

***Wincanton***

**Wincanton Limited (formerly  
Wincanton plc)**

Report and  
Financial Statements

For the period ended  
31 December 2024

Company registration number: 04178808

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## Strategic Report

The Directors are pleased to present the Report and Financial Statements of Wincanton Limited (formerly Wincanton plc, the 'Company') for the nine month period ended 31 December 2024.

### Principal activities

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

As disclosed in Note 7 to the Company financial statements, Wincanton Limited is now a wholly owned subsidiary of GXO Logistics, Inc. ('GXO'). Following the acquisition of the Company by GXO, the Company changed its period end to 31 December. These accounts therefore cover the nine month period from 1 April 2024 to 31 December 2024.

### Business review

This period saw the business fully integrate its acquisition of the Invar Group ('Invar'), a leading UK based specialist in warehouse software, automation and controls. The integration of Invar represents a key milestone in Wincanton's strategic roadmap to create sustainable supply chain value through technology and automation. Invar adds people and technology to the Group that will enable the delivery of more robotics and automation projects at pace for customers.

Wincanton further developed EyeQ in the period, the Group's digital transport planning and optimisation product. The acquisition of Zeus' exclusive evergreen UK and Ireland software rights for digital freight management technologies will enable Wincanton to enhance EyeQ through the integration of proven, market leading technology in sub-contract management and the creation of a marketplace.

New business implementations for customers including JD Sports, as well as new business wins across the Group including Sofa.com, Maritime and Coastguard Agency and Brompton Bicycles, have been offset by customer led strategic market exits, customer losses and macro-economic headwinds. Our existing long-term customer relationships continue to deepen with extensions and expansions of multiple contracts, including the Co-op, Britvic, Cormar Carpets, Loaf, Valero and the Kao Group.

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

The Group has reported revenue of £1,170.9m for the nine month period ended 31 December 2024 (year ended 31 March 2024: £1,406.6m), lower due to a shorter period compared to previously reported numbers. The Group's underlying profit before tax for the period was £34.6m (year ended 31 March 2024: £58.5m), lower due to the aforementioned customer led strategic exits, customer losses and ongoing macro-economic uncertainty contributing to volume downsides, albeit in line with management expectations.

The Group made a statutory loss before tax of £(88.4)m in the period (year ended 31 March 2024: £(44.9)m) driven by non-underlying charges totalling £123.0m. These include costs related to the acquisition of the Company by GXO, an impairment of one of our multi-user sites with an associated onerous provision for contracts operating within that site and other non-underlying charges. See Note 3 'Alternative performance measures' for further narrative on these non-underlying costs.

On 29 April 2024, GXO Logistics, Inc. acquired Wincanton at a share price of 605p for each Wincanton share, representing a 104% premium to the closing price of 297p on the last business day before the commencement of the offer period. GXO Logistics, Inc. recognised the significant value inherent in Wincanton's business. The enterprise valuation of approximately £960m is testament to the Group's compelling strategy, operational excellence, strong customer relationships and talented team.

Wincanton delisted from the London Stock Exchange and the two businesses are in a hold separate period while the Competition and Markets Authority ('CMA') complete its review. Following its Phase 1 review of the acquisition, the CMA referred the acquisition to a Phase 2 review in November 2024, which is due to complete on or before 25 June 2025.

## Strategic Report (continued)

### Sector performance

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
eFulfilment	207.3	278.1
Grocery & Consumer	426.4	499.8
General Merchandise	304.3	381.8
Public & Industrial	221.6	246.9
Automation & Robotics	11.3	—
	<b>1,170.9</b>	<b>1,406.6</b>

The Group's operating sectors delivered revenues in line with management expectations. They are lower compared to the prior reporting period due to the twelve month versus nine month period. However, the Group saw strong revenues in our foundation sectors, Grocery & Consumer and General Merchandise helped by new business wins and seamless customer implementations. eFulfilment performed well despite the exit of a major retailer from the two-person home delivery arena and operational challenges at a multi-user site. Public & Industrial delivered significant revenues through new transport contract wins. Automation & Robotics, a new reported sector for the Group, includes the recently acquired Invar business.

#### eFulfilment

The two-person home delivery arena within this sector was impacted by the exit of a major retailer from the furniture market, however demand across its diverse customer base in eFulfilment helped to offset some of this. The expansion of the sectors' partnership with IKEA, which marked a major milestone with the successful implementation of the retailer's first Customer Distribution Centre in the Republic of Ireland, and the long-term extension of its contract with Loaf contributed to this. The sector also continued to respond to demand for shared user services, offering customers the flexibility to scale their operations, and resulted in new business wins including NEOM, Edgewell and Bondi Sands, to further offset the lost two-person home delivery revenues.

#### Grocery & Consumer

A key foundation sector for the Group, revenues were driven by completion of the Sainsbury's national transport contract implementation and successful renewal and growth activity. The sector secured long term renewals with key customers including the Co-op and Nestle for 5 years and Britvic for 10 years. The Co-op also recognised Wincanton as its GNFR Supplier of the year. New business was won with customers including a global FMCG organisation, Tripp and United Petfood. Volume growth was driven by customers including Jollyes, which opened new stores, and Waitrose, with expansion in the Wincanton Greenford customer fulfilment centre operation. The sector rounded off a robust operational performance by delivering a seamless peak for customers and securing a 46% reduction in year-on-year lost time injury frequency rates.

#### General Merchandise

The sector benefited from the successful implementation of its transport contract with JD Sports, which sees Wincanton deliver to over 550 stores nationwide. The sector also signed a significant long-term renewal with leading Kingfisher brands B&Q and Screwfix, reflecting the strength of its 17-year partnership. Under the contract Wincanton will continue to manage B&Qs national distribution network and the retail and efulfilment network for Screwfix, providing transport and warehousing services. Wincanton also introduced electric vehicles to the transport service for Screwfix, complementing the use of Hydrotreated Vegetable Oil (HVO) which fuels 85% of the fleet.

#### Public & Industrial

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

During the period the Group benefited from the successful mobilisation of a major contract with Marshalls, which saw the first-time outsource of national transport operations for the movement of built environment products. In Defence, performance reflected increasing funding and pipeline in the sector, while Infrastructure reflected continued support for the construction of Hinkley Point C nuclear power station, which achieved key milestones in the period. The sector also benefited from the successful onboarding of its contract with British Salt for Tata Chemicals Europe, which saw a successful transition to a newly designed and developed warehouse and is supported by domestic and international transport services.

Public Sector was impacted by the end of two contracts with HMRC, however new contracts were signed with the Maritime and Coastguard Agency and TfL. Healthcare saw reductions due to lower requirements for COVID test kits and PPE requirements, however the sector remains agile in its ability to support UK pandemic preparedness.

## Strategic Report (*continued*)

### Sector performance (*continued*)

#### Automation & Robotics

In March 2024 Wincanton acquired Invar Group, a UK based automation integrator, as a strategic accelerator to develop capability and capacity. Invar solutions are powered by its proprietary software, IWS and deployed in thirteen countries including UK, Europe, US and Australia. Customers span a range of industries from public sector to blue chip retailers.

Automation & Robotics represents a significant area of opportunity for the Group, underpinned by fundamental, rapid and material change in supply chains. Customers across Invar and Wincanton have responded positively to the acquisition, which has led to a number of opportunities which continue to be developed. The sector is well placed for growth, following a focus on integration during the period to December 2024.

Invar rebranded as Inteq in March 2025 highlighting the business' strong focus on innovation and its expertise in bringing together the right combination of people, software and hardware to create the best solution for every customer.

Across the sectors we continue to develop and invest in the latest transport technologies to meet the needs of its customers. This includes ongoing investment in our digital transport and planning technology EyeQ following the acquisition of software rights from Zeus. In the period the Group became a participant in the Innovate UK Zero Emissions HGV and Infrastructure Demonstration (ZEHID) funding programme, to support electric vehicle and charging infrastructure testing and learning in real-life operations.

#### Overall results

In a challenging external environment, the Group reported a loss in the period of £73.7m (year ended 31 March 2024: £39.6m). This loss was driven by the costs incurred to sell Wincanton plc, material impairments, onerous contract provisions recognised and other non-underlying charges as discussed in Note 3. The Group reported an operating profit before non-underlying items of £45.3m for the period ended 31 December 2024 (year ended 31 March 2024: £64.6m).

The Group continued its strategic shift away from closed book transport contracts with open book warehouse and transport contracts representing 82.1% of total revenue (year ended 31 March 2024: 79.4%), these large-scale, labour-intensive operations represent a significant opportunity pipeline for investment in robotics and automation.

Revenue for the period is £1,170.9m (year ended 31 March 2024: £1,406.6m). The completion of customer implementations in Grocery & Consumer, mobilisation of key contracts in Public & Industrial and expansion of partnerships in eFulfilment helped to offset volume and macro-economic headwinds and contract losses in other sectors. Key contract renewals with Co-Op, Nestle & Britvic in Grocery & Consumer and new business implementations across General Merchandise and Public & Industrial underpin the revenue pipeline.

Underlying profit before tax for the period decreased to £34.6m (year ended 31 March 2024: £58.5m), as expected, and the Group's underlying profit before tax margin was 3.0% (year ended 31 March 2024: 4.2%). The Group's performance is in line with management expectations which takes into account volume and macro-economic headwinds across the transport network and a shift in our mix towards lower risk open book contracts.

Closing net cash before lease liabilities was £11.6m (year ended 31 March 2024: net cash £20.7m). There is significant liquidity headroom enabling further growth and strategic investments, alongside providing protection to potential uncertainties from the macro-economic environment.

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

## Strategic Report (*continued*)

### Principal risks and uncertainties

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

The Board has ultimate accountability for the execution of risk management and internal control systems, with the Risk and Assurance Committee providing oversight of the management of Group and operational risks. The Executive Management Team (EMT) reviews specific financial, reputational, operational, legal/compliance, strategic, and climate change related risks. The Group's risk management framework is structured to ensure that risks are identified promptly by management teams so that they are mitigated and managed appropriately in support of the delivery of the Group's strategic plan.

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

Risk description	Key controls and mitigations
<p><b>Pensions</b></p> <p>The Group has a significant Defined Benefit Pension Scheme. The employer contribution levels required and the value of the pension fund itself are subject to:</p> <ul style="list-style-type: none"> <li>• financial market conditions;</li> <li>• global economic and political matters;</li> <li>• demographic factors;</li> <li>• expected future investment returns; and</li> <li>• the legal and regulatory environment.</li> </ul> <p>Significant adverse changes in any of these factors could alter the value and lead to a material change in cash contributions, and/or the repayment period, regulatory intervention, or a combination thereof.</p> <p>These changes could impact the cash flow and profitability of the Group and restrict its ability to invest in the business and repay debt.</p>	<p>The Group has undertaken steps to mitigate its exposure to financial market movements and macro-economic conditions. The Defined Benefit section of the Scheme was closed to future accrual in 2014, to cap the risk.</p> <p>The Group maintains a strong working relationship with the Trustee who is responsible for managing the fund and setting the investment strategy. This strategy is intended to reduce investment risk through an appropriate level of matching between assets and liabilities in the Scheme. Hedging is reviewed to ensure it mitigates the impact of inflation and interest rate movements.</p> <p>The Group and the Trustee engage high quality external fund managers and actuaries, and have separate legal, covenant and audit advisers to support and inform their decision making. Together they have agreed during the 2023 triennial process that no current contributions to the Scheme are required and have contingency plans to protect the Scheme in the event of adverse developments.</p> <p>The objective is to ensure that the Group meets its commitments to pensioners and the Scheme and that recovery contributions are affordable and sustainable for the Group.</p> <p>Any increase in contribution may reduce the level of investment the business has at its disposal.</p>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

<p><b>Recruitment and retention</b></p> <p>The Group employs a large workforce from drivers to warehouse operatives to executive talent. Failure to attract and retain people with the right skills, competencies and values needed to operate and grow the business would impact the long term success of the Group. The labour market remains competitive; attraction and retention remain a concern given our current uncertainty regarding ownership.</p>	<p>The Group has a strong and highly capable people function to monitor and maintain a high standard of recruitment and a regular appraisal process, based on key competencies. It reviews and refreshes strategies and processes for recruitment and retention, monitoring vacancies and future requirements and utilising data to manage and adapt the service provision.</p> <p>The Group has established relationships with preferred agencies to provide contingency workforce. Regular engagement surveys are completed to ensure feedback is received from our people and the scores are monitored as a KPI. Talent and development are supported by a dedicated team to ensure people at all levels have access to our comprehensive training programme and development opportunities.</p> <p>Rewards are reviewed against market practice to ensure they remain competitive and further consideration is currently being given to our retention strategy and potential bespoke actions deemed necessary to retain key talent during the acquisition period.</p>
<p><b>Legal and regulatory compliance</b></p> <p>The Group must comply with a wide range of regulations and legislation to provide its services and solutions. Failure to comply with the required standards could lead to significant legal claims and regulatory actions, sanctions, removal of licences and permits, penalties and fines. It could also lead to significant operational disruption or result in reputational damage to the Group and our customers and potential harm to the Group's employees or property.</p>	<p>Policies and processes are in place throughout the Group to ensure systems, operations and central functions comply with relevant areas of legislation. The governance, risk and compliance function monitors emerging legislation and determines any potential impact to the Group and its policies, controls, communications and training provision. Second-line oversight by central functions reviews the operation of controls and their effectiveness, including reviewing of Group policies, as a minimum, annually or in response to legislation change. External expert advice is sought as appropriate.</p> <p>Processes and controls around sanctions and money laundering have been tightened in light of the current climate, and a renewed focus has been placed on modern slavery and human trafficking, to ensure our safeguarding measures are fully implemented across the business. Additional training has also been rolled out in this area, utilising materials from Stronger Together, an NGO Wincanton is working with in this area.</p> <p>Our code of conduct helps our employees understand their obligations with regard to legislation and regulation.</p> <p>Awareness sessions are regularly distributed in different formats across the business to ensure our colleagues know the legal and regulatory risks we face and we undertake appropriate colleague training to ensure legal compliance.</p> <p>The Group also has a whistleblowing policy supported by a Speaking Up hotline and portal, training and awareness.</p>

**Strategic Report (continued)****Principal risks and uncertainties (continued)**

<p><b>Cyber security</b></p> <p>The Group is aware of cyber risk and its potential for disrupting our business and that of our customers. A cyber security incident could impact the Group's operational performance and reputation through the application of penalties, fines and/or regulatory action.</p>	<p>The Group routinely assesses cyber risk and has established comprehensive information security controls to reduce our exposure. Controls include but are not limited to vulnerability management, penetration testing, regular audits and routine access reviews. Increased controls have been implemented through the year.</p> <p>Awareness sessions are regularly held across the business to ensure our colleagues remain vigilant.</p>
<p><b>Significant market changes</b></p> <p>The Group provides services in a competitive and complex environment, with large customers. The Group faces commercial pressures to renew and win business with acceptable levels of margin in order to deliver sustainable growth and returns. These pressures may stem from:</p> <ul style="list-style-type: none"> <li>• changes in customer appetite for outsourcing services;</li> <li>• strategic or behavioural changes in the competition, which may impact market pricing;</li> <li>• new disruptors, in particular the emergence of new technologies;</li> <li>• customer business models, as these can be affected by customer confidence and the geopolitical situation; which may have a knock-on effect on volume pass-through; and</li> <li>• loss of long standing and/or key customers whose contribution to the Group profit is significant.</li> </ul>	<p>An embedded strategy process provides the leaders of the business with market context, competitor insight, emerging trends and an economic outlook.</p> <p>An example of this is the identification of the need to digitalise transport and become more competitive in robotics and automation. During FY24 Wincanton acquired an evergreen licence for the UK and Ireland software rights with Zeus and acquired Invar.</p> <p>The Group regularly reviews its wins, losses and renewals pipeline to ensure that appropriate new business wins are secured to reach the sales targets.</p> <p>The Group has clear sector sales targets and development strategies, with accountability to deliver.</p> <p>The Group operates in a broad spread of industries, markets and end users to reduce risk.</p> <p>The Group undertakes regular review of cost saving opportunities and procurement leverage to enhance competitiveness.</p>
<p><b>Business continuity management</b></p> <p>The Group has committed to keeping its customers, colleagues and communities as safe as possible, while continuing to play a vital role in delivering essential goods throughout the UK. There remains risk of a denial of access situation and/or global pandemics and events.</p> <p>Risks to our operations include:</p> <ul style="list-style-type: none"> <li>• labour shortages due to denial of service, illness and other absence;</li> <li>• inability to deliver contracted services due to regulatory or safety requirements;</li> <li>• loss of revenue and profit due to business interruption, reductions in customer volumes or customer failure;</li> <li>• cost pressures due to additional process steps, increased staffing costs and lost economies of scale; and liquidity pressure due to delayed receipts, potential customer failure and availability of financing.</li> </ul>	<p>The Group operates a strong programme office which enables rapid, controlled responses to the changing landscape. Business continuity plans are in place across all areas of the business. These plans identify the requirements that may be needed for each area of the business to function under a wide range of scenarios. The plans are mobilised as the situation evolves and include:</p> <ul style="list-style-type: none"> <li>• a new enterprise-wide business continuity system and associated processes implemented in the year;</li> <li>• close liaison with customers to adapt processes and requirements to ensure continuity of service;</li> <li>• the redeployment of resources across business areas;</li> <li>• interaction with government and industry bodies to ensure regulatory requirements are understood and best practice is being adopted;</li> <li>• strong focus on cash management and a close relationship with financial stakeholders; and extensive impact analysis and downside scenario testing.</li> </ul>



## Strategic Report (continued)

### Principal risks and uncertainties (continued)

<p><b>Climate-related risks</b></p> <p>The use of fossil fuels and the associated release of greenhouse gases have led to rising average global temperatures with the associated physical risks such as flooding and drought.</p> <p>The UK target of net-zero carbon emissions by 2050 came into force in 2019. The interim UK carbon budgets and targets associated with the 2050 goal will result in legislation, taxation and incentive changes to the UK and Ireland business, investment and consumer landscape that may represent material risks and opportunities for Wincanton. Risks to operations include:</p> <ul style="list-style-type: none"> <li>• physical risks such as more extreme weather events and regional flooding;</li> <li>• changing policy on fuel duties and taxation, leading to increased costs for carbon intensive fuels;</li> <li>• new low and zero carbon technology and infrastructure requiring higher capital expenditure;</li> <li>• consumer preference and awareness driving changes to our customers' sourcing criteria and targets;</li> <li>• loss of customers if we are complacent in this area; and</li> <li>• poor response to climate-related risks leading to reputational damage and loss of business</li> </ul>	<p>The Group has a sustainability strategy which leads on climate and other environmental risks. We have developed net-zero propositions which offer both mitigation and new opportunities for engagement with our customers. The Group has also made changes to its ESG policy and governance statements to increase visibility and transparency on climate and other environmental risks. We have enhanced our ESG and environment programme which enables sustained, positive action towards our goals and targets; course correction in response to performance indicators; and new propositions and opportunities in response to technology developments.</p> <p>Actions taken include:</p> <ul style="list-style-type: none"> <li>• setting our own short, medium and long term carbon emissions targets;</li> <li>• development of long term roadmaps with sector specific technology solutions;</li> <li>• liaison with customers to propose and develop lower and zero carbon solutions;</li> <li>• maintaining a carbon neutral two-person home delivery service through authentic carbon offsetting using forestry carbon reduction credits only;</li> <li>• engagement with government and industry bodies to help shape a regulatory and fiscal landscape conducive to positive climate action; and</li> <li>• establishment of a strategic procurement process with our value chain and innovation partners.</li> </ul>
<p><b>Significant health, safety or environmental incident</b></p> <p>The Group operates in environments which have the potential to be hazardous to people or property if not actively managed. A failure to manage these risks properly could result in injury or death and/or damage to property and the environment. Should such an event occur it could lead to regulatory action, fines, withdrawal of licences, site closures and damage to the Group's reputation. All of these outcomes have the potential to impact the Group's ability to win and do business.</p>	<p>The Group has detailed health, safety and environment procedures and processes in place and employs health, safety and environment teams at all business locations. A second-line health, safety and environment team tracks accident and incident rates and leading indicators and rolls out seasonal accident reduction programmes.</p> <p>All accidents and incidents are reported through the Wincanton online platform to provide recording of commonalities and analysis of root cause.</p>
<p><b>Failure to develop appropriate business systems</b></p> <p>Technology is a critical part of our business and that of our customers. The impact and importance of new and innovative technology continue to grow. Wincanton provides secure, highly available, and innovative technology solutions that enable and add value to our customers and our operations. The potential inability to deliver this technology could impact our growth/profitability objectives and our ability to win new business. Alongside reputational damage and contractual obligations, this could lead to loss of customers, penalties, and fines/regulatory action.</p>	<p>The Group continues to develop its IT and technology products, services, and capability aligned with our product-focused business strategy.</p> <p>Our strategic focus remains on delivering robots and automation in our warehouses and the continued growth of our EyeQ Transport solution, underpinned by the effective management and use of data and AI, with a clear focus on connecting the technology within our portfolio. We continue to rationalise, decommission, and replace legacy systems to minimize risk, with a continued focus on cyber security and resilience.</p> <p>We have strengthened our structure and organization to ensure we are able to deliver our technology strategy.</p>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

