

Registered number: 2704051

Wynnstay Group Plc
Annual Report and Accounts 2012

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Directors' Report

for the year ended 31 October 2012

The Directors present their report together with the audited financial statements of the Parent Company ("the Company") and the Group for the year ended 31 October 2012

Wynnstay Group plc ("the Company") is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006

The address of the Company's registered office is Wynnstay Group plc, Eagle House Llansantffraid Powys SY22 6AQ

The Company has its primary listing on AIM, part of the London Stock Exchange

The Group financial statements were authorised for issue by the Board of Directors on 22 January 2013

PRINCIPAL ACTIVITIES

The principal activities of the Group continue to be that of the supply of agricultural farm inputs to both livestock and arable enterprises, and the retailing of specialist merchandise through country stores and specialist pet product centres

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the business and future developments of the Group and a discussion of the principal risks and uncertainties faced by the Group are presented in the Chairman's Statement and Chief Executive's Review included within the Group's published accounts

DIRECTORS AND THEIR INTERESTS

The Directors of the Company who held office during the year and their interests in the share capital of the Company at the year end were as follows

	25p Ordinary Shares		SAYE Options		Discretionary Options	
	2012	2011	2012	2011	2012	2011
E G Owen	25,585	25,050	-	-	-	-
J J McCarthy	-	-	-	-	-	-
J C Kendrick	10,193	9,980	-	-	-	-
J E Davies	41,526	40,658	-	-	-	-
Lord Carlile CBE QC	32,331	31,656	-	-	-	-
B P Roberts	103,000	106,000	6,369	5,046	44,500	36,500
K R Greetham	34,051	36,593	7,331	7,331	62,000	54,000
D A T Evans	12,818	12,550	5,918	5,918	35,500	27,500

In addition to the above shareholdings Mr E G Owen Mr J E Davies and Mr B P Roberts are trustees of the Company's Employee Share Ownership Plan Trust, which at the year end held 5,600 shares (2011 38 shares) Accordingly these directors are deemed to hold an additional non-beneficial holding in such shares No Director held any interest in any subsidiary or associate company Mr J C Kendrick has an interest in Morrey Oils Limited the controlling shareholder in Wynnstay Fuels Limited an associate of the Group Biographical details of the directors are set out before the director's report.

SUBSTANTIAL SHAREHOLDERS

At 31 October 2012 the following shareholders held 3% or more of the issued share capital of the Company

Registered Shareholder		Beneficial Holder
Ferlim Nominees Limited	7.80%	Discretionary managed funds of Investec Wealth & Investment Limited
Europe Nominees Limited	4.91%	Polar Capital
The Bank of New York (Nominees) Limited	3.05%	Blackrock BGF World Agriculture Fund
Vidacos Nominees Limited	3.01%	Blackrock Agriculture Fund

The Directors are not aware that any other person, Company or Group of Companies held 3% or more of the issued share capital of the Company

SHARE CAPITAL

The movement in the share capital during the period is detailed in note 25 to the financial statements

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

Reported under IFRS the Group profit before taxation is £7,760,000 (2011 £6,852,000) After a taxation charge of £1,927,000 (2011 £1,851,000) the Group profit for the year is £5,833,000 (2011 £5,001,000)

The Directors recommend a final ordinary dividend of 5.65p per ordinary 25p share net (2011 5.20p per ordinary 25p share net) to be paid on 30 April 2013 to shareholders on the Register at the close of business on 2 April 2013

The share price will be marked ex dividend with effect from the 27 March 2013 In accordance with the rules of the Company's Scrip Dividend Scheme, eligible shareholders will be entitled to receive their dividend in the form of additional shares New mandate forms for this scheme should be signed and lodged with the Company Secretary 14 days before the dividend payment date of 30 April 2013

DONATIONS

During the year ended 31 October 2012 the Group made charitable donations of £1,621 (2011 £2,700) principally to local charities servicing the communities in which the Group operates

LAND AND BUILDINGS

In the opinion of the Directors, the current open market value of the Group's interest in land and buildings exceeds the book value at 31 October 2012 (refer to note 12) by approximately £3,470,000 (2011: £3,200,000)

DIRECTORS' APPOINTMENTS AND RETIREMENTS

Under Article 91 Mr EG Owen and Mr JC Kendrick retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election. Mr JE Davies also retires by rotation but will not be seeking re-election having reached the Board's agreed retirement age.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the Company purchased and maintained liability insurance for its Directors and Officers which remained in force at the date of this report.

EMPLOYEES

The Company has procedures for keeping its employees informed about the progress of the business. The Company continues to encourage employee motivation by operating a Savings Related Share Option Scheme open to all employees. The Company provides training and support for all employees where appropriate and gives a full and fair consideration to disabled applicants in respect of duties which may be effectively performed by a disabled person. Where existing employees become disabled, the Company will seek to continue employing them, bearing in mind their disability and provided suitable duties are available. Failing this, all attempts will be made to provide a continuing income.

POLICY FOR PAYMENT OF CREDITORS

The Group agrees terms and conditions with suppliers before business takes place and, while there is no Group code or standard it is not Group policy to extend supplier payment terms beyond that agreed. There are no suppliers subject to special arrangements. The average credit terms for the Group as a whole based on the year-end trade payables figure and a 365 day year is 42 days (2011: 50 days).

AUDITORS

During the year the Board conducted a competitive tender for the Group audit for 2012 following which KPMG Audit Plc were appointed in accordance with s489(3)(c) of the Companies Act 2006. A resolution proposing their re-appointment will be submitted to the Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 2. Having made enquires of fellow Directors each of these Directors, at the date of this report, confirms that

- to the best of each Director's knowledge and belief, there is no relevant audit information of which the Group's auditors are unaware and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the 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 have elected to prepare both the Group and the Parent Company financial statements in accordance with IFRSs as adopted by the EU and applicable law. As required by the AIM Rules of the London Stock Exchange 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 Company financial statements on the same basis.

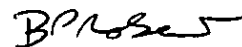
Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether they have been prepared in accordance with IFRSs as adopted by the EU 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 adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

By order of the Board



B P Roberts
Secretary
22 January 2013

Corporate Governance

for the year ended 31 October 2012

THE PRINCIPLES OF GOOD GOVERNANCE

The Board is committed to high standards of corporate governance. The adoption and maintenance of good governance is the responsibility of the Board as a whole, who have considered the twelve principles of good practice published in the QCA Corporate Governance Guidelines for Smaller Companies issued in September 2010. The Board believes that it has incorporated these principles in formulating a Corporate Governance policy appropriate to the size of the Company and which can provide comfort for the Company's numerous and widespread shareholder base who have the right to expect the highest possible level of standards. The Directors are pleased to provide the following information.

THE BOARD OF DIRECTORS

The Board currently comprises eight directors, three of whom are executive and five non-executives. The roles of Chairman and Chief Executive are separated. The Chairman is non-executive and is elected by the whole Board on an annual basis. The executive directors all have considerable experience in the agricultural supply industry and have a total of over 56 years service with the Group. The non-executives bring a range of business and commercial expertise to the Board, including direct agriculture, specialist retail, transport and logistics experience and legal and political skills. Primarily due to their length of service, three of the non-executive directors are not deemed independent under the Combined Code on Corporate Governance. James McCarthy, having been appointed in July 2011, is deemed the senior independent non-executive and Lord Carlile CBE QC, although having served on the Board for over twelve years, is still deemed independent through the integrity provided from his other roles, which amongst other activities include, acting as a circuit judge and a government advisor on various sensitive matters. A formal schedule of matters requiring Board approval is maintained, and covers such areas as Group strategy, approval of financial budgets and results, Board appointments, approval of major capital expenditure and dividend policy. The Board normally meets once a month with additional meetings as necessary. Directors are able, if necessary, to take independent professional advice in furtherance of their duties, at the Company's expense. All directors and some senior members of staff have adopted a set of guidelines in regard to their responsibilities for the management and conduct of the Company.

BOARD COMMITTEES

Audit Committee

This Committee consists of three non-executive directors: Mr J C Kendrick (Committee Chairman), Mr E G Owen and Mr J J McCarthy. The Committee meets at least four times a year with additional meetings as required. The Committee has standard terms of reference in place which have been formally approved by the Board and which include the supervision of the external audit process and the effectiveness of the internal financial controls. The terms of reference further task the Committee with identifying and evaluating significant internal and external risks faced by the Company, and then making recommendations to the Board on appropriate strategies for effectively managing these risks. Such risks include:

- The reliability of internal and external reporting systems,
- The safeguarding of assets from inappropriate use, loss and fraud
- Identifying and properly managing liabilities and
- Ensuring the business operates within all applicable legislation and uses best practice wherever possible

The Audit Committee met four times during the year and all committee members attended. The Committee agreed the nature and scope of the audit with the auditors and monitored the findings of the auditors. The Committee organises internal audit assignments to test the operating effectiveness of internal systems and controls. These assignments are not completed by specific internal audit employees but appropriate members of staff. The Committee has procedures in place to enable it to meet with the auditors without the presence of the Company's management and it formulates and oversees the Company policy on maintaining auditor objectivity and independence in relation to non-audit services. The policy is to ensure that the nature of the non-audit services performed or the fee income relative to the audit does not compromise the auditors' independence, objectivity or integrity and complies with ethical standards.

Remuneration Committee

This Committee of the Board consists of three non-executive directors, Mr E G Owen, Mr J C Kendrick and is chaired by Lord Carlile CBE QC. The Committee meets at least once a year and has standard terms of reference in place which have been formally approved by the Board. These terms of reference include the formulation of remuneration policies for executive directors and senior managers and the supervision of employee benefit structures throughout the Company. The Remuneration Committee met once during the year and all committee members attended.

