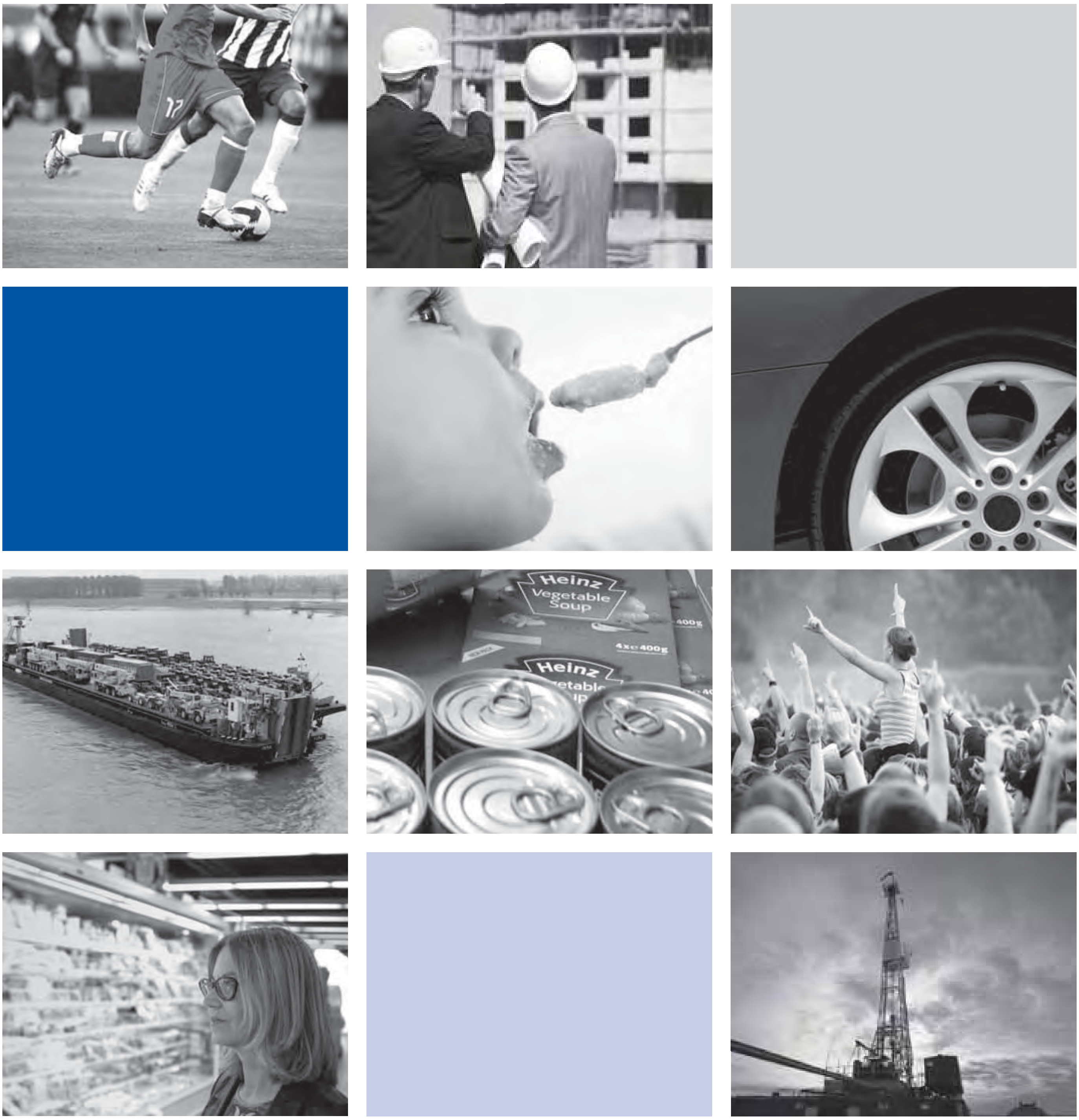


MORE THAN YOU THINK

Annual Report and Accounts 2009

WINCANTON IS A EUROPEAN MARKET LEADER. WE DESIGN, IMPLEMENT AND MANAGE SUPPLY CHAIN SOLUTIONS WHICH ARE EFFICIENT, ECONOMICAL AND ENVIRONMENTALLY SUSTAINABLE.

OUR SERVICES COVER THE ENTIRE SUPPLY CHAIN, FROM RAW MATERIALS TO RECYCLING, HELPING OUR CUSTOMERS TO OPTIMISE THEIR PERFORMANCE AND COMPETE WITH CONFIDENCE IN THEIR CHOSEN MARKETS.

THE PRODUCTS AND SERVICES WE MANAGE TOUCH MOST PARTS OF DAILY LIFE.

WINCANTON: MORE THAN YOU THINK

HIGHLIGHTS

Group revenue
(2008: £2,164.7m)

£**2,361.3**m

Underlying operating profit
(2008: £52.4m)

£**59.5**m

Underlying earnings per share
(2008: 24.3p)

24.7p

Full year dividend
(2008: 14.91p)

14.91p

Scale

Wincanton provides services to customers on a national, cross-border and Pan-European basis. We have 30,000 people across Europe and 420 sites in 16 different countries. We have leading positions in many specialist sectors of the market, as well as a strong national presence in the UK & Ireland, France, Germany and Poland.

Diversity

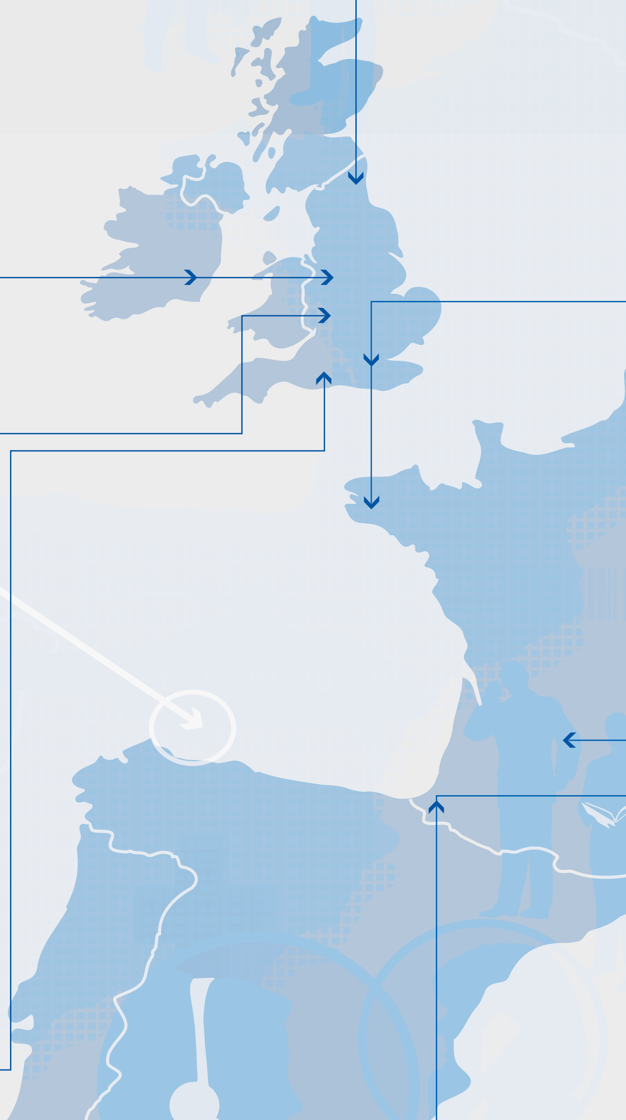
We operate in most of the largest sectors of the European economy. The range of services we offer has broadened significantly in recent years, taking us both further and deeper into our customers' businesses and into new areas of the commercial spectrum.

Performance

We provide business-critical services and work in long-term partnerships with our customers. Our reputation is built on our 'Four Pillar' philosophy of operational excellence, customer intimacy, product leadership and value.

MORE THAN YOU THINK – SCALE AND DIVERSITY

WE SUPPORT OUR CUSTOMERS 365 DAYS A YEAR, 7 DAYS A WEEK, 24 HOURS A DAY – ACROSS THE ECONOMY – ACROSS EUROPE



800,000 LOADS OF GROCERIES DELIVERED A YEAR

UK & Ireland

We are the market leader in grocery retail distribution in the UK and Ireland, managing supply chain activities for all of the top retailers and delivering everything from peas to patio sets.

FOOTBALL CRAZY

UK

We supply sportswear retailers across the UK with the adidas and Reebok brands and also deliver directly to Premier League football clubs such as Liverpool, Newcastle United and Chelsea ahead of match fixtures. Wincanton Records Management has been chosen by The Football Association and Wembley Stadium to manage their information and records.

WATER TO GLASTONBURY

UK

Last year, we supplied 27 million litres of water to 24 of the UK's largest outdoor events and festivals, including Glastonbury, for mobile catering, campsites, showers and toilets. This new service has provided additional niche business for our tanker fleet and added value in a growing area of the leisure market.

HEALTHY AND HAPPY BABIES

France, Poland, Hungary

Through our strategic supply chain partnership with Danone Baby Nutrition in Europe, we supply the Nutricia, Milupa and Blédina brands throughout France, Poland and Hungary to as many babies as possible.

980M BRICKS TO BUILDING SITES

UK

Our construction business in the UK supplies building materials such as roof tiles, plasterboard, bricks and blocks for domestic housing developments, public sector buildings and major infrastructure projects.

DRIVING BUYING DECISIONS ACROSS EUROPE

UK, France, Germany, Poland

We provide product customisation services for FMCG brands across Europe, handling everything from dairy products to drinks and cosmetics to confectionery. Our services cover product reconfiguration, co-packing, quality inspection, labelling, shelf-ready packaging, promotions and point-of-sale requirements.

2,300 BARGE TRIPS ALONG THE RHINE

Germany, the Netherlands, Austria, Switzerland

Our intermodal business links the sea ports in the Netherlands and Northern Germany with locations across Mainland Europe via six terminals on the Rhine, transferring vital goods between river, rail and road.

IN POLE POSITION

France, Germany, Poland, Slovakia, Czech Republic, Hungary

We are a strategic logistics partner for Goodyear, managing activities in six European countries, including domestic distribution, international transport, freight management and intermodal services, which generate an annualised turnover of €25m.

MOVING STEEL ACROSS CONTINENTS

German / Dutch border, Belarus, Kazakhstan

We have daily rail links from the Dutch / German border to Belarus and the Caspian oilfields in Kazakhstan, transporting everything from steel, to tractors and seed potatoes. This growing service is managed from our new international transport hub in 's-Heerenberg, the Netherlands.

MORE THAN YOU THINK – INDUSTRY-LEADING PERFORMANCE

THE FIRST CHOICE FOR EXCELLENCE

Through a commitment to best practice and continuous improvement in all that we do, we achieve the consistently high levels of performance that have earned us the reputation as an industry leader. Our people are the essence of our brand, and we recognise the importance of creating a common identity across our business and aligning them behind a single set of values, principles and goals.

The 'One Wincanton' brand is based on a set of behavioural values that shape the way we work, a promise to deliver 'Four Pillars' of operational excellence to our customers and our ambition for the Company to be first choice for supply chain solutions across Europe. These elements work together; by living the behaviours and delivering our promise, we will achieve our ambition.

THE ONE WINCANTON BRAND

Operational excellence

HITACHI

In February 2009, Wincanton secured a prestigious award from long-standing customer Hitachi Data Systems in recognition of the logistics solutions provided across Europe by our High-Tech business area. Wincanton manages the distribution from Hitachi's European distribution centre in Waardenburg, the Netherlands, loading high value, unpackaged systems onto a fleet of specialist vehicles for direct delivery across Europe. In order to operate the bespoke loading equipment and vehicles designed for Hitachi, our drivers must complete regular training and certification. With a unit value of several hundred thousand euros and weights of around 2,000kg, the equipment requires specialist handling. In 2008, Wincanton achieved a delivery performance of 99.68 per cent, based on delivering individual consignments across Europe within one-hour delivery windows. It is this outstanding level of performance that led to our 'Logistics Partner Excellence 2008' award.

Product leadership

SOLVIN

Our partnership with SolVin, a manufacturer of PVC products in France, has enabled us to extend our service offer and develop our expertise in on-site logistics for industrial markets, including petrochemicals, powders, adhesives, rubbers and lubricants. Wincanton was contracted to meet the customer's strategic objectives of increasing the flexibility of its bulk packing and palletising operation, eliminating the need for buffer warehousing and minimising the financial losses associated with waste product. We designed and developed a mobile bagging system on rails that was capable of collating ingredients from multiple silos to make up different product specifications. This is supported by an automated conveyoring and marshalling system that enables six products to be packed simultaneously and a traceability system that tracks vehicles throughout the weighing, loading and washing cycle. This bespoke solution is typical of our approach to on-site logistics, which requires a thorough understanding of the customer's industrial processes and associated supply chain challenges. Our teams support customers through close collaboration in the day-to-day environment, ensuring a seamless flow of products and a consistent quality of output.

Value

HEINZ

Wincanton's 13 year partnership with H.J. Heinz continues to deliver value and has recently achieved significant efficiencies in warehousing and transport operations. The introduction of regional multi-customer transport planning has not only optimised the fleet and reduced empty running by several hundred thousand vehicle miles per annum, but it has also enabled Heinz to reduce the size of the core fleet. In the warehouse, the team has focused on structural changes, renewing and optimising the forklift fleet and installing intelligent lighting. These efficiency initiatives have been complemented by further projects to improve performance, such as an environmental initiative that has achieved a 50 per cent increase in recycling and recovery, a warehouse automation project, which has increased output capacity by 20 per cent and the development and integration of a sophisticated cost-to-serve model, all of which will improve cost-effectiveness of the finished goods supply chain now and in the future.

Accountability

CHEVRON

Wincanton was named 'Most Admired Carrier in the Africa, Pakistan, Europe (AEP) Region for 2008' by energy company Chevron in recognition of our industry-leading transport operation and strong customer partnership in the UK. We recorded zero lost time injuries during the year and transported almost three billion litres of fuels over 15 million kilometres. The implementation of a 'Loss Prevention System' covering loading, unloading, safe defensive driving, pre-trip inspections and ergonomics helped bring about the exemplary safety record. Drivers also work to an 'accountability model', using on-board computers to report on performance, safety and efficiency and take responsibility for their individual role.

Commitment

MATALAN

When Matalan wanted to focus on reducing its environmental impact, Wincanton launched a 'Reduce, Reuse and Recycle' project at the Corby distribution centre to reduce waste and improve environmental performance. Focus groups were used to evaluate existing processes and ideas were shared across the team through an Environmental Communications Board and monthly newsletter. Employees and their families were also invited to attend an Environmental Awareness Day hosted by the site and supported by national bodies and businesses such as the Carbon Trust, Envirowise and Anglian Water. The commitment to cultural change on the site has generated significant results for Matalan, including a six per cent reduction in water consumption, additional revenue streams generated from the recycling of shrink wrap and cardboard, and regular recycling of glass and electricals. The site has become a centre of excellence within Matalan and is sharing its best practice and experiences across the customer's business.

CHAIRMAN'S STATEMENT

Wincanton is reporting a good performance in very challenging markets, confirming the resilience of the Group's underlying business model. There has been volume decline in certain markets, but rapid action has been taken to reduce costs and we continue to be encouraged by the new business momentum across the Group.

"We are confident that the Group has the ability to emerge stronger from the current recession and this is reflected in the Board's decision to maintain the full year dividend at 14.91p."

DAVID EDMONDS
CHAIRMAN

Against the background of a significant second half deterioration in the economies in which we operate, Wincanton has reacted quickly to reduce costs and adjust its operational and functional overhead base to reflect market conditions. The pre-tax underlying profit of £41.3m, a performance broadly comparable to last year's £41.8m, represents a creditable result in highly challenging markets.

We are confident that the Group has the ability to emerge stronger from the current recession and this is reflected in the Board's decision to maintain the full year dividend at 14.91p, the same level as last year.

Our people have responded to the downturn with characteristic speed and determination. The Group's ability to sustain its operational and financial performance, and help its customers to address the efficiency challenges in their own businesses, is due entirely to the skill, knowledge and enthusiasm of our staff. My thanks, and those of the Directors, go to all the Group's employees who have demonstrated unswerving commitment to Wincanton in spite of redundancies amongst their colleagues and pay freezes in the new financial year.

Having taken over as Chairman at last year's Annual General Meeting (AGM) it is appropriate to take stock, particularly in these difficult times, of Wincanton's progress in recent years. I would also like to re-state the reasons for the Board's continuing confidence in the future growth prospects of the Group.

Since its demerger and listing on the London Stock Exchange in May 2001, Wincanton has established an excellent track record of profit and cash flow generation. Through a combination of organic growth and strategic acquisitions, the Group has transformed itself from its position as one of the smaller players in the UK to become one of the leading European providers of supply chain services. A recent survey confirmed Wincanton's status as the second largest European logistics operator. In addition to its geographic diversification, the Group has successfully identified and entered a number of new sectors and service areas, expanding the range of business support services it offers to its blue-chip customer base. Co-packing, procurement, container management and home delivery are all examples of new services which have taken us further and deeper into our customers' businesses in recent years.

Wincanton has worked in long-term partnership with many of its major customers and these strong relationships have been key to the Group's success. This year, for example, we celebrate the 25th year of our close working relationship with Tesco. Consistently, some 65 – 75 per cent of all of our new business every year comes from existing customers, as we either expand as a consequence of the strategic development of our customers or gain share as recognised leaders, in many sectors of the market, at the expense of our competitors. Our customer account planning processes form the basis for both our day-to-day focus on operational excellence and our work on longer-term strategic planning and development. Both these areas are critical to our strong record of successful contract renewal.

Geographic diversification has been an important element in our strategy, but there is also continuing robustness, and future growth potential, in our operations in the UK & Ireland. In the financial year just ended the UK & Ireland accounted for some 62 per cent of the Group's consolidated revenue and 88 per cent of underlying operating profit. The business in the UK & Ireland is substantially contract-backed, and our revenue is principally fee-based, with limited exposure to either cost or volume fluctuations. With some 90 per cent of next year's revenue already firmly contracted, we also have good visibility of our expected performance in the UK & Ireland over the next 12 – 18 months.

We have broadened our portfolio of services and sectors in the UK & Ireland and now have a stable and resilient business base which also offers attractive opportunities for future growth. The Group has considerable potential in areas such as defence & aerospace, records management, home delivery and food service. In newer sectors

YEAR IN REVIEW

First quarter
APRIL – JUNE 08

Defence acquisition
Wincanton acquires Product Support (Holdings) Limited (PSHL) in the UK, providing entry to the defence and specialist engineering market.

Business growth
Wincanton secures a new contract in the UK construction market with Marley.

Driver of the Year
Our third 'Driver of the Year' contest was held at Rockingham Speedway and included forklift drivers for the first time.

Second quarter
JULY – SEPTEMBER 08

Business growth
Wincanton secures a win with Sara Lee in Poland, new shared-user warehousing business with Neal's Yard and a first time outsourcing contract for InBev in France.

Contract extensions
Co-packing activities are expanded with Procter & Gamble in southern England and a two-year extension for Britvic is secured to operate national warehousing and transport in the UK, processing 180 million cases of product per year and building on a 15 year partnership.

Records Management expansion
Wincanton secures new business with Barings Asset Management for the secure offsite storage of records. A new facility is opened in Motherwell, Scotland extending our national footprint.

such as construction and containers, in spite of the shorter-term impact of the economic downturn, we are creating market-leading positions which give us a strong platform for the future. Our strategy processes also continue to identify the potential in other new sectors and sectors which may offer opportunity for Wincanton.

The significant investment in our Mainland European operations continues to represent opportunity for the future. There has been an impact on volume as a result of the wider economic downturn, but, as in the UK & Ireland, we have moved quickly to reduce costs. New management teams are delivering operational improvement and the development pipeline gives grounds for encouragement. Increased brand awareness, together with our growing track record of new business wins and successful project implementation, are helping to build a stronger base and profit momentum.

Two other areas, health & safety and customer initiatives related to our environmental strategy, are critical to the Group's industry-leading reputation and future performance.

A recent award from Chevron, for example, as 'Most Admired Carrier for 2008', is further recognition of the results of an unremitting focus, at all levels of the business, on the highest standards of health & safety. Under the terms of the Chevron contract, first signed 17 years ago and in the process of being renewed for a further three years, Wincanton is responsible for delivery of fuels to Chevron's network of forecourts and customers across the UK. Our health & safety performance on this contract has been outstanding. In 2008, Wincanton transported over three billion litres of fuels and travelled almost 15 million kilometres for Chevron across the UK without a single lost time injury. The award also cites Wincanton's best-in-class customer relations and cost leadership.

Very good progress continues to be made across the Group on health & safety matters in general, with the reportable lost time accidents falling for the seventh consecutive year, this time by 7.2 per cent. Year-on-year improvements were particularly marked in Poland, France and Germany. Accident rates have fallen by 34 per cent overall in the last five years.

We have also recently launched the Group's Environmental Strategy. This highlights the commitment we share, with our customers, to the pro-active delivery of a broad range of initiatives designed to improve the environmental efficiency and sustainability of their supply chains. Transport optimisation techniques are increasing vehicle utilisation, and therefore reducing road traffic. Our extensive intermodal operations in Mainland Europe move substantial volumes by river and rail, with a significant consequent reduction in customer carbon footprints. Other initiatives currently under way include the diversion of food waste from landfill for grocery retail customers, the baling and collection of packaging materials and warehouse design and operation to minimise emissions. These will be growing areas of focus for the Group given the critical role we play in helping our customers to meet their own environmental targets.

In the financial year to 31 March 2010, we expect the impact of volume decline in certain areas of the business to be offset by the continuing momentum in the new business development pipeline and the cost reduction initiatives already implemented or under review. We do not anticipate any material increase in the cash element of the interest charge given the strong cash flow that we expect to continue to generate as a result of the Group's business model. There will, however, be pressure on the Group's interest costs overall as a result of an expected increase in certain non-cash items and higher fees on the new banking facility currently under negotiation. Our discussions about a three year renewal of our committed banking facilities are progressing well. The current facility runs until November 2010. We also still have in place a US$ private placement facility which does not reach final maturity until 2015 and does not therefore currently require to be renewed. We are confident that the Group will continue to have in place appropriate levels of committed funding to support its growth objectives.

We enter the new financial year with an even greater focus on balance sheet management. This, together with the Group's relatively small asset base, and cash-generative business model, has delivered consistently high returns on capital employed and a strong track record of cash flow generation. Strong cash conversion ratios and high levels of free cash flow have underpinned our ability to deliver an attractive dividend return to shareholders. Sustaining this dividend stream for shareholders remains a priority for the Board.

It is also pleasing to note that agreement has been reached with the trustees of the Group's pension fund on a 14 year programme to recover the deficit estimated by the latest triennial valuation. The Group has the financial strength to address this deficit over time, prudently and progressively, and still have the funding available to invest in the growth of its businesses, service the costs of its debt providers and deliver a sustainable dividend stream to its shareholders.

Successfully addressing the challenges that we expect to face in the new financial year will not be easy. We are re-basing the cost structures of our operations and re-shaping our portfolio of businesses. These actions will both mitigate the effects of economic downturn in the shorter term and further reduce the potential volatility of the Group's performance in the medium to longer term.

Wincanton has a strong customer base, excellent people, and an industry-leading reputation that will provide both resilience and opportunity in the shorter-term. It has a portfolio of businesses with strong market positions and exciting growth potential. We anticipate, although not in the shorter-term, that these prospects for organic growth can again successfully be enhanced through sensibly-priced, well-integrated infill acquisitions.

DAVID EDMONDS
CHAIRMAN

Third quarter
OCTOBER – DECEMBER 08

Business growth
Wincanton wins an inbound transport contract with Deckers via its joint venture with Kerry Logistics and a new contract to build on existing business with Blédina in France, part of the Danone Baby Nutrition Group.

Culina transaction
Wincanton transfers its chilled business interests to competitor Culina Logistics Limited, retaining a 20 per cent stake in the enlarged business.

CEL acquisition
Acquisition of CEL Group in the UK secures Wincanton's position as the market leader in container logistics services.

ELI acquisition
Wincanton acquires ELI-Transport GmbH and ELI-Lagerhaus GmbH strengthening its German road network.

Fourth quarter
JANUARY – MARCH 09

Business growth
New business and contract renewals with a combined value of £155m secured with H.J. Heinz, Lafarge and Panasonic.

Healthcare expansion
Wincanton invests in the healthcare sector with a new dedicated warehouse in Strasbourg and secures a contract win with Allergan for the distribution of surgical products in France.

Environmental Strategy
A new Environmental Strategy is launched to provide a framework for initiatives and map progress towards a lower carbon future in five key results areas.

Marks & Spencer win
Wincanton secures two contracts with M&S for national distribution of shopfittings and for general merchandise distribution across the South of England from two sites.

BUSINESS REVIEW

Wincanton's well-diversified portfolio of customers and services provides both shorter-term resilience and longer-term growth potential.

"We serve a well-diversified customer base, deliver a wide range of business-critical solutions and offer a Pan-European presence."

GRAEME MCFAULL
CHIEF EXECUTIVE

SUMMARY

We are pleased to be able to report to shareholders a pre-tax underlying profit for the year to 31 March 2009 which is broadly in line with last year's result. The business has clearly been adversely affected by the economic downturn, but the strong UK & Ireland core of the Group's operations has provided a resilient base in difficult markets.

We do not underestimate the short-term challenges facing the Group but remain confident in its ability to again deliver good profit growth over time. We therefore believe it appropriate to maintain the full year dividend at 14.91p, the same level as last year.

In the first half of the current financial year we reported a double-digit percentage rate of growth in underlying operating profit in our UK & Ireland business and an underlying operating profit in Mainland Europe that more than doubled on the previous year. Our second half performance has clearly been adversely affected by the economic downturn. The UK & Ireland businesses, which account for a little under 90 per cent of the Group's consolidated underlying operating profit, are mainly contractually-backed and defensive by nature. It is the combination of the stability of this core, and the rapid action taken to reduce costs across the Group, which have enabled us to deliver a creditable performance in extremely challenging markets. Operational and functional overheads have been reduced by more than £10m on an annualised basis.

The 13.5 per cent growth in operating profit being reported, of which 9.4 per cent was contributed by acquisitions made in the year, generates only a 1.6 per cent increase in underlying earnings per share as a result of the higher interest costs incurred due to acquisitions. In circumstances which have seen so many of our competitors report very significant declines in performance, however, this modest increase is indicative of the quality and resilience of our business model.

In the UK & Ireland, some 90 per cent of our revenue for next year is already contracted, and there are some signs of volume weakness bottoming out in those limited number of areas in which we have been affected. If the recent initial signs of stabilisation are confirmed, and given the good new business wins that we have been continuing to record, there may be grounds for cautious optimism in the UK & Ireland.

Our Mainland European activities began to suffer from the effects of economic slowdown several months after our UK & Ireland operations were first affected. It is therefore still too early for us to be anything other than cautious about the outlook for these economies. Cost reduction measures already implemented will, however, deliver a full year of benefit in the year to 31 March 2010. The need for further cost reduction measures remains under close review. In Mainland Europe, as in the UK & Ireland, we also continue to record good new business wins. However, restoring our previous growth momentum in Mainland Europe will undoubtedly be a challenge for us in the short term.

STRATEGY

Wincanton is a provider of business-critical support services to its customers. Our activities focus predominantly on the design, implementation and operation of economically and environmentally sustainable supply chains. An efficient and sustainable supply chain is fundamental to the success of any business and one of the key differentiators that turns a good business into a great business.

Europe, a market of 495 million consumers, is our principal geographic focus. Our strong positions in our core national markets of the UK, Germany, France and Poland underpin our ability to serve our customers across the continent as a whole. Europe has a substantial manufacturing and retailing infrastructure and significant natural, cross-border and international flows of raw materials, finished products and services. Many of the world's largest trade flows are intra-European movements in the consumer goods, industrial, high-tech, automotive, chemical and agricultural industries. It is business-critical trade flows such as these that Wincanton manages on behalf of customers.

The Group's existing activities across Europe give a competitive advantage in an industry which remains fragmented, with large numbers of small operators and a very limited number of Pan-European or global service providers. We have more significant scale and a broader geographic reach than these small operators and a higher degree of customer focus, operational flexibility and service specialisation than the larger global groups in our sector. We have successfully expanded our geographic presence without losing either the customer service ethos or the people culture which represent the core of our business offering.

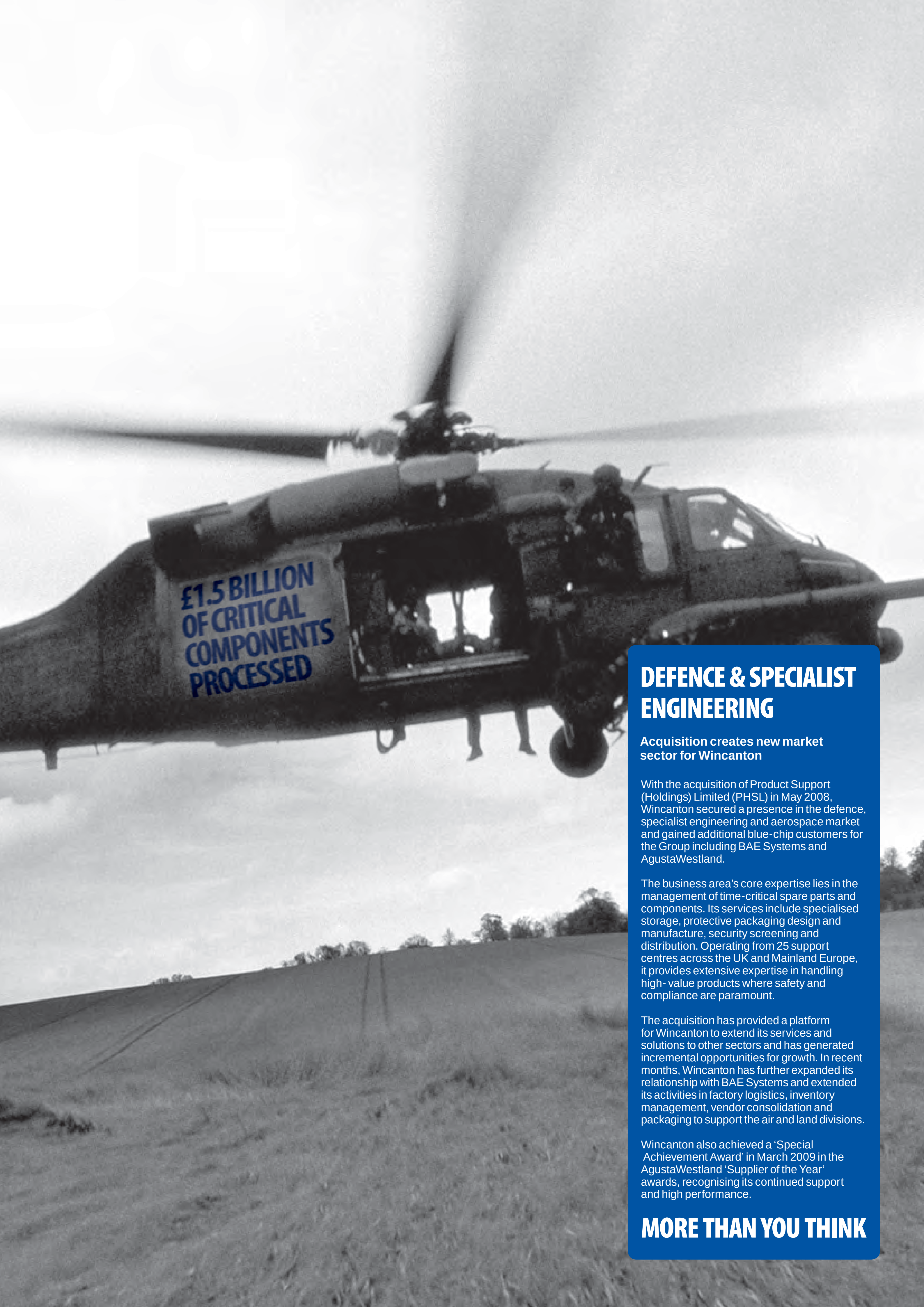
We have a strong portfolio of customers across Europe, including long-standing relationships with many of the world's major retailers and manufacturers, and have a proven track record of growth with these customers. Maintaining and enhancing supply chain efficiency is business-critical to our customers.