<p><b>Managing customer contracts and delivery of service</b></p> <p>Commercial contractual terms within our day to day operations can be complex and require a high level of familiarity with the detail.</p> <p>Changes within our customers operations must be reflected throughout our contractual relationship.</p> <p>Colleagues' pay and conditions have traditionally been managed locally which has resulted in a payroll which is complex and difficult to operate.</p>	<p>Support from the operational and legal teams is available to site management to ensure contract terms are understood and clearly handed over to new and/or promoted colleagues performing the role of contract management on sites.</p> <p>A centralised contract management system has been introduced to increase oversight.</p> <p>Training has been rolled out to operational teams to ensure awareness of the need to keep contractual arrangements current.</p> <p>The newly created Revenue Assurance team provides review and support around the in-term management of our contracts and identify areas for improvement both in-term and upon any renewal.</p>
<p><b>Failure to achieve strategic transformational change through adoption of robotics, automation and new product offerings</b></p> <p>If Wincanton is unable to sufficiently adopt robotics and automation, there is a risk to the business of:</p> <ul style="list-style-type: none"> <li>not being competitive, leading to losing renewals and not winning new business; and customers deploying new technology themselves, leading to the loss of revenue and margin.</li> </ul>	<ul style="list-style-type: none"> <li>A wide pipeline of projects covering the business to ensure good coverage.</li> <li>Engagement of sector managing directors to put robotics and automation at the forefront of our service offerings.</li> <li>Our organisational structure has been strengthened to support the delivery of our strategy.</li> <li>Engagement of the sales and solutions teams in new business opportunities.</li> <li>Sufficient resource and approach to be able to proactively handle opportunities at pace.</li> <li>Acquisition of Invar to bolster the capabilities of the business.</li> </ul>
<p><b>Economic effects such as inflation, customer confidence and spending</b></p> <p>The Group operates across a broad range of markets and sectors which have been impacted by the current inflationary and interest rate pressures.</p> <p>These pressures may stem from:</p> <ul style="list-style-type: none"> <li>increased competition for renewals and new business as customers increase their focus on costs;</li> <li>reduced volumes as markets contract from reduced consumer spending;</li> <li>a challenge to our existing business models with a transfer of risk towards closed book contracts;</li> <li>increased costs resulting from key supplier failures; and</li> <li>loss of revenues and profit from customer failure.</li> <li>investment hesitancy from customers leading to stagnation in growth</li> </ul>	<p>An embedded strategy process which provides the leaders of the business with market context, emerging trends and an economic outlook.</p> <p>During FY24, Wincanton acquired an evergreen licence for the UK and Ireland with Zeus, and acquired Invar, providing Wincanton with the ability to deliver cost effective and sustainable solutions.</p> <p>The Group regularly reviews key customer and supplier performance. The business model is weighted towards open book contracts which provide Wincanton with protection from cost escalation clauses.</p> <p>During FY24, Wincanton took out debt insurance to protect against customer failure.</p> <p>Regular debt management/cashflow reviews to ensure robust cash reserves</p> <p>The Group operates in a broad spread of industries, markets and end users to potentially reduce risk.</p>

## Strategic Report (*continued*)

### Business model

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

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

Wincanton's business model is people focused, with an average of 19,453 colleagues across the UK and Ireland. The Group continues to foster an inclusive, diverse and supportive working environment to allow colleagues to perform to the best of their ability. Clear strategic direction and focused resource allocation enable the team to deliver its core strategic priorities.

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

### Our strategy

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

**Our purpose:** Great people delivering sustainable supply chain value.

### Our strategic ambitions

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

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

### Our key strategic priorities

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

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

## Strategic Report (*continued*)

### Sustainability

#### Protecting our futures

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

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

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

We encourage involvement at all levels; driven by our ESG steering group and management team, our champion groups across the organisation represent all operational functions and locations, including environment, health and safety and diversity and inclusion.

#### The road to net-zero by 2040

Our environmental programme is overseen by the Sustainability Team, who provide updates on progress to the Executive Management Team and to the ESG steering group. Every business area is encouraged to nominate an environment champion to promote and drive continuous improvement in environmental performance and colleague engagement at their sites.

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

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

#### Greenhouse gas emissions and energy use

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

Our 2024 climate risk disclosure and emissions performance were again rated 'B' by CDP. This rating indicates that we are a company 'managing carbon' and demonstrates that we are implementing actions, policies and strategies to address climate risks and opportunities and have achieved carbon reduction performance.

Our carbon emissions results are prepared with reference to the GHG Protocol Corporate Accounting and Reporting Standard for operational control. Carbon factors used are taken from the Defra conversion factors for company reporting 2024, with both electricity generation and distribution emissions included in scope 2. For all UK mainland operations where we have the supply contract, we continue to purchase 'green tariff' electricity which complies with the market based scope 2 reporting requirements of the GHG Protocol. However, we continue to report electricity use at UK grid average emissions for the purposes of this Annual Report.

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

Our commitment to net-zero carbon emissions by 2040 is an 'absolute' target and requires a decarbonisation path irrespective of business growth. As changes in our business activities continue to directly affect our emissions, we use a carbon intensity measure to monitor and communicate our carbon efficiency.

Our carbon intensity is defined as total scope 1 and 2 carbon emissions from managed supplies per unit of revenue, and our carbon intensity ratio for the nine month period ended December 2024 was 208 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per £m of revenue, set against a target of 210 tonnes.

## Strategic Report (continued)

### Sustainability (Continued)

#### Greenhouse gas emissions and energy use (Continued)

##### Performance against target

Target	Baseline (2020/21) (tCO <sub>2</sub> (e))	2024 <sup>1</sup> Performance (tCO <sub>2</sub> (e))	% reduction
30% reduction in emissions by 2030 (scope 1 & 2)	328,789	243,267	26%
Net Zero by 2040 (Scope 1,2 & 3)	405,346	285,395	30%

<sup>1</sup>Relates to the nine month period ended 31 December 2024

Target	2024 <sup>1</sup> Target	2024 <sup>1</sup> Performance
Carbon Intensity (CO <sub>2</sub> e/£m)	210	208

<sup>1</sup>Relates to the nine month period ended 31 December 2024

#### Scope 1 Emissions

Transport emissions saw a 29% comparable growth due to the acquisition of three new major transport contracts. We anticipate the full year impact of these contracts during 2025 will again increase our total scope 1 transport emissions. We are working with the customers to enact a programme of decarbonisation plans to include alternative fuels and electrification.

Non-transport emissions have reduced by 27% when compared to the same period for the prior year. This is a result of exiting three large warehouse buildings which consumed considerable amounts of natural gas for heating and LPG for static plant machinery. To a lesser extent an overall degree day temperature increase has resulted in less natural gas usage across our property portfolio in general.

#### Scope 2 Emissions

Electricity transport emissions have increased threefold year on year due to the continued deployment of electric commercial vehicles. Our premium home delivery fleet of vans and trucks has increased from 50 to 96 over the last nine months and we have further vehicles on order to replace their diesel counterparts over the coming 12 months.

Electricity non-transport emissions have reduced by 14% as a result of exiting three large warehouse buildings.

#### Scope 3 Emissions

Our scope 3 emissions for subcontracted transport road freight are calculated from spend reports, operational costs and mileage data obtained from our Transport Management systems. We also calculate business travel emissions from supplier travel management reports.

Our scope 3 emissions have decreased by a third as a year on year comparison, due to the reduction in fuel cost as a proportion of operating costs to subcontractors.

We recognise that scope 3 emissions are material to interpreting our emissions performance and that when we set a science based target, all three emissions scopes will be included. We continue to develop the methodology for calculating and expanding the categories of scope 3 we report.

#### 2040 commitment to net-zero carbon emissions

Our energy use and carbon emissions figures are as follows:

##### Energy use

Energy Use (MWh)	2024 <sup>1</sup>	2023 <sup>2</sup>	2023/24	2022/23	2021/22	2020/21
Scope 1 Transport	990,405	762,133	1,025,192	1,252,200	1,175,113	1,145,210
Scope 1 Non-Transport	17,396	21,141	38,100	72,171	149,718	134,995
Scope 2 Electricity, Transport	1,107	638	662	0	0	0
Scope 2 Electricity, Non-transport	49,924	57,603	77,485	80,916	83,943	80,562
Total Energy (MWh)	1,058,832	841,515	1,141,439	1,405,287	1,408,774	1,360,767

<sup>1</sup>Relates to the nine month period ended 31 December 2024<sup>2</sup>Comparable nine month period ended 31 December 2023.

## Strategic Report (continued)

### Sustainability (continued)

#### 2040 commitment to net-zero carbon emissions (Continued)

##### Carbon emissions

Carbon Emissions (tCO <sub>2</sub> e)	2024 <sup>1</sup>	2023 <sup>2</sup>	2023/24	2022/23	2021/22	2020/21
Scope 1 Transport	227,424	174,489	234,907	297,956	278,295	275,512
Scope 1 Non-Transport	4,343	4,190	7,948	15,830	36,504	32,879
Scope 2 Electricity, Transport	342	144	149			
Scope 2 Electricity, Non-transport	11,158	12,960	17,433	17,079	19,401	20,398
Total Scope 1 and 2 Emissions	243,267	191,783	260,437	330,865	334,200	328,789
Scope 1 and 2 Carbon Intensity	208	-	185	225	235	270
Scope 3 Emissions	42,128	50,279	67,039	71,435	106,887	76,557

<sup>1</sup>Relates to the nine month period ended 31 December 2024.

<sup>2</sup>Comparable nine month period ended 31 December 2023.

Less than 0.5% of total scope 1 and 2 emissions relate to operations outside the UK.

Wincanton widely communicates our net-zero strategy and targets to our stakeholders, maintaining net-zero roadmaps for transport and fleet, warehouse and infrastructure, and packaging and waste. The communication of our net-zero strategy continues to evolve as technology, the investment landscape, customer insights and regulations change.

Our operational emissions are primarily from diesel transport fuel and, until it is feasible to adopt wholesale renewable fuels or widespread electrification of our fleets, we are optimising our use of diesel through a variety of continuous improvement measures to improve fuel consumption. Deployment of our EyeQ platform allows visibility of vehicle usage and performance which create opportunities to optimise the efficiency of our network operation.

We continue to operate a fleet of biomethane trucks and in this reporting period have used 3.7 million litres of certified HVO as a drop-in replacement fuel for diesel. Elsewhere across the business, we are utilising 96 electric commercial vehicles up to 16.7 tonnes, have a further 32 on order and are running two small fleets on Liquefied Natural Gas and Compressed Natural Gas fuels. As we continue to shape our net-zero future, we have engaged with a number of innovation consortia working on battery electric trucks and charging infrastructure. We are participating in the Innovate UK 'Zero Emissions HGV and Infrastructure Demonstration' (ZEHID) funding programme and plan to be operating battery electric trucks over 40 tonnes no later than March 2026.

This year we have purchased further carbon credits to allow us to maintain a carbon neutral premium home delivery operation. These purchased carbon credits were wind-energy credits relating to a certified project in Brazil. We also retired a mix of forestry credits relating to Verra and Gold Standard certified projects in Columbia, India, and also from Uruguay. This was self-assessed using our carbon accounting process which is certified to ISO 14064.

Our progress against targets is currently focused on scope 1 and 2 emissions and we anticipate that we will achieve a 30% reduction in emissions by 2030 based on the wider industry decarbonisation and legislative landscape. We expect a further 70% reduction from 2030 to 2040 as alternative fuels and electrification technologies and infrastructure, potentially including hydrogen, become more widespread and commercially available.

We are advancing the decarbonisation of our buildings in accordance with our long-term and interim net-zero carbon targets. We are achieving this by maximising the electrification of our warehouse energy usage, increasing energy efficiency where feasible and either generating or purchasing renewable electricity. This year will see the first installation of rooftop solar photovoltaic systems within our own estate.

Our interim target to be carbon neutral in our own non-transport operations by 2025 by using authentic carbon credits has been superseded by growing momentum to achieve verification through the Science Based Targets initiative (SBTi). Although decarbonisation trajectories for the freight transport sector remain unclear, we aim to complete our SBTi submission pack during 2025 and achieve a verified SBT during 2026. This will formally quantify our buildings emissions and we will adopt the standard approach of carbon offset for residual emissions.

Our waste management programme is on track to meet our target of doubling recycling rates from residual waste by 2025. We set our performance baseline at 36.3%, making our target 72.6% by the end of 2025, and have achieved 68.29% in the reporting period. The introduction of the new Simpler Recycling rules in England will help to further our performance and ensure we are on track to meet the year end target of 72.6%.

## Strategic Report (*continued*)

### Sustainability (*continued*)

#### 2040 commitment to net-zero carbon emissions (*Continued*)

We have continued to consolidate our preferred packaging supplier list to ensure that we have strong innovation capability in our supplier base and will continue to drive waste reduction and circular economy principles into our packaging sourcing in collaboration with our customers. We will continue to innovate on packaging to support our customers, meet our targets and comply with legislation such as the extended producer responsibility regulations.

#### Social value

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

We focus our activities around four core pillars:

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

To drive positive action in this space, in April 2023 we also launched our Group-wide Million Hours Mission. By working together with our people, suppliers and customers we have set ourselves an ambitious challenge to deliver one million hours of social value by the end of 2025, enriching the communities that we operate in. Engaging with the community is an important part of embedding our inclusive culture. Throughout the year we have successfully supported many local community groups and charities, hosted wellbeing events and championed inclusivity awareness activities. This has resulted in over 625,125 social value hours in total recorded to date (288,582 hours recorded in 9-month period to December 2024) as part of our Million Hours Mission, and, therefore, we are confident of achieving our million hour target in 2025.

#### Gender pay reporting

We track gender pay reporting in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Our 2025 Gender Pay Gap Report can be found on our website at [www.wincanton.co.uk/investors/corporate-governance/Corporate-disclosures-and-policies/](http://www.wincanton.co.uk/investors/corporate-governance/Corporate-disclosures-and-policies/). In 2024 we have reported the Gender Pay Gap for Republic of Ireland for the first time in line with the Gender Pay Gap Information Act 2021, which can be found on our website at [www.wincanton.co.uk/investors/corporate-governance/Corporate-disclosures-and-policies/](http://www.wincanton.co.uk/investors/corporate-governance/Corporate-disclosures-and-policies/).

#### Governance

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

The Board and the Executive Management Team have oversight of non-financial disclosures and assurance, including reporting in line with leading ESG frameworks. During the period they also oversaw and evaluated the Company's approach and controls relating to the prevention and detection of fraud and bribery, including overseeing the effectiveness of whistleblowing mechanisms.

We have sustainability targets in our remuneration structures, applicable to our senior management. In line with our long-term ambitions to achieve net-zero by 2040, we use an operational scope 1 and 2 carbon intensity by revenue as the most appropriate performance condition. This is the simplest way to incentivise carbon emission reduction whilst balancing the need for profitable revenue growth. We now have a clear guide path to hit our 2040 target and have set annual targets in which to achieve this. In the nine months to 31 December 2024 this achieved stretch outturn.

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

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

Our ESG materiality assessment aligns with our principal business risks (see pages 17-18) and is also aligned with our selected UN Sustainable Development Goals ('SDG') and GRI reporting.

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

## Strategic Report (continued)

### Sustainability (continued)

#### Climate-related financial disclosures

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

We have integrated our climate-related disclosures throughout this Annual Report, which are consistent with the climate change requirements of section 414A and 414CB of the Companies Act 2006 and have summarised them in the table below. In early 2024 we completed qualitative TCFD climate scenario modelling of risks, opportunities and resilience. The results are included in this Annual Report. In addition to the table and disclosures in this report, we have also provided links to our external ESG reporting website where more detail on measures aligned to the Global Reporting Initiative can be found.

Within our sustainability strategy we have set a clear objective to achieve net-zero carbon emissions by 2040 and have made a commitment to be the leading long term supply chain partner of net-zero solutions for fleet, property and waste.

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

		Wincanton reference	Page(s)
<b>Governance</b>	A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities;	Our ESG Committee focused on strategy, target setting, performance and communication. This management committee was chaired by the Chief Executive Officer to provide additional Board interface.	13
	Management's role in managing climate-related risks and opportunities	Ownership of the management of climate-related risks ultimately sits with the Chief Operating Officer and is managed by the Sustainability Team. Climate change risks feature on the principal risk register and this year we emphasised the need to identify business opportunities presented by climate change.	4 to 8
<b>Risk management</b>	A description of how the company identifies, assesses, and manages climate-related risks and opportunities and a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process	More details can be found in the risk report and in the tables below. Further details on climate-related principal risks are given with additional comments on opportunity identification and integration into business strategy and financial models. Climate related risks are reviewed by the Sustainability team at 6 monthly intervals to monitor changes and updates to principal risks and opportunities, and subsequently reviewed at the Risk Committee.	4 to 8 and 17 to 19



**Strategic Report (continued)****Sustainability (continued)****Climate-related financial disclosures (continued)**

		Wincanton reference	Page(s)
<b>Strategy</b>	A description of: (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed	Details of climate-related risks are included in the disclosure of principal risks and uncertainties and the tables below. We have focused on general summaries of 'physical' and 'transition' risks with management of 'transition' risks providing the main opportunities for differentiation with our customers.	4 to 8 and 17 to 19
	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy	We have made a commitment to net-zero carbon emissions. We deploy processes and technologies to reduce our own and our customers' environmental impact for the long term.	10 to 13
	An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	Wincanton partnered with an expert consultancy to develop a range of qualitative scenarios in which to evaluate physical and transition risks and opportunities relative to three temperature scenarios over the short, medium and long term. As a UK supply chain company for a wide range of sectors, we anticipate that our customers' scenario planning will play a key role in shaping the resilience of our business strategy and the evolution and integration of our scenario planning. Some of the output of this analysis is presented in tables 1, 2 and 3 below.	17 to 19
<b>Metrics and targets</b>	A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.	Climate-related opportunities are considered monthly as part of our strategy review process.	10-11
	Our scope 1, 2 and 3 GHG emissions	KPIs for scope 1 and 2 emissions are reported in Annual Reports. Selected scope 3 emissions are provided in this Annual Report with further detail and explanation on our <a href="#">ESG reporting web page</a> .	12
	A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Our ESG targets are included in the sustainability section of this Annual Report. ESG related remuneration targets are included in the Annual Bonus scheme, specifically relating to health and safety; diversity and inclusion; and carbon intensity.	10-11

## Strategic Report (*continued*)

### Sustainability (*continued*)

#### Climate-related financial disclosures (*continued*)

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

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

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

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

Likelihood is the chance of the event concerned occurring:

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

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

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

In this analysis, to understand the physical risks and opportunities in greater depth, a 2.5°C and a 4°C scenario was chosen to model acute and chronic physical risks and opportunities for Wincanton. The 1.5°C scenario was chosen to assess the impact of transition risks and opportunities in accordance with the IPCC framework:

- Scenario 1 – Steady Path to Sustainability (1.5°C) – is optimistic about economic decarbonisation and assumes this is achieved in a steady, orderly fashion, to draw out transition risks. SSP1 / RCP1.9 combination.
- Scenario 2 – Unequal World (2.5°C) – is a middle group in which decarbonisation is delayed and disorderly, and social fragmentation and inequality is widened between the globally connected elite and lower-income communities. SSP 4 / RCP 3.4 combination.
- Scenario 3 – Fossil-fuelled growth (4°C) – this is a plausible worst-case scenario from a climate change perspective, intended to draw out physical risks. SSP5 / RCP8.5 combination.

