delivery and new business in omnichannel. The most significant element of new business revenue came from the first full six months of activity in our Waitrose CFC in West London which commenced in March 2021. Other revenue growth in this sector included contracts with new customers such as Dobbies, Snug Sofa and Saint-Gobain. Our new acquisition, Cygnia, will be reported within the Digital & eFulfilment sector but only made a small contribution in the half year having been purchased in mid-September.

An increase of 17% within Grocery & Consumer has been driven by increased activity, particularly with our Grocery customers where volumes have remained buoyant, and new business revenue including our transport contract with Heineken.

The DIY market has remained strong through the first half of the year which, along with a full period of reporting revenue from new business commenced in FY20/21, resulted in a 29.1% revenue growth in General Merchandise.

Public & Industrial revenue growth of 33% has been driven by public sector volume, most notably with HMRC (Inland Border Clearance Centres) and DfT (Covid-19 driver testing), in addition to a recovery within construction and energy networks following the impacts of the Covid-19 pandemic in the prior year period. The high levels of demand in the closed book construction and energy businesses, coupled with the driver shortage and increased costs of subcontracted drivers has led to a squeeze in margins which we are seeking to remediate through negotiations with customers. In one instance where we have been unable to achieve a satisfactory renegotiation, we have maintained our financial discipline and chosen to exit the contract and redeploy our resources to a more profitable customer contract.

Underlying profit before tax has significantly increased by £8.2m to £27.3m (H1 20/21: £19.1m). The Group has recovered successfully from the impact of Covid-19 in the prior period and has benefitted from significant revenue growth. The well-publicised transport pressures have been significant, but have been mitigated by actions taken, including rate changes to optimise service levels and recruitment and retention actions to manage driver shortages. The Group also continues to optimise transport networks across the Group to drive efficiencies, supported by the new systems infrastructure.

Acquisition – Cygnia

On 10 September 2021, the Group acquired Cygnia, a specialist mid-market eCommerce and multichannel eFulfilment provider with expertise spanning the full breadth of their customers' requirements, including high-volume order fulfilment, returns and carrier management services. The Group paid consideration of £23.9m for the business and there was a further £3.7m of cash outflow in respect of working capital acquired and capital expenditure incurred after the lockbox date. The final accounting for the acquisition should be concluded in the second half of the year, including the determination of goodwill and other intangible assets.

Non-underlying items

In the period to 30 September 2021 net non-underlying items of £2.2m were expensed.

During the period the Group changed its accounting policy in relation to the capitalisation of IT software implementation contracts following an April 2021 IFRS Interpretation Committee agenda decision. Costs relating to configuring or customising software under SaaS (Software as a Service) agreements which would have previously been capitalised, are now being expensed. As a result, £3.2m of costs relating to the implementation of a new enterprise-wide finance and HR system were expensed rather than capitalised. A prior period restatement was also required to adjust costs previously capitalised (£2.2m H2 20/21).

The Group has released £1.0m relating to a potential claim under a historic warranty provision dating back to a disposal made in 2015, as any claim is now considered to be remote.

Further details of other non-underlying items are set out in Note 4 to the interim consolidated financial statements. There were no non-underlying items in the period to 30 September 2020.

Net financing costs

	H1 21/22 £m	H1 20/21 £m
Interest income	**-**	0.1
Interest on the net defined benefit pension asset	**0.6**	1.1
Bank interest payable on loans	**(1.2)**	(1.4)
Unwinding of discount on provisions	**(0.2)**	(0.3)
Interest on lease liabilities	**(1.7)**	(1.8)
Net financing costs	**(2.5)**	(2.3)

Net finance costs have increased to £2.5m (H1 20/21: £2.3m), £0.2m higher than the prior period. Bank interest payable on loans of £1.2m (H1 20/21: £1.4m) was lower than prior period, primarily due to lower amortisation of arrangement fees for the twelve-month £40m RCF extension taken on in response to the pandemic in May 2020. Financing charges of £1.7m in respect of the interest on lease liabilities were broadly in line with the prior period (2019: £1.8m).

The non-cash interest income on the defined benefit pension asset in the period of £0.6m (H1 20/21: £1.1m) was lower than the prior period due to the reduced pension net surplus position reported at the start of the period.

Taxation

	H1 21/22 £m	H1 20/21 £m
Underlying profit before tax	**27.3**	19.1
Underlying tax	**4.7**	3.1
Tax on non-underlying items	**(0.6)**	-
Tax as reported	**4.1**	3.1
Effective tax rate on underlying profit before tax (%)	**17.2%**	16.1%

Underlying tax of £4.7m (H1 20/21: £3.1m) represents an underlying effective tax rate (ETR) of 17.2% (H1 20/21: 16.1%) on underlying profit before tax. The underlying ETR applied at the half year is an estimate of the expected full year rate and is lower than the statutory corporation tax rate of 19.0% due to tax benefits expected under the new Government regime permitting capital allowances of 130% on qualifying expenditure to promote business investment.

With effect from FY22/23, the ETR is expected to move towards the statutory rate of 19.0%.

Corporation tax paid in respect of the period was £1.8m (H1 20/21: £nil). The £nil in the prior period was due to the uncertainty over the taxable profits for the year and therefore the payments on account were deferred to the second half of the year. In the current financial year, payments on account are based on the latest view of taxable profits for the full year.

Profit after tax and EPS

Profit after tax for the period was £21.0m (H1 20/21: £16.0m) which translates to a basic EPS of 16.9p (H1 20/21: 12.9p). Underlying EPS, which excludes the impact of non-underlying items, increased to 18.2p (H1 20/21: 12.9p). The calculation of these EPS measures is set out in Note 8 to the consolidated half year financial statements.

Dividends

The Group's policy is for the dividend to grow sustainably and broadly match the growth in underlying earnings.

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

Reflecting the continued growth in underlying profit before tax and the confidence in the growth prospects of the business, the Board has declared an interim dividend of 4.00p (H1 20/21: 2.85p) per share relating to the six month period ended 30 September 2021, payable on 31 December 2021.

Financial position

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

	30 September 2021 £m	30 September 2020 £m	31 March 2021 £m
Non-current assets (excl. employee benefits)	**290.0**	204.7	235.1
Net current liabilities (excl. net debt)	**(150.5)**	(213.9)	(158.0)
Non-current liabilities (excl. net debt / employee benefits)	**(175.7)**	(106.8)	(138.9)
Net (debt) / cash (excl. lease liabilities)	**(16.4)**	63.3	11.9
Net pension asset (excl. deferred tax)	**67.6**	24.3	48.2
Net assets / (liabilities)	**15.0**	(28.4)	(1.7)

The increase in net assets of £16.7m since 31 March 2021, relates primarily to the profit after tax of £21.0m delivered during the six months to 30 September 2021.