Nomination Committee

This Committee of the Board currently consists of Mr E G Owen, Mr K R Greetham and is chaired by Mr J E Davies. The Committee meets at least once a year and has standard terms of reference in place which have been formally approved by the Board. The Committee is tasked with reviewing the leadership needs of the Company and making recommendations to ensure the continuity of such leadership through the identification, evaluation and appointment of both executive and non-executive directors.

The Nomination Committee met three times during the year and all committee members attended.

BOARD REMUNERATION

As a Company listed on the Alternative Investment Market of the London Stock Exchange, the Company is exempt from the s420 obligation of the Companies Act 2006 to prepare a director's remuneration report but is pleased to provide the following information, and to refer to the details provided in the shareholding section of the Directors report. Details of the director's remuneration received during the year can be found in Note 7 to the Accounts.

All matters relating to remuneration of the Directors of the Company are determined by the Remuneration Committee whose decisions are made with a view to rewarding individuals for the nature of their work and the contribution they make towards the Group achieving its strategic aims. Proper regard is given to the need to attract and retain high quality and motivated staff at all levels and to ensure the effective management of the business. The Committee will be cognisant of comparative pay levels after taking into account geographic location and the operations of the business.

Executive Director Remuneration

The Remuneration Committee have concluded that an effective executive remuneration package should consist of five elements:

- Basic Salary which is reviewed by the Committee on an annual basis with effect from the beginning of October, consistent with annual

reviews conducted for all other employees. The current values of these individual approved salaries effective from the 1 October 2012, together with the amounts actually being received are shown in the table below

- Annual Performance Bonuses for which there are currently two schemes in operation for executive directors. The contractual schemes for K R Greetham and B P Roberts are based on a fixed percentage of the Group pre-tax Profit, which includes the Group's share of pre-tax profits from joint ventures and associate investments. The scheme for D A T Evans is based on a fixed percentage of the Retail segment operating contribution adjusted for administrative costs. The respective bonus percentages are shown in the table below. The Executive Directors also participate in the Company Profit Related Pay Scheme, which is a scheme for employees of Wynnstay Group plc and Grainlink Limited and which pays an annual bonus based on a formula which produces a percentile result which is then applied to the relevant individual's prior year earnings. The formula calculation is the aggregate of the pre-tax profit of Wynnstay Group plc and Grainlink Limited divided by the aggregate of the combined revenues of those companies excluding inter-company turnover, expressed as a percentage and multiplied by a factor of two. The relevant anticipated rate for the bonus which will be paid in February 2013 relating to the last financial year is 3.3% of relevant earnings.
- Long Term Incentives which are designed to align executive rewards with returns for shareholders and encourage executive retention and strategic consistency. The scheme currently in place is structured as a Long Term Performance Related Unapproved Share Option Scheme and was granted in October 2008 as a five year scheme with options exercisable within a six month period commencing on the fifth anniversary of the grant date, providing the performance conditions have been satisfied. The performance conditions relate to the earnings per share and market capitalisation of the Group as at October 2013 with the size of the award, as a percentage of the maximum available based on the matrix shown opposite. The number of share options actually exercisable will depend on the market share price on the day of exercise with the holder paying an option price of 25p per share.

Market Capitalisation	< £50m	£50m -£75m	£75m -£100m	> £100 m
Earnings per share				
< 17.5p	Nil	25%	50%	100%
17.5p - 22.5p	25%	50%	100%	100%
22.5p - 27.5p	50%	100%	100%	100%
27.5p - 32.9p	100%	100%	100%	100%
> 32.9p	100%	100%	100%	100%

The maximum market value of shares as at the date of option (the 100% award) that can be exercised by each Executive Director is shown in the table below as the LTIP Maximum. The Executive Directors also participate in the discretionary Approved Company Share Option Plan (CSOP) and were each granted 8,000 options on 17 April 2012 at an exercise price of £3.75, being the market price on the day of grant. These options which do not have any performance criteria attached to them are exercisable between 18 April 2015 and 18 April 2022 and are reported in the Director's Report on page 18, and in Note 26 to the accounts.

- Benefits in kind which are provided to assist the Directors in the completion of their duties, and which are limited to the provision of a company car and private medical insurance.
- Pension and death in service life cover which is based on the value of the Executive Directors basic salary only. The annual defined Company contributions to a personal pension scheme held in the individual's name expressed as a percentage of current salary is shown in the table below. The death in service cover provides for four times current annual salary paid into trust where death occurs during the term of the director's employment contract.

Executive Director's current terms	Approved salary £000	Current salary £000	Annual bonus %	LTIP maximum £000	Pension %	Benefits in kind £000
K R Greetham	160	136	0.750	142	9.6	9
B P Roberts	130	99	0.375	96	6.5	8
D A T Evans	85	85	0.400	72	6.5	7

Corporate Governance (continued)

for the year ended 31 October 2012

Non-Executive Director Remuneration

The remuneration of the Non-Executive Directors has been set so as to reflect the factors pertinent to their respective positions taking into account the anticipated amount of time commitment, and comparative rates paid by other companies of a similar size. The Non-Executive Directors do not participate in share option awards, performance bonuses or pension arrangements, but do receive re-imbursment of travelling expenses which are wholly attributable to their attendance at board meetings. Certain Directors who do not have alternative arrangements also participate in the Group's private medical insurance scheme with premiums being paid for by the Company and treated as a benefit in kind. Current values of the total annualised remuneration for each Non-Executive Director is given in the table below.

Non-Executive Director	Current annual fees £000's	Benefits in kind £000's
E G Owen	48	1
J J McCarthy	33	-
J E Davies	37	1
J C Kendrick	33	-
Lord Carlile CBE, QC	33	1

During the year, the fee rates were reviewed to recognise that a previously conceived performance related scheme was not going to be implemented as this was deemed inappropriate for Non-Executive Directors. As a result fees were increased in May 2012 by an annualised amount of £10,000 per director with an equivalent retrospective payment being made in respect of the previous financial year, with these payments being reflected in Note 7 to the accounts.

RELATIONS WITH SHAREHOLDERS

The Board recognises the importance of communicating with its shareholders and maintains dialogue with institutional shareholders and analysts, and presentations are made when financial results are announced. Lord Carlile CBE QC is the nominated independent non-executive Director who makes himself available to shareholders who may require an independent contact.

The Annual General Meeting is the principal forum for dialogue with private shareholders who are given the opportunity to raise questions at the meeting. The Company aims to send out notice of the Annual General Meeting at least 21 working days before the meeting. Shareholders also have access to the Company's website at www.wynnstay.co.uk.

GOING CONCERN

The Directors have prepared the financial statements on a going concern basis, having satisfied themselves from a review of internal budgets and forecasts and current bank facilities that the Group has adequate resources to continue in operational existence for the foreseeable future. Further detail is provided on page 28.

INTERNAL CONTROL

The Board of Directors has overall responsibility for the system of internal controls, including financial, operational and compliance, operated by the Group and for its effectiveness. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the failure to achieve business objectives.

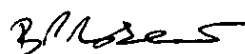
The key procedures within the control structure include:

- Managers at all levels in the Group have clear lines of reporting responsibility within a clearly defined organisational structure,
- Comprehensive financial reporting procedures exist with budgets covering profits, cash flows and capital expenditure being prepared and adopted by the Board annually. Actual results are reported monthly to the Board and results compared with budgets and last year's actual. Revised forecasts are prepared as appropriate, and
- There is a structural process for appraising and authorising capital projects with clearly defined authorisation levels.

AUDITOR INDEPENDENCE

The Board is satisfied that KPMG Audit Plc has adequate policies and safeguards in place to ensure that auditor objectivity and independence is maintained. The Company meets its obligations for maintaining the appropriate relationship with the external auditors through the Audit Committee whose terms of reference include an obligation to consider and keep under review the degree of work undertaken by the external auditors other than the statutory audit, to ensure such objectivity and independence is safeguarded.

By Order of the Board



B P Roberts

Secretary

22 January 2013

Independent Auditor's Report

to the Shareholders of Wynnstay Group Plc

We have audited the financial statements of Wynnstay Group Plc for the year ended 31 October 2012 set out on pages 24 to 54. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the Parent Company financial statements, as applied in accordance with the Companies Act 2006.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement set on page 19, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 October 2012 and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)

For and on behalf of

KPMG AUDIT PLC, STATUTORY AUDITOR

Chartered Accountants

8 Princes Parade

Liverpool

L3 1QH

22 January 2013

Consolidated Statement of Comprehensive Income

for the year ended 31 October 2012

	Note	2012 £000	2011 £000
Revenue	2	375,776	346,176
Cost of sales		(329,163)	(303,672)
Gross Profit		46,613	42,504
Manufacturing, distribution and selling costs		(34,102)	(30,957)
Administrative expenses		(4,211)	(4,038)
Group Operating Profit Before Goodwill		8,300	7,509
Impairment and Share-Based Payment Costs		(248)	(422)
Goodwill impairment and share-based payments			
GROUP OPERATING PROFIT	4	8,052	7,087
Interest income	3	64	72
Interest expense	3	(527)	(468)
Net finance charges	3	(463)	(396)
Share of profits/losses in associate and joint ventures accounted for using the equity method		229	246
Share of tax incurred by associate and joint ventures	5	(58)	(85)
Profit Before Taxation		7,760	6,852
Taxation	8	(1,927)	(1,851)
Profit for the Year		5,833	5,001
Earnings per 25p share	10	34 99p	30 23p
Diluted earnings per 25p share	10	34 05p	29 47p

