For immediate release 5 November 2014

WINCANTON plc

Half Year Results for the six months ended 30 September 2014 (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 2014.

	2014	2013	change
Revenue (£m)	**550.9**	542.2	1.6%
Underlying operating profit (£m)	**24.9**	24.2	2.9%
Underlying margin (%)	**4.5%**	4.5%	
Underlying profit before tax (£m)	**15.9**	12.9	23.3%
Profit before tax (£m)	**12.7**	9.7	30.9%
Underlying EPS (pence)	**10.6**	8.4	26.2%
Basic EPS (pence)	**8.3**	6.4	29.7%
Net debt (£m)	**(66.9)**	(87.2)	23.3%

Highlights

- Revenue increased by 1.6% to £550.9m
- Underlying operating profit increased by 2.9% to £24.9m (2013: £24.2m)
- Underlying EPS up 26.2% to 10.6 pence per share driven by significantly lower financing charges
- Good new business wins which include a three year agreement for transport logistics with Howdens and a three year agreement with Halo Foods
- Successful renewals include long standing customers General Dynamics, Waitrose wines and spirits, adidas, Total and Britvic
- Refinancing completed significantly extending debt maturity profile
- Net debt £66.9m (2013: £87.2m), average net debt down £34m to £141m from £175m

Note: Following the change in accounting for joint ventures the comparative for revenue has been restated by £0.1m, see note 1. Underlying profit before tax and earnings per share include the share of results of the joint venture and are stated before amortisation of acquired intangibles of £3.2m (2013: £3.2m). Operating profit, including amortisation amounted to £21.7m (2013: £21.0m).

Eric Born, Wincanton Chief Executive commented:

"These results represent another solid half of operational and financial performance. Wincanton continues to focus on contract renewals and contract wins with existing and new customers. We remain committed to further reducing cost and improving asset efficiency for the benefit of our clients and to improve our performance. The successful refinancing in the period provides a strong financial platform and we are confident that we remain on track to meet our expectations for the current financial year."

For further enquiries please contact:

Wincanton plc
Eric Born, Chief Executive — Tel: 020 7466 5000 today, thereafter
Adrian Colman, Group Finance Director — Tel: 01249 710000

Buchanan
Jeremy Garcia or Gabriella Clinkard — Tel: 020 7466 5000

Half Year Review
for the six months to 30 September 2014

Introduction

The six month period to 30 September 2014 has been another period of solid operational and financial performance by Wincanton as the Group maintains its focus on its core supply chain logistics operations in the UK and Ireland. The Group continues to deliver excellent operational performance and increased efficiency for our customers and to drive operating profit growth and cash flow generation.

Results

Revenue for the six months of £550.9m represents a 1.6 per cent increase compared to £542.2m in the equivalent six months of 2013/14.

Underlying operating profit has increased by 2.9 per cent from £24.2m to £24.9m. The result after tax improved by 31.1 per cent from £7.4m to £9.7m due to the increase in operating profits and lower financing charges resulting from a combination of reduced average debt levels (down from £175m to £141m), reduced fees following the refinancing concluded in the period and a lower pension financing charge.

Closing net debt reduced to £66.9m from £87.2m at 30 September 2013 and is in line with the £64.9m at 31 March 2014. The Group continues to focus on reducing net debt and improving its balance sheet position, which includes a significant pension scheme deficit of £143.6m (2013: £142.0m). The Board continues to believe it is not appropriate to consider a dividend payment at this time.

Outlook

The Board is confident that the Group remains on track to meet its expectations in the current financial year. In the first half there have been continued improvements in volume in the Construction sector which correlate to the improvements in the UK macro economic outlook. However in other key sub sectors within the Group, such as in retail and tankers & bulk, the Group has seen volume reductions and continues to experience margin pressure on renewals in the highly competitive market place in which it operates. The Board believes that the Group is well positioned to pursue new business opportunities and that through its continued focus on cost reduction, asset efficiency and cash generation it will make continued strategic and operational progress.

Performance summary

	2014 £m	2013 £m
Revenue	550.9	542.2
Underlying EBITDA	32.0	31.0
Underlying operating profit	24.9	24.2
Underlying margin (%)	4.5%	4.5%
Financing costs (net)	(9.0)	(11.3)
Underlying profit before tax	15.9	12.9
Amortisation of acquired intangibles	(3.2)	(3.2)
Profit before tax	12.7	9.7
Underlying EPS (p)	10.6p	8.4p
Net debt	(66.9)	(87.2)

In the six months to 30 September 2014, Wincanton reported revenue of £550.9m (2013: £542.2m), which represents an increase of 1.6 per cent.