The increase in both non-current assets and liabilities since 31 March 2021 relates to the acquisition of Cygnia, with Goodwill and Right-of-use (ROU) assets being offset by increased lease liabilities and borrowings.

The movement in the net pension asset is primarily due to employer contributions paid into the Scheme plus net actuarial movements on pension assets and liabilities.

Net debt and cash flows

Net debt at 30 September 2021 was £16.4m (H1 20/21 net cash of £63.3m, 31 March 2021: net cash of £11.9m), reflecting a net cash outflow of £79.7m over the intervening 12 months and £28.3m since 31 March 2021.

The Group's change in net cash flows are summarised in the following table:

	30 September 2021 £m	30 September 2020 £m	31 March 2021 £m
Underlying EBITDA	**50.8**	43.2	95.2
Working capital	**(10.6)**	54.1	3.0
Tax	**(1.8)**	-	(5.7)
Net interest	**(2.9)**	(3.1)	(6.3)
Repayment of obligations under leases	**(13.5)**	(16.2)	(35.1)
Capital expenditure net of disposal proceeds	**(1.1)**	(2.4)	(5.1)
Other items	**0.2**	0.8	-
Non-underlying items	**(3.2)**	-	(2.2)
Free cash flow	**17.9**	76.4	43.8
Pension payments	**(9.2)**	(3.0)	(18.3)
Dividends	**(9.4)**	-	(3.5)
Acquisition:			
- Consideration	**(23.9)**	-	-
- Additional net assets acquired	**(3.7)**	-	-
(Increase) / decrease in net debt	**(28.3)**	73.4	22.0

The Group's net debt increased by £28.3m (H1 20/21: £73.4m reduction) with a free cash inflow of £17.9m (H1 20/21: £76.4m).

There was a working capital outflow of £10.6m in the period due to revenue growth and the deferred payment of the 19/20 bonus award, delayed from prior year. This delay was part of cash protection measures taken by the Group at the start of the pandemic and the cash protection measures are now fully unwound. The growth element related to strong volumes in open book contracts where invoices are raised in advance based on budgeted levels. Volume levels across certain contracts have been significantly higher than customer budgets resulting in a short-term outflow until the excess expenditure is recovered the following month. General disciplines around billing and cash collection remained strong throughout the half. The significant working capital inflow in the prior year reflected £55m of pandemic-related timing benefits including deferral of VAT payments and bonus payments.

The Group paid £1.8m corporation tax in the period benefitting from enhanced capital allowances together with tax deductions received on pension contributions. Payments in the prior period to H1 20/21 were £nil as all corporation tax payments on account were deferred until the second half of the year as a result of Covid-19.

The amount of cash interest paid of £2.9m is broadly in line with prior year (£3.1m).

Other items of £0.2m (H1 20/201: £0.8m) comprise of non-cash items which relate primarily to net movements on provisions and share-based payment charges in the period.

Non-underlying items of £3.2m (H1 20/21: £nil, H2 20/21 £2.2m) include costs primarily relating to the upgrade of finance and HR systems that have been expensed in line with our revised accounting policy, as detailed in Note 4 to the consolidated half year financial statements.

Gross capital expenditure was £2.3m (H1 20/21: £2.8m) and principally consisted of investments in start-up activity at The WEB and the Waitrose CFC. This was partly offset by the disposal of assets, mainly fleet of £1.2m (H1 20/21: £0.4m).

Deficit recovery contributions paid to the Group's defined benefit pension scheme in the year to 31 March 2022 will be £18.5m (31 March 2021: £18.3m) which is net of administration costs of £0.7m paid directly by the Group.

The final FY20/21 dividend paid in H1 21/22 was £9.4m. No dividend was paid in the first half of the prior year following suspension due to the impact of Covid-19. The total interim cash dividend payment in the second half is expected to be £5.0m and will be paid on 31 December 2021.

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

Financing and covenants

The Group's committed facilities at the period end were £141.2m (H1 20/21: £181.2m). The reduction is due to the expiry of the 12-month £40m RCF extension which was agreed in the midst of the uncertainty of the early part of the pandemic in May 2020 and which is no longer required. The headroom in the committed facilities compared to net debt of £16.4m at H1 21/22 was £124.8m (H1 20/21: £244.5m). The Group also has a Receivables Purchase Facility (RPF) with Santander UK plc and operating overdrafts which provide day to day flexibility and amount to a further £50m and £7.5m respectively in uncommitted facilities. At H1 21/22, utilisation of the Group's non-recourse RPF was £8.4m (H1 20/21: £5.2m).

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

Covenant	**Ratio**	**At 30 September 2021**
Leverage ratio	<2.75:1	0.63
Interest cover	>3.5:1	24.2
Fixed charge cover	>1.4:1	2.9

Pensions

The Group has a number of pension arrangements in the UK and Ireland including defined benefit arrangements which are described below.

The Group has reported an IAS 19 net asset of £67.6m (£50.7m net of deferred tax) at H1 21/22 (H1 20/21: net asset of £24.3m, 31 March 2021: net asset of £48.2m) as set out in the following table:

£m	**30 September 2021**	30 September 2020	31 March 2021
Assets	**1,256.4**	1,284.5	1,211.9
Liabilities	**(1,188.8)**	(1,260.2)	(1,163.7)
Pension net asset	**67.6**	24.3	48.2
Discount rate (%)	**2.00**	1.55	2.00

The movement in the net asset since 31 March 2021 is due to employer contributions paid into the Scheme of £9.7m plus net actuarial movements of £10.1m on pension assets and liabilities.

The estimated actuarial deficit at H1 21/22 has reduced to £53m, compared to £67m at 31 March 2021. At H1 21/22, the Scheme's investments were split between 18% in return-seeking assets and 82% in defensive assets. The inflation and interest rate risks facing the Scheme are hedged to mitigate the quantum of any future movements in the actuarial deficit. Currently we are 108% hedged against the IAS 19 liabilities, 98% hedged against the actuarial liabilities.

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 39 to 41 of the Annual Report for the year ended 31 March

2021, with the exception of the tightening of the labour market resulting in increased cost and making recruitment and retention difficult for both driver and warehouse operative populations. 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 the subsequent performance of new and existing contracts. Wincanton has a diversified customer base which spans large sectors of the UK economy.

