For immediate release 8 November 2018

WINCANTON plc

Half Year Results for the six months to 30 September 2018 (unaudited)

"Robust operating performance and cash generation"

Wincanton plc ("Wincanton" or "the Group"), a leading provider of supply chain solutions in the UK and Ireland, today announces its half year results for the six months ended 30 September 2018.

Key financial measures	**2018**	2017	Change
Revenue (£m)	**581.8**	581.0	0.1%
Underlying EBITDA (£m)[1]	**33.0**	31.5	4.8%
Underlying operating profit (£m)[2]	**27.0**	25.7	5.1%
Underlying profit before tax (£m)[2]	**24.1**	22.5	7.1%
Underlying EPS (p)[2]	**16.2**	15.0	8.0%
Dividend per share – interim (p)	**3.60**	3.27	10.1%
Net debt (£m)[3]	**(24.2)**	(43.5)	
Statutory results			
Operating profit (£m)[2]	**33.0**	23.5	40.4%
Profit before tax (£m)	**30.1**	20.3	48.3%
Basic EPS (p)	**21.3**	13.7	55.5%

1 Underlying EBITDA refers to underlying operating profit before depreciation and amortisation and is reconciled in Note 3 to the consolidated half year financial statements.

2 The section on Alternative Performance Measures (APMs) below provides further information on these measures, including definitions and a reconciliation of APMs to statutory measures.

3 Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities. Note 9 to the financial statements provides a breakdown of net debt for the current and prior periods.

Highlights

- New business wins include EDF Energy, Roper Rhodes and Hapag-Lloyd
- Key renewals completed in period with Ibstock, Halfords, Loaf.com and AvantiGas
- Underlying operating profit increase of 5.1% to £27.0m driven by improved profitability in Industrial & Transport from actions taken to address cost base and performance
- Underlying EPS growth of 8.0% to 16.2 pence per share
- Strong free cash flow generation of £33.5m, with net debt reduced to £24.2m
- 2017 triennial pension valuation agreed during the period providing the Group with the ability to continue to invest in the business and to pay a progressive dividend
- Interim dividend of 3.60p, representing an increase of 10.1% which continues to broadly follow the growth in underlying earnings

Adrian Colman, Wincanton Chief Executive Officer commented:

"In the first half of the year the Group has delivered a healthy overall performance from a stable platform. We continue to develop our business and propositions to meet the needs of our customers, especially benefitting from growth in eCommerce in the Retail & Consumer environment. The strong operating profit growth delivered in the period reflects the improvements we made to our performance and cost base last year and the robust approach taken to only renewing work where we can see appropriate rates of return.

The strong underlying earnings per share growth of 8.0% and free cash flow generation highlights our continued ability to deliver predictable results and returns for all stakeholders. We look forward to making further strategic and operational progress to support long term returns for our stakeholders."

For further enquiries please contact:

Wincanton plc

Adrian Colman, Chief Executive Officer	Tel: 020 7466 5000 today, thereafter
Tim Lawlor, Chief Financial Officer	Tel: 01249 710000

Buchanan

Richard Oldworth, Madeleine Seacombe	Tel: 020 7466 5000

A meeting for analysts will be held at Buchanan, 107 Cheapside, London, EC2V 6DN today, Thursday 8 November 2018, commencing at 9.30am. Wincanton's Half Year Results 2018 are available at www.wincanton.co.uk

An audio webcast of the analysts' meeting will be available from 12 noon today:
http://webcasting.buchanan.uk.com/broadcast/5bb4af47c6ec681d9e06bbfd

Half Year Review
for the six months to 30 September 2018

Summary

Results

Revenue and underlying profit before tax have grown by 0.1% and 7.1% respectively in the half year compared to the same period last year. The Group has delivered a period of strong underlying performance which has balanced new wins, organic growth with existing customers and the exit of certain contracts which were not capable of being renewed at the appropriate operating margins.

Profitability was further supported by the benefits from the performance improvement and cost saving measures initiated in the second half of the prior year and has resulted in growth in underlying operating profit and improvement in underlying operating margin to 4.6% (30 September 2017: 4.4%). The underlying operating profit of the Group has increased to £27.0m (30 September 2017: £25.7m) which has driven strong free cash flow generation of £33.5m (30 September 2017: £(1.0)m).

An exceptional profit of £6.0m has been reported from the disposal of a historically under-utilised freehold property and the transition of the related operations.

Underlying EPS increased by 8.0% to 16.2p per share (30 September 2017: 15.0p per share) with further improvement from lower net finance charges.

Additionally, the 2017 triennial valuation of the pension scheme has been finalised in the period, with an appropriate future funding plan agreed with the Scheme Trustee which allows the Group to move forward with confidence and certainty.

Dividend

The Board is pleased to declare an interim dividend of 3.60p per Ordinary Share (30 September 2017: 3.27p per share) representing a 10.1% increase over the prior period. This reflects the confidence in the Group's performance as it continues with its progressive dividend policy which broadly follows the growth in underlying earnings.

Board

During the period Dr Martin Read CBE was appointed Chairman of the Board with effect from 1 August 2018, following a thorough, independent, external selection process. Martin has extensive and varied experience as a former Chief Executive of international IT services company, Logica, as Chairman of Laird plc and as a Non-executive Director on the boards of Invensys, Aegis Group, British Airways, Boots, Asda and the UK Government Efficiency and Reform Board. He spent the first seven years of his career in the container transport sector. Martin has also been appointed as the Chairman of the Nomination Committee.

Stewart Oades stepped down from the position of Interim Chairman at the same date and will resume his former role as Senior Independent Director of the Board which he temporarily vacated during the completion of the selection process for a permanent Chairman. Martin Sawkins stepped down from the Remuneration Committee on 5 November 2018 and will retire from the Board on 31 December 2018, after seven years with the Group. We would like to take this opportunity to thank Martin for his contribution to Wincanton over this period. Gill Barr has succeeded Martin as chair of the Remuneration Committee.

Key priorities and outlook

The Group's priority will be to continue to make further progress in the delivery of its organic growth strategy. This is built on strong and resilient operational performance for our customers, especially across their seasonal peaks and the creation of market leading propositions for them to help solve the challenges they face in their markets.

We will continue our W^2 Labs start-up incubator programme as a cornerstone of innovation within Wincanton with a second wave of this programme running in the second half. W^2 Labs has already contributed to the enhancements that we have made to our eCommerce logistics solutions in the period.

Over the coming year we will deliver an improved suite of transport technology platforms through the roll out of enhanced telematics capabilities across the fleet, the implementation of a new Transport Management

System and the completion of the roll out of our in-cab smartphone app to enhance track and trace visibility of transport loads. These initiatives will help drive lower costs of operation for our transport activities and enhance our service levels to customers.

We are also focused on providing solutions and industry leading insights for our customers as we approach Brexit and helping UK businesses create robust contingency plans and arrangements to deal with changes as the UK leaves the European Union over the coming months.

The Group remains well positioned in its chosen markets and continues to experience good levels of trading. The medium term forecasts in our focus growth markets of eCommerce, general merchandise and construction continue to remain strong. During the second half of the year the Board expects Wincanton to make continued progress and that full year results for the Group will be in line with expectations.

Performance summary

Revenue for the six months increased by 0.1% to £581.8m (30 September 2017: £581.0m) with prior year contract wins and organic growth being offset by some contract losses.