Changes in legislation, strategy, technology and the economy lead to both tactical and strategic change in the supply chain needs of our customers. We continue to invest in our people, our services, our systems technology and our processes to ensure that we offer the innovation, operational excellence and value which deliver the solutions to meet these changing customer needs and enable us to compete successfully in our chosen markets.

Our strategy process identifies both opportunities with existing customers and services and the potential for growth with new customers in new sectors and new services. A number of our newer activities are monitored internally as 'Emerging Solutions', to ensure that they receive the operational and strategic focus that will help to deliver their full growth potential.

We serve a well-diversified customer base, deliver a wide range of business-critical solutions and offer a Pan-European presence which is already amongst the best in the sector. We have a clear vision and strategy which we believe will generate further value for shareholders by continuing to add value for customers. We see growth opportunities both in our existing portfolio of customers, sectors and services and in the newly-targeted customers, sectors and services identified through our rigorous business development and strategy processes.

Our strong profit and cash flow performance gives us the financial capacity to take advantage of new opportunities. We consider opportunities to expand our portfolio of services and sector expertise, both organically and through acquisition. Although acquisition activity is less likely in the new financial year we intend to begin to consider external growth opportunities again as the year progresses.



DEFENCE & SPECIALIST ENGINEERING

Acquisition creates new market sector for Wincanton

With the acquisition of Product Support (Holdings) Limited (PHSL) in May 2008, Wincanton secured a presence in the defence, specialist engineering and aerospace market and gained additional blue-chip customers for the Group including BAE Systems and AgustaWestland.

The business area's core expertise lies in the management of time-critical spare parts and components. Its services include specialised storage, protective packaging design and manufacture, security screening and distribution. Operating from 25 support centres across the UK and Mainland Europe, it provides extensive expertise in handling high- value products where safety and compliance are paramount.

The acquisition has provided a platform for Wincanton to extend its services and solutions to other sectors and has generated incremental opportunities for growth. In recent months, Wincanton has further expanded its relationship with BAE Systems and extended its activities in factory logistics, inventory management, vendor consolidation and packaging to support the air and land divisions.

Wincanton also achieved a 'Special Achievement Award' in March 2009 in the AgustaWestland 'Supplier of the Year' awards, recognising its continued support and high performance.

MORE THAN YOU THINK

> "Our ability to broaden and diversify our portfolio of activities, continually seeking to enhance the Group's margins and growth prospects is key to our progress."

GERARD CONNELL
GROUP FINANCE DIRECTOR

2008/09 SUMMARY

Consolidated results

Total revenue for the Group for the financial year was 9.1 per cent higher than the previous year, at £2,361.3m. Revenue growth, excluding acquisitions, was 6.9 per cent. EBITDA increased by 13.2 per cent to £96.8m. Underlying operating profit increased by 13.5 per cent to £59.5m. Growth in underlying operating profit, excluding the contribution from acquisitions made in the year, was 4.2 per cent. Accounting margin increased, by 4.1 per cent, from 2.4 per cent to 2.5 per cent.

Underlying operating profit is stated before exceptionals and amortisation of acquired intangibles. The rate of revenue growth and headline accounting margin are general indicators of progress but are not the Group's key financial performance measures due to the 'cost plus' or 'open book' nature of much of Wincanton's underlying business model. Approximately £850m, or 60 per cent of the Group's revenue in the UK & Ireland is made up of costs incurred by Wincanton in the running of operations for customers and contractually recovered from them under these open book contracts.

Our key financial measures for the Group overall are the net rate of growth in underlying operating profit, up 13.5 per cent in the year, free cash flow generation, again strong at £57.4m, and return on capital, also very high at 63.4 per cent.

Strong cash flow generation, based on our 'asset light' business model, has been a consistent feature of Wincanton's financial performance. Many of our activities, particularly in the UK & Ireland, either operate out of customer premises or are funded by operating leases underwritten by customer contracts. There is only a limited requirement to use either the Group's cash or its balance sheet to fund growth and therefore the Group generates very high returns on capital employed.

Wincanton has also consistently high profit-to-cash flow conversion rates. In the year to 31 March 2009 the Group recorded a positive free cash inflow of £57.4m after net capital expenditure and a profit-to-cash flow conversion rate of 96 per cent (2008: 92 per cent). Year end net debt increased from £104.5m to £176.4m, principally as a consequence of acquisitions made in the year.

In the year, we recorded annualised revenue from new wins and renewals of some £250m, compared to £315m last year. £160m of the total represents business extension and expansion in the UK & Ireland and £90m in Mainland Europe. Although our markets have been extremely challenging we are gaining market share from our larger competitors as a result of the quality and flexibility of our service, and from smaller competitors as a consequence of our financial strength. We are also generally performing well in our newer sectors and service areas, both through successful acquisition integration and subsequent development of the acquired customer base.

This year, as is the case in most years, we have had ground to make up for both contract losses and fee pressure on certain renewals. We have nonetheless made progress in adding new contracts across a broad range of retailing and manufacturing customers, and across all the countries in which we operate. Our ability to broaden and diversify our portfolio of activities, continually seeking to enhance the Group's margins and growth prospects, is also key to this progress.

UK & IRELAND

Performance highlights

Our operations in the UK & Ireland reported underlying profit of £52.5m, an increase of 11.2 per cent on the prior year, on revenue up 4.8 per cent to £1,455.5m.

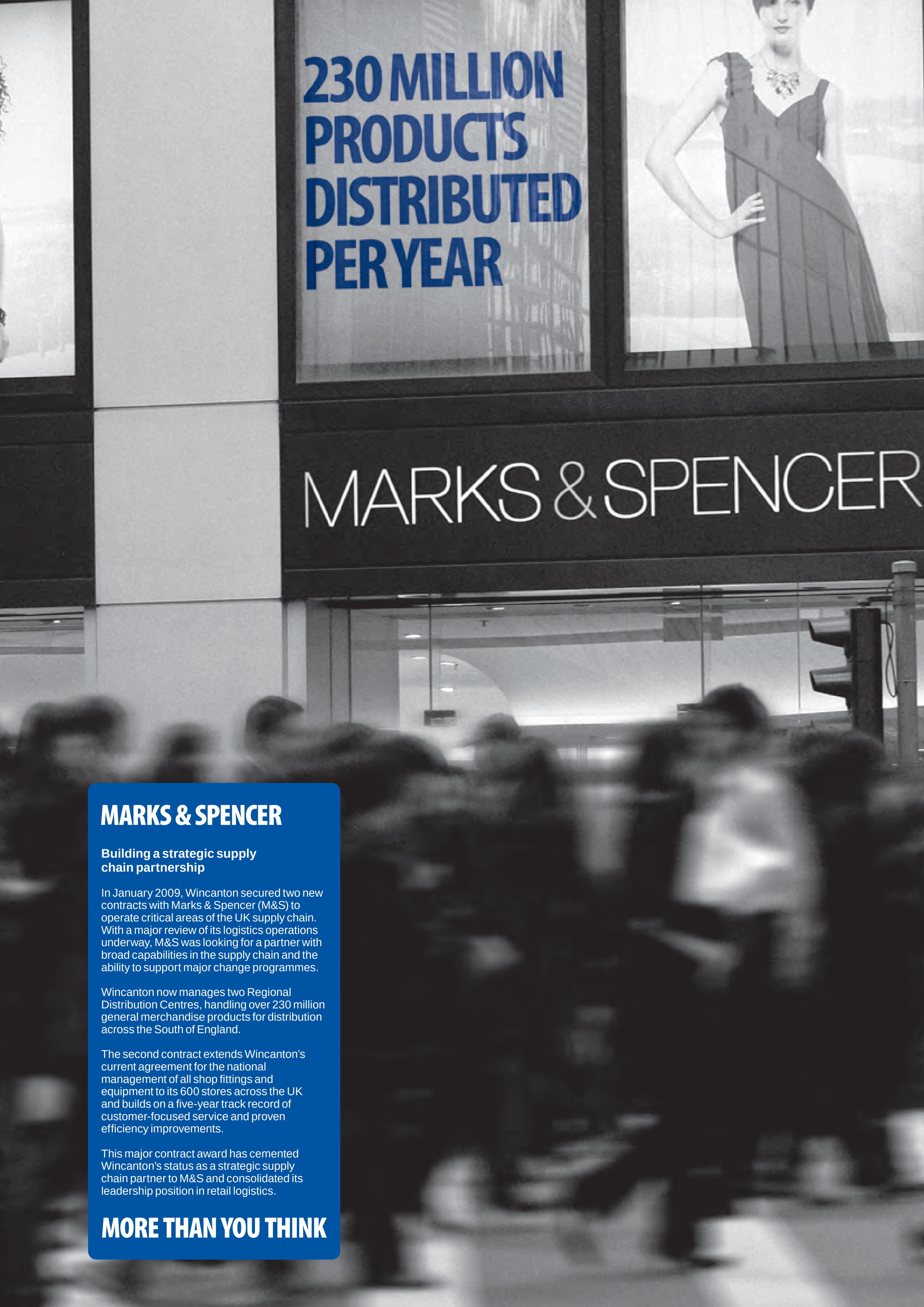
Although 2008/09 was a difficult year for the UK & Ireland and its customers, all our operations remained profitable, other than certain of our shared-user warehouses and the shared-user activity within our home delivery business. Even our newer areas of construction and containers, whilst performing below budget, reported positive results, with substantial new business gains and significant cost reduction programmes mitigating the cyclical effects of lower volumes. New contract wins in construction and containers, since acquisition, represent some 55 per cent and 20 per cent respectively of the revenue bases of the businesses at acquisition, confirming the growth potential for the Group in these sectors even at a low point in the economic cycle.

The re-shaping of our portfolio of businesses in the UK & Ireland has also seen us expand in recent years into recycling, records management, home delivery and defence & aerospace. This year we also exited our chilled consolidation business, one of Wincanton's longest-standing areas of operation, by combining our activities with those of Culina in return for a stake in the enlarged venture.

The performance of these other newer areas in the year was mixed but remains encouraging overall. Records management continues to justify our continuing investment in capacity expansion and is progressing well towards the delivery of a national footprint. In defence & aerospace we believe that we have identified a sector with attractive opportunities for the Group and entered the market with a reasonably-priced acquisition which has been rapidly and successfully integrated. In recycling, after a good first half, we were badly affected by the fall in global recyclate prices. Home delivery remains an area of opportunity for Wincanton but good performance with our dedicated customers was more than offset by losses in the shared-user network.

Not all of these new ventures will deliver against the stretching targets set for them. The difficult economic climate has knocked us off course in some instances. Certain activities will be scaled back. We may seek strategic partners for others, as we have done successfully for our chilled consolidation business. We will not, however, lose sight of the attractive potential for the Group either in these areas taken as a whole, or in the other new sectors or services currently under active review which we may choose to target in the future.

Home delivery remains an area of opportunity



MARKS & SPENCER

Building a strategic supply chain partnership

In January 2009, Wincanton secured two new contracts with Marks & Spencer (M&S) to operate critical areas of the UK supply chain. With a major review of its logistics operations underway, M&S was looking for a partner with broad capabilities in the supply chain and the ability to support major change programmes.

Wincanton now manages two Regional Distribution Centres, handling over 230 million general merchandise products for distribution across the South of England.

The second contract extends Wincanton's current agreement for the national management of all shop fittings and equipment to its 600 stores across the UK and builds on a five-year track record of customer-focused service and proven efficiency improvements.

This major contract award has cemented Wincanton's status as a strategic supply chain partner to M&S and consolidated its leadership position in retail logistics.

MORE THAN YOU THINK

Our traditional activities continue to generate growth opportunities for Wincanton. We believe that significant incremental momentum will be added to the Group's growth by continuing to expand our portfolio of sectors and services in newer areas such as these.

2008/09 otherwise saw good performance across our existing customers and business areas and was another active period for new wins and renewals. One of the keys to the success of our business in the UK & Ireland has been our ability to grow with our customers and build long-term relationships. This year, for example, marks our 25th year as one of Tesco's leading service providers. Other renewals saw us build on our 15 year relationship with Focus, and on our 10, 15 and 25 year relationships with WH Smith, Air Products and Dairy Crest respectively. New wins were recorded with major groups such as Argos, BAE Systems, Dunnes, Marley, Lafarge and, most recently, M&S. In a number of sectors, the economic downturn is leading companies to consider either outsourcing for the first time or outsourcing to a greater extent. This is clearly benefiting our development pipeline.

We were pleased to record new wins for our joint venture with Kerry Logistics, a leading Asian logistics operator and freight forwarder. The contract gains, with international footwear brand Deckers and industrial engineering specialist Bombardier, provided confirmation of our ability to complement our Pan-European coverage with global supply chain expertise where appropriate.

There was good operational performance across the existing portfolio, including continuing progress with blue-chip customers such as GlaxoSmithKline, HJ Heinz, Procter & Gamble and Unilever. Our Pullman Fleet Services business continued to take advantage of new opportunities for growth in the home delivery market. Wincanton's industry-leading record for health & safety also led to further gains in the petroleum and gases sector, one of a number of areas in which we enjoy market leadership in the UK.

Good progress recorded with H.J. Heinz

Unfortunately the year also saw Woolworths plc, a long-standing customer, go into administration, but losses such as these can be offset by the continuing development momentum and growth being delivered with the majority of our customers.

In times of economic expansion, customers look to Wincanton to help deliver volume growth without loss of service quality. In these more difficult times, customers remain focused on service quality but need higher productivity and cost reductions to help sustain their own financial performance. Our understanding of their businesses and markets, our scale and flexibility, our track record of innovation and our commitment to operational excellence allow us to work with our customers to meet these challenges.

We reduced the annual transport costs of a major food customer, for example, by more than £1.0m per annum, saving nearly ten per cent of their transport budget and reducing empty running by several hundred thousand vehicle miles per annum. Other initiatives, for a major grocery retailer, also delivered both economic and environmental benefits, with a three per cent reduction in warehouse costs being achieved along with a 50 per cent increase in the customer's recycling and recovery rates. For another retail customer, a strategic review of the current supply chain has delivered savings of approximately £2.5m per annum, or nearly 20 per cent of the previous warehousing budget. In the construction sector we currently have a number of projects under study to allow customers to move away from the previous industry model of dedicated fleets and target significant cost savings through the sharing of assets.

By supporting our customers through initiatives such as these at a low point in the cycle, we strengthen our relationships, enhance our industry reputation and reinforce our market-leading positions.

Pullman is maximising opportunities for growth

MAINLAND EUROPE

Performance highlights

The first half saw revenue growth of approximately 27 per cent compared to last year and a one per cent margin on sales. In the second half, revenue declined relative to the first half of the current year, although it remained eight per cent higher than last year. Underlying operating profit in Mainland Europe, after doubling relative to last year in the first half, was actually some 20 per cent lower than last year in the second half, and margin on sales for the full year reduced to 0.8 per cent.

The result for the full year, underlying operating profit of £7.0m on revenue of £905.8m, represents year-on-year growth of 34.6 per cent and 16.7 per cent respectively. After recording a further period of good progress in the first half and seeing both pipeline growth and margin improvement being successfully delivered, it is disappointing that the economic downturn which affected our second half performance will prevent us from achieving our profit margin targets in the short term. A stronger platform, capable of generating good profit and cash flow in the future, is nonetheless taking shape, and we are confident that our businesses will return to growth once the economic environment improves again. In the short term, however, our business model in Mainland Europe is more volume-sensitive than in the UK & Ireland and will require an ongoing focus to reduce costs to reflect the lower levels of activity that we are assuming throughout the financial year to 31 March 2010.

Our three principal activities in Germany, which in total represent approximately 70 per cent of our revenues in Mainland Europe, have been affected to differing degrees by the economic downturn.

Our contract logistics operations, which make up 22 per cent of German revenue, improved their profitability in the year and recorded new business with customers such as SCA and Wincor Nixdorf. Post the year end we also signed two major contracts with one of Germany's leading industrial groups to manage the consolidation of production parts from 900 suppliers across Europe and time-critical delivery to the assembly lines, as well as the delivery of spare parts to dealers in 12 European countries. These new business wins, in addition to confirming our growing reputation and credibility in the German market as a provider of both Pan-European and domestic supply chain services, are expected to contribute well to next year's financial performance.

INTERMODAL SERVICES

Expanding rail solutions across Europe

With growing demand for solutions that meet customers' environmental objectives and the requirement to transport goods over greater distances, Wincanton has further extended its intermodal and rail services in a number of areas.

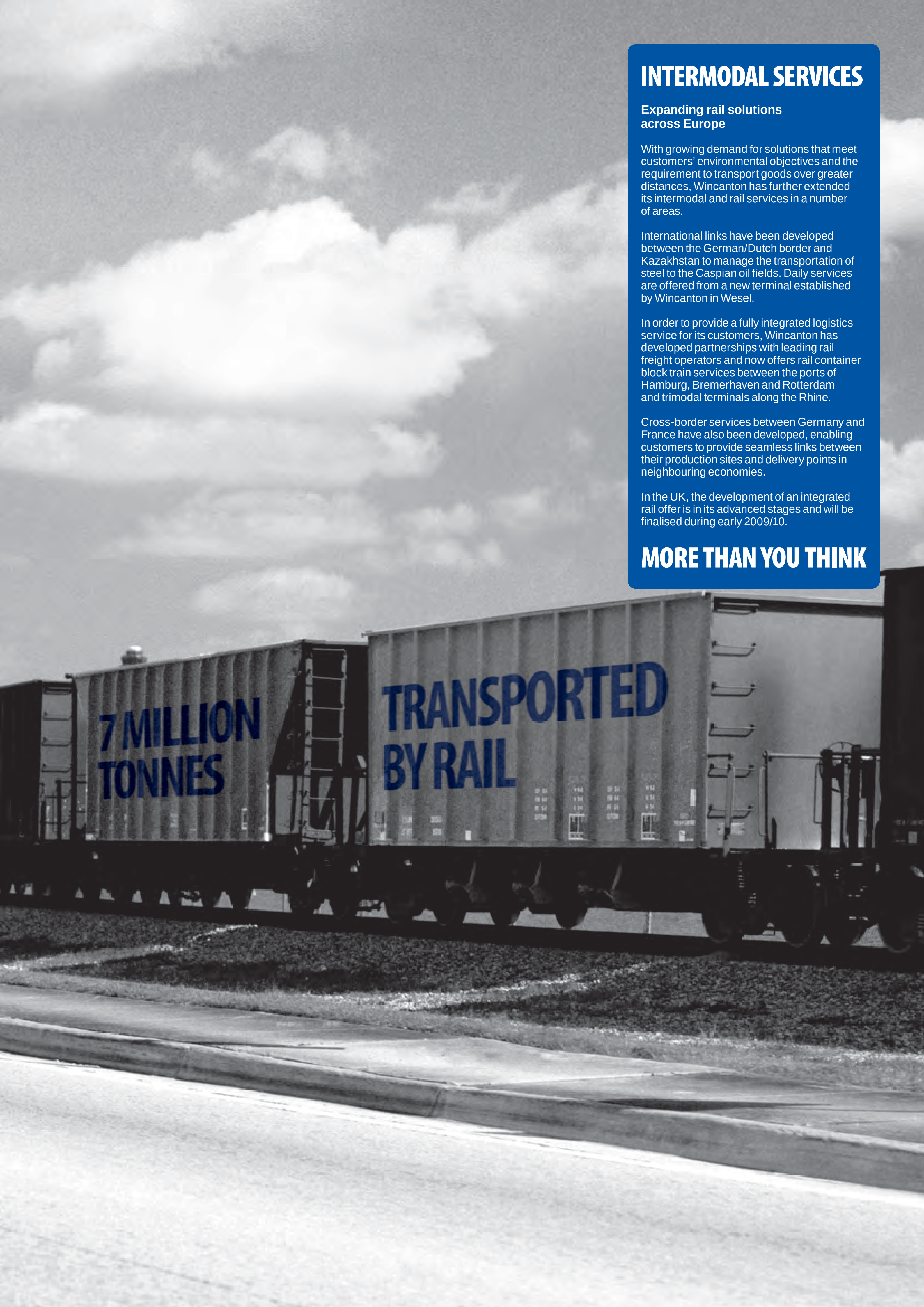
International links have been developed between the German/Dutch border and Kazakhstan to manage the transportation of steel to the Caspian oil fields. Daily services are offered from a new terminal established by Wincanton in Wesel.

In order to provide a fully integrated logistics service for its customers, Wincanton has developed partnerships with leading rail freight operators and now offers rail container block train services between the ports of Hamburg, Bremerhaven and Rotterdam and trimodal terminals along the Rhine.

Cross-border services between Germany and France have also been developed, enabling customers to provide seamless links between their production sites and delivery points in neighbouring economies.

In the UK, the development of an integrated rail offer is in its advanced stages and will be finalised during early 2009/10.

MORE THAN YOU THINK



WINCANTON RECORDS MANAGEMENT

Rapid progress and national expansion

Legislative changes and sector regulation have sparked growing demand for the secure management and storage of documents and electronic media. This has led to the significant expansion of Wincanton Records Management during 2008/09 and the addition of two new locations in the UK with imminent plans for a third.

The additional 207,000 sq ft of space in Bristol and Motherwell will enable Wincanton to provide a nationwide service to customers in the financial, legal, professional services, healthcare and government sectors. New business wins and contract renewals with a range of customers, including Clifford Chance, Barings Asset Management, Computershare and The National Archives have added 18 per cent to the base revenue this year.

In the UK & Ireland, Wincanton Records Management provides services throughout the life cycle of a record, including secure storage, electronic media storage, scan-on-demand delivery, image hosting, secure records disposal, on-site tracking software and records management consultancy. Its brand promise – 'handled with care' – conveys the strong service ethos and endorses the reputation it has developed as a trusted partner to many of the UK & Ireland's largest businesses and government organisations.

MORE THAN YOU THINK

Our market-leading intermodal business, representing approximately 38 per cent of German revenue, which manages barge movements and container terminals on the Rhine and also has a growing presence in the rail sector, was again profitable, albeit at a slightly lower level than last year. Reduced volumes impacted performance in the second half but barge capacity has been reduced and the cost base lowered to seek to mitigate the effects of these lower volumes.

Our third area of operation in Germany, accounting for some 40 per cent of total revenue, and which remains loss-making, although at lower levels of loss than last year, is our network of road transport and warehouse depots. These depots provide a range of transport and warehousing services, including full and part-load transport and groupage. Full and part-load transport is often managed on a dedicated, longer-term basis for customers, whereas groupage tends to be based on consolidating single pallets for a wide range of customers on a shared-user, often shorter-term basis. It is our groupage activities that have been loss-making in the past and have been particularly affected by lower volumes in the second half of the year. A major programme of cost reduction and efficiency initiatives has been delivering good results, and mitigating the effect of volume declines to a certain extent, but more action is likely to be required in the new financial year to prevent further performance deterioration.

Our Western European region, which groups together our activities in France and the Benelux countries, had an active year in terms of new contract gains and business start-ups. Market recognition for the Wincanton brand is growing well and we are continuing to make good progress in terms of our ability to compete successfully against the more established operators in the market. The re-launch in the year of our transport management services, which now offer national coverage from regional teams in five locations, has gone well and will complement the range of warehousing and value-added supply chain services offered to customers. Another service making good progress is factory and production logistics, including co-packing and co-manufacturing, in which customers sub-contract to Wincanton elements of their manufacturing processes within their production sites. The focus on specialist services such as these, in addition to our sector-specific development plans in areas such as home shopping, is helping to build an encouraging development pipeline for the future.

As elsewhere, the short-term outlook remains challenging, but new business wins with customers such as InBev, Daikin, Blédina, Total, Goodyear and growth with existing customers such as HSS, SolVin and Bandai give momentum going into the new financial year. Empty space at certain sites continues to hold back overall progress but around 40 per cent of this space reaches the end of its lease term by June 2010. New business being written is also matching lease terms to customer contract terms more closely such that we are progressively changing the shape of the business model in France to one more in line with that of the UK & Ireland.

In the Netherlands we have recently begun operating out of our new international transport hub, a €12.7m investment for the Group. This new site is confirmation of our confidence that international transport management will be an area of growth for Wincanton. International flows currently account for some 25 per cent of our revenue in Mainland Europe, and we expect our increased management focus, and enhanced operational capabilities, to allow us to build an even more substantial business in this area. Current customers of the Dutch business include Dow, Pininfarina and ThyssenKrupp and recent contract gains have added major companies such as Corus and Hexion to our customer base. A re-launch of our contract logistics activities in the Netherlands has also delivered contract gains at both our 's-Heerenberg and Moerdijk sites.

International transport is also a key area of focus for our Central & Eastern European business unit, building on the successful reorganisation of our domestic transport operations, notably in Poland, our principal market in the region. Lower volumes in our warehousing activities as a result of the economic slowdown, however, have affected our financial performance, as has the movement of the Polish zloty relative to the euro, and the region as a whole made a loss in the year. We have a good core of warehousing customers, including BAT, Mars, GlaxoSmithKline, Nutricia, Goodyear, Philips, Bosch Siemens, SEB and Sara Lee, but we expect markets to remain highly price competitive. We currently see greater opportunity in transport management than in warehousing and are adjusting our cost base to reflect both this service focus and a further re-alignment of our regional management resources.

International transport is a key area of focus

A good core of warehousing customers

NET FINANCING COSTS

The net financing costs of the Group, at £18.3m, are higher than last year's £10.8m, substantially as a consequence of the interest on our £58.0m cash investment in the three acquisitions made in the year plus the deferred payments for prior year acquisitions, and the incremental cost of the £32.4m invested in the second half of last year. The annualised impact of these transactions totalled approximately £3.4m in the year. A further £1.7m of the year-on-year movement arises from changes to the level of discounting on long term liabilities, including the captive insurer provisions. An additional £2.4m consists of an increase in the net pension charge. Both of these non-cash items are excluded for the purposes of the calculation of our interest cover covenant. The pension item increase arises primarily as a consequence of the interest costs arising on the liabilities of the Scheme following changes to the bond yield assumptions. A further increase in the pensions net financing charge is expected in 2009/10 following the change in liabilities arising from the increased longevity assumption adopted in the actuarial valuation as at 31 March 2008.

The average borrowing rate in the year was 5.7 per cent, a reduction on last year's 6.7 per cent. Net financing costs, adjusted as noted above for certain non-cash items, were covered 3.8 times by underlying operating profit.

EXCEPTIONALS

A net exceptional charge of £12.3m was recorded in the year, reflecting the restructuring and reorganisation challenges necessitated by these very difficult markets.

Exceptional charges in the year included acquisition and post-acquisition integration costs of £3.0m, restructuring costs in our UK & Ireland business of £8.8m and of £8.7m in Mainland Europe, a net charge of £0.5m in respect of the transfer of our chilled consolidation business and a loss of £2.1m on the under-recovery of amounts owing by Woolworths plc.

Post-acquisition integration costs have delivered synergies in line with expectations. Restructuring costs in the UK & Ireland and Mainland Europe allow us to adjust our business base to the lower levels of economic activity expected in 2009/10. The chilled consolidation charge reflects the costs of our exit from this business area, including an onerous lease, net of the gain on the transfer of the business. Based on the enhanced market position and synergy benefits expected to arise from the combination of our activities with those of Culina Logistics Limited, we expect this business to develop well and deliver a growing profit stream.

In the case of Woolworths, our initial expectation was that the value of the stock we held would cover both our trading and capital exposure and that there would be no material loss to the Group. Difficult market conditions, however, have led to lower than anticipated recovery values, hence the reported exceptional loss.

These exceptional costs were offset by significant exceptional gains, totalling £10.8m, to give a net exceptional charge for the year of £12.3m. The gains consisted of profits on disposal of property of £5.2m and further receipts in respect of the PGN litigation of £5.6m. This litigation has now been substantially resolved in favour of Wincanton and our joint venture partner. The decision to litigate was not taken lightly but we will continue to defend our contractual position as robustly as necessary to secure our commercial interests.

TAXATION

The Group's underlying rate of tax has reduced to 29.4 per cent (2008: 30.9 per cent), giving a charge of £12.1m. The rate largely reflects the reduction in the standard rate of UK corporation tax this year from 30 per cent to 28 per cent.

The overall rate of tax of 30 per cent (2008: 31.9 per cent) also reflects the UK rate reduction, but remains higher than the underlying rate due to the mix of tax treatment of exceptional costs.

The current year cash tax rate has increased to 31.5 per cent (2008: 25.6 per cent), mainly as a result of the reduction in rates of UK writing down allowances on capital expenditure from 25 per cent to 20 per cent.

The Group's activities across the UK and Europe are subject to effective tax rates varying from 12.5 per cent to 38 per cent, but are most affected by the UK rate which remains at 28 per cent. The Group's overall rate of tax is expected to remain at around the current level in future years, and will reduce when unrecognised tax losses are utilised.

The cash tax rate will receive a one-off benefit in 2009/10 from the introduction of temporary first year allowances at 40 per cent in the UK on plant and machinery expenditure.

MINORITY INTEREST, ASSOCIATES, EARNINGS AND DIVIDEND

The Group has a small number of activities in its Mainland European operations with a third party minority shareholding, principally Rhinecontainer BV in which there is a 25.8 per cent minority stake. The profits attributable to minorities in the year were flat, compared to 2007/08, at £0.5m.

The Group will have a significant associate interest going forward as a result of the 20 per cent stake in an enlarged Culina following the combination of our chilled consolidation operations. We have representation on the Board of the new entity, agreed dividend distribution rights, and pre-emption rights in respect of any sale of the business. In these circumstances we believe it will be appropriate to report our share of the profit from this venture as part of our underlying operating profit.

Underlying earnings per share for the year of 24.7p were 1.6 per cent higher than the 24.3p reported last year. Although underlying profit before tax was down marginally in the year, underlying earnings per share were calculated on the basis of a reduction in the Group's weighted average shares in issue as a consequence of market purchases made by the Wincanton Employee Benefit Trust.

It is proposed that the full year dividend be maintained at 14.91p. Given the five per cent increase paid to shareholders at the interim stage this means that the final dividend will be reduced slightly, to 10.08p, compared to last year's 10.31p.

The dividend cover at this proposed level of full year dividend is 1.66 times, an improvement on the prior year 1.63 times. The Board's recommendation in respect of future dividends will give appropriate consideration to Wincanton's track record of profit and cash flow generation and confidence in the Group's ability to restore more substantial earnings growth momentum over time.

CASH FLOW, NET DEBT AND FINANCING

The Group recognises cash return on investment as a key performance measure and continues to focus on sustaining the high levels of free cash flow generation that have been a consistent feature of Wincanton's financial performance. EBITDA of £96.8m, an increase of 13.2 per cent on last year's £85.5m, was converted into a cash inflow from operations, before exceptionals, capital expenditure, pension deficit payments and tax, of £104.5m. Free cash flow of £57.4m, after exceptionals and net capital expenditure, was an improvement on last year's £48.3m, principally as a consequence of the inflows from our actions on working capital plus the receipts from Uniq and PGN being offset by the outflows in respect of exceptional costs.

Acquisitions in the year, plus the prior year, led to cash outflows of £58.0m. There are currently no acquisition projects under consideration that we would expect to lead to cash outflows in 2009/10.

Capital expenditure is clearly a significant cash flow item for the Group. Much of the growth in our traditional areas of business is funded by leases underwritten by customer contracts, either in respect of vehicles or property. Assets only tend to be funded on the Wincanton balance sheet when operating lease financing is not available. This would generally be the case, for example, for warehouse racking and fit-out, IT software and certain specialist vehicles. The extent to which expansion capital goes on balance sheet in any given year will depend substantially on the nature of the contract gains in that year. Likewise, there is no specific pattern to spend on replacement capital. This will generally be dependent on asset renewal commitments under existing contracts and will therefore often be effectively underwritten by the terms of those existing customer contracts.

Historically, Wincanton has grown its business with capital expenditure at between 85 – 95 per cent of depreciation. Capital expenditure both this year and last year has been running above depreciation principally because of the £11.2m total investment in our new international transport hub and £20.7m of spend, including £8.6m this year, on expanding the capacity of newer business areas such as recycling, records management and foodservice. We would expect capital expenditure to revert to a normalised level of spend in the financial year to 31 March 2010, although consideration is being given to further expansion of records management capacity.