Going Concern

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

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

The Board considered in detail the future impact on the Group of a possible downturn in financial and trading performance together with unplanned working capital outflows. The Board has considered a base case and a severe but plausible downside case. In both scenarios, the Group has adequate headroom in existing bank facilities to meet its liabilities as they fall due and it complies with the financial covenants under its committed borrowing facilities throughout the forecast period. Further details are provided in the Basis of Preparation note in Note 1 Accounting Policies in the interim financial statements.

Other key factors considered by the Directors were:

- The implications of the current economic environment and future uncertainties, which includes the continuing impact of the Covid-19 pandemic, around the Group's revenues and profits by undertaking forecasts and projections on a regular basis;
- The impact of the competitive environment within which the Group's businesses operate; and
- The potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected.

Alternative Performance Measures

Alternative Performance Measures (APMs) are used by the Board in assessing 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. Additionally, underlying EPS is used as a key performance indicator for the share incentive scheme, being the Long Term Incentive Plan (LTIP), (excluding FY 20/21, where the LTIP moved to being measured entirely on Total Shareholder Return). These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures.

The Group presents underlying EBITDA, operating profit and EPS which are calculated as the statutory measures stated before non-underlying items, including related tax where applicable. Non-underlying items are those items of income and expenditure which, due to their nature or size, the Directors consider should be disclosed separately on the face of the income statement, such as amortisation of acquired intangibles, exceptional items and related tax.

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

	2021			2020		
£m	**Statutory**	**Non-underlying items[1]**	**Underlying**	Statutory	Non-underlying items[1]	Underlying
Revenue	**690.3**	**-**	**690.3**	578.7	-	578.7
EBITDA [2]	**48.6**	**2.2**	**50.8**	43.2	-	43.2
EBITDA margin (%)	**7.0%**	**-**	**7.4%**	*7.5%*	-	*7.5%*
Depreciation, amortisation and impairments	**(21.0)**	**-**	**(21.0)**	(21.8)	-	(21.8)
Operating profit	**27.6**	**2.2**	**29.8**	21.4	-	21.4
Net financing costs	**(2.5)**	**-**	**(2.5)**	(2.3)	-	(2.3)
Profit before tax	**25.1**	**2.2**	**27.3**	19.1	-	19.1
Income tax	**(4.1)**	**(0.6)**	**(4.7)**	(3.1)	-	(3.1)
Profit after tax	**21.0**	**1.6**	**22.6**	16.0	-	16.0
Earnings per share (p) [3]	**16.9**	**1.3**	**18.2**	12.9	-	12.9
Dividend per share (p)	**4.00**			2.85		
Net cash / (debt) excluding lease liabilities [4]	**(16.4)**	**-**	**(16.4)**	63.3	-	63.3

1 Note 4 to the consolidated half year financial statements provides further detail of non-underlying items.
2 EBITDA refers to operating profit before depreciation, amortisation and impairments.
3 Note 8 to the consolidated half year financial statements provides further detail of underlying earnings per share.
4 Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities excluding lease liabilities. Note 12 to the consolidated half year financial statements provides a breakdown of net debt for the current and prior periods.

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 2021 have been prepared in accordance with UK-adopted IAS 34 *Interim Financial Reporting*; 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 above Statement of Directors' responsibilities was approved by the Board on 18 November 2021.

T Lawlor
Director

Consolidated income statement

for the six months to 30 September 2021 (unaudited)

		Six months to 30 September 2021			Six months to 30 September 2020		
		Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
	Note	£m	£m	£m	£m	£m	£m
Revenue	*3*	**690.3**	**-**	**690.3**	578.7	-	578.7
Net operating costs		**(660.5)**	**(2.2)**	**(662.7)**	(557.3)	-	(557.3)
Operating profit	*4*	**29.8**	**(2.2)**	**27.6**	21.4	-	21.4
Financing income	*5*	**0.6**	**-**	**0.6**	1.2	-	1.2
Financing costs	*5*	**(3.1)**	**-**	**(3.1)**	(3.5)	-	(3.5)
Profit/(loss) before tax		**27.3**	**(2.2)**	**25.1**	19.1	-	19.1
Income tax (expense) / credit	*7*	**(4.7)**	**0.6**	**(4.1)**	(3.1)	-	(3.1)
Profit/(loss) attributable to equity shareholders of Wincanton plc		**22.6**	**(1.6)**	**21.0**	16.0	-	16.0

Earnings per share						
- basic	**18.2p**		**16.9p**	12.9p		12.9p
- diluted	**17.9p**		**16.7p**	12.8p		12.8p

Consolidated statement of comprehensive income

for the six months to 30 September 2021 (unaudited)

	Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
Profit for the period	**21.0**	16.0
Other comprehensive income/(expense)		
Items which will not subsequently be reclassified to the income statement		
Remeasurements of defined benefit asset	**10.1**	(73.6)
Deferred tax on remeasurements of defined benefit asset	**(5.4)**	13.9
Other comprehensive income for the period, net of income tax	**4.7**	(59.7)
Total comprehensive income/(loss) attributable to equity shareholders of Wincanton plc	**25.7**	(43.7)

Consolidated balance sheet

at 30 September 2021 (unaudited)

	Note	**30 Sept 2021 £m**	30 Sept 2020 Restated[1] £m	31 March 2021 Restated[1] £m
Non-current assets				
Goodwill and intangible assets	*10*	**109.2**	86.2	84.6
Property, plant and equipment	*11*	**23.1**	18.5	21.0
Right-of-use assets	*14*	**157.7**	98.5	129.3
Investments, including those equity accounted		**-**	0.3	0.2
Deferred tax assets		**-**	1.2	-
Employee benefits	*17*	**70.2**	26.9	50.8
		360.2	231.6	285.9
Current assets				
Inventories		**2.4**	1.4	1.4
Trade and other receivables		**191.0**	159.4	190.2
Income tax receivable		**0.7**	-	0.6
Cash at bank and in hand	*12*	**23.6**	71.0	30.6
		217.7	231.8	222.8
Assets classified as held for sale	*13*	**0.2**	5.8	0.9
		217.9	237.6	223.7
Current liabilities				
Income tax payable		**-**	(4.0)	-
Borrowings and other financial liabilities		**-**	(7.7)	(9.7)
Lease liabilities	*14*	**(38.8)**	(34.7)	(32.3)
Trade and other payables		**(291.5)**	(326.2)	(303.7)
Provisions	*15*	**(14.5)**	(12.5)	(15.1)
		(344.8)	(385.1)	(360.8)
Liabilities classified as held for sale	*13*	**-**	(3.1)	-
		(344.8)	(388.2)	(360.8)
Net current liabilities		**(126.9)**	(150.6)	(137.1)
Total assets less current liabilities		**233.3**	81.0	148.8
Non-current liabilities				
Borrowings and other financial liabilities	*12*	**(40.0)**	-	(9.0)
Lease liabilities	*14*	**(137.9)**	(82.2)	(113.4)
Employee benefits	*17*	**(2.6)**	(2.6)	(2.6)
Provisions	*15*	**(28.1)**	(24.6)	(23.9)
Deferred tax liabilities		**(9.7)**	-	(1.6)
		(218.3)	(109.4)	(150.5)
Net assets/(liabilities)		**15.0**	(28.4)	(1.7)
Equity				
Issued share capital		**12.5**	12.5	12.5
Share premium		**12.9**	12.9	12.9
Merger reserve		**3.5**	3.5	3.5
Translation reserve		**(0.4)**	(0.2)	(0.4)
Own shares		**(0.8)**	(1.3)	(1.0)
Retained earnings		**(12.7)**	(55.8)	(29.2)
Total equity/(deficit)		**15.0**	(28.4)	(1.7)