**Strategic Report (continued)****Sustainability (continued)****Climate-related financial disclosures (continued)**

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

**Strategic Report (continued)****Sustainability (continued)****Climate-related financial disclosures (continued)**

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

**Strategic Report (continued)****Sustainability (continued)****Climate-related financial disclosures (continued)**

Table 3 – Opportunities by temperature scenario and time horizon									
Rank	ID	Risk type	Risk title	Likelihood	Impact	Scenario		Location	Time horizon
1	O2	Resource efficiency	Opportunity to harness green-led resource efficiency across transportation leading to a reduction in operating costs by greening Wincanton's fleet e.g. switching to a fully electric truck fleet.	Likely (4)	High (4)	1.5°C		UK	Short to medium term
2=	O1	Resource efficiency	Opportunity to harness green-led resource efficiency across Wincanton's warehousing and value-add services leading to a reduction in operating costs by using renewable energy sources, i.e. solar panels.	Likely (4)	Moderate (3)	Primary	2.5°C disorderly	UK	Short term
						Secondary	1.5°C		Long term
2=	O6	Resource efficiency	Opportunity to harness automation, robotics, and low carbon data management practices to reduce Wincanton's operating costs by improving efficiency.	Almost certain (5)	Moderate (3)	Primary	1.5°C	UK	Short to medium term
						Secondary	2.5°C disorderly		
3=	O5	Products and services	Opportunity to leverage Wincanton's scale and partnerships to boost lower carbon innovations and industry collaborations, improving business resilience.	Moderate (3)	Moderate (3)	2.5°C disorderly		UK	Medium to long term
3=	O3	Products and services	Opportunity to gain a larger share of the market by diversifying Wincanton's offerings to incorporate sustainable practices and greener services than peers, tapping into a growing market of environmentally conscious customers, increasing revenue.	Moderate (3)	Moderate (3)	1.5°C		UK	Short term
4	O4	Resource efficiency	Opportunity to reduce operating costs by improving business circularity and increase recycling rates, through Wincanton's value-add services.	Moderate (3)	Very Low (1)	Primary	1.5°C	UK	Short term
						Secondary	2.5°C disorderly		Long term

On page 7 Wincanton have summarised the actions taken to mitigate the identified climate-related risks.

## Strategic Report (*continued*)

### Sustainability (*continued*)

#### Non-financial and sustainability information statement

As required by the non-financial reporting requirements of sections 414A and 414C of the Companies Act 2006, information on environmental matters, the Group's employees, social matters, respect for human rights and anti-corruption and anti-bribery are included within the Strategic Report section of this Report and Financial Statements on pages 1 to 22. Details of our business model can be found on page 9, principal risks and our response to them are on pages 4 to 8.

#### Stakeholder engagement

As a leading supply chain partner for UK business, our customers are at the heart of everything we do, and our long term relationships deliver consistent returns.

Our suppliers play an important role in helping our business deliver for our customers. We form strong, sustainable and trusted partnerships and look to secure excellent value for money, whilst minimising risks in our supply chain.

The health, safety and wellbeing of our colleagues and our communities continue to be of paramount importance. See social value on page 13, where we reflect on how we are enriching our local communities, and employee engagement on page 27.

#### Section 172(1) Statement

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

The Wincanton Board considers it has fulfilled its responsibilities under Section 172(1) of the Act. It recognises the need to reflect the views of and impact on the Group's key stakeholders in its discussions and in the decisions it takes. This year the focus of the Board remained compliance with the CMA process relating to the acquisition of the business.

- **Promoting the success of the Company**

The decision to engage in the prior reporting period with proposed offers for the Group and to ultimately approve the progression of an offer through to acquisition involved careful consideration of the interests of shareholders, wider stakeholders and employees, whilst acting fairly between members and taking account of the long term consequences of such a decision. The Board followed the high standards set by the UK Takeover Code, the UK Corporate Governance Code and other relevant legislation and guidance. All shareholders had an equal opportunity to vote on the offers and to question the Board at the court and general meetings held. Individual consultation took place with major shareholders. The Wincanton Board was pleased to recommend the offer from GXO Logistics, Inc. which delivered very substantial shareholder value, at a level significantly above the Company's pre-offer period all-time share price high. The Board continues to promote the success of the Company whilst it progresses through the Competition and Markets Authority process, including by supporting investment in the acquisition of Invar (now Inteq).

- **Longstanding relationships with customers**

In August 2024, Wincanton announced the award of a five-year contract extension from Co-op, a partnership which has been in place for over 30 years. Later in the year, Britvic signed a ten-year renewal to its contract with Wincanton, which took the partnership between the two businesses into its 40th year. This successful relationship is based on shared values around people, planet and performance. Wincanton has been a partner to Kingfisher (B&Q and Screwfix) since 2006, and during this reporting year the contracts between the groups were extended for a further 3 years.

- **Impact on the environment**

In light of the UK government's commitment to phase out articulated combustion engine lorries, the Group became a participant in the ZEHID funding programme during the period to support electric vehicle and charging infrastructure testing and learning in real-life operations operation. The Board's approval for this participation demonstrates the Group's focus on sustainability and its desire to transform customer supply chains towards a more sustainable approach.

## Strategic Report (*continued*)

### Corporate governance

On the Scheme of Arrangement becoming effective on 29 April 2024, the entire issued share capital of Wincanton became owned by GXO Logistics, Inc. (GXO). Wincanton's non-executive directors resigned from the Wincanton Board and the Committees required by virtue of being a premium listed company (Remuneration, Nomination, Audit) were disbanded. Wincanton's executive directors remained on the board and the company has been 'held separate' from GXO pending the CMA's investigation of the transaction. It is therefore more appropriate to review Wincanton's governance arrangements for this reporting period against the Wates Principles, a voluntary set of governance principles aimed at large private companies.

Code	Principle	How we aim to comply
1	<b>Purpose and Leadership</b> An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose	See our section 172(1) statement on page 20 and our stakeholder relations activity at Principle 6 below.
2	<b>Board Composition</b> Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.	The Board did not appoint a non-executive chair during the hold separate period. However, the individual directors, being the existing Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (appointed to the Board on 1 June 2024), all have the necessary skills and experience.
3	<b>Director Responsibilities</b> The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.	The limited entity board have maintained a Matters Reserved for the Board, having revised and removed all requirement no longer necessary since delisting from the London Stock Exchange.
4	<b>Opportunity and Risk</b> A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risk.	The Board has established formal and transparent policies and procedures relating to external and internal audit functions and the management of risk. During the period the Board was assisted by the Risk and Assurance Committee to ensure that the board presented a fair, balanced and understandable assessment of the Company's position and prospects.
5	<b>Remuneration</b> A board should promote executive remuneration structures aligned to the long-term success of a company, taking into account pay and conditions elsewhere in the company.	<p>The Remuneration Policy as approved by shareholders in July 2023 remained in operation during the reporting period.</p> <p>The Policy can be found on the Wincanton website here:  <a href="https://www.wincanton.co.uk/download_file/1817/1024/">https://www.wincanton.co.uk/download_file/1817/1024/</a></p> <p>Account is taken of the outcome of remuneration decisions, both for the individual elements and in totality, with reference to the Group's performance to consider whether discretion should be applied. No discretion was applied during the year.</p>

Strategic Report (continued)  
Corporate governance (continued)

6	<p><b>Stakeholder Relationships and Engagement</b></p> <p>Directors should foster effective stakeholder relationships aligned to the company’s purpose. The board is responsible for overseeing meaningful engagement with stakeholders including the workforce and having regard to their views when taking decisions.</p>	<p>Wincanton’s employee engagement programme has continued during the reporting period.</p> <p>Our colleague engagement survey has run this year providing colleague feedback to the business in every sector and site.</p> <p>Our employee forums have met on a regular basis, our Works Council every quarter, and our Pension and Health and Safety Forum annually.</p> <p>Longstanding relationships with customers have continued this year – see our s172(1) statement on page 20.</p>
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Strategic Report signed on behalf of the Board

Signed by:

  
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**James Wroath**  
**Chief Executive Officer**  
29 April 2025



## Directors' Remuneration Report

During the financial period, following the Company's acquisition by GXO Logistics, Inc. which completed on 29 April 2024, the former independent Non-executive Directors resigned and the Remuneration Committee which served during the year ending 31 March 2024 was disbanded.

Any determination made by the Remuneration Committee in connection with the acquisition of the Company by GXO Logistics, Inc. was made prior to the completion date of 29 April 2024.

The Company operated an annual bonus plan and a Performance Share Plan for the Directors during the year ended 31 March 2024 in accordance with the terms of those plans as summarised in last year's Directors' Remuneration Report. As a result of the acquisition by GXO Logistics, Inc., all active Performance Share Plans vested and were paid in May 2024 following the acquisition date.

During the period:

- The Non-executive Directors resigned from the Board on 29 April 2024;
- Ian Keilty, Chief Operating Officer, was appointed to the Board on 1 June 2024.
- No discretion was exercised in relation to Directors' remuneration.
- No major decisions were taken on Directors' remuneration.

Single figure table (£'000)

	James Wroath		Tom Hinton		Ian Keilty <sup>6</sup>		Total	
	Period Ended 31 December	Year ended 31 March	Period Ended 31 December	Year ended 31 March	Period Ended 31 December	Year ended 31 March	Period Ended 31 December	Year ended 31 March
	2024	2024	2024	2024	2024	2024	2024	2024
Salary	413	531	288	371	229	-	930	902
Taxable Benefits <sup>1</sup>	9	12	4	8	9	-	22	20
Pension related benefits <sup>2</sup>	16	21	11	15	31	-	58	36
<b>Total fixed pay</b>	<b>438</b>	564	<b>303</b>	394	<b>269</b>	-	<b>1,010</b>	958
Annual bonus <sup>3</sup>	418	426	292	297	230	-	940	723
LTIP <sup>4</sup>	3,295	945	1,944	-	-	-	5,239	945
Dividend Equivalent <sup>5</sup>	58	-	9	-	-	-	67	-
<b>Total variable pay</b>	<b>3,771</b>	1,371	<b>2,245</b>	297	<b>230</b>	-	<b>6,246</b>	1,668
<b>Total</b>	<b>4,209</b>	1,935	<b>2,548</b>	691	<b>499</b>	-	<b>7,256</b>	2,626

1 Benefits comprise a car allowance or company car, private family medical cover and insurance benefits.

2 Pension entitlements are paid by either pension contributions or an allowance taxed as salary. No director participated in a defined benefit pension.

3 Details of the Annual Incentive Plan ("AIP") for the period ended 31 December 2024 are set out below.

4 As a result of the acquisition by GXO Logistics, Inc. all long-term incentives vested on 25 April 2024. The value is the market price (£6.05) at exercise date less exercise price. The Wincanton Remuneration Committee approved that, for all participants LTIP awards would vest in full on completion of the GXO acquisition transaction.

5 Dividend equivalent payments were made in line with plan rules and Remuneration Committee approval.

6 Ian Keilty joined the Board on 1 June 2024. The 2024 figures include remuneration paid from that date.

## Directors' Remuneration Report (*Continued*)

### Annual Incentive Plan ("AIP") outcomes for the period ended 31 December 2024

Performance for the AIP was measured against a mix of financial targets (80%) and strategic objectives (20%). Targets have been calculated using the same methodology as prior years, with appropriate adjustments to reflect the short financial period.

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

### Non-Executive Directors' Fees (£'000)

	Fees		Termination and post employment benefits <sup>1</sup>		Total	
	Period Ended 31 December	Year ended 31 March	Period Ended 31 December	Year ended 31 March	Period Ended 31 December	Year ended 31 March
	2024	2024	2024	2024	2024	2024
Sir Martin Read CBE	18	208	52	-	70	208
Gill Barr	5	63	16	-	21	63
Debbie Lentz	5	57	16	-	21	57
Mihiri Jayaweera	5	52	13	-	18	57
Anthony Bickerstaff	5	63	16	-	21	63
John Pattullo OBE <sup>2</sup>	5	24	15	-	19	24

1 Fees reported are Pay In Lieu of Notice.

2 John Pattullo joined the Board on 1 November 2023.

### Directors' Interests

	31 December 2024	31 March 2024
James Wroath	-	33,737
Tom Hinton	-	989
Ian Keilty <sup>1</sup>	-	-
Sir Martin Read CBE	-	58,016
Gill Barr	-	8,000
Debbie Lentz	-	10,022
Mihiri Jayaweera	-	8,000
Anthony Bickerstaff	-	8,000
John Pattullo OBE	-	8,000

1 Ian Keilty beneficial interests not reportable until his appointment on 1 June 2024

**Directors' Remuneration Report (Continued)****Directors' Interests (continued)**

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

**Share Plan Interests**

	Options held at 1 April 2024	Options granted	Options lapsed	Options exercised	Option grant price (p)	Options held at 31 December 2024	Earliest exercise date	Latest exercise date
James Wroath	951,293	Nil	Nil	951,293	N/a	-	N/a	N/a
Tom Hinton	321,287	Nil	Nil	321,287	N/a	-	N/a	N/a
Ian Keilty <sup>1</sup>	-	Nil	Nil	-	N/a	-	N/a	N/a

<sup>1</sup> Ian Keilty beneficial interests not reportable until his appointment on 1 June 2024

**Share Incentive Plan (SIP):**

	Options held at 1 April 2024	Options granted	Options lapsed	Options exercised	Option grant price (p)	Options held at 31 December 2024	Earliest exercise date	Latest exercise date
James Wroath	989	Nil	Nil	989	N/a	-	N/a	N/a
Tom Hinton	989	Nil	Nil	989	N/a	-	N/a	N/a
Ian Keilty <sup>1</sup>	-	Nil	Nil	-	N/a	-	N/a	N/a

<sup>1</sup> Ian Keilty beneficial interests not reportable until his appointment on 1 June 2024

**Notes to the share plan interests:**

Due to the completion of the acquisition of the entire share capital of the company by GXO Logistics, Inc. in April 2024 the Directors' beneficial interests in the Company's ordinary shares are now nil.

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

DocuSigned by:  
  
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**Tom Hinton**

**Chief Financial Officer**

29 April 2025

## Directors' Report

The Directors present their Report and the audited financial statements of the Company for the nine month period ended 31 December 2024.

The Company is required to prepare a fair review of the business during the period ended 31 December 2024 and of the position at the end of the financial period and a description of the principal risks and uncertainties facing the Company (known as a Strategic Report). The purpose of the Strategic Report is to enable shareholders to assess how the Directors have performed their duty under Section 172(1) of the Companies Act 2006. The information that fulfils the requirement of the Strategic Report can be found on pages 1 to 22.

### Directors

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

J Wroath (Chief Executive Officer)  
T Hinton (Chief Financial Officer)  
I Keilty (Chief Operating Officer) (appointed 1 June 2024)  
M Read (Chair) (resigned 29 April 2024)  
G Barr (Independent Non-executive Director) (resigned 29 April 2024)  
A Bickerstaff (Independent Non-executive Director) (resigned 29 April 2024)  
M Jayaweera (Independent Non-executive Director) (resigned 29 April 2024)  
D Lentz (Independent Non-executive Director) (resigned 29 April 2024)  
J Pattullo (Independent Non-executive Director) (resigned 29 April 2024)

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

### Results and dividends

The results for the period and the Company's financial position at the end of the period are shown in the attached financial statements. The income statement showed an underlying profit before tax of £34.6m (year ended 31 March 2024: £58.5m), and a statutory loss of £(73.7)m (year ended 31 March 2024: loss £(39.6)m).

No dividends were paid in the period. The following dividends were paid in the prior year:

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Final dividend for the prior financial year £nil (year ended 31 March 2024: 8.8p) per share	-	10.8
Interim dividend for the current financial period of £nil (year ended 31 March 2024: 4.4p) per share	-	5.4
<b>Total dividends paid</b>	<b>-</b>	<b>16.2</b>

The Directors do not propose the payment of a final dividend in respect of the period ended 31 December 2024.

### Political and charitable donations

No political donations were made during the period (year ended 31 March 2024: £nil). During the period ended 31 December 2024, the Company contributed £27,200 (year ended 31 March 2024: £43,075) to charitable and community programmes.

### Going concern

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

### Share capital and reserves

Details of the issued share capital of the Company are shown in Note 23 to the consolidated financial statements. Movements in the share capital and reserves are shown in the consolidated statement of changes in equity on page 38.

## Directors' Report (Continued)

### Employee information

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

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

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

### Employee engagement

A process was in place to engage with all employees through a series of site based meetings to ensure employee opinion is considered in informing Board decision-making. These meetings provide the opportunity to inform the attendees on matters considered of interest to them including Board strategy, remuneration strategy, diversity and inclusivity, corporate values, and communication.

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

Wincanton has a number of initiatives in place to allow the views of our staff to be heard and acted upon to ensure Wincanton is a great place to work. These include:

- listening group meetings with key stakeholders including general managers and drivers, in addition to our regular departmental and team meetings;
- regular monthly business update calls hosted by the Executive Management Team (EMT) to update colleagues on the Group's business performance and new initiatives and innovations. The call encourages questions and engagement from attendees and it is also recorded and made available for playback to anyone unable to join the call;
- the Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief People Officer (CPO) plan to attend four sites per year for direct engagement with colleagues and all members of the Senior Management Group (SMG) visit sites to build stronger relationships with the operations;
- Wincanton Works Council, HSQE Forum and the Pension forum attended by union partners and colleague representatives; and
- regular 'Your Pulse' engagement surveys and a network of local engagement champions.

Year	CY25	FY23/24	FY22/23
Employee engagement (scored 1 – 10)	7.4	7.2	6.9

### Streamlined Energy and Carbon Reporting

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

### Stakeholder engagement

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

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

## Directors' Report (*Continued*)

### Financial risk management

Financial risks and how those risks are addressed are included in Note 27 to the consolidated financial statements.

### Disclosure of information to the auditor

The Directors who held office at the date of approval of this Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

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

### Post balance sheet events

In March 2025 the Group entered a settlement agreement with a customer to exit an onerous contract. See Note 22 to the Consolidated financial statements for further details.

### Matters of strategic importance

Certain information is not shown within the Directors' Report as it is instead included within the Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

### On behalf of the Board

DocuSigned by:  
  
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**Lyn Colloff**

### Company Secretary

29 April 2025

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors approved the responsibility statement on 29 April 2025.

DocuSigned by:  
  
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**Tom Hinton**

**Chief Financial Officer**

29 April 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINCANTON LIMITED

### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Wincanton Limited ("the Company") and its subsidiaries ("the Group") for the period ended 31 December 2024 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Wincanton Limited Company balance sheet, the Wincanton Limited Company statement of changes in equity and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINCANTON LIMITED (CONTINUED)****Climate change**

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

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

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

We also assessed the consistency of management's disclosures included as Other Information on pages 10 to 20 with the financial statements and with our knowledge obtained from the audit.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINCANTON LIMITED (CONTINUED)****Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINCANTON LIMITED (CONTINUED)***Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussions with management and those charged with governance ; and
- Obtaining an understanding of the Group policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, the Companies Act 2006 and applicable UK company law.