Underlying operating profit grew by 2.9 per cent to £24.9m (2013: £24.2m), providing an underlying operating profit margin of 4.5 per cent in line with the equivalent period last year.

Net financing costs were £9.0m (2013: £11.3m), £2.3m lower year on year. Financing charges principally comprise interest payable on loans and other financing items, £6.5m in total (2013: £8.0m) plus a £2.5m (2013: £3.3m) net non cash pension charge, being the financing item arising from the UK defined benefit schemes.

Profit before tax of £12.7m compares to £9.7m in the prior year. Tax in the year was a charge of £3.0m compared with £2.3m in the prior year.

Underlying earnings per share increased by 26.2 per cent to 10.6p (2013: 8.4p). Basic earnings per share increased to 8.3p from 6.4p, an increase of 29.7 per cent.

Trading

	Contract logistics	Specialist businesses	2014 £m Total	Contract logistics	Specialist businesses	2013 £m Total
Revenue	464.1	86.8	550.9	461.8	80.4	542.2
Underlying operating profit	20.9	4.0	24.9	19.7	4.5	24.2
Margin (%)	4.5%	4.6%	4.5%	4.3%	5.6%	4.5%

The Group's internal management structure, which has remained constant over recent years, aligns the Group under two sectors; Contract logistics which is a provider of supply chain logistics solutions and services and Specialist businesses of Containers, Wincanton Records Management and Pullman.

Contract logistics

The Contract logistics business reported revenues of £464.1m in the period, up 0.5 per cent on the £461.8m reported in the same period in the prior year.

The split of Contract logistics activities by industry sector it serves is as follows:

	2014 £m	2013 £m
Construction	67.8	64.7
FMCG	89.2	83.7
Retail grocery	121.5	116.0
Retail general merchandise	108.7	117.9
Tankers & bulk	47.6	50.5
Other	29.3	29.0
	464.1	461.8

The revenue increase of 0.5 per cent was driven primarily by a continued strong volume performance in the Construction sector and FMCG sector offset by some volume reductions in Tankers & bulk. Within retail categories growth in grocery revenues from convenience store activities and strong household and DIY volumes were offset due to the impact of site closures as retailers reshaped their networks.

Underlying operating profit for the period was £20.9m, up 6.1 per cent on the £19.7m reported last year. The improvement in profitability reflects the continuing drive to improve operational efficiency and minimise costs together with the impact on mix from the change in the revenue profile.

In the six month period to 30 September the business successfully concluded a number of important renewals and extensions of services with key customers. New business wins included a three year agreement for transport logistics with Howdens, the building products group, and a three year agreement with Halo Foods. The Group also successfully renewed business with long standing customers such as General Dynamics, Waitrose wines and spirits, adidas, Total and Britvic during the period.

Specialist businesses

The Specialist businesses segment of the Group comprises Container transport activities, Records Management, which provides a full suite of document storage and associated scanning and shredding services, and the vehicle maintenance and repair business Pullman.

These Specialist businesses operate almost entirely under a closed book model. The revenue split is given below for information, however these are managed as one segment.

	2014 £m	2013 £m
Containers	40.0	38.5
Pullman	35.8	31.6
Records Management	11.0	10.3
	86.8	80.4

Revenue for this segment was £86.8m, an increase of £6.4m or 8.0 per cent on the equivalent six month period last year of £80.4m with all business units reporting growth. Pullman growth was driven by the impact of the new business won to manage elements of the Asda home shopping and Argos HGV fleets in the second half of the prior year. The Group's performance on the Asda contract has resulted in it winning an increased share of the Asda home shopping fleet going forward.

Underlying operating profit margin decreased to 4.6 per cent (2013: 5.6 per cent) and underlying operating profit was £4.0m compared to £4.5m in the equivalent period last year. The decrease in operating profit primarily reflects additional investment in Pullman in the period to deal with growth together with some margin pressure on renewals. Additionally in Records Management the business has invested in new business development resources in the half and in the prior year the business benefited from some higher margin non recurring projects.

Net financing costs

	2014 £m	2013 £m
Interest payable on loans/leases	5.5	7.0
Interest receivable	(0.1)	(0.2)
Net interest payable	5.4	6.8
Provisions discount unwinding	1.1	1.2
Pension financing item (net)	2.5	3.3
	9.0	11.3

Net financing costs were £9.0m, £2.3m lower overall compared to the prior year charge of £11.3m. Financing costs related to the Group's debt of £5.4m compared to the prior year charge of £6.8m. The reduction primarily reflects a lower average debt achieved in the six month period of £141m compared to £175m for the equivalent six month period last year, the result of continuing efforts to improve the Group's working capital position plus the benefit of lower capital expenditure flows in the first half of this year.