In the UK & Ireland, in addition to the Emerging Solutions spend of £8.6m noted above, a further £11.2m of expansion capital was incurred in the year, with major projects including warehouse fit-out for GlaxoSmithKline and a new vehicle fleet for our Shell Gas contract win. Replacement capital spend covered renewal of vehicle fleets on contracts with Texaco, Esso and First Milk and renewal of crane systems at an automated warehouse.

Chilled operations transferred to Culina

Capital expenditure included renewing automated crane systems

In Mainland Europe, expansion and replacement spend totalled £12.3m and £13.3m respectively. In the Netherlands £10.5m has been invested in our replacement international transport hub and across Germany and France warehouse fit out capital has been invested for customers including Honeywell, Daikin, Blédina and Total.

The Group's operating lease commitments in respect of land and buildings, which are determined to the first available break date after the sub-letting of properties surplus to requirements, are substantially offset by contractual commitments of customers, as are a significant proportion of the Group's commitments in respect of vehicles and plant. Approximately 18 per cent of total property lease commitments are fully underwritten, for the full term, by customer contracts. A further 15 per cent of the committed leases at the year end mature over the next year. Of the balance of the commitment, over £100m is represented by a very long lease at a strategically located shared-user site in South East England, which has been the subject of a number of approaches by the landlord to 'buy back' for redevelopment. The remaining commitments are spread over a range of shared-user and network sites of varying sizes and remaining maturities, none of which would be expected to represent an onerous obligation for the Group.

All expansion, replacement and acquisition spend proposals are appraised using discounted cash flow models and are subject to authorisation at appropriate levels in the Group up to and including the Board. For the purposes of investment appraisal a memorandum value is also attributed to all leased assets. The projected implementation timescale and returns on projects are subsequently scrutinised at the same level after the first operational year. The majority, by value approved, of the capital backchecks in the year either met or exceeded their projected rate of return.

The aforementioned cash flow items, and in particular the £58.0m investment in acquisitions, led to an increase in the Group's net debt to £176.4m at 31 March 2009 (31 March 2008: £104.5m). A further £8.0m of the increase is due to the net change in non sterling denominated cash and debt balances.

Group net debt is reported after deducting £24.9m of cash held in the Group's captive insurer to cover the potential claims underwritten by that company.

The Group has benefited, since its listing on the London Stock Exchange, from the strong support of its group of relationship banks. £210m of committed funding is available to the Group, from this banking syndicate, until November 2010. Further committed 364-day bilateral facilities totalling £34m were put in place in November 2008. A decision was taken in December 2005 to diversify the Group's sources of funding, and $150m of seven and ten year funding was raised in the US private placement market and subsequently swapped into floating rate sterling and euro liabilities. £153m of this total of £357m of committed facilities was undrawn at 31 March 2009.

Our discussions with our relationship banks to extend the maturity of our committed facilities are progressing well. Whilst the pricing on the new banking facility will increase relative to the costs of our existing funding, given the adverse movements in financial markets, we are confident that substantial committed funding, with appropriate levels of headroom, will continue to be available to the Group. Other than the interest cover covenant, which we expect to move from an EBITA to an EBITDA basis of calculation, we expect the covenant package to be broadly similar to that in our existing documentation.

The Group also currently has £12m of uncommitted money market facilities now in place which, together with approximately £40m of overdraft facilities, give further flexibility in the day-to-day management of the net 'drawn down' position. In addition to the existing committed funding from the US private placement market a 'shelf' facility totalling a further $75m is available from PRICOA, the leading note holder in our 2005 issue.

The scale of the Group and the size of individual operations means that the working capital position can vary significantly over a monthly cycle. Flexibility of funding, based on an appropriate mix of committed and uncommitted facilities with a range of maturities, helps to reduce overall borrowing costs.

The Group has a mix of sterling and euro denominated bank debt and derivatives (to convert the US$ placement funds) which match the currencies of the Group's assets. Interest rate exposures have been further limited by way of interest rate swaps and caps, to give an appropriate balance of fixed and floating rate debt.

The central Treasury function monitors all currency and interest rate exposures and ensures appropriate hedge arrangements are in place. The Group operates sterling and euro 'pools' such that surplus cash is netted against overdrawn balances to maximise the efficiency of short term liquidity. No speculative trading is authorised and all financial trades are designed to meet the operational needs of the business.

RETURN ON CAPITAL EMPLOYED

Return on capital employed is another of the Group's key performance measures. Year end return on capital employed, at 63.4 per cent, remained very high at 31 March 2009, an increase on the 50.4 per cent reported last year.

As explained above, the Group's business model in the UK & Ireland has enabled Wincanton to deliver significant growth without extensive utilisation of balance sheet capacity. The year end return on capital employed of the UK & Ireland business, a 242 per cent return on £21.7m of adjusted trading capital employed, which includes some £26m of freehold property, is significantly in excess of the consolidated Group average. The Group average is reduced by the 9.7 per cent year end return on the £72.1m of adjusted trading capital employed within our Mainland European businesses.

Some £33.0m of the trading capital in Mainland Europe consists of well-situated freehold property in Budapest, Warsaw and Prague and the recently-opened international transport hub on the Dutch-German border.

Options to reduce the capital employed in freehold property, principally through potential sale and leaseback transactions, are kept under regular review.

First Milk vehicle fleets have been renewed

Foodservice capacity expanded

BRITVIC

Managing record-breaking volumes and a range of services

Our contract with leading soft drinks manufacturer Britvic, was extended in 2008 for a further two and a half years, building on a partnership which dates back to the opening of the National Distribution Centre (NDC) at Lutterworth in 1994, one of the first fully-automated warehouses in the UK.

The original warehousing contract has continued to deliver value by managing peaks and responding quickly to customer requirements. In 2008, Wincanton broke the previous despatch record from the NDC by exceeding 80 million cases for the first time. Two years ago, we took on the management of Britvic's inbound and outbound transport between its factories and warehouses across the UK, and have worked with the customer to introduce backhauling opportunities to reduce unnecessary empty miles.

To meet the increasing demand for product customisation, Britvic also outsourced co-packing and rework services of products such as J_2O and Fruit Shoot to Wincanton, which involves creating multi-packs and trade ready display units. Earlier this year, Wincanton also worked with supplier Swisslog to successfully implement a brand new Warehouse Management System in a live environment, maintaining service levels of 99.8 per cent without interruption during implementation.

The close partnership with the customer over 14 years has ensured that the supply chain is seamlessly integrated into the rest of Britvic's operations and that Wincanton's service has evolved to meet changing operational and service needs.

MORE THAN YOU THINK

GOODWILL AND INTANGIBLES

The three acquisitions in the year gave rise to an additional £66.2m of goodwill and acquired intangibles. Acquired intangibles, which consist principally of customer relationships, are being amortised over their useful lives of between six and 15 years and the charge of £9.0m is shown separately in the income statement.

PENSIONS

Agreement has been reached with the Trustees of the Group's pension fund in respect of the triennial valuation as at 31 March 2008. Based on the revised technical provisions, as agreed between the Trustees and the Group, which are based on a legislative requirement to choose the funding assumptions prudently, the annual deficit recovery payments will increase from the current gross £8m per annum initially to a gross £12m per annum. This will result in an additional payment of £2.9m per annum after tax, increasing each year thereafter in line with the Retail Price Index. A 14 year period has been set for full recovery of the deficit which, at 31 March 2008, was estimated at approximately £115m net of deferred tax, and approximately £160m gross of deferred tax.

Given that deficit recovery payments are deductible for the purposes of calculating the Group's liability to corporation tax, the Group believes it to be appropriate to consider the cash flow effects of addressing the pension deficit on an after-tax basis.

Wincanton has a strongly cash generative business model which has enabled the Group to fund its growth, address the pension fund deficit prudently and progressively, service the costs of its debt and reward its shareholders with a substantial dividend stream. The agreement with the Trustees in respect of the most recent valuation is based on both an appropriate degree of prudence in the technical provisions on which the valuation is based, and a recognition that the long-term growth of Wincanton as the Scheme's sponsoring employer is the best guarantee that the fund's liabilities will be met over time.

The average duration of the Scheme's liabilities is approximately 21 years. The Scheme's assets are currently 24 per cent invested in UK equities, 35 per cent in global equities, four per cent in property, 33 per cent in corporate bonds and the balance of four per cent in cash and gilts. The current annual yield on the investment portfolio is approximately 5.1 per cent. The weighted average portfolio return targeted by the Trustees, including capital growth in addition to the current yield, is currently 7.9 per cent. Both the Trustees and the Group monitor the Scheme's investment strategy and the performance of individual investment managers.

The fund has been closed to new entrants since January 2003. At the last triennial valuation a number of steps were taken to address both the accumulated deficit and the costs of future service accrual. These included restricting increases in pensionable pay to be in line with inflation, setting a maximum level of pension increases for service from 1 April 2006 of inflation capped at 2.5 per cent per annum, and increasing employee contributions. Other possible measures, including further increases in employee contributions, are currently under consideration. The future of the Scheme will be kept under review, in consultation with the Trustees, our customers and the Scheme members.

RISKS

The Group has a well developed structure and set of processes for identifying and mitigating the key business risks it faces. These are described in detail in the Corporate governance report on page 31. Certain of these key risks are also discussed elsewhere in this Business review.

The Group's ability to source new contracts, at an appropriate financial return for an acceptable level of risk, represents the principal area of commercial risk. In this more challenging economic environment there is an increased requirement for the Group to monitor the recoverability from customers of both its capital commitments and its trading debts. Both new and existing contracts must then perform consistently within the demanding performance requirements of our customers. This is the Group's principal area of operational risk. As a service business delivering high levels of added-value to our customers, our principal human resources risk lies in the sourcing, motivation and retention of sufficient numbers of quality people to meet the demands of both our current business and our future growth.

Wincanton's principal strategic risk is the requirement to continue to identify sufficient new areas of potential growth, both organically and through acquisition, to enable the Group to continue to build on its strong track record of profit growth and cash flow generation. It must then secure appropriate finance, from debt and equity providers, to be in a position to fund its growth plans.

Expanding our recycling business

> "Strong cash flow generation, based on our 'asset light' business model, has been a consistent feature of Wincanton's financial performance."

CORPORATE RESPONSIBILITY

Our Corporate Responsibility programme incorporates social, ethical, safety and environmental issues.

"We are actively taking responsibility for Wincanton's impact on the environment, and are measuring our progress with a view to working towards a lower carbon future."

NIGEL SULLIVAN
GROUP HUMAN RESOURCES DIRECTOR

GOVERNANCE

Corporate Responsibility is governed through the Safety, Health and Environment (SHE) committee, with its chairman Nigel Sullivan, Group Human Resources Director, taking responsibility for social, ethical, safety and environmental issues and initiatives within the business. This SHE central steering group model has been extended during 2008/09 through the establishment of committees in Poland and Germany, while the existing French committee has been extended to incorporate the Netherlands in line with the Western European regional structure.

ENVIRONMENT

Addressing challenges around the environment has been an important focus for Wincanton in 2008/09. Following a programme of research on climate change and discussion with our stakeholders, we launched our five-year Environmental Strategy in March 2009 across the Group. It clearly articulates Wincanton's belief that corporate responsibility and sustainability present valuable benefits and opportunities for our business, our customers and the wider community.

The document outlines our priorities and creates a framework for delivering progress against our objectives. The strategy incorporates our policy statement and ten key principles to provide guidance for employees, suppliers and customers on the way we work. It can be found on our website at www.wincanton.co.uk/environment.

We are actively taking responsibility for Wincanton's impact on the environment, and are measuring progress against five key result areas (KRAs) with a view to working towards a lower carbon future:

- governance and management;
- performance measurement;
- energy use and climate change;
- waste and recycling; and
- progressive product leadership.

To facilitate this positive change, we are focusing on embedding the principles of the environmental strategy into our culture through employee engagement. Feedback from our 2008 'One Voice' all employee survey cited our approach to the environment as 'an area for improvement'. In response to this, environmental focus groups have been set up across the business to develop local action plans that cover a range of initiatives, such as car sharing, energy saving and recycling campaigns.

Initiatives

Measurement: During 2008/09 we ran a data collection pilot at five sites to trial carbon footprint measurement and identify the best system for capturing and recording information. As a result of this, we have now incorporated carbon footprint measures into the Balanced Scorecard programme. Specifically, from 1 April 2009, we will measure:

- gas usage per m^3;
- electricity usage per m^3;
- water consumption;
- diesel per km; and
- red diesel usage.

Reporting on these measures every six months will create consistency across the business, monitor our progress and also enable sites to benchmark their performance against each other.

WEEE recycling: To help our customers meet their environmental objectives, we have extended our recycling capabilities with the opening of a second Waste Electronic and Electrical Equipment (WEEE) recycling facility in the UK in March 2009. In 2008/09 we processed 400,000 fridges and 35,000 tonnes of mixed WEEE, generating raw materials such as ferrous metals for sale on commodity markets and reuse in manufacturing processes.

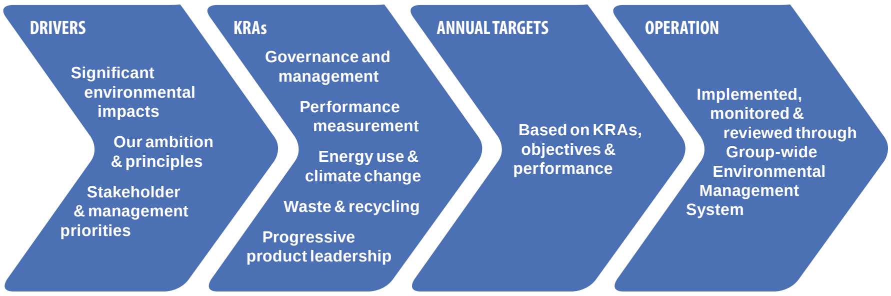
Food waste recycling: At our distribution centre operated on behalf of Sainsbury's in Northampton, we are managing and co-ordinating the recycling of food waste, in line with Sainsbury's commitment to send zero waste to landfill by 2010. Utilising our core store delivery fleet, we transport the waste food back from the stores to the distribution centre and then take it through a sortation process. It is then delivered to Biogen, an anaerobic digestion plant, for reprocessing as fertilizer for farmland or for generating sustainable electricity for the National Grid. Since the launch of the initiative in February 2009, over 200 tonnes of food waste have been processed for Sainsbury's, creating a cost-effective and sustainable solution that uses existing vehicle movements and avoids landfill.

Fuel efficiency: In recognition of the key role that driver training and awareness have on fuel consumption, we have introduced 'Fuel Efficiency Guidelines' for all of our transport sites in the UK. According to government statistics, and our own findings from our Driving Development programme, fuel-efficient driving techniques can reduce fuel usage by up to ten per cent, and when coupled with technical and engineering solutions, such as telematics, aerodynamics and tyre technology, can make a significant impact on overall efficiency. Each site will have a nominated 'Fuel Champion', who will work with our driver community and take responsibility at site level for generating and monitoring improvements.

Vehicle developments: In 2008/09 we purchased 12 new aerodynamic trucks for our customer contract with Lafarge and introduced 23 of our own-design curved roof double-deck trailers to the Comet fleet. Each of these vehicle designs can reduce fuel consumption by up to three per cent on each journey. We are actively involved with the Department for Transport (DfT) as part of their industry advisory group looking at achieving the objectives set within their 'Delivering a Sustainable Transport System: The Logistics Perspective' (published December 2008). This tasks us all, whether government or industry, with ensuring that the freight industry benefits from and contributes to the DfT goals of 'reducing transport's emissions of carbon dioxide and other greenhouse gases', 'contribute to better safety, security and health', and 'promote a healthy natural environment'. As part of the advisory group Wincanton brings its experience into the decision making forum and shares its best practice from all modes of transport with all stakeholders for mutual benefit.

ISO14001: In 2008/09, we achieved ISO14001 accreditations at two further sites in the UK operated for Sainsbury's, building on a total of 11 sites in the UK and ten in Germany.

Intermodal services: our expanding barge transport and rail services in Mainland Europe have enabled us to reduce congestion and emissions in line with our target to deliver lower carbon solutions. During 2008/09 we transported 2,300 loads by barge and 150,000 TEUs (containers) by rail, which equates to 318,000 vehicle loads and 200,000,000 km taken off the roads.



PEOPLE

In 2008/09, we have made significant progress in developing our training programmes across the Group and have gained external recognition for our achievements (see case study).

In April 2008, our employees completed 'One Voice', the first ever Group-wide survey across 225 sites in seven languages. This recorded an overall engagement score of 67 per cent, which has benchmarked highly against other businesses across the commercial spectrum. Since then, the results have been evaluated at a departmental, functional and regional level to identify trends and understand more about our culture. Each contract or function has created action plans based on feedback from the survey and additional focus groups to drive improvements and address any concerns.

This focus on the culture within our business is supported by the rollout of a set of behavioural values across the Group, which began in January 2009. The programme known as IMPACT (Integrity, Mutual trust, Passion, Accountability, Commitment, Teamwork) is designed to ensure that we demonstrate consistent behaviours in our words and actions that support the delivery of our 'Four Pillars' promise to customers – to provide operational excellence, customer intimacy, product leadership and value.

Initiatives

Performance reviews: We relaunched the Performance Competencies Development Review (PCDR) process during 2009, to ensure that all employees have the opportunity to discuss performance and career progress with their line manager every six months. As a result, we have recorded a completion rate of 99.2 per cent for our 3,000 managers.

Warehouse training: We rolled out our Learning and Development Framework (LDF) in 31 sites in the UK by the end of March 2009, with the objective of creating greater consistency of skills and a career progression path in our warehouses. LDF covers five competency levels from role entry through multi-skilling to deputising for first line managers. The planned UK completion date is the end of September 2009, with the launch of the scheme within our Polish business in August 2009.

Management training: In 2008/09, over 300 employees from across the Group completed our management development programmes, which focus on the development of individual and leadership skills from first line supervisors to senior executive development. A programme of 'masterclasses' to meet ad-hoc needs and top up competencies was also introduced, attracting 210 attendees.

Apprenticeships: Our fleet management business in the UK, Pullman, has run engineering apprenticeships for 11 years and currently employs a total of 58 individuals, which represents ten per cent of its workshop technicians. In Germany, we employ 85 apprentices across the business in a range of disciplines, from warehouse employees through to administrators.

Occupational health: In September 2008, we outsourced our occupational health function to Atos, the largest UK health provider, in order to provide a more efficient and scaleable service to the business. An online referral system has been implemented, which enables us to refer employees quickly and securely, and then maintain complete visibility of the case in real-time as it progresses. Atos has managed a total of 3,155 cases since September, including vocational medical screening and a range of bespoke services, such as counselling, training and treatment programmes.

Rehabilitation programme: To support the extended services offered within occupational health, we also offer a rehabilitation programme via First Assist for employees who have suffered an injury in the workplace. Contact and referral is made after an incident to ensure that employees receive appropriate treatment for their injuries. This approach provides employees with additional support and can help avoid the development of chronic conditions.

SAFETY

Our relentless focus on health & safety has continued to drive improvements across the business. Accident rates fell by 7.2 per cent across the Group in 2008/09 and over a five-year period, the rate has reduced by 34.0 per cent overall.

The central SHE team has further invested in the development of its skills and professionalism, with three of its members achieving Masters qualifications in Health & Safety Management and in Environmental Law.

To promote a consistent approach, our existing successful SHE training programme for managers in operational roles has been extended to France and Poland.

Initiatives

Performance measurement: As part of our Operational Excellence programme, a six-monthly online measurement system has been designed in-house and introduced based on well-established behavioural safety principles, tracking key indicators such as leadership, communication, employee involvement and learning culture.

Targeting specific risk areas: During 2008/09 we established 'task force' groups to implement awareness campaigns and action plans in areas which are deemed to have a higher cost or risk to the business. The focus on bridge strikes succeeded in halving incidents. An in-cab safety team is currently evaluating technology to minimise risks around blind spots.

'Driver of the Year' competition: The 2008 contest was our third event and included a forklift category for the first time. The 1,300 entrants were whittled down to just 30 for the final at Rockingham Speedway in July. The 2009 competition will include employees from Poland and France.

SHELA office launch: After the success of the award-winning SHELA (Safety, Health and Environment Learning Aid) campaign in raising safety awareness in our warehouses, we launched a campaign for our office employees to outline potential hazards in their environment and understand how to minimise risk.

Independent audit: During September 2008, Wincanton's SHEQ (Safety, Health, Environment and Quality) management systems were independently audited under the Utilities Verification and Assessment Scheme by auditing specialists Achilles Information Ltd. Our validated scores were 98.2 per cent for health & safety (average all suppliers 80.4 per cent), 92.6 per cent Environment (benchmark average 67.1 per cent) and 95.8 per cent for Quality (benchmark average 77.4 per cent). These scores have been entered onto the Achilles register, so that any potential customer can review our excellent performance.

Customer safety audits: In addition to Wincanton's own internal auditing programme, the Procter & Gamble (P&G) Southern Service Centre at Thurrock, UK scored 8.6 out of ten in an external Health, Safety & Environment assessment. The team was commended in particular for the quality of the training programme, the use of web based training, working at height and the strong collaboration between P&G and Wincanton on site. We also scored highly in the Danone Baby Nutrition warehouse quality audit with the Sosnowiec site in Poland achieving 89 per cent and our site in Hungary scoring 86 per cent.

Company car driver safety: In addition to the training provided to our commercial vehicle drivers, Wincanton recognises the importance of ensuring the safety of its company car fleet.

We provide defensive driving workshops to all our car drivers, and successful completion is mandatory. We also operate an ongoing rolling programme of practical assessment by our team of internal driver assessors, based on advanced driving techniques.

Road safety sponsorship: Our sponsorship of the Prince Michael International Road Safety Awards education award category has now been in place for over 20 years. In 2008, the award went to Kingston upon Thames for the ROADSTARS programme, which has contributed to a reduction in casualties through engagement with schools and the community.

Automated auditing: We have jointly developed, with safety technology experts, Mobile Safety Solutions, a leading-edge hand-held electronic auditing solution to enable real-time recording and reporting of SHE audits. This not only improves the flow of information within our operations, but has also resulted in an estimated 40 per cent reduction in the time taken to complete the audit process.

Innovation challenge: Each year our French operations operate an innovation challenge, under which all sites are invited to submit practical suggestions for making improvements to SHE performance. This generates healthy competition between sites, and the suggestions proposed can be shared for the benefit of the whole business. Winners of the award in 2008 were Santeny for an attendance notification system, and Bondoufle for a suggested e-learning induction facility for new starters.

SOCIAL

Wincanton understands the importance of helping people both in our local communities and around the world, through sponsorship, donations and even direct involvement. We have a varied programme of support in place, from our Group level sponsorship of Transaid, to national projects and initiatives at an individual site level.

Our German business celebrated its 100 year anniversary in September 2008 and staged a weekend of celebrations in Mannheim for 3,400 guests, uniting employees, apprentices, customers and the local community. Activities ranged from a 'time travel' show to dragon boat racing, and the charity prize draw at the end of the event raised €2,000 for a children's leukaemia charity.

During 2008/09, Wincanton became a member of 'Business in the Community' in the UK, which is an organisation that mobilises businesses to improve their positive impact on society. Through membership of the regional advisory boards, we will work on priority projects relating to improving sustainability and developing the skills of the existing and future workforce.

Initiatives

Transaid: We continue to support Transaid, a charity working primarily in Africa to reduce poverty and improve quality of life through providing better access to basic services such as health, education and economic opportunities. During 2008, we were also involved in Transaid's project to build an Industrial Training Centre in Lusaka, Zambia, which will provide professional commercial driver training and aims to reduce accident rates on the roads. Caroline Barber has been seconded from Wincanton's change management function as project manager for 18 months. We have also provided experts from our health & safety team to risk assess and provide training, as well as sending driver trainers to help build the skills of the existing trainers and quality assure the programme. This direct involvement supplements fundraising and sponsorship activities, which included the sponsorship of Transaid's 10th anniversary gala ball in October 2008 and entry of a seven-strong team into the Cycle Zambia challenge, which raised over £22,000 by cycling 450km across Zambia.

Cargo Angel: In Germany, Wincanton supports Cargo Angel, a charity for disadvantaged children that aims to make their 'dreams come true' by donating one euro cent for every kilometre driven by our drivers.

Children's Day Celebration: In Poland, we took part in the Children's Day Celebration organised by a famous children's hospital and also provide regular support for local children's homes, donating presents at Christmas.

Montferland Run: In the Netherlands, Wincanton sponsored the Montferland run for the 13th year, which attracts over 3,500 participants each year including some of the world's top athletes. Employees who enter the run are given a weekly professional training session, starting in March, to ensure they reach peak fitness for the event in December.

Local charity events: At a local level, we provide regular opportunities for our employees to support local charitable causes and also organise activities for national fundraising days, such as Comic Relief and Children in Need in the UK. Some examples of our achievements are:

- £20,000 raised for Children in Need by four Retail managers by climbing the 4,100m summit of Grand Paradiso in the Alps;
- €200 raised for a children's hospice by employees at our Czech Kralupy site through a charity football tournament;
- £8,000 raised by the Screwfix Stafford depot in support of a local school's special needs classroom;
- £350 raised by the Sainsbury's Northampton summer fun day for Marie Curie Cancer;
- 200 Christmas hampers packed and £250 donated by the Cargill Meats contract to Age Concern;
- £550 raised by the B&Q Swindon depot for Breast Cancer Care through picking in fancy dress;
- ConocoPhillips raised £800 for a Nottingham hospital's mobility centre; and
- for the fourth year in a row, Wincanton's milk business in the UK provided vehicles and drivers to support the Marie Curie Cancer Care Ladies Driving Challenge, helping to raise £27,000 and instructing around 60 ladies to drive an LGV.

RISKS

Commentary on our internal control and risk management is included within the Corporate governance report on pages 29 to 31, however we have specifically identified the Carbon Reduction Commitment as a risk in relation to our environmental approach.

This new government legislation will become effective in April 2010 and covers businesses deemed as 'non-intensive' users of gas and electricity. From 2011, organisations will buy carbon allowances for their emissions and revenue from the sale of these allowances is recycled back to participants, based on their position in a league table, with penalties in place for the worst performers. After the introductory phase (four years), the government will restrict the supply of allowances and their cost will be determined through an auction process.

Wincanton has researched the forthcoming legislation and is seeking outside advice from consultants, who will help us to prepare a programme of activity that will reduce our energy consumption and is expected to place us in a favourable position in the league tables, e.g. the early action of purchasing half-hourly meters for all our sites so that we are able to minimise the risk of penalty charges.

A Wincanton team completed Transaid's Cycle Zambia challenge

Our German business celebrated its 100 year anniversary

A PROGRESSIVE APPROACH TO TRAINING AND DEVELOPMENT

In March 2009, Wincanton made the official ‘Skills Pledge’, organised by the Learning & Skills Council, to demonstrate our commitment to training and celebrate our recent achievements. Building on the existing ‘Driving Development’ training programme, we have worked with the National Employer Service to map our in-house training against the NVQ standards and implement an accredited scheme in the UK for our 6,500 drivers.

By the end of March 2009, we had awarded over 2,000 ‘Train to Gain’ NVQs at levels 2 and 3, covering almost one third of our driver community, with plans for all drivers to gain the qualification by the end of 2009. We achieved a pass rate of 98.6 per cent, which is testament to the commitment of our trainers and the quality of our drivers. The NVQ programme is now being implemented in our UK warehouses at a rate of 300 per month, with a view to achieving consistent standards among our 15,000 warehouse employees.

These accredited schemes are combined with our in-house programmes to ensure that we have a comprehensive approach to development, providing opportunities for employees at all levels of the business to improve their skills.

In recognition of these achievements, Wincanton was ‘Highly Commended’ in the ‘Employer Award’ category of the Workplace Development Awards in the UK, selected from over 200 businesses who entered the scheme.

MORE THAN YOU THINK

BOARD OF DIRECTORS

DAVID EDMONDS CBE

Chairman
David became a non-executive Director of Wincanton in December 2004, Deputy Chairman in November 2007 and Chairman in July 2008. He is Chairman of the Legal Services Board and a non-executive Director of both Hammerson plc and William Hill PLC. He is Chairman of NHS Shared Business Services and a Trustee of the Social Market Foundation. Prior to 2003, he held a series of executive posts in government departments and in the NatWest Group.

GRAEME MCFAULL

Chief Executive
Graeme joined Wincanton in 1994 as Finance Director of the Retail Division following finance roles with Geest, Cargill and Pepsico. He has held several Managing Directorships within Wincanton since 1999, most recently running the UK & Ireland business. He became Chief Executive in December 2005. Graeme is a Fellow and President of the Chartered Institute of Logistics and Transport.

GERARD CONNELL

Group Finance Director
Gerard transferred to Wincanton from Uniq plc (formerly Unigate plc) in September 2000, in order to help prepare the Company for demerger from Uniq plc. He trained with Price Waterhouse and then worked in the City, becoming a Managing Director of Bankers Trust and a Regional Director of Hill Samuel. He is also the Senior Independent non-executive Director and Chairman of the Audit Committee at Pennon Group Plc.

NIGEL SULLIVAN

Group Human Resources Director
Nigel joined Wincanton as Group Human Resources Director in November 2002 from Marconi plc and was appointed to the Board in January 2004. Prior to that Nigel held a number of human resources positions with Nortel Networks and Rover Group.

PHILIP COX

Senior independent non-executive Director
Philip became a non-executive Director of Wincanton in June 2001 and senior independent non-executive Director in July 2008; he will resign from the Board at the 2009 Annual General Meeting. He is Chief Executive Officer of International Power plc and a non-executive Director of Wm Morrison Supermarkets PLC. He was previously Group Finance Director of Siebe.

JONSON COX

Non-executive Director
Jonson became a non-executive Director of Wincanton in October 2005. He is currently Group Chief Executive of AWG Plc, the owner of Anglian Water and Morrison Plc. Previous senior positions include Chief Executive of Valpak Limited, a business services company, Chief Operating Officer of Railtrack Group PLC and Managing Director of Kelda Group plc (formerly Yorkshire Water plc). His early career was with Royal Dutch Shell.

NEIL ENGLAND

Non-executive Director
Neil became a non-executive Director of Wincanton in June 2008. He is currently a non-executive Director of ITE Group plc, The Eastern European Trust PLC and Chairman of Silverstone Holdings Limited. Neil was previously a Director of Gallaher Group Plc and prior to that Vice President of Mars Inc.

DR WALTER HASSELKUS

Non-executive Director
Walter became a non-executive Director of Wincanton in January 2004. In May 2006 he was appointed a member of the Supervisory Board of Wincanton GmbH, he was subsequently appointed Chairman of the Supervisory Board of Wincanton GmbH in July 2007. He is a non-executive Director of DAF Trucks NV, Chairman of the Supervisory Board of Ehlebracht AG, non-executive Director of W.E.T. Holding (Lux) S.A. and Supervisory Board Member of W.E.T. AG. From 1996 to 1998 he was a member of the Board of Management of BMW AG and Chairman and CEO of Rover Group.

NOMINATION COMMITTEE

Philip Cox
David Edmonds (Chairman)
Graeme McFaull

REMUNERATION COMMITTEE

Jonson Cox
Philip Cox (Chairman)
David Edmonds
Neil England
Walter Hasselkus

AUDIT COMMITTEE

Jonson Cox (Chairman)
Philip Cox
Neil England
Walter Hasselkus

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

Wincanton is a contract logistics services business which designs, implements and operates a range of supply chain management solutions.

ACQUISITIONS

On 29 May 2008 Wincanton (the Group) acquired Product Support (Holdings) Limited (PSHL), a leading provider of logistics solutions to defence and aerospace markets, primarily in the UK. PSHL was acquired for an initial consideration of £14.7m with up to a further £3.0m payable subject to financial performance in the period to 31 March 2009.

On 6 November 2008 the Group acquired CEL Group Limited (CEL), a major container logistics provider in the UK. CEL was acquired for an initial consideration of £17.8m with up to a further £4.5m payable subject to revenue generated in the period to 31 August 2009.