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

Our procedures in respect of the above included:

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

*Fraud*

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

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

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

Our procedures in respect of the above included:

- Identifying and testing journal entries, in particular any manual journal entries posted to revenue or expense accounts with unusual account combinations and other journals viewed as higher risk, by agreeing to supporting documentation;
- Review of minutes of Board meetings throughout the period and post period end to identify any known or suspected instances of fraud and performing appropriate audit procedures in response to any such matters identified;
- Review of internal audit reports for reference of any internal control failures; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular, the assessment of performance obligations in customer contracts, the valuation of defined benefit pension assets, the measurement of the gross defined benefit pension obligation, impairment assessments, the measurement of onerous contract and other provisions and going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINCANTON LIMITED (CONTINUED)**

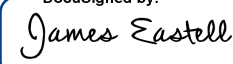
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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James Eastell (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Bristol, UK

29 April 2025

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

**Consolidated income statement**

For the period ended 31 December 2024

	Note	Period ended 31 December 2024			Year ended 31 March 2024		
		Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
<b>Revenue</b>	2	<b>1,170.9</b>	-	<b>1,170.9</b>	1,406.6	-	1,406.6
Net operating costs	3, 4	<b>(1,125.6)</b>	<b>(123.0)</b>	<b>(1,248.6)</b>	(1,342.0)	(103.4)	(1,445.4)
<b>Operating profit/(loss)</b>	4	<b>45.3</b>	<b>(123.0)</b>	<b>(77.7)</b>	64.6	(103.4)	(38.8)
Financing income	7	<b>3.7</b>	-	<b>3.7</b>	6.6	-	6.6
Financing cost	7	<b>(14.4)</b>	-	<b>(14.4)</b>	(12.7)	-	(12.7)
<b>Profit/(loss) before tax</b>		<b>34.6</b>	<b>(123.0)</b>	<b>(88.4)</b>	58.5	(103.4)	(44.9)
Income tax (expense)/credit	8	<b>(10.9)</b>	<b>25.6</b>	<b>14.7</b>	(14.1)	19.4	5.3
<b>Profit/(loss) attributable to equity shareholders of Wincanton Limited</b>		<b>23.7</b>	<b>(97.4)</b>	<b>(73.7)</b>	44.4	(84.0)	(39.6)

**Consolidated statement of comprehensive income**

For the period ended 31 December 2024

		Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
	Note		
<b>Loss for the period</b>		<b>(73.7)</b>	<b>(39.6)</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items which will not subsequently be reclassified to the income statement</b>			
Remeasurements of net defined benefit asset	25	11.1	(52.1)
Income tax relating to items that will not subsequently be reclassified to profit or loss	8	(2.8)	13.0
		<b>8.3</b>	<b>(39.1)</b>
<b>Items which are or may subsequently be reclassified to the income statement</b>			
Net foreign exchange loss on investment in foreign subsidiaries		(0.1)	(0.4)
		<b>(0.1)</b>	<b>(0.4)</b>
<b>Total other comprehensive income/(loss) for the period, net of income tax</b>		<b>8.2</b>	<b>(39.5)</b>
<b>Total comprehensive loss attributable to equity shareholders of Wincanton Limited</b>		<b>(65.5)</b>	<b>(79.1)</b>

**Consolidated balance sheet**

At 31 December 2024

		31 December 2024 £m	31 March 2024 (Restated) <sup>1</sup> £m
	Note		
<b>Non-current assets</b>			
Goodwill and intangible assets	10	<b>126.0</b>	130.1
Property, plant, equipment and vehicles	11	<b>19.6</b>	25.5
Right-of-use assets	13	<b>141.6</b>	148.8
Deferred tax assets	14	<b>10.1</b>	2.1
Trade and other receivables	16	<b>12.1</b>	11.2
Employee benefits	25	<b>93.4</b>	80.6
<b>Total non-current assets</b>		<b>402.8</b>	398.3
<b>Current assets</b>			
Inventories	15	<b>3.8</b>	2.0
Trade and other receivables	16	<b>168.1</b>	214.4
Income tax receivable		<b>1.8</b>	–
Cash and cash equivalents	17	<b>26.6</b>	28.7
<b>Total current assets</b>		<b>200.3</b>	245.1
<b>Total assets</b>		<b>603.1</b>	643.4
<b>Current liabilities</b>			
Income tax payable		–	(1.1)
Lease liabilities	19	<b>(40.2)</b>	(41.4)
Trade and other payables	20	<b>(342.0)</b>	(387.4)
Provisions	21	<b>(56.1)</b>	(24.1)
<b>Total current liabilities</b>		<b>(438.3)</b>	(454.0)
<b>Net current liabilities</b>		<b>(238.0)</b>	(208.9)
<b>Total assets less current liabilities</b>		<b>164.8</b>	189.4
<b>Non-current liabilities</b>			
Borrowings and other financial liabilities	18	<b>(15.0)</b>	(8.0)
Lease liabilities	19	<b>(167.9)</b>	(166.5)
Employee benefits	25	<b>(0.6)</b>	(1.9)
Provisions	21	<b>(77.7)</b>	(47.0)
Deferred tax liabilities	14	–	–
<b>Total non-current liabilities</b>		<b>(261.2)</b>	(223.4)
<b>Net liabilities</b>		<b>(96.4)</b>	(34.0)
<b>Equity</b>			
Issued share capital	23	<b>12.6</b>	12.5
Share premium		<b>12.9</b>	12.9
Merger reserve		<b>3.5</b>	3.5
Translation reserve		<b>(0.8)</b>	(0.7)
Own shares		–	(5.4)
Retained loss		<b>(124.6)</b>	(56.8)
<b>Total deficit</b>		<b>(96.4)</b>	(34.0)

<sup>1</sup> The comparatives of 'Goodwill and intangible assets' and 'deferred tax assets' have been restated following the finalisation of the purchase price allocation for the acquisition of the Invar Group as explained in Note 1 'Accounting policies'.

These financial statements were approved by the Board of Directors on 29 April 2025 and were signed on their behalf by:

DocuSigned by:  
  
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**Tom Hinton**  
**Chief Financial Officer**

**Consolidated statement of changes in equity**

For the period ended 31 December 2024

	Note	Issued share capital £m	Share premium £m	Merger reserve £m	Translation reserve £m	Own shares £m	Retained (losses)/ earnings £m	Total equity/ (deficit) £m
Balance at 1 April 2023		12.5	12.9	3.5	(0.3)	(5.6)	36.1	59.1
Loss for the year		–	–	–	–	–	(39.6)	(39.6)
Other comprehensive loss		–	–	–	(0.4)	–	(39.1)	(39.5)
Total comprehensive loss		–	–	–	(0.4)	–	(78.7)	(79.1)
Share based payment transactions	26	–	–	–	–	0.2	0.6	0.8
Tax on share based payment transactions	8	–	–	–	–	–	1.4	1.4
Dividends paid to shareholders	9	–	–	–	–	–	(16.2)	(16.2)
Balance at 31 March 2024		12.5	12.9	3.5	(0.7)	(5.4)	(56.8)	(34.0)
<b>Balance at 1 April 2024</b>		<b>12.5</b>	<b>12.9</b>	<b>3.5</b>	<b>(0.7)</b>	<b>(5.4)</b>	<b>(56.8)</b>	<b>(34.0)</b>
<b>Loss for the period</b>		–	–	–	–	–	<b>(73.7)</b>	<b>(73.7)</b>
<b>Other comprehensive (loss)/income</b>		–	–	–	<b>(0.1)</b>	–	<b>8.3</b>	<b>8.2</b>
<b>Total comprehensive loss</b>		–	–	–	<b>(0.1)</b>	–	<b>(65.4)</b>	<b>(65.5)</b>
Share based payment transactions	26	–	–	–	–	5.4	<b>(0.7)</b>	<b>4.7</b>
Shares issued		<b>0.1</b>	–	–	–	–	–	<b>0.1</b>
Tax on share based payment transactions	8	–	–	–	–	–	<b>(1.7)</b>	<b>(1.7)</b>
<b>Balance at 31 December 2024</b>		<b>12.6</b>	<b>12.9</b>	<b>3.5</b>	<b>(0.8)</b>	–	<b>(124.6)</b>	<b>(96.4)</b>



**Consolidated statement of cash flows**

For the period ended 31 December 2024

	Note	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
<b>Cash flows from operating activities</b>			
Loss before tax		<b>(88.4)</b>	(44.9)
Adjustments for:			
– depreciation and amortisation		<b>33.9</b>	46.9
– research and development expenditure credit		<b>(0.1)</b>	(0.1)
– net financing costs	7	<b>10.7</b>	6.1
– impairments	12	<b>24.2</b>	43.9
– loss/(profit) on disposal of property, plant and equipment		<b>0.8</b>	(3.2)
– profit on derecognition of lease liabilities		<b>(0.4)</b>	(0.5)
– share based payment transactions		<b>4.7</b>	0.8
		<b>(14.6)</b>	49.0
Decrease/(increase) in trade and other receivables		<b>42.7</b>	(44.1)
Increase in inventories		<b>(1.8)</b>	(0.1)
(Decrease)/increase in trade and other payables		<b>(42.6)</b>	76.6
Increase in provisions		<b>60.4</b>	29.4
(Decrease)/increase in employee benefits before pension deficit payment		<b>(0.2)</b>	1.1
Income taxes (paid)/received		<b>(0.6)</b>	3.5
<b>Net cash flows from operating activities before pension deficit payment</b>		<b>43.3</b>	115.4
Pension deficit payment		-	(11.3)
<b>Net cash flows from operating activities</b>		<b>43.3</b>	104.1
<b>Cash flows from Investing activities</b>			
Proceeds from sale of property, plant and equipment		<b>0.1</b>	4.3
Purchase of business net of cash acquired	24	<b>(3.0)</b>	(11.6)
Interest received		<b>0.9</b>	-
Additions of property, plant, equipment and vehicles	11	<b>(5.9)</b>	(12.8)
Additions of computer software	10	<b>(1.4)</b>	(7.9)
<b>Net Cash flows used in investing activities</b>		<b>(9.3)</b>	(28.0)
<b>Cash flows from Financing activities</b>			
Increase in borrowings		<b>7.0</b>	8.0
Shares issued		<b>0.1</b>	-
Capital repayments of lease liabilities		<b>(31.5)</b>	(39.0)
Equity dividends paid	9	-	(16.2)
Interest paid on lease liabilities	7	<b>(7.4)</b>	(8.5)
Interest paid on borrowings		<b>(4.3)</b>	(4.9)
<b>Net Cash flows used in financing activities</b>		<b>(36.1)</b>	(60.6)
Net (decrease)/increase in cash and cash equivalents		<b>(2.1)</b>	15.5
Cash and cash equivalents at beginning of the period		<b>28.7</b>	13.2
<b>Cash and cash equivalents at end of the period</b>		<b>26.6</b>	28.7
Represented by:			
– Cash and cash equivalents	17	<b>24.3</b>	26.4
– restricted cash, being deposits held by the Group's captive insurer	17	<b>2.3</b>	2.3
		<b>26.6</b>	28.7

## Notes to the consolidated financial statements

### 1. Accounting policies

#### **Statement of compliance**

Wincanton Limited (the Company) is a company incorporated in the United Kingdom and domiciled and registered in England and Wales. The Company provides supply chain solutions in the UK and Ireland. The address of the Company's registered office is Methuen Park, Chippenham, SN14 0WT and its registered number is 04178808. The consolidated financial statements include those of the Company and its subsidiaries (together referred to as the Group).

The consolidated financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (Adopted IFRS) and the legal requirements of the Companies Act 2006, as applicable to companies reporting under those standards.

#### **Standards, amendments and interpretations effective or adopted in the year**

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

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

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

#### **Change to accounting period**

The Company has changed its period end to 31 December. These accounts cover the nine month period from 1 April 2024 to 31 December 2024. The change to accounting period is to align with that of the ultimate parent company, GXO. Therefore, the amounts presented in the financial statements are not entirely comparable.

#### **Finalisation of purchase price allocation**

During the period the Group has revised the fair values of the intangible assets acquired and the related deferred tax liability assumed on the purchase of the Invar Group of Companies in the year ended 31 March 2024. As required under IFRS3 Business Combinations this has been accounted for as if the initial accounting had been completed from the acquisition date. The impact is to increase acquired intangible assets by £10.5m, increase deferred tax liabilities by £2.6m and reduce goodwill by £7.9m. There is no impact on the Income Statement for the year ended 31 March 2024.

#### **Basis of preparation**

The Group financial statements are stated in pounds sterling, which is the Company's functional and presentational currency, rounded to the nearest million. They are prepared on the historical cost basis except where assets or liabilities are required to be stated at their fair value, as stated in the accounting policies.

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and/or in future periods if applicable.

#### **Critical judgements in applying the Group's accounting policies**

The following are key judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- the presentation of selected items as non-underlying and the use of underlying measures as described in Note 3 'Alternative performance measures';
- in performing assets with finite live impairment assessments, the determination of cash generating units and the assumptions used to determine the recoverable amount as detailed in Note 12 'Impairment'; and
- the determination of whether goods and services promised in the Group's contracts with customers represent distinct performance obligations, and the associated timing of revenue recognition. See Note 1 'Accounting policies', revenue recognition.

## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### **Key sources of estimation uncertainty**

The Group's key sources of estimation uncertainty in the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are shown below:

##### *Defined benefit pension scheme*

Details of the Group's defined benefit arrangements are set out in Note 25 'Employee benefits', including the assumptions made, risk factors and tables showing the sensitivity of the pension scheme obligations to changes in actuarial assumptions. The effects of changes in the actuarial and demographic assumptions underlying the Scheme's obligations, together with experience gains or losses and the return on assets excluding amounts recognised in net financing costs, are classified as remeasurements in the defined benefit liability and recognised in other comprehensive income.

##### *Insurance provisions*

Provisions are liabilities of uncertain timing or amount and therefore judgement is applied in making a reliable estimate of the quantum and timing. Further information about the assumptions and risk factors is given in Note 21 'Provisions'.

The judgements which have had a significant effect on the amounts recognised in the financial statements in relation to the insurance provision are those relating to the estimation of the provision for claims outstanding, including reported claims and claims incurred but not reported (IBNR).

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. An external actuary is appointed to undertake an annual assessment of certain provisions to assist in determining the reserving position.

Given the uncertainty in establishing claims provisions, actual results may differ from the historical pattern on which these estimates are based and the cost of settling individual claims may exceed that assumed. It is likely that the final outcome will prove to be different from the original liability established.

The estimation of the provision for claims IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where more information about the claim event is available. Claims IBNR may often not be apparent to the insured for a considerable period after the loss event, and classes of business where the IBNR proportion of the total provision is high will typically display greater variations between initial estimates and final outcomes.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the accounting period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future underwriting periods. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected.

Given the diversity of claim types, their size, the range of possible outcomes and the time involved in settling these claims it is impractical to provide sensitivity analysis on one single measure and its potential impact on the overall insurance provision. Provisions covered by the actuarial review at the balance sheet date were £16.2m (31 March 2024: £18.8m) compared to an actuarial range of £8.9m to £17.9m (31 March 2024: £11.2m to £22.0m). Management has taken into consideration the actuarial review, the development of larger claims since the actuarial review, and historical development patterns of the claims in determining the level of provision held.

##### *Impairment of assets*

Determining whether the Group's assets are impaired requires an estimation of the value in use of the cash generating units (CGUs) to which the assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. Note 12 'Impairment' provides information on the assumptions used in the value in use calculations and the amount by which the recoverable amount exceeds the respective carrying amount for each group of CGUs.

##### *Onerous provisions*

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

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

## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### **Key sources of estimation uncertainty (*continued*)**

##### *Onerous provisions (continued)*

For multi-user sites, the key assumption is the level of new contracts and contract renewals that will be won. The increased activity from these contracts reduces the allocation of overheads to the existing contracts, reducing the provision required. Excluding new business the onerous contract provision would be £82.5m.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the estimates are recognised in the accounting period in which the estimate is revised and will reflect changes in the contractual obligations. It is reasonably possible that due to the renegotiation of existing contracts, and the signing of new contracts or renewals that outcomes within the next financial year could require a material adjustment to the carrying amount of the provision.

##### *Property provisions*

Property provisions relate to dilapidation repairs required on leased properties where there is a present contractual obligation to make those repairs and it is probable that this obligation will result in an outflow of economic benefits on exit from the lease. In calculating the dilapidation provision, the Directors make estimates regarding the cost of the repairs, the likelihood this will result in an outflow of economic benefit, the inflation rate and the discount rate.

In the period to 31 December 2024 external valuations were completed for most of the Group's properties by a third party expert. Their assessment regarding the cost of repairs has been taken into account in estimating the dilapidation provision resulting in an increase of £10.7m in the period.

##### *Deferred tax asset*

Deferred tax asset are recognised to the extent that it is probable that the tax losses will be recoverable against future profits. The Group has recognised a deferred tax asset on the basis that the associated losses will be recovered over a period of approximately 5 years.

#### **Other sources of estimation uncertainty**

##### *Climate change*

Climate change is a global challenge and has been identified as a principal risk for the Group. The potential impact of climate change has been considered in a number of areas including our assessments of going concern, goodwill impairment testing and reviews of property, plant and equipment. However, in our view, climate change does not represent a key estimation uncertainty. For further details of the Group's assessment of climate change risks refer to the Risk report and to the strategic report.

##### *Going concern*

The consolidated financial statements have been prepared on a going concern basis. In assessing this, the Directors considered whether the Group can continue in operational existence for at least 12 months from approval. They extended this assessment to 18 months from the balance sheet date, aligning with the business forecast outlook to 30 June 2026.

Following the acquisition by GXO on 29 April 2024, the UK Competition and Markets Authority (CMA) is conducting a phase 2 review, during which Wincanton and GXO continue to operate independently. The Directors assessed the Group's ability to meet obligations both as a standalone business and as part of GXO. A change of control waiver for the RCF has been secured with lenders.

The RCF requires the Group to comply with the following three financial covenants:

- Leverage ratio: Consolidated total net borrowings of no more than 3.0 times Consolidated EBITDA for the preceding 12-month period;
- Interest cover: Consolidated EBITDA for the preceding 12-month period is not less than 3.5 times higher than Consolidated net finance charges for the preceding 12-month period; and
- Fixed charge cover: Consolidated EBITDA plus Operating lease costs for the preceding 12-month period is not less than 1.4 times higher than Consolidated net finance charges plus Operating lease costs for the preceding 12-month period.

Due to the transitional arrangements in place for the change in reporting date, the Group is required to report compliance with the covenants on 31 March 2025, then on 30 June and 31 December from 31 December 2025 onwards.

The Group operates well within these covenants with significant headroom. Its borrowing facilities expire in March 2027, and forecasts indicate no need for increased borrowing.

The Directors considered a range of potential downside scenarios within the key markets the Group serves and how these might impact on the Group's profitability and cash flow which included individual potential scenarios which may arise from the ongoing CMA review. The Directors also considered what mitigating actions the Group could take to limit any adverse consequences.

## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### ***Going concern (continued)***

The Directors' assessment of the acquisition by GXO on the Group's financing and commercial arrangements includes the impact of the change of control on customer and supplier contracts. Based on their assessment and statements made by GXO management since the acquisition, including GXO's third quarter and year end earnings calls, the Directors have not identified any material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern or its ability to realise its assets or discharge its liabilities in the normal course of business. Nevertheless, the Directors are in receipt of a letter of support from GXO which states that, should it be necessary, GXO will provide financial assistance to ensure that Wincanton can continue to meet its working capital needs as they fall due and continue to trade.

Wincanton has previously conducted comprehensive reviews of its customer contracts to identify change of control rights and determine if positive actions, such as seeking consent, were necessary. In cases where action was required, Wincanton contacted the relevant customers in line with contractual obligations. For suppliers, Wincanton generally does not include change of control clauses in its contracts.

The Directors have considered the possible scenario that certain of the Group's contracts are required to be sold in the going concern period because of the CMA's ruling. The Directors' view is that based on the CMA's initial findings, this is the only reasonably possible scenario.

Having undertaken the above reviews, the Directors are of the opinion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and have not identified any material uncertainties that may cast significant doubt on the ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

#### ***Basis of consolidation***

The consolidated Group financial statements include the financial statements of the Company and its subsidiary undertakings made up to the balance sheet date. Businesses acquired or disposed of since then have been accounted for using acquisition accounting principles from or up to the date that control passed.

Subsidiaries are those entities controlled by the Group. Control is achieved when the Company has power over the investee; is exposed to, or has rights to, variable return from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated Group financial statements from or up to the date that control passed.

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

#### ***Intangible assets***

##### ***Goodwill***

All business combinations are accounted for by applying the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the fair value of any contingent consideration.

Where the consideration transferred exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. The costs of effecting an acquisition are charged to the income statement as incurred in the period.

Goodwill is stated at cost less any impairment losses. Goodwill is allocated to groups of CGUs and is tested annually for impairment.

##### ***Other intangible assets***

Intangible assets arising under a business combination (acquired intangible assets) are capitalised at fair value as determined at the date of acquisition and are stated at that fair value less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of acquired intangible assets from the date they are acquired as follows:

Customer relationships	6 to 10 years
Trademarks	5 years
Acquired software	3 to 5 years

The cost of computer software purchased or developed inhouse which has the capacity to generate economic benefits for a period in excess of one year is capitalised as an intangible asset.