Underlying operating profit increased by 5.1% to £27.0m (30 September 2017: £25.7m) partly as a result of the impact of the performance improvement and cost saving initiatives taking effect and the exit of certain contracts which were not capable of delivering the appropriate operating margins for the Group. This has in particular driven an improvement within the Industrial & Transport sector. As a result, the underlying operating profit margin has increased to 4.6% (30 September 2017: 4.4%).

An exceptional profit of £6.0m has been reported relating to the profit on disposal of an under-utilised freehold property net of the costs of disposal and of transitioning the operations to another site.

Underlying EPS increased by 8.0% to 16.2p per share (30 September 2017: 15.0p per share) reflecting the increase in underlying operating profit and reduction in net financing costs.

Net debt decreased to £24.2m (30 September 2017: £43.5m, 31 March 2018: £29.5m) with the net cash inflow since 31 March 2018 of £5.3m including the net proceeds from the property disposal of £12.8m (gross proceeds of £14.5m less costs of disposal and transitioning operations to another site of £1.7m) and after deducting a one-off additional contribution to the pension scheme of £15.0m and payment of the final dividend of £8.2m. The Group's pension scheme deficit stood at £28.9m at 30 September 2018 (30 September 2017: £69.3m, 31 March 2018: £49.5m).

Trading

The Group's internal management structure, which has remained constant with the prior period, aligns the Group under two sectors; Retail & Consumer and Industrial & Transport.

Retail & Consumer

	2018	2017	Change
Revenue (£m)	**357.7**	333.9	7.1%
Underlying operating profit (£m)	**15.4**	15.1	2.0%
Underlying operating profit margin (%)	**4.3%**	4.5%	(20)bps

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

	2018 £m	2017 £m[1]	Change
Retail general merchandise	**219.3**	176.8	24.0%
Retail grocery	**88.6**	104.1	(14.9)%
Consumer products	**49.8**	53.0	(6.0)%
	357.7	333.9	7.1%

[1] Certain contracts within Retail general merchandise and Retail grocery have been realigned within the sector split, in line with how management reviews the business.

The overall revenue increase was driven primarily by the impact of prior year contract wins and organic volume growth within Retail general merchandise from customers such as IKEA, wilko and Screwfix. This growth was partly offset by the impact of lost volumes due to contract cessations in the prior year primarily in Retail grocery where we see the impact of the loss of the Tesco contract and in Consumer products with the loss of a contract with Premier Foods.

In Retail general merchandise our market leading household, home and DIY logistics offerings helped us secure new business with Roper Rhodes bathrooms. Across the sector we also completed key renewals with Halfords, Loaf.com and Micheldever Tyres.

Industrial & Transport

	2018	2017	Change
Revenue (£m)	**224.1**	247.1	(9.3)%
Underlying operating profit (£m)	**11.6**	10.6	9.4%
Underlying operating profit margin (%)	**5.2%**	4.3%	90bps

The split of Industrial & Transport revenue by the industry sectors it serves is as follows:

	2018 £m	2017 £m[1]	Change
Transport services	**89.8**	107.8	(16.7)%
Construction	**72.2**	78.4	(7.9)%
Other	**62.1**	60.9	2.0%
	224.1	247.1	(9.3)%

[1] Certain contracts within Transport services and Construction have been realigned within the sector split, in line with how management reviews the business.

The decrease in revenue was primarily due to the impact of contract losses in Transport services including the loss of the Britvic transport contract. The improvement in operating profit and margin was driven by the impact of actions taken to reduce the cost base and to right-size some areas of transport capacity along with the exit from certain lower margin contracts.

Construction extended and expanded a number of contracts within the period, including a four-year expansion with Ibstock to cover its new factory facility. New contracts include a 10-year contract with EDF Energy to provide on-site logistics management services for the new power station build programme at Hinkley Point C. In addition, our Containers business has also won a one-year contract with Hapag-Lloyd. These wins broadly offset the end of a construction contract with Wavin in the period. Other key renewals in the period included an extension of our contract with AvantiGas.

Financing costs

	2018 £m	2017 £m
Bank interest payable on loans	**1.9**	2.0
Unwinding of discount on provisions	**0.4**	0.3
Interest on the net defined benefit pension liability	**0.6**	0.9
Financing costs	**2.9**	3.2

Financing costs were £2.9m, £0.3m lower overall compared to the prior period charge of £3.2m.

Bank interest payable on loans was £1.9m (30 September 2017: £2.0m), a reduction of £0.1m in line with the prior period.

The non-cash financing items total £1.0m (30 September 2017: £1.2m) and comprise the discount unwinding on the Group's provisions for property and insurance claims, plus the financing charge in respect of the defined benefit deficit, which is lower in the year because of a reduction in the opening pension deficit.

Amortisation of acquired intangibles

There has been no amortisation charge in the period (30 September 2017: £1.1m), as the acquired intangibles were fully amortised at 31 March 2018.

Exceptional items

	2018 £m	2017 £m
Net profit on freehold property disposal	**6.0**	**-**
Restructuring costs	**-**	(2.9)
Pension scheme liability management exercise	**-**	1.8
Exceptional items	**6.0**	(1.1)

During the period we completed the disposal of a freehold property receiving gross sales proceeds of £14.5m and incurring costs of disposal and transitioning operations to another site of £1.2m and £0.5m respectively. The carrying value of the property was £6.8m generating a net profit on the disposal and transition of £6.0m.

In the six months to 30 September 2017 the Group commenced a restructuring programme to competitively position the business for the future with a charge of £2.9m included as exceptional. Additionally, the conclusion of the pension scheme liability management exercise resulted in a settlement gain of £1.8m.

Taxation

	2018	2017
Underlying profit before tax (£m)	**24.1**	22.5
Underlying tax (£m)	**4.0**	4.0
Tax on amortisation of acquired intangibles (£m)	**-**	(0.2)
Tax on exceptional items (£m)	**(0.3)**	(0.5)
Tax as reported (£m)	**3.7**	3.3
Effective tax rate on underlying profit before tax (%)	**16.5%**	18.0%

Underlying tax of £4.0m (30 September 2017: £4.0m) represents an underlying effective tax rate of 16.5% (30 September 2017: 18.0%) on underlying profit before tax and is stated before tax on exceptional items of £0.3m (30 September 2017: £0.5m) and, in the prior period, a tax credit of £0.2m in respect of the amortisation of acquired intangibles. The underlying effective tax rate applied at the half year is an estimate of the expected full year rate.

Corporation tax paid in respect of the period was £1.9m (30 September 2017: £1.8m).

The total net deferred tax asset has reduced to £8.3m (30 September 2017: £14.6m) primarily as a result of the reduction in the pension deficit and the deferred tax asset thereon.

Profit after tax and EPS

Profit after tax for the period was £26.4m, an increase of £9.4m (30 September 2017: £17.0m) which translates to a basic EPS of 21.3p (30 September 2017: 13.7p).

Underlying EPS, which excludes from earnings amortisation of acquired intangibles and exceptional items where relevant, has increased by 8.0% to 16.2p (30 September 2017: 15.0p).

The calculation of these EPS measures is set out in Note 6.

Dividends

The Group’s policy is for dividend growth to broadly match the growth in underlying earnings.