All of the above are derived from continuing operations

The notes on pages 28 to 54 form part of these financial statements

Consolidated and Company Balance Sheet



as at 31 October 2012
Registered number 2704051

		Group		Company	
	Note	2012 £000	2011 £000	2012 £000	2011 £000
Assets					
Non-Current Assets					
Goodwill	11	15,614	15,089	5,724	2,451
Property plant and equipment	12	17,748	17,384	13,454	13,055
Investment in subsidiaries	13		-	18,352	21,607
Investments accounted for using equity method	13	3,205	3,134	1,157	1,256
		36,567	35,607	38,687	38,369
Current Assets					
Inventories	16	27,213	23,687	15,198	14,332
Trade and other receivables	17	46,982	45,584	27,709	27,870
Available for sale assets	18	2,157	682	2,157	682
Financial assets					
- loan to joint venture	14	3,252	3,493	3,252	3,493
Cash and cash equivalents	21	699	1,351	17	1,286
		80,303	74,797	48,333	47,663
Total Assets		116,870	110,404	87,020	86,032
Liabilities					
Current Liabilities					
Financial liabilities - borrowings	22	(10,986)	(4,826)	(5,760)	(3,175)
Trade and other payables	19	(43,737)	(48,162)	(33,073)	(37,089)
Current tax liabilities	20	(1,349)	(2,002)	(623)	(600)
		(56,072)	(54,990)	(39,456)	(40,864)
Net Current Assets		24,231	19,807	8,877	6,799
Non-Current Liabilities					
Financial liabilities - borrowings	22	(3,499)	(3,196)	(3,361)	(2,884)
Trade and other payables	19	(156)	(150)	-	-
Deferred tax liabilities	24	(317)	(372)	(105)	(60)
		(3,972)	(3,718)	(3,466)	(2,944)
Total Liabilities		(60,044)	(58,708)	(42,922)	(43,808)
Net Assets		56,826	51,696	44,098	42,224
Equity					
Share capital	25	4,186	4,154	4,186	4,154
Share premium		17,677	17,274	17,677	17,274
Other reserves		2,515	2,312	2,346	2,143
Retained earnings		32,448	27,956	19,889	18,653
Total Equity		56,826	51,696	44,098	42,224

The financial statements were approved by the Board of Directors on 22 January 2013 and signed on its behalf

E G Owen - Director

B P Roberts - Director

The notes on pages 28 to 54 form part of these financial statements

Consolidated and Company Statement of Changes in Equity

for year ended 31 October 2012

Group	Share capital £000	Share premium account £000	General reserves £000	Retained earnings £000	Total £000
At 1 November 2010	4 127	16,932	2 153	24,162	47 374
Profit for the year	-	-	-	5 001	5 001
Total comprehensive income for the year	-	-	-	5 001	5,001
Transactions with owners of the Company, recognised directly in equity					
Shares issued during the year	27	342	-	-	369
Dividends	-	-	-	(1 207)	(1,207)
Equity settled share-based payment transactions	-	-	159	-	159
Total contributions by and distributions to owners of the Company	27	342	159	(1 207)	(679)
At 31 October 2011	4,154	17,274	2,312	27,956	51,696
Profit for the year	-	-	-	5 833	5,833
Total comprehensive income for the year	-	-	-	5,833	5,833
Transactions with owners of the Company, recognised directly in equity					
Shares issued during the year	32	403	-	-	435
Dividends	-	-	-	(1,341)	(1,341)
Equity settled share-based payment transactions	-	-	203	-	203
Total contributions by and distributions to owners of the Company	32	403	203	(1,341)	(703)
At 31 October 2012	4,186	17,677	2,515	32,448	56,826

Company	Share capital £000	Share premium account £000	General reserves £000	Retained earnings £000	Total £000
At 1 November 2010	4,127	16,932	1 984	15 964	39,007
Profit for the year	-	-	-	3,896	3 896
Total comprehensive income for the year	-	-	-	3 896	3 896
Transactions with owners of the Company, recognised directly in equity					
Shares issued during the year	27	342	-	-	369
Dividends	-	-	-	(1 207)	(1,207)
Equity settled share-based payment transactions	-	-	159	-	159
Total contributions by and distributions to owners of the Company	27	342	159	(1,207)	(679)
At 31 October 2011	4,154	17,274	2,143	18,653	42 224
Profit for the year	-	-	-	2,577	2,577
Total comprehensive income for the year	-	-	-	2,577	2,577
Transactions with owners of the Company, recognised directly in equity					
Shares issued during the year	32	403	-	-	435
Dividends	-	-	-	(1,341)	(1,341)
Equity settled share-based payment transactions	-	-	203	-	203
Total contributions by and distributions to owners of the Company	32	403	203	(1,341)	(703)
At 31 October 2012	4,186	17,677	2,346	19,889	44,098

The notes on pages 28 to 54 form part of these financial statements

Consolidated and Company Cash Flow Statement

As at 31 October 2012



		Group		Company	
	Note	2012 £000	2011 £000	2012 £000	2011 £000
Cash flows from operating activities					
Cash generated from operations	35	1,863	5 452	650	4,592
Interest received		64	72	52	49
Interest paid		(527)	(468)	(406)	(352)
Tax paid		(2,635)	(1,339)	(755)	(781)
Net cash flows from operating activities		(1,235)	3,717	(459)	3 508
Cash flows from investing activities					
Acquisition of subsidiaries (net of cash acquired)		(915)	(2,599)	(488)	(3,015)
Proceeds from sale of property, plant and equipment		85	520	57	443
Purchase of property, plant and equipment		(1,941)	(2 714)	(1,222)	(2,140)
Purchase of intangible assets		-	(288)	(120)	-
Proceeds on sale of investments		-	-	100	-
Investments in assets held for resale		(1,475)	(453)	(1,475)	(453)
Purchase of investments and additional shares in subsidiary		-	-	(1)	(999)
Dividends received		100	100	979	3 150
Utilisation of cash acquired on acquisition		-	-	-	(1 000)
Net cash used by investing activities		(4,146)	(5,434)	(2,170)	(4 014)
Cash flows from financing activities					
Net proceeds from the issue of ordinary share capital		435	369	435	369
Net proceeds from drawdown of new loans		3,100	4 030	3,100	4,030
Finance lease principal repayments		(724)	(689)	(667)	(613)
Repayment of borrowings		(1,759)	(1 808)	(1,544)	(1 963)
Dividends paid to shareholders		(1,341)	(1 207)	(1,341)	(1 207)
Net cash generated from financing activities		(289)	695	(17)	616
Net (decrease)/increase in cash and cash equivalents		(5,670)	(1,022)	(2,646)	110
Cash and cash equivalents at the beginning of the period		(7)	1 015	1,286	1,176
Cash and cash equivalents at the end of the period	21	(5,677)	(7)	(1,360)	1,286

The notes on pages 28 to 54 form part of these financial statements

Principal Accounting Policies

ACCOUNTING POLICIES

The Group's principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS[®]), International Financial Reporting Interpretation Committee (IFRIC[®]) interpretations and those provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The Group financial statements have been prepared on the historical cost convention other than certain assets which are at deemed cost under the transition rules share based payments which are included at fair value and certain financial instruments which are explained in the relevant section below. A summary of the material Group accounting policies are set out below. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going Concern

As highlighted in note 22 to the financial statements, the Group meets its day to day working capital requirements through overdraft facilities which are due for renewal on an annual basis. The current economic conditions create uncertainty particularly over (a) the level of demand for the Group's products, (b) the exchange rate between sterling and the US dollar which has consequences for the cost of the Group's raw materials, and (c) the availability of bank finance in the foreseeable future.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. The Group will open renewal negotiations with its banks in due course and has at this stage not sought any written commitment that the facilities will be renewed. However the Group has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

Basis of consolidation

The Group's consolidated financial statements incorporate the financial statements of Wynnstay Group Plc ('the Company') and entities controlled by Wynnstay Group Plc (its 'subsidiaries') together with the Group's share of the results of its associates and joint ventures. Group inter-company transactions are eliminated in full. Results of subsidiary undertakings acquired are included in the financial statements from the effective date of control. The net assets, both tangible and intangible, of acquired subsidiary undertakings are incorporated into the financial statements on the basis of their fair value as at the effective date of control. All business combinations are accounted for by applying the acquisition method. Subsidiaries are entities where the Group has the power to govern the financial and operating policies, generally accompanied by a share of more than 50% of the voting rights. Subsidiaries are consolidated from the date on which control is assumed by the Group and are included until the date the Group ceases to control them. Associates are entities over which the Group has significant

influence but not control, generally accompanied by a share of between 20% and 50% of the voting rights. Joint ventures are entities over which the Group has joint control. Investments in associates and joint ventures are accounted for using the equity method.

Revenue recognition

Revenue represents the invoiced value of sales which fall within Wynnstay Group's ordinary activities. Revenue is measured at the fair value of the contract net of rebates excluding value added tax and after eliminating sales within the Group.

Revenue from the sale of goods is recognised either at the point of sale through the till or when the Group has transferred the significant risks and rewards of ownership of goods to the buyer when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group.

Non-recurring items

Non-recurring items that are material by size and/or by nature are disclosed on the face of the consolidated statement of comprehensive income and within a note to the financial statements. Management consider that the separate disclosure of non-recurring items helps provide a better indication of the Group's underlying business performance.

Financial Instruments

Financial assets and liabilities are recognised on the Company and Group's consolidated balance sheet when the Company and/or Group becomes a party to the contractual provisions of the instrument. The main categories of financial instruments are:

Trade receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

Investments

Investments are initially measured at cost. They are classified as either 'available-for-sale', 'fair value' or 'held to maturity'. Where securities are designated as at fair value, gains or losses arising from changes in fair value are included in the net profit or loss for the period. For available-for-sale investments, gains or losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured by other means are held at cost.

Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Group Income Statement over the period of the borrowings on an effective interest basis.

Trade payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Group and/or Company are recorded at the proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the Group and/or Company after deducting all of its liabilities.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and commodity risks arising from day to day activities. The Group does not hold or issue derivative financial instruments for trading purposes, however, if derivatives do not qualify for hedge accounting they are accounted for as such.

Derivative financial instruments are recognised and stated at fair value. Where derivatives do not qualify for hedge accounting, any gains or losses on re-measurement are immediately recognised in the Group Income Statement. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged. In order to qualify for hedge accounting, the Group is required to document from inception the relationship between the item being hedged and the hedging instrument. The Group is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is performed at each period end to ensure that the hedge remains highly effective.

Derivative financial instruments with maturity dates of more than one year from the balance sheet date are disclosed as non-current.

Fair value hedging

Derivative financial instruments are classified as fair value hedges when they hedge the Group's exposure to changes in the fair value of a recognised asset or liability. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Group Statement of Comprehensive Income together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

Leases

Leases are classified as finance leases at inception where substantially all of the risks and rewards of ownership are transferred to the Group. Assets classified as finance leases are capitalised on the balance sheet and are depreciated over the expected useful life of the asset. The interest element of the rental obligations is charged to the consolidated statement of comprehensive income over the period of the lease. Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Leasehold land is normally classified as an operating lease. Payments made to acquire leasehold land are included in prepayments at cost and are amortised over the life of the lease. Any incentives to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any provision for impairment losses. Depreciation is provided at rates calculated to write off the cost less estimated residual value of fixed assets over their expected useful lives as follows:

Freehold property	2.5%-5% per annum straight line
Lease premium	over the period of the lease
Leasehold land and buildings	over the period of the lease
Plant and machinery/office equipment	10%-33% per annum straight line
Motor vehicles	20%-30% per annum straight line

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of the acquisition. At the date of acquisition, goodwill is allocated to cash generating units for the purpose of impairment testing. Goodwill is recognised as an asset and assessed for impairment annually. Any impairment is recognised immediately in the statement of comprehensive income. Once recognised, an impairment of goodwill is not reversed.

Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use, and is considered for each individual asset. If the asset does not generate cash flows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. Discount rates reflecting the asset specific risks and the time value of money are used for the value in use calculation.

Employment benefit costs

The Group operates a defined contribution pension scheme. Contributions to this scheme are charged to the statement of comprehensive income as they are incurred, in accordance with the rules of the scheme.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Where appropriate, cost is calculated on a specific identification basis. Otherwise, inventories are valued using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Taxation including deferred taxation

The income tax expense represents the sum of the current income tax and deferred income tax. Current income tax is based on the taxable profits for the year. Taxable profit differs from the profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. However, deferred income tax is not accounted for if it arises from initial recognition

Principal Accounting Policies (continued)

of an asset or liability other than a business combination. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when related deferred income tax asset is realised or the deferred income tax liability settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Dividends

Final equity dividends to the shareholders of the Company are recognised in the period that they are approved by the shareholders. Interim equity dividends are recognised in the period that they are paid.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of a valuation model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. The movements in respect of equity settled share based payments are recognised in other reserves.

Investments

Investments held as fixed assets are shown at cost less provisions for their permanent impairment.

Cash and cash equivalents

Cash and cash equivalents for the purposes of the consolidated cash flow statement, comprise cash at bank and in hand, money market deposits and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are presented in borrowings within current liabilities in the balance sheet.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of comprehensive income.

Employee share ownership trust

The Company operates an employee share ownership trust. The assets, liabilities, income and cost of the ESOP are incorporated into the financial statements of the Group.

Significant judgements, key assumptions and estimates

Application of certain Group accounting policies requires management to make judgements, assumptions and estimates concerning the future as detailed below.

Application of the "own use" exemption

Forward contracts are entered into by the Group to purchase and/or sell grain and other agricultural commodities and management judge that these forward commodity contracts are entered into for the Group's "own use" rather than as trading instruments when they are entered into. They continue to be held in accordance with the Group's expected purchase, sale and/or usage requirements.

Valuation of share based payments

The fair value of share-based payments is determined using valuation models and is charged to the statement of comprehensive income over the vesting period. Estimations of vesting and satisfaction of performance criteria are required to determine fair value.

Impairment of goodwill

The carrying value of goodwill must be assessed for impairment annually. This requires an estimation of the value in use of the cash generating units to which goodwill is allocated. Value in use is dependent on estimations of future cash flows from the cash generating unit and the use of an appropriate discount rate to discount those cash flows to their present value.

Provision for impairment of trade receivables

The financial statements include a provision for impairment of trade receivables that is based on management's estimation of recoverability. There is a risk that the provision will not match the trade receivables that ultimately prove to be irrecoverable.

Provision for impairment of inventories

The financial statements include a provision for impairment of inventories that is based on management's estimation of recoverability. There is a risk that the provision will not match the inventories that ultimately prove to be impaired.

New standards and interpretations

The following new accounting standards, amendments and interpretations to published standards are not yet effective and have not been adopted early by the Group

International Financial Reporting Standards ("IFRS")	Effective for periods commencing on or after
IFRS 10 'Consolidated financial statements'	1 January 2014
IFRS 11 'Joint arrangements'	1 January 2014
IFRS 12 'Disclosure of interest in Other Entities'	1 January 2014
IFRS 13 'Fair Value Measurement'	1 January 2014

Amendments to existing standards

Amendments to IFRS 7 on Financial instruments assets and liabilities offsetting	1 January 2013
Amendments to IAS 1 'Presentation of financial statements on OCI'	1 July 2012
Amendment to IAS 12 'Income taxes on deferred tax'	1 January 2012
Amendments to IAS 19 (revised 2011) 'Employee benefits'	1 January 2013
Amendments to IAS 32 on Financial instruments assets and liability offsetting	1 January 2014
IAS 27 (revised 2011) 'Separate financial statements'	1 January 2014
IAS 28 (revised 2011) 'Associates and joint ventures'	1 January 2014

From 1 November 2011 the following standards, amendments and interpretations became effective and were adopted by the Group

International Financial Reporting Interpretations Committee ("IFRIC") interpretations

IFRIC 24 (revised) 'Related party disclosure'	1 January 2011
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Amendments to existing standards

Amendment to IFRS 1 'Hyperinflation and fixed dates'	1 January 2011
Amendment to IFRS 7 'Financial instruments disclosures'	1 July 2011
Amendment to IFRIC 14 'Prepayment of a Minimum Funding Requirement'	1 July 2011
Annual improvement to IFRSs 2010	1 January 2011

The adoption of these standards, amendments and interpretations has not had a material effect on the net assets, results and disclosures of the Group

Notes to the Financial Statements

- 1 The Company has taken advantage of the exemption, under s408 of the Companies Act 2006 from presenting its own income statement. The profit after tax for the period dealt with in the financial statements under IFRS as adopted by the EU of the company was £2,577,000 (2011 £3,896,000)

2 SEGMENTAL REPORTING

IFRS 8 requires operating segments to be identified on the basis of internal financial information about the components of the Group that are regularly reviewed by the chief operating decision-maker ("CODM") to allocate resources to the segments and to assess their performance.

The chief operating decision-maker has been identified as the Board of Directors ('the Board'). The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined that the operating segments based on these reports are Agriculture, Specialist Retail and Other.

The Board considers the business from a product/service perspective. In the Board's opinion, all of the Group's operations are carried out in the same geographical segment namely the United Kingdom.

Agriculture - Manufacturing and supply of animal feeds, fertiliser, seeds and associated agricultural products

Specialist Retail - Supplies of a wide range of specialist products to farmers, smallholders, and pet owners

Other - Miscellaneous operations not classified as agriculture or specialist retail

The Board assesses the performance of the operating segments based on a measure of operating profit. Finance income and costs are not included in the segment result that is assessed by the Board. Other information provided to the Board is measured in a manner consistent with that in the financial statements.

Inter-segmental transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

The segment results for the year ended 31 October 2012 are as follows:

Year ended 31 October 2012	Agriculture £000	Specialist Retail £000	Other £000	Total £000
Revenue from external customers	295,190	80,471	115	375,776
Segment result	4,363	3,901	(212)	8,052
Share of results of associate and joint ventures	349	-	(120)	229
	4,712	3,901	(332)	8,281
Interest income				64
Interest expense				(527)
Profit before tax				7,818
Income taxes				(1,985)
Profit for the year attributable to equity shareholders				5,833
Segment assets	31,888	30,810	7,914	70,612
Corporate net borrowings				(13,786)
Total net assets				56,826

Year ended 31 October 2011	Agriculture £000	Specialist Retail £000	Other £000	Total £000
Revenue from external customers	274,571	71,318	287	346,176
Segment result	3,631	3,697	(241)	7,087
Share of results of associates and joint ventures	193		53	246
	3,824	3,697	(188)	7,333
Interest income				72
Interest expense				(468)
Profit before tax				6,937
Income taxes				(1,936)
Profit for the year attributable to equity shareholders				5,001
Segment assets	22,580	29,078	6,709	58,367
Corporate net borrowings				(6,671)
Total net assets				51,696

3 NET FINANCE COSTS

	2012 £000	2011 £000
Interest expense		
Interest payable on borrowings	(390)	(298)
Interest payable on finance leases	(104)	(127)
Interest payable on other loans	(33)	(43)
Interest and similar charges payable	(527)	(468)
Interest income	64	72
Interest receivable	64	72
Net finance costs	(463)	(396)

4 GROUP OPERATING PROFIT

The following items have been included in arriving at operating profit	2012 £000	2011 £000
Staff costs	19,902	18,406
Depreciation of property plant and equipment - owned assets	1,989	1,851
- under finance	486	517
Impairment of goodwill	45	263
Impairment of freehold land and buildings		176
(Profit) on disposal of fixed assets	(38)	(228)
Other operating lease rentals payable	2,026	1,826
Repairs and maintenance expenditure on plant, property and equipment	1,704	1,567
Trade receivables impairment	202	70

Services provided by the Group's auditors

During the year the Group obtained the following services from the Group's auditor	2012 £000	2011 £000
Audit services - statutory audit	83	87
Tax services	4	2
Other services		1

Included in the Group audit fee are fees of £43,050 (2011: £46,750) paid to the Group's auditor in respect of the Parent Company. The current year's fees relate entirely to the services provided by KPMG Audit Plc, and the prior year's fees entirely to the Group's previous auditors Whittingham Riddell LLP.