On 28 November 2008 the Group acquired the warehousing and transport specialist business of ELI-Transport GmbH and ELI-Lagerhaus GmbH for an initial consideration of €12.7m, with up to a further €3.0m payable subject to financial performance in the period to 30 November 2009. The Group also entered into a lease with the vendors for the operational properties in Koblenz, Germany.

CHILLED CONSOLIDATION ACTIVITIES

On 20 November 2008 the Group agreed to transfer its chilled consolidation activities in the UK to Culina Logistics Limited (Culina), with effect from 28 March 2009, in exchange for a 20 per cent equity stake in the enlarged business, which will be managed and operated by Culina.

RESULTS AND DIVIDENDS

A review of the activities of the Group during the financial year, analyses of revenue and profit and an indication of likely future developments are presented in the Business review on pages 8 to 19, and the Corporate responsibility report on pages 20 to 23 which are incorporated into this Directors' report by reference. The Group profit attributable to shareholders for the financial year amounted to £13.5m. An interim dividend of 4.83p per share was paid on 6 January 2009. Subject to shareholders' approval at the Annual General Meeting (AGM) to be held at 11:30am on Thursday, 23 July 2009 at the offices of Buchanan Communications, 45 Moorfields, London, EC2Y 9AE, a final dividend of 10.08p per share will be paid on 7 August 2009 to those shareholders on the register of members of Wincanton plc at 10 July 2009. Under the requirements of Adopted IFRS this dividend is not provided until declared and therefore the total profit for the year of £14.0m, including £0.5m relating to minority interests, has been transferred to reserves.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Group does not have a formal code that it follows with regard to payments to suppliers. It agrees payment terms with its suppliers when it enters into binding purchase contracts for the supply of goods and services. Its suppliers are in that way made aware of these terms. The Group seeks to abide by these payment terms when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

At the year end there were 52 days (2008: 54 days) purchases in the Group's trade payables.

ANNUAL GENERAL MEETING

At the 2009 AGM, the Directors will propose the following items as special business: to seek to renew the authority to disapply shareholders' pre-emption rights in certain circumstances; to approve Wincanton plc's (the Company's) power to buy back a proportion of the Company's share capital; to adopt new Articles of Association so that they comply with sections of the Companies Act 2006 which are to be implemented with effect from 1 October 2009; to allow the Directors to allot shares; to approve the making of certain payments that may fall to be classified as donations to political parties; and to approve general meetings other than AGMs to be called on not less than 14 clear days' notice.

SUBSTANTIAL INTERESTS

At the date of this report, the Company has been notified of the following major shareholdings, which are stated as at the date of notification to the Company.

Shareholder	Type of Holding	Number of shares held	Per cent
Legal and General Group plc	Direct	4,984,763	4.10%
Hermes Specialist UK Focus Fund	Direct	5,525,733	4.55%
Standard Life Investments	Direct and Indirect	11,047,339	9.10%
BT Pension Scheme Trustees Limited	Indirect	5,615,393	4.63%
Aberforth Partners LLP	Indirect	5,991,205	4.94%
IFG Corporate Services Limited as Trustee of the Wincanton plc Employee Benefit Trust	Indirect	6,070,647	5.00%
F&C Asset Management plc	Indirect	6,045,153	5.03%
Rathbone Brothers Plc	Indirect	9,058,170	7.54%
Newton Investment Management Limited	Indirect	9,742,310	8.03%

During the year the Company did not purchase any of its own shares, except to meet its obligations to employees under the Share Incentive Plan. The only shares held throughout the year were held in the Employee Benefit Trust (the Trust). During the year, the Trust, in its capacity as trustee, purchased a total of 1,417,307 shares at an average price, excluding costs, of £1.86 per share. These shares were purchased to enable the Trust to hedge against future exercises of share options/awards. As at 31 March 2009, the Trust, in its capacity as trustee, held 6,105,647 (2008: 4,801,973) shares representing 5.03% of the issued share capital.

SHARE CAPITAL AND RESERVES

Details of the authorised and issued share capital and reserves of the Company are shown in note 6 to the Wincanton plc Company financial statements on page 77. The share capital of Wincanton plc is made up of 121,383,977 Ordinary shares of 10 pence as at the date of this report. The shares are listed on the London Stock Exchange. Other than certain of those shares held in Trust in accordance with Employee Share Schemes, and the provisions contained in the Articles of Association of the Company, all shares rank pari passu with each other.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

DIRECTORS

The names and biographies of the Directors who were serving at 31 March 2009 are shown on page 24. Details of corporate governance policy are set out on pages 29 to 31. Directors' beneficial interests in the Company's share capital as at 31 March 2009 and the date of this report are set out in the Directors' remuneration report on pages 32 to 40. At the AGM, Wincanton plc will seek the re-election as Directors of J Cox and N Sullivan who are resigning under the rotation provisions of the Articles of Association (Articles) of the Company. The Directors support their re-election. At the 2009 AGM, P G Cox will resign as senior independent non-executive Director. To maintain the required balance and independence on the Board, the Nomination Committee is currently interviewing for his replacement.

EXECUTIVE BOARD

In addition to the Executive Directors, the Executive Board consists of the Chief Operating Officer, Group Development Director and Managing Directors from Germany, Western Europe, Central & Eastern Europe and the UK & Ireland.

The Executive Board meets monthly and is responsible for the day-to-day running of the business, carrying out the agreed strategy and implementing specific Board decisions relating to the operation of the Group.

EMPLOYEES

The Group uses a number of ways to provide employees with information on matters of interest to them. These include a report to employees dealing with Group and segmental results, an intranet, a quarterly in-house newsletter and briefing and consultative meetings.

In December 2005, a European Works Council (EWC) was set up with the aim of bringing together employee representatives from across Europe, so that they can be informed and consulted by management on the Group's plans and performance. The EWC met three times in the year (2008: three). Employee representatives are also able to meet their colleagues from other countries, exchanging information about the Group and working conditions across Europe.

In February 2008, the Group launched its first employee survey, 'One Voice', inviting employees to have their say on many aspects of their working environment including their understanding of business goals, communication processes, health and safety, management and working for Wincanton. The results of the survey were launched in June 2008 and an action planning programme focusing on Group-wide and country specific topics was established.

The Group has established a variety of option schemes and share incentive plans to align the interests of employees with those of shareholders and to support Wincanton in the development of its business objectives.

Wincanton is committed to a policy of equal opportunities in employment by which the Group has and continues to:

- select, recruit, develop and promote the very best people basing its judgement solely on suitability for the job;
- ensure that all applicants and employees receive fair and equal treatment irrespective of sex, marital status, age, nationality, colour, race, ethnicity, national origin, disability or gender reassignment;
- encourage diversity in its workforce, reflecting, where practicable, the diversity of the working population;
- maintain a working environment free from sexual and racial harassment and intimidation; and
- ensure that all employment conditions and job requirements reflect its commitment to equal opportunities.

Where people become disabled during the course of their employment, every practical effort is made to retain their services, make adjustments and to provide retraining if necessary. All employees are eligible for appropriate training, career development and promotion and disabled people are not treated any differently.

POLITICAL AND CHARITABLE CONTRIBUTIONS

In accordance with its policy, the Group made no political contributions during the year. Donations to charities amounted to £93,000 (2008: £65,000).

WINCANTON PLC'S ARTICLES OF ASSOCIATION

The Company's Articles may only be amended by a special resolution at a general meeting of shareholders. At the 2009 AGM a special resolution will be put to shareholders proposing the adoption of a new set of the Articles in relation to the new provisions of the Companies Act 2006.

The Articles of Association of the Company currently contain, amongst others, the following provisions.

Voting rights

Subject to the restrictions set out below, on a show of hands every shareholder present in person and every proxy present who has been duly appointed by a shareholder entitled to vote on the resolution has one vote and on a poll every shareholder who is present in person or by proxy has one vote per share held.

Restrictions on voting

If any shareholder, or any person appearing to be interested in the shares held by that shareholder, has been duly served with a notice under Section 793 of the Companies Act 2006, and is in default for a period of 14 days in supplying to the Company the information thereby required, then neither that shareholder nor any transferee to whom any such shares are transferred shall be entitled to attend or vote either personally or by proxy at a shareholders meeting. Where the shares represent 0.25 per cent or more of the issued share capital, the Directors may in their absolute discretion retain any dividend which would otherwise be payable in respect of those shares and/or that no transfer of those shares shall be registered unless the transfer is approved.

Variation of share capital and rights

The Company may by ordinary resolution increase its share capital; consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; subdivide all or any of its share capital into shares of a smaller amount than that fixed by the Memorandum of Association (subject to the provisions of the Companies Acts); or cancel any shares which have not been taken or agreed to be taken and diminish the amount of its share capital.

Subject to the provisions of the Companies Acts, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine and subject to the provisions of the Companies Act 2006 the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

Buying back shares

Subject to and in accordance with the provisions of the Companies Act and the Listing Rules, the Company may purchase its own shares of any class.

Directors' power to allot

The Directors may, subject to the provisions of any legislation dealing with authority, pre-emption rights and other matters, and of any resolution of the Company in general meeting passed pursuant thereto, deal with shares which have not been issued. Directors may allot shares, grant options over, or otherwise dispose of, shares to such persons, at such times and on such terms as they think proper.

Dividends and other distributions

The Company's shareholders may declare dividends by passing an ordinary resolution. No such dividend may, however, exceed the amount recommended by the Directors. Any dividend unclaimed after a period of 12 years from the date such dividend was declared shall be forfeited and shall revert to the Company.

Distribution of assets on winding up
If the Company is wound up, the liquidator may, with the authority of an ordinary resolution passed by the shareholders, divide among the shareholders the whole or any part of the assets of the Company and may determine how such division shall be carried out as between shareholders or different classes of shareholders. For this purpose, the liquidator may set such value as he considers fair upon any property.

Transfer of shares
Any shareholder may transfer some or all of his shares to another person. The person making the transfer will be treated as continuing to be the holder until the name of the person to whom the share is being transferred is entered onto the register in respect of such shares. Directors may in their absolute discretion, and without giving any reason therefore, refuse to register any transfer of such shares which are not fully paid shares provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

Directors of the Company
Unless otherwise determined by ordinary resolution, there must be at least two Directors but not more than 20. The Directors shall determine the ordinary fees of the Directors and the aggregate amount shall not exceed £500,000 per annum or such higher amount as the Company shareholders may from time to time determine by ordinary resolution. Any provision of the Statutes, which would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of having reached a specified age, has been disapplied.

Authorisation of Directors' interests
For the purposes of Section 175 of the Companies Act 2006, the Directors have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

Directors' interests and voting
A Director cannot cast a vote on any contract, transaction or arrangement, or any other proposal, in which he has an interest. A Director will not be counted in the quorum at a meeting of the Directors in relation to any resolution on which he is not entitled to vote.

Borrowing powers
So far as legislation allows, the Directors may exercise all the Company's powers to borrow money; to mortgage or charge all or any of the Company's undertakings, property, and uncalled capital; to issue debentures and other securities; and to give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Indemnity and insurance of officers
So far as relevant legislation allows, every Director and former Director, Secretary and other Officer of the Company or its subsidiary undertakings shall be entitled to be indemnified by the Company.

Untraced shareholders
The Company is entitled to sell, at the best price reasonably obtainable at the time of the sale, shares of a member provided that during the 12 years prior to the date of the publication of advertisements in both a national newspaper and a newspaper circulated in the area of the last known address of the member giving notice of its intention to sell the said shares, at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed.

RESEARCH AND DEVELOPMENT

During the year the Group was active in the development of new products and supply chain services to support current and future customer requirements.

GOING CONCERN

After making appropriate enquiries, the Directors have a reasonable expectation that the Company and the Group overall have adequate resources to continue operating for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis, for further information see note 1 of the Group financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs, as adopted by the EU, and applicable law and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Group financial statements are required by law and IFRSs, as adopted by the EU, to present fairly the financial position and the performance of the Group. The Companies Act 1985 provides, in relation to such financial statements, that references in the relevant part of the Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The parent Company financial statements are required by law to give a true and fair view of the state of affairs of the parent Company and of the profit or loss of the parent Company for that period.

In preparing each of the Group and parent Company 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 IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping proper accounting records, that disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report, Directors' remuneration report and Corporate governance statement that comply with that law and those regulations.

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.

DIRECTORS' REPORT
CONTINUED

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

The Board confirms that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Board approved the above Responsibility statement on 3 June 2009.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 and with corporate governance best practice, separate resolutions for the re-appointment of KPMG Audit Plc as auditors of the Company and for the approval of their remuneration are to be proposed at the 2009 AGM.

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

By order of the Board

C F PHILLIPS
COMPANY SECRETARY
Methuen Park
Chippenham
Wiltshire SN14 0WT
3 June 2009

CORPORATE GOVERNANCE

INTRODUCTION

The Company is committed to high standards of corporate governance and supports the principles laid down in the Combined Code on Corporate Governance (the Code) as issued by the Financial Reporting Council in June 2006. This statement describes how the principles of the Code are applied and reports on the Company's compliance with the Code's provisions. A copy of the Combined Code can be found online at www.frc.org.uk/corporate/combinedcode.cfm.

BOARD OF DIRECTORS

As at 31 March 2009, the Board had eight members, comprising the non-executive Chairman, Chief Executive, Group Finance Director, Group Human Resources Director and four further independent non-executive Directors. At the 2009 AGM, P G Cox the current senior independent non-executive Director, will resign. In order to maintain the required balance and independence on the Board following this resignation, a further non-executive Director is to be appointed. All Directors bring strong judgement to the Board's deliberations. The Board is of sufficient size and diversity that the balance of skills and experience is considered to be appropriate for the requirements of the business. The non-executive Directors are all independent of management and free from any business or other relationship, including those relationships and circumstances referred to in provision A.3.1 of the Code, that could materially interfere with the exercise of independent and objective judgement. The Company considers that, on appointment, the Chairman was independent (for the purposes of provision A.3.1 of the Code) and furthermore the preceding comments regarding freedom from business or other relationships also apply to him. However, after appointment, the Code specifies that the Chairman ceases to be classed as independent. The non-executive Directors have each been appointed for a three-year term.

At all times during the year there has been a majority of independent non-executive Directors on the Board, excluding the Chairman, in compliance with Code provision A.3.2.

The biographical details of the Board members are set out on page 24. The Directors have all occupied, or occupy, senior positions in UK listed companies (or, in the case of Dr W Hasselkus, German listed companies) and have substantial experience in business. The non-executive Directors do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes. All Directors must stand for election at the first AGM after they are appointed. The Articles provide that all Directors will stand for re-election at least every three years.

The Board is collectively responsible for the proper management of the Group. The Board normally meets ten times each financial year and has a formal schedule of matters reserved to it for decision-making, including the approval of annual and interim results, annual budgets, material acquisitions and disposals, material agreements and major capital commitments. Executive Directors are responsible for communicating the Group's strategy to senior managers and for the day-to-day operational activity of the Group. The Company Secretary maintains a record of attendance at Board meetings and Committee meetings, further details of which are set out on page 30. During the year the Chairman also met with the non-executive Directors without the Executive Directors present.

Board members are given appropriate documentation in advance of each Board or Committee meeting. This normally includes a detailed report on current trading and full papers on matters where the Board will be required to make a decision or give its approval. Reports are presented to the Board periodically on matters such as pensions, insurance and treasury. Health & safety is reviewed at every Board meeting and other specific business-related presentations are given when appropriate.

There is an established procedure for the preparation and review, at least annually, by the Board of medium-term plans and annual budgets for business units. Each business unit reports monthly on its performance against its agreed budget. The Board receives a monthly update on performance and reviews significant variances on a monthly basis. All major investment decisions are subject to post-completion reviews.

In line with agreed procedures, the Chairman has conducted interviews with each Director and assessed their individual performance. The Chairman has carried out an evaluation of the performance of the Board as a whole and of each Committee and, led by the senior independent non-executive Director, the non-executive Directors have assessed the performance of the Chairman taking into account the views of the Executive Directors. The Chairman and the senior independent non-executive Director have presented the conclusions of those assessments to the Board. The evaluation process is designed to cover Board processes, the structure and capability of the Board, strategic alignment, Board dynamics and the skills brought to the Board by each Director. As part of the process, training needs are reviewed and acted upon as appropriate.

The Board has approved a procedure for Directors to take, at the Company's expense, independent professional advice if necessary. In addition, the Directors have direct access to the advice and services of the Company Secretary, who is charged by the Board with ensuring that Board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. The Company Secretary and Group Human Resources Director take joint responsibility for preparing and implementing an induction programme for Board appointees, including guidance as to their duties, responsibilities and liabilities as a Director of the Company and business familiarisation.

Business familiarisation involves Directors visiting sites, in both the UK and elsewhere in Europe, and giving the Directors the opportunity to meet senior managers around the business. They also have the opportunity to discuss organisational, operational and administrative matters. The Company provides directors' and officers' insurance cover, in line with normal market practice, for the benefit of Directors in respect of claims arising in the performance of their duties.

The different roles of the Chairman and Chief Executive are acknowledged. A responsibility statement for each of those roles has been agreed with the Chairman and Chief Executive respectively and adopted by the Board. The Chairman is primarily responsible for the workings of the Board and ensuring that its strategic and supervisory role is achieved. The Chief Executive is responsible for the day-to-day running of the business. The Board has delegated appropriate responsibilities to the Chief Executive, the Group Finance Director, the Group Human Resources Director and the members of the Executive Board.

BOARD COMMITTEES

There are a number of standing Committees of the Board to which various matters are delegated. The Committees all have formal Terms of Reference that have been approved by the Board and that are available for inspection at the Company's registered office. Other than for the Audit Committee, the Terms of Reference are not currently available on the Group's website and as a result, the Company is not in compliance with provisions A.4.1 and B.2.1 of the Code. The Company feels that making the Nomination and Remuneration Committee Terms of Reference available at its registered office is sufficient for those Shareholders that require to see the Terms of Reference. No such requests were made in the year ended 31 March 2009.

The Nomination Committee comprises P G Cox, who resigns at the 2009 AGM, and G McFaull, under the chairmanship of D A Edmonds. The Code provision A.4.1 requires that a majority of members of the Nomination Committee should be independent non-executive Directors. The Company does not comply with this provision of the Code. However, the Board feels that the small size of the Committee is best placed to act quickly and efficiently on its behalf. The Committee meets as necessary and is responsible for considering and recommending to the Board persons who are appropriate for appointment as Executive and non-executive Directors. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. This process involves the Nomination Committee interviewing suitable candidates who are proposed by either existing Board members or by an external search company. Careful consideration is given to ensure that appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the Board is maintained.

When dealing with the appointment of a successor to the Chairman, the senior independent non-executive Director will chair the Committee instead of the Chairman. When the Committee has found a suitable candidate, the Chairman of the Committee will make a proposal to the whole Board and the appointment is the responsibility of the whole Board following recommendation from the Committee. In addition, the Committee has been empowered to review annually and approve any potential situational conflict of interest.

The Remuneration Committee comprises J Cox, D A Edmonds, N England and Dr W Hasselkus, under the chairmanship of P G Cox, who resigns at the 2009 AGM. The Remuneration Committee is responsible, within a framework established by the Board overall, for setting the remuneration of senior executives, including the Executive Directors and senior management. It is also responsible for granting executive options, long-term incentive plan awards, pension rights and for determining the terms of any compensation package in the event of early termination of the contract of any Director or senior executive.

It meets at least twice a year. The Chairman of the Committee reports the outcome of meetings to the Board. Full details of its activities and of Directors' remuneration are set out in the Directors' remuneration report on pages 32 to 40. Those pages detail compliance with the legal requirements with regard to remuneration matters.

The Audit Committee comprises P G Cox, who resigns at the 2009 AGM, N England and Dr W Hasselkus, under the chairmanship of J Cox. The Committee meets at least three times a year. P G Cox, the former Chief Financial Officer and currently the Chief Executive of International Power plc, is competent in the field of accounting and has the requisite recent and relevant financial experience in compliance with Code provision C.3.1. Code provision C.3.1 also requires that all members of the Audit Committee should be independent non-executive Directors. During the year, the Chairman of the Board resigned as a member of the Audit Committee although he is still able to attend meetings at the invitation of the Committee. The Committee is responsible for, and during the year carried out, the following:

- reviewing the annual and interim financial statements before they are presented to the Board;
- monitoring and reviewing the effectiveness of the Group's systems of internal control;
- agreeing internal and external audit plans;
- receiving reports from external auditors' and from the Head of Internal Audit and dealing with any significant control issues arising;
- monitoring and reviewing the external auditors independence and objectivity and the effectiveness of the external audit process;
- making recommendations for the appointment, re-appointment and removal of the external auditors and approving their remuneration and terms of engagement; and
- developing and implementing policy on the engagement of the external auditors to supply non-audit services, taking into account relevant ethical guidance regarding the provision of such services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

The Audit Committee also reviews the arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or otherwise. It is an objective of the Committee to ensure that arrangements are in place for the proportionate and independent investigation of any such matters and for overseeing the appropriate follow-up action, where required.

It is a specific responsibility of the Audit Committee to ensure that an appropriate relationship is maintained between the Company and its external auditors. The Company has a policy of controlling the provision of non-audit services by the external auditors in order to maintain their independence and ensure that their objectivity and independence are safeguarded. This control is exercised by ensuring non-audit projects, where fees are expected to exceed £150,000, are subject to the prior approval of the Chairman of the Audit Committee and the Group Finance Director. If non-audit project fees are expected to exceed £250,000 the prior approval of the Board is required. The Committee meets at least three times each year. The Chairman of the Committee reports the outcome of meetings to the Board and the Board receives the minutes of all Audit Committee meetings.

ATTENDANCE AT MEETINGS

The Company Secretary maintains a register of attendance of Directors at Board and Committee meetings and the record of attendance during the year ended 31 March 2009 is as follows:

	Board	Nomination Committee	Remuneration Committee	Audit Committee
G D Connell	12	–	–	4[1]
G McFaull	12	1	1[1]	4[1]
N Sullivan	12	–	1[1]	4[1]
J Cox	12	–	2	4
P G Cox [2]	10	–	2	3
D A Edmonds	12	1	2	4[1]
N England [3]	9	–	1	2
A D Malpas [4]	6	1	2	2
Dr W Hasselkus	10	–	2	3
Total number of meetings	12	1	2	4

[1] Attended at the invitation of the Committee.
[2] Appointed to the Nomination Committee on 24 July 2008.
[3] Appointed on 3 June 2008.
[4] Resigned on 24 July 2008.

SHAREHOLDER RELATIONS

The Company is committed to maintaining good communications with shareholders. Senior executives, including the Chairman, Chief Executive and Group Finance Director, have dialogue with individual institutional shareholders in order to develop an understanding of their views which are fed back to the Board. Although the other non-executive Directors, including the senior independent non-executive Director, are available to major shareholders to listen to their views, no such meetings have taken place during the year and, to that extent, the Company has not complied with provision D.1.1 of the Code. Twice a year general presentations are given to analysts and investors covering the annual and half year results. The Business review set out on pages 8 to 19 details the financial performance of the Group as well as setting out the risks it faces and plans for the future. The Company Secretary generally deals with questions from individual shareholders. All shareholders have the opportunity to ask questions at the Company's AGM, which all Directors attend. At the AGM, the Chief Executive will give a statement on the Company's performance during the year, together with a statement on current trading conditions. The Chairmen of the Audit, Remuneration and Nomination Committees will be available to answer questions at the AGM. The Chairman will advise shareholders on proxy voting levels. In addition, the Group's website containing published information and press releases can be found at www.wincanton.co.uk.

INTERNAL CONTROL AND RISK

The respective responsibilities in connection with the financial statements are set out in the Directors' report on pages 25 to 28 and 41 for the Directors and Auditors respectively. The Board, through the Audit Committee, is responsible for the Group's system of internal control and for reviewing its effectiveness.

An ongoing process for identifying, evaluating and managing significant risks faced by the Group has been in place throughout the year which accords with the Turnbull guidance on internal control. The Audit Committee has, as part of its review process, considered the Group's system of internal control throughout the year. The system of internal control is designed to manage rather than eliminate risk of failure to meet business objectives, and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The key elements of the control system are as follows:

- the Group has an organisational structure with established lines of accountability as well as clearly-defined levels of authority;
- the Group has issued manuals, including the Group's Code of Ethics, which provide details of the key policies and procedures to be followed and the overall environment in which the business is expected to operate; and
- the Group has a system of control self-certification, which provides a documented trail of accountability against the internal control policies and procedures.

This process is facilitated by the Internal Audit Department which also provides a degree of assurance as to the operation and validity of the system of internal control. These processes and systems continue to be extended to encompass the sites and operations of the growing Group.

All types of risk applicable to the business are regularly reviewed. In addition, a formal risk assessment review is carried out on an annual basis to highlight key risks to the business and to consider action that can reasonably and cost-effectively be taken to reduce them. The Board considers this review, which accords with the Code.

The Internal Audit Department is involved in the review and testing of the internal control system and of key risks across the Group, in accordance with the annual programme agreed with the Audit Committee. From time to time it undertakes ad-hoc assignments requested by senior managers or the Audit Committee, the findings of which are discussed with the Audit Committee.

COMPLIANCE

The Directors consider that, with the exception of the three issues related to the availability of Committee Terms of Reference, Committee membership and the issue related to shareholder relations specifically identified in this report, the Company has been in compliance with the provisions of the Code throughout the year ended 31 March 2009 and to the date of this report. Where the Company has departed from the requirements of the Code, the Board has addressed this and feels that the reasons are justified.

DIRECTORS' REMUNERATION REPORT

INTRODUCTION

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002.

CONSIDERATION OF MATTERS RELATING TO DIRECTORS REMUNERATION

The remuneration policy is set by the Board and is described below. The Remuneration Committee, within the framework of this policy, determines individual remuneration packages. The names of the Directors who were members of the Remuneration Committee as at the 31 March 2009 are set out on page 24.

Except when matters concerning their own positions are being considered, the Chief Executive and Group Human Resources Director are normally invited to attend the meetings of the Remuneration Committee to assist the Committee. The Remuneration Committee discuss any matter affecting the Chairman without the Chairman being present.

The Remuneration Committee has access to independent advice where it considers it appropriate. During the year, such advice was received from PricewaterhouseCoopers LLP who also provided advice to the Company in respect of other senior managers.

REMUNERATION POLICY

During the year ended 31 March 2008 the Remuneration Committee, in consultation with shareholders, carried out a review of the Company's executive incentives to ensure that they met the following list of objectives:

- help reinforce Wincanton's strategy for growth;
- provide strong alignment with the delivery of value to shareholders;
- have clear and stretching targets;
- are tailored to Wincanton's circumstances;
- enable Wincanton to recruit, retain and motivate talent;
- give regard to employee performance;
- are cost-effective; and
- reflect best practice.

Following the review, the Remuneration Committee and shareholders approved the introduction of the Performance Share Plan, details of which are given on page 35, and revisions made to the Share Match Incentive Scheme, details of which are given on pages 36 to 38. Both changes were introduced to attract and retain high-achieving employees in a competitive market place. The higher value awards were, in all cases, tied to commensurately demanding performance conditions compared to those used in relation to grants made under the original Share Match and the Executive Share Option schemes.

In addition, the Remuneration Committee continues to monitor practices in other companies to ensure that it remains in touch with current best practice in the market, whilst accepting its obligations to continue to honour pre-existing contractual commitments.

As a result of the market conditions experienced during the second half of the year ended 31 March 2009, the Remuneration Committee decided to suspend the grant of Executive Share Options which would typically have been made in December. They initiated a review of remuneration generally for all managers, to include bonus structure and long-term incentives. The review is expected to be completed in June 2009 and details will be included in the Directors' remuneration report for the year ended 31 March 2010.

EMPLOYMENT CONTRACTS

Executive Directors may terminate their service contract on six months notice, whereas the notice period receivable from the Company is 12 months. In the event of termination due to misconduct or resignation there will be no compensation for loss of office. In other circumstances Executive Directors may be entitled to receive compensation for loss of office, which will be equivalent to salary and the value of benefits that the Executive Director would have received if still in employment with the Company. It is intended that future appointments to the Board will have a notice period of 12 months or less except, in exceptional cases, where a longer period is required in order to attract appropriate candidates. In such cases, it would be expected that the notice period reduce to 12 months or less following the expiry of the initial period. None of the Executive Directors received compensation for loss of office in either the current or preceding year.

	Date of contract	Appointment as Executive Director	Outstanding term
G D Connell	23 March 2001	23 March 2001	Rolling contract
G McFaull	23 March 2001	23 March 2001	Rolling contract
N Sullivan	7 November 2002	1 January 2004	Rolling contract

Non-executive Director appointments are for an initial period of three years. They are subject to reappointment every three years, and annually after nine years. Non-executive Directors do not have contracts of service. Either the Company or the non-executive Director by giving 12 months' notice (in the case of P G Cox) or six months' notice (in the case of J Cox, D A Edmonds, N England and Dr W Hasselkus), may terminate their appointment.

	Date of appointment	Date of latest renewal	Expiry
J Cox	21 October 2005	21 October 2008	21 October 2011
P G Cox [1]	4 June 2001	4 June 2007	4 June 2010
D A Edmonds	14 December 2004	24 July 2008	24 July 2011
N England	3 June 2008	N/A	3 June 2011
Dr W Hasselkus	1 January 2004	1 January 2007	1 January 2010

[1] P G Cox is resigning as the senior independent non-executive Director at the 2009 AGM.

EXECUTIVE DIRECTORS' EMOLUMENTS

Audited information:

The value of Executive Directors' salary, annual bonus and benefits (excluding awards of options) is set out in the following table:

	Salary £'000	Benefits £'000	Performance bonus £'000	2009 Total £'000	2008 Total £'000
G D Connell	**374**	**16**	**–**	**390**	625
G McFaull	**467**	**25**	**–**	**492**	786
N Sullivan	**280**	**16**	**–**	**296**	466

SALARY

The base salaries of Executive Directors are, and will continue to be, reviewed annually, having regard to personal performance, Group performance and competitive market practice, supported by research through external independent surveys. The annual salaries for G D Connell, G McFaull and N Sullivan as at 31 March 2009 were £378,000, £472,500 and £283,500 respectively (2008: £360,000, £450,000 and £270,000). There are not expected to be any salary increases in the year ended 31 March 2010.

BENEFITS

Executive Directors are entitled to a company car or a car allowance in lieu of a company car, company sick pay in accordance with Wincanton's sick pay and absence policy, 25 days paid holiday, the right to participate in Wincanton's private health insurance arrangements and payment of the annual membership subscription to a relevant professional body. It is Group policy not to give Executive Directors expense allowances, but to reimburse them for expenses incurred in the performance of their duties.

EXECUTIVE DIRECTORS' PENSIONS

All Executive Directors are members of the defined benefit section of the Wincanton plc Pension Scheme (the Scheme) which is now closed to new entrants. Executive Directors are generally eligible for a pension of up to two-thirds of base salary at normal retirement age of 60; normally after 20 years of qualifying service (for which purpose previous service with Uniq plc will qualify). The current ages of G D Connell, G McFaull and N Sullivan are 51, 47 and 42, respectively and their length of qualifying service is 12 years 5 months, 15 years and 6 years 4 months respectively. Pensions for Executive Directors are provided so far as possible through the Scheme and additionally through the use of unfunded arrangements. The aim of such unfunded arrangements is to provide broadly similar benefits to those that would otherwise be payable from the Scheme had the Executive Directors not been subject to the maximum permitted earnings as provided by HMRC before 6 April 2006 and as continued in relation to the Scheme by a deed executed on 23 March 2006. Pension benefits are calculated on base salary only.

The Scheme provides for the payment of benefits on death or disability. On death, a two-thirds spouse's pension is due. Children's allowances to a maximum, including spouse's pension, of 100 per cent of the Executive's pension may be payable.

	Accrued pension at 1 April 2008 £'000	**Increase in accrued pension in the year £'000**	**Accrued pension at 31 March 2009 £'000**
G D Connell	128	**17**	**145**
G McFaull	160	**18**	**178**
N Sullivan	40	**10**	**50**

	Transfer value at 1 April 2008 £'000	**Transfer value of increase in accrued benefit excluding inflation £'000**	**Directors' contributions £'000**	**Transfer value of net increase £'000**	**Total change in transfer value £'000**	**Transfer value at 31 March 2009 £'000**
G D Connell	2,072	**166**	**3**	**29**	**198**	**2,270**
G McFaull	2,252	**139**	**3**	**75**	**217**	**2,469**
N Sullivan	460	**91**	**3**	**9**	**103**	**563**

The increase in transfer values in the above table reflects the full impact of changes in pensionable salaries of the Executive Directors in the year.