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

The Board has declared an interim dividend of 3.60p (30 September 2017: 3.27p) per share relating to the six-month period ended 30 September 2018, payable in January 2019.

The Group paid a final dividend in the six-month period of 6.63p per share relating to the year ended 31 March 2018 (30 September 2017: 6.1p).

Financial position

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

	30 September 2018 £m	30 September 2017 £m	31 March 2018 £m
Non-current assets	**130.0**	147.6	136.0
Net current liabilities (excl. net debt)	**(138.4)**	(134.1)	(136.4)
Non-current liabilities (excl. net debt/pension deficit)	**(31.4)**	(35.0)	(33.1)
Net debt	**(24.2)**	(43.5)	(29.5)
Pension deficit (gross of deferred tax)	**(28.9)**	(69.3)	(49.5)
Net liabilities	**(92.9)**	(134.3)	(112.5)

The reduction in net liabilities since the year ended 31 March 2018 of £19.6m is primarily represented by the profit after tax of £26.4m less the payment of the prior year final dividend of £8.2m.

The movement in the pension deficit is primarily due to the employer contributions paid into the Scheme.

Net debt and cash flows

Net debt at 30 September 2018 was £24.2m (30 September 2017: £43.5m), reflecting a net cash inflow of £19.3m over the intervening 12 months and £5.3m since 31 March 2018.

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

	2018 £m	2017 £m
Underlying EBITDA	**33.0**	31.5
Capital expenditure	**(4.2)**	(9.4)
Net proceeds from asset disposals	**13.1**	0.3
Working capital	**(1.5)**	(15.2)
Tax	**(1.9)**	(1.8)
Interest	**(1.8)**	(2.1)
Other items	**(3.2)**	(4.3)
Free cash flow	**33.5**	(1.0)
Pension payments	**(20.0)**	(8.8)
Dividends	**(8.2)**	(7.6)
Own shares acquired	**-**	(1.8)
Net cash flow	**5.3**	(19.2)

The Group generated a £5.3m net cash inflow in the period (30 September 2017: £19.2m outflow) with a free cash inflow of £33.5m (30 September 2017: £1.0m outflow), the increase on the prior year reflecting the proceeds from the property disposal and a neutral working capital position in the period.

Capital expenditure of £4.2m (30 September 2017: £9.4m) principally consists of investments in IT systems including the enhancement of transport systems which will continue in the second half of the year.

Net proceeds from asset disposals comprise an under-utilised freehold property which was disposed of for gross proceeds of £14.5m, with costs of disposal and transition of £1.2m and £0.5m respectively and proceeds from other asset disposals of £0.3m.

Working capital movements have been relatively neutral in the period compared with a £(15.2)m outflow in the prior period which related to working capital investment in new contracts commenced in the prior period and the unwinding of timing movements.

The Group paid cash tax in the period of £1.9m (30 September 2017: £1.8m). The cash tax payable continues to trend below the underlying charge due to the impact of tax relief on the pension deficit recovery payments made in the year and on share options exercised.

The amount of cash interest paid, excluding fees, of £1.8m (30 September 2017: £2.1m) reduced compared to the prior half year due to the overall reduction in the interest charge.

Other cash outflows include payments in respect of provision movements. There was a cash outflow of £2.6m (30 September 2017: nil) relating to the costs of restructuring and other settlements recorded as other provisions at 31 March 2018. Other movements include payments in respect of property provisions.

The cash contribution to fund the pension deficit in the current year to 31 March 2019 will be £17.3m plus a one-off lump-sum contribution of £15.0m (31 March 2018: £14.6m plus a one-off lump-sum of £1.5m) funded by the gross sale proceeds of the freehold property; of which £20.3m was paid in the first half, less £0.3m for certain administration costs agreed to be paid directly by the Group.

No own shares were acquired in the period (30 September 2017: £1.8m acquired in order to satisfy share option awards).

Financing and covenants

The Group's committed facilities at the period end were £141m (30 September 2017: £141m) and the headroom in these committed facilities to reported net debt at 30 September 2018 was £117m (30 September 2017: £98m). The Group also had a Receivables Purchase Facility with Santander UK plc and operating overdrafts which provide day to day flexibility and amount to a further £50m and £8m respectively in uncommitted facilities.

During the period, utilisation of the Group's non-recourse £50m Receivables Purchase Facility has commenced, with the value at the period end being £3m. The level of utilisation will continue to grow into the second half of the year as additional customers are added to the facility.

At the period end the Group's committed facilities comprised the syndicated main bank facility of £141m which amortises by £8.8m in October 2019, with a second equal amortisation at the four-year anniversary in October 2020 before maturing in October 2021.

The Group maintains a mix of hedging instruments (swaps) to give an appropriate level of protection against changes in interest rates. At the half year, £20m of debt was at fixed rates and the balance at floating rates.

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

Covenant	Ratio	At 30 September 2018
Adjusted net debt: EBITDA	<2.75:1	0.74
Interest cover	>3.5:1	18.7
Fixed charge cover	>1.4:1	3.4

Pensions

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

Defined benefit arrangements

The Wincanton plc Pension Scheme (the Scheme), which closed to future accrual on 31 March 2014, had an IAS 19 deficit of £28.9m (£24.0m net of deferred tax) at 30 September 2018 (30 September 2017: £69.3m, 31 March 2018: £49.5m). The following table shows the reported IAS 19 deficit:

	30 Sept 2018	30 Sept 2017	31 March 2018
Assets (£m)	**1,063.4**	1,035.4	1,075.9
Liabilities (£m)	**(1,092.3)**	(1,104.7)	(1,125.4)
Total (£m)	**(28.9)**	(69.3)	(49.5)
Discount rate (%)	**2.85**	2.70	2.60

The movement in the deficit since 31 March 2018 is primarily due to the employer contributions paid into the Scheme. The discount rate has decreased from 2.70% at 30 September 2017 to 2.60% at 31 March 2018 and then increased to 2.85% at 30 September 2018. Each 0.1% movement in the rate impacts the liabilities of the Scheme by 2.0%, currently some £22m. Any movement is mitigated by the level of liability hedging in the Scheme.

Over recent years, the Trustee has pursued a diversification of the investment portfolio as part of a de-risking strategy and the programme has continued in the period ended 30 September 2018. As at 30 September 2018 the Scheme’s investment was split between 38% in return-seeking assets and 62% in defensive assets.

The interest and inflation rate risks facing the Scheme are hedged at 100% of the Scheme’s assets.

The Company reached an agreement with the Trustee on the 2017 triennial valuation and recovery plan in the period. The net annual deficit contributions have been agreed at £17.3m per annum increasing by RPI over the three years to March 2021 and £24.3m per annum increasing by RPI from April 2022 to March 2027. In addition, the Company made a one-off contribution of £15.0m in August 2018. These payments are deductible for UK corporation tax purposes in the year they are paid and therefore materially reduce the net cash impact of the contributions to the Group. The agreement is based on the Technical Provisions calculation of the pension deficit which at 30 September 2018 is estimated to be c.£170m and is subject to other provisions as detailed in the announcement made on 8 August 2018.