[1] The comparatives have been restated due to prior period adjustments as explained in Note 1 ‘Accounting policies’.

Consolidated statement of changes in equity

at 30 September 2021 (unaudited)

	Issued share capital £m	Share premium £m	Merger reserve £m	Translation reserve £m	Own shares £m	Profit and loss Restated[1] £m	Total equity/ (deficit) Restated[1] £m
Balance at 1 April 2021	**12.5**	**12.9**	**3.5**	**(0.4)**	**(1.0)**	**(29.2)**	**(1.7)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**21.0**	**21.0**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**4.7**	**4.7**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**25.7**	**25.7**
Share based payment transactions	**-**	**-**	**-**	**-**	**0.2**	**0.3**	**0.5**
Current tax on share based payments	**-**	**-**	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Deferred tax on share based payments	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**
Dividends paid to shareholders	**-**	**-**	**-**	**-**	**-**	**(9.4)**	**(9.4)**
Balance at 30 September 2021	**12.5**	**12.9**	**3.5**	**(0.4)**	**(0.8)**	**(12.7)**	**15.0**
Balance at 1 April 2020	12.5	12.9	3.5	(0.2)	(1.5)	(12.5)	14.7
Profit for the period	-	-	-	-	-	16.0	16.0
Other comprehensive expense	-	-	-	-	-	(59.7)	(59.7)
Total comprehensive expense	-	-	-	-	-	(43.7)	(43.7)
Share based payment transactions	-	-	-	-	0.2	0.3	0.5
Deferred tax on share based payments	-	-	-	-	-	0.1	0.1
Balance at 30 September 2020	12.5	12.9	3.5	(0.2)	(1.3)	(55.8)	(28.4)
Balance at 1 April 2020	12.5	12.9	3.5	(0.2)	(1.5)	(12.5)	14.7
Profit for the year	-	-	-	-	-	39.1	39.1
Other comprehensive expense	-	-	-	(0.2)	-	(52.9)	(53.1)
Total comprehensive expense	-	-	-	(0.2)	-	(13.8)	(14.0)
Share based payment transactions	-	-	-	-	0.5	0.1	0.6
Deferred tax on share based payment transactions	-	-	-	-	-	0.5	0.5
Dividends paid to shareholders	-	-	-	-	-	(3.5)	(3.5)
Balance at 31 March 2021	12.5	12.9	3.5	(0.4)	(1.0)	(29.2)	(1.7)

[1] The comparatives have been restated due to prior period adjustments as explained in Note 1 ‘Accounting policies’.

Consolidated statement of cash flows

for the six months to 30 September 2021 (unaudited)

	Six months to 30 Sept 2021 £m	Six months to 30 Sept 2020 Restated[1] £m	Year ended 31 March 2021 Restated[1] £m
Operating activities			
Profit before tax	**25.1**	19.1	46.2
Adjustments for:			
- depreciation and amortisation	**21.0**	20.4	41.1
- research and development expenditure credit	**-**	-	(1.0)
- net financing costs	**2.5**	2.3	4.6
- impairments	**-**	1.4	2.3
- profit on disposal of property, plant and equipment	**(0.2)**	-	(0.7)
- gain on derecognition of lease liabilities	**(0.1)**	-	-
- profit on disposal of businesses	**(0.5)**	-	(0.4)
- share of results of joint venture	**-**	-	(0.1)
- write down of trade investment	**-**	-	0.1
- share based payment transactions	**0.5**	0.5	0.6
	48.3	43.7	92.7
Decrease / (increase) in trade and other receivables	**6.8**	(24.4)	(64.8)
(Increase) / decrease in inventories	**(0.9)**	0.4	0.6
(Decrease) / increase in trade and other payables	**(16.5)**	78.1	66.5
Decrease in provisions	**(1.6)**	(0.2)	(0.3)
Increase in employee benefits before pension deficit payment	**0.5**	0.6	1.5
Income taxes paid	**(1.8)**	-	(5.7)
Cash generated before pension deficit payments	**34.8**	98.2	90.5
Pension deficit payments	**(9.2)**	(3.0)	(18.3)
Cash flows from operating activities	**25.6**	95.2	72.2
Investing activities			
Proceeds from sale of property, plant and equipment	**1.2**	0.4	4.5
Purchase of subsidiary undertaking, net of cash acquired	**(13.6)**	-	-
Net cash inflow / (outflow) from disposal of businesses	**0.6**	-	(0.2)
Interest received	**-**	0.1	0.1
Addition of trade investment	**-**	(0.1)	-
Additions of property, plant and equipment	**(2.3)**	(1.2)	(8.2)
Additions of computer software	**-**	(1.6)	(1.4)
Cash flows from investing activities	**(14.1)**	(2.4)	(5.2)
Financing activities			
Increase / (decrease) in borrowings	**24.9**	(71.0)	(62.0)
Borrowings repaid	**(14.0)**	-	-
Payment of lease liabilities	**(13.5)**	(16.2)	(35.1)
Equity dividends paid	**(9.4)**	-	(3.5)
Interest paid on borrowings	**(1.2)**	(1.4)	(2.6)
Interest paid on lease liabilities	**(1.7)**	(1.8)	(3.8)
Cash flows from financing activities	**(14.9)**	(90.4)	(107.0)
Net (decrease) / increase in cash and cash equivalents	**(3.4)**	2.4	(40.0)
Cash and cash equivalents at beginning of the period	**27.0**	67.0	67.0
Cash and cash equivalents at end of the period	**23.6**	69.4	27.0
Represented by:			
- cash at bank and in hand	**20.8**	67.5	28.8
- bank overdrafts	**-**	(1.6)	(3.6)
- restricted cash, being deposits held by the Group's insurance subsidiary	**2.8**	3.5	1.8
	23.6	69.4	27.0

[1] The comparatives have been restated due to prior period adjustments as explained in Note 1 'Accounting policies'.