PERFORMANCE BONUS

After taking an overall view of the Company's performance and subject to an overriding discretion by the Remuneration Committee, annual bonuses may be earned by Executive Directors based on the achievement of pre-agreed targets for profit after tax (excluding amortisation of acquired intangibles, impairment of goodwill and exceptionals) in the year, and the Remuneration Committee's assessment of Company and personal performance. The maximum bonus has been capped at 75 per cent of basic salary following consultation with major shareholders. Bonus maximum opportunities range from 35 per cent to 65 per cent for other senior managers based on Company and on personal performance. There will be no performance bonuses paid for the year ended 31 March 2009.

LONG-TERM INCENTIVES

During the year ended 31 March 2008, the Remuneration Committee, in consultation with shareholders, carried out a review of executive incentives generally and more specifically long-term incentives. At the 2007 AGM, shareholders approved certain revisions to the Share Match Incentive Scheme (SMIS) and the implementation of the Performance Share Plan (PSP). During the year, grants were made under these schemes to Executive Directors, members of the Executive Board and certain other senior managers. Grants under the PSP were made in place of grants under the Executive Share Option Schemes. The performance conditions were made more stretching compared to those previously applied to executive share option grants.

As noted on page 32, as a result of the current market conditions, a further review of long-term incentives for all senior managers was initiated in the current year, the results of which will be detailed in next year's Directors' remuneration report.

EXECUTIVE SHARE OPTIONS

As a result of the review by the Remuneration Committee, which was started in the year and is referred to on page 32, no grants were made under the Executive Share Option Schemes to any employees, such grants currently having been suspended.

Where grants were previously made, executive share options for UK resident employees were initially granted under the terms of the HMRC Approved Scheme, which permits a participant to hold options with a value at the date of grant of up to £30,000. When a participant realised their HMRC limit, or for non-UK resident employees, further options were granted under the Unapproved Scheme. Any gain made on exercise of those options which are granted under the Approved Scheme is free from income tax and National Insurance contributions, whereas gains made on the exercise of unapproved options were not.

All executive share options granted to date under the Wincanton plc Executive Share Option Schemes 2001 have been subject to two vesting conditions being: continued employment and Group performance where, the average annual growth in the Group's underlying EPS figure published in the audited accounts must, in a three-year period, equal or exceed the average annual growth in the Government's Retail Price Index plus three per cent over the same period.

This performance condition is considered appropriate and in line with market practice. It seeks to achieve commonality of goals between optionholders and shareholders. Subject to passing these conditions and the options vesting, participants have seven years in which to exercise their options.

DIRECTORS' REMUNERATION REPORT
CONTINUED

Grants made in 2001 and 2002 permitted retesting of the performance condition. However, for grants made on or after the 1 January 2003, retesting was not permitted. The relevant three-year periods for measuring the performance condition for each option grant is as follows:

Date of grant	Performance period	Performance Status
June and September 2001	Any three consecutive financial years within the period 1 April 2001 to 31 March 2006	Passed[1]
July and December 2002	Any three consecutive financial years within the period 1 April 2002 to 31 March 2007	Passed[1]
March 2004	The three consecutive financial years ended 31 March 2006	Passed[1]
December 2004	The three consecutive financial years ended 31 March 2007	Passed[1]
July and December 2005	The three consecutive financial years ended 31 March 2008	Passed[1]
December 2006	The three consecutive financial years ended 31 March 2009	Passed[2]
December 2007	The three consecutive financial years ended 31 March 2010	Untested

[1] Options are exercisable subject to the continued employment condition.
[2] Options are exercisable subject to the continued employment condition to 13 December 2009.

Executive share options are not issued at a discount. The option price is calculated with reference to the middle market closing price of a share on the immediately preceding day, or the average of the middle market closing price of a share on the three or five business days immediately preceding grant.

EXECUTIVE DIRECTORS' INTERESTS IN EXECUTIVE SHARE OPTIONS

As at 31 March 2009

Audited information:

Name/Date of grant	Options Opening	Options Exercised	Options Closing	Exercise price	Earliest date exercisable	Latest exercise date
G D CONNELL						
June 2001	263,157	–	263,157	£1.90	18/06/2004	18/06/2011
December 2002	50,000	–	50,000	£1.93	12/12/2005	12/12/2012
December 2004	106,367	–	106,367	£2.69	15/12/2007	15/12/2014
December 2005	94,030	–	94,030	£3.35	13/12/2008	13/12/2015
December 2006	99,423	–	99,423	£3.47	13/12/2009	13/12/2016
G MCFAULL						
June 2001	117,921	–	117,921	£1.90	18/06/2004	18/06/2011
December 2002	50,000	–	50,000	£1.93	12/12/2005	12/12/2012
December 2004	96,654	–	96,654	£2.69	15/12/2007	15/12/2014
December 2005	117,910	–	117,910	£3.35	13/12/2008	13/12/2015
December 2006	123,919	–	123,919	£3.47	13/12/2009	13/12/2016
N SULLIVAN						
December 2002	8,181	–	8,181	£1.93	12/12/2005	12/12/2012
December 2004	71,004	–	71,004	£2.69	15/12/2007	15/12/2014
December 2005	59,850	–	59,850	£3.35	13/12/2008	13/12/2015
December 2006	67,723	–	67,723	£3.47	13/12/2009	13/12/2016

During the year and between 1 April 2009 and 3 June 2009, there have been no changes in the number of executive share options held by the Executive Directors.

Variation in share capital – If there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, the number and/or nominal amount of the Company shares comprised in each option and the option price may be adjusted in any way (including retrospective adjustments) which the Directors or the Trustee consider appropriate (but, insofar as the Approved Executive Scheme is concerned, subject to HMRC's prior approval).

Takeover – In the case of a company taking control of the Company, options may be exercised within the six-month period after the company making the offer has obtained control of the Company.

Company reconstruction – If the court sanctions a scheme for the reconstruction of the Company or its amalgamation with any other companies, options may be exercised within the six-month period after the date of the court sanction.

Demerger – If the Directors become aware that the Company is, or is expected to be, affected by any demerger, dividend in specie, super dividend or other transaction, which affect the current or future value of any option, the Directors may allow some or all options to be exercised.

Winding-up – If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, optionholders shall be entitled, at any time prior to the commencement of such winding-up, to exercise their options conditionally upon the commencement of the winding-up.

Administration – If an administration order is made, optionholders may exercise their options within six weeks after the date of the administration order subject to authorisation by the administrator or the court.

Voluntary arrangement – If a voluntary arrangement is proposed, optionholders may exercise their options within 14 days after the date of sending any notices of meeting in relation to such proposal.

Shares held by the Employee Benefit Trust (the Trust) are not directly held in relation to the executive share option schemes and therefore there are no restrictions on the transfer of shares and nor are there any voting right restrictions in relation to the Executive Share Option Schemes. On exercise, shares will be held directly by the participant and will have full voting rights and can be transferred without any restriction. Where an employee leaves (other than for the reasons of injury or disability, redundancy, a transfer of employment which is subject to the Transfer of Undertaking (Protection of Employment) Regulations 2006, a change of control or other circumstances giving rise to the participant's employing company ceasing to be an associated company of any participating company or retirement on or after reaching retirement age), they lose their entitlement to their options. If however they leave for one of the above mentioned reasons, subject to the performance condition, a participant has six months in which to exercise their options. In the case of death, the personal representatives have 12 months to exercise the options.

PERFORMANCE SHARES

As part of the review, by the Remuneration Committee, of executive incentives carried out in the year ended 31 March 2008, the Wincanton plc Performance Share Plan 2007 (PSP) was developed and was approved by shareholders. The PSP replaces executive share options, under normal circumstances, for the Executive Board, including Executive Directors, and certain other senior managers. Annual grants of performance shares up to a maximum of 100 per cent of annual salary are permitted; this was limited to 50 per cent in 2007. Dividends accrue over the three-year performance period and are paid on those shares that vest.

During the year, performance shares were granted to the members of the Executive Board and certain other senior managers to the value of 100 per cent of annual salary as at the date of grant. They are intended as an incentive to generate future long-term Company value rather than a reward for past performance.

The performance shares awarded under the PSP were subject to the following two vesting conditions: continued employment and Group performance. The performance conditions are significantly more stretching than those of executive share options, as follows; up to 50 per cent of the award will vest subject to the Company's Total Shareholder Return (TSR) performance over three years equalling or exceeding that of the FTSE 250 Index over the same period (the TSR Award), and up to a further 50 per cent of the award will vest subject to underlying EPS performance over three years (the EPS Award) equalling or exceeding the target. Ten per cent of the TSR Award will vest if the TSR performance equals the TSR of the FTSE 250 index, rising on a straight-line basis to 100 per cent vesting of the TSR Award if the TSR performance is equal to or greater than 20 per cent per annum in excess of the TSR of the FTSE 250 Index (where the TSR of the FTSE 250 Index is measured using the change in the FTSE 250 Index multiplied by the Index dividend yield). Ten per cent of the EPS Award will vest if the annual growth in underlying EPS equals six per cent per annum, rising on a straight-line basis to 100 per cent vesting of the EPS Award if annual growth in underlying EPS equals or exceeds 15 per cent per annum.

The Remuneration Committee believes that underlying EPS is a good measure of performance for Wincanton, and provides good line-of-sight for executives. The Remuneration Committee also believes that TSR performance against the FTSE 250 Index provides a good relative benchmark of Wincanton's performance and provides good alignment with shareholders' interests. The Remuneration Committee believes that the sliding scale for each of the performance targets will provide a better relationship between pay and performance, and be more motivational to the participants. Subject to passing the performance conditions and the options vesting, participants have a six-month period in which to exercise.

The relevant three-year periods for measuring the performance conditions are as follows:

Date of grant	Performance period	Performance Status
December 2007	The three consecutive financial years ended 31 March 2010	Untested
June 2008	The three consecutive financial years ended 31 March 2011	Untested

Performance shares are classed as nil cost unconditional share awards for the purposes of the plan rules.

EXECUTIVE DIRECTORS' INTERESTS IN PERFORMANCE SHARES

As at 31 March 2009

Audited information:

Name/Date of grant	Opening	Granted	Closing	Earliest date exercisable	Latest exercise date
G D CONNELL					
December 2007	46,875	–	46,875	14/12/2010	14/06/2011
June 2008	–	125,435	125,435	27/06/2011	27/12/2011
G MCFAULL					
December 2007	58,593	–	58,593	14/12/2010	14/06/2011
June 2008	–	156,794	156,794	27/06/2011	27/12/2011
N SULLIVAN					
December 2007	35,156	–	35,156	14/12/2010	14/06/2011
June 2008	–	94,076	94,076	27/06/2011	27/12/2011

There have been no changes in the number of performance shares held by Executive Directors between 1 April 2009 and 3 June 2009.

Variation in share capital – If there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, or a demerger, a special dividend or distribution, the Remuneration Committee may adjust the number or class of shares comprised in a conditional award.

Takeover – In the case of a company taking control of the Company, an award vests but only to the extent that any performance condition has been satisfied. An award will not vest to the extent that an offer to exchange the award is made.

Schemes of arrangement – When a court sanctions a scheme, an award vests but only to the extent that any performance condition has been satisfied. An award will not vest to the extent that an offer to exchange the award is made.

Demerger or other corporate event – If the Directors become aware that the Company is, or is expected to be, affected by any demerger, dividend in specie, super dividend or other transaction which affect the current or future value of any option, an award vests but only to the extent that any performance condition has been satisfied.

Shares held by the Trust are not directly held in relation to the PSP and therefore there are no restrictions on the transfer of shares and nor are there any voting right restrictions in relation to the PSP. On exercise, exercised shares will be held directly by the participant and have full voting rights and can be transferred without any restriction. Where an employee leaves (other than for the reasons of injury or disability, redundancy, a transfer of employment which is subject to the Transfer of Undertaking (Protection of Employment) Regulations 2006, a change of control or other circumstances giving rise to the participant's employing company ceasing to be an associated company of any participating company or retirement on or after reaching retirement age), they lose their entitlement to their options. If however they leave for one of the above mentioned reasons a participant must wait until the natural vesting date of the performance shares whereupon their entitlement will be time pro rated. On exercise, income tax and National Insurance contributions are payable on the gain made by the participant.

MATCHING SHARES

Original Share Match Incentive Scheme

The original Share Match Incentive Scheme 2003 (SMIS) offered senior managers the opportunity to voluntarily purchase Company shares in return for the opportunity to earn matching shares after three years. Following the review by the Remuneration Committee, in consultation with shareholders, of executive incentives in the year ended 31 March 2008, no grants have been made under the original SMIS to the Executive Board, including Executive Directors, and certain other senior managers since the July 2006 grant. Instead, awards to these employees have since been made under the revised SMIS, details of which are given on page 38. Senior managers excluding Executive Directors and certain senior managers, are able to voluntarily invest 10-50 per cent of their bonus into the SMIS with a 1:1 match. For Executive Directors the minimum (mandatory) investment was 25 per cent, and the maximum voluntary investment a further 75 per cent, of their net annual bonus. For Executive Directors those mandatory lodged shares, subject to performance conditions, were matched after three years on a 1:1 basis with voluntarily lodged shares matched on a 2:1 basis. No shares have been lodged in excess of the mandatory amount by Executive Directors under the original SMIS.

Matching shares are intended as an incentive to generate future long-term Company value rather than a reward for past performance.

Matching shares granted under the original SMIS are subject to two vesting conditions: continued employment and Group performance where, the average annual growth in the Group's underlying EPS figure published in the audited accounts must, in a three year period, equal or exceed the average annual growth in the Government's Retail Price Index plus three per cent over the same period

This performance condition is considered appropriate and in line with market practice. It seeks to achieve commonality of goals between optionholders and shareholders. On vesting the options have a six-month exercise period.

There have been three awards of matching shares and the relevant three-year periods are, for each of these awards, as follows:

Date of grant	Performance period	Performance Status
June 2005	The three consecutive financial years ended 31 March 2008	Passed[1]
July 2006	The three consecutive financial years ended 31 March 2009	Passed[2]
July 2007 [3]	The three consecutive financial years ended 31 March 2010	Untested
June 2008 [3]	The three consecutive financial years ended 31 March 2011	Untested

[1] Vesting period has expired.
[2] Vested subject to the continued employment condition from 13 July 2009.
[3] The Executive Board, including Executive Directors and certain other senior managers, were not included in these grants.

Matching shares are classed as nil cost options for the purposes of the plan rules.

EXECUTIVE DIRECTORS' INTERESTS IN MATCHING SHARES GRANTED UNDER ORIGINAL SMIS

As at 31 March 2009

Audited information:

Name/Date of grant	Options Opening	Options Exercised	Options Closing	Earliest date exercisable	Latest exercise date
G D CONNELL					
June 2005	6,183	6,183	–	29/06/2008	29/12/2008
July 2006	10,646	–	10,646	13/07/2009	13/01/2010
G MCFAULL					
June 2005	5,661	5,661	–	29/06/2008	29/12/2008
July 2006	12,743	–	12,743	13/07/2009	13/01/2010
N SULLIVAN					
June 2005	4,024	4,024	–	29/06/2008	29/12/2008
July 2006	6,701	–	6,701	13/07/2009	13/01/2010

The number of shares lodged by the Executive Directors and which are used to determine the matching award are recorded on page 39. There have been no changes in the number of matching shares held by Executive Directors between 1 April 2009 and 3 June 2009.

Takeover – In the case of a company taking control of the Company, options may be exercised within the six-month period after the company making the offer has obtained control. An award vests but only to the extent that any performance condition has been satisfied and on a time apportioned basis.

Company reconstruction – If the court sanctions a scheme for the reconstruction of the Company or its amalgamation with any other companies, options may be exercised within the six-month period after the date of the court sanction. An award vests but only to the extent that any performance condition has been satisfied and on a time apportioned basis.

Winding-up – If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, optionholders shall be entitled at any time prior to the commencement of such winding-up to exercise their options conditionally upon the commencement of the winding-up. An award vests but only to the extent that any performance condition has been satisfied and on a time apportioned basis.

Except for those shares held by the Trust in its capacity as nominee, shares held by the Trust are not directly held in relation to the SMIS and therefore there are no restrictions on the transfer of shares and nor are there any voting right restrictions in relation to the SMIS. On exercise, exercised shares will be held directly by the participant and have full voting rights and can be transferred without any restriction. Participants are entitled to vote on the shares lodged under the terms of the scheme and held by the Trust in its capacity as nominee. Participants are free to transfer lodged shares out of the Trust at any time but in doing so they lose their entitlement to the proportional amount of matching shares. Where an employee leaves (other than for the reasons of injury or disability, redundancy, a transfer of employment which is subject to the Transfer of Undertaking (Protection of Employment) Regulations 2006, a change of control or other circumstances giving rise to the participant's employing company ceasing to be an associated company of any participating company or retirement on or after reaching retirement age) they lose their entitlement to their matching shares. If however they leave for one of the above mentioned reasons, subject to the performance condition, their entitlement will be time pro rated and a participant has six months in which to exercise. On exercise, income tax and National Insurance contributions are payable on the gain made by the participant; the Company has elected to pay these charges on behalf of participants.

Revised Share Match Incentive Scheme

As part of a previous review by the Remuneration Committee of executive incentives, shareholders at the 2007 AGM approved revised rules of the SMIS. The scheme rules were revised to increase its motivational effectiveness and strengthen the alignment of the Executive Board with shareholders. The principal changes were to the maximum individual limits, including the basis on which lodged shares are purchased and matching shares awarded. The revisions were made in conjunction with the implementation of the PSP.

The revised scheme gives members of the Executive Board, including Executive Directors and certain other senior managers, the opportunity to purchase Company shares with a value of up to 50 per cent of their net annual basic salary (100 per cent of their net annual basic salary in respect of the first award made in December 2007) and lodge those shares with the Trust, in its capacity as nominee, in return for the opportunity to earn matching shares after a further three years. The minimum investment for Executive Directors is 25 per cent of their net annual bonus. Lodged shares need to be held for at least three years to qualify for any matching shares. Participants have the opportunity to earn matching shares, subject to performance conditions, with a total market value in any one financial year of up to 200 per cent of gross annual salary, or up to 400 per cent of gross annual salary in respect of the first award made in December 2007. All matching shares would be forfeited if a participant resigns or withdraws their investment within three years from the start of the performance period. Dividends will be accrued on matching shares over the performance period but paid at vesting and only on those matching shares that vest. Matching shares are intended as an incentive to generate future long-term Company value rather than a reward for past performance.

Matching shares granted under the revised SMIS are subject to the following two vesting conditions: continued employment and Company performance. The performance conditions are significantly more stretching than those which applied to grants under the original SMIS as follows; up to 50 per cent of the award will vest subject to the Company's TSR performance over three years equalling or exceeding that of the FTSE 250 Index over the same period (the 'TSR Award'), and up to a further 50 per cent of the award will vest subject to the Group's underlying EPS performance over three years (the 'EPS Award') equalling or exceeding the target. Ten per cent of the TSR Award will vest if the TSR performance equals the TSR of the FTSE 250 index, rising on a straight-line basis to 100 per cent vesting of the TSR Award if the TSR performance is equal to or greater than 20 per cent per annum in excess of the TSR of the FTSE 250 Index (where the TSR of the FTSE 250 Index is measured using the change in the FTSE 250 Index multiplied by the Index dividend yield). Ten per cent of the EPS Award will vest if the compound annual growth in underlying EPS equals six per cent per annum, rising on a straight-line basis to 100 per cent vesting of the EPS Award if compound annual growth in underlying EPS equals or exceeds 15 per cent per annum.

The Remuneration Committee believes that underlying EPS is a good measure of performance for the Group, and provides good line-of-sight for executives. The Remuneration Committee also believes that TSR performance against the FTSE 250 Index provides a good relative benchmark of the Company's performance and provides good alignment with shareholders. The Remuneration Committee believes that the sliding scale for each of the performance targets will provide a better relationship between pay and performance, and be more motivational to the participants. Subject to passing the performance conditions and the options vesting, participants have a six-month exercise period.

The relevant three-year periods for the matching share awards are as follows:

Date of grant	Performance period	Performance Status
December 2007	The three consecutive financial years ended 31 March 2010	Untested
June 2008	The three consecutive financial years ended 31 March 2011	Untested

Matching shares are classed as nil cost options for the purposes of the plan rules.

DIRECTORS' REMUNERATION REPORT
CONTINUED

EXECUTIVE DIRECTORS' MAXIMUM INTERESTS IN MATCHING SHARES UNDER REVISED SMIS

As at 31 March 2009

Audited information:

Name/Date of grant	Options Opening	Options Granted	Options Closing	Earliest date exercisable	Latest exercise date
G D CONNELL					
December 2007	375,000	–	375,000	14/12/2010	14/06/2011
June 2008	–	250,871	250,871	27/06/2011	27/12/2011
G MCFAULL					
December 2007	468,750	–	468,750	14/12/2010	14/06/2011
June 2008	–	217,784	217,784	27/06/2011	27/12/2011
N SULLIVAN					
December 2007	281,250	–	281,250	14/12/2010	14/06/2011
June 2008	–	188,153	188,153	27/06/2011	27/12/2011

The number of shares lodged by the Executive Directors and which are used to determine the matching award are recorded on page 39. During the year G D Connell and N Sullivan lodged the maximum number of shares and received a full grant. G McFaull did not lodge his full entitlement of shares, his maximum entitlement of 313,588 matching shares was therefore reduced on a pro rata basis. There have been no changes in the number of matching shares held by Executive Directors between 1 April 2009 and 3 June 2009.

If there is a takeover, reconstruction, amalgamation or winding-up of Wincanton, the same rules apply in respect of the revised SMIS as to the original SMIS as noted above, as do the comments in respect of transfers, voting rights, exercise and entitlements on leaving employment.

SHARE INCENTIVE PLAN

The Company operates a Share Incentive Plan approved by HMRC, which includes partnership, matching and dividend shares. After three months continuous service, all UK resident employees are eligible to participate in the Wincanton plc Share Incentive Plan 2003 (SIP). The SIP is "evergreen" allowing people to, within certain limits, join the plan, leave the plan and vary their contribution at any time. As at 31 March 2009 1,801 (2008: 1,751) employees participated in the SIP.

Employees are invited to buy partnership shares from pre-tax salary with a maximum investment in each tax year of £1,500 or ten per cent of annual salary, if less. Partnership shares are purchased every month. Employees can withdraw partnership shares from the SIP at any time although there are tax advantages if the shares are retained in the SIP for more than three years.

Where employees buy partnership shares, the Company awards matching shares on a basis of one matching share for every four partnership shares acquired. There are tax advantages if matching shares are retained in the SIP for at least three years. Where a participant (other than for the reasons of injury or disability, redundancy, a transfer of employment which is subject to the Transfer of Undertaking (Protection of Employment) Regulations 2006, a change of control or other circumstances giving rise to the participant's employing company ceasing to be an associated company of any participating company or retirement on or after reaching retirement age) chooses to transfer partnership shares out of the SIP within three years of the date of purchase, entitlement to those matching shares which were awarded in respect of those partnership shares will be lost.

Cash dividends paid on the partnership shares are automatically reinvested to purchase dividend shares up to a value of £1,500 per year. Employees can withdraw dividend shares from the SIP at any time although there are tax advantages if the shares are retained in the SIP for more than three years.

EXECUTIVE DIRECTORS' INTERESTS IN THE SIP

As at 31 March 2009

Audited information:

	At 1 April 2008			**At 31 March 2009**		
	Partnership shares	Matching shares	Dividend shares	**Partnership shares**	**Matching shares**	**Dividend shares**
G McFaull	1,366	341	101	**2,069**	**517**	**244**
N Sullivan	1,366	341	101	**2,069**	**517**	**244**

Between 1 April 2009 and 3 June 2009, 153 partnership shares were purchased by and 38 matching shares awarded to each of the Executive Directors included in the above table.

In the event of a company reconstruction, which results in a holding of new shares such as a take-over or reorganisation, the new shares may be treated as equivalent to the old shares held for the purposes of the SIP at the date of the reconstruction. No specific restrictions apply to the transfer of shares held under the SIP however; the timing of a transfer may result, as mentioned above, in a tax charge being incurred and an entitlement to matching shares lost. Participants are entitled to vote on all shares held under the terms of the SIP.

EXECUTIVE DIRECTORS' SHAREHOLDINGS

We believe it is important that the interests of Executive Directors should be closely aligned with those of shareholders. The long-term incentives provide considerable alignment.

As at 31 March 2009, the Executive Directors held the following shares:

	Partnership and dividend shares held under the SIP		Lodged shares held under the SMIS		Unrestricted shares held		Total shares held		Percentage of net salary	
	31/3/09	31/3/08	**31/3/09**	31/3/08	**31/3/09**	31/3/08	**31/3/09**	31/3/08	**31/3/09**[1]	31/3/08[1]
G D Connell	**–**	–	**102,961**	72,141	**28,950**	6,584	**131,911**	78,725	**95%**	126%
G McFaull	**2,313**	1,467	**114,006**	87,544	**10,000**	–	**126,319**	89,011	**73%**	114%
N Sullivan	**2,313**	1,467	**75,937**	52,209	**6,000**	1,000	**84,250**	54,676	**81%**	116%

[1] Percentage holding calculated with reference to annual salary and share price at 31 March 2009 of 164p (2008: 345p).

There were no changes in the Directors' personal holdings between 1 April 2009 and 3 June 2009 except for those in relation to the SIP detailed on page 38. None of the Directors held any shares non-beneficially nor had any interest in the shares of any subsidiary undertakings.

DILUTION

Newly issued shares are currently used to satisfy the exercise of executive share options granted before December 2004; all other long term incentives are satisfied by shares delivered by the Trust, that buys the shares on the market using funding from the Company. For those vested options granted on or after December 2004 and for leavers of those option grants, the Trust 'equity settles' those options granted under the Unapproved Executive Share Option Scheme. It is considered that by equity settling an option exercise, the participant does not suffer a detrimental effect and the shares purchased by the Trust will be available to meet more of the outstanding options on exercise. Newly issued shares were also issued to satisfy the exercise of sharesave options. The last grant of options under the Wincanton plc Sharesave Scheme 2001 (SAYE) matured on 1 March 2008 and any options outstanding on 31 August 2008 lapsed. Executive Directors did not participate in the SAYE scheme.

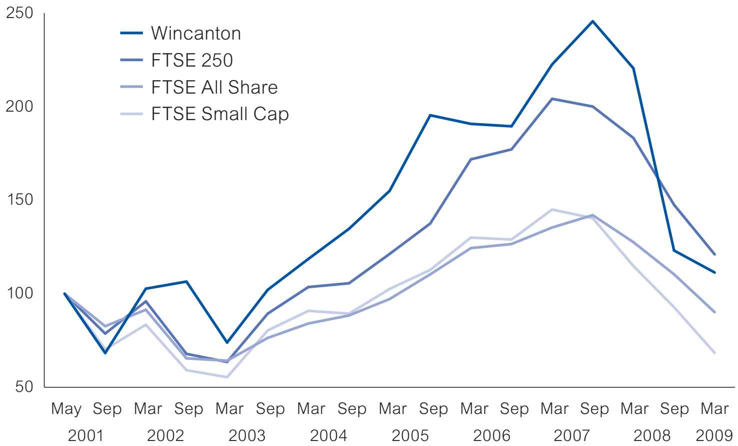
In accordance with the ABI guidelines and scheme rules, the Company can issue a maximum of ten per cent of its issued share capital in a rolling ten-year period to employees under all its share plans. Within this ten per cent, the Company can only issue five per cent to satisfy awards under discretionary or executive plans. The table below sets out the level of dilution against these limits as at 31 March 2009 and 31 March 2008.

	Total dilution
All share plans (maximum 10%)	6%
Discretionary share plans (maximum 5%)	4%

TOTAL SHAREHOLDER RETURN

The following graph charts the total cumulative shareholder return of the Company since the date of first listing of the Company's shares on the London Stock Exchange on 18 May 2001, against the FTSE All Share, FTSE Small Cap and FTSE 250 indices in which the Company's shares are listed.

TSR SINCE DEMERGER



Source: Thomson Financial Datastream

OUTSIDE APPOINTMENTS

Wincanton allows Executive Directors and other appropriate senior employees to accept a maximum of one non-executive appointment outside the Company, subject to permission from the Remuneration Committee and provided there are no conflicts of interest as it is believed that such appointments can enhance Directors' experience and value to the Company. Accordingly, G D Connell is the senior independent non-executive Director and chairman of the Audit Committee of Pennon Group plc, and the retention by him of the fees of £50,400 for the year ended 31 March 2009 (2008: £46,650) has been approved by the Board.

G McFaull has been appointed President of the Chartered Institute of Logistics and Transport (CILT) (previously Vice President), commencing 8 May 2009 for 12 months. There are no fees payable for this position.

NON-EXECUTIVE DIRECTORS' REWARD

Non-executive Directors do not participate in any of the Company's incentive or benefit plans. Their fees are reviewed annually, having regard to competitive market practice, supported by research through external independent surveys. The Remuneration Committee and the Chief Executive set the Chairman's fees; the Board as a whole sets those for the other non-executive Directors.

Fees were last reviewed in January 2008 leading to a £5,000 increase in the annual fee for non-executive Directors, with all other fees remaining unchanged. The current annual fee for a non-executive Director is £45,000 per annum and the Committee chair fee is £7,500 per annum. The Chairman's fee as at the date of this report is £140,000 per annum.

NON-EXECUTIVE DIRECTORS' FEES

Audited information

	Annual fee £'000	Committee chair fees £'000	2009 Total fees £'000	2008 Total fees £'000
J Cox	**45**	**2**	**47**	41
P G Cox	**45**	**8**	**53**	49
D A Edmonds [1]	**110**	**3**	**113**	49
N England [2]	**37**	**–**	**37**	–
Dr W Hasselkus [3]	**45**	**–**	**45**	41
A D Malpas [4]	**38**	**–**	**38**	115

[1] Appointed Chairman on 24 July 2008.
[2] Appointed on 3 June 2008.
[3] In addition, Dr W Hasselkus received a fee of €25,000 (2008: €25,000) in respect of being Chairman of the Supervisory Board of Wincanton GmbH.
[4] Resigned on 24 July 2008.

NON-EXECUTIVE DIRECTORS' SHAREHOLDINGS

	Opening	Purchased	Disposed	Closing
J Cox	7,552	29,037	–	36,589
P G Cox	5,000	–	–	5,000
D A Edmonds	15,000	20,000	–	35,000
N England [1]	–	25,000	–	25,000
Dr W Hasselkus	5,000	–	–	5,000
A D Malpas [2]	48,750	–	–	48,750

[1] Appointed on 3 June 2008.
[2] Resigned on 24 July 2008.

The highest and lowest prices of the Company's shares during the year were 368.75p and 111.50p respectively. The price at the year-end was 164.00p.

This Remuneration report was approved by the Board on 3 June 2009 and was signed on its behalf by:

C F PHILLIPS
COMPANY SECRETARY
Methuen Park
Chippenham
Wiltshire SN14 0WT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINCANTON PLC

We have audited the Group and parent Company financial statements (the 'financial statements') of Wincanton plc for the year ended 31 March 2009 which comprise the Consolidated income statement, the Consolidated statement of recognised income and expense, the Consolidated and parent Company balance sheets, the Consolidated statement of cash flows, and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' remuneration report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU, and for preparing the parent Company financial statements and the Directors' remuneration report in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice 'UK GAAP') are set out in the Statement of Directors' responsibilities on page 36.

Our responsibility is to audit the financial statements and the part of the Directors' remuneration report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements. The information given in the Directors' report includes that specific information presented in the Business review which is cross referenced from the Directors' report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate governance statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' remuneration report to be audited.