On 26 October 2018, the High Court of Justice of England and Wales issued a judgment in a claim regarding the rights of members to equality of treatment in relation to pension benefits. The court ruling has made it clear that schemes are under a duty to equalise benefits for men and women in relation to guaranteed minimum pension benefits. The extent to which the judgement will increase the liabilities of the Scheme is under consideration and any adjustment is expected to be recognised in the second half of 2018/19.

Risks

The key risks and uncertainties facing Wincanton in the second half of the current financial year have not changed materially from those outlined on pages 28 to 31 of the Annual Report for the year ended 31 March 2018. The principal commercial and operational risks are the Group’s ability to source new contracts, at an appropriate financial return for an acceptable level of risk, and subsequent performance of new and existing contracts. Wincanton has a diversified customer base which spans large sectors of the UK economy. The majority of our contracts are open book and we are not directly exposed to foreign currency movements in our business. The impact of Britain's decision to leave the EU is being closely monitored by the Board and will continue to be monitored as the political and economic consequences become clearer.

Alternative Performance Measures

Alternative Performance Measures (APMs) are used by the Board in assessing the Group's performance and are applied consistently from one period to the next. They therefore provide additional useful information for shareholders on the underlying performance and position of the Group. Additionally, underlying EPS is used as a key performance indicator for the share incentive scheme, being the Long Term Incentive Plan. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures.

The Group presents underlying EBITDA, operating profit and EPS which are calculated as the statutory measures stated before amortisation of acquired intangibles and exceptional items, including related tax where applicable. The table below reconciles the APMs to the statutory reported measures.

			2018				2017
	Statutory	**Exceptional items[1]**	**Underlying**	Statutory	Amortisation of acquired intangibles	Exceptional items[1]	Underlying
Revenue (£m)	**581.8**	**-**	**581.8**	581.0	-	-	581.0
EBITDA (£m)[2]	**39.0**	**(6.0)**	**33.0**	30.4	-	1.1	31.5
Operating profit (£m)	**33.0**	**(6.0)**	**27.0**	23.5	1.1	1.1	25.7
Operating margin (%)	**5.7**		**4.6**	4.0			4.4
Net financing costs (£m)	**(2.9)**	**-**	**(2.9)**	(3.2)	-	-	(3.2)
Profit before tax (£m)	**30.1**	**(6.0)**	**24.1**	20.3	1.1	1.1	22.5
Income tax (£m)	**(3.7)**	**(0.3)**	**(4.0)**	(3.3)	(0.2)	(0.5)	(4.0)
Profit after tax (£m)	**26.4**	**(6.3)**	**20.1**	17.0	0.9	0.6	18.5
Earnings per share (p)[3]	**21.3**		**16.2**	13.7			15.0
Dividend per share (p)	**3.60**		**3.60**	3.27			3.27
Net debt (£m)[4]	**(24.2)**		**(24.2)**	(43.5)			(43.5)

1 Note 3 provides further detail of exceptional items
2 EBITDA refers to operating profit before depreciation and amortisation and is reconciled in Note 3.
3 Note 6 provides further detail of underlying earnings per share.
4 Net debt is the sum of cash and bank balances, bank loans and overdrafts and other financial liabilities. Note 9 provides a breakdown of net debt for the current and prior periods.

Statement of Directors' responsibilities

The Board confirms to the best of its knowledge:

- that the consolidated half year financial statements for the six months to 30 September 2018 have been prepared in accordance with IAS 34 *Interim Financial Reporting* amended in accordance with changes in IAS 1 *Presentation of Financial Statements*, as adopted by the EU; and

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

The composition of the Board of Directors has changed since the publication of the Annual Report in May 2018, as noted on page 3. A list of current Directors is maintained on the Wincanton plc website at www.wincanton.co.uk.

The above Statement of Directors' responsibilities was approved by the Board on 7 November 2018.

T Lawlor
Director

Consolidated income statement
for the six months to 30 September 2018 (unaudited)

	Note	**Six months to 30 Sept 2018 £m**	Six months to 30 Sept 2017[1] £m	Year ended 31 March 2018[1] £m
Revenue	*2,3*	**581.8**	581.0	1,171.9
Underlying operating profit	*3*	**27.0**	25.7	52.9
Amortisation of acquired intangibles		**-**	(1.1)	(2.3)
Exceptional items	*3*	**6.0**	(1.1)	(6.2)
Operating profit	*3*	**33.0**	23.5	44.4
Financing costs	*4*	**(2.9)**	(3.2)	(6.5)
Profit before tax		**30.1**	20.3	37.9
Income tax expense	*5*	**(3.7)**	(3.3)	(6.7)
Profit attributable to equity shareholders of Wincanton plc		**26.4**	17.0	31.2
Earnings per share				
- basic	*6*	**21.3p**	13.7p	25.2p
- diluted	*6*	**21.1p**	13.5p	24.8p

[1] IFRS 15 *Revenue from contracts with customers* has been applied using the cumulative effect method, therefore comparative periods have not been restated

Consolidated statement of comprehensive income
for the six months to 30 September 2018 (unaudited)

	Six months to 30 Sept 2018 £m	Six months to 30 Sept 2017[1] £m	Year ended 31 March 2018[1] £m
Profit for the period	**26.4**	17.0	31.2
Other comprehensive income/(expense)			
Items which will not subsequently be reclassified to the income statement			
Remeasurements of defined benefit liability	**1.5**	(0.1)	13.8
Income tax relating to items that will not subsequently be reclassified to profit or loss	**(0.2)**	-	(2.4)
	1.3	(0.1)	11.4
Items which are or may subsequently be reclassified to the income statement			
Effective portion of changes in fair value of cash flow hedges	**-**	(0.2)	(0.1)
Net change in fair value of cash flow hedges transferred to the income statement	**-**	-	0.1
	-	(0.2)	-
Other comprehensive income/(expense) for the period, net of income tax	**1.3**	(0.3)	11.4
Total comprehensive income attributable to equity shareholders of Wincanton plc	**27.7**	16.7	42.6

[1] IFRS 15 *Revenue from contracts with customers* has been applied using the cumulative effect method, therefore comparative periods have not been restated

Consolidated balance sheet

at 30 September 2018 (unaudited)

	Note	**30 Sept 2018 £m**	30 Sept 2017[1] £m	31 March 2018[1] £m
Non-current assets				
Goodwill and intangible assets		**82.6**	84.9	82.7
Property, plant and equipment	*8*	**38.9**	48.0	41.7
Investments, including those equity accounted		**0.2**	0.1	0.1
Deferred tax assets		**8.3**	14.6	11.5
		130.0	147.6	136.0
Current assets				
Inventories		**4.3**	4.4	4.4
Trade and other receivables		**142.4**	150.2	140.7
Assets classified as held for sale		**-**	-	6.1
Cash and cash equivalents	*9*	**18.9**	22.9	17.6
		165.6	177.5	168.8
Current liabilities				
Income tax payable		**(4.3)**	(5.0)	(5.7)
Borrowings and other financial liabilities	*9*	**(0.1)**	(0.3)	-
Trade and other payables		**(264.2)**	(270.2)	(264.1)
Provisions	*10*	**(16.6)**	(13.5)	(17.8)
		(285.2)	(289.0)	(287.6)
Net current liabilities		**(119.6)**	(111.5)	(118.8)
Total assets less current liabilities		**10.4**	36.1	17.2
Non-current liabilities				
Borrowings and other financial liabilities	*9*	**(43.0)**	(66.1)	(47.1)
Employee benefits	*11*	**(28.9)**	(69.3)	(49.5)
Provisions	*10*	**(31.4)**	(35.0)	(33.1)
		(103.3)	(170.4)	(129.7)
Net liabilities		**(92.9)**	(134.3)	(112.5)
Equity				
Issued share capital		**12.5**	12.5	12.5
Share premium		**12.9**	12.9	12.9
Merger reserve		**3.5**	3.5	3.5
Hedging reserve		**(0.1)**	(0.3)	(0.1)
Translation reserve		**(0.3)**	(0.3)	(0.3)
Retained earnings		**(121.4)**	(162.6)	(141.0)
Total equity deficit		**(92.9)**	(134.3)	(112.5)

