

Introduction to

halfords

**For more than 110 years
Halfords has been synonymous
with travel.**

We are the UK's leading retailer of automotive and cycling products, and a leading independent operator in auto repair. Many of our brands hold number one sales positions, and we see clear opportunities to grow market share in the short and long-term future.

Our Vision

Our vision is clear:

- To be first choice for customers' life on the move
- We will achieve this by being Committed to Making Customers' Journeys Better

462

Retail stores in the UK and ROI

(as of 1 April 2016)

314

Autocentres across the UK

(as of 1 April 2016)

10

Cycle Republic stores

(as of 1 April 2016)

£1bn

Group Revenue



Business Model

Evolved for future orientation

Pages 10 and 11



Defining our CSR Strategy

Integrated into every aspect of business

Page 10



Strategy

Connected strategic thinking

Pages 14 and 20



Risk

Identifies key material interdependencies

Page 30



In producing this report we have: built upon the key changes introduced previously; and developed it in line with the evolving practices in integrated reporting.



Online Annual Report

Read our Annual Report online, including a link to the full Remuneration Policy.
halfords.annualreport2016.com

Corporate Website

Catch up with our latest news and learn more about Halfords on our corporate website
www.halfordscompany.com

A little direction for *your* journey through our report

 This icon signposts the reader to other sections in this report

 This icon signposts the reader to more information that can be found online

 This icon accompanies 'fast facts' with figures that relate to 4th April 2015 - 1st April 2016

Our Integrated Report

This is our third integrated report and is designed to provide a concise overview of how we generate value for all stakeholders. By following an integrated reporting model, we aim to show how our competitive advantage is sustainable in the short, medium, and long term. While this report focuses on value generation for our shareholders, it also demonstrates how we interact with all of our stakeholders.

What is integrated about this report?

In producing this report we have: built upon the key changes introduced previously; and developed it in line with the evolving practices in integrated reporting. Our future reports will seek to keep up with these new developments and achieve our aim of continually improving our stakeholder communications.

The steps we have taken on this journey so far:

Future orientation

Our business model continues to evolve to provide greater clarity on how we create value in the short, medium and long term, ultimately showing that we are a sustainable business.

Connectivity

Integrated reporting has helped us to ensure connectivity of our thinking in every aspect of our business. Our business model is informed by our strategic thinking, and our strategy is informed by sustainability and risk considerations. To reflect this we have increased the signposting and consistency between sections to show how they connect and interact.

Stakeholder relationships

We have set out the nature and quality of our key stakeholder relationships. We have provided details of: how we engage with these groups; how we address the issues that affect them; and how each contributes to deliver value.

Materiality

To demonstrate the interdependencies between our resources, our relationships and the sustainability of our business, we have identified the material items which affect our ability to create value. We have also prioritised these items in our risk considerations. These material items are integrated into our business model and strategy.

Consistency and comparability

We have provided three-year KPIs throughout this report to make comparisons easy, both with previous years' progress and across other organisations.

Conciseness

We have removed repetition where possible, increased signposting where relevant, and made the structure of the report logical and intuitive. We have integrated sustainability throughout the report to reflect how it informs every business decision we make. We have included our key corporate responsibility requirements within the Directors' Report on page 37, and included case studies of our charity and other CSR initiatives into the relevant strategy pages.

Reliability and completeness

This report aims to approach material matters both positive and negative in a fair, balanced and understandable way.

Throughout this report, we have included case studies to bring our story to life. These case studies illustrate in more depth some of the specific ways in which we have executed our strategic objectives and show examples of our varied CSR activities which we consider important to our strategic performance.



Our goal is to be customers' first choice for their life on the move and we will achieve this by being Committed to Making Customers' Journeys Better.

Our **Group Strategy** is delivered across our two areas:

Retail

In Retail we have introduced the following five new pillars to the strategy:



Putting Customers in the Driving Seat



Service in our DNA



Building on our Uniqueness



Better Shopping Experience



Fit for Future Infrastructure

See more on our [Retail Strategy](#) on pages 14 to 15

Autocentres

In Autocentres our existing four-point plan remains in place:



Be First Choice for Customers



A Service Customers come back for



Be a Grand Prix Operation



Leverage the Halfords Brand

See more on our [Autocentre Strategy](#) on pages 20 to 21

In this year's report

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