Taxation

In accordance with accounting standards, 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 £3.0m (2013: £2.3m) and the underlying effective tax rate has reduced to 23.0 per cent (2013: 24.5 per cent).

Since September 2013, the standard UK rate of corporation tax has reduced from 23 per cent to 21 per cent, with legislation enacted in July 2014 to further reduce this to 20 per cent by 2015/16.

The period on period reduction in the underlying effective tax rate is largely a result of this decline in the standard rate. All other factors influencing the group's effective tax rate are expected to remain reasonably constant, continuing to result in an effective tax rate slightly above the standard UK rate for the foreseeable future.

Profit after tax, earnings and dividend

Reported profit after tax for the Group for the period of £9.7m represents an increase of 31.1% over the amount of £7.4m for the equivalent period of the prior year.

These retained earnings translate to a basic EPS of 8.3p (2013: 6.4p). The Group reports an alternative, underlying EPS figure which includes the share of results of the joint venture and excludes amortisation of acquired intangibles and, where relevant, exceptionals. This has increased year on year by 26.2 per cent to 10.6p from 8.4p.

The Group has not declared nor paid a dividend in the six month period in line with its continuing objective to reduce net debt.

Financial position

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

	30 Sept 2014 £m	30 Sept 2013 £m	31 March 2014 £m
Non-current assets	190.5	201.2	191.3
Net current liabilities (ex net debt)	(199.7)	(196.4)	(215.1)
Non-current liabilities (ex net debt / pensions)	(48.2)	(50.7)	(50.4)
Net debt	(66.9)	(87.2)	(64.9)
Pensions deficit (gross)	(143.6)	(142.0)	(110.9)
Net liabilities	(267.9)	(275.1)	(250.0)

The movement since the year ended 31 March 2014 of £(17.9)m is principally due to the retained profit of £9.7m, offset by the remeasurement of the pension deficit net of deferred tax of £(29.0)m. The remeasurement of the pension deficit is primarily driven by the lower discount rate of 3.95 per cent used to value the liabilities of the Scheme at 30 September 2014 compared with 4.5 per cent at 31 March 2014. This 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 successfully renewed its main bank arrangements with a new £170m facility for a five year term to June 2019. Headroom in committed facilities of £299m at 30 September 2014 was £233m. The Group also has limited operating overdrafts which provide day-to-day flexibility and amount to a further £11.7m in uncommitted facilities and £0.4m in finance leases.

The Group's facilities comprise the following; the main bank facility of £170m which matures in 2019, £75m from the Prudential / M&G UK Companies Financing Fund LP, which matures in November 2021 with four equal repayments commencing in 2018 and the balance of the US Private Placement debt of £54m which matures in tranches in December 2015 and November 2016.

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 £75m of debt was at fixed rates and the balance at floating rates.

The Group's new bank facility left the key covenants unchanged. Wincanton operates comfortably within those covenants, as summarised in the table below:

Covenant	Ratio	At 30 September 2014
Adjusted net debt : EBITDA	<2.75:1	1.5
Interest cover	>3.5:1	5.9
Fixed charge cover	>1.4:1	2.1

Net debt and cash flows

Group net debt at the period end was £66.9m (2013: £87.2m) a net inflow of £20.3m over the intervening 12 months and a marginal outflow of £2.0m since 31 March 2014.

The Group's cash flows for the six months to 30 September can be summarised in the following table;

	2014 £m	2013 £m
Underlying operating profit	24.9	24.2
Depreciation / amortisation	7.1	6.8
EBITDA	32.0	31.0
Capital expenditure net of asset disposals	(3.1)	2.9
Net financing costs	(7.0)	(6.9)
Pension deficit payment	(7.2)	(2.0)
Provisions outflows	(8.4)	(4.9)
Income tax paid	(1.8)	(0.1)
Working capital movement / other	(6.5)	0.4
	(2.0)	20.4

The Group's reported average net debt position for the period to 30 September 2014 was £141m, a reduction from the average of £175m in the comparative period. Net cash financing costs for the period of £7.0m include the arrangement costs of the new bank facility.

Capital expenditure totalled £3.2m (2013: £3.0m). The spend in the period included £1.8m in respect of the Group's IT assets and infrastructure. The balance of spend covered a variety of other smaller projects. Capital spend in the second half of the year is expected to be higher than the first half. In the comparative six months the Group disposed of a surplus freehold and this receipt offset the capital outflows in that period.