[1] IFRS 15 *Revenue from contracts with customers* has been applied using the cumulative effect method, therefore comparative periods have not been restated

Consolidated statement of changes in equity

at 30 September 2018 (unaudited)

	Issued share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings: Own shares £m	Retained earnings: Profit and loss £m	Total equity deficit £m
Balance at 1 April 2018	**12.5**	**12.9**	**3.5**	**(0.1)**	**(0.3)**	**(2.0)**	**(139.0)**	**(112.5)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**26.4**	**26.4**
Other comprehensive expense	**-**	**-**	**-**	**-**	**-**	**-**	**1.3**	**1.3**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**27.7**	**27.7**
Share based payment transactions	**-**	**-**	**-**	**-**	**-**	**1.0**	**(1.1)**	**(0.1)**
Current tax on share based payments	**-**	**-**	**-**	**-**	**-**	**-**	**0.2**	**0.2**
Dividends paid to shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(8.2)**	**(8.2)**
Balance at 30 September 2018	**12.5**	**12.9**	**3.5**	**(0.1)**	**(0.3)**	**(1.0)**	**(120.4)**	**(92.9)**
Balance at 1 April 2017	12.4	12.9	3.5	(0.1)	(0.3)	(0.5)	(167.3)	(139.4)
Profit for the period	-	-	-	-	-	-	17.0	17.0
Other comprehensive income/(expense)	-	-	-	(0.2)	-	-	(0.1)	(0.3)
Total comprehensive income	-	-	-	(0.2)	-	-	16.9	16.7
Share based payment transactions	-	-	-	-	-	0.5	(2.9)	(2.4)
Current tax on share based payments	-	-	-	-	-	-	0.9	0.9
Deferred tax on share based payments	-	-	-	-	-	-	(0.7)	(0.7)
Shares issued	0.1	-	-	-	-	(0.1)	-	-
Own shares acquired	-	-	-	-	-	(1.8)	-	(1.8)
Dividends paid to shareholders	-	-	-	-	-	-	(7.6)	(7.6)
Balance at 30 September 2017	12.5	12.9	3.5	(0.3)	(0.3)	(1.9)	(160.7)	(134.3)
Balance at 1 April 2017	12.4	12.9	3.5	(0.1)	(0.3)	(0.5)	(167.3)	(139.4)
Profit for the year	-	-	-	-	-	-	31.2	31.2
Other comprehensive income	-	-	-	-	-	-	11.4	11.4
Total comprehensive income	-	-	-	-	-	-	42.6	42.6
Share based payment transactions	-	-	-	-	-	0.7	(2.8)	(2.1)
Current tax on share based payment transactions	-	-	-	-	-	-	0.1	0.1
Shares issued	0.1	-	-	-	-	(0.1)	-	-
Own shares acquired	-	-	-	-	-	(2.1)	-	(2.1)
Dividends paid to shareholders	-	-	-	-	-	-	(11.6)	(11.6)
Balance at 31 March 2018	12.5	12.9	3.5	(0.1)	(0.3)	(2.0)	(139.0)	(112.5)

Consolidated statement of cash flows
for the six months to 30 September 2018 (unaudited)

	Six months to 30 Sept 2018 £m	Six months to 30 Sept 2017 £m	Year ended 31 March 2018 £m
Operating activities			
Profit before tax	**30.1**	20.3	37.9
Adjustments for			
- depreciation and amortisation	**6.0**	6.9	14.2
- interest expense	**2.9**	3.2	6.5
- profit on disposal of property, plant and equipment	**(5.9)**	-	-
- share based payment transactions	**(0.1)**	(2.4)	(2.1)
	33.0	28.0	56.5
Increase in trade and other receivables	**(1.8)**	(16.4)	(7.2)
Decrease/(increase) in inventories	**0.1**	(0.4)	(0.4)
Increase/(decrease) in trade and other payables	**0.2**	4.5	(1.6)
(Decrease)/increase in provisions	**(3.4)**	(1.9)	0.2
Increase/(decrease) in employee benefits before pension deficit payment	**0.3**	(1.6)	(2.6)
Income taxes paid	**(1.9)**	(1.8)	(4.0)
Cash generated before pension deficit payment	**26.5**	10.4	40.9
Pension deficit payment	**(20.0)**	(8.8)	(14.6)
Cash flows from operating activities	**6.5**	1.6	26.3
Investing activities			
Proceeds from sale of property, plant and equipment	**13.1**	0.3	0.4
Proceeds from sale of computer software	**-**	-	0.1
Trade investment	**(0.1)**	-	-
Additions of property, plant and equipment	**(3.4)**	(9.4)	(14.5)
Additions of computer software	**(0.8)**	-	-
Cash flows from investing activities	**8.8**	(9.1)	(14.0)
Financing activities			
Own shares acquired	**-**	(1.8)	(1.8)
Borrowings repaid	**-**	(25.0)	(25.0)
(Decrease)/increase in borrowings	**(4.0)**	26.0	6.9
Equity dividends paid	**(8.2)**	(7.6)	(11.6)
Interest paid	**(1.8)**	(2.1)	(4.1)
Cash flows from financing activities	**(14.0)**	(10.5)	(35.6)
Net increase/(decrease) in cash and cash equivalents	**1.3**	(18.0)	(23.3)
Cash and cash equivalents at beginning of the period	**17.6**	40.9	40.9
Cash and cash equivalents at end of the period	**18.9**	22.9	17.6
Represented by:			
- cash at bank and in hand	**12.0**	15.1	11.7
- restricted cash, being deposits held by the Group's insurance subsidiary	**6.9**	7.8	5.9
	18.9	22.9	17.6

Notes to the consolidated half year financial statements
for the six months to 30 September 2018 (unaudited)

1 Basis of preparation and Statement of compliance

Wincanton plc (the 'Company') is a company incorporated in England and Wales. The consolidated half year financial statements of the Company for the six months to 30 September 2018 comprise the Company and its subsidiaries (together referred to as the 'Group') and, where relevant, the Group's interests in jointly controlled entities.

These consolidated half year financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. As required by the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority, the consolidated half year financial statements have been prepared on the basis of the accounting policies adopted by the Group and applied and disclosed in its consolidated financial statements for the year ended 31 March 2018, except as described below. As stated in the financial statements for the year ended 31 March 2018 the following amendments have been applied where applicable: amendments as a result of Annual Improvements 2014-2016 Cycle; and amendments to IFRS 2 Classification and measurement of share-based payment transactions. The Group has adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* from 1 April 2018. The adoption of these amendments and new standards has not had a significant effect on the consolidated results or financial position of the Group, with further information regarding IFRS 9 and IFRS 15 given below. These policies are in accordance with IFRS as adopted by the EU (Adopted IFRS).