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

## Notes to the consolidated financial statements (*Continued*)

### Accounting policies (*Continued*)

#### *Intangible assets (continued)*

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

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

Computer software costs	3 to 5 years
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Major software projects may be amortised over lives of up to ten years.

#### *Property, plant, equipment and vehicles*

Items of property, plant, equipment and vehicles are stated at cost or deemed cost less accumulated depreciation and impairment losses. The cost of tangible assets includes directly attributable costs, including appropriate commissioning costs.

##### *Subsequent expenditure*

The Group recognises in the carrying amount of an item of property, plant, equipment and vehicles the costs incurred in replacing part of such an item if it is probable that the future economic benefits will flow to the Group and when the cost can be measured reliably. All other such costs, including the derecognition of the replaced part of the item, are expensed in the income statement as incurred.

##### *Depreciation*

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of an item of property, plant, equipment and vehicles. The estimated useful lives are as follows:

Freehold buildings	50 years
Leasehold improvements	remaining life of lease
Plant and equipment, furniture and fittings	5 to 25 years
Office machinery and computers	3 to 5 years
Motor vehicles	5 to 10 years

The range of useful economic lives given reflects the fact that assets held for specific contracts are depreciated over the lives of those contracts. Climate change is not considered to have a significant impact on the useful lives of items of property, plant, equipment and vehicles. Freehold land is not depreciated. The residual value of tangible assets, if significant, is reassessed annually.

#### *Capital grants*

Capital grants relating to property, plant, equipment and vehicles are held in property, plant, equipment and vehicles and released to the income statement over the expected useful lives of the assets concerned. Capital grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

#### *Right-of-use assets*

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet.

#### *Inventories*

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

#### *Trade and other receivables*

Trade and other receivables are stated at their fair value on initial recognition and subsequently at amortised cost, i.e. less any impairment losses.

Receivables that have been sold in accordance with a non-recourse trade receivable financing agreement are derecognised at the date sold.

The Group acts as an intermediate lessor of property assets and equipment. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, restricted cash and call deposits. Restricted cash relates to cash deposits held by the Group's insurance subsidiary with a maximum notice period of 32 days and cannot be freely transferred to the UK without prior approval.

## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### **Trade and other payables**

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

#### **Foreign currency**

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

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

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into sterling at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into sterling at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised through other comprehensive income into a separate component of equity. They are released into the income statement upon disposal.

#### **Lease liabilities**

The lease liability is initially measured at the present value of the remaining lease payments over the lease term, discounted using the rate implicit within the lease or, where this is not available, the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods following an option to terminate the lease if the lessee is reasonably certain not to exercise that option based on operational needs and contractual terms.

Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments over the lease term. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

#### **Employee benefits**

The Group operates both defined contribution and defined benefit pension arrangements. The assets of these arrangements are held in separate Trustee administered funds independent of the Group. The investment strategy of the Trustee and Group is to maximise investment returns, with a key area for management attention being to seek to meet the Group's funded defined benefit obligations. In accordance with this strategy certain investments are designated at fair value and are accounted for as set out below. The defined benefit arrangements were closed to future accrual with effect from 31 March 2014.

#### **Defined contribution arrangements**

Obligations for contributions to defined contribution pension arrangements are recognised as an expense in the income statement as incurred.

#### **Defined benefit arrangements**

The Group's net obligation in respect of defined benefit pension arrangements is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in prior periods; that benefit is discounted to determine the present value, and the fair value of any Scheme assets is deducted. The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit method.

Where the calculation results in an asset to the Group, this is limited to the present value of any future refunds from the Scheme or reductions in future contributions to the Scheme.

Past service costs arising due to plan amendments or curtailments are recognised in the income statement immediately.

Remeasurement gains and losses that arise in calculating the Group's obligation in respect of a scheme are recognised in full through other comprehensive income in the statement of comprehensive income.

#### **Share based payment transactions**

The Group applied the requirements of IFRS 2 Share based payments to the grants of options made under the Long Term Incentive Plan (LTIP).

## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### *Employee benefits (Continued)*

The Group issued options under equity-settled share based incentive schemes to certain employees which were measured at the date of grant as the fair value of the employee services required in exchange for the grant. The fair value determined was expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value was measured by an external valuer using the Binomial, Monte-Carlo or scenario-modelling methods as appropriate. The expected life assumptions used in the models were adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

A number of shares in the Company were held in trust on behalf of employees who held options under the Group's equity-settled share based incentive schemes. Such shares were held by an employee benefit trust and were treated as treasury shares and shown in the balance sheet as a deduction from equity.

#### *Other share schemes*

Shares awarded on a matching basis to employees participating in the Company's Share Incentive Plan were purchased at the prevailing market rate. The shares purchased were held in a separately administered offshore trust for the benefit of the Plan participants.

#### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

#### *Provisions*

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows.

The Group provides for property provisions on a site by site basis due to the unique nature and location of each site. Provision is made for the best estimate of the expected dilapidations assessment, taking into account historical settlement amounts and other third party evidence. The Group also applies the expected cost of empty or under-utilised properties on short term leases for which the practical expedient to exclude from IFRS 16 Leases has been applied. Dilapidations are provided for specific individual properties where the outflow of resources is probable and the amount of the obligation can be reliably estimated. Where significant, amounts are discounted.

The Group provides for insurance claims on an appropriate discounted basis depending on the expected timing of their settlement. Provision is made for the estimated costs of claims arising from past events based on the advice of the Group's external insurance advisers.

Other provisions include those for restructuring, sundry claims and settlements. A restructuring provision is recognised only when a constructive obligation exists, with the amount recognised based on the estimated liability.

#### *Impairment*

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment, including any impacts arising from climate change. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill is tested for impairment at least annually. The two exceptions above are dealt with as per the separate applicable accounting policy.

The Group applies the simplified approach permitted by IFRS 9 Financial Instruments, which requires the application of a lifetime expected loss provision to trade receivables, contract assets, contract receivables and lease receivables. The provision calculations are based on historic credit losses for each segment adjusted to reflect current and forecast conditions at the reporting date. This approach is followed unless there are specific circumstances which would render the receivable irrecoverable and therefore require a specific provision. These circumstances are specific to each customer and subject to management judgement based upon indicators such as a change in customer credit rating or a change in payment patterns. A provision is made against trade receivables, contract assets, contract receivables and lease receivables until such time as the Group believes the amount to be irrecoverable, after which the balance is written off. For amounts owed by subsidiary undertakings, which are repayable on demand, any expected credit losses are based on the assumption that repayment is demanded at the balance sheet date and with reference to the subsidiary undertaking's access to accessible highly liquid assets.

A cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount.



## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### *Impairment (Continued)*

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the amount of goodwill allocated to the applicable CGU and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

#### *Calculation of recoverable amount*

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU or group of CGUs to which the asset belongs, such as the majority of right of use assets.

#### *Reversals of impairment*

An impairment loss in respect of goodwill is not reversed. An impairment loss in respect of a receivable carried at amortised cost is reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised and if the reversal can be related objectively to an event occurring after the impairment was recognised.

In respect of other assets, an impairment loss is reversed if there has been a significant change in the estimates used to determine the recoverable amount.

#### *Revenue recognition*

The Group's contracts with customers are typically for the provision of supply chain management services, being transport and warehousing services (including transportation, planning, home delivery, eFulfilment, warehouse management, operation of automated facilities and co-packing). The Group recognises revenue from these contracts as the performance obligations to deliver the products and services under these contracts are satisfied. This is usually over time as the customer simultaneously receives and consumes the benefits provided and normally comprises a single performance obligation, being a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Revenue is recognised based on the amount of consideration expected to be received in exchange for satisfying the performance obligations identified in the contracts with customers.

Open book contracts will typically cover costs incurred plus either a fixed or variable management fee. Where the Group has the right to invoice the customer at an amount that corresponds directly with performance to date, the practical expedient is applied to recognise revenue at that amount.

Where the Group does not have the right to invoice the customer in line with performance to date, the input method using costs incurred is applied to measure progress of performance to date.

On closed book contracts, revenue is typically earned based on a pre-agreed rate card and is typically per unit, delivery or km travelled. The Group applies the practical expedient to recognise revenue at the amount the Group has the right to invoice the customer in line with performance to date.

Variable revenue linked to performance measures, such as key performance indicators (KPIs) and gain-share mechanisms, can arise on both open and closed book contracts. Variable revenue is estimated monthly on a contract by contract basis. Amounts of variable revenue recognised are not significant and are not deemed materially sensitive. Variable revenue is constrained and only recognised to the extent that it is highly probable that a significant reversal of the cumulative revenue recognised will not take place. As a result of the constraint, generally, the expected KPI revenue or penalties are recognised on certain contracts when the performance of those contracts meets or falls short of the targets set; and expected gain-share revenue is recognised on certain contracts when the impact of any cost saving initiatives has been agreed with the customer.

Payments made to customers that are not for the provision of distinct goods or services, are recognised as a rebate at the latter of: when revenue is recognised for the related services; or when it is paid or promised to be paid.

The Group does not have any contracts which include a significant financing arrangement and therefore does not adjust its transaction price for the time value of money.

Where payments are received in advance of revenue being recognised they are included as contract liabilities. Where revenue is recognised in advance of amounts being invoiced, it is reported as a contract receivable. Where a payment has been made to a customer, which is not in exchange for goods and services and it is in advance of the goods or services provided to the customer, it is reported as a contract asset.

## Notes to the consolidated financial statements (*Continued*)

### 1. Accounting policies (*Continued*)

#### **Revenue recognition (*Continued*)**

Contract modifications typically arise by either: an extension to the contract term or an amendment to the rates charged. Where an extension to the contract provides additional distinct services at a standalone selling price it is treated as a separate contract. Where a modification relates to a change in rate, although the scope of the contract has not increased, the remaining services provided are distinct from the services transferred before the modification and therefore these modifications are treated as a termination of the existing contract and the creation of a new contract.

Contract fulfilment assets include costs of obtaining a contract and costs to fulfil a contract. Costs to obtain a contract are those costs incurred in obtaining a contract that would not have been incurred if the contract had not been obtained, for example sale bonuses. Incremental costs of obtaining a contract have not been capitalised where the amortisation period for the asset is one year or less.

Costs to fulfil a contract include the costs of setting up and managing projects and/or to transition the operations covered by the customer contract to the Group. An asset is recognised where those costs are specific to a contract, generate or enhance resources that will be used to satisfy the performance obligations of the contract and are expected to be recovered. Where fees are received in connection with such costs and there is no transfer of goods or services to the customer, these fees are deferred and recognised over the term of the contract. Contract fulfilment assets are recognised over the term of the contract to which they relate.

#### **Expenses**

##### *Government grants*

Income from government grants is recognised when there is reasonable assurance that the Group has complied with the conditions attached to the grant and that the grant will be received. Income received under the Research and Development Expenditure Credit (RDEC) is recognised as other income.

##### *Lease payments*

The Group has elected to apply exemptions for short term leases and leases for which the underlying asset is of low value.

For these leases, payments are charged to the income statement on a straight-line basis over the term of the lease.

##### *Net financing costs*

Net financing costs comprise interest payable on borrowings, lease liabilities, and other charges less interest income and the interest on the net defined benefit pension asset.

Interest payable on borrowings is calculated using the effective interest rate method. The interest expense on lease liabilities is calculated using the discount rate applied on inception of the lease. Other charges include bank fees, amortisation of bank arrangement fees and unwinding of discounts.

Interest income includes interest receivable on funds invested and gains on hedging instruments, and these are recognised in the income statement as they accrue.

#### **Taxation**

Tax on profits or losses for the year comprises current and deferred tax and is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the relevant component.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **Dividends**

Dividends are recognised in the period in which they are declared and approved or paid.

#### **Alternative performance measures (APMs)**

Underlying results are used in the day to day management of the Group. Definitions and a description of the use of these non-GAAP measures as shown in Note 3 'Alternative performance measures (APMs)'.

## Notes to the consolidated financial statements (*Continued*)

### 2. Contract revenue and costs

#### **Contract revenue**

Customer contracts generally comprise single performance obligations, being a series of distinct goods and services satisfied over time as the services are substantially the same and have the same pattern of transfer to the customer. They are typically for the provision of supply chain management services, being transport and warehousing services (including transportation, planning, home delivery, eFulfilment, warehouse management, operation of automated facilities and co-packing), with revenue generally being recognised over time.

#### **Disaggregation of revenue**

Customer contracts are disaggregated by business unit. Further detail is given in the table below:

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
eFulfilment	207.3	278.1
Grocery & Consumer	426.4	499.8
General Merchandise	304.3	381.8
Public & Industrial	221.6	246.9
Automation & Robotics	11.3	–
	<b>1,170.9</b>	<b>1,406.6</b>

Revenue from open book contracts totalled £961.6m (year ended 31 March 2024 (restated): £1,116.4m) and from closed book contracts £209.3m (year ended 31 March 2024 (restated): £290.2m). The prior year comparatives have been restated to reallocate revenue of £8.6m from closed book to open book.

Revenue of £275.8m (year ended 31 March 2024: £282.8m) and £209.6m (year ended 31 March 2024: £261.8m) arose from sales to the Group's two largest single customers, being groups of companies under common control. No other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior year.

Revenue includes £1,149.6m (year ended 31 March 2024: £1,380.5m) in respect of customers based in the UK.

#### **Contract costs**

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

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Costs to obtain contracts	1.3	0.9
Costs to fulfil contracts	8.8	8.7
	<b>10.1</b>	<b>9.6</b>

Costs to obtain contracts relate to sales bonuses paid as a result of obtaining contracts. Costs to fulfil contracts relate to project management costs and other costs incurred as a result of setting up and managing projects. These costs are amortised on a straight-line basis over the period of the contracts obtained. For the period ended 31 December 2024, the amortisation charged of costs to obtain contracts was £0.4m (year ended 31 March 2024: £0.4m). The amortisation charged of costs to fulfil contracts was £3.2m (year ended 31 March 2024: £2.3m). An impairment loss of £0.6m (year ended 31 March 2024: £1.3m loss) was recorded in the period in relation to the costs capitalised.

## Notes to the consolidated financial statements (Continued)

### 3. Alternative performance measures (APMs)

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

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

The Group presents underlying operating profit and profit before tax which are calculated as the statutory measures stated before non-underlying items. These are items which the Directors consider separate disclosure would assist both in a better understanding of the financial performance achieved and in making projections of future results. A balanced approach to both gains and losses is applied, to be both consistent and clear in the accounting and disclosure of such items.

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

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

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

- amortisation charges relating to acquired intangible assets. These relate to an acquisition event and are therefore irregular in nature. The intangible assets identified are primarily customer contracts and relationships which are not recognised other than through an acquisition. In order for the profitability of the contracts acquired to be treated consistently with those of the existing business, the amortisation charges are presented as non-underlying;
- profits or losses arising on the disposal of continuing or discontinued operations. These items are by their nature irregular. There are likely to be gross impacts that are material even if the net impact is not;
- adjustments to amounts previously reported as non-underlying. Where an amount has been initially presented as non-underlying any adjustment to this amount is also reported as non-underlying; and
- the tax impact of non-underlying items. The tax impact may not be material on an item, however, it is appropriate for the tax treatment to follow the treatment of the item as non-underlying.

Other APMs used are net debt and free cash flow, which relate to liquidity. Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities excluding lease liabilities (see Note 27 'Financial instruments').

Details of additions to non-current assets, which are all held in the UK, are included in Note 10 'Goodwill and intangible assets', Note 11 'Property, plant, equipment and vehicles' and Note 13 'Right-of-use assets'.

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

	Period ended 31 December 2024			Year ended 31 March 2024		
	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
<b>Revenue</b>	1,170.9	–	1,170.9	1,406.6	–	1,406.6
Cost of sales	(1,114.1)	–	(1,114.1)	(1,332.9)	–	(1,332.9)
<b>Gross profit</b>	56.8	–	56.8	73.7	–	73.7
Other income and gains on disposal of assets	0.7	–	0.7	3.2	–	3.2
Administrative expenses	(12.2)	(123.0)	(135.2)	(12.3)	(103.4)	(115.7)
<b>Operating profit/(loss)</b>	45.3	(123.0)	(77.7)	64.6	(103.4)	(38.8)

**Notes to the consolidated financial statements (Continued)****3. Alternative performance measures (APMs) (Continued)****Non-underlying items**

	Note	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Costs relating to sale of Wincanton plc	a	(16.8)	(19.3)
Impairment charges	b	(23.7)	(41.8)
Onerous contract provision	c	(64.5)	(25.3)
Cloud computing configuration and customisation costs	d	(2.1)	(2.2)
Average holiday pay	e	(5.3)	-
Property dilapidations	f	(10.7)	-
Acquisition related costs	g	0.4	(6.5)
Amortisation of acquired intangibles	h	(1.4)	(1.9)
Restructure and impairment of transport related assets	i	1.1	(4.6)
Settlement of litigation	j	-	(1.8)
		<b>(123.0)</b>	<b>(103.4)</b>

**a) Costs relating to sale of Wincanton plc**

Costs relating to the sale of the Company to GXO include costs arising as a result of the acquisition, including completion of the requisite due diligence processes and the vesting of all outstanding share options; and costs incurred in preparing for integration with GXO.

Due to the size and nature of these costs they are presented as a non-underlying item as they are not reflective of underlying performance. Further costs are expected to be incurred in 2025.

**b) Impairment charges**

Impairment charges of £23.7m relate to assets held at a multi-user site. The charge comprises £5.9m relating to tangible fixed assets, £3.3m intangible assets, £12.1m right-of-use assets, £0.6m relating to costs to fulfil contracts and £1.8m contract receivables, see Note 12 'Impairment' for further details.

Due to the size and nature of these costs they are presented as a non-underlying item.

**c) Onerous contract provisions**

Onerous contract provisions relate to provisions recognised for customer contracts and supplier contracts where the future economic benefit expected to be obtained is less than the costs incurred to fulfil the contracts, principally related to one large contract operating out of a multi-user site. For further details of the determination of the onerous contract provision, see Note 21 'Provisions'.

Due to the size and nature of these costs they are presented as a non-underlying item.

**d) Cloud computing configuration and customisation costs**

The Group has been undertaking a major systems implementation for new cloud computing software, resulting in costs of £2.1m being recognised as an expense in the period. The project is expected to be completed in Q1 2025.

Due to the size and nature of these costs they are presented as a non-underlying item.

**e) Average holiday pay**

As a result of the new cloud computing software for payroll the Group identified an issue in the calculation of average holiday pay for certain colleagues. A provision has been made for the expected costs of correcting the issue.

This is being presented as a non-underlying item due to the size and nature of the costs.

**f) Property dilapidations**

External assessments of dilapidation repair costs for most properties leased by the Group have been obtained during the period. The impact of this change in estimate has increased the existing provision by £10.7m. For further details of the determination of the property dilapidation provision, see Note 21 'Provisions'.

Due to the size and nature of these costs they are presented as a non-underlying item.

## Notes to the consolidated financial statements (Continued)

### 3. Alternative performance measures (APMs) (Continued)

#### g) Acquisition related costs

On 8 March 2024 the Group acquired Invar Group, a specialist in automated warehouse solutions. See note 24 for further details. Under the terms of the agreement earn-out consideration is payable to the previous shareholders based on results in each of the three years up to 31 March 2026. As at 31 March 2024 Earn-out consideration of £5.0m had been accrued and recognised as an expense as required by IFRS3 Business combinations. This has been reduced in the period in line with the agreed Earn-out for 31 March 2024, which was paid in January 2025. Based on current estimates no Earn-out consideration is expected to be paid for the year ended 31 March 2025.

Costs incurred in connection with acquisitions are presented as non-underlying.

#### h) Amortisation of acquired intangibles

The Group has recorded finite-life intangible assets identified as part of the purchase price allocation for its acquisitions of Cygnia and the Invar Group in accordance with IFRS 3 Business combinations. The amortisation of these finite-life intangibles is presented in non-underlying with a total expense in the period of £1.4m. The inclusion of these costs in non-underlying is consistent presentation with the prior period.