The cash outflows in respect of provisions represents primarily the cash cost of onerous lease liabilities plus insurance claims managed within the Group's captive insurer. The cash outflows in respect of these onerous property liabilities are expected to be at a similar level in the second half of the year and then to reduce in future financial years.

Pensions

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

Defined benefit arrangements

The defined benefit arrangements, which closed to future accrual with effect from 1 April 2014 have an IAS 19 deficit of £143.6m (£114.8m net of deferred tax) at 30 September 2014 (September 2013: £142.0m, March 2014: £110.9m). The movement in the deficit since September 2013 is primarily due to the movement in the discount rate used to value the liabilities, from 4.6 per cent at 30 September 2013 to 4.5 per cent at 31 March 2014 and to 3.95 per cent at 30 September 2014. Each 0.1 per cent drop in the rate increases the liabilities of the Scheme by 1.7 per cent, currently approximately £16m. This increase is mitigated by the level of liability hedging in the Scheme of approximately 35 per cent (March 2014: 30 per cent) which reduces the overall impact on the deficit to approximately £10m. At 30 September 2014 the target allocation of the assets of the Scheme was 54 per cent in growth assets and 46 per cent in defensive assets (March 2014: 60 per cent growth and 40 per cent defensive). The deficit reduced between September 2013 and March 2014 due to the changes made to the Scheme at the end of the year, being the closure to future accrual and the implementation of a Pension Increase Exchange.

The additional cash contribution in the current year to 31 March 2015 to fund the deficit will be £14.5m (31 March 2014: £14.1m), of which £7.2m was paid in the first half.

Defined contribution arrangements

The Group's defined contribution arrangements include the Retirement Savings section, Pension Builder Plan and an Auto enrolment section.

Risks

The key risks and uncertainties facing Wincanton in the second half of the current financial year have not changed materially from those outlined in the Annual Report for the year ended 31 March 2014. 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. The average net debt level and the desire to reduce the debt level will assist in achieving a long term sustainable capital structure.

Statement of Directors' responsibilities

The Board confirms to the best of their knowledge:

- that the consolidated half year financial statements for the six months to 30 September 2014 have been prepared in accordance with IAS 34 'Interim Financial Reporting' amended in accordance to 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 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 changed since the publication of the Annual Report in June 2014 with Richard Adam resigning from the Board on 8 October 2014 and the appointment of Stewart Oades on 1 November 2014.

The above Statement of Directors' responsibilities was approved by the Board on 5 November 2014.

A Colman
Director

Consolidated income statement

for the six months to 30 September 2014 (unaudited)

	Note	**Six months to 30 Sept 2014 £m**	Six months to 30 Sept 2013 restated £m	Year ended 31 March 2014 restated £m
Revenue	*2*	**550.9**	542.2	1,098.0
Total underlying operating profit	*2*	**24.9**	24.2	48.0
Amortisation of acquired intangibles		**(3.2)**	(3.2)	(6.5)
Net pension gain		**-**	-	15.8
Operating profit		**21.7**	21.0	57.3
Financing income	*3*	**0.1**	0.2	0.4
Financing cost	*3*	**(9.1)**	(11.5)	(22.8)
Net financing costs		**(9.0)**	(11.3)	(22.4)
Profit before tax		**12.7**	9.7	34.9
Income tax expense	*4*	**(3.0)**	(2.3)	(7.5)
Profit attributable to equity shareholders of Wincanton plc		**9.7**	7.4	27.4
Earnings per share - basic	*5*	**8.3p**	6.4p	23.6p
Earnings per share - diluted	*5*	**7.5p**	6.0p	21.7p

All operations in the above financial periods were continuing.

The Directors do not recommend the payment of a dividend in respect of the above period (2013: nil).

Consolidated statement of comprehensive income
for the six months to 30 September 2014 (unaudited)

	Six months to 30 Sept 2014 £m	Six months to 30 Sept 2013 £m	Year ended 31 March 2014 £m
Profit for the period	**9.7**	7.4	27.4
Other comprehensive (expense)/income			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of defined benefit liability, net of deferred tax	**(29.0)**	2.7	5.9
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange loss on investment in foreign subsidiaries net of hedged items	**(0.3)**	(0.1)	(0.1)
Effective portion of changes in fair value of cashflow hedged items	**(0.4)**	-	(0.2)
Net change in fair value of cashflow hedges transferred to the income statement	**0.8**	0.8	2.0
Income tax relating to components of other comprehensive income	**-**	-	0.1
	0.1	0.7	1.8
Total other comprehensive (expense)/income for the period, net of income tax	**(28.9)**	3.4	7.7
Total comprehensive (expense)/income attributable to equity shareholders of Wincanton plc	**(19.2)**	10.8	35.1