OPINION

In our opinion:
- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 March 2009 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation;
- the parent Company financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the parent Company's affairs as at 31 March 2009;
- the parent Company financial statements and the part of the Directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
100 Temple Street
Bristol BS1 6AG

3 June 2009

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 £m	2008 £m
REVENUE	2	**2,361.3**	2,164.7
UNDERLYING OPERATING PROFIT		**59.5**	52.4
Amortisation of acquired intangibles	2	**(9.0)**	(5.5)
Exceptional restructuring and other costs	3	**(23.1)**	(4.5)
Other exceptional income	3	**10.8**	4.9
OPERATING PROFIT	3	**38.2**	47.3
Financing income	5	**2.9**	3.7
Financing cost	5	**(21.2)**	(14.5)
Net financing costs		**(18.3)**	(10.8)
Share of results of associates	13	**0.1**	0.2
PROFIT BEFORE TAX		**20.0**	36.7
Income tax expense	6	**(6.0)**	(11.7)
PROFIT FOR THE YEAR		**14.0**	25.0
ATTRIBUTABLE TO			
– EQUITY SHAREHOLDERS OF WINCANTON PLC		**13.5**	24.5
– MINORITY INTERESTS		**0.5**	0.5
PROFIT FOR THE YEAR		**14.0**	25.0
EARNINGS PER SHARE			
– BASIC	7	**11.6p**	21.0p
– DILUTED	7	**11.6p**	20.6p
DIVIDENDS PAID IN THE YEAR TO EQUITY SHAREHOLDERS OF WINCANTON PLC (£m)	8	**17.6**	16.2

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 £m	2008 £m
Actuarial (losses)/gains on defined benefit pension schemes (net of deferred tax)		**(63.4)**	43.6
Net foreign exchange (loss)/gain on investment in foreign subsidiaries net of hedged items	5	**(0.3)**	1.0
Tax taken directly to equity	6	**(2.5)**	0.2
NET (LOSS)/GAIN RECOGNISED DIRECTLY IN EQUITY		**(66.2)**	44.8
PROFIT FOR THE YEAR		**14.0**	25.0
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	23	**(52.2)**	69.8
ATTRIBUTABLE TO			
– EQUITY SHAREHOLDERS OF WINCANTON PLC		**(52.7)**	69.3
– MINORITY INTERESTS		**0.5**	0.5
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		**(52.2)**	69.8

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2009

	Note	2009 £m	2008 £m
NON-CURRENT ASSETS			
Goodwill and intangible assets	9	**209.1**	142.7
Property, plant and equipment	10	**249.1**	231.0
Investments, including those equity accounted	11	**15.3**	0.8
Deferred tax assets	15	**3.8**	2.2
		477.3	376.7
CURRENT ASSETS			
Inventories	16	**8.9**	9.4
Trade and other receivables	17	**386.3**	402.0
Cash and cash equivalents	18	**48.3**	67.4
		443.5	478.8
CURRENT LIABILITIES			
Income tax payable		**(11.9)**	(8.6)
Borrowings	19	**(12.2)**	(10.0)
Trade and other payables	20	**(525.9)**	(520.2)
Employee benefits	26	**(11.0)**	(8.9)
Provisions	21	**(24.9)**	(19.2)
		(585.9)	(566.9)
NET CURRENT LIABILITIES		**(142.4)**	(88.1)
TOTAL ASSETS LESS CURRENT LIABILITIES		**334.9**	288.6
NON-CURRENT LIABILITIES			
Borrowings	19	**(212.5)**	(161.9)
Other payables	20	**(1.5)**	(1.4)
Employee benefits	26	**(112.6)**	(31.8)
Provisions	21	**(37.0)**	(39.6)
Deferred tax liabilities	15	**(4.6)**	(16.9)
		(368.2)	(251.6)
NET (LIABILITIES)/ASSETS		**(33.3)**	37.0
Add back: pension deficit, net of deferred tax	1	**89.6**	31.5
Net assets before net pension deficit		**56.3**	68.5
EQUITY			
Issued share capital	23	**12.1**	12.1
Share premium	23	**12.2**	11.9
Merger reserve	23	**3.5**	3.5
Translation reserve	23	**3.4**	3.7
Retained earnings	23	**(65.1)**	5.4
(EQUITY DEFICIT)/EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF WINCANTON PLC		**(33.9)**	36.6
Minority interest	23	**0.6**	0.4
TOTAL (EQUITY DEFICIT)/EQUITY		**(33.3)**	37.0

These financial statements were approved by the Board of Directors on 3 June 2009 and were signed on its behalf by:

G MCFAULL
CHIEF EXECUTIVE

G D CONNELL
GROUP FINANCE DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2009

	2009 £m	2008 £m
OPERATING ACTIVITIES		
Profit before tax	**20.0**	36.7
Adjustments for		
– depreciation and amortisation	**46.3**	38.6
– interest expense	**18.3**	10.8
– income from associates	**(0.1)**	(0.2)
– gain on disposal of subsidiary	**(14.4)**	–
– profit on sale of property, plant and equipment	**(5.5)**	(4.7)
– share-based payments fair value charges	**2.2**	2.7
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**66.8**	83.9
Decrease/(increase) in trade and other receivables	**55.0**	(30.8)
Decrease/(increase) in inventories	**1.3**	(0.5)
(Decrease)/increase in trade and other payables	**(44.3)**	30.2
Decrease in provisions	**(4.2)**	(7.0)
Decrease in employee benefits	**(11.6)**	(7.6)
Income taxes paid	**(5.5)**	(5.3)
CASH GENERATED FROM OPERATIONS	**(9.3)**	(21.0)
CASH FLOWS FROM OPERATING ACTIVITIES	**57.5**	62.9
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	**23.2**	18.1
Interest received	**2.8**	2.0
Dividends received from associates	**0.2**	–
Acquisitions net of cash acquired and debt repaid on acquisition	**(58.0)**	(32.4)
Acquisition of property, plant and equipment	**(52.6)**	(42.9)
CASH FLOWS FROM INVESTING ACTIVITIES	**(84.4)**	(55.2)
FINANCING ACTIVITIES		
Proceeds from the issue of share capital	**0.3**	2.3
Disposal of own shares on exercise of options	**–**	0.4
Own shares acquired	**(2.7)**	(7.9)
Increase in borrowings	**43.6**	30.1
Payment of finance lease liabilities	**(1.9)**	(1.1)
Dividends paid to minority interest in subsidiary undertakings	**(0.6)**	(0.4)
Equity dividends paid	**(17.6)**	(16.2)
Interest paid	**(16.4)**	(11.9)
CASH FLOWS FROM FINANCING ACTIVITIES	**4.7**	(4.7)
Net (decrease)/increase in cash and cash equivalents	**(22.2)**	3.0
Cash and cash equivalents at beginning of year	**67.4**	60.9
Effect of exchange rate fluctuations on cash held	**3.1**	3.5
CASH AND CASH EQUIVALENTS AT END OF YEAR	**48.3**	67.4
Represented by		
– cash at bank and in hand	**23.4**	40.9
– restricted cash, being deposits held by the Group's captive insurer	**24.9**	26.5
	48.3	67.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Statement of compliance
Wincanton plc is a company incorporated in the UK. The Group's consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"), plus proportionately consolidate the Group's interest in jointly controlled entities and equity account the Group's interest in associates.

The consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the International Accounting Standards Board (IASB) and by the European Union (EU) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS (Adopted IFRS).

The following standards or interpretations issued by the IASB or the IFRIC have been adopted by the EU but only become effective for accounting periods commencing after 31 March 2009:

IFRS 8, Operating Segments, is effective for annual periods beginning on or after 1 January 2009 and the Group plans to apply it from 1 April 2009. The standard requires the presentation of segmental information based on internal reports used by the Group's Board in order to allocate resources and make decisions about operating matters. The Group does not believe the adoption of this standard will have a significant effect either on the consolidated results or financial position of the Group or on disclosures.

IAS 1 (Amendment), Presentation of Financial Statements: A Revised Presentation is effective for annual periods beginning on or after 1 January 2009. The revised standard will impact on the presentation of the Group financial statements requiring that all items of income and expense (including those currently recognised through equity) are presented in either a single statement (a 'statement of comprehensive income') or in two statements (a separate 'income statement' and 'statement of comprehensive income'). In the limited circumstances where an accounting policy is retrospectively applied or an item is reclassified an additional balance sheet (statement of financial position) for the beginning of the earliest comparative period will be required. The statement of changes in equity, currently presented as a note will be presented as a separate financial statement. The Group will apply IAS 1 (Amendment) from 1 April 2009.

IFRS 2 (Amendment) Share-based payment: Vesting Conditions and Cancellations, is effective for annual periods beginning on or after 1 January 2009 with retrospective application to share plans in issue at that time. The amendment to the standard clarifies the definition of vesting conditions and the accounting treatment of cancellations. The main impact of the amendment for the Group will be in the treatment of employees who cease to save under an SAYE arrangement or cease to participate in a share matching arrangement, which will be treated as cancellations and the amount of expense that would have been recognised over the remainder of the vesting period is recognised immediately as an expense. The Group will apply IFRS 2 (Amendment) from 1 April 2009.

IAS 23 (Amendment) Borrowing costs, the revised standard removes the option of immediately recognising an expense for borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset. The Group's policy is to capitalise the cost of financing the construction of significant properties and therefore the effect of this amendment is not expected to be significant.

The following standards are not yet effective and have not yet been adopted by the EU and therefore cannot be adopted early by the Group:

IFRS 3 Business Combinations (Revised) and IAS 27 (Amendment) Consolidated and Separate Financial Statements, are effective for annual periods beginning on or after 1 July 2009. The changes introduced by the standards include the expensing of acquisition related costs, a greater emphasis on fair value and the requirement to remeasure interests at the time when control is achieved or lost. The Group will apply IFRS 3 (Revised) and IAS 27 (Amendment) to business combinations from 1 April 2010, subject to EU endorsement.

The Group does not currently believe the adoption of these standards or interpretations will have a significant effect, with the exception of changes to disclosures, on the consolidated results or financial position of the Group.

The Company has elected to prepare its parent Company financial statements in accordance with UK Accounting Standards; these are presented on pages 74 to 77 and these present information about the Company as a separate entity and not about its group.

Basis of preparation
The Group and parent Company financial statements are presented in pounds sterling, rounded to the nearest hundred thousand. They are prepared on the historical cost basis except where assets or liabilities are required to be stated at their fair value.

The preparation of Group financial statements under Adopted IFRS and parent Company financial statements under UK Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these 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. Judgements made by management in the application of Adopted IFRS that have significant effect on the Group financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes to these consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements with the exception of first time application of IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Adoption of this interpretation has not had a material effect on the reported results or financial position of the Group for the year ended 31 March 2009 or previous years.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business review on pages 8 to 19, which also contains a review of the financial position of the Group, its cash flows, liquidity position and borrowing facilities. In addition note 28 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

As detailed in note 28, the Group meets its operational capital requirements via a variety of debt facilities including a multi currency syndicated bank loan which matures in November 2010.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to operate within the level of its current debt facilities. As more fully detailed in the Business review on page 17, in the light of current economic circumstances the Group has commenced discussions with its bankers over the renewal of its main facility, and no indications have been received that this will not be achievable under acceptable commercial terms.

The Group is reporting net liabilities of £(33.3)m (2008: net assets of £37.0m) primarily due to the movement in the pension deficit of £58.1m net of deferred tax in the year. To provide greater visibility of the Group's underlying balance sheet position, net assets before the net pension deficit are also shown on the face of the balance sheet. The pension obligations and related deferred tax asset are detailed in notes 26 and 15 to the financial statements respectively.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing both the Group and parent Company 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. When the Company acquired the Wincanton group of companies upon demerger from the former parent in May 2001, the changes in group structure were accounted for using the principles of merger accounting available under UK GAAP at the time. Businesses acquired or disposed of since then have been accounted for using acquisition accounting principles from or up to the date control passed.

On transition to Adopted IFRS Wincanton elected to apply the exemptions under IFRS 1 neither to restate any pre-transition business combinations under IFRS 3 nor to identify the translation differences arising prior to 1 April 2004 and to attribute these to the result of any disposals of those entities. Acquisitions post transition have been accounted for under IFRS 3 and any translation differences arising after 1 April 2004 will be separately identified and accounted for.

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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 financial statements from or up to the date that control passed.

Associates are those entities in which the Group has significant influence, but not control. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from or up to the date that significant influence passes. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the assets, liabilities, revenue and expenses which are included with items of a similar nature on a line-by-line basis, from or up to the date that joint control passes.

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Intangible assets

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and jointly controlled entities.

In accordance with IFRS 3 'Business Combinations', the fair value adjustments relating to acquisitions in the prior year are, if applicable, reviewed and revised and these adjustments are reflected at the date of acquisition and the prior year balance sheet restated accordingly. Details of such adjustments are given in the Acquisitions note to the consolidated financial statements.

In respect of acquisitions prior to transition to Adopted IFRS, goodwill is included on the basis of its deemed cost, which represents the amount recorded under UK GAAP. Wincanton elected on transition to Adopted IFRS to apply the exemption under IFRS 1 that the classification and accounting treatment of business combinations that occurred prior to 1 April 2004 was not reconsidered in preparing the opening IFRS balance sheet at 1 April 2004.

Goodwill is stated at cost less any impairment losses (see below). Goodwill is allocated to cash-generating units and under Adopted IFRS is not amortised but is tested annually for impairment (see below). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

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 (see below) and impairment losses (see below).

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. The estimated useful lives are as follows:

Customer relationships	6 to 15 years
Software rights	1 to 5 years
Trademarks and logos	1 to 5 years

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

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see below). The cost of tangible assets includes directly attributable costs, including appropriate commissioning costs. The cost of financing the construction of major properties is included in their capitalised cost. The interest rate applied represents the actual finance costs incurred on the funds borrowed specifically to construct the asset.

Plant and equipment acquired by way of finance lease is stated at deemed cost, being an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see below). Lease payments are accounted for as described in the accounting policy on expenses. Finance leases are those under the terms of which the Group assumes substantially all the risks and rewards of ownership.

Subsequent expenditure

The Group recognises in the carrying amount of an item of property, plant and equipment 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 each part of an item of property, plant and equipment. Freehold land is not depreciated. The estimated useful lives are as follows:

Freehold and long leasehold buildings	50 years
Short leasehold improvements	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.

The residual value of tangible assets, if significant, is reassessed annually.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

Trade and other receivables
Trade and other receivables are stated at their fair value on initial recognition discounted if material and subsequently at amortised cost, i.e. less any impairment losses (see below).

Cash and cash equivalents
Cash and cash equivalents comprises cash balances, restricted cash and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management process are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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 to 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 to sterling at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to sterling at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

The Group has taken advantage of the exemption available in IFRS 1 to deem the cumulative translation differences for all investments in foreign operations to be zero at 1 April 2004, the date of transition to Adopted IFRS. Exchange differences arising after 1 April 2004 from the translation of the net investment in foreign operations, and of related hedges are taken to a translation reserve. They are released into the income statement upon disposal.

Employee benefits
The Group operates defined contribution and defined benefit pension schemes. The assets of these schemes 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 meeting 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.

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

Defined benefit schemes
The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and 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.

When the benefits of a scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately the expense is recognised immediately in the income statement.

All actuarial gains and losses as at 1 April 2004, the date of transition to Adopted IFRS, have been recognised in equity under the provisions of IAS 19 'Employee Benefits' (Revised). Any actuarial gains and losses that arise subsequent to 1 April 2004 in calculating the Group's obligation in respect of a scheme are recognised in full through equity in the statement of recognised income and expense.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

Share-based payment transactions
From 1 April 2004 the Group has applied the requirements of IFRS 2 'Share-based Payments' to the grants of options made under the Executive Share Option, Performance Share Plan, Share Match Incentive and Sharesave Option schemes. In accordance with the transition provisions, IFRS 2 has been applied to all grants after 7 November 2002 that had not vested as at 1 January 2005.

The Group issues options under equity-settled share-based incentive schemes to certain employees which are measured at the date of grant as the fair value of the employee services required in exchange for the grant. The fair value determined is 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 is measured by an external valuer using the Binomial or scenario-modelling methods as appropriate. The expected life assumptions used in the models have been 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 are held in trust on behalf of employees who hold options under the Group's equity–settled share-based incentive schemes. Such shares are held by an employee benefit trust and are 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 are purchased at the prevailing market rate and charged to the income statement each period as the employee makes an eligible contribution. The shares purchased are held in a separately administered offshore trust for the benefit of the Plan participants.

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 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 advisors.

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. An asset is considered for impairment testing if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of the asset. If any such indication exists, the asset's recoverable amount is estimated. The two exceptions are dealt with as per the separate applicable accounting policy. For trade receivables specific bad debts are provided against unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off.

An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the amount of goodwill allocated to the applicable cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash-generating unit 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.

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 cash-generating unit to which the asset belongs.

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 change in the estimates used to determine the recoverable amount.

Revenue recognition

Revenue from services rendered is recognised in the income statement on the delivery of those services based on the proportion of the total delivered at the balance sheet date. Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Certain distribution contracts oblige Wincanton to purchase goods from third parties and sell them on to the customer at cost. As Wincanton is rewarded for the physical distribution service provided acting only as an agent in these buy/sell transactions, and as the sale and purchase of the goods have no impact on the operating profit, the amounts invoiced to customers and charged by suppliers for the sale and purchase of these goods are excluded from revenue and cost of sales. Trade and other receivables and payables relating to such transactions are included in the balance sheet.

Expenses

Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

For finance leases the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable and other charges less interest income.

Interest payable on borrowings is calculated using the effective interest rate method. Other charges include bank charges and commission costs, discounts unwound, and losses on hedging instruments that are recognised in the income statement (see hedging accounting policy below).

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

The interest expense component of finance lease payments is recognised in the income statement using the constant periodic rate of return method.

Net financing costs include the expected return on defined benefit pension scheme assets less the interest on defined benefit pension scheme obligations.

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 directly in equity, in which case it is recognised in equity.

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, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to accumulated profits of overseas subsidiaries to the extent that they will probably not be distributed. 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.

Segment reporting

Segment information is presented in respect of the Group's geographical segments, being the primary segmentation format based on the Group's management and internal reporting structure. As the secondary segment is the business of providing contract logistics services which encompasses the entire scope of Wincanton's operations, no further segmental analysis is required.

The geographical segments are those distinguishable components of the Group that are engaged in providing services within a particular economic environment which is subject to risks and rewards that are different from those of other segments.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments which are accounted for as trading instruments are recognised initially and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Upon initial recognition attributable transaction costs are recognised in the income statement when incurred.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are also recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

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Hedge of net investment in foreign operation
Where a foreign currency liability hedges a net investment in a foreign operation, foreign exchange differences arising on translation of the liability are recognised directly in equity. Any ineffective position is recognised immediately in the income statement.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

Hedge of monetary assets and liabilities
Where a derivative financial instrument is used to economically hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement.

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. Interest-bearing borrowings which are designated hedged items in a fair value hedge arrangement are carried at fair value (see policy above).

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

2. SEGMENT INFORMATION

Segment information is presented in respect of the Group's geographical segments, being the primary segmentation format based on the Group's management and internal reporting structure. As the secondary segment is the business of providing contract logistics services which encompasses the entire scope of Wincanton's operations, no further segmental analysis is required.

The Group operates in two principal geographical areas, the UK & Ireland, and Mainland Europe. In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of the business operations.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments

		UK & Ireland		Mainland Europe		Consolidated	
	Note	2009 £m	2008 £m	2009 £m	2008 £m	2009 £m	2008 £m
REVENUE [1]		1,455.5	1,388.7	905.8	776.0	2,361.3	2,164.7
UNDERLYING OPERATING PROFIT BY SEGMENT		52.5	47.2	7.0	5.2	59.5	52.4
Amortisation of acquired intangibles		(7.0)	(4.0)	(2.0)	(1.5)	(9.0)	(5.5)
Exceptional restructuring and other costs		(14.1)	2.7	(9.0)	(7.2)	(23.1)	(4.5)
Other exceptional income		5.8	0.8	5.0	4.1	10.8	4.9
OPERATING PROFIT		37.2	46.7	1.0	0.6	38.2	47.3
TOTAL ASSETS, EXCLUDING INVESTMENTS IN ASSOCIATES		517.5	512.8	388.4	342.2	905.9	855.0
TOTAL LIABILITIES		(690.7)	(577.6)	(263.4)	(240.9)	(954.1)	(818.5)
Depreciation charges	10	(25.8)	(23.2)	(9.7)	(8.5)	(35.5)	(31.7)
Amortisation of software intangibles	9	(0.7)	(0.7)	(1.1)	(0.7)	(1.8)	(1.4)
Capital expenditure							
– property, plant and equipment	10	27.7	33.1	24.9	7.8	52.6	40.9
– software intangibles	9	–	1.5	0.7	0.8	0.7	2.3

[1] Revenue derived from sales to external parties only.

In addition to the above external revenue, there were intra-segment sales of £1.7m from UK & Ireland to Mainland Europe (2008: £1.7m) and £0.8m from Mainland Europe to UK & Ireland (2008: £2.0m). All such sales are priced on an arm's-length basis.

3. OPERATING PROFIT

The Group's results are analysed as follows:

	2009			2008		
	Underlying[1] £m	Amortisation of acquired intangibles and exceptionals £m	Total £m	Underlying[1] £m	Amortisation of acquired intangibles and exceptionals £m	Total £m
REVENUE	2,361.3	–	2,361.3	2,164.7	–	2,164.7
Cost of sales	(2,273.9)	(9.3)	(2,283.2)	(2,074.6)	(3.3)	(2,077.9)
GROSS PROFIT	87.4	(9.3)	78.1	90.1	(3.3)	86.8
Administrative expenses	(27.9)	(12.0)	(39.9)	(37.7)	(1.8)	(39.5)
OPERATING PROFIT	59.5	(21.3)	38.2	52.4	(5.1)	47.3

[1] Underlying operating profit is stated before amortisation of acquired intangibles and any impairment of goodwill and exceptionals.

	Note	2009 £m	2008 £m
OPERATING PROFIT BEFORE NET FINANCING COSTS IS STATED AFTER CHARGING:			
Auditors' remuneration			
Audit fees for statutory audit services			
– parent company and consolidation		**0.1**	0.1
– subsidiary undertakings		**0.7**	0.6
Non-audit fees			
– fees paid to the Auditors and their associates for tax advisory services		**0.2**	0.2
– fees paid to the Auditors and their associates for assurance services		**0.1**	0.1
– fees paid to the Auditors and their associates for other services		**0.2**	0.2
Depreciation and other impairment amounts written off property, plant and equipment			
– owned		**32.9**	30.9
– leased		**2.6**	0.8
Amortisation and other amounts written off software intangibles	9	**1.8**	1.4
Operating lease rentals			
– plant and equipment		**54.3**	51.2
– land and buildings		**78.8**	63.4

Exceptionals

	Note	2009 £m	2008 £m
EXCEPTIONAL RESTRUCTURING AND OTHER COSTS			
Costs of acquisitions and post acquisition reorganisation of operating structures		**(3.0)**	(1.0)
Closure and restructuring of operations			
– UK [1]		**(9.3)**	–
– Mainland Europe		**(8.7)**	(7.2)
Profit on sale of redundant UK head office post relocation		**–**	3.7
Under recovery of amounts owing by Woolworths plc		**(2.1)**	–
		(23.1)	(4.5)
OTHER EXCEPTIONAL INCOME			
Property profits – sale of freehold land and buildings		**5.2**	0.8
Partial settlement of the PGN Logistics Ltd arbitration case	14	**5.6**	4.1
		10.8	4.9

[1] Includes the net result of the transaction with Culina of £(0.5)m, being the £14.4m profit on disposal of subsidiary less £(14.9)m of closure costs.

Costs and incomes are included as exceptionals where they are non-recurring and where not to do so would distort the reported underlying profit performance of the Group.

4. PERSONNEL EXPENSES, INCLUDING DIRECTORS

	Note	2009 £m	2008 £m
Wages and salaries		**713.8**	644.5
Share-based payments (including IFRS 2 fair value charges)		**2.0**	3.4
Social security contributions		**91.1**	79.8
Contributions to defined contribution pension schemes	26	**9.0**	7.1
Service costs of defined benefit pension schemes	26	**16.1**	21.4
		832.0	756.2

	2009	2008
Average number of persons employed by the Group (including Directors) during the year	**29,050**	28,200

Directors' emoluments

	2009 £'000	2008 £'000
Salaries	**1,121**	1,062
Bonuses	**–**	756
Other benefits	**57**	59
Non-executive Directors' fees	**333**	295
TOTAL EMOLUMENTS	**1,511**	2,172

Full details of each individual Director's emoluments, share options and pension entitlements are given in the Directors' remuneration report on pages 32 to 40.

5. NET FINANCING COSTS

Recognised in the income statement

	Note	2009 £m	2008 £m
Interest income		**2.9**	2.5
Expected return on defined benefit pension scheme assets		**–**	35.5
Interest on defined benefit pension scheme obligations		**–**	(34.3)
		2.9	3.7
Interest expense		**(15.4)**	(12.2)
Finance charges payable in respect of finance leases		**(1.4)**	(0.6)
Unwinding of discount on insurance and other provisions	21	**(3.4)**	(1.7)
Expected return on defined benefit pension scheme assets	26	**36.0**	–
Interest on defined benefit pension scheme obligations	26	**(37.2)**	–
		(21.4)	(14.5)
Less: finance costs capitalised		**0.2**	–
		(21.2)	(14.5)
NET FINANCING COSTS		**(18.3)**	(10.8)

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

Recognised in equity

	2009 £m	2008 £m
Foreign currency translation differences for foreign operations	**(0.3)**	1.0
	(0.3)	1.0
Recognised in:		
Translation reserve	**(0.3)**	1.0
	(0.3)	1.0

6. INCOME TAX EXPENSE

Recognised in the income statement

	2009 £m	2008 £m
CURRENT TAX EXPENSE		
Current year	**6.2**	8.7
Adjustments for prior years	**0.1**	0.7
	6.3	9.4
DEFERRED TAX EXPENSE		
Current year	**(0.3)**	3.7
Adjustments for prior years	**–**	(1.4)
	(0.3)	2.3
TOTAL INCOME TAX EXPENSE IN THE INCOME STATEMENT	**6.0**	11.7

Reconciliation of effective tax rate

	2009 £m	2008 £m
Profit before tax	**20.0**	36.7
Income tax using the UK corporation tax rate of 28% (2008: 30%)	**5.6**	11.0
Effect of tax rates in foreign jurisdictions	**(0.3)**	(0.3)
Trading losses not recognised	**1.4**	2.5
Non-deductible expenditure	**0.5**	1.5
Capital profits offset by capital losses	**(1.3)**	(1.3)
Adjustments for prior years		
– current tax	**0.1**	0.7
– deferred tax	**–**	(1.4)
Change in UK tax rate	**–**	(1.0)
Total tax charge for the year	**6.0**	11.7

Recognised in equity

	2009 £m	2008 £m
Tax taken directly to equity	**(2.5)**	0.2

Tax taken directly to equity includes £(1.8)m (2008: £0.6m) on foreign exchange movements and £(0.7)m (2008: £(0.4)m) in respect of the deferred tax asset on share option schemes.

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7. EARNINGS PER SHARE

Earnings per share are calculated on the basis of earnings attributable to the equity shareholders of Wincanton plc of £13.5m (2008: £24.5m) and the weighted average of 116.0m (2008: 116.9m) shares which have been in issue throughout the year. The diluted earnings per share are calculated on the basis of an additional 0.2m (2008: 2.1m) shares deemed to be issued at £nil consideration under the Company's share option schemes. The weighted average number of ordinary shares for both basic and diluted earnings per share are calculated as follows:

	2009 millions	2008 millions
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
Issued ordinary shares at the beginning of the year	**116.5**	117.2
Net effect of shares issued and purchased during the year	**(0.5)**	(0.3)
	116.0	116.9
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)		
Weighted average number of ordinary shares at the end of the year	**116.0**	116.9
Effect of share options on issue	**0.2**	2.1
	116.2	119.0

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

	2009 pence	2008 pence
UNDERLYING EARNINGS PER SHARE		
– basic	**24.7**	24.3
– diluted	**24.7**	23.9

Underlying earnings are determined as follows:

	2009 £m	2008 £m
Profit for the year attributable to equity shareholders of Wincanton plc	**13.5**	24.5
Exceptional restructuring and other costs	**23.1**	4.5
Other exceptional income	**(10.8)**	(4.9)
Amortisation of acquired intangibles	**9.0**	5.5
Tax on the above items	**(6.1)**	(1.2)
UNDERLYING EARNINGS	**28.7**	28.4

8. DIVIDENDS

Under Adopted IFRS dividends are only provided in the financial statements when they become a liability of the Company. The dividends per ordinary share paid in the year are the interim for the current year, paid on 6 January 2009 and the final for the year ended 31 March 2008, paid on 8 August 2008. These are detailed in the following table:

	2009 £m	2008 £m
Interim dividend of 4.83p (2008: 4.60p) paid in January 2009 and 2008 respectively	**5.6**	5.3
Final dividend of 10.31p for 2008 (2007: 9.29p) paid in August 2008 and 2007 respectively	**12.0**	10.9
Total dividend paid in the year	**17.6**	16.2

The final dividend proposed for the year ended 31 March 2009 is 10.08p, which if approved will be paid on 7 August 2009 to shareholders on the register on 10 July 2009, total £11.7m.

9. GOODWILL AND INTANGIBLE ASSETS

	Goodwill £m	Acquired intangibles £m	Computer software costs £m	Total £m
COST				
At 1 April 2007	76.2	40.7	29.6	146.5
Effect of movements in foreign exchange	5.7	2.3	1.3	9.3
Additions	–	–	2.3	2.3
Acquisition and fair value adjustments	15.9	11.6	0.1	27.6
Disposals	–	–	(9.4)	(9.4)
At 31 March 2008	97.8	54.6	23.9	176.3
AT 1 APRIL 2008	**97.8**	**54.6**	**23.9**	**176.3**
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE	**8.2**	**3.4**	**1.9**	**13.5**
ADDITIONS	**–**	**–**	**0.7**	**0.7**
ACQUISITION AND FAIR VALUE ADJUSTMENTS	**31.9**	**34.3**	**0.1**	**66.3**
DISPOSALS	**–**	**–**	**(1.2)**	**(1.2)**
AT 31 MARCH 2009	**137.9**	**92.3**	**25.4**	**255.6**
AMORTISATION AND IMPAIRMENT LOSSES				
At 1 April 2007	(2.5)	(4.2)	(26.6)	(33.3)
Effect of movements in foreign exchange	(0.1)	(0.8)	(1.3)	(2.2)
Charge for year	–	(5.5)	(1.4)	(6.9)
Disposals	–	–	8.8	8.8
At 31 March 2008	(2.6)	(10.5)	(20.5)	(33.6)
AT 1 APRIL 2008	**(2.6)**	**(10.5)**	**(20.5)**	**(33.6)**
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE	**(0.1)**	**(1.1)**	**(1.7)**	**(2.9)**
CHARGE FOR YEAR	**–**	**(9.0)**	**(1.8)**	**(10.8)**
DISPOSALS	**–**	**–**	**0.8**	**0.8**
AT 31 MARCH 2009	**(2.7)**	**(20.6)**	**(23.2)**	**(46.5)**
CARRYING VALUE				
At 1 April 2007	73.7	36.5	3.0	113.2
At 31 March 2008 and 1 April 2008	95.2	44.1	3.4	142.7
AT 31 MARCH 2009	**135.2**	**71.7**	**2.2**	**209.1**

The amortisation charges above of £10.8m (2008: £6.9m) are recognised in the income statement within cost of sales £0.6m (2008: £0.3m) and administrative expenses £1.2m (2008: £1.1m) in respect of the computer software costs and as a separate line in respect of acquired intangibles. The acquired intangibles are primarily customer relationships with a net book value of £71.7m (2008: £43.8m).