#### i) Restructure and impairment of transport related assets

In the year ended 31 March 2023, the Group commenced a strategic restructure of its transport operations. Further costs were incurred in the year ended 31 March 2024 due to the ongoing exit of closed book transport contracts. Actual costs incurred in the period were lower than anticipated and have therefore been released.

#### j) Settlement of litigation

During the year ended 31 March 2024, the Group received and settled a claim relating to a customer contract that ceased in 2018. Claims relating to historic contracts are irregular and are not reasonably expected to recur. Due to the nature of these costs they have been presented as non-underlying.

### 4. Operating profit/(loss)

		Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
	Note		
<b>The following items have been charged/(credited) in arriving at operating profit/(loss):</b>			
Auditor's remuneration:			
Audit fees for statutory audit services:			
– parent Company		<b>0.3</b>	0.3
– subsidiary undertakings		<b>0.7</b>	0.6
Non-audit fees:			
– fees paid to the auditor and its associates for assurance services		<b>–</b>	0.1
Amortisation: acquired intangibles	10	<b>1.4</b>	1.9
Amortisation: software intangibles	10	<b>0.5</b>	1.1
Depreciation: property, plant, equipment and vehicles	11	<b>4.9</b>	7.2
Impairment charges: intangibles	10, 12	<b>3.4</b>	2.6
Impairment charges: right-of-use assets	12, 13	<b>12.3</b>	31.7
Impairment charges: property, plant, equipment and vehicles	11, 12	<b>6.1</b>	8.3
Depreciation: right-of-use assets	13	<b>27.1</b>	36.7
Short term leases:			
– plant and equipment	19	<b>19.6</b>	23.6
– land and buildings	19	<b>0.5</b>	0.6
		<b>0.8</b>	–
Loss on disposal of plant, equipment and vehicles		<b>–</b>	(2.8)
Profit on disposal of freehold property, less costs		<b>–</b>	(2.8)
Government grants and other support	5	<b>(0.1)</b>	(0.1)

### 5. Government grants and other support

During the period, the Group has recognised a credit of £0.1m (year ended 31 March 2024: £0.1m), net of fees, in other income in respect of RDEC claims for the year ended 31 March 2023. The Group has submitted a claim under the Research and Development Expenditure Credit (RDEC) scheme for expenditure incurred in the year ended 31 March 2023 on qualifying research and development. The credit due to the Group is equal to 13.0% of qualifying expenditure (year ended 31 March 2024: 13.0%) and is given as a taxable credit payable as cash or as an offset against corporation tax liabilities.

**Notes to the consolidated financial statements (Continued)****6. Personnel expenses, including Directors**

	Note	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Wages and salaries		<b>533.7</b>	667.2
Share based payments (including IFRS 2 fair value charges)	26	<b>4.4</b>	0.9
Social security contributions		<b>57.4</b>	68.0
Contributions to defined contribution pension arrangements	25	<b>18.3</b>	21.5
		<b>613.8</b>	757.6

	Period ended 31 December 2024	Year ended 31 March 2024
<b>Average number of persons employed by the Group (including Directors) during the year</b>		
Warehouse	<b>9,368</b>	10,327
Transport	<b>6,938</b>	5,804
Administration	<b>3,147</b>	3,094
<b>Total</b>	<b>19,453</b>	19,225

**Directors' emoluments**

	Period ended 31 December 2024 £'000	Year ended 31 March 2024 £'000
Salaries	930	902
Bonus	1,006	723
Other benefits	22	19
Pension-related benefits	59	36
Non-executive Directors' fees	171	505
<b>Total emoluments</b>	<b>2,188</b>	<b>2,185</b>

The aggregate of the amount of gains made by James Wroath and Tom Hinton on exercise of share options during the period was £7.7m (year ended 31 March 2024: £14,442). The element of the share based payment expense attributable to the two Directors was £1.8m (year ended 31 March 2024: £0.3m). Ian Keilty was appointed to the Board on 1 June 2024 and therefore his gain on exercise of options and the element of share based payment expense attributable to him are not reportable. Contributions were made for three Directors of the Company to the defined contribution pension scheme. Full details of each individual Director's emoluments, bonuses, share options and pension entitlements are given in the Directors' remuneration report on pages 23 to 25.

**7. Net financing costs**

	Note	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Interest income		<b>0.9</b>	0.7
Interest on the net defined benefit pension asset	25	<b>2.8</b>	5.9
		<b>3.7</b>	6.6
Interest expense		<b>(4.7)</b>	(5.8)
Interest on lease liabilities		<b>(7.4)</b>	(8.5)
Unwinding of discount		<b>(2.3)</b>	1.6
		<b>(14.4)</b>	(12.7)
<b>Net financing costs</b>		<b>(10.7)</b>	(6.1)

**Notes to the consolidated financial statements (Continued)****8. Income tax (credit)/expense*****Recognised in the income statement***

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
<b>Current tax expense/(credit)</b>		
Current year	0.2	2.9
Adjustments for prior years	(2.4)	0.6
	(2.2)	3.5
<b>Deferred tax (credit)/expense</b>		
Current year	(20.0)	(8.2)
Adjustments for prior years	7.5	(0.6)
	(12.5)	(8.8)
<b>Total income tax credit</b>	<b>(14.7)</b>	<b>(5.3)</b>

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
<b>Reconciliation of total income tax credit</b>		
Loss before tax	(88.4)	(44.9)
Income tax (credit)/charge using the UK corporation tax rate of 25%	(22.1)	(11.2)
Effect of tax rates in foreign jurisdictions	(0.1)	–
Non-deductible (income)/expenditure	5.6	(0.2)
Recognition of previously unrecognised tax losses	(2.9)	–
Non-taxable expense included in non-underlying items	(0.3)	6.1
Adjustments for prior years:		
– current tax	(2.4)	0.6
– deferred tax	7.5	(0.6)
<b>Total tax credit for the period</b>	<b>(14.7)</b>	<b>(5.3)</b>

***Recognised in other comprehensive income***

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Items which will not subsequently be reclassified to the income statement:		
Remeasurements of defined benefit pension liability	2.8	(11.4)
Current tax on contributions on defined benefit pension schemes	–	(1.6)
<b>Total recognised in other comprehensive income</b>	<b>2.8</b>	<b>(13.0)</b>

***Recognised directly in equity***

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Deferred tax on share based payment transactions	1.7	(1.4)
<b>Total recognised directly in equity</b>	<b>1.7</b>	<b>(1.4)</b>

In line with the Finance Bill 2021 the main UK corporation tax rate remained at 25% (31 March 2024: 25%).

The total tax expense above includes a tax credit on non-underlying items of £25.7m (year ended 31 March 2024: £2.1m).



## Notes to the consolidated financial statements (*Continued*)

### 9. Dividends

Dividends paid in the year comprise:

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Final dividend for the year ended 31 March 2024 (2023: 8.8p per share)	–	10.8
Interim dividend for the period ended 31 December 2024 (Year ended 31 March 2024: 4.4p per share)	–	5.4
Total dividends paid	–	16.2

As a result of the acquisition of the Group by GXO Logistics, Inc, the Directors have not recommended or proposed any interim or final dividends during the current period.

### 10. Goodwill and intangible assets

	Note	Goodwill (Restated) <sup>1</sup> £m	Acquired Intangibles (Restated) <sup>1</sup> £m	Computer software costs £m	Total £m
<b>Cost</b>					
At 1 April 2023		100.0	59.2	11.3	170.5
Effect of movements in foreign exchange		(0.1)	–	–	(0.1)
Additions		–	–	7.9	7.9
Acquisitions		12.3	10.5	–	22.8
Disposals		–	–	(0.1)	(0.1)
At 31 March 2024		112.2	69.7	19.1	201.0
<b>At 1 April 2024</b>		<b>112.2</b>	<b>69.7</b>	<b>19.1</b>	<b>201.0</b>
Effect of movements in foreign exchange		(0.1)	–	–	(0.1)
Additions		–	–	1.4	1.4
Disposals		–	–	(0.2)	(0.2)
At 31 December 2024		112.1	69.7	20.3	202.1
<b>Amortisation and impairment losses</b>					
At 1 April 2023		(2.5)	(54.1)	(8.5)	(65.1)
Charge for the year		–	(1.9)	(1.1)	(3.0)
Impairment		–	(2.4)	(0.2)	(2.6)
Disposals		–	–	(0.2)	(0.2)
At 31 March 2024		(2.5)	(58.4)	(10.0)	(70.9)
<b>At 1 April 2024</b>		<b>(2.5)</b>	<b>(58.4)</b>	<b>(10.0)</b>	<b>(70.9)</b>
Charge for the period		–	(1.4)	(0.5)	(1.9)
Impairment		–	–	(3.4)	(3.4)
Disposals		–	–	0.1	0.1
At 31 December 2024		(2.5)	(59.8)	(13.8)	(76.1)
<b>Carrying value</b>					
At 31 March 2023		97.5	5.1	2.8	105.4
At 31 March 2024		109.7	11.3	9.1	130.1
<b>At 31 December 2024</b>		<b>109.6</b>	<b>9.9</b>	<b>6.5</b>	<b>126.0</b>

<sup>1</sup> The comparatives of 'Goodwill' and 'Acquired intangibles' have been restated following the finalisation of the purchase price allocation for the acquisition of the Invar Group as explained in Note 1 'Accounting policies'.

Assets under construction of £0.2m (31 March 2024: £0.7m) are included within computer software costs.

The total amortisation charge of £1.9m (31 March 2024: £3.0m) is recognised in the income statement within net operating costs.

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

**Notes to the consolidated financial statements (Continued)****11. Property, plant, equipment and vehicles**

	Note	Property £m	Plant, equipment and vehicles £m	Total £m
<b>Cost</b>				
At 1 April 2023		21.0	104.8	125.8
Additions		–	12.8	12.8
Acquisitions		–	0.2	0.2
Disposals		(0.9)	(7.0)	(7.9)
At 31 March 2024		20.1	110.8	130.9
<b>At 1 April 2024</b>		<b>20.1</b>	<b>110.8</b>	<b>130.9</b>
Additions		–	5.9	5.9
Disposals		–	(16.6)	(16.6)
<b>At 31 December 2024</b>		<b>20.1</b>	<b>100.1</b>	<b>120.2</b>
<b>Depreciation and impairment losses</b>				
At 1 April 2023		(16.4)	(80.6)	(97.0)
Charge for the year		(1.2)	(6.0)	(7.2)
Impairment		(0.1)	(8.2)	(8.3)
Disposals		0.7	6.4	7.1
At 31 March 2024		(17.0)	(88.4)	(105.4)
<b>At 1 April 2024</b>		<b>(17.0)</b>	<b>(88.4)</b>	<b>(105.4)</b>
Charge for the period		(0.9)	(4.0)	(4.9)
Impairment		(0.1)	(6.0)	(6.1)
Disposals		–	15.8	15.8
<b>At 31 December 2024</b>		<b>(18.0)</b>	<b>(82.6)</b>	<b>(100.6)</b>
<b>Carrying amount</b>				
At 31 March 2023		4.6	24.2	28.8
At 31 March 2024		3.1	22.4	25.5
<b>At 31 December 2024</b>		<b>2.1</b>	<b>17.5</b>	<b>19.6</b>

Within plant, equipment and vehicles £0.7m (31 March 2024: £1.4m) relates to assets under construction.

The carrying amount of property comprises:

	31 December 2024 £m	31 March 2024 £m
Freehold	0.6	0.6
Leasehold improvements	1.5	2.5
	<b>2.1</b>	<b>3.1</b>

Capital commitments for the Group at 31 December 2024 for which no provision has been made are £0.1m (31 March 2024: £5.2m).

Plant, equipment and vehicles includes the impact of funding from Innovate UK ZEHID programme of £1.5m (31 March 2024: £nil) to support electric vehicle and charging infrastructure testing.

**12. Impairment****Impairment tests for goodwill**

The carrying value for goodwill is tested for impairment on an annual basis or more frequently if there are indicators that it may be impaired. Goodwill is only allocated and monitored to a single CGU, being the Group as a whole.

The recoverable amount of the CGU, to which significant goodwill has been allocated, is determined based on value in use calculations. These calculations are cash flow projections based on the financial budgets approved by the Board for the forthcoming financial year. The financial budgets have been set on a contract by contract basis, taking account of prior year results and expected developments. The potential impact of climate change was also considered as this has been identified as a principal risk for the Group in respect of the cash flow forecasts used in the impairment assessments of non-current assets including goodwill. However, there has been no material impact identified on the impairment judgements and estimates. Cash flows beyond the 12-month period are extrapolated to perpetuity using the estimated long term growth rate stated below, which do not exceed the long term average growth in the specific geographical area where the CGU operates.

## Notes to the consolidated financial statements (*Continued*)

### 12. Impairment (*Continued*)

Key assumptions used for value in use calculations:

	31 December 2024 %	31 March 2024 %
Estimated long term growth rate	1.8	2.0
Discount rate	12.7	9.2

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

The methodology for determining the pre-tax discount rates is consistent with the prior year.

The estimated recoverable amount exceeds the carrying amount significantly. The Group has conducted sensitivity analysis on the impairment testing and believes no reasonably possible change in the key assumptions would result in an impairment.

#### ***Impairment tests for assets with finite lives***

The Group reviews the carrying amount of non-current assets with finite useful lives when events and circumstances indicate that an asset or group of assets may be impaired. Impairment tests are performed by comparing the carrying amount of assets held in a CGU with its recoverable amount. Management considers contracts with the same customer to be a CGU, except where resources are shared with other customers in which case they are combined into one CGU. Recoverable amount is the higher of the fair value less costs of disposal and the value in use. An impairment loss is recognised whenever the carrying amount of a CGU exceeds its recoverable amount.

Recoverable amounts have been determined as value in use, using estimated future cash flows over the remaining contract term discounted to their present value using a pre-tax discount rate of 12.7% (31 March 2024: 9.2%) unless otherwise stated below.

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

The results of the impairment review carried out at 31 December 2024 indicate the carrying amount of assets exceeded the recoverable value for assets held at two of our multi-user sites. At 31 March 2024 assets within our transport operations, 2 person home delivery network and Cygnia were impaired.

The impairment of assets within our multi-user sites has been driven by an onerous contract and the loss of a key customer contract resulting in a full impairment of the assets used to fulfil the contracts within these CGUs of £24.2m.

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

	Period ended 31 December 2024		Year ended 31 March 2024	
	Underlying £m	Non- underlying £m	Underlying £m	Non- underlying £m
Property	–	0.1	–	–
Plant and equipment	0.2	5.8	–	8.3
Right-of-use assets	0.2	12.1	–	31.7
Intangible assets	0.1	3.3	–	2.6
Contract receivables and contract fulfilment assets	–	2.4	–	1.3
Total impairment charges	0.5	23.7	–	43.9

**Notes to the consolidated financial statements (Continued)****13. Right-of-use assets**

	Note	Property £m	Non- property £m	Total £m
At 1 April 2023		142.3	33.9	176.2
Additions		10.0	34.9	44.9
Depreciation		(22.0)	(14.7)	(36.7)
Impairment of assets	12	(26.9)	(4.8)	(31.7)
Disposals		(0.2)	(3.7)	(3.9)
Carrying amount at 31 March 2024		103.2	45.6	148.8
<b>At 1 April 2024</b>		<b>103.2</b>	<b>45.6</b>	<b>148.8</b>
<b>Additions</b>		<b>11.4</b>	<b>21.7</b>	<b>33.1</b>
<b>Depreciation</b>		<b>(12.3)</b>	<b>(14.8)</b>	<b>(27.1)</b>
<b>Impairment</b>		<b>(10.8)</b>	<b>(1.5)</b>	<b>(12.3)</b>
<b>Disposals</b>		<b>(0.1)</b>	<b>(0.8)</b>	<b>(0.9)</b>
<b>Carrying amount at 31 December 2024</b>		<b>91.4</b>	<b>50.2</b>	<b>141.6</b>

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

**14. Deferred tax assets and liabilities****Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31 December 2024 £m	31 March 2024 £m	31 December 2024 £m	31 March 2024 (Restated) <sup>1</sup> £m	31 December 2024 £m	31 March 2024 (Restated) <sup>1</sup> £m
Property, plant and equipment	6.5	—	—	(4.8)	6.5	(4.8)
Intangible assets	—	—	(2.4)	(2.8)	(2.4)	(2.8)
Equity compensation benefits	—	2.3	—	—	—	2.3
Pension assets	—	—	(23.2)	(19.7)	(23.2)	(19.7)
Tax losses carried forward	22.3	23.3	—	—	22.3	23.3
IFRS 16 transitional adjustment	2.9	3.0	—	—	2.9	3.0
Other assets	0.8	0.8	—	—	0.8	0.8
Corporate Interest Restriction	3.2	—	—	—	3.2	—
	<b>35.7</b>	<b>29.4</b>	<b>(25.6)</b>	<b>(27.3)</b>	<b>10.1</b>	<b>2.1</b>

<sup>1</sup> The comparative intangible assets line has been restated following the finalisation of the purchase price allocation for the acquisition of the Invar Group as explained in Note 1 'Accounting policies'.

**Movement in deferred tax assets and liabilities during the period**

	At 1 April 2024 (Restated) <sup>1</sup> £m	Recognised in income £m	Other movements £m	At 31 December 2024 £m
Property, plant and equipment	(4.8)	11.3	—	6.5
Intangible assets	(2.8)	0.4	—	(2.4)
Equity compensation benefits	2.3	(0.6)	(1.7)	—
Pension provisions	(19.7)	(0.7)	(2.8)	(23.2)
Tax losses carried forward	23.3	(1.0)	—	22.3
IFRS 16 transitional adjustment	3.0	(0.1)	—	2.9
Other assets	0.8	—	—	0.8
Corporate Interest Restriction	—	3.2	—	3.2
	<b>2.1</b>	<b>12.5</b>	<b>(4.5)</b>	<b>10.1</b>

<sup>1</sup> The comparative intangible assets line has been restated following the finalisation of the purchase price allocation for the acquisition of the Invar Group as explained in Note 1 'Accounting policies'.

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

## Notes to the consolidated financial statements (*Continued*)

### 14. Deferred tax assets and liabilities (*continued*)

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

	31 December 2024		31 March 2024	
	Gross amount £m	Unrecognised deferred tax asset	Gross amount £m	Unrecognised deferred tax asset £m
Irish property losses carried forward	0.4	0.1	0.7	0.2
UK tax losses carried forward	–	–	1.7	0.4
	0.4	0.1	2.4	0.6

### 15. Inventories

	31 December 2024 £m	31 March 2024 £m
Raw materials and consumables	3.8	2.0

In the nine months ended 31 December 2024, inventories of £25.8m (year ended 31 March 2024: £33.0m) were recognised in the income statement within net operating costs.

### 16. Trade and other receivables

	Note	31 December 2024 £m	31 March 2024 £m
<b>Current</b>			
Trade receivables		75.3	111.2
Contract receivables		53.3	52.0
Contract assets		1.1	1.2
Contract fulfilment assets	2	3.6	2.5
Other receivables		4.5	2.6
Prepayments		30.3	44.9
		168.1	214.4
<b>Non Current</b>			
Contract assets		5.6	4.1
Contract fulfilment assets	2	6.5	7.1
		12.1	11.2
		180.2	225.6

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

Trade receivables, contract receivables and contract assets are shown net of allowance for impairment of £0.5m (31 March 2024: £2.9m).

The contract receivables relate to the Group's rights to consideration for work completed but not billed at the reporting date. They are transferred to trade receivables when the amounts are invoiced. All movements in contract receivables relate to normal trading.

Contract assets relate to transition payments made to customers and are recognised in revenue as the related performance obligations are satisfied.

Contract fulfilment assets are outlined in Note 2 'Contract revenue and costs'.

The Group has a non-recourse trade receivable financing arrangement in place at the period end. As these receivables have been sold without recourse they have been derecognised in the table above.