Consolidated balance sheet

at 30 September 2014 (unaudited)

	Note	**30 Sept 2014**	30 Sept 2013 restated	31 March 2014 restated
		£m	£m	£m
Non-current assets				
Goodwill and intangible assets		**101.2**	110.0	105.5
Property, plant and equipment	*6*	**58.4**	64.4	61.7
Investments		**0.1**	0.1	0.1
Deferred tax assets		**30.8**	26.7	24.0
		190.5	201.2	191.3
Current assets				
Inventories		**6.6**	6.7	6.4
Trade and other receivables		**130.9**	154.1	135.3
Cash and cash equivalents	*7*	**94.6**	121.1	131.9
		232.1	281.9	273.6
Current liabilities				
Income tax payable		**(10.4)**	(9.8)	(9.7)
Borrowings and other financial liabilities	*7*	**(2.4)**	(12.4)	(12.1)
Trade and other payables		**(308.4)**	(319.4)	(322.9)
Employee benefits		**-**	(0.3)	(0.3)
Provisions	*8*	**(18.4)**	(27.7)	(23.9)
		(339.6)	(369.6)	(368.9)
Net current liabilities		**(107.5)**	(87.7)	(95.3)
Total assets less current liabilities		**83.0**	113.5	96.0
Non-current liabilities				
Borrowings and other financial liabilities	*7*	**(159.1)**	(195.9)	(184.7)
Employee benefits		**(143.6)**	(142.0)	(110.9)
Provisions	*8*	**(47.3)**	(49.7)	(49.4)
Deferred tax liabilities		**(0.9)**	(1.0)	(1.0)
		(350.9)	(388.6)	(346.0)
Net liabilities		**(267.9)**	(275.1)	(250.0)
Equity				
Issued share capital		**12.2**	12.2	12.2
Share premium		**12.8**	12.8	12.8
Merger reserve		**3.5**	3.5	3.5
Hedging reserve		**(1.4)**	(2.8)	(1.8)
Translation reserve		**-**	0.3	0.3
Retained earnings		**(295.0)**	(301.1)	(277.0)
Total equity deficit		**(267.9)**	(275.1)	(250.0)

Consolidated statement of changes in equity
at 30 September 2014 (unaudited)

	Issued share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity deficit £m
Balance at 1 April 2014	**12.2**	**12.8**	**3.5**	**(1.8)**	**0.3**	**(277.0)**	**(250.0)**
Total comprehensive income/(expense)	**-**	**-**	**-**	**0.4**	**(0.3)**	**(19.3)**	**(19.2)**
Increase in IFRS 2 reserve	**-**	**-**	**-**	**-**	**-**	**1.3**	**1.3**
Balance at 30 September 2014	**12.2**	**12.8**	**3.5**	**(1.4)**	**-**	**(295.0)**	**(267.9)**
Balance at 1 April 2013	12.2	12.8	3.5	(3.6)	0.4	(311.8)	(286.5)
Total comprehensive income/(expense)	-	-	-	0.8	(0.1)	10.1	10.8
Increase in IFRS 2 reserve	-	-	-	-	-	0.6	0.6
Balance at 30 September 2013	12.2	12.8	3.5	(2.8)	0.3	(301.1)	(275.1)
Balance at 1 April 2013	12.2	12.8	3.5	(3.6)	0.4	(311.8)	(286.5)
Total comprehensive income/(expense)	-	-	-	1.8	(0.1)	33.4	35.1
Increase in IFRS 2 reserve	-	-	-	-	-	1.4	1.4
Balance at 31 March 2014	12.2	12.8	3.5	(1.8)	0.3	(277.0)	(250.0)

Consolidated statement of cash flows

for the six months to 30 September 2014 (unaudited)