Notes to the consolidated half year financial statements

for the six months to 30 September 2021 (unaudited)

1 Accounting policies

General information

Wincanton plc (the 'Company') is a company incorporated in the United Kingdom and domiciled and registered in England and Wales. The consolidated half year financial statements of the Company for the six months to 30 September 2021 comprise the Company and its subsidiaries (together referred to as the 'Group') and, where relevant, the Group's interests in joint ventures.

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 2021. The comparative figures for the year ended 31 March 2021 have been extracted from those accounts but do not comprise the full statutory accounts for that financial year. Except for the 31 March 2021 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 below.

The consolidated financial statements for the year ended 31 March 2021 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 unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The Half Year Report, which includes the consolidated half year financial statements, was approved by the Board on 18 November 2021.

Basis of preparation

The consolidated half year financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and also in accordance with the measurement and recognition principles of UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority, the consolidated 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 2021, except as described below.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The group transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 April 2021. There was no impact or changes in accounting policies from the transition.

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 nature of the significant judgements made by management in applying the Group's accounting policies and the nature of the key areas of estimation were the same as those that applied to the consolidated financial statements for the year ended 31 March 2021. The estimates and judgements that are specific to the preparation of the half year financial statements that were considered by the Group are the consideration of the appropriateness of the recognition and carrying value of the Group's provisions, the recognition and measurement of the acquired assets and liabilities relating to the acquisition of Cygnia and the measurement of the defined benefit pension scheme liabilities.

Adoption of amended standards

The Group has adopted the following amendments to standards in the year: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform Phase 2. None of these amendments have had a significant impact on the results or net assets of the Group.

1 Accounting policies *(continued)*

Prior period restatements

Previously reported

A prior period presentational error has been corrected in connection with cash and overdraft balances. As disclosed in the 2021 Annual Report, prior to 31 March 2021 the Group had presented on a net basis cash and overdraft balances that did not meet the criteria in IAS 32 for offset. The presentation of these balances has been restated at 30 September 2020, resulting in an increase in cash and short-term borrowings of £7.7m. The opening and closing cash balances within the prior period Statement of Cash Flows have also been restated to reflect the above adjustment. A short-term borrowing balance of £6.1m is not now classed as a cash and cash equivalent. Accordingly, this has resulted in an increase in cash and cash equivalents at 31 March 2020 and 30 September 2020 of £6.1m.

Change in accounting policy – Software-as-a-Service (SaaS) arrangements

Following the IFRS Interpretations Committee (IFRIC) agenda decision published in April 2021, the Group has reviewed its accounting policy regarding the configuration and customisation costs incurred when implementing a SaaS arrangement.

The Group's revised policy aligns with the IFRIC agenda decision whereby:

- In SaaS arrangements where the Group controls the underlying software, configuration and customisation costs are capitalised as part of bringing the identified intangible asset into use.
- Where the Group does not control the underlying software, but the related configuration and customisation costs are not distinct from access to the software, these costs are expensed over the SaaS contract term.
- In all other circumstances, configuration and customisation costs are recognised as an expense as incurred, except in the limited instances where these costs result in a separately identifiable intangible asset.

During the previous financial year, the Group commenced the implementation of a new cloud-based ERP and Human Resources system, and at 31 March 2021 costs of £2.2m had been capitalised. The above change in accounting policy has been applied retrospectively and results in a prior period restatement to the 31 March 2021 balance sheet, to recognise these costs as a non-underlying expense. No costs had been incurred prior to 30 September 2020 and as such no restatement is required.

The effect on the 31 March 2021 balance sheet is a reduction in both intangible assets and retained earnings by £2.2m. The effect on the 31 March 2021 cash flow statement is a decrease in cashflows from operating activities of £2.2m, and a corresponding reduction in cash outflows due to investing activities of £2.2m.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the half year financial statements. In adopting the going concern basis, the Directors have considered Wincanton's business activities, together with factors likely to affect its future development and performance, as well as Wincanton's principal risks and uncertainties.

The adoption of the going concern basis is based on an expectation that the Group will have adequate resources to continue in operational existence for at least twelve months from the signing of the half year financial statements. For the purpose of this going concern assessment, the Directors have considered an 18 month period from the balance sheet date, aligned with the business forecasting outlook period, to 31 March 2023. The Group has reported a profit before tax of £25.1m for the six months ended 30 September 2021 (30 September 2020: £19.1m), has net current liabilities of £126.9m (30 September 2020: £150.6m, 31 March 2021: £137.1m) and net assets of £15.0m (30 September 2020: net liabilities of £28.4m, 31 March 2021: net liabilities of £1.7m).

The Group's committed facilities at 30 September 2021 comprise a syndicated Revolving Credit Facility (RCF) of £141.2m, which matures in October 2023. The Group had £101.2m of undrawn amounts against the RCF facility as at 30 September 2021, with drawn debt being used to fund the working capital cycle and the

1 Accounting policies *(continued)*

Going concern *(continued)*

acquisition of Cygnia during the period. 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 2.75 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.

In addition, the Group also has an uncommitted £50m Receivable Purchase Facility, providing flexibility to manage net debt peaks down and an uncommitted overdraft facility of £7.5m. In arriving at the conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources above are sufficient to accommodate the principal risks and uncertainties faced by the Group.

The Directors have reviewed the financial forecasts across a range of scenarios. Wincanton has modelled a base case based on revenue and profit run rates at the end of September 2021, that form the basis of the FY21/22 budget, forecast and 3 year plan.

The severe but plausible downside case assumes a deterioration in trading performance, similar to that seen as a result of the Covid-19 pandemic in FY21. This scenario also assumes a major cash outflow based on a large customer going into administration and a deterioration in working capital performance compared to the base case, as well as a further material unplanned cash outflow linked to a general commercial dispute. These downsides would be offset by the application of further mitigating actions to the extent they are under management's control, including deferrals of capital and other discretionary expenditure, as well as management bonus payment deferral and claiming against insurance cover to offset any commercial dispute.