#### **Movement in the allowance for impairment loss**

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
At 1 April	2.9	4.1
Impairment losses recognised on receivables	1.9	1.3
Amounts written off as unrecoverable	(3.2)	(0.1)
Impairment losses reversed	(1.1)	(2.4)
<b>At 31 December 2024 / 31 March 2024</b>	<b>0.5</b>	<b>2.9</b>

**Notes to the consolidated financial statements (Continued)****16. Trade and other receivables (Continued)****Ageing of trade receivables and contract receivables at the balance sheet date**

	31 December 2024 Gross £m	31 March 2024 Gross £m
Contract receivables	53.3	52.0
Current	72.7	105.6
1 month overdue	1.8	4.0
2 months overdue	–	0.8
3+ months overdue	1.3	3.7
<b>Gross trade receivables and contract receivables</b>	<b>129.1</b>	<b>166.1</b>
Allowance for impairment	(0.5)	(2.9)
<b>Trade receivables and contract receivables, net of allowance</b>	<b>128.6</b>	<b>163.2</b>

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

**Sensitivity analysis**

Trade receivables and contract receivables are assessed for impairment using a calculated credit loss assumption. A 10% increase in the assumed credit risk factor would increase the impairment by £0.1m (31 March 2024: £0.1m).

**17. Cash and cash equivalents**

	31 December 2024 £m	31 March 2024 £m
Cash and cash equivalents	26.6	28.7

Restricted cash of £2.3m (31 March 2024: £2.3m), being deposits held by the Group's insurance subsidiary, is included in Cash and cash equivalents above. Details of the Group's treasury policies are set out in Note 27 'Financial instruments'.

**18. Borrowings**

	31 December 2024 £m	31 March 2024 £m
Bank loans	15.0	8.0

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

**19. Lease liabilities**

The Group leases warehousing facilities, commercial vehicles and other logistics equipment for use in its operations. The amounts charged to the income statement is shown in Note 4 'Operating profit/(loss)'.

	31 December 2024 £m	31 March 2024 £m
<b>Current</b>		
Lease liabilities	40.2	41.4
<b>Non-current</b>		
Lease liabilities	167.9	166.5
	<b>208.1</b>	<b>207.9</b>

The potential future lease liability relating to periods following the expiry date of termination options that are not included in the lease term is £40.4m (31 March 2024: £41.4m).

The Group had commitments of £nil (31 March 2024: £7.6m) for leases which had not commenced at the year end.

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

**Notes to the consolidated financial statements (Continued)****19. Lease liabilities (Continued)**

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

	31 December 2024		31 March 2024	
	Property £m	Plant and equipment £m	Property £m	Plant and equipment £m
Expense relating to short term leases	0.5	19.0	0.6	23.6

**20. Trade and other payables**

	31 December 2024 £m	31 March 2024 £m
Trade payables	70.3	62.4
Other taxes and social security	57.5	55.4
Other payables	28.4	32.2
Contract liabilities	47.6	75.2
Accruals	138.2	162.2
	<b>342.0</b>	<b>387.4</b>

The contract liabilities primarily relate to the consideration invoiced to customers in advance of the work being completed. Of the total balance at the beginning of the period, £64.1m (31 March 2024: £43.1m) has been recognised as revenue during the year. All movements in the balance relate to normal trading.

**21. Provisions**

	Insurance £m	Property £m	Onerous contracts £m	Other provisions £m	Total £m
At 1 April 2023	22.6	14.7	—	6.0	43.3
Created	10.7	5.7	27.1	4.6	48.1
Utilised	(7.3)	(1.0)	—	(6.1)	(14.4)
Released	(4.0)	(2.2)	—	(0.2)	(6.4)
Unwinding of discount	0.3	0.2	—	—	0.5
At 31 March 2024	22.3	17.4	27.1	4.3	71.1
At 1 April 2024	22.3	17.4	27.1	4.3	71.1
Created	9.5	13.4	65.4	13.5	101.8
Utilised	(6.1)	(0.3)	(19.0)	(7.6)	(33.0)
Released	(4.7)	(0.5)	(1.1)	(2.1)	(8.4)
Unwinding of discount	0.2	0.2	1.9	—	2.3
At 31 December 2024	21.2	30.2	74.3	8.1	133.8
Current	9.3	9.2	30.8	6.8	56.1
Non-current	11.9	21.0	43.5	1.3	77.7
	<b>21.2</b>	<b>30.2</b>	<b>74.3</b>	<b>8.1</b>	<b>133.8</b>

The Group owns 100% of the share capital of an insurance company which insures certain risks of the Group. The insurance provisions in the above table are held in respect of outstanding insurance claims, the majority of which are expected to be paid within one to seven years. Provisions are released when the obligation no longer exists or there is a reduction in management's estimate of the liability. The discount unwinding arises primarily on the employers' liability policy which is discounted over a period of seven years at a rate based on the Group's assessment of a risk free rate.

The property provisions are determined on a site by site basis and comprise provisions for dilapidations. Dilapidation provisions comprise estimates of the obligation to repair leased properties on exit. During the period external assessments of these obligations were obtained, see Note 3 'Alternative Performance Measures (APMs)' for details. Provisions are released when the obligation no longer exists or there is a reduction in the estimate. The dilapidation provisions are expected to be utilised at the end of the lease term. Estimated costs have been discounted at a rate based on the Group's assessment of a risk free rate.

## Notes to the consolidated financial statements (*Continued*)

### 21. Provisions (*Continued*)

Onerous contract provisions relate to provisions recognised for customer contracts and supplier contracts where the future economic benefit expected is less than the costs incurred to fulfil the contracts. In the period, the Group recorded an onerous contract provision of £64.5m in connection with a multi-user site. The provision recorded represents the directors' best estimate at the balance sheet date of the lower of the cost to exit or fulfil the Group's obligations under contracts with customers. The key assumptions that have been taken by the Directors in determining the value of the provision to record are: no revenue from new customer contracts has been included in the estimate of future cash inflows; the level of expected contract renewals; the estimated cost to fulfil the contracts; and the timing and quantum of the costs of exiting contracts in the site, which is inherently uncertain as it partly depends on the outcome of discussions with the Group's customers. The cash flows are expected to arise over a period of 4 years from the balance sheet date. As discussed in Note 22 'Post balance sheet event' the Group has subsequently agreed to exit one of its onerous contracts.

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

### 22. Post Balance Sheet Event

On 28 March 2025 the Group entered into a settlement and variation agreement with a customer to exit an onerous contract for which it holds a material provision. The Group is still working through the impact of this agreement but expects the estimated future cash outflow to reduce significantly resulting in a release of onerous contract provision in the year ended 31 December 2025.

### 23. Capital and reserves

#### *Share capital*

	31 December 2024 £m	31 March 2024 £m
Allotted, called up and fully paid		
125,980,720 (31 March 2024: 124,543,670 ) Ordinary Shares of 10p each	12.6	12.5

#### *Capital redemption reserve*

During the year ended 31 March 2002, the Company established a Capital Redemption Reserve of £49,998 on redemption of redeemable preference shares.

#### *Merger reserve*

The merger reserve arose from the original acquisition of the then Wincanton group of companies by Wincanton Limited, on the demerger from the previous parent in May 2001, which was accounted for under merger accounting principles available under UK GAAP at that time.

#### *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from any translation of liabilities that hedge the Company's net investment in foreign subsidiaries.

#### *Own shares*

The own shares reserve comprises the cost of the Company's shares held by the EBT established in Jersey and managed on its behalf by independent trustees. No shares were purchased by the EBT during the period. At 31 December 2024, the number of the Company's shares held by the EBT is nil (31 March 2024: 1,483,640).



## Notes to the consolidated financial statements (*Continued*)

### 24. Business combinations

On 8 March 2024, the Group acquired 100% of the equity shares in Invar Group Limited and its subsidiaries (Invar) for cash. Invar is a specialist in automated warehouse solutions powered by its proprietary software, the Invar Warehousing Software (IWS).

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 Business Combinations and consequently the Invar assets acquired, and liabilities assumed, have been recorded by the Group at fair value, with an excess purchase price over the fair value of the identifiable assets and liabilities being recognised as goodwill. The Group has revised its valuation of the intangible assets acquired in the period and as required by IFRS3 Business Combinations, this has been recognised as a prior year adjustment

The fair values assigned to the Invar business combination at the date of acquisition were:

	Fair value £m
Intangible assets	10.5
Tangible assets	0.2
Inventories	0.1
Trade and other receivables	12.5
Cash and cash equivalents	10.9
Income tax payable	(0.4)
Trade and other payables	(18.0)
Deferred tax	(2.6)
<b>Fair value of net assets acquired</b>	<b>13.2</b>
Purchase consideration:	
Cash paid	22.5
Deferred consideration	3.0
<b>Total purchase consideration</b>	<b>25.5</b>
<b>Excess of purchase consideration over net assets acquired</b>	<b>12.3</b>

In addition to the cash purchase consideration paid in the year ended 31 March 2024 of £22.5m, deferred consideration of £3.0m was paid in the period ended 31 December 2024, comprising £2.6m withheld to cover a potential liability of the former owners and £0.4m which became payable following agreement of the completion accounts.

The share purchase agreement also provides for earn-out consideration if Invar's EBITDA exceeds targets for each year ending 31 March 2024 to 2026 and taking into account the amount of revenue secured for the following year for 31 March 2024 and 2026. The earn-out consideration is also dependent on the recipient remaining in employment at each of the payment dates. As required under IFRS3, these payments are accounted for as remuneration for post-combination service. They have been presented as non-underlying costs. The earn-out payment for the year ended 31 March 2024, was agreed at £4.4m. It has been recorded in other payables and was paid in January 2025. No earn-out payment is currently expected to be paid for the year ended 31 March 2025. The maximum amount payable is £7.5m over the 2 years to 31 March 2026.

## Notes to the consolidated financial statements (*Continued*)

### 25. Employee benefits

	31 December 2024 £m	31 March 2024 £m
Defined benefit surplus	93.4	80.6
Defined benefit deficit	(0.6)	(1.9)
<b>Net defined benefit asset</b>	<b>92.8</b>	<b>78.7</b>

#### *Pension schemes*

Employees of Wincanton participated in funded pension arrangements in the UK and Ireland during the period ended 31 December 2024, details of which are given below.

The principal Wincanton scheme in the UK (the Scheme) is a funded arrangement which has two defined benefit sections and two defined contribution sections, called the Wincanton Retirement Savings Section and the Wincanton Pension Builder Plan. The employees of Wincanton Ireland Limited are eligible to participate in a separate defined contribution scheme. Assets of these pension arrangements are held in separate Trustee administered funds independent of Wincanton. The weighted average duration of the funded defined benefit obligation is approximately 13 years.

The defined benefit sections of the Scheme were closed to future accrual on 31 March 2014. This means that no future service benefit will accrue but pensions built up to the date of closure have been preserved.

#### *Triennial valuation*

The latest formal valuation of the Scheme was carried out as at 31 March 2023 by the Scheme actuary, Hymans Robertson, and was agreed with the Trustee in September 2023 (the 2023 arrangement). Due the Scheme being measured in a surplus position it was agreed that no further deficit funding contributions are required.

#### *IFRIC 14*

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

#### *Contributions*

No deficit funding contributions are payable following the most recent triennial valuation (year ended 31 March 2024: £11.3m). Administration costs of the Scheme were borne directly by the Group and a contribution made towards administration costs incurred in the period, totalling £1.0m (year ended 31 March 2024: £1.1m).

#### *Risks*

The defined benefit sections of the Scheme expose the Group to various risks: longevity risk (members living longer than expected), inflation and interest rate risk (higher or lower than expected), and market (investment) risk (lower returns than expected). The Trustee and Group have taken steps to mitigate these risks through the use of:

- hedging instruments within the investment portfolio; and
- diversification of the investment portfolio.

The Group is not exposed to any unusual, entity specific or Scheme specific risks.

#### *Net defined benefit asset*

The assets and liabilities of the defined benefit sections of the Group are calculated in accordance with IAS 19 Employee Benefits (Revised) and are set out in the tables below.

The calculations under IAS 19 are based on actuarial assumptions which are the best estimates chosen from a range of possible assumptions about the long term future which, unless by chance, will not necessarily be borne out in practice. The fair value of the assets, which are not intended to be realised in the short term, may be subject to significant change before they are realised, and the present value of the liabilities is derived from cash flow projections over long periods and is thus inherently uncertain.

	31 December 2024 £m	31 March 2024 £m
Present value of unfunded defined benefit obligations	(0.6)	(1.9)
Present value of funded defined benefit obligations	(691.7)	(765.2)
Fair value of Scheme assets	785.1	845.8
<b>Net defined benefit asset</b>	<b>92.8</b>	<b>78.7</b>

The net defined benefit asset, after taking into account the related deferred tax liability, is £69.6m (31 March 2024: £59.0m). Deferred tax is recognised at 25% (31 March 2024: 25%).

**Notes to the consolidated financial statements (Continued)****25. Employee benefits (Continued)****Movements in the present value of the net defined benefit asset/(liability)**

31 December 2024	Note	Assets £m	Obligations £m	Net asset £m	Unfunded arrangements £m	Total net asset £m
Opening position		845.8	(765.2)	80.6	(1.9)	78.7
<b>Included in income statement:</b>						
Administration costs		(1.0)	–	(1.0)	–	(1.0)
Interest on the net defined benefit asset	7	29.7	(26.8)	2.9	(0.1)	2.8
Cash:						
Employer contributions		–	–	–	–	–
Benefits paid		(28.6)	28.6	–	1.2	1.2
<b>Included in other comprehensive income:</b>						
Changes in financial assumptions		–	72.1	72.1	0.2	72.3
Changes in demographic assumptions		–	2.1	2.1	–	2.1
Experience adjustments		–	(2.5)	(2.5)	–	(2.5)
Return on assets excluding amounts included in net financing costs		(60.8)	–	(60.8)	–	(60.8)
<b>Closing defined benefit asset</b>		<b>785.1</b>	<b>(691.7)</b>	<b>93.4</b>	<b>(0.6)</b>	<b>92.8</b>

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

The amounts recognised in the income statement comprise administration costs, past service costs and interest on the net defined benefit asset/(liability). These charges are included in the following lines in the income statement:

	Note	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
<b>Within underlying operating profit</b>			
Administrative expenses		(1.0)	(1.1)
<b>Within finance costs</b>			
Interest on the net defined benefit asset	7	2.8	5.9
<b>Recognised in income statement</b>		<b>1.8</b>	<b>4.8</b>

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

	31 December 2024 £m	31 March 2024 £m
Corporate bonds	168.1	155.5
Secured finance	89.7	94.3
Senior real estate debt	13.4	13.8
Senior private debt and private debt	70.9	85.3
Index-linked gilts (LDI portfolio collateral)	436.4	483.7
Other, including cash	6.6	13.2
<b>Total Scheme assets</b>	<b>785.1</b>	<b>845.8</b>

## Notes to the consolidated financial statements (*Continued*)

### 25. Employee benefits (*Continued*)

All equities, LDI portfolio collateral, corporate bonds and funds have quoted prices in active markets. The senior real estate and private debt along with the property assets are illiquid, unquoted assets and trade on a less regular basis.

Senior private debt and private debt includes unquoted investment funds which are measured using the most recent net asset valuations (NAV), adjusted for cash movements between the latest valuation date and 31 December 2024. Where appropriate, management also take into account movements in external quoted benchmarks (after adjusting for liquidity differences between such benchmarks and the private debt assets) in order to determine whether a risk adjustment is required in determining the fair value.

#### **Actuarial assumptions**

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

	31 December 2024 %	31 March 2024 %
Discount rate	5.55	4.80
Price inflation rate – RPI	3.10	3.20
Price inflation rate – CPI	2.45	2.45
Rate of increase of pensions in deferment	2.45	2.45
Rate of increase of pensions in payment <sup>1</sup>	1.75-2.95	1.90-3.10

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

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

	31 December 2024 years	31 March 2024 years
Male aged 65 today	20.1	20.3
Male aged 45 today	21.4	21.5
Female aged 65 today	22.7	22.7
Female aged 45 today	25.6	25.4

#### **Sensitivity table**

The sensitivities of the present value of the Scheme obligations to changes in the key actuarial assumptions are set out in the following table. The illustrations consider the result of only a single assumption changing with the others assumed unchanged and includes the impact of the interest rate and inflation rate hedging. In reality it is more likely that more than one assumption would change and potentially the results would offset each other; for example, a fall in interest rates will increase the Scheme obligations but may also trigger an offsetting increase in market value of certain Scheme assets.

	Change in assumption	Increase/ (decrease) in surplus £m
Discount rate	-1.00%	(6)
Credit spread	+0.25%	14
Price inflation – RPI	-0.25%	(2)
Mortality rate	+ 1 year	(25)

#### **Virgin Media case**

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited relating to the validity of certain historical pension amendments. In July 2024 the Court of Appeal upheld the High Court judgement. This may have implications for other defined benefit schemes in the UK.

The Trustee and Company have commenced a review of the Scheme's historic amendments in light of this ruling. The review is ongoing and it is currently not possible to assess with any certainty what, if any, the impact would be on the Scheme.

#### **Defined contribution schemes**

The total expense relating to the Group's defined contribution schemes in the nine months ended 31 December 2024 was £18.3m (year ended 31 March 2024: £21.5m).

**Notes to the consolidated financial statements (Continued)****26. Equity compensation benefits**

Employees of the Group participated, subject to seniority and length of service, in the Long Term Incentive Plan (LTIP) which involved the grant of options or conditional awards of shares in the Company.

Due to the acquisition of the entire share capital of the Company by GXO all outstanding share options vested in full and were exercised in the period.

The Group recognised total expenses of £4.4m in respect of the costs of equity-settled share based payment transactions during the period ended 31 December 2024 (year ended 31 March 2024: £0.9m). The fair value of these services is measured by reference to the fair value of the share options granted under each scheme.

The number and weighted average exercise price of all share options outstanding as at the end of period are as follows:

	31 December 2024		31 March 2024	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at 1 April	2,920,728	–	2,294,373	–
Granted during the period	–	–	1,377,742	–
Lapsed during the period	–	–	(622,005)	–
Exercised during the period	(2,920,728)	–	(129,382)	–
<b>Outstanding at 31 December 2024 / 31 March 2024</b>	<b>–</b>	<b>–</b>	<b>2,920,728</b>	<b>–</b>
<b>Exercisable at 31 December 2024 / 31 March 2024</b>	<b>–</b>	<b>–</b>	<b>422,052</b>	<b>–</b>

The weighted average share price at the date of exercise for share options exercised during the period was 191p (31 March 2024: 270p).

Awards made under the Special Option Plan and LTIP were granted based on the average quoted market price of the Company's shares for a period of up to three business days immediately prior to the date of grant.

## Notes to the consolidated financial statements (*Continued*)

### 27. Financial instruments

#### **Financial risk management and treasury policies**

The Group, through its activities, is exposed to a range of financial risks. Financial risks are managed through the Group's centralised treasury function which acts within clearly defined policies approved by the Board. These policies are designed to reduce the financial risks faced by the Group relating to liquidity risk, market risk (being interest rates, equity prices and currency exchange rate exposure) and credit risk. Transactions of a speculative nature are not permitted and the treasury function does not operate as a profit centre.

#### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy on funding capacity is to ensure that there is always sufficient long term funding and short term facilities in place to meet foreseeable peak borrowing requirements.

The Group has a £175.0m (31 March 2024: £175.0m) committed syndicated bank facility which matures in March 2027. At 31 December 2024 £15.0m (31 March 2024: £8.0m) was drawn, leaving unutilised facilities of £160.0m (31 March 2024: £167.0m). The Group has an uncommitted facility, a £5.0m net overdraft facility and had a receivable purchase facility (RPF) with a credit limit total of £50.0m as at 31 December 2024. £34.6m of the RPF was utilised as at 31 December 2024 (31 March 2024: £8.8m).

The Group makes use of cash pooling facilities with a net overdraft facility of £5.0m. The Group is required to present the separate cash and overdraft balances relating to pooled facilities gross in the balance sheet. The overdraft balance relating to pooled facilities does not represent a formal overdraft limit available to the Group. The net cash balance available to the Group after deducting the overdraft and borrowing facilities is £11.6m (31 March 2024: £20.7m).

The Group also holds some restricted cash deposits within its insurance subsidiary as shown in Note 17 'Cash and cash equivalents'; these deposits are mostly repayable on demand but have a maximum notice period of 32 days and cannot be freely transferred to the UK without prior approval.