	Six months to 30 Sept 2014 £m	Six months to 30 Sept 2013 £m	Year ended 31 March 2014 £m
Operating activities			
Profit before tax	**12.7**	9.7	34.9
Adjustments for			
- depreciation and amortisation	**10.3**	10.0	21.9
- net pension gain	**-**	-	(15.8)
- interest expense	**9.0**	11.3	22.4
- profit on disposal of plant, property and equipment	**-**	-	(0.1)
- share-based payments fair value charges	**1.3**	0.6	1.4
	33.3	31.6	64.7
Decrease/(increase) in trade and other receivables	**5.6**	(9.6)	9.1
(Increase)/decrease in inventories	**(0.2)**	0.4	0.7
(Decrease)/increase in trade and other payables	**(14.1)**	7.2	5.7
Decrease in provisions	**(8.4)**	(4.9)	(9.8)
Increase in employee benefits before pension deficit payment	**0.8**	1.0	2.1
Income taxes paid	**(1.8)**	(0.1)	(2.4)
Cash generated before pension deficit payment	**15.2**	25.6	70.1
Pension deficit payment	**(7.2)**	(2.0)	(14.1)
Cash flows from operating activities	**8.0**	23.6	56.0
Investing activities			
Proceeds from sale of property, plant and equipment	**0.1**	5.9	6.2
Interest received	**0.1**	0.1	0.4
Additions of property, plant and equipment	**(3.1)**	(3.0)	(7.9)
Additions of computer software costs	**(0.1)**	-	-
Cash flows from investing activities	**(3.0)**	3.0	(1.3)
Financing activities			
Decrease in borrowings	**(35.1)**	(0.5)	(10.5)
Payment of finance lease liabilities	**(0.1)**	(1.2)	(1.5)
Interest paid	**(7.1)**	(7.0)	(14.0)
Cash flows from financing activities	**(42.3)**	(8.7)	(26.0)
Net (decrease)/increase in cash and cash equivalents	**(37.3)**	17.9	28.7
Cash and cash equivalents at beginning of the period	**131.9**	103.2	103.2
Cash and cash equivalents at end of the period	**94.6**	121.1	131.9
Represented by			
- cash at bank and in hand	**81.1**	105.2	115.7
- restricted cash, being deposits held by the Group's captive insurer	**13.5**	15.9	16.2
	94.6	121.1	131.9

Notes to the consolidated half year financial statements

for the six months to 30 September 2014 (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 2014 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 and Transparency Rules of the Financial Services 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 2014. As stated in the financial statements for the year ended 31 March 2014 the following amendments have been applied where applicable: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities, amendment to IAS 27 Separate Financial Statements, amendment to IAS 28 Investments in Associates and Joint Ventures and amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities. The adoption of these amendments has not had a significant effect on the consolidated results or financial position of the Group. The restatement at 30 September 2013 and 31 March 2014 relates to the change in the accounting for a joint venture from proportionate consolidation to equity accounting. This has reduced revenue by £0.1m at 30 September 2013 and £0.3m at 31 March 2014, but has had no impact on underlying operating profit. In the balance sheet an investment of £0.1m has been introduced, with an equal reduction in trade receivables in both comparative periods. 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 2014. The comparative figures for the year ended 31 March 2014 have been extracted from those accounts (restated where applicable for the amendments stated above) but do not comprise the full statutory accounts for that financial year. Except for the 31 March 2014 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 20.

The consolidated financial statements for the year ended 31 March 2014 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 2014.

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 5 November 2014.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2014 (unaudited)

2 Operating segments

Wincanton plc provides contract logistics services in the UK and Ireland. The Group manages its operations in two distinct operating segments; Contract logistics (the majority of activities including transport and warehousing for various market sectors including retail, manufacturing, defence and construction) and Specialist businesses (Pullman, Containers, and Records Management).

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

	Contract logistics			Specialist businesses			Consolidated		
	Six months to 30 Sept 2014 £m	Six months to 30 Sept 2013 restated[1] £m	Year ended 31 March 2014 restated[1] £m	**Six months to 30 Sept 2014 £m**	Six months to 30 Sept 2013 restated[1] £m	Year ended 31 March 2014 restated[1] £m	**Six months to 30 Sept 2014 £m**	Six months to 30 Sept 2013 restated[1] £m	Year ended 31 March 2014 restated[1] £m
Revenues from external customers [2]	**464.1**	461.8	930.1	**86.8**	80.4	167.9	**550.9**	542.2	1,098.0
Depreciation	**(4.6)**	(4.2)	(10.7)	**(1.4)**	(1.5)	(2.5)	**(6.0)**	(5.7)	(13.2)
Amortisation of software intangibles	**(1.1)**	(1.0)	(2.2)	**-**	(0.1)	-	**(1.1)**	(1.1)	(2.2)
Reportable segment underlying operating profit [3]	**20.9**	19.7	38.3	**4.0**	4.5	9.7	**24.9**	24.2	48.0

[1] Where applicable, comparatives have been restated for the adoption of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities, amendment to IAS 27 Separate Financial Statements, amendment to IAS 28 Investments in Associates and Joint Ventures.

[2] Included in segment revenue is £536.0m (2013: £529.1m) in respect of customers based in the UK.