In both scenarios, the Group has sufficient liquidity and adequate headroom in the committed facilities set out above to meet its liabilities as they fall due without the use of uncommitted facilities throughout the forecast period. In addition, in both scenarios the Group complies with the financial covenants under the RCF at 30 September and 31 March throughout the forecast period.

The Group has carried out reverse stress tests against the downside case to determine the performance levels that would result in a breach of covenants. For a breach in covenants to occur during the relevant period, the Group would need to experience a sustained drop in EBITDA (more than 40%) versus the downside case throughout the period. The Directors do not consider this scenario to be plausible given the ability of the Group to continue its operations through the recent pandemic, the customer contract security within the Group and the buoyant nature of many of the markets within which the Group operates.

2 Operating segments

Wincanton plc provides supply chain solutions in the UK and Ireland. The business is structured as one operating segment with one segment manager who reports to the Chief Executive Officer (CEO). The CEO is a member of the Executive Management Team and of the Board and is the Chief Operating Decision Maker. The results of the business are presented to the Board and the performance of the business is assessed on the basis of the Group's performance as a whole.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2021 (unaudited)

3 Revenue

Customer contracts are disaggregated by sector with revenue generally being recognised over time. Further detail is given in the table below:

Sector revenue	**Six months to 30 Sept 2021 £m**	Six months to 30 Sept 2020 £m
Digital & eFulfilment	**103.2**	65.0
Grocery & Consumer	**252.1**	215.4
General Merchandise	**193.2**	149.6
Public & Industrial	**141.8**	106.6
Specialist Services	**-**	42.1
Total revenue (£m)	**690.3**	578.7

Revenue from open book contracts totalled £491.1m (30 September 2020: £387.7m) and from closed book contracts £199.2m (30 September 2020: £191.0m).

Revenue of £155.6m (30 September 2020: £123.3m) and £82.1m (30 September 2020: £65.4m) arose from sales to the Group's two largest 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 period.

4 Non-underlying items

	Six months to 30 Sept 2021 £m	Six months to 30 Sept 2020 £m
Cloud computing configuration and customisation costs	**(3.2)**	-
Acquisition related transaction costs	**(0.7)**	-
Release of warranty provision	**1.0**	-
Gain on disposal of businesses	**0.5**	-
Net profit on disposal of assets	**0.2**	-
	(2.2)	-

Non-underlying items are those items of income or expenditure which, due to their nature, size or incidence, the Directors consider should be disclosed separately on the face of the income statement, in order to better present the underlying performance of the business.

a) Cloud computing configuration and customisation costs

Following the IFRS Interpretation Committee agenda decision published in April 2021, the Group has revised its accounting policy regarding the customisation and configuration costs incurred when implementing a SaaS software arrangement.

The Group is currently undertaking a major systems implementation for new cloud computing software, resulting in costs of £3.2m being recognised as an expense. In addition, £2.2m of implementation costs were incurred in the year to 31 March 2021. The first phase of the implementation has gone live and was achieved on time and to budget. A further cash cost of approximately £4-5m is expected to be charged to non-underlying items relating to the completion of the project over the next twelve months.

Due to the size, nature and incidence of these costs they are presented as a non-underlying item as they are not reflective of underlying performance.

b) Acquisition related transaction costs

As part of the acquisition of Cygnia, the Group has incurred acquisition related costs and professional fees of £0.7m which have been recognised as an expense as required by IFRS 3 Business combinations.

4 Non-underlying items *(continued)*

c) Release of warranty provision

The Group has released the value of a potential claim under a historic warranty provision, dating back to 2015, as any outflow of economic benefits is now considered to be remote. As the original provision was recognised as a non-underlying item, the write-back has been recognised in a consistent manner.

d) Gain on disposal of businesses

On 3 October 2020 the Group disposed of its Containers business, and during the period £0.5m of contingent consideration related to the disposal has been recognised.

e) Net profit on disposal of assets

The Group has disposed of several specialist vehicles that were not required for ongoing operations. A profit on disposal of £0.2m has been recognised during the period.

5 Net financing costs

	Six months to 30 Sept 2021 £m	Six months to 30 Sept 2020 £m
Recognised in the income statement		
Interest income	**-**	0.1
Interest on the net defined benefit pension asset	**0.6**	1.1
	0.6	1.2
Interest expense	**(1.2)**	(1.4)
Interest on lease liabilities	**(1.7)**	(1.8)
Unwinding of discount on provisions	**(0.2)**	(0.3)
	(3.1)	(3.5)
Net financing costs	**(2.5)**	(2.3)

6 Government grants and other support

During the current financial period no government grants have been received. In the six months to 30 September 2020 the Group received £12.4m under the Coronavirus Job Retention Scheme (CJRS) which the UK Government made available to help companies affected by Covid-19. The scheme was utilised as it was intended to avoid redundancies in areas of the business that were significantly impacted by the pandemic. However, following the strong performance during the second half of the year to 31 March 2021 the Group repaid £5.8m of the support received. The Group elected to recognise the grant as a credit against the related staff costs and not as an item of other income.

7 Income tax expense

Recognised in the income statement	**Six months to 30 Sept 2021 £m**	Six months to 30 Sept 2020 £m
Current tax expense		
Current year	**1.8**	2.8
Adjustments for prior years	**-**	(1.2)
	1.8	1.6
Deferred tax expense		
Current year	**2.3**	1.5
	2.3	1.5
Total income tax expense	**4.1**	3.1
Recognised in other comprehensive income		
Items which will not subsequently be reclassified to the Income statement:		
Remeasurements of defined benefit pension asset	**5.4**	(13.9)
Recognised directly in equity		
Current tax on share based payment transactions	**0.2**	-
Deferred tax on share based payment transactions	**(0.1)**	(0.1)

In accordance with IAS 34 *Interim Financial Reporting* the tax expense recognised in the income statement for the half year is calculated on the basis of the estimated underlying effective full year tax rate of 17.2% (30 September 2020: 16.1%).

The main UK Corporation tax rate remained at 19% (30 September 2020: 19%).

The closing UK deferred tax asset is calculated based on the rate of 25% which was substantively enacted at the balance sheet date. The increase in the tax rate at which the UK deferred tax rate is calculated has increased the closing UK deferred tax liability by £2.7m.