Notes to the Financial Statements

5 SHARE OF POST-TAX PROFITS OF ASSOCIATE AND JOINT VENTURES

	2012 £000	2011 £000
Share of post-tax (loss)/profits in associate	(28)	113
Share of post-tax profits in joint ventures	199	48
Total share of post-tax profits of associates and joint ventures	171	161

6 STAFF COSTS

The aggregate payroll costs including Directors' emoluments charged in the financial statements for the Group were as follows

	2012 £000	2011 £000
Wages and salaries	17,444	16,129
Social security costs	1,612	1,493
Pension and other costs	643	625
Cost of share-based reward	203	159
	19,902	18,406

The average number of employees including Directors, employed by the Group during the year was as follows

	2012 No	2011 No
Administration	94	93
Production	90	85
Sales distribution and retail	649	605
	833	783

7 DIRECTORS' REMUNERATION

Aggregate Directors remuneration

	2012 £000	2011 £000
Directors emoluments	640	540
Company contributions to money purchase pension schemes	24	23
	664	563

Details of the Directors' interest in the share capital of the company including outstanding share options at the year end, are provided in the Directors Report. The following remuneration detail is provided in accordance with AIM Rule 19

	Basic salary £000	Benefits in kind £000	Annual bonuses £000	2012 Total £000	2011 Total £000
Executives					
K R Greetham	130	9	57	196	189
B P Roberts	98	8	29	135	128
D A T Evans	80	7	24	111	104
Non-Executives					
E G Owen	44	1	-	45	22
J J McCarthy (appointed 21 July 2011)	30	-	-	30	7
J E Davies	47	1	-	48	38
J C Kendrick	37	-	-	37	21
Lord Carlile CBE QC	37	1	-	38	22
E E Hughes (retired 15 March 2011)	-	-	-	-	9
	503	27	110	640	540

Directors' pension entitlements

	2012 No	2011 No
Money purchase pension scheme	3	3
	£000	£000

Contribution paid by the Group to money purchase pension schemes in respect of such directors were

	2012	2011
K R Greetham	13	12
B P Roberts	6	6
D A T Evans	5	5
	24	23

Notes to the Financial Statements (continued)

8 TAXATION

	2012	2011
	£000	£000
Analysis of tax charge in year		
Current tax		
- continuing operations	1,974	2,066
- adjustments in respect of prior years	8	(126)
Total current tax	1,982	1,940
Deferred tax		
- accelerated capital allowances	(35)	(89)
- effect of decrease of rate	(20)	
Total deferred tax	(55)	(89)
Tax on profit on ordinary activities	1,927	1,851

Factors affecting tax charge for the year

The tax assessed for the year is at the standard rate of corporation tax in the UK applicable to the Group 24.83% (2011 26.83%) explained as follows

	2012	2011
	£000	£000
Profit on ordinary activities before tax	7,760	6,852
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.83% (2011 26.83%)	1,927	1,841

Effects of

Tax effect of share of profit of associates and joint ventures	(42)	(43)
Expenses not deductible for tax purposes	23	19
Adjustment to tax charge in respect of prior years	8	(126)
Utilisation of tax losses	-	(30)
Effect of decrease in rate	(20)	
Other items	31	190
Total tax charge for year	1,927	1,851

Factors that may affect future tax charges

The 2012 Budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 October 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

9 DIVIDENDS

	2012 £000	2011 £000
Final dividend paid for prior year	865	776
Interim dividend paid for current year	476	431
	1,341	1,207

Subsequent to the year end it has been recommended in the Directors Report that a final dividend of 5.65p net per ordinary share (2011 5.20p) be paid on 30 April 2013. Together with the interim dividend already paid on 31 October 2012, of 2.85p net per ordinary share (2011 2.60p) this would result in a total dividend for the financial year of 8.50p net per ordinary share (2011 7.80p).

10 EARNINGS PER SHARE

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Earnings attributable to shareholders (£000)	5,833	5,001	5,833	5,001
Weighted average number of shares in issue during the year (number 000)	16,669	16,545	17,130	16,969
Earnings per ordinary 25p share (pence)	34.99	30.23	34.05	29.47

Basic earnings per 25p ordinary share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding those held in the Employee Share Ownership Trust (note 32) which are treated as cancelled.

For diluted earnings per share the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares (share options and warrants) taking into account their exercise price in comparison with the actual average share price during the year.

11 GOODWILL

After initial recognition, goodwill is subject to annual impairment tests or more frequently if events or changes in circumstances indicate that it might be impaired in accordance with IAS 36.

Group	£000
Cost	
At 1 November 2010	12,784
Additions	3,897
At 31 October 2011	16,681
Additions	570
At 31 October 2012	17,251
Aggregate impairment	
At 1 November 2010	1,329
Impairment charge	263
At 31 October 2011	1,592
Impairment charge	45
At 31 October 2012	1,637
Net book value	
At 31 October 2012	15,614
At 31 October 2011	15,089

Notes to the Financial Statements (continued)

11 GOODWILL (continued)

Company	£000
Cost	
At 1 November 2010 and 31 October 2011	3,345
Additions	120
Transfer from investments	3,153
At 31 October 2012	6,618
Aggregate Impairment	
At 1 November 2010, 31 October 2011 and 31 October 2012	894
Net book value	
At 31 October 2012	5,724
At 31 October 2011	2,451

During the year investments valued at £3,152,946 has been transferred to Goodwill in the company

Goodwill Impairment

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated to groups of cash-generating units according to the level at which management monitor that goodwill.

Recoverable amounts for cash-generating units are based on the higher of value in use and fair value less costs to sell. Value in use is calculated from cash flow projections for the next 10 years using data from the Group's latest internal forecasts the results of which are reviewed by the Board.

The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins. Management estimate discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the cash-generating units. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

Given the current economic climate, a sensitivity analysis has been performed in assessing the recoverable amounts of goodwill.

In October 2012 and 2011 impairment reviews were performed by comparing the carrying value of goodwill with the recoverable amount of the cash-generating units to which goodwill has been allocated.

The pre-tax discount rates used to calculate value in use range from 6% to 12% (2011 2% to 9%) in respect of Agriculture and 9% to 15% (2011 6% to 12%) in respect of Specialist Retail. These discount rates are derived from the Group's weighted average cost of capital, as adjusted for the specific risks relating to each operating segment.

The forecasts are extrapolated based on estimated long-term average growth rates of 0% to 6% (2011 0%).

Management have identified a number of cash generating units within these two operating segments.

12 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and buildings £000	Freehold land and buildings £000	Plant, machinery and office equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 November 2010	1,314	11,143	16,542	5,015	34,014
Additions	23	1,343	1,102	892	3,360
Acquisitions through business combinations	-	-	49	-	49
Disposals	-	(295)	(402)	(381)	(1,078)
Reclassified as assets held for resale	-	(306)	(208)	-	(514)
At 31 October 2011	1,337	11,885	17,083	5,526	35,831
Additions	69	384	1,399	917	2,769
Acquisition through business combinations	-	-	8	154	162
Disposals	(51)	-	(396)	(562)	(1,009)
At 31 October 2012	1,355	12,269	18,094	6,035	37,753
Depreciation					
At 1 November 2010	386	2,793	10,757	3,038	16,974
Charge for the year	76	430	1,098	764	2,368
Impairment charge	-	176	-	-	176
On disposals	-	(104)	(330)	(352)	(786)
Reclassified as assets held for resale	-	(81)	(204)	-	(285)
At 31 October 2011	462	3,214	11,321	3,450	18,447
Charge for the year	68	299	1,213	895	2,475
Acquisitions through business combinations	-	-	7	38	45
On disposals	(48)	-	(389)	(525)	(962)
At 31 October 2012	482	3,513	12,152	3,858	20,005
Net book value					
At 31 October 2012	873	8,756	5,942	2,177	17,748
At 31 October 2011	875	8,671	5,762	2,076	17,384

The net book value of plant and machinery and motor vehicles above includes amounts of £1,697,158 (2011: £1,655,955) representing assets held under finance leases. The impairment of freehold land and building in the prior year was charged through administration expenses in the statement of comprehensive income.