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

3 Net financing costs

	Six months to 30 Sept 2014 £m	Six months to 30 Sept 2013 £m	Year ended 31 March 2014 £m
Recognised in the income statement:			
Interest income	**0.1**	0.2	0.4
Interest expense	**(5.4)**	(6.7)	(13.9)
Finance charges payable in respect of finance leases	**(0.1)**	(0.3)	(0.5)
Unwinding of discount on insurance and other provisions	**(1.1)**	(1.2)	(2.0)
Interest on the net defined benefit pension liability	**(2.5)**	(3.3)	(6.4)
	(9.1)	(11.5)	(22.8)
Net financing costs	**(9.0)**	(11.3)	(22.4)

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2014 (unaudited)

4 Income tax expense

Recognised in the income statement:	**Six months to 30 Sept 2014 £m**	Six months to 30 Sept 2013 £m	Year ended 31 March 2014 £m
Current tax expense			
Current year	**2.9**	2.4	4.4
Adjustments for prior years	**(0.4)**	-	0.2
	2.5	2.4	4.6
Deferred tax expense/(credit)			
Current year	**0.1**	0.2	3.5
Adjustments for prior years	**0.4**	(0.3)	(0.6)
	0.5	(0.1)	2.9
Total income tax expense in the income statement	**3.0**	2.3	7.5

Recognised in other comprehensive income	**Six months to 30 Sept 2014 £m**	Six months to 30 Sept 2013 £m	Year ended 31 March 2014 £m
Remeasurements of defined benefit pension liability	**7.3**	(6.3)	6.1
Income tax relating to foreign exchange movements	**-**	-	(0.1)
	7.3	(6.3)	6.0

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

5 Earnings per share

Earnings per share are calculated on the basis of earnings attributable to the equity shareholders of Wincanton plc of £9.7m (2013: £7.4m) and the weighted average of 116.2m (2013: 116.0m) shares which have been in issue throughout the period.

The diluted earnings per share calculation is based on there being 13.1m (2013: 7.4m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes.

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

Weighted average number of ordinary shares (basic)	**Six months to 30 Sept 2014 millions**	Six months to 30 Sept 2013 millions	Year ended 31 March 2014 millions
Issued ordinary shares at the beginning of the period	**116.1**	116.0	116.0
Net effect of shares issued and purchased during the period	**0.1**	-	0.1
	116.2	116.0	116.1
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares at the end of the period	**116.2**	116.0	116.1
Effect of share options on issue	**13.1**	7.4	10.3
	129.3	123.4	126.4

An alternative, underlying earnings per share number is set out below, which includes the share of results of the joint venture and excludes amortisation of acquired intangibles and, where relevant, exceptionals. The Directors consider that this provides further information on the underlying performance of the Group:

	Six months to 30 Sept 2014 pence	Six months to 30 Sept 2013 restated pence	Year ended 31 March 2014 restated pence
Underlying earnings per share			
- basic	**10.6**	8.4	16.6
- diluted	**9.5**	7.9	15.3

5 Earnings per share *(continued)*

Underlying earnings are determined as follows:

	Six months to 30 Sept 2014 £m	Six months to 30 Sept 2013 £m	Year ended 31 March 2014 £m
Profit for the period attributable to equity shareholders of Wincanton plc	**9.7**	7.4	27.4
Net gain on changes to pension arrangements	**-**	-	(15.8)
Amortisation of acquired intangibles	**3.2**	3.2	6.5
Tax on the above item	**(0.6)**	(0.8)	1.2
Underlying earnings	**12.3**	9.8	19.3

6 Property, plant and equipment

Additions and disposals

During the half year to 30 September 2014 the Group acquired assets with a cost of £3.2m (2013: £3.0m).

Assets with a carrying amount of £0.1m were disposed of during the half year to 30 September 2014 (2013: £5.9m).

Capital commitments

At 30 September 2014 the Group had entered into contracts to purchase property, plant and equipment for £2.7m (2013: £2.7m); delivery is expected in the second half of the year to 31 March 2015.