8 Earnings per share

The basic earnings per share of 16.9p (30 September 2020: 12.9p) is calculated based on the profit attributable to the equity shareholders of Wincanton plc of £21.0m (30 September 2020: £16.0m) and the weighted average shares of 124.2m (30 September 2020: 124.0m) which have been in issue throughout the period.

The diluted earnings per share of 16.7p (30 September 2020: 12.8p) is calculated based on there being 1.8m (30 September 2020: 1.3m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes. The weighted average number of ordinary shares for both basic and diluted earnings per share is calculated as follows:

	Six months to 30 Sept 2021 Millions	Six months to 30 Sept 2020 Millions
Weighted average number of Ordinary Shares (basic)		
Issued Ordinary Shares at the beginning of the period	**124.1**	123.9
Net effect of shares issued and purchased during the period	**0.1**	0.1
	124.2	124.0
Weighted average number of Ordinary Shares (diluted)		
Weighted average number of Ordinary Shares at the end of the period	**124.2**	124.0
Potential ordinary shares	**1.8**	1.3
	126.0	125.3

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

for the six months to 30 September 2021 (unaudited)

9 Dividends

During the period a final dividend of 7.50p per share was paid, relating to the year ended 31 March 2021 (2020: £nil per share).

The Board has declared an interim dividend of 4.0p per share for the period ended 30 September 2021 (30 September 2020: 2.85p per share) which will be paid on 31 December 2021 to shareholders on the register on 3 December 2021, an estimated total of £5.0m.

10 Goodwill and intangible assets

Additions and disposals

With the exception of any amounts disclosed in note 18, during the half year to 30 September 2021 the Group acquired intangible assets with a cost of £nil (30 September 2020: £1.6m).

11 Property, plant and equipment

Additions and disposals

With the exception of any amounts disclosed in note 18, during the half year to 30 September 2021 the Group acquired tangible fixed assets with a cost of £2.3m (30 September 2020: £1.2m). Assets with a carrying amount of £0.3m were disposed of during the half year to 30 September 2021 (30 September 2020: £0.4m).

Capital commitments

At 30 September 2021 the Group had entered into contracts to purchase property, plant and equipment for £0.1m (30 September 2020: £0.3m); delivery is expected in the second half of the year to 31 March 2022.

12 Analysis of changes in net debt

	1 April 2021 £m	**Cash flow £m**	**On acquisition £m**	**Non-cash movements £m**	**30 Sept 2021 £m**
Cash and bank balances	**30.6**	**(9.4)**	**2.4**	**-**	**23.6**
Bank overdrafts classified as cash equivalents	**(3.6)**	**3.6**	**-**	**-**	**-**
Bank loans and overdrafts	**(15.1)**	**(10.9)**	**(14.0)**	**-**	**(40.0)**
Net debt excluding lease liabilities	**11.9**	**(16.7)**	**(11.6)**	**-**	**(16.4)**
Lease liabilities	**(145.7)**	**15.2**	**(29.1)**	**(17.1)**	**(176.7)**
Net debt including lease liabilities	**(133.8)**	**(1.5)**	**(40.7)**	**(17.1)**	**(193.1)**

Restated [1]	1 April 2020 £m	Cash flow £m	Non-cash movements £m	30 Sept 2020 £m
Cash and bank balances	79.0	(8.0)	-	71.0
Bank overdrafts classified as cash equivalents	(12.0)	10.4	-	(1.6)
Bank loans and overdrafts	(77.1)	71.0	-	(6.1)
Net debt excluding lease liabilities	(10.1)	73.4	-	63.3
Lease liabilities	(129.7)	18.0	(5.2)	(116.9)
Net debt including lease liabilities	(139.8)	91.4	(5.2)	(53.6)

[1] The comparatives have been restated due to prior period adjustments as explained in Note 1 ‘Accounting policies’.

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

	1 April 2020 £m	Cash flow £m	Non-Cash movements £m	31 March 2021 £m
Cash and bank balances	79.0	(48.4)	-	30.6
Bank overdrafts classified as cash equivalents	(12.0)	8.4	-	(3.6)
Bank loans and overdrafts	(77.1)	62.0	-	(15.1)
Net debt excluding lease liabilities	(10.1)	22.0	-	11.9
Lease liabilities	(129.7)	38.8	(54.8)	(145.7)
Net debt including lease liabilities	(139.8)	60.8	(54.8)	(133.8)

Cash and bank balances include restricted cash, being deposits held by the Group's insurance subsidiary of £2.8m (30 September 2020: £3.5m, 31 March 2021: £1.8m).

13 Assets and liabilities classified as held for sale

In the period to 30 September 2020, following a review of the Group's activities, the Board identified the Containers business as non-core. A short competitive tender process was held in the first half of the year and a purchaser identified. In addition, certain vehicles were surplus to requirement at 30 September 2020 and their value was expected to be recovered by their sale and not through ongoing use in the business.

The related assets and liabilities were therefore classified as held for sale at 30 September 2020. No impairment was recognised on classification as held for sale. The disposal of the Containers business completed on 17 October 2020, resulting in a small net gain on disposal after transaction and other disposal costs are taken into account. The Containers business did not meet the definition of a discontinued operation.

The major classes of assets and liabilities classified as held for sale are:

	30 September 2021 £m	30 September 2020 £m	31 March 2021 £m
Property, plant and equipment	**0.2**	4.0	0.9
Right-of-use assets	**-**	1.6	-
Inventories	**-**	0.2	-
Assets classified as held for sale	**0.2**	5.8	0.9
Lease liabilities	**-**	(3.1)	-
Liabilities classified as held for sale	**-**	(3.1)	-

14 Leases

Additions and disposals

During the period to 30 September 2021, with the exception of the amounts disclosed in note 18, the Group recognised lease liabilities and corresponding right-of-use assets with a value of £11.2m (30 September 2020: £6.8m). In addition, lease modifications resulted in an increase in the value of lease liabilities and corresponding right-of-use assets of £12.3m (30 September 2020: £nil). Right-of-use assets with a carrying amount of £7.7m were disposed of and lease liabilities of £8.0m were derecognised during the period to 30 September 2021 (30 September 2020: £0.3m).

Lease commitments

At 30 September 2021 the Group had committed to enter into lease arrangements valued at £8.7m (31 March 2021: £9.3m); delivery is expected in the second half of the year to 31 March 2022.