As reported within the 2018 Annual Report and Accounts, IFRS 9 *Financial Instruments* was issued by the IASB in July 2014, and became effective for the Group from 1 April 2018. Applying IFRS 9 has resulted in changes to the measurement and disclosure of financial instruments and introduced a new expected loss impairment model. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables and contract assets. The adoption of the standard has not had a significant impact on the Group's consolidated results or financial position.

IFRS 15 *Revenue from Contracts with Customers* was issued by the IASB in May 2014 and became effective for the Group from 1 April 2018. The Group has applied the cumulative catch-up approach, therefore comparative periods have not been restated, and are presented as previously reported, under IAS 18.

Under IFRS 15, revenue is recognised when the customer obtains control of the goods and services transferred by the Group and the related performance obligations have been satisfied. The amount recognised reflects the amount of consideration that the Group expects to be entitled to in exchange for those goods and services. The effects of implementing IFRS 15 include changes in the timing of revenue recognition on certain contracts for: costs to fulfil a contract; deferred management fees; and revenue linked to performance measures such as Key Performance Indicators and gain-share mechanisms. The implementation of the standard did not have a material effect on the Group's financial statements as at 1 April 2018, therefore no transition adjustment was made. There was no material effect on the Group's results in the six-month period to 30 September 2018 compared to those that would have been reported under IAS 18.

IFRS 16 *Leases* was issued by the IASB in January 2016 and becomes effective for the Group for the year ended 31 March 2020. Adoption of this standard will result in the recognition on balance sheet of assets and liabilities relating to leases which are currently being accounted for as operating leases. The Group continues to assess the impact of adopting IFRS 16, with a significant impact anticipated on the reported assets, liabilities, and income statement of the Group, as well as extensive additional disclosures.

These consolidated half year financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2018. The comparative figures for the year ended 31 March 2018 have been extracted from those accounts but do not comprise the full statutory accounts for that financial year. Except for the 31 March 2018 comparatives, the financial information set out herein is unaudited but has been reviewed by the auditors and their report to the Company is set out on page 28.

The consolidated financial statements for the year ended 31 March 2018 have been reported on by the Group's auditor, delivered to the Registrar of Companies, and are available upon request from the Company's registered office at Methuen Park, Chippenham, Wiltshire, SN14 0WT or at www.wincanton.co.uk. The report of the auditor was (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

1 Basis of preparation and Statement of compliance *(continued)*

The preparation of these consolidated half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key areas of estimation were the same as those that applied to the consolidated financial statements for the year ended 31 March 2018.

The Group has net liabilities of £92.9m (30 September 2017: £134.3m) primarily as a result of the pension deficit as well as previous retained losses. The improvement in the period principally relates to the profit for the period partly offset by dividend payments. The consolidated half year financial statements have been prepared on a going concern basis, which assumes the Group will be able to meet its liabilities as they fall due for the foreseeable future. The Directors have prepared cash flow forecasts on the basis of which they expect that the Group will continue as a going concern.

The Half Year Report, which includes the consolidated half year financial statements, was approved by the Board on 7 November 2018.

2 Revenue

The Group has applied IFRS 15 from 1 April 2018, using the cumulative effect method, therefore comparative information has not been restated and continues to be reported under IAS 18. The following practical expedients have been applied:

- where we have a right to invoice the customer at an amount that corresponds directly with performance to date, for example according to an agreed rate-card, revenue is recognised at that amount; and
- incremental costs of obtaining a contract have not been capitalised where the amortisation period for the asset is one year or less.

The implementation of the standard did not have a material effect on the Group's financial statements as at 1 April 2018, therefore no transition adjustment was made.

There was no material effect on the Group's results in the six-month period to 30 September 2018 compared to those that would have been reported under IAS 18. A reclassification has been made within current assets, to present costs of fulfilling a contract separately from trade and other receivables.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2018 (unaudited)

2 Revenue *(continued)*

Nature, timing and satisfaction of performance obligations

Customer contracts are disaggregated into their component performance obligations, typically transport services and warehouse services, with revenue generally being recognised over time. Further detail is given in the table below:

Area	Explanation	Nature of change in accounting policy
Fixed/variable management fee	Open book contracts will typically cover costs plus an agreed management fee.	Fixed management fees are recognised over the contract term. Variable management fees (a fixed percentage of costs) are recognised as the corresponding costs are incurred i.e. where we have the right to invoice the customer at an amount that corresponds directly with performance to date, we apply the practical expedient to recognise revenue at that amount. Revenue relating to costs to serve the customer are invoiced in line with the customer receiving and consuming benefits under the contract, and is recognised in the period in which it is earned. There has been no change in the timing of revenue recognition on application of IFRS 15.
Deferred management fees	Contracts may contain fee-free periods, where no management fee is payable by the customer.	Revenue is spread over the term of the contract to the extent it is highly probable a significant revenue reversal will not occur. If there is a risk of significant reversal, revenue is constrained until the uncertainty is resolved. There has been no change in the timing of revenue recognition on application of IFRS 15.
Rate-card revenue	In closed book contracts, revenue is typically recognised based on a pre-agreed rate-card.	Revenue based on a pre-agreed rate-card is recognised as services are provided, in line with the customer receiving and consuming benefits under the contract. There has been no change in the timing of revenue recognition on application of IFRS 15.
Long term contract recoverables	Costs incurred to set up the contract, in advance of the go-live date.	Costs to fulfil a contract are capitalised, with costs and revenue spread over the term of the contract. Such costs must: relate directly to the contract; generate or enhance resources; and be expected to be recovered. Where this definition isn't met, costs are expensed as incurred if not specifically recoverable under the contract. This has resulted in later recognition of revenue for some contracts.
Performance-related revenue	Revenue linked to performance measures, such as Key Performance Indicators (KPIs) and gain-share mechanisms.	Variable revenue is recognised to the extent it is highly probable a significant revenue reversal will not occur. This has resulted in earlier revenue recognition for some contracts.
Payments to customers	Transition payments made to the customer, or payments in relation to KPI performance.	Payments made to customers that are not for the provision of distinct goods or services are recognised as a rebate at the later of: when revenue is recognised for the related services; or when it is paid or promised to be paid. This has resulted in a reduction in revenue over the contract term for some contracts.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2018 (unaudited)

2 Revenue *(continued)*

Disaggregation of revenue

In the following table, revenue is disaggregated by industry sector. The table also provides a reconciliation of the disaggregated revenue to the Group's operating segments (see Note 3).

	Six months to 30 September 2018 £m	Six months to 30 September 2017[1] £m	Year ended 31 March 2018[1] £m
Retail general merchandise	**219.3**	176.8	388.8
Retail grocery	**88.6**	104.1	193.2
Consumer products	**49.8**	53.0	109.7
Total Retail & Consumer	**357.7**	333.9	691.7
Transport services	**89.8**	107.8	210.6
Construction	**72.2**	78.4	150.3
Other	**62.1**	60.9	119.3
Total Industrial & Transport	**224.1**	247.1	480.2
Total revenue	**581.8**	581.0	1,171.9

[1] The Group has initially applied IFRS 15 at 1 April 2018 using the cumulative catch-up method, meaning comparative periods have not been restated. Certain contracts within Retail general merchandise, Retail grocery, Transport services and Construction have been realigned within the sector split, in line with how management reviews the business.