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) which are currently subdivisions of the reported geographical segments as follows:

	2009 £m	2008 £m
UK & IRELAND		
– Defence	**13.1**	–
– Construction	**13.9**	13.9
– Containers	**22.7**	12.0
– rest of UK & Ireland	**30.5**	30.0
	80.2	55.9
MAINLAND EUROPE		
– Western Europe	**19.3**	16.5
– rest of Mainland Europe	**35.7**	22.8
	55.0	39.3
	135.2	95.2

The Defence and Containers goodwill balances in the above table include the goodwill arising in respect of the two UK acquisitions made in the year of Product Support (Holdings) Limited (PSHL) and CEL Group Limited (CEL) respectively (see note 22). The goodwill in respect of the former currently remains capable of separate testing for impairment. The CEL acquisition has been fully integrated with the prior year acquisition of Hanbury Davies and the results and cash flows of the resulting Containers business have been utilised in testing for impairment. The previous acquisitions in the construction logistics sector in the UK currently remain separately identifiable and hence have been tested separately for impairment. In time the Defence, Construction and Containers CGUs will be fully integrated into the existing UK & Ireland business and separate identification of future results and cash flows will not be practicable.

During the year the Netherlands operation, which was previously reported with the rest of Mainland Europe, has been combined with operations in France to form a Western Europe CGU. The results and cash flows of the resulting business have been utilised in testing for impairment.

The rest of Mainland Europe goodwill balance above includes the goodwill arising on the acquisition of ELI-Transport GmbH and ELI-Lagerhaus GmbH (ELI) (see note 22) in the year. As a result of the operational and financial combination of ELI with the Mainland Europe business the future results and cash flows of ELI have been included within the rest of Mainland Europe balances for the purposes of impairment testing.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations are cash flow projections based on the financial budgets and forecasts approved by the Board for the forthcoming financial year and beyond. Cash flows beyond those 12 and further 24-month periods are extrapolated to perpetuity using the estimated growth rates and underlying inflation rates stated below, which do not exceed the long-term average growth and inflation rates in the specific geographical areas where the CGU operates.

Key assumptions used for value-in-use calculations:

	UK & Ireland %	Defence %	Construction %	Containers %	Western Europe %	Mainland Europe %
Estimated growth rate	2.3	2.3	2.3	2.3	1.8	1.6
Underlying inflation rate	1.7	1.7	1.7	1.7	1.7	1.8
Discount rate [1]	10.2	10.2	10.2	10.2	10.2	10.2

[1] Pre-tax discount rate applied to the cash flow projections.

Management determined the growth rate and underlying inflation rate based on expectations for market development and these are consistent with external forecasts and historical trends. The discount rates are pre-tax and reflect the relevant risks.

10. PROPERTY, PLANT AND EQUIPMENT

	Property £m	Plant and equipment £m	Total £m
COST			
At 1 April 2007	137.0	234.3	371.3
Effect of movements in foreign exchange	14.0	13.7	27.7
Additions	2.0	38.9	40.9
Acquisition and fair value adjustments	0.9	7.8	8.7
Disposals	(6.9)	(49.3)	(56.2)
At 31 March 2008	147.0	245.4	392.4
AT 1 APRIL 2008	**147.0**	**245.4**	**392.4**
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE	**9.8**	**14.1**	**23.9**
ADDITIONS	**7.8**	**44.8**	**52.6**
ACQUISITION AND FAIR VALUE ADJUSTMENTS	**0.8**	**7.1**	**7.9**
DISPOSALS	**(11.2)**	**(38.3)**	**(49.5)**
AT 31 MARCH 2009	**154.2**	**273.1**	**427.3**
DEPRECIATION AND IMPAIRMENT LOSSES			
At 1 April 2007	(31.7)	(128.2)	(159.9)
Effect of movements in foreign exchange	(3.4)	(9.9)	(13.3)
Charge for year	(4.7)	(27.0)	(31.7)
Disposals	2.9	40.6	43.5
At 31 March 2008	(36.9)	(124.5)	(161.4)
AT 1 APRIL 2008	**(36.9)**	**(124.5)**	**(161.4)**
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE	**(3.3)**	**(10.2)**	**(13.5)**
CHARGE FOR YEAR	**(5.1)**	**(30.4)**	**(35.5)**
DISPOSALS	**1.4**	**30.8**	**32.2**
AT 31 MARCH 2009	**(43.9)**	**(134.3)**	**(178.2)**
CARRYING AMOUNT			
At 1 April 2007	105.3	106.1	211.4
At 31 March 2008 and 1 April 2008	110.1	120.9	231.0
AT 31 MARCH 2009	**110.3**	**138.8**	**249.1**

Included in the total carrying amount of property, plant and equipment is £18.0m (2008: £15.6m) in respect of assets held under finance leases, and in cost is £2.9m (2008: £2.7m) in respect of capitalised finance costs.

The carrying amount of property comprises:

	2009 £m	2008 £m
Freehold	**64.6**	69.5
Short leasehold	**45.7**	40.6
	110.3	110.1

11. INVESTMENTS

	2009 £m	2008 £m
GROUP NON-CURRENT INVESTMENTS		
Unlisted trade investments	**0.4**	0.3
Equity accounted associates	**14.9**	0.5
	15.3	0.8

The increase in equity accounted associates of £14.4m relates to the 20% equity stake acquired in Culina Logistics Limited (Culina).

12. INVESTMENTS IN SUBSIDIARIES

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

	Principal activity	% of equity held	Country of incorporation
Wincanton Holdings Limited	Contract logistics services	100	England and Wales
Wincanton Group Limited	Contract logistics services	100	England and Wales
Wincanton International Limited [1]	Intermediate holding company	100	England and Wales
Wincanton UK Limited [1]	Intermediate holding company	100	England and Wales
Wincanton Ireland Limited	Contract logistics services	100	Republic of Ireland
Risk Underwriting (Guernsey) Limited	Captive insurer	100	Guernsey
Wincanton GmbH	Contract logistics services	100	Germany
Rhenania Intermodal Transport GmbH	Contract logistics services	100	Germany
Wincanton Mondia S.A.	Contract logistics services	100	France
Wincanton S.A.S.	Contract logistics services	100	France
Wincanton B.V.	Contract logistics services	100	The Netherlands
Rhinecontainer B.V.	Contract logistics services	74	The Netherlands
Wincanton Magyarország Logisztikai Kft	Contract logistics services	100	Hungary
Wincanton Polska Sp. z.o.o.	Contract logistics services	100	Poland
Wincanton Czeska republika s.r.o.	Contract logistics services	100	Czech Republic
Wincanton A.G.	Contract logistics services	100	Switzerland

[1] Direct subsidiaries of Wincanton plc.

13. INVESTMENTS IN ASSOCIATES

Summary financial information for associates (100%).

Year ended 31 March 2009

	Country of incorporation	% of ordinary equity held	Assets £m	Liabilities £m	Equity £m	Revenue £m	Result £m
Rhine-Ro-Ro Service BV	The Netherlands	33.3	**1.0**	**(0.3)**	**0.7**	**1.1**	**0.3**
OMYA Weil GmbH	Germany	26.0	**0.7**	**(0.2)**	**0.5**	**–**	**–**
Neuss Trimodal GmbH	Germany	25.0	**1.9**	**(1.2)**	**0.7**	**1.5**	**0.1**
Other	Germany		**–**	**–**	**–**	**0.1**	**–**
Culina Logistics Limited	UK	20.0	**100.5**	**(30.5)**	**70.0**	**–**	**–**
			104.1	**(32.2)**	**71.9**	**2.7**	**0.4**
GROUP SHARE OF RESULTS OF ASSOCIATES							**0.1**

On 20 November 2008 the Group agreed to transfer its chilled consolidation activities in the UK to Culina, with effect from 28 March 2009, in exchange for a 20 per cent equity stake in the enlarged business, which will be managed and operated by Culina.

Year ended 31 March 2008

	Country of incorporation	% of ordinary equity held	Assets £m	Liabilities £m	Equity £m	Revenue £m	Result £m
Rhine-Ro-Ro Service BV	The Netherlands	33.3	0.7	(0.3)	0.4	0.9	0.2
OMYA Weil GmbH	Germany	26.0	0.9	(0.2)	0.7	–	–
Neuss Trimodal GmbH	Germany	25.0	1.4	(0.6)	0.8	1.3	0.4
Other	Germany		0.4	(0.3)	0.1	0.3	–
			3.4	(1.4)	2.0	2.5	0.6
Group share of results of associates							0.2

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14. INTERESTS IN JOINTLY CONTROLLED ENTITIES

The Group has the following significant interests in jointly controlled entities:

	Principal activity	% of equity held	Country of incorporation
PGN Logistics Limited	Contract logistics services	50	England and Wales
Fenthol & Sandtmann GmbH	Contract logistics services	50	Germany
Weckerle Spedition & Logistik GmbH	Contract logistics services	50	Germany
Rhenania Wormser Lagerhaus und Speditions AG	Contract logistics services	50	Germany

Included in the consolidated financial statements are the following amounts representing the Group's share of the assets, liabilities, income and expenses of these jointly controlled entities:

	2009 £m	2008 £m
Non-current assets	**13.1**	9.3
Current assets	**16.0**	16.1
Current liabilities	**(12.0)**	(13.1)
Non-current liabilities	**(8.0)**	(5.6)
Net assets	**9.1**	6.7
Revenue	**89.9**	80.8
Operating profit	**2.3**	2.6
Net financing costs	**(0.4)**	(0.2)
Income tax expense	**(0.7)**	(0.8)
Profit for the year	**1.2**	1.6

In addition to the above profit for the year the consolidated financial statements include other exceptional income of £5.6m (2008: £4.1m) being the partial settlement of the PGN Logistics Limited arbitration case (see note 3).

15. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009 £m	2008 £m	2009 £m	2008 £m	2009 £m	2008 £m
Property, plant and equipment	**(5.9)**	–	**(4.3)**	(7.1)	**(10.2)**	(7.1)
Employee benefits	**–**	–	**–**	1.1	**–**	1.1
Pension provisions	**24.1**	0.1	**1.1**	1.9	**25.2**	2.0
Other deferred tax assets	**3.0**	2.1	**–**	0.4	**3.0**	2.5
Other deferred tax liabilities	**(17.4)**	–	**(1.4)**	(13.2)	**(18.8)**	(13.2)
	3.8	2.2	**(4.6)**	(16.9)	**(0.8)**	(14.7)

Other deferred tax liabilities consist primarily of deferred tax on the acquired intangibles.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2009 £m	2008 £m
Losses carried forward	**28.7**	27.8
Capital losses	**–**	1.1
	28.7	28.9

Deferred tax assets have not been recognised in respect of the above losses carried forward due to the uncertainty of utilisation of these losses.

Movement in deferred tax assets and liabilities during the current year

	Balance 1 April 2008 £m	Recognised in income £m	Other movements £m	Balance 31 March 2009 £m
Property, plant and equipment	(7.1)	**(2.9)**	**(0.2)**	**(10.2)**
Employee benefits	1.1	**(0.4)**	**(0.7)**	**–**
Pension provisions	2.0	**(1.5)**	**24.7**	**25.2**
Other deferred tax assets	2.5	**0.3**	**0.2**	**3.0**
Other deferred tax liabilities	(13.2)	**4.8**	**(10.4)**	**(18.8)**
	(14.7)	**0.3**	**13.6**	**(0.8)**

The current year deferred tax expense includes £0.2m (2008: £nil) relating to the withdrawal of Industrial Buildings Allowances.

16. INVENTORIES

	2009 £m	2008 £m
Raw materials and consumables	**8.9**	9.4

17. TRADE AND OTHER RECEIVABLES

	2009 £m	2008 £m
Trade receivables	**284.5**	302.3
Less: provision for doubtful debts	**(6.4)**	(4.8)
Net trade receivables	**278.1**	297.5
Other receivables	**7.1**	9.9
Prepayments and accrued income	**101.1**	94.6
	386.3	402.0

All receivables are due within one year, except for other receivables of £5.2m (2008: £9.9m) in respect of amounts recoverable from customers and others under contracts of more than one year, prepayments and accrued income of £0.3m (2008: £0.1m).

Movement in the provision for doubtful debts

	2009 £m	2008 £m
At 1 April	**4.8**	5.1
Effect of movements in foreign exchange	**0.4**	0.8
Impairment losses recognised on receivables	**2.3**	2.5
Amounts written off as uncollectible	**(0.8)**	(0.4)
Impairment losses reversed	**(0.3)**	(3.2)
AT 31 MARCH	**6.4**	4.8

Ageing of trade receivables and the associated provision for doubtful debts at the balance sheet date

	Gross 2009 £m	Provision 2009 £m	Gross 2008 £m	Provision 2008 £m
Current	**247.4**	**(0.1)**	266.7	(0.4)
1 month overdue	**16.4**	**(0.1)**	17.8	–
2 months overdue	**3.9**	**(0.1)**	5.4	–
3+ months overdue	**16.8**	**(6.1)**	12.4	(4.4)
	284.5	**(6.4)**	302.3	(4.8)

The standard period of credit on sales is up to 30 days in the UK & Ireland and 30 – 60 days in Mainland Europe. Interest is chargable on overdue amounts. The Group only provides for doubtful debts where, in the opinion of management, the amount is no longer recoverable. The amount of the provision is management's estimate of the irrecoverable amount.

18. CASH AND CASH EQUIVALENTS

	2009 £m	2008 £m
Cash at bank and in hand	**23.4**	40.9
Restricted cash deposits held by the Group's captive insurer	**24.9**	26.5
Cash and cash equivalents	**48.3**	67.4

19. BORROWINGS

	2009 £m	2008 £m
CURRENT		
Bank loans and overdrafts	**9.3**	8.5
Finance lease liabilities	**2.9**	1.5
	12.2	10.0
NON-CURRENT		
Bank loans [1]	**198.9**	149.4
Finance lease liabilities	**13.6**	12.5
	212.5	161.9

[1] Bank loans include the US$ private placement as swapped into euro (see below).

The Group's finance lease liabilities are payable as follows:

	2009			2008		
	Minimum lease payments £m	**Interest £m**	**Principal £m**	Minimum lease payments £m	Interest £m	Principal £m
Less than 1 year	**3.9**	**(1.0)**	**2.9**	2.4	(0.9)	1.5
Between 1 and 5 years	**16.3**	**(4.1)**	**12.2**	14.2	(3.9)	10.3
Over 5 years	**3.6**	**(2.2)**	**1.4**	4.9	(2.7)	2.2
	23.8	**(7.3)**	**16.5**	21.5	(7.5)	14.0

The following are the contractual maturities of financial liabilities, including interest payments on finance leases only:

31 March 2009

	Carrying amount £m	**Contractual cash flows £m**	**Less than 1 year £m**	**1 to 5 years £m**	**Over 5 years £m**
NON-DERIVATIVE FINANCIAL LIABILITIES					
Bank loans and overdrafts	**94.9**	**94.9**	**9.3**	**84.1**	**1.5**
Unsecured bond issues – US$ private placement [1]	**117.9**	**105.6**	**–**	**66.9**	**38.7**
Finance leases	**16.5**	**23.8**	**3.9**	**16.3**	**3.6**
Trade and other payables [2]	**527.4**	**527.4**	**525.9**	**1.5**	**–**
DERIVATIVE FINANCIAL LIABILITIES					
US$/GBP fixed to floating swap – asset [1]	**(117.9)**	**(105.6)**	**–**	**(66.9)**	**(38.7)**
US$/GBP fixed to floating swap – liability	**14.5**	**14.5**	**–**	**–**	**14.5**
GBP/euro floating swap [1]	**98.8**	**98.8**	**–**	**75.1**	**23.7**
	752.1	**759.4**	**539.1**	**177.0**	**43.3**

31 March 2008

	Carrying amount £m	Contractual cash flows £m	Less than 1 year £m	1 to 5 years £m	Over 5 years £m
NON-DERIVATIVE FINANCIAL LIABILITIES					
Bank loans and overdrafts	59.3	59.3	8.5	49.7	1.1
Unsecured bond issues – US$ private placement [1]	81.1	75.2	–	47.7	27.5
Finance leases	14.0	21.5	2.4	14.2	4.9
Trade and other payables [2]	521.6	521.6	520.2	1.4	–
DERIVATIVE FINANCIAL LIABILITIES					
US$/GBP fixed to floating swap – asset [1]	(81.1)	(75.2)	–	(47.7)	(27.5)
US$/GBP fixed to floating swap – liability	14.5	14.5	–	–	14.5
GBP/euro floating swap [1]	84.1	84.1	–	63.9	20.2
	693.5	701.0	531.1	129.2	40.7

[1] Contractual cash flows denominated in foreign currencies are translated at the year end exchange rate. Carrying amounts are stated at fair value.
[2] Excludes derivatives (shown separately).

20. TRADE AND OTHER PAYABLES

	2009 £m	2008 £m
CURRENT		
Trade payables	**206.2**	194.2
Other taxes and social security	**37.8**	46.6
Other payables	**66.6**	48.4
Accruals and deferred income	**215.3**	231.0
	525.9	520.2
NON-CURRENT		
Other payables	**1.5**	1.4

21. PROVISIONS

	Note	Insurance £m	Other provisions £m	Total £m
At 1 April 2008		38.3	20.5	58.8
Effect of movements in foreign exchange		–	2.4	2.4
Provisions used during the year		(11.8)	(9.1)	(20.9)
Unwinding of discount	5	2.8	0.6	3.4
Provisions made during the year		6.9	9.9	16.8
Acquisitions and fair value adjustments		–	1.4	1.4
AT 31 MARCH 2009		**36.2**	**25.7**	**61.9**
Current		13.6	11.3	24.9
Non-current		22.6	14.4	37.0
		36.2	**25.7**	**61.9**

The other provisions are held primarily in respect of leasehold property liabilities. They are determined by management as the best estimate of the expected costs of empty and under-utilised properties and are utilised over the relevant lease terms.

The Group owns 100% of the share capital of a captive insurer whose functions are to both insure and to reinsure certain of the 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 two to six years. The discount unwinding arises on the employers' liability policy which is discounted over a period of seven years at a rate based on the Bank of England base rate.

The assets of the captive insurer consist of cash deposits held with various banks, typically on three-month fixed interest deposits.

22. ACQUISITIONS

Current year acquisitions

In April 2008, the Group increased its shareholdings in two jointly controlled entities, Wincanton Intermodal Kehl GmbH & Co-KG and Kehler Lagerhaus Verwaltung GmbH, from 50% to 51.15% for a nominal amount, resulting in these entities now being accounted for as subsidiaries.

In May 2008 the Group acquired the entire share capital of Product Support (Holdings) Limited (PSHL) for £14.7m in cash, with a further £3.0m contingent pending 'earn out' performance. PSHL provides logistics solutions to the defence and aerospace sectors, primarily in the UK.

In November 2008 the Group acquired the entire share capital of CEL Group Limited (CEL) for £17.8m in cash, with a further £4.5m contingent on revenue generated. The principal activities of CEL are container logistics, storage and handling.

In November 2008 the Group acquired the entire share capital of ELI-Transport GmbH and ELI-Lagerhaus GmbH (ELI) for €12.7m in cash, with a further €3.0m contingent pending 'earn out' performance. Both companies are regional specialists in providing logistics services, based in Koblenz, Germany.

The contingent considerations noted above represents the maximum amounts payable. At 31 March 2009 a total of £7.8m has been recognised.

In the period since acquisition PSHL contributed £3.9m, CEL contributed £0.8m and ELI contributed £0.2m of underlying operating profit. If the acquisitions had occurred on the first date of the year it is estimated that the totals of Group underlying operating profit and revenue would have been approximately £62m and £2,408m respectively.

The acquisitions have given rise to values of goodwill of £13.1m, £10.7m and £8.1m for PSHL, CEL and ELI respectively, being the difference between the cash consideration payable and the net assets acquired at fair value.

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The acquired net assets at acquisition are summarised in the combined table below:

	Note	Acquirees' book value £m	Fair value adjustments £m	Acquisition amounts £m
Intangible assets	9	0.1	34.3	34.4
Property, plant and equipment	10	9.2	(1.3)	7.9
Deferred tax assets		–	0.4	0.4
Inventories		0.5	–	0.5
Trade and other receivables		14.3	(0.7)	13.6
Cash and cash equivalents		9.4	–	9.4
Income tax payable		(0.5)	–	(0.5)
Borrowings		(21.4)	–	(21.4)
Trade and other payables		(12.7)	(0.3)	(13.0)
Employee benefits		(0.2)	(0.1)	(0.3)
Provisions	21	(0.1)	(1.3)	(1.4)
Deferred tax liabilities		(0.7)	(9.7)	(10.4)
Net identifiable assets and liabilities		(2.1)	21.3	19.2
Goodwill on acquisition	9			31.9
Minority interest on acquisition				(0.2)
Consideration payable, including expenses of £1.0m				50.9
Cash acquired and debt repaid on acquisition				12.0
				62.9
Less: contingent consideration				(7.8)
NET CASH OUTFLOW				**55.1**

The fair value adjustments above are required to align the accounting policies of the acquired businesses with those of the Group. These provisional adjustments can, if necessary, be amended for up to 12 months following acquisition. The total goodwill of £31.9m arising on the acquisitions reflects the strategic importance of broadening Wincanton's business offering in these growing sectors of the UK and German economies, the value of the management and workforce and some of the expected synergies to be gained as the acquired entities are fully integrated into the Group.

Prior year acquisitions

The Group acquired the entire share capital of Swales Haulage Limited (Swales), Hanbury Davies Limited (Hanbury Davies) and HeBo GmbH (HeBo) in November 2007, January 2008 and March 2008 respectively. These entities were acquired for £4.5m, £25.0m and €2.9m in cash respectively, of which £2.5m and €0.5m was deferred pending 'earn out' performance of Hanbury Davies and HeBo respectively and which have been settled in the current year.

The acquisitions gave rise to values of goodwill of £2.4m, £12.0m and £1.5m for Swales, Hanbury Davies and HeBo respectively, being the difference between the cash consideration payable and the net assets acquired at fair value.

The acquired net assets at acquisition are summarised in the combined table below:

	As reported at 31 March 2008		
	Acquirees' book value £m	Fair value adjustments £m	Acquisition amounts £m
Intangible assets	0.1	11.6	11.7
Property, plant and equipment	9.0	(0.3)	8.7
Inventories	0.5	–	0.5
Trade and other receivables	14.8	(0.1)	14.7
Cash and cash equivalents	0.2	–	0.2
Income tax payable	(0.3)	(0.2)	(0.5)
Borrowings	(3.7)	–	(3.7)
Trade and other payables	(11.4)	–	(11.4)
Deferred tax liabilities	(0.8)	(3.5)	(4.3)
Net identifiable assets and liabilities	8.4	7.5	15.9
Goodwill on acquisition			15.9
Consideration payable including expenses of £0.6m			31.8
Cash acquired and debt repaid on acquisition			3.5
			35.3
Less: contingent consideration			(2.9)
Net cash outflow			32.4

23. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

					Retained earnings					
	Issued share capital £m	Share premium £m	Merger reserve £m	Translation reserve £m	IFRS 2 reserve £m	Own shares £m	Profit and loss £m	Total £m	Minority £m	Total (equity deficit)/ equity £m
Balance at 1 April 2007	12.0	9.6	3.5	2.7	3.2	(7.5)	(37.5)	(14.0)	0.3	(13.7)
Total recognised income and expense	–	–	–	1.0	–	–	68.3	69.3	0.5	69.8
Increase in IFRS 2 reserve	–	–	–	–	2.7	–	–	2.7	–	2.7
Shares issued	0.1	2.2	–	–	–	–	–	2.3	–	2.3
Own shares disposed of on exercise of options	–	0.1	–	–	–	0.7	(0.4)	0.4	–	0.4
Own shares acquired	–	–	–	–	–	(7.9)	–	(7.9)	–	(7.9)
Dividends to shareholders	–	–	–	–	–	–	(16.2)	(16.2)	(0.4)	(16.6)
Balance at 31 March 2008	12.1	11.9	3.5	3.7	5.9	(14.7)	14.2	36.6	0.4	37.0
BALANCE AT 1 APRIL 2008	**12.1**	**11.9**	**3.5**	**3.7**	**5.9**	**(14.7)**	**14.2**	**36.6**	**0.4**	**37.0**
TOTAL RECOGNISED INCOME AND EXPENSE	**–**	**–**	**–**	**(0.3)**	**–**	**–**	**(52.4)**	**(52.7)**	**0.5**	**(52.2)**
INCREASE IN IFRS 2 RESERVE	**–**	**–**	**–**	**–**	**2.2**	**–**	**–**	**2.2**	**–**	**2.2**
SHARES ISSUED	**–**	**0.3**	**–**	**–**	**–**	**–**	**–**	**0.3**	**–**	**0.3**
OWN SHARES DISPOSED OF ON EXERCISE OF OPTIONS	**–**	**–**	**–**	**–**	**–**	**0.3**	**(0.3)**	**–**	**–**	**–**
OWN SHARES ACQUIRED	**–**	**–**	**–**	**–**	**–**	**(2.7)**	**–**	**(2.7)**	**–**	**(2.7)**
MINORITY INTEREST ON ACQUISITION	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.3**	**0.3**
DIVIDENDS PAID TO SHAREHOLDERS	**–**	**–**	**–**	**–**	**–**	**–**	**(17.6)**	**(17.6)**	**(0.6)**	**(18.2)**
BALANCE AT 31 MARCH 2009	**12.1**	**12.2**	**3.5**	**3.4**	**8.1**	**(17.1)**	**(56.1)**	**(33.9)**	**0.6**	**(33.3)**

During the year the Company issued shares, under both the Performance Share Plan and the Share Match Incentive Scheme, for consideration at the applicable exercise prices shown in note 27. During the year ended 31 March 2002, the Company established a Capital Redemption Reserve of £49,998 on redemption of redeemable preference shares.

The aggregate current and deferred tax relating to income and expenses taken directly to equity is £22.3m (2008: £(17.9)m).

Share capital

	Ordinary shares 2009 millions	Ordinary shares 2008 millions
ALLOTTED, CALLED UP AND FULLY PAID		
In issue at 1 April	**121.3**	120.2
Issued for cash	**0.1**	1.1
In issue at 31 March	**121.4**	121.3

The above issued shares differ from those in note 7 as a result of the inclusion in the above total of the shares held by the Group within an Employee Benefit Trust (EBT) (see below), and also the effect of weighting for the purpose of the earnings per share calculations.

At 31 March 2009 the authorised share capital comprised 159,999,980 (2008: 159,999,980) ordinary shares of 10p each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the Company's shares that are held by the Group (see below), all rights are suspended until these shares are reissued.

Merger reserve

The merger reserve arose from the original acquisition of the then Wincanton group of companies by Wincanton plc on the demerger from the previous parent in May 2001, which was accounted for under merger accounting principles.

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 the translation of liabilities that hedge the Company's net investment in foreign subsidiaries.

IFRS 2 reserve

Since 1 April 2004 the IFRS 2 reserve comprises the charges made to the income statement in respect of share-based payments under the Group's share option schemes.

Own shares

The own shares reserve comprises the cost of the Company's shares held by the Group within an Employee Benefit Trust (EBT) established in Jersey and managed on its behalf by independent trustees. At 31 March 2009 the number of the Company's shares held by the Group had increased to 6,105,647 (2008: 4,801,973) due to the purchase of further shares in the Company less the settlement of options exercised. The EBT has waived the right to receive dividends in respect of shares held.

All of the shares in the EBT are held in respect of the Group's various equity compensation schemes (see note 27) and at 31 March 2009 4,010,086 of these were held in respect of vested options. The average cost of the shares held is 279p each and at the year end the market value of the shares held was £10.0m (2008: £16.6m).

24. CAPITAL COMMITMENTS

Capital commitments for the Group at the end of the financial year for which no provision has been made, are as follows:

	2009 £m	2008 £m
Contracted	**7.8**	15.4

25. OPERATING LEASES

Leases as lessee

The Group leases warehousing facilities, commercial vehicles and other logistics equipment for use in its operations. Typical lease periods for new warehouse rental contracts are between 5 and 15 years although older rental contracts are for longer periods with intervening break clauses. The average period for vehicles and equipment is 4 years. Wherever possible these commitments are mitigated by the existence of contractual commitments of customers for whom the properties are occupied and/or vehicles and plant are rented. The amounts charged to the income statement in the current and prior year are given in note 3.

The total future minimum lease payments under non-cancellable operating leases are detailed in the following tables:

	2009 Plant and equipment £m	2008 Plant and equipment £m
Leases expiring in:		
Less than one year	**44.1**	53.2
Between one and five years	**57.6**	69.8
More than five years	**2.8**	2.1
	104.5	125.1

	2009 Land and buildings £m	2008 Land and buildings £m
Leases expiring in:		
Less than one year	**82.5**	69.6
Between one and five years	**210.9**	196.5
More than five years	**246.3**	272.9
	539.7	539.0
Less contractual commitments	**(87.9)**	(95.4)
NET RENTAL OBLIGATION	**451.8**	443.6

The above net rental obligation includes multi-user warehouses where the occupancy risk of the Group is further spread across a number of customers.

26. EMPLOYEE BENEFITS

The employee benefit liabilities of the Group consist primarily of the post-retirement obligations of the Group's pension arrangements. In addition certain employment contracts of employees in the Group give rise to holiday pay obligations which are deferred at the accounting year end due to the relative timing of the annual holiday year. These two elements are analysed in the table below and the pension arrangements discussed in detail:

	2009 £m	2008 £m
Holiday pay	**8.8**	7.2
Pension schemes (see below)	**114.8**	33.5
	123.6	40.7
These employee benefits are split as follows:		
Current	**11.0**	8.9
Non-current	**112.6**	31.8
	123.6	40.7

Pension schemes

Employees of Wincanton participated in both funded and unfunded pension arrangements in the UK, Ireland and in Mainland Europe during the year ended 31 March 2009, details of these are given below.

The principal Wincanton Scheme in the UK (the Scheme) is a funded arrangement which has three 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 funded defined contribution scheme. Assets of these pension arrangements are held in separate Trustee administered funds independent of Wincanton. A small number of senior employees, who were subject to the statutory earnings cap on pensionable earnings prior to 6 April 2006, are entitled to participate in an unfunded unapproved arrangement in addition to accruing benefits from the Scheme. The unfunded unapproved arrangement generally aims to supplement the benefits payable under the Scheme so as to produce (when added to benefits from the Scheme) benefits that would otherwise be payable from the Scheme had they not been subject to the maximum permitted earnings as provided by HMRC before 6 April 2006 and as continued by a deed executed by the Trustees of the Scheme on 23 March 2006. The pension cost in relation to this arrangement plus the defined benefit sections of the Scheme is assessed in accordance with the advice of a qualified actuary using the projected unit method.

The last completed formal valuation of the Scheme was carried out as at 31 March 2005 by the Scheme actuary, Hymans Robertson, and as a result, the Group, in consultation with the Trustees and the Scheme actuary, agreed a series of measures to address both the actuarial past service deficit and the level of future service cost of the Scheme. In line with this agreement the Group has made an additional £8.0m cash contribution during the year (2008: £8.0m), designed to address the past service deficit of the Scheme.

The Group and the Trustees have reached an advanced stage in the completion of the latest triennial valuation being prepared by the actuary as at 31 March 2008. Agreement has been reached in respect of the key assumptions, and it is expected that the final documentation will be signed and submitted to The Pensions Regulator by the end of July 2009.

In the year commencing 1 April 2009, the Group contributions are expected to be approximately £32.0m, including an increased incremental cash contribution of £12.0m, based on the agreed position of the 31 March 2008 actuarial valuation.

Contributions are made to a number of smaller pension arrangements for employees elsewhere in Mainland Europe, and Wincanton has assumed liability for certain historic unfunded pension obligations of the German business which closed to future service in the 1980s. The pension charge in respect of this arrangement represents interest on the unfunded obligations.

The assets and liabilities of the defined benefit schemes of the Group are calculated in accordance with IAS 19 'Employee Benefits' 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 are derived from cash flow projections over long periods and are thus inherently uncertain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

	2009 £m	2008 £m
Present value of unfunded defined benefit obligations	**(34.9)**	(31.2)
Present value of funded defined benefit obligations	**(488.9)**	(515.3)
Fair value of Scheme assets	**409.0**	513.0
Net pension scheme obligations recognised	**(114.8)**	(33.5)

The movement in the above net pension scheme obligations in the year was the result of the fall in the market value of assets during the year, despite further additional cash contributions being made. This deterioration has been partially offset by a reduction in liabilities due to an increase in the corporate bond yields. The net pension scheme obligations, after taking into account the related deferred tax asset, are £(89.6)m (2008: £(31.5)m).