15 Provisions

	Insurance £m	Property £m	Other provisions £m	Total £m
At 1 April 2021	24.6	9.4	5.0	39.0
Acquired as part of a business combination	-	4.4	0.6	5.0
Provisions made during the period	5.1	0.2	1.1	6.4
Provisions used during the period	(2.7)	(0.9)	-	(3.6)
Provisions released during the period	(2.1)	-	(2.3)	(4.4)
Unwinding of discount	0.1	0.1	-	0.2
At 30 September 2021	25.0	13.2	4.4	42.6
Current	6.3	3.8	4.4	14.5
Non-current	18.7	9.4	-	28.1
	25.0	13.2	4.4	42.6

The Group owns 100% of the share capital of an insurance company which insures certain risks of the Group. The insurance provisions in the above table are held in respect of outstanding insurance claims, the majority of which are expected to be paid within one to seven years. Provisions are released when the obligation no longer exists or there is a reduction in management's estimate of the liability. The discount unwinding arises primarily on the employers' liability policy which is discounted over a period of seven years at a rate based on the Group's assessment of a risk free rate. The Group provides standby letters of credit to the fronting insurer for employers' liability and motor third party claims totalling £19.6m (31 March 2021: £18.6m).

The property provisions are determined on a site by site basis and comprise primarily provisions for dilapidations. Dilapidation provisions comprise dilapidation estimates made in the normal course of business. Provisions are released when the obligation no longer exists or there is a reduction in the estimate. They 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.

Other provisions include the estimated costs of warranties and indemnities provided on disposal of businesses together with provision for sundry claims and settlements where the outcome is uncertain.

16 Contingent liability

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

The Group has recently received notification of a potential claim from a former customer and is in the process of receiving the full facts and circumstances connected with this matter. At this time, the Group considers that it is not probable that any claim will result in an outflow of economic benefit. The Group is actively seeking further information to substantiate the allegations made. Given the early stage of the legal and commercial process it is not practicable to make an estimate of the potential financial impact. In parallel, the Group continues to work with its insurance providers to confirm coverage if required.

17 Employee benefits

The Group operates a funded pension scheme with a net surplus of £70.2m at 30 September 2021 (31 March 2021: £50.8m). The movement in the pension net asset is due to employer contributions of £9.7m paid into the Scheme plus net actuarial movements of £10.1m on pension assets and liabilities.

During the period the net expense recognised in the income statement was £0.3m (30 September 2020: net income of £0.2m).

17 Employee benefits *(continued)*

The values of scheme assets and liabilities are shown below.

	30 September 2021 £m	30 September 2020 £m	31 March 2021 £m
Assets	**1,256.4**	1,284.5	1,211.9
Liabilities	**(1,188.8)**	(1,260.2)	(1,163.7)
	67.6	24.3	48.2
Presented as:			
Non-current asset	**70.2**	26.9	50.8
Non-current liability	**(2.6)**	(2.6)	(2.6)
	67.6	24.3	48.2

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

	30 Sept 2021 %	30 Sept 2020 %	31 March 2021 %
Discount rate	**2.00**	1.55	2.00
Price inflation rate – RPI	**3.55**	3.10	3.40
Price inflation rate – CPI	**2.95**	2.20	2.80
Rate of increase of pensions in deferment[1]	**2.50-2.95**	2.20	2.50-2.80
Rate of increase of pensions in payment[1]	**2.10-3.40**	1.80-3.05	2.05-3.30

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

Sensitivity to changes in assumptions

The sensitivity of the present value of the Scheme's liabilities and, due to hedging, the fair value of its assets, to changes in key actuarial assumptions are set out in the following table.

	Change in assumption	**(Increase)/ decrease in liability £m**	**Increase/ (decrease) in assets £m**
Discount rate	+ 0.25%	47.0	(56.0)
Credit spread	+ 0.25%	47.0	(6.0)
Price inflation rate – RPI	+ 0.25%	(33.0)	27.0
Mortality rate	+ 1 year	(59.0)	-

The illustrations consider the results 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.

18 Business combinations

On 10 September 2021, the Group acquired 100% of the equity shares in Caledonia Bidco Limited and its subsidiaries which include Cygnia Logistics Limited (Cygnia). Cygnia is a specialist mid-market eCommerce and multichannel eFulfilment provider with expertise spanning the full breadth of their customers' requirements, including high-volume order fulfilment, returns and carrier management services. The acquisition is in line with the Group's strategic focus on eCommerce and provides access to exciting new growth opportunities in the mid-market sector.

As the Group is in the process of establishing the fair value of the assets acquired and the liabilities assumed, the fair values presented below are provisional.

	£m
Tangible assets	3.7
Right-of-use assets	29.6
Intangible assets	0.5
Inventories	0.1
Trade and other receivables	7.6
Cash and cash equivalents	2.4
Trade and other payables	(4.5)
Financial liabilities – interest bearing borrowings	(14.0)
Provisions	(5.0)
Lease liabilities	(29.1)
Provisional fair value of net liabilities acquired	(8.7)
Purchase consideration:	
Cash paid	16.0
Amounts eligible for repayment upon settlement of acquired liabilities	(0.3)
Total purchase consideration	15.7
Excess of purchase consideration over net liabilities acquired	24.4

In addition to the cash purchase consideration paid of £16.0m above, the Group immediately settled Cygnia's interest bearing borrowings and amounts due to a debt factoring company of £11.8m and £2.2m respectively and acquired cash of £2.4m.

Purchase consideration of £1.7m was paid into escrow to cover certain indemnities provided by the seller. The Group's best estimate of the amounts to be recovered from the seller is £0.3m as highlighted above.

The excess of purchase consideration 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 and intangible assets in the consolidated balance sheet as at 30 September 2021.

Gross trade receivables were £5.6m on acquisition, of which £5.6m are expected to be recovered.

During the period, the acquisition contributed £2.1m to revenue and an operating loss of £0.1m. If the acquisition had occurred at the beginning of the period, it would have contributed £19.2m of revenue and an operating loss of £0.4m.

19 Related Parties

Related party relationships exist with the Group's subsidiaries, key management personnel, pension schemes and employee benefit trust. A full explanation of the Group's related party relationships is provided on page 124 of the Annual Report and Accounts 2021.

There are no material transactions with related parties or changes in the related party transactions described in the last annual report that have had, or are expected to have, a material effect on the financial performance or position of the Group in the six month period ended 30 September 2021.

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 2021 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.

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 Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this interim financial report has been prepared in accordance with UK adopted International Accounting Standard 34, ‘‘Interim Financial Reporting’’.

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 Financial Reporting Council for use in the United Kingdom. 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 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 2021 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

INDEPENDENT REVIEW REPORT TO WINCANTON PLC *(continued)*

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London
18 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Shareholders' enquiries

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

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