Notes to the Financial Statements (continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Freehold land and buildings £000	Plant, machinery and office equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 November 2010	10,509	11,793	4,401	26,703
Additions	1,343	597	845	2,785
Disposals	(295)	(256)	(280)	(831)
Reclassified as assets held for resale	(306)	(208)		(514)
At 31 October 2011	11,251	11,926	4,966	28,143
Additions	384	710	852	1,946
Disposals	-	(242)	(475)	(717)
Transfer of assets	-	8	154	162
At 31 October 2012	11,635	12,402	5,497	29,534
Depreciation				
At 1 November 2010	2,802	8,709	2,711	14,222
Charge for the year	244	667	670	1,581
Impairment charge	176		-	176
On disposals	(104)	(227)	(275)	(606)
Reclassified as assets held for resale	(81)	(204)	-	(285)
At 31 October 2011	3,037	8,945	3,106	15,088
Charge for the year	291	567	794	1,652
On disposals		(242)	(463)	(705)
On assets transferred		7	38	45
At 31 October 2012	3,328	9,277	3,475	16,080
Net book value				
At 31 October 2012	8,307	3,125	2,022	13,454
At 31 October 2011	8,214	2,981	1,860	13,055

The net book value of plant and machinery and motor vehicles above includes amounts of £1,563,552 (2011: £1,430,058) representing assets held under finance leases.

13 FIXED ASSET INVESTMENTS

Group	Joint ventures £000	Associate £000	Other unlisted investments £000	Total £000
Cost				
At 1 November 2010	2 430	558	181	3 169
Disposals	-	-	(1)	(1)
Share of profit / Investment Income	49	113	-	162
Dividend income received from associate	-	(100)	-	(100)
At 31 October 2011	2,479	571	180	3,230
Share of profit / Investment Income	198	(28)	1	171
Dividend Income received from joint venture	(100)	-	-	(100)
At 31 October 2012	2,577	543	181	3,301
Provision for impairment				
At 1 November 2010, 31 October 2011, 31 October 2012	69	-	27	96
Net book value				
At 31 October 2012	2,508	543	154	3,205
At 31 October 2011	2 410	571	153	3,134

Company	Share in group undertakings £000	Joint ventures £000	Associate £000	Other unlisted investments £000	Total £000
Cost					
At 1 November 2010	16,780	1,130	48	174	18 132
Additions / Investment Income	5,014	-	-	-	5 014
Disposal	(187)	-	-	-	(187)
At 31 October 2011	21,607	1,130	48	174	22 959
Additions / Investment Income	488	-	-	1	489
Disposal	(590)	-	-	-	(590)
Repayment	-	(100)	-	-	(100)
Transferred to goodwill	(3,153)	-	-	-	(3,153)
At 31 October 2012	18,352	1,030	48	175	19,605
Provision for impairment					
At 1 November 2010, 31 October 2011, 31 October 2012	69	-	-	27	96
Net book value					
At 31 October 2012	18,352	961	48	148	19,509
At 31 October 2011	21,607	1,061	48	147	22 863

Notes to the Financial Statements (continued)

14 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

Principal subsidiaries

Subsidiary undertakings represent the following limited companies, all of which were incorporated in the UK

Company name	Proportion of shares held ordinary %	Nature of business
Glasson Group (Lancaster) Limited	100	Holding company
Glasson Grain Limited	100	Grain merchant
Just for Pets Limited	100	Retailer of pet products
Woodheads Seeds Limited	100	Seed merchants
Youngs Animal Feeds Limited	100	Agricultural merchant
Grainlink Limited	100	Grain merchant
L N Jones (Tattenhall) Limited	100	Dormant company
Wrekin Grain Limited	100	Dormant company
Erfionydd Farmers Limited	100	Dormant company
Glasson Shipping Services Limited	100	Dormant company
Glasson Fertilisers Limited	100	Dormant company
Westhope Livestock Supplies Limited	100	Dormant company
MVZ Farm Supplies Limited	100	Dormant company
Shropshire Grain Limited	100	Non-trading company
Wilson's Pet Centres Limited	100	Dormant company
Welsh Feed Producers Limited	100	Non-trading company
C A Davies & Sons Limited	100	Dormant company
Pigeon Post Limited	100	Dormant company
Wynnstay Country Farmstock Limited	100	Dormant company
Dollin and Morris Limited	100	Dormant company
Petssesories Limited	100	Dormant company
C & M Transport Limited	100	Non-trading company
PSB (Country Supplies) Limited	100	Non-trading company

Woodheads Seeds Limited prepared statutory accounts for the 18 month period to 31 October 2012 to bring their year end co-terminous with the Group. The 12 month period to 31 October 2012 have been used for consolidated purposes in these Group financial statements.

Investments in the subsidiaries listed above are held directly by Wynnstay Group plc, with the exception of the following which are direct subsidiaries of the respective following companies:

Glasson Group (Lancaster) Limited

Glasson Shipping Services Limited
Glasson Grain Limited
Glasson Fertilisers Limited

Youngs Animal Feeds Limited

Dollin and Morris Limited

Just for Pets Limited

Petssesories Limited

Principal joint ventures

The above interests in joint ventures are represented by the following limited companies all of which were incorporated in the UK

Company name	Proportion of shares held Ordinary %	Nature of business
Wyro Developments Limited	50% - Ordinary	Property development
Bibby Agriculture Limited	50% - Ordinary 50% - Preference	Distribution of compound animal feeds
Fertlink Limited	50% - Ordinary	Fertiliser blending

Investments in joint ventures listed above are held directly by Wynnstay Group plc, with the exception of Fertlink Limited which is a joint venture with Glasson Grain Limited.

Joint ventures are accounted for using the equity method

The aggregate amounts of the Group's share of joint venture assets and liabilities are

	2012 £000	2011 £000
Non-current assets	774	691
Current assets	5,649	5,212
Current liabilities	(4,670)	(4,404)
Non-current liabilities	(3)	(9)
Net Assets	1,750	1,490

The aggregate amount of the Group's share of joint venture revenue and expenses not included in these financial statements are

	2012 £000	2011 £000
Revenue	23,472	12,221
Expenses	(23,150)	(12,128)

The aggregate amount of the Group's share of pre-tax profits included in these financial statements is

	2012 £000	2011 £000
Group's share of joint ventures profit before tax	277	93

Principal associate

The above interests in associates is represented by the following limited company, which was incorporated in the UK

Company name	Proportion of shares held Ordinary %	Nature of business
Wynnstay Fuels Limited	40%	Supply of petroleum products

Summased financial information in respect of the Group's associate is as follows

	2012 £000	2011 £000
Total assets	3,809	4,535
Total liabilities	(2,575)	(2,982)
Net assets	1,234	1,553
Group's share of associate's net assets	493	621
Total revenue	23,388	22,769
(Loss)/profit for the period	(121)	383
Group's share of associate's (loss)/profit before tax	(48)	153

For the purposes of consolidation, the following periods of account have been used for each of the associated undertakings and joint ventures

Company	Accounting period
Wyro Developments Limited	31 October 2012
Wynnstay Fuels Limited	31 December 2011
Bibby Agriculture Limited	1 September 2012
Fertlink Limited	31 October 2012

IAS 27 "Consolidated and separate financial statements" and IAS 28 "Investments in Associates" require the use of accounting periods within 3 months of the year end. Because of the other parties involved, Wynnstay Group Plc are unable to influence a change in accounting reference date of Wynnstay Fuels Limited. In the opinion of the directors there is no material effect on the reported figures as a result of this departure.

Notes to the Financial Statements (continued)

14 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE (continued)

Trading Transactions

During the year, the Group and Company entered into the following trading transactions with subsidiaries, associates and joint ventures

	Company	
	2012	2011
	£000	£000
Transactions and balances with subsidiaries		
Amounts due from subsidiary undertakings		
Trade receivables	490	296
Amounts due to subsidiary undertakings		
Trade payables	1,980	2,104
Transactions reported in the statement of comprehensive income		
Revenue	2,933	1,629
Purchases	12,286	11,334

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Transactions and balances with associate				
Amounts due from associated undertaking				
Trade receivables	4	411	4	411
	4	411	4	411
Amounts due to associated undertaking				
Trade payables	273	1,334	271	1,297
	273	1,334	271	1,297
Transactions reported in the statement of comprehensive income				
Revenue	40	63	40	63
Purchases	897	573	869	536

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Transactions and balances with joint ventures				
Amounts due from joint ventures				
Trade receivables	957	880	863	880
Loans	3,252	3,493	3,252	3,493
	4,209	4,373	4,115	4,373
Amounts due to joint ventures				
Trade payables	113	40	40	40
	113	40	40	40
Transactions reported in the statement of comprehensive income				
Revenue	11,359	7,750	8,741	7,750
Purchases	3,363	158	168	158
Income received	76	72	76	72

Sales of goods to related parties were made at the Group's usual list prices, less average discounts. Purchases were made at market price discounted to reflect the quantity of goods purchased and relationships between the parties.