7 Net debt

	At 1 April 2014 £m	**Movement £m**	**At 30 Sept 2014 £m**
Cash and cash equivalents	**131.9**	**(37.3)**	**94.6**
Borrowings and other financial liabilities	**(196.8)**	**35.3**	**(161.5)**
Net debt	**(64.9)**	**(2.0)**	**(66.9)**

	At 1 April 2013 £m	Movement £m	At 30 Sept 2013 £m
Cash and cash equivalents	103.2	17.9	121.1
Borrowings and other financial liabilities	(210.8)	2.5	(208.3)
Net debt	(107.6)	20.4	(87.2)

	At 1 April 2013 £m	Movement £m	At 31 March 2014 £m
Cash and cash equivalents	103.2	28.7	131.9
Borrowings and other financial liabilities	(210.8)	14.0	(196.8)
Net debt	(107.6)	42.7	(64.9)

7 Net debt *(continued)*

	30 Sept 2014 £m	30 Sept 2013 £m	31 March 2014 £m
Cash and cash equivalents			
Cash at bank and in hand	**81.1**	105.2	115.7
Restricted cash, being deposits held by the Group's captive insurer	**13.5**	15.9	16.2
	94.6	121.1	131.9
Borrowings			
Current			
Bank loans and overdrafts	**(0.9)**	(10.5)	(10.5)
Finance lease liabilities	**(0.1)**	(0.5)	(0.1)
Other financial liabilities	**(1.4)**	(1.4)	(1.5)
	(2.4)	(12.4)	(12.1)
Non-current			
US$ private placement	**(53.5)**	(53.5)	(53.5)
Bank loans	**(105.3)**	(140.7)	(130.5)
Finance lease liabilities	**(0.3)**	(0.3)	(0.4)
Other financial liabilities	**-**	(1.4)	(0.3)
	(159.1)	(195.9)	(184.7)
Total borrowings	**(161.5)**	(208.3)	(196.8)
Total net debt	**(66.9)**	(87.2)	(64.9)

8 Provisions

	Insurance £m	**Property £m**	**Other provisions £m**	**Total £m**
At 1 April 2014	**38.8**	**33.4**	**1.1**	**73.3**
Effect of movement in foreign exchange	**-**	**(0.3)**	**-**	**(0.3)**
Provisions used during the year	**(6.1)**	**(7.0)**	**(0.4)**	**(13.5)**
Unwinding of discount	**0.5**	**0.6**	**-**	**1.1**
Provisions made during the year	**5.1**	**-**	**-**	**5.1**
At 30 September 2014	**38.3**	**26.7**	**0.7**	**65.7**
Current	**10.3**	**7.4**	**0.7**	**18.4**
Non-current	**28.0**	**19.3**	**-**	**47.3**
	38.3	**26.7**	**0.7**	**65.7**

9 Employee benefits

Pension schemes

Movements in the net pension obligations recognised:

		30 Sept 2014 £m	30 Sept 2013 £m	31 March 2014 £m
Opening net liability		**(110.9)**	(148.7)	(148.7)
Included in Income statement:				
Current service cost		**-**	(5.0)	(9.7)
Administration costs		**(1.4)**	(1.5)	(2.3)
Past service credit, including curtailment gain		**-**	-	20.2
Interest on the net defined benefit liability		**(2.5)**	(3.3)	(6.4)
Cash:				
Employer contributions	- deficit funding	**7.2**	2.0	14.1
	- other	**0.3**	5.5	9.9
Included in Other comprehensive income:				
Changes in financial assumptions		**(72.7)**	15.4	5.9
Experience		**0.5**	0.1	(1.9)
Return on assets excluding amounts included in net financing costs		**35.9**	(6.5)	8.0
		(143.6)	(142.0)	(110.9)

The movement in the above net pension scheme obligations in the period was primarily the result of the change in the discount rate. The net pension scheme obligations, after taking into account the related deferred tax asset, are £114.8m (2013: £113.6m).

The principal actuarial assumptions for the defined benefit arrangements at the balance sheet date were as follows:

	30 Sept 2014 %	30 Sept 2013 %	31 March 2014 %
Discount rate	**3.95**	4.60	4.50
Price inflation rate – RPI	**3.15**	3.25	3.25
Price inflation rate – CPI	**2.15**	2.25	2.25
Rate of increase of pensions in payment			
- for service to 31 March 2006	**3.00**	3.10	3.10
- for service from 1 April 2006	**2.10**	2.35	2.10
Rate of increase of deferred pensions	**2.15**	2.25	2.25

Independent review report to Wincanton plc

Introduction

We have been engaged by the Company to review the consolidated half year financial statements in the Half Year Report for the six months to 30 September 2014 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 Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated half year 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 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 Year Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half Year 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 consolidated half year financial statements included in this Half Year Report have 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 consolidated half year financial statements in the Half Year 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 consolidated half year financial statements in the Half Year Report for the six months to 30 September 2014 are not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Andrew Campbell-Orde
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

5 November 2014

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 707 1788   Fax: 0870 703 6101
Text phone: 0870 702 0005
Web queries: www.investorcentre.co.uk/contactus