3 Operating segments

Wincanton plc provides contract logistics services in the UK and Ireland. In the period to 30 September 2018 the Group managed its operations in two distinct operating segments; Retail & Consumer (including retail general merchandise, retail grocery and consumer products) and Industrial & Transport (including transport services, construction and other).

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

		Six months to 30 Sept 2018	
	Retail & Consumer £m	**Industrial & Transport £m**	**Total £m**
Revenue from external customers[1]	**357.7**	**224.1**	**581.8**
Underlying EBITDA[2]	18.4	14.6	33.0
Depreciation	(2.5)	(2.6)	(5.1)
Amortisation of software intangibles	(0.5)	(0.4)	(0.9)
Underlying operating profit[2]	15.4	11.6	27.0
Exceptional items			6.0
Operating profit			**33.0**
Net financing costs			(2.9)
Profit before tax			**30.1**

[1] Included in segment revenue is £575.7m (30 September 2017: £575.7m) in respect of customers based in the UK.
[2] Underlying EBITDA refers to underlying operating profit before depreciation and amortisation. Underlying operating profit is stated before amortisation of acquired intangibles and exceptional items, where applicable.

		Six months to 30 Sept 2017	
	Retail & Consumer £m	Industrial & Transport £m	Total £m
Revenue from external customers	333.9	247.1	581.0
Underlying EBITDA	17.8	13.7	31.5
Depreciation	(2.2)	(2.7)	(4.9)
Amortisation of software intangibles	(0.5)	(0.4)	(0.9)
Underlying operating profit	15.1	10.6	25.7
Amortisation of acquired intangibles			(1.1)
Exceptional items			(1.1)
Operating profit			23.5
Net financing costs			(3.2)
Profit before tax			20.3

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2018 (unaudited)

3 Operating segments *(continued)*

	Year ended 31 March 2018		
	Retail & Consumer	Industrial & Transport	Total
	£m	£m	£m
Revenue from external customers	691.7	480.2	1,171.9
Underlying EBITDA	36.4	28.4	64.8
Depreciation	(5.6)	(4.4)	(10.0)
Amortisation of software intangibles	(1.1)	(0.8)	(1.9)
Underlying operating profit	29.7	23.2	52.9
Amortisation of acquired intangibles			(2.3)
Exceptional items			(6.2)
Operating profit			44.4
Net financing costs			(6.5)
Profit before tax			37.9

Revenue of £108.5m (30 September 2017: £103.2m) and £68.9m (30 September 2017: £64.2m) arose from sales to the Group's two largest customers, being groups of companies under common control, and is reported within the Retail & Consumer segment. No other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior period.

During the period we completed on the disposal of a freehold property receiving sales proceeds of £14.5m and incurring costs of disposal and of transitioning operations to another site of £1.2m and £0.5m respectively. The carrying value of the property was £6.8m therefore generating a net profit on disposal and transition of £6.0m.

In the six months to 30 September 2017 the Group commenced a restructuring programme to competitively position the business for the future. A charge of £2.9m was included as exceptional (31 March 2018: £8.2m). The conclusion of the pension scheme liability management exercise resulted in a settlement gain of £1.8m (31 March 2018: £2.0m).

4 Financing costs

	Six months to 30 Sept 2018 £m	Six months to 30 Sept 2017 £m	Year ended 31 March 2018 £m
Recognised in the income statement			
Interest expense	**(1.9)**	(2.0)	(4.1)
Unwinding of discount on provisions	**(0.4)**	(0.3)	(0.6)
Interest on the net defined benefit pension liability	**(0.6)**	(0.9)	(1.8)
Financing costs	**(2.9)**	(3.2)	(6.5)

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

for the six months to 30 September 2018 (unaudited)

5 Income tax expense

Recognised in the income statement	**Six months to 30 Sept 2018 £m**	Six months to 30 Sept 2017 £m	Year ended 31 March 2018 £m
Current tax expense			
Current year	**1.5**	1.9	4.2
Adjustments for prior years	**(0.8)**	(0.5)	(0.8)
	0.7	1.4	3.4
Deferred tax expense			
Current year	**3.0**	1.9	3.0
Adjustments for prior years	-	-	0.3
	3.0	1.9	3.3
Total income tax expense	**3.7**	3.3	6.7
Recognised in other comprehensive income			
Items which will not subsequently be reclassified to the Income statement:			
Remeasurements of defined benefit pension liability	**0.2**	-	2.4
Recognised directly in equity			
Current tax on share based payment transactions	**(0.2)**	(0.9)	(0.1)
Deferred tax on share based payment transactions	**-**	0.7	-
	(0.2)	(0.2)	(0.1)

In accordance with IAS 34 *Interim Financial Reporting* the tax expense recognised in the income statement for the half year is calculated on the basis of the estimated underlying effective full year tax rate of 16.5% (30 September 2017: 18.0%, 31 March 2018: 18.0%).

The main UK Corporation tax rate has reduced to 19% with effect from 1 April 2017 (20% prior to 1 April 2017) and will further reduce to 17% with effect from 1 April 2020 which should reduce the Group's future current tax charge accordingly.

The closing UK deferred tax provision is calculated based on the rate of 17% which was substantively enacted at the balance sheet date.

6 Earnings per share

Earnings per share calculation is based on the earnings attributable to the equity shareholders of Wincanton plc of £26.4m (30 September 2017: £17.0m) and the weighted average shares of 123.9m (30 September 2017: 123.7m) which have been in issue throughout the period.

The diluted earnings per share calculation is based on there being 1.3m (30 September 2017: 2.5m) additional shares deemed to be issued at £nil consideration under the Company's share option schemes.

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

	Six months to 30 Sept 2018 millions	Six months to 30 Sept 2017 millions	Year ended 31 March 2018 Millions
Weighted average number of Ordinary Shares (basic)			
Issued Ordinary Shares at the beginning of the period	**123.7**	123.5	123.5
Net effect of shares issued and purchased during the period	**0.2**	0.2	0.3
	123.9	123.7	123.8
Weighted average number of Ordinary Shares (diluted)			
Weighted average number of Ordinary Shares at the end of the period	**123.9**	123.7	123.8
Effect of share options on issue	**1.3**	2.5	2.1
	125.2	126.2	125.9

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

	Six months to 30 Sept 2018 pence	Six months to 30 Sept 2017 pence	Year ended 31 March 2018 Pence
Underlying earnings per share			
- basic	**16.2**	15.0	30.8
- diluted	**16.1**	14.7	30.3

Underlying earnings are determined as follows:

	Six months to 30 Sept 2018 £m	Six months to 30 Sept 2017 £m	Year ended 31 March 2018 £m
Profit for the period attributable to equity shareholders of Wincanton plc	**26.4**	17.0	31.2
Exceptional items	**(6.0)**	1.1	6.2
Amortisation of acquired intangibles	**-**	1.1	2.3
Tax impact of above items and exceptional tax items	**(0.3)**	(0.7)	(1.6)
Underlying earnings	**20.1**	18.5	38.1

7 Dividends

During the period a final dividend of 6.63p per share was paid, relating to the year ended 31 March 2018.