Movements in the present value of the defined benefit obligation

	2009			2008
	Wincanton Scheme £m	Unfunded arrangements £m	Total £m	Total £m
Opening defined benefit obligation	**515.3**	**31.2**	**546.5**	627.4
Effect of movements in foreign exchange	**–**	**4.5**	**4.5**	3.8
Current service cost	**15.5**	**0.6**	**16.1**	21.4
Interest cost	**35.4**	**1.8**	**37.2**	34.3
Actuarial gains	**(54.1)**	**(1.3)**	**(55.4)**	(119.6)
Employee contributions	**0.2**	**–**	**0.2**	0.3
Benefits paid	**(23.4)**	**(2.0)**	**(25.4)**	(21.2)
Liabilities extinguished on settlements	**–**	**(0.1)**	**(0.1)**	–
Transfer in of unfunded arrangements	**–**	**0.2**	**0.2**	0.1
Closing defined benefit obligation	**488.9**	**34.9**	**523.8**	546.5

Movements in the fair value of Wincanton Scheme assets

	2009 £m	2008 £m
Opening fair value of Scheme assets	**513.0**	526.3
Expected return	**36.0**	35.5
Actuarial losses	**(143.6)**	(57.9)
Employer contributions	**28.8**	30.0
Employee contributions	**0.2**	0.3
Benefits paid	**(25.4)**	(21.2)
Closing fair value of Scheme assets	**409.0**	513.0

Where benefits are paid in respect of unfunded arrangements these costs are met by the employer and are included within employer contributions and benefits paid in the table above.

Other pension costs charged in the income statement

	2009 £m	2008 £m
Current service cost	**16.1**	21.4
Interest on pension scheme liabilities	**37.2**	34.3
Expected return on Scheme assets	**(36.0)**	(35.5)
	1.2	(1.2)

The above expense is recognised in the following lines in the income statement:

	2009 £m	2008 £m
Cost of sales	**12.7**	17.7
Administrative costs	**3.4**	3.7
	16.1	21.4
Net financing cost/(income)	**1.2**	(1.2)

The expected rates of return on the Scheme assets are set at the beginning of the year, as follows:

	2009 Expected return on assets %	2008 Expected return on assets %
Equities	**8.00**	8.00
Corporate bonds	**6.95**	5.50
Government bonds	**4.50**	4.50
Property	**6.25**	6.25
Other	**5.25**	5.25
Overall expected rate of return	**6.97**	6.68

The expected rates of return on the Scheme assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the Scheme's investment portfolio, net of investment management expenses. The assets of the Scheme are held in the following proportions as at 31 March 2009; equities 59%, corporate bonds 33%, government bonds 3%, property 4%, and cash 1%.

The actual loss on assets during the year was £107.6m (2008: £22.4m).

Liability for defined benefit obligations

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

	2009 %	2008 %
Price inflation rate	**3.10**	3.50
Discount rate	**7.20**	6.95
Pensionable salaries rate	**3.10**	3.50
Rate of increase of pensions in payment and deferred pensions		
– for service to 31 March 2006	**3.10**	3.50
– for service from 1 April 2006	**2.30**	2.50

For the majority of Scheme members increases in pensionable salaries are now capped at the same level as price inflation.

A discount rate of 5.8% (2008: 5.3%) per annum and an average pension increase rate of 2.0% (2008: 2.0%) per annum are the principal actuarial assumptions adopted for the German schemes as at 31 March 2009.

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

	2009 Years	2008 Years
Male aged 65 today	**20.9**	19.8
Male aged 45 today	**22.2**	21.0
Female aged 65 today	**23.2**	22.8
Female aged 45 today	**24.4**	24.0

Sensitivity table

The sensitivity 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, although 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	Impact on liability
Price inflation	± 0.5%	± 10.0%
Discount rate	± 0.5%	± 10.0%
Mortality rate	+ 1 year	+ 2.7%

History

The net deficit in the schemes at the balance sheet date for the current and prior periods is as follows:

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Present value of defined benefit obligations	**(523.8)**	(546.5)	(627.4)	(614.1)	(460.0)
Fair value of assets in the Scheme	**409.0**	513.0	526.3	467.7	361.6
Net deficit	**(114.8)**	(33.5)	(101.1)	(146.4)	(98.4)

Analysis of amount recognised in statement of recognised income and expense

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Actual return less expected return on Scheme assets	**(143.6)**	(57.9)	(5.7)	60.5	8.8
Actuarial gains/(losses) arising on pension scheme liabilities	**55.4**	119.6	18.6	(125.7)	(15.8)
Actuarial (loss)/gain recognised in statement of recognised income and expense	**(88.2)**	61.7	12.9	(65.2)	(7.0)

The cumulative actuarial (losses)/gains reported in the statement of recognised income and expense since the transition to Adopted IFRS on 1 April 2004 are £(85.8)m (2008: £2.4m).

Defined contribution schemes
The total expense relating to the Group's defined contribution schemes in the current year was £9.0m (2008: £7.1m).

27. EQUITY COMPENSATION BENEFITS

Wincanton employees participate in Wincanton's Executive Share Option Schemes, Performance Share Plan, Share Match Incentive Schemes and Sharesave Option Scheme.

The terms and conditions of the grants to date under these schemes are as follows:

Executive Share Option Schemes

Grant date	Number of options granted	Vesting conditions	Contractual life years
June 2001	2,966,959	3 years of service plus average annual growth rate for underlying EPS of RPI +3% in any 3 consecutive years of the 5 years following the grant (starting with the year including the grant)	10
September 2001	536,826		
July 2002	44,318		
December 2002	1,621,000		
March 2004	250,000	3 years of service plus average annual growth rate for underlying EPS of RPI + 3% in the 3 consecutive years following the grant (starting with the year including the grant)	10
December 2004	3,136,630		
July 2005	45,000		
December 2005	3,184,581		
December 2006	2,925,065		
December 2007	2,457,000		
Total	17,167,379		

Performance Share Plan

Grant date	Number of options granted	Vesting conditions	Contractual life years
December 2007	399,734	3 years of service plus (a) 50% will vest subject to the Company's underlying EPS performance over 3 years (maximum vesting is achieved if annual underlying EPS growth is ≥ 15% per annum) and (b) 50% will vest subject to the Company's TSR performance over 3 years relative to the TSR of the FTSE 250 (maximum vesting is achieved if TSR performance is ≥ 20% per annum in excess of the TSR of the FTSE 250).	3½
June 2008	1,053,972		
Total	1,453,706		

Share Match Incentive Schemes

Grant date	Number of options granted	Vesting conditions	Contractual life years
Original			
June 2005	55,577	3 years of service plus average annual growth rate for underlying EPS of RPI +3% in the 3 consecutive years following the grant (starting with the year including the grant)	3½
July 2006	76,702		
July 2007	21,008		
June 2008	64,033		
Revised December 2007 June 2008	 2,766,504 1,549,444	3 years of service plus (a) 50% will vest subject to the Company's underlying EPS performance over 3 years (maximum vesting is achieved if annual compound underlying EPS growth is ≥ 15% per annum) and (b) 50% will vest subject to the Company's TSR performance over 3 years relative to the TSR of the FTSE 250 (maximum vesting is achieved if TSR performance is ≥ 20% per annum in excess of the TSR of the FTSE 250).	3½
Total	4,533,268		

The Executive Share Option Schemes, Performance Share Plan and Share Match Incentive Schemes are open to Directors and senior managers only. Upon exercise, all options granted under these schemes are equity settled.

Sharesave Option Scheme

Grant date	Number of options granted	Vesting conditions	Contractual life years	Status
June 2001 (3 year)	2,282,491	3 years of service	3½	Vested
June 2001 (5 year)	2,281,135	5 years of service	5½	Vested
December 2004	1,197,724	3 years of service	3½	Vested
Total	5,761,350			

The Sharesave Option Scheme is open to all UK employees with 12 months' service at the grant date.

The Group schemes all provide for a grant price equal to the average quoted market price of the Group shares for a short period immediately prior to the date of grant.

The number and weighted average exercise price of all share options extant under the Executive Share Option, Performance Share Plan, Share Match Incentive and Sharesave Option schemes are as follows:

	2009		2008	
	Options	**Weighted average exercise price pence**	Options	Weighted average exercise price pence
Outstanding at beginning of period	**14,008,602**	**248**	10,896,685	292
Granted during the period	**2,667,449**	**nil**	5,644,246	167
Lapsed during the period	**(1,623,627)**	**189**	(823,796)	271
Exercised during the period	**(246,240)**	**144**	(1,708,533)	255
Outstanding at the end of the period	**14,806,184**	**211**	14,008,602	248
Exercisable at the end of the period	**4,886,829**	**285**	2,952,784	245

The weighted average share price at the date of exercise for share options exercised during the period was 292p (2008: 370p). The options outstanding at 31 March 2009 had a range of exercise prices of between nil and 384p and a weighted average remaining contractual life of 5 years.

Under Adopted IFRS, the grants of options since 7 November 2002 are accounted for in accordance with IFRS 2 'Share-based payments', which requires the fair value of services received in return for share options granted to be recognised in the income statement over the vesting period. The fair value of these services is measured by reference to the fair value of the share options granted.

Executive Share Option and Sharesave Option schemes

The awards made under these schemes all have non-market based performance conditions which are taken into account in the fair value calculation using a Binomial pricing model. The contractual life of the options and the expectation of early exercises are incorporated into the model. The other key inputs used in the model for options granted in the prior year are set out in the following table, no awards were made under these schemes in the current year:

	2009	2008
Weighted average price at grant date	–	384p
Expected volatility	–	25.0%
Expected life	–	5 years
Risk free rate	–	4.78%
Expected dividend yield	–	4.00%

Expected volatility is based on a 4 year average of the historic share price volatility.

Share Match Incentive Scheme (Original)

The awards made under this scheme have non-market based performance conditions. As the award is at nil cost, the fair value is equivalent to the option value (i.e. the average share price of the Company for three days prior to the award date).

Performance Share Plan and Share Match Incentive (Revised) Scheme

The awards under these schemes are made in two parts based on EPS and TSR performance and a separate fair value is required for each part: (a) The EPS requirement is a non-market based performance condition. As the award is at nil cost the fair value is equivalent to the option value (i.e. the average share price of the Company for the three days prior to the award date). (b) The TSR requirement is a market based performance condition and the fair value is calculated by applying a discount to the option value. The discount is calculated using scenario-modelling and is the expected outcome of meeting the performance criteria.

The Group recognised total expenses of £1.9m (2008: £3.4m) in respect of the costs of equity settled and other share-based payment transactions during the year. At the year end liabilities of £0.2m (2008: £0.8m) were included in the balance sheet for these items.

28. 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 has financed its growth in recent years through retained profit and debt. 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.

During the year the Group added a £30m 364-day committed bi-lateral facility with two of its existing relationship banks plus a further £4.0m from a separate lender. The Group's core banking facilities are two committed revolving credit facilities, a £210m syndicated loan which matures in November 2010 and the aforementioned £34m bi-laterals. The Group also has committed funding by way of a US$150m private placement, which has been swapped into sterling and euros and matures in 2012 ($95m) and 2015 ($55m). In addition the Group has overdraft and other uncommitted facilities which are used to manage short-term fluctuations in working capital.

As more fully detailed in the Business review on page 17, in the light of current economic circumstances the Group has commenced discussions with its bankers over the renewal of its main facility, and no indications have been received that this will not be achievable under acceptable commercial terms.

At 31 March 2009 the amount drawn under the Group's committed facilities was £91.3m (2008: £47.8m) leaving headroom of £152.7m (2008: £162.2m).

The Group holds interest bearing cash deposits, the majority of which are held in sterling and held within the captive insurer. These deposits have a mix of maturities, none of which are greater than 12 months. The income earned on these deposits is subject to changes in interest rates.

See note 19 for further analysis of the contractual maturities of financial liabilities.

Market risk

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

Interest rate risk

The Group maintains a policy of using derivatives to achieve an appropriate balance between fixed, capped, and floating interest profiles, so as to limit the exposure to the cash cost of servicing its debt.

The majority of the Group's drawn debt at 31 March 2009 is in floating rates. This floating rate exposure has been managed by using interest rate swaps and caps. At the year end the Group has €100.0m capped at 4.75%, which expires 15 June 2009. At the year end, the profile of the Group's net interest rate exposure was:

	2009			2008		
	Total £m	**Floating rate £m**	**Fixed rate £m**	Total £m	Floating rate £m	Fixed rate £m
STERLING						
Bank loans and overdrafts	**78.5**	**78.5**	**–**	48.3	48.3	–
Finance leases	**16.3**	**–**	**16.3**	13.8	–	13.8
Borrowings	**94.8**	**78.5**	**16.3**	62.1	48.3	13.8
Cash	**(22.4)**	**(22.4)**	**–**	(40.8)	(40.8)	–
Net debt	**72.4**	**56.1**	**16.3**	21.3	7.5	13.8
Interest rate swap	**–**	**(15.0)**	**15.0**	–	(15.0)	15.0
Net debt	**72.4**	**41.1**	**31.3**	21.3	(7.5)	28.8
Of which capped	**–**	**–**	**–**	30.0	30.0	–
EURO AND OTHER CURRENCIES						
Bank loans and overdrafts	**129.7**	**129.7**	**–**	109.6	109.6	–
Finance leases	**0.2**	**–**	**0.2**	0.2	–	0.2
Borrowings	**129.9**	**129.7**	**0.2**	109.8	109.6	0.2
Cash	**(25.9)**	**(25.9)**	**–**	(26.6)	(26.6)	–
Net debt	**104.0**	**103.8**	**0.2**	83.2	83.0	0.2
Of which capped	**92.9**	**92.9**	**–**	79.1	79.1	–

The net fair value of the financial instruments used to manage interest rates is £(0.9)m (2008: £(0.1)m).

Interest rate sensitivity
The following table demonstrates the sensitivity to a change in interest rates of 0.5% on the Group's profit before tax and 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. The impact of any interest rate cap due to expire in the forthcoming year has been ignored. A variation of 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 26.

		Effect on profit before tax £m	**Effect on equity £m**
2009			
Sterling	**0.5% increase in rates**	**(0.7)**	**(0.7)**
	0.5% decrease in rates	**0.7**	**0.7**
Euro	**0.5% increase in rates**	**(0.6)**	**(0.6)**
	0.5% decrease in rates	**0.6**	**0.6**
2008			
Sterling	0.5% increase in rates	(0.5)	(0.5)
	0.5% decrease in rates	0.5	0.5
Euro	0.5% increase in rates	(0.2)	(0.2)
	0.5% decrease in rates	0.6	0.6

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.

Currency risk and sensitivity
As a Pan-European business a proportion of the Group's activities are denominated in currencies other than sterling, principally the euro. However, the transactional exposure of the Group is minimised as the vast majority of transactions are denominated in the relevant functional currency of the operation concerned.

In order to protect the sterling value of the balance sheet, the Group generally finances its investment in overseas subsidiaries by borrowing in the applicable currency. Consequently, any change in the value of a currency against sterling with all other variables held constant has no material impact on the net assets of the Group. The only exception is the Group's net investment in Hungary which is financed in sterling; a 5% change in the sterling/Hungarian forint exchange rate would have a £0.5m impact on the Group's net assets. A variation of 5% represents management's view of a reasonably possible change in the sterling/Hungarian forint exchange rate.

Although a proportion of non-sterling funding is obtained by borrowing euro and other currencies directly from the Group's committed facilities, a large element results from swapping the US$150m private placement into sterling, and then from sterling into euros. The underlying US$150m principal and all future cash flows are fully hedged; the fair values of the US$ principal, and the US$/GBP swap move in line with each other, so there is no resulting adjustment to the Group's income statement. The GBP/euro swap is used as part of the Group's net investment hedge, whereby changes in the value of the Group's net investment denominated in euros are offset by changes in the value of the swap.

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.

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, including derivative financial instruments, in the balance sheet of £451.4m (2008: £455.9m). See note 17 for further analysis of trade receivables and the associated doubtful debt provisions held.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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

	2009 £m	2008 £m
Total borrowings	**224.7**	171.9
Cash and cash equivalents	**(48.3)**	(67.4)
Net debt	**176.4**	104.5

Fair values

The fair values of the Group's financial assets and liabilities, together with the carrying amounts shown in the balance sheet are given in the following table:

	2009		2008	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Unlisted trade investments	**0.4**	**0.4**	0.3	0.3
Trade receivables	**278.1**	**278.1**	297.5	297.5
Other receivables	**7.1**	**7.1**	9.9	9.9
Cash and cash equivalents	**48.3**	**48.3**	67.4	67.4
US$ fixed to floating swaps				
– Assets	**117.9**	**117.9**	81.1	81.1
– Liabilities	**(113.3)**	**(113.3)**	(98.6)	(98.6)
Bank loans and overdrafts	**(94.9)**	**(94.9)**	(59.3)	(59.3)
Unsecured bond issues – US$ private placement	**(117.9)**	**(117.9)**	(81.1)	(81.1)
Finance lease liabilities	**(16.5)**	**(16.5)**	(14.0)	(14.0)
Trade and other payables	**(527.4)**	**(527.4)**	(521.6)	(521.6)
Unrecognised losses		**–**		–

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

Derivatives

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate. For interest rate swaps broker quotes are used.

Interest-bearing loans and borrowings and unsecured bond issues

Fair value is calculated on discounted expected future principal and interest cash flows at market interest rates.

Finance lease liabilities

The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogenous lease agreements.

29. RELATED PARTIES

Identity of related parties

The Group has a controlling related party relationship with its parent company Wincanton plc. In addition the Group has related party relationships with its subsidiaries and associates, jointly controlled entities (note 14) and with its Executive and non-executive Directors.

Transactions with Executive and non-executive Directors

The interests of the Executive and non-executive Directors in the share capital of the Company, plus full details of the individual Director's emoluments, share options and pension entitlements are given in the Directors' remuneration report on pages 32 to 40.

The total of short-term employee remuneration and benefits receivable by the Directors is set out in note 4.

Other related party transactions

Associates

During the year ended 31 March 2009, associates purchased services from the Group in the amount of £0.3m (2008: £0.4m) and sold services to the Group in the amount of £7.0m (2008: £5.6m). At 31 March 2009, the outstanding balance between associates and the Group was £1.4m (2008: £1.2m). All transactions with associates are made on commercial terms.

Jointly controlled entities

During the year ended 31 March 2009, the jointly controlled entities purchased services from the Group in the amount of £9.4m (2008: £8.7m) and sold services to the Group in the amount of £12.9m (2008: £10.4m). At 31 March 2009, the outstanding balance between the jointly controlled entities and the Group was £1.3m (2008: £0.5m). All transactions with the jointly controlled entities are made on commercial terms.

In addition a loan balance existed between the jointly controlled entities and the Group as at 31 March 2009 of £0.9m (2008: £nil). All loans are provided on commercial terms.

30. ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

The areas where policy selection is most critical for the Group are concerned with the accounting for pensions, the determination of provisions, and the testing of goodwill for impairment. Information about the assumptions and risk factors relating to these issues are given in notes 26, 21 and 9 respectively.

COMPANY BALANCE SHEET
AT 31 MARCH 2009

	Note	2009 £m	2008 £m
FIXED ASSETS			
Investments	2	**113.3**	111.4
		113.3	111.4
CURRENT ASSETS			
Debtors	3	**143.8**	97.5
Cash at bank and in hand		**0.2**	0.3
		144.0	97.8
Creditors: amounts falling due within one year	4	**(6.2)**	(15.9)
NET CURRENT ASSETS		**137.8**	81.9
TOTAL ASSETS LESS CURRENT LIABILITIES		**251.1**	193.3
Creditors: amounts falling due after more than one year	5	**(201.8)**	(145.3)
NET ASSETS		**49.3**	48.0
CAPITAL AND RESERVES			
Called up share capital	6	**12.1**	12.1
Share premium account	6	**12.2**	11.9
Profit and loss account	6	**25.0**	24.0
EQUITY SHAREHOLDERS' FUNDS	7	**49.3**	48.0

These financial statements were approved by the Board of Directors on 3 June 2009 and were signed on its behalf by:

G MCFAULL
CHIEF EXECUTIVE

G D CONNELL
GROUP FINANCE DIRECTOR

NOTES TO THE WINCANTON PLC 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 financial statements have been prepared in accordance with applicable accounting standards (UK Generally Accepted Accounting Practice).

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

Advantage has been taken of FRS 8 'Related party disclosures' not to disclose transactions with subsidiaries on the basis that all transactions were with members of the Group, 90% or more of whose voting rights were controlled.

Advantage has been taken of FRS 29 'Financial Instruments: Disclosures' available to parent companies not to present financial instrument disclosures as the Group financial statements contain disclosures that comply with the standard.

The Company participates in both a funded and unfunded pension scheme providing benefits based on final pensionable pay. The assets of the funded scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

Investments

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

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on such translation are recognised in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred taxation is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes that have occurred but not reversed by the balance sheet date, except as otherwise required by FRS19 'Deferred Tax'.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments which are accounted for as trading instruments are recognised initially and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the profit and loss account. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are also recognised immediately in the profit and loss account (even if those gains would normally be recognised directly in reserves).

Hedge of monetary assets and liabilities

Where a derivative financial instrument is used to economically hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the profit and loss account.

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 profit and loss account over the period of the borrowings on an effective interest basis. Interest-bearing borrowings which are designated hedged items in a fair value hedge arrangement are carried at fair value (see policy above).

Shares held by employee benefit trust

Shares in the Company held by the Wincanton plc Employee Benefit Trust are shown as a deduction from shareholders' equity at cost in accordance with UITF Abstract 38 'Accounting for ESOP trusts'.

NOTES TO THE WINCANTON PLC COMPANY FINANCIAL STATEMENTS
CONTINUED

Share-based payments

Where a parent company grants rights to its instruments to employees of a subsidiary, and such share-based compensation is accounted for as equity-settled in the consolidated financial statements of the Group, the subsidiary is required to record an expense for such compensation in accordance with FRS 20 'Share-based payments', with a corresponding increase recognised in equity as a contribution from the parent. Consequently, in the financial statements of the parent (Wincanton plc), the Company has recognised an addition to fixed asset investments of the aggregate amount of these contributions of £1.9m (2008: £2.1m) with a credit to equity for the same amount.

2. FIXED ASSET INVESTMENTS

	2009 Shares in Group undertakings £m	2008 Shares in Group undertakings £m
COMPANY		
Cost		
At beginning of year	111.4	69.3
Additions	–	40.0
Additions – share-based payments	1.9	2.1
At end of year	113.3	111.4

A list of the subsidiaries of Wincanton plc is given in note 12 to the Group financial statements.

3. DEBTORS

	2009 £m	2008 £m
Amounts owed by Group undertakings	143.5	85.9
Group tax relief receivable	–	11.2
Prepayments and accrued income	0.3	0.4
	143.8	97.5

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £m	2008 £m
Bank loans and overdrafts	3.9	13.5
Accruals and deferred income	2.0	2.4
Group tax relief payable	0.3	–
	6.2	15.9

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £m	2008 £m
Bank loans and overdrafts	201.8	145.3
	201.8	145.3

Included within bank loans and overdrafts above are amounts repayable after 5 years otherwise than by instalments of £38.2m (2008: £34.7m).

6. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

	Share capital £m	Share premium £m	Profit & loss account: Reserve for own shares £m	Profit & loss account: FRS 20 Reserve £m	Profit & loss account: Retained earnings £m	Total equity £m
Balance at 1 April 2007	12.0	9.6	(7.5)	–	42.1	56.2
Total recognised gains and losses	–	–	–	–	10.1	10.1
Shares issued due to options exercised by employees	0.1	2.2	–	–	–	2.3
Own shares disposed of on exercise of options	–	0.1	0.7	–	(0.4)	0.4
Purchase of own shares held by Employee Benefit Trust	–	–	(7.9)	–	–	(7.9)
Dividends paid to shareholders	–	–	–	–	(16.2)	(16.2)
Equity granted to employees of the Company and subsidiaries	–	–	–	1.0	2.1	3.1
Balance at 31 March 2008	12.1	11.9	(14.7)	1.0	37.7	48.0
BALANCE AT 1 APRIL 2008	**12.1**	**11.9**	**(14.7)**	**1.0**	**37.7**	**48.0**
TOTAL RECOGNISED GAINS AND LOSSES	**–**	**–**	**–**	**–**	**19.1**	**19.1**
SHARES ISSUED DUE TO OPTIONS EXERCISED BY EMPLOYEES	**–**	**0.3**	**–**	**–**	**–**	**0.3**
OWN SHARES DISPOSED OF ON EXERCISE OF OPTIONS	**–**	**–**	**0.3**	**–**	**(0.3)**	**–**
PURCHASE OF OWN SHARES HELD BY EMPLOYEE BENEFIT TRUST	**–**	**–**	**(2.7)**	**–**	**–**	**(2.7)**
DIVIDENDS PAID TO SHAREHOLDERS	**–**	**–**	**–**	**–**	**(17.6)**	**(17.6)**
EQUITY GRANTED TO EMPLOYEES OF THE COMPANY AND SUBSIDIARIES	**–**	**–**	**–**	**0.3**	**1.9**	**2.2**
BALANCE AT 31 MARCH 2009	**12.1**	**12.2**	**(17.1)**	**1.3**	**40.8**	**49.3**

During the year the Company issued shares under the Sharesave Option Scheme for consideration at the applicable exercise prices shown in note 27 to the Group financial statements. During the year ended 31 March 2002, the Company established a Capital Redemption Reserve of £49,998 on redemption of redeemable preference shares. The FRS 20 reserve comprises the charge made to the profit and loss account in respect of share-based payments under the Company's share option schemes.

Details of the Company's own shares, held within an Employee Benefit Trust, are given in note 23 to the Group financial statements.

Allotted, called up and fully paid	Ordinary shares: **2009 millions**	Ordinary shares: 2008 millions
In issue at 1 April	**121.3**	120.2
Issued for cash	**0.1**	1.1
In issue at 31 March	**121.4**	121.3

At 31 March 2009 the authorised share capital comprised 159,999,980 (2008:159,999,980) ordinary shares of 10p each.

As permitted by Section 230 (4) of the Companies Act 1985, the Company has not presented its own profit and loss account. The Directors' remuneration as disclosed in note 4 to the Group financial statements is borne by Wincanton plc, the Directors are the only employees of the Company. The Company has taken the exemption not to disclose non-audit fees incurred as these are included in note 3 to the Group financial statements.

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £m	2008 £m
Profit for the financial year	**19.1**	10.1
Dividends declared and paid	**(17.6)**	(16.2)
Retained profit/(loss) for the financial year	**1.5**	(6.1)
Purchase of own shares held by Employee Benefit Trust	**(2.7)**	(7.9)
Shares issued due to options exercised by employees	**0.3**	2.3
Own shares disposed of on exercise of options	**–**	0.4
Equity granted to employees of the Company and subsidiaries	**2.2**	3.1
Net increase/(decrease) in shareholders' funds	**1.3**	(8.2)
Opening shareholders' funds	**48.0**	56.2
Closing shareholders' funds	**49.3**	48.0

GROUP FIVE-YEAR RECORD

As reported under Adopted IFRS

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Revenue	**2,361.3**	2,164.7	1,933.1	1,809.3	1,651.5
Underlying operating profit [1]	**59.5**	52.4	45.5	42.0	39.3
Net financing costs	**(18.3)**	(10.8)	(9.9)	(9.7)	(9.9)
Underlying profit before tax [1]	**41.3**	41.8	35.6	32.3	29.5
Profit before tax	**20.0**	36.7	32.6	31.3	27.6
Underlying profit after tax for the year [1]	**28.7**	28.4	24.4	22.0	18.6
Underlying earnings per share [1]	**24.7p**	24.3p	21.0p	19.2p	16.3p
Dividend per share	**14.91p**	14.91p	13.55p	12.54p	11.40p
Dividend cover [2]	**1.66x**	1.63x	1.55x	1.53x	1.43x
Interest cover [2]	**3.3x**	4.9x	4.6x	4.3x	4.0x
Net debt	**(176.4)**	(104.5)	(65.8)	(60.6)	(56.5)
Capital employed [3]	**93.8**	104.0	82.5	119.7*	132.1
Return on capital employed [3]	**63.4%**	50.4%	55.2%	35.1%*	29.8%
Free cash flow [4]	**57.4**	48.3	72.2	55.4	52.6

[1] Operating profit, and hence profit before and after tax is reported on an underlying basis, i.e. before amortisation of acquired intangibles and any goodwill impairment and exceptionals and in respect of profit before and after tax, including results of associates. Underlying earnings per share is calculated on the same basis.
[2] Dividend cover is based on the underlying earnings per share as defined above and the dividend per share above. Interest cover is calculated using operating profit as defined above.
[3] Capital employed is defined as net assets/(liabilities) adjusted for goodwill, acquired intangibles, investments in associates, debt, tax, employee benefits and insurance provisions. Return on capital employed is calculated as underlying operating profit over capital employed.
[4] Free cash flow comprises EBITDA plus working capital and net capital expenditure flows.

* Restated due to change on acquisition (see note 22, Annual Report and Accounts 2007).

FINANCIAL CALENDAR

Annual General Meeting	To be held on 23 July at the offices of Buchanan Communications, 45 Moorfields, London, EC2Y 9AE at 11.30 am
Ordinary dividends	
Interim 4.83p per share	Paid 6 January 2009
Final 10.08p per share	Payable 7 August 2009 to shareholders on the register at the close of business on 10 July 2009
Half year results	Interim announcement November 2009
Full year results	Preliminary announcement June 2010
Annual Report	Posted to shareholders at the end of June 2010

SHAREHOLDER INFORMATION

Annual Report
Copies can be obtained from the Company's address below.

Share registrar
The Company's Registrar is Computershare. If you have any questions about your holding or wish to notify any change in your details, please contact the Registrar at: Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Telephone: 0870 707 1788. Whenever you contact the Registrar, please quote the full names in which your shares are held. Please advise the Registrar promptly of any change of address.

Dividend mandates
The Company encourages its shareholders to have future dividends paid directly into their bank or building society account. To set this up for the shares you hold, you should contact the Registrar for a dividend mandate form or complete the instructions attached to your dividend payment.

Share dealing service
Wincanton shares may be dealt through the Company's brokers. If you would like further information, you may contact the brokers at: Postal Dealing Service, JPMorgan Cazenove Limited, 20 Moorgate, London EC2R 6DA. Telephone: 020 7588 2828. Please note that to comply with legislation aimed at the control of money laundering, users of this service will be required to provide details of their identity.

Share price quotation
The Company's share price is quoted daily in national and regional newspapers as well as on BBC2 Ceefax, Channel 4 Teletext and via the Wincanton website, where it is regularly updated through the day.

Shareholders' enquiries
If you have an enquiry about the Company's business or about something affecting you as a shareholder (other than queries regarding shareholdings which are dealt with by Computershare) you are invited to contact the Company at the address below.

Unsolicited mail
The Company is obliged to make its Register available to other organisations. Shareholders wishing to limit the amount of unsolicited mail they may receive as a result should write to the Mailing Preference Service at DMA House, 70 Margaret Street, London SW1W 8SS, or online at www.mpsonline.org.uk.

Unsolicited investment advice
Over the last year, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:
- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register/home.do
- Report the matter to the FSA either by calling 0300 500 5000 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.
- Inform Computershare's Compliance Department.

If you deal with an unauthorised firm, you will not be eligible to receive payments under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml

Details of any share dealing facilities that the Company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk

ShareGift

If you hold only a few shares and feel that it would be uneconomical or simply not worthwhile to sell them, you could consider donating your shares to charity through ShareGift (registered charity 1052686). Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK charities. Donating shares to charity gives rise to neither a gain nor loss for UK Capital Gains Tax purposes and UK taxpayers may also be able to claim income relief on such gifts of shares. To find out more visit www.sharegift.org or call 020 7930 3737. Alternatively contact the Company's Registrar who can help arrange the transfer of your shares.

Wincanton plc website

The Wincanton website at www.wincanton.co.uk provides news and information about the services offered by Wincanton as well as useful information for investors.

Secretary and registered office

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Revive 100 Uncoated is 100% de-inked post-consumer waste. All pulps used are Elemental Chlorine Free (ECF) and the manufacturing mill is accredited with the ISO 14001 standard for environmental management.

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