15 BUSINESS COMBINATIONS

During the year the Group completed three acquisitions, one of which was structured as an asset purchase and two as share purchases

The asset transaction was the purchase of goodwill and certain assets from Whitchurch Animal Health Limited on 4 September 2012, for a consideration of £227,613, consisting of goodwill of £120,001 and stock and certain net assets of £107,612

On 16 March 2012, the Group completed the acquisition of the entire share capital of C & M Transport Limited for a total consideration of £186,215. The trading activities and net tangible assets of £136,215 were immediately transferred to the parent company and as the assets inclusive of net cash of £72,000 are no longer distinguishable, the goodwill arising on the acquisition of £50,000 included in the consideration has been expensed in the period

On 31 May 2012 the Group completed the acquisition of the entire share capital of PSB (Country Supplies) Limited, an independent agricultural inputs supplier based in Tetbury Gloucestershire

Details of the trade, asset values acquired and the consideration are given below, together with details subject to the comments below, of revenues and operating profits generated in the period

PSB (Country Supplies) Limited

Date of acquisition	31 May 2012
	Book and fair value
	£000
Fair value of acquisition	
Plant and equipment	44
Trade receivables	460
Inventories	238
Other current assets	13
Other current liabilities	(582)
Acquired debt liquid	(135)
Net assets acquired	38
Goodwill	450
Total consideration	488
Consideration transferred to gain control	
Cash paid on completion	338
Fair value of contingent consideration	150
Total Consideration	488
Revenue in the period to 31 May 2012	3,364
Operating profit in period to 31 May 2012	92

The acquisition of the business extends the Group's geographic trading area and farmer customer base, as well as adding an additional outlet to the Group's Country Store chain

The directors have considered whether any specific intangibles can be identified within the values of goodwill and do not consider any readily identifiable

On 1 June 2012 the trade and assets of PSB (Country Supplies) Limited were hived up into Wynnstay Group Plc and the respective results generated from the acquired business for the period to 31 October 2012 and included in the results of Wynnstay Group plc were, revenue of £1,227,000 and operating profit of £17,500

Payment of the contingent consideration is dependent on future turnover and profitability

The maximum additional possible consideration of £150,000 is in line with the fair value

Notes to the Financial Statements (continued)

16 INVENTORIES

	Group		Company	
	2012	Restated 2011	2012	2011
	£000	£000	£000	£000
Raw materials and consumables	8,792	6,254	1,258	1,406
Finished goods and goods for resale	18,421	17,433	13,940	12,926
	27,213	23,687	15,198	14,332

In the preceding year some of the Group's Inventories were classified as finished goods. It is considered that these balances are more appropriately classified as raw material therefore prior year comparatives have been restated accordingly. This has no impact on the Group or Company primary statements.

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
Current	£000	£000	£000	£000
Trade receivables	44,196	43,164	26,832	26,728
Amounts owed by group undertakings	-	-	160	160
Other receivables	2,121	2,420	717	982
Fair value of derivatives	665	-	-	-
	46,982	45,584	27,709	27,870

Trade receivables are stated after a provision for impairment of £748,316 (2011: £729,857) (Company: £434,876 (2011: £421,876)).

18 AVAILABLE FOR SALE ASSETS

Available for sale assets relate to a property formerly included within fixed assets but now held for resale.

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Available for sale assets	2,157	682	2,157	682
	2,157	682	2,157	682

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	2012	2011
Current	£000	£000	£000	£000
Trade payables	37,044	40,208	25,662	26,942
Amounts owed to group undertakings	-	-	3,884	5,005
Other taxes and social security	582	693	319	447
Other payables	1,165	1,046	376	495
Accruals and deferred income	4,031	4,415	1,917	2,450
Contingent consideration	915	1,750	915	1,750
Deferred consideration	-	50	-	-
	43,737	48,162	33,073	37,089

Included within the Company's trade payables are £1,979,673 (2011: £2,103,812) of intercompany trade creditors.

Non-current	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Other payables	108	92	-	-
Government grants	48	58	-	-
	156	150	-	-

20 CURRENT TAX LIABILITIES

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Current tax liabilities	1,349	2,002	623	600
	1,349	2,002	623	600

21 CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Cash and cash equivalents per balance sheet	699	1 351	17	1,286
Bank overdrafts	(6,376)	(1 358)	(1,377)	-
Cash and cash equivalents per				
Cash flow statement	(5,677)	(7)	(1,360)	1 286

22 FINANCIAL LIABILITIES - BORROWINGS

Current	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Bank loans and overdrafts due within one year or on demand				
Secured overdrafts	6,376	1,358	1,377	-
Secured loans	3,299	2,152	3,115	1,938
	9,675	3 510	4,492	1,938
Loan capital (unsecured)	708	717	708	717
Other loanstock (unsecured)	17	17	17	17
Net obligations under finance leases	586	582	543	503
	10,986	4 826	5,760	3,175

Non-current	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Bank loans				
Secured	2,771	2 568	2,672	2 284
	2,771	2,568	2,672	2 284
Net obligations under finance leases	728	628	689	600
	3,499	3 196	3,361	2,884

After 31 August 2006 the loanstock is redeemable at par at the option of the Company. Interest at 1.5% per annum is payable to the holders of the loanstock.

Notes to the Financial Statements (continued)

22 FINANCIAL LIABILITIES - BORROWINGS (continued)

The bank loans include term loans repayable by instalments as follows

Lender	Monthly instalment	Balance outstanding	Balance outstanding	Interest rate	Maturity date
		2012	2011		
Barclays Bank Plc	£53 774	£2,154,686	£2 736,486	2% over base rate	May 2016
HSBC Bank Plc	£46 538	£127,687	£680 024	10% over base rate	Jan 2013
HSBC Bank Plc	£52 389	£1,504,206	£ nil	18% over base rate	Nov 2016
Barclays Bank Plc	£4,167	£16,160	£66 160	1 10% over base rate	Feb 2013
HSBC Bank Plc	n/a	£2,000,000	£500,000	1 85% over base rate	Apr 2013
HSBC Bank Plc	£14 323	£267,675	£432,372	1 5% over base rate	May 2014
HSBC Bank Plc	£30,687	£ nil	£304 745	0 9% over base rate	August 2012

These loans are secured by legal charges over certain of the Company's freehold property

Bank loans and overdrafts include overdrafts totalling £4,999 271 (2011 £1 357 574) relating to subsidiary companies which are secured by debentures over the assets of those companies

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Borrowings are repayable as follows.				
On demand or within one year	10,986	4,826	5,760	3,175
In the second year	1,501	1 286	1,384	1,077
In the third to fifth years inclusive	1,998	1,910	1,977	1,807
Over five years	-	-	-	-
	14,485	8,022	9,121	6 059
Finance leases included above are repayable as follows				
On demand or within one year	586	582	543	503
In the second year	391	372	373	348
In the third to fifth years inclusive	337	256	316	252
Over five years	-	-	-	-
	1,314	1 210	1,232	1 103
The net borrowings are				
Borrowings as above	14,485	8,022	9,121	6 059
Cash and cash equivalents	(699)	(1,351)	(17)	(1 286)
Net debt	13,786	6 671	9,104	4,773

23 FINANCIAL INSTRUMENTS

Fair values of non-derivative financial assets and financial liabilities

The fair value of current asset and current liabilities are assumed to approximate to book value due to the short-term maturity of their Instruments

Where market values are not available fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The fair value of current assets and current liabilities are assumed to approximate to the book value due to the short term maturity of the instruments. The fair value of the non-current borrowings have been assessed and are not deemed to differ materially from book value

Fair values of derivative financial assets and financial liabilities

Derivatives are used to hedge exposure to market risks, and those that are held as hedging instruments are formally designated as hedges as defined in IAS 39. Derivatives may qualify as hedges for accounting purposes and the Group's hedging policies are further described below.

Fair value hedges

The Group maintains futures based commodity contracts to hedge against the open long or short physical positions on its forward purchase and sales books. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Group Statement of Comprehensive Income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss on the hedging instrument and hedged item is recognised in the Group Statement of Comprehensive Income. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying value of the hedged item is amortised to the Group Statement of Comprehensive Income under the effective interest rate method.

The Group's derivative financial assets and liabilities that are measured at fair value at 31 October 2012 have been considered against the following hierarchical criteria to assess their classification level:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2), and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

All derivative financial assets and liabilities are classified as Level 1 instruments as they are valued at quoted market prices.

Risks associated with financial instruments

The main risks to which the Group is exposed are as follows:

Market Risk

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

Interest rate risk

While currently most of the Group's term debt is floating base rate linked, the Board constantly reviews their option to fix the rates attached to this debt through the use of interest rate swap derivatives. Fixed rate term finance is used for the acquisition of vehicles.

Foreign currency risk

The main currency related risk to the Group comes from the forward purchasing of imported raw materials for our Glasson Grain business. This risk is mainly managed by entering into currency purchase agreements at the time the underlying transaction is completed. The fair value of these contracts is not material.

As at the year end the principal amounts relating to forward purchased currency amounted to £2,026,000 (2011: £3,279,000).

Commodity price risk

While the Group does not engage in the taking of speculative commodity positions, it does have to make significant forward purchases of certain raw materials, particularly for use in its animal feed manufacturing activities. Position reporting systems are in place to ensure the Board is apprised of the exposure level on a regular basis, and where possible hedging tools, primarily wheat futures contracts on the London LIFFE market, are used to manage price decisions.

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 and investment securities.

A significant proportion of the Group's trade is conducted on credit terms and as such a risk of non-payment is always present.

Notes to the Financial Statements (continued)

23 FINANCIAL INSTRUMENTS (continued)

Detailed systems of credit approval before initial supply, the operations of credit limits and an active credit control policy act to minimise this risk and historically the incidence of bad debts is low. The recent growth of the Group's grain trading activities has exposed it to certain new substantial customer credit balances, and to assist in mitigating this perceived additional risk, a credit insurance policy has been purchased to provide partial cover against default by certain customers.

The overdue accounts are reviewed monthly at divisional management meetings to mitigate exposure to credit risk and make provisions accordingly.

Concentration of credit risk with respect to trade receivables is limited due to the Group's customer base being large and unrelated. Due to this, management believes that there is no further credit risk provision required in excess of the normal provision for doubtful receivables. Included within the Company Trade receivables are £490,295 (2011 £296,387) of intercompany trade debtors.

At 31 October 2012 trade receivables of £6,148,000 (2011 £6,275,000), (Company £4,230,000 (2011 £4,684,000)) were past due but were not impaired. These related to a number of independent customers for whom there is no recent history of default.