The Board has declared an interim dividend of 3.60p per share for the period ended 30 September 2018 (30 September 2017: 3.27p per share) which will be paid on 11 January 2019 to shareholders on the register on 7 December 2018, an estimated total of £4.5m.

8 Property, plant & equipment

Additions and disposals

During the half year to 30 September 2018 the Group acquired assets with a cost of £3.4m (30 September 2017: £9.4m). Assets with a carrying amount of £7.2m were disposed of during the half year to 30 September 2018 (30 September 2017: £0.3m).

Capital commitments

At 30 September 2018 the Group had entered into contracts to purchase property, plant and equipment for £0.2m (30 September 2017: £1.2m); delivery is expected in the second half of the year to 31 March 2019.

9 Analysis of changes in net debt

	1 April 2018 £m	Cash flow £m	**30 Sept 2018 £m**
Cash and bank balances	17.6	1.3	**18.9**
Bank loans and overdrafts	(47.0)	4.0	**(43.0)**
Other financial liabilities	(0.1)	-	**(0.1)**
Net debt	**(29.5)**	**5.3**	**(24.2)**

	1 April 2017 £m	Cash flow £m	Net movement on cash flow hedges £m	30 Sept 2017 £m
Cash and bank balances	40.9	(18.0)	-	22.9
Bank loans and overdrafts	(65.1)	(1.0)	-	(66.1)
Other financial liabilities	(0.1)	-	(0.2)	(0.3)
Net debt	(24.3)	(19.0)	(0.2)	(43.5)

	1 April 2017 £m	Cash flow £m	31 March 2018 £m
Cash and bank balances	40.9	(23.3)	17.6
Bank loans and overdrafts	(65.1)	18.1	(47.0)
Other financial liabilities	(0.1)	-	(0.1)
Net debt	(24.3)	(5.2)	(29.5)

IFRS 9 *Financial Instruments* became effective for the Group from 1 April 2018. The standard has been applied retrospectively, as required by IFRS 9, but the designation of financial assets and liabilities has been taken at the date of initial application. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables and contract assets. The change in approach has not had a material impact on the bad debt provision.

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

IFRS 9 largely retains the existing classifications for financial liabilities. For the Group's financial assets, the following table shows the new measurement categories under IFRS 9:

Financial asset	IFRS 9 classification	Previous classification under IAS 39
Cash and cash equivalents	Amortised cost	Loans and receivables
Trade and other receivables	Amortised cost	Loans and receivables
Interest rate swap	Fair value through OCI	Fair value through OCI

There has been no significant impact on the carrying amounts of assets held.

10 Provisions

	Insurance £m	Property £m	Other provisions £m	**Total £m**
At 1 April 2018	28.1	18.0	4.8	**50.9**
Provisions made during the period	5.9	1.2	0.9	**8.0**
Provisions used during the period	(2.6)	(1.3)	(2.6)	**(6.5)**
Provisions released during the period	(3.8)	(0.2)	(0.9)	**(4.9)**
Unwinding of discount	0.3	0.1	-	**0.4**
Effect of movements in foreign exchange	-	0.1	-	**0.1**
At 30 September 2018	**27.9**	**17.9**	**2.2**	**48.0**
Current	7.7	6.7	2.2	16.6
Non-current	20.2	11.2	-	31.4
	27.9	**17.9**	**2.2**	**48.0**

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.

The property provision comprises onerous leases and dilapidations. The onerous lease provisions are utilised over the relevant lease term, with the majority expected to be utilised over the next three years.

Other provisions include costs of the restructuring programme together with provision for sundry claims and settlements where the timing or amount is uncertain. The majority of the balance is expected to be utilised in the second half of the year.

11 Employee benefits

The Company reached an agreement with the Trustee on the 2017 triennial valuation and recovery plan in the period. The annual deficit contributions have been agreed at £18.0m per annum increasing by RPI over the three years to March 2021 and £25.0m per annum increasing by RPI from April 2022 to March 2027. In addition, the Company made a one-off contribution of £15.0m in August 2018. The agreement is subject to other provisions as detailed in the announcement made on 8 August 2018.

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

for the six months to 30 September 2018 (unaudited)

11 Employee benefits (continued)

Movements in the net pension obligations recognised:

	Assets 2018 £m	**Liabilities 2018 £m**	**Total 30 Sept 2018 £m**	30 Sept 2017 £m	31 March 2018 £m
Opening position	**1,075.9**	**(1,125.4)**	**(49.5)**	(78.4)	(78.4)
Included in Income statement:					
Administration costs	**(0.8)**	**-**	**(0.8)**	(0.8)	(1.7)
Effect of settlements	**-**	**-**	**-**	1.8	1.8
Interest on the net defined benefit liability	**13.9**	**(14.5)**	**(0.6)**	(0.9)	(1.8)
Cash:					
Employer contributions	**20.5**	**-**	**20.5**	9.1	16.8
Benefits paid	**(15.3)**	**15.3**	**-**	-	-
Included in Other comprehensive income:					
Changes in financial assumptions	**-**	**36.1**	**36.1**	20.7	(33.5)
Changes in demographic assumptions	**-**	**-**	**-**	-	23.8
Experience	**-**	**(3.8)**	**(3.8)**	0.1	5.2
Return on assets excluding amounts included in net financing costs	**(30.8)**	**-**	**(30.8)**	(20.9)	18.3
Closing defined benefit liability	**1,063.4**	**(1,092.3)**	**(28.9)**	(69.3)	(49.5)

Liabilities in the table above include unfunded arrangements.

The Group, in agreement with the Trustee, has arranged to pay certain administration expenses directly and, in line with the Schedule of Contributions, these amounts have been deducted from the deficit funding contributions and are therefore not included in the above table. Other administration expenses are paid directly by the Group in addition to the deficit funding contributions. These total £0.5m in the period and are included in employer contributions in the table above.

The movement in the net defined benefit liability in the period was primarily the result of the contributions received from the Group. The reduction in liabilities resulting from an increase in the discount rate was offset by a fall in the market value of the assets held. The defined benefit liability, after taking into account the related deferred tax asset, is £24.0m (30 September 2017: £57.5m).

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

	30 Sept 2018 %	30 Sept 2017 %	31 March 2018 %
Discount rate	**2.85**	2.70	2.60
Price inflation rate – RPI	**3.45**	3.15	3.35
Price inflation rate – CPI	**2.45**	2.15	2.35
Rate of increase of pensions in deferment	**2.45**	2.15	2.35
Rate of increase of pensions in payment[1]	**1.90-3.30**	1.75-3.05	1.85-3.25

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

12 Post balance sheet event

On 26 October 2018, the High Court of Justice of England and Wales issued a judgment in a claim regarding the rights of members to equality of treatment in relation to pension benefits. The court ruling has made it clear that schemes are under a duty to equalise benefits for men and women in relation to guaranteed minimum pension benefits. The extent to which the judgement will increase the liabilities of the Scheme is under consideration and any adjustment is expected to be recognised in the second half of 2018/19.

Independent review report to Wincanton plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of changes in cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

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

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

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

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

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

7 November 2018

Shareholders' enquiries

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

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0370 702 0000   Fax: 0370 703 6101
Web queries: www.investorcentre.co.uk/contactus