The Group's net debt at the balance sheet date was:

	Note	31 December 2024 £m	31 March 2024 £m
Total borrowings and other financial liabilities	18	(15.0)	(8.0)
Cash and cash equivalents	17	26.6	28.7
<b>Net cash excluding lease liabilities</b>		11.6	20.7
Lease liabilities	19	(208.1)	(207.9)
<b>Net debt including lease liabilities</b>		(196.5)	(187.2)

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

	Carrying amount £m	Contractual cash flows £m	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m
<b>31 December 2024</b>					
Bank loans and overdrafts	15.0	15.0	–	15.0	–
Trade and other payables	212.9	212.9	212.9	–	–
Lease liabilities	208.1	349.6	50.1	142.4	157.1
	<b>436.0</b>	<b>577.5</b>	<b>263.0</b>	<b>157.4</b>	<b>157.1</b>
<b>31 March 2024</b>					
Bank loans and overdrafts	8.0	8.0	–	8.0	–
Trade and other payables	232.7	232.7	232.7	–	–
Lease liabilities	207.9	296.5	43.6	106.4	146.5
	<b>448.6</b>	<b>537.2</b>	<b>276.3</b>	<b>114.4</b>	<b>146.5</b>

Lease liabilities over five years include two leases which expire in over 50 years with contractual cash flows of £119.6 (year ended 31 March 2024: £118.9m).

The Group did not hold any derivative financial instruments during the current period or prior year, or at the period end.

Bank loans and overdrafts comprise the Group's RCF. Daily interest is charged on this facility based on amounts drawn and charged at SONIA rate plus a fixed margin. Commitment and utilisation fees are also charged. The contractual interest payable on the amounts drawn at 31 December 2024 was £0.1m (31 March 2024: £0.1m).

**Notes to the consolidated financial statements (Continued)****27. Financial instruments (Continued)****Liquidity risk (Continued)**

The Group's committed facilities at 31 December 2024 comprise a syndicated RCF of £175m, maturing in March 2027. The RCF requires the Group to comply with three financial covenants. Due to the transitional arrangements in place for the change in reporting date the Group is not required to report on compliance with the covenants at 31 December 2024. Compliance will be required at 31 March 2025, then at 30 June and 31 December from 31 December 2025 onwards. The Group operates comfortably within these covenants, the latest reported covenants are shown below:

Covenant	Calculation	Ratio	30 September 2024	31 March 2024
Leverage ratio	Consolidated net borrowings (A)/consolidated EBITDA (B)	<3.0:1	<b>0.7</b>	0.4
Interest cover	Consolidated EBITDA (B)/consolidated net finance charges (C)	>3.5:1	<b>19.7</b>	15.7
Fixed charge cover	Consolidated EBITDA (B) plus operating lease costs (D)/consolidated net finance charges (C) plus operating lease costs (D)	>1.4:1	<b>5.9</b>	4.1

**Analysis of changes in net debt**

	31 March 2023 £m	Cash flow £m	Non-cash movements £m	31 March 2024 £m	Cash flow £m	Non-cash movements £m	31 December 2024 £m
Lease liabilities	(206.4)	47.5	(49.0)	<b>(207.9)</b>	<b>38.9</b>	<b>(39.1)</b>	<b>(208.1)</b>
<b>Financial liabilities arising from financing activities</b>	(206.4)	47.5	(49.0)	<b>(207.9)</b>	<b>38.9</b>	<b>(39.1)</b>	<b>(208.1)</b>
Cash and cash equivalents	13.2	15.5	–	<b>28.7</b>	<b>(2.1)</b>	–	<b>26.6</b>
Bank loans and overdrafts	–	(8.0)	–	<b>(8.0)</b>	<b>(7.0)</b>	–	<b>(15.0)</b>
<b>Net debt including lease liabilities</b>	<b>(193.2)</b>	<b>55.0</b>	<b>(49.0)</b>	<b>(187.2)</b>	<b>29.8</b>	<b>(39.1)</b>	<b>(196.5)</b>

Within the Cash flow movement per the above table, Cash and cash equivalents includes £nil from the acquisition of Invar for the period ended 31 December 2024 (year ended 31 March 2024: £10.9m). Detail see Note 24 'Business combinations'.

**Market risk**

Market risk is the risk that changes in market prices, such as the impact of inflation, interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments.

**Price inflation risk**

The Group is largely protected from the risk of price increases impacting operating costs as 82.1% (year ended 31 March 2024: 79.0%) of contracts having been negotiated on open book terms. Under these open book contracts, revenue is typically derived from costs incurred plus either a fixed or variable management fee and the contractual terms ensure any inflation risk is passed on to the customer.

**Interest rate risk**

The Group monitors market pricing and forward-looking pricing projections to manage interest rate risk. There were no derivatives in place to fix borrowing costs. RCF is at floating rate. If market conditions are expected to change then derivatives will be considered to manage the interest rate risk exposure.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a change in interest rates of 0.5% (31 March 2024: 0.5%) on the Group's loss before tax and on its equity. The impact has been calculated by applying the change in interest rates to the weighted average interest rate during the year and applying this rate to the average borrowings during the year. A variation of 0.5% (31 March 2024: 0.5%) represents management's view of a reasonably possible change in interest rates. Any impact on equity excludes the possible effect which a change in interest rates may have on the present value of the Group's pension obligations, the effects of which are set out in Note 25 'Employee benefits'.

	31 December 2024		31 March 2024	
	Effect on loss before tax £m	Effect on equity £m	Effect on profit before tax £m	Effect on equity £m
0.5% increase in rates	(1.1)	(1.1)	(0.8)	(0.8)
0.5% decrease in rates	1.1	1.1	0.8	0.8

The methods and assumptions used to calculate the possible effect of a change in interest rates are consistent with those used in the prior year.

## Notes to the consolidated financial statements (*Continued*)

### 27. Financial instruments (*Continued*)

#### ***Currency risk and sensitivity***

The Group is a largely UK based business with a small proportion of the Group's activities denominated in euro. The only non-sterling activity are in Ireland and the Netherlands. In order to protect the sterling value of the balance sheet, the Group finances its investment in Ireland by borrowing in euro. Transactional exposure is minimal as the vast majority of transactions of the Irish and the Netherlands subsidiaries are denominated in euro, the relevant functional currency of the operations. Non-sterling cash balances comprise £14.1m held in Euro and US Dollar (31 March 2024: £11.2m).

Operational foreign exchange risk, where purchases or sales are made in non-functional currency, is hedged on an ad hoc basis by buying or selling the relevant currency on a forward basis if the amounts involved are material. There was no material sensitivity to changes in foreign exchange rates at the year end.

#### ***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, contract assets and bank balances.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Deposits are only made with pre-approved counterparties. Credit evaluations are performed on all customers requiring credit. The Group does not generally require collateral in respect of financial assets. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet of £165.3m (31 March 2024: £201.1m). See Note 16 'Trade and other receivables' for further analysis of trade receivables and the associated allowance for impairment loss.

#### ***Capital risk management***

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide optimal returns for shareholders, and to maintain an efficient capital structure. The capital structure of the Group consists of net debt (as shown above) and equity of the Group (issued share capital, reserves and retained earnings).

In doing so, the Group's strategy is to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy and maintain this position, the Group regularly monitors key credit metrics such as net debt to EBITDA, interest cover and fixed charge cover. Covenant conditions related to external borrowings are as set out in the liquidity risk section above; there were no breaches of these conditions during the current or prior year.

#### ***Fair values versus carrying amounts***

The carrying amounts of the Group's assets and liabilities which meet the definition of financial instruments are classified in the following categories:

	31 December 2024 £m	31 March 2024 £m
<b>Financial assets carried at amortised cost</b>		
Trade and other receivables	138.7	172.8
Cash and cash equivalents	26.6	28.7
	<b>165.3</b>	<b>201.5</b>
<b>Financial liabilities carried at amortised cost</b>		
Lease liabilities	(208.1)	(207.9)
Bank loans and overdrafts	(15.0)	(8.0)
Trade and other payables	(212.9)	(232.7)
	<b>(436.0)</b>	<b>(448.6)</b>

There is no material difference between fair value and the carrying amount above.



## Notes to the consolidated financial statements (*Continued*)

### 28. Related parties

#### *Identity of related parties*

As at 31 December 2024 the Group had a controlling related party relationship with its parent Company, GXO Logistics, Inc ("GXO"). In addition, the Group has related party relationships with its Executive and Non-executive Directors and with its subsidiaries and jointly controlled entities.

#### *Transactions with GXO*

Transactions with GXO relate to a contract entered into in March 2024. During the period from 29 April 2024 to 31 December 2024 and balances as at 31 December 2024 are shown in the table below.

	Period ended 31 December 2024 £m
Revenue	0.9
Contract Liability	(10.5)

#### *Transactions with key management personnel*

The interests of the Executive and Non-executive Directors in the share capital of the Company, plus full details of the individual Directors' emoluments, bonuses deferred in shares, share options and pension entitlements, are given in the Directors' remuneration report on pages 23 to 25.

#### *Remuneration of key management personnel*

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

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Short term employee benefits	3.3	3.1
Post-employment benefits	0.1	0.1
IFRS 2 share option charge	3.2	0.7
	6.6	3.9

### 29. Investment in subsidiaries and associates

The significant subsidiaries as at 31 December 2024 in the Wincanton group of companies, based on the scale of their activities, are as follows:

	Principal activity	% of equity held <sup>1</sup>	Country of incorporation and registered office <sup>2</sup>
Wincanton Holdings Limited	Contract logistics services	100	England and Wales
Wincanton Group Limited	Contract logistics services	100	England and Wales
Wincanton Ireland Limited	Contract logistics services	100	Republic of Ireland <sup>9</sup>
Risk Underwriting (Guernsey) Limited	Insurance subsidiary	100	Guernsey <sup>3</sup>
Invar Controls Limited	Automated warehouse solutions	100	England and Wales
Invar Systems Limited	Automated warehouse solutions	100	England and Wales
Invar Integration Limited	Automated warehouse solutions	100	England and Wales
Invar Integration Europe B.V.	Automated warehouse solutions	100	Netherlands
Onevast Limited	Online solutions for warehousing space	100	England and Wales

**Notes to the consolidated financial statements (Continued)****29. Investment in subsidiaries and associates (Continued)**

Other subsidiaries and associates as at 31 December 2024:

	Principal activity	% of equity held <sup>1</sup>	Country of incorporation and registered office <sup>2</sup>
Cygnia Logistics Limited	Dormant	100	England and Wales
Caledonia Bidco Limited	Dormant	100	England and Wales
C.E.L Group Limited	Dormant	100	England and Wales
C.E.L (Engineering) Limited	Dormant	100	England and Wales
C.E.L (Logistics) Limited	Dormant	100	England and Wales
City Self Storage Limited	Dormant	100	Republic of Ireland <sup>9</sup>
Dalepak Limited	Dormant	100	England and Wales
Dalepak Holdings Limited	Dormant	100	England and Wales
Data and Records Management Limited	Dormant	100	Republic of Ireland <sup>9</sup>
Glass Glover Group Limited	Dormant	100	England and Wales
Glass Glover Management Services Limited	Dormant	100 <sup>5</sup>	England and Wales
Hanbury Davies Limited	Dormant	100	England and Wales
Hanbury Holdings Limited	Dormant	100	England and Wales
Invar Group Limited	Intermediate holding company	100	England and Wales
Invar Polska spółka z ograniczoną odpowiedzialnością	Automated warehouse solutions	100	Poland <sup>10</sup>
Lane Group plc	Dormant	100	England and Wales
Nair Properties Limited	Dormant	100	England and Wales
Product Support (Holdings) Limited	Dormant	100 <sup>6</sup>	England and Wales
Product Support Limited	Dormant	100	England and Wales
RDL Distribution Limited	Dormant	100	England and Wales
RDL Holdings Limited	Dormant	100	England and Wales
Roadtanks Limited	Dormant	100	England and Wales
Swales Haulage Limited	Dormant	100	England and Wales
Trans European Holdings Limited	Dormant	100	England and Wales
W. Carter (Haulage) Limited	Dormant	100	England and Wales
Wincanton A&R Limited	Holding company	100	England and Wales
Wincanton Air & Ocean Limited	Dormant	100 <sup>7</sup>	England and Wales
Wincanton High Tech Limited	Dormant	100 <sup>8</sup>	England and Wales
Wincanton Logistics Limited	Dormant	100	England and Wales
Wincanton Pension Scheme Trustees Limited <sup>4</sup>	Trustee for the Wincanton plc pension scheme	100	England and Wales
Wincanton Records Management (Ireland) Limited	Dormant	100	Republic of Ireland <sup>9</sup>
Wincanton TechCo, Incorporated	Intermediate holding company	100	United States of America
Wincanton TechCo Limited	Intermediate holding company	100	England and Wales
Wincanton Trans European (Ireland) Limited	Dormant	100	Republic of Ireland <sup>9</sup>
Wincanton Trans European Limited	Dormant	100	England and Wales
Wincanton UK Limited <sup>4</sup>	Intermediate holding company	100	England and Wales

1 All holdings are of Ordinary Shares except where noted.

2 Registered office is Methuen Park, Chippenham, Wiltshire SN14 0WT except where noted.

3 Registered office: PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ET.

4 Direct subsidiaries of Wincanton plc.

5 14,762,245 Ordinary Shares and 10,000,000 6 1/2% cumulative convertible redeemable Preference Shares.

6 6,460,000 Ordinary Shares, 7,140,000 'A' Ordinary Shares and 409,164 Preference Shares.

7 19,393,774 Ordinary Shares and 19,372,074 Deferred Shares.

8 100 Ordinary Shares and 1,699,900 redeemable Ordinary Shares.

9 Registered office: Unit 1, Rosemount Business Park, Ballycoolin Road, Blanchardstown, Dublin 11.

10 Registered office: C/o DZP, Rondo ONZ 1, 21st floor street, 00-124 Warsaw, Poland.

**Wincanton Limited Company balance sheet**

At 31 December 2024

	Note	31 December 2024 £m	31 March 2024 £m
<b>Non-current assets</b>			
Investment in subsidiaries	2	111.5	108.9
Deferred tax		—	2.3
Amounts owed by Group undertakings	3	92.7	85.2
<b>Total non-current assets</b>		<b>204.2</b>	<b>196.4</b>
<b>Current assets</b>			
Trade and other receivables		0.9	1.1
Cash and cash equivalents		10.3	3.3
Income tax receivable		—	—
<b>Total current assets</b>		<b>11.2</b>	<b>4.4</b>
<b>Total assets</b>		<b>215.4</b>	<b>200.8</b>
<b>Current liabilities</b>			
Amounts owed to Group undertakings		(110.4)	(74.6)
Trade and other payables	4	(0.7)	(16.6)
<b>Total current liabilities</b>		<b>(111.1)</b>	<b>(91.2)</b>
<b>Net current liabilities</b>		<b>(99.9)</b>	<b>(86.8)</b>
<b>Total assets less current liabilities</b>		<b>104.3</b>	<b>109.6</b>
<b>Non-current liabilities</b>			
Borrowings		(15.0)	(8.0)
<b>Total non-current liabilities</b>		<b>(15.0)</b>	<b>(8.0)</b>
<b>Net assets</b>		<b>89.3</b>	<b>101.6</b>
<b>Equity</b>			
Issued share capital	5	12.6	12.5
Share premium		12.9	12.9
Own shares		—	(5.4)
Retained earnings		63.8	81.6
<b>Total equity</b>	6	<b>89.3</b>	<b>101.6</b>

The Company reported a loss for the period ended 31 December 2024 of £15.4m (year ended 31 March 2024: loss £22.2m).

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2025 and were signed on their behalf by:

DocuSigned by:  
  
 80F3F0B74A01469...

**Tom Hinton**  
**Chief Financial Officer**

Company registration number: 04178808

**Wincanton Limited Company statement of changes in equity**

For the period ended 31 December 2024

	Issued share capital £m	Share premium £m	Own shares £m	Profit and loss £m	Total equity £m
Balance at 1 April 2023	12.5	12.9	(5.6)	118.0	137.8
Loss for the year	–	–	–	(22.2)	(22.2)
Other comprehensive income	–	–	–	–	–
Total comprehensive loss	–	–	–	(22.2)	(22.2)
Share based payment transactions	–	–	0.2	0.6	0.8
Tax on share based payment transactions	–	–	–	1.4	1.4
Dividends paid to shareholders	–	–	–	(16.2)	(16.2)
Balance at 31 March 2024	12.5	12.9	(5.4)	81.6	101.6
<b>Balance at 1 April 2024</b>	<b>12.5</b>	<b>12.9</b>	<b>(5.4)</b>	<b>81.6</b>	<b>101.6</b>
<b>Loss for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(15.4)</b>	<b>(15.4)</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive loss</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(15.4)</b>	<b>(15.4)</b>
Share based payment transactions	–	–	5.4	(0.7)	4.7
Share issued	0.1	–	–	–	0.1
Tax on share based payment transactions	–	–	–	(1.7)	(1.7)
Balance at 31 December 2024	12.6	12.9	–	63.8	89.3

## Notes to the Wincanton Limited Company financial statements

### 1. Accounting policies

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

#### **Basis of preparation**

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

Under section 408(4) of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments to fair value. The principal accounting policies adopted are the same as those set out in Note 1 to the consolidated financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Company financial statements requires the use of certain judgements, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Estimates and judgements are evaluated continually, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimation uncertainties are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period. Significant judgements are those that the Company has made in the process of applying the Group's accounting policies, and that have the most significant effect on the amounts recognised in the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimates were based, or as a result of new information or more experience.

#### **Key source of estimation uncertainty**

##### *Amounts owed by Group undertakings*

The Company uses estimates in calculating the recoverable amounts of amounts due from its subsidiaries, which it then uses to assess whether the amounts due are impaired. The Company performed an impairment review as at the reporting date and concluded that all the amounts due from its subsidiaries were recoverable.

#### **Investment in subsidiaries**

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

### 2. Investment in subsidiaries

	31 December 2024 £m	31 March 2024 £m
Shares in Group undertakings		
Cost at beginning of period	108.9	108.9
Addition – share based payments	2.6	–
Cost at end of period	111.5	16.6

### 3. Amounts owed by Group undertakings

	31 December 2024 £m	31 March 2024 £m
Amounts owed by Group undertakings	92.7	85.2

Amounts owed by Group undertakings are repayable on demand. It has been determined that these amounts owed are not expected to be repaid within one year. Expected credit losses on amounts owed by Group undertakings are immaterial.

**Notes to the Wincanton plc Company financial statements (Continued)****4. Trade and other payables**

	31 December 2024 £m	31 March 2024 £m
Trade payables	–	0.8
Other payables	0.1	1.5
Accruals	0.6	14.3
	<b>0.7</b>	<b>16.6</b>

**5. Equity**

	31 December 2024 £m	31 March 2024 £m
Allotted, called up and fully paid		
125,980,720 (31 March 2024: 124,543,670) Ordinary Shares of 10p each	<b>12.6</b>	<b>12.5</b>

As permitted by section 408(4) of the Companies Act 2006, the Company has not presented its own profit and loss account. The Directors' remuneration as disclosed in Note 6 to the consolidated financial statements was incurred by Wincanton Limited. The Company has taken the exemption not to disclose non-audit fees incurred as these are included in Note 4 'Operating profit/(loss)' to the consolidated financial statements.

**6. Reconciliation of movement in total equity**

	Period ended 31 December 2024 £m	Year ended 31 March 2024 £m
Loss for the period	<b>(15.4)</b>	(22.2)
Dividends paid to shareholders	–	(16.2)
Tax on share based payment transactions	<b>(1.7)</b>	1.4
Shares issued	<b>0.1</b>	–
Share based payment transactions	<b>4.7</b>	0.8
Net movement in shareholders' funds	<b>(12.3)</b>	(36.2)
Opening shareholders' funds	<b>101.6</b>	137.8
<b>Closing shareholders' funds</b>	<b>89.3</b>	<b>101.6</b>

**7. Parent company and ultimate controlling party**

The immediate parent company and ultimate controlling company is GXO Logistics, Inc., a company incorporated in the USA.

The smallest set of consolidated financial statements into which the results of the Company has been consolidated is the Wincanton Limited consolidated financial statements.

The largest set of consolidated financial statements into which the results of the Company has been consolidated is the GXO Logistics, Inc. consolidated financial statements. These financial statements are available from GXO Logistics, Inc. Two American Lane, Greenwich, Connecticut CT06831.