The aging analysis is as follows:

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Up to 3 Months	5,180	5,068	3,562	3,796
Over three months	968	1,207	668	888

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 appropriate overdraft facilities in place to allow flexibility in managing liquidity.

The effective interest rates at the balance sheet dates were as follows:

	Group		Company	
	2012	2011	2012	2011
Bank overdraft	2.1%	2%	1.8%	2%
Bank borrowings	2.4%	2.25%	2.4%	2.25%
Loan capital	1.5%	1.5%	1.5%	1.5%
Finance leases	5.54%	4.75%	5.54%	4.75%

24 DEFERRED TAXATION

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
At 1 November 2011	372	461	60	122
Arising on business combinations	-	6	-	-
Charge/(credit) for the year	(55)	(95)	45	(62)
At 31 October 2012	317	372	105	60

The provision for deferred taxation is made up as follows:

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Accelerated capital allowances	317	372	105	60
	317	372	105	60

25 SHARE CAPITAL

	2012		2011	
	No of shares 000	£000	No of shares 000	£000
Authorised				
Ordinary shares of 25p each	40,000	10,000	40,000	10,000
Allotted, called up and fully paid				
Ordinary shares of 25p each	16,742	4,186	16,614	4,154

During the year 90 786 shares (2011 106 263) were issued with an aggregate nominal value of £22,697 (2011 £26,566) and were fully paid up for equivalent cash of £342 681 (2011 £368,057) to shareholders exercising their right to receive dividends under the Company's scrip dividend scheme. A total of 16 678 (2011 Nil) shares with an aggregate nominal value of £4,170 (2011 £Nil) were issued for a cash value of £39,332 (2011 £Nil) to relevant holders exercising options in the Company and a further 20 204 shares (2011 Nil) were issued to other parties for a total cash value of £53,103 (2011 £Nil).

26 SHARE BASED PAYMENTS

The following options were exercised, lapsed and outstanding at the year end:

	Exercise Price per share £	Exercisable by	As at 1 November 2011	(Exercised) /Issued in year	Lapsed in year	As at 31 October 2012
Discretionary Share Option Schemes						
Granted August 2008	2 5300	Sept 2013 - Aug 2018	223,000	(8,000)	(18,000)	197,000
Granted October 2008	0 2500	Oct 2013 - Mar 2014	177,000	-	-	177,000
Granted April 2012	3 7500	April 2015 - March 2022		40,000		40,000
			400 000	32 000	(18 000)	414 000
Savings Related Option Schemes						
Granted August 2008	2 2000	Sept 2013 - Feb 2014	342,386	(4,438)	(8,873)	329,075
Granted March 2010	2 2000	April 2015 - Sept 2015	211,135	(4,240)	(12,858)	194,037
Granted August 2012	3 4000	Sept 2017 - Feb 2018		169 327	(2,646)	166,681
			553,521	160,649	(24,377)	689 793
			953,521	192,649	(42,377)	1,103,793

During the year 8 000 Discretionary Share Options and 8,678 Savings Related Options were exercised and satisfied by the allotment of new shares by the Company. During the previous financial year 25 000 Discretionary Share Options and 4,438 Savings Related Options were exercised and satisfied by the transfer of 29,438 shares from the Company's Employee Share Ownership Trust. The change in the numbers of other Savings Related Options relates to members withdrawing from the scheme by leaving employment or closing their savings contracts.

Notes to the Financial Statements (continued)

26 SHARE BASED PAYMENTS (continued)

Fair Value of Options after 7 November 2002

During the year the Group charged £203 426 (2011 £158 474) of share based remuneration cost to its Statement of Comprehensive Income based on a movement in the fair value of outstanding options granted after November 2002. The weighted average fair value of these options were estimated by using the Black-Scholes option-pricing model and the following assumptions

Weighted average assumptions	2012	2011
Share price at year end	£4 01	£3 39
Average share price	£3 77	£2 73
Exercise price	£2 06	£1 93
Expected volatility	12 3%	1 04%
Expected life	1.78 years	2 70 years
Number of options	1,103,793	953,521
Risk free interest rate	0 50%	0 50%
Number of Options exercisable	Nil	Nil

The expected volatility used was the standard deviation of the daily share price over the previous year and the risk free interest rate was based on bank base rate at the year end

27 CONTINGENT LIABILITIES

The Company is part of a composite banking agreement with Just for Pets Limited and Youngs Animal Feeds Limited

Under the terms of the agreement the bank is authorised to offset credit balances to reduce the liabilities of the other companies included in the agreement

At the balance sheet date the potential combined liability to the Companies was £935 777 (2011 £nil)

28 CAPITAL COMMITMENTS

At 31 October 2011 the Group and Company had capital commitments as follows

	Group		Company	
	2012	2011	2012	2011
Contracts placed for future capital expenditure not provided in the financial statements	£000	£000	£000	£000
	158	1 700	132	1,374

29 OPERATING LEASE COMMITMENTS

At 31 October 2012 the Group and Company had non-cancellable operating leases payable as follows

	Land and Buildings		Other	
	2012	Restated 2011	2012	Restated 2011
	£000	£000	£000	£000
Group				
Expiry date				
Within 1 year	2,213	1,926	69	118
Between 2 and 5 years	7,285	6,817	138	198
Over 5 years	5,132	5 092	10	32
Company				
Expiry date				
Within 1 year	267	232	-	47
Between 2 and 5 years	691	738	-	12
Over 5 years	476	561	-	-

In the preceding year the operating lease commitments were inappropriately classified, therefore the comparatives have been restated accordingly to show the correct classification. This has no impact on the Group or Company primary statements

30 GROUP FINANCIAL COMMITMENTS

The Group has guaranteed the overdrafts of one of its joint ventures to a maximum of £125 000 (2011 £125 000)

31 PENSION COMMITMENTS

The Group operates two defined contribution pension schemes which are administered on separate bases. The pension and associated costs charge for the year was £643 000 (2011 £625,000). The liability owed to the pension schemes at 31 October 2012 was £72,311 (2011 £59,795)

32. EMPLOYEE SHARE OWNERSHIP TRUST

The Company operates an employee share ownership trust (ESOP). As at 31 October 2012, 5,562 ordinary 25p shares (2011 38 ordinary 25p shares) were held by the trust with a market value of £22,303 (2011 £129). The assets, liabilities, income and costs of the ESOP are incorporated into the financial statements of the Group.

33 POST BALANCE SHEET EVENT

On 9 November 2012 the Group completed the acquisition of the entire share capital of Banbury Farm and General Supplies Limited.

Details of the trade, estimated asset values acquired and the provisional price paid are given below, together with the previous trading performance of the Company as reported in the latest available unaudited accounts of the business.

Date of acquisition	9 November 2012
	Book and fair value
	£000
Initial Fair value of acquisition	
Plant and equipment	29
Trade receivables	141
Inventories	205
Other current assets	119
Other current liabilities	(236)
Acquired cash	957
	1 215
Anticipated total goodwill	500
Total consideration	1,715
Total consideration	1 715
Less cash utilised from acquired business	(957)
Less retention pending confirmation of Net Asset value at completion	(152)
Fair value of contingent consideration	(200)
Net cash paid on completion	406

The final consideration to be paid is subject to confirmation of net assets and the financial performance of the acquired business in the period from acquisition to 9 November 2014.

Revenue in the year to 30 September 2011, being the latest complete information available, was £1,397 000 and profit on ordinary activities before tax in that year was £195,000. The acquisition of the business extends the Group's geographic trading area and farmer customer base, as well as adding an additional outlet to the Group's country store chain.

In line with the sale and purchase agreement the maximum contingent consideration will be £200 000.

Notes to the Financial Statements (continued)

34 RELATED PARTY TRANSACTIONS

During the year trading took place between the Group and a number of its Directors. All transactions were carried out on an arm's length basis.

Transactions with Key Management Personnel

Key management personnel are considered to be Directors and their remuneration is disclosed within the Director's Remuneration disclosure (note 7)

	Total sales		Balance outstanding	
	2012	2011	31 Oct 2012	31 Oct 2011
	£	£	£	£
E G Owen	118,901	111,485	1,081	700
J J McCarthy	-	-	-	-
J C Kendrick	-	-	-	-
Lord Carlile CBE QC	-	-	-	-
K R Greetham	131	165	-	-
D A T Evans	142,846	110,229	12,066	12,333
B P Roberts	321	479	27	17
E E Hughes (retired 15 March 2011)	-	10,874	-	574
	262,199	233,242	13,174	13,624

35 CASH GENERATED FROM/(USED IN) OPERATIONS

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Profit for the year	5,833	5,001	2,577	3,896
Adjustments for				
Tax	1,927	1,851	823	598
Dividend received	-	-	(979)	(3,150)
Utilisation of cash acquired on acquisition	-	-	-	1,000
Depreciation of tangible fixed assets	2,475	2,543	1,652	1,757
Impairment of other intangible fixed assets	45	263	589	-
Impairment of investment	-	-	-	-
(Profit) on disposal of property plant and equipment	(38)	(228)	(45)	(218)
Interest income	(64)	(72)	(52)	(49)
Interest expense	527	468	406	352
Share of results of joint ventures and associate	(171)	(161)	-	-
Share based payments	203	159	203	159
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
Decrease/(increase) in short term loan to joint venture	241	(32)	241	(32)
(Increase) inventories	(3,165)	(5,693)	(866)	(2,714)
(Increase) in trade and other receivables	(920)	(4,834)	160	(2,694)
(Decrease)/Increase in payables	(5,030)	6,187	(4,059)	5,687
Cash generated from operations	1,863	5,452	650	4,592