Registered number: 2704051

Wynnstay Group Plc
Annual Report and Accounts 2013

Contents

STRATEGIC REPORT

Wynnstay Group manufactures and supplies agricultural products to farmers and the wider rural community in Wales the Welsh border counties the Midlands Lancashire and Yorkshire

The Group operates two core divisions Agriculture and Specialist Retail which includes the country store business and the dedicated pet products activity

Additionally the Group has interests in Joint Ventures and an Associate Company

GOVERNANCE

FINANCIAL STATEMENTS

Continuing to deliver sustainable growth
on a solid foundation

Financial Highlights

	2013	2012
Group Revenue	**£413.48 million**	£375 78 million
Earnings per Share	**36.43 pence**	34 99 pence
Shareholders' Funds	**£71.55 million**	£56.83 million
Group EBITDA (before exceptional costs)	**£11.51 million**	£10 97 million
Group Pre-Tax Profit*	**£8.46 million**	£7.82 million
Dividend per Share	**9.30 pence**	8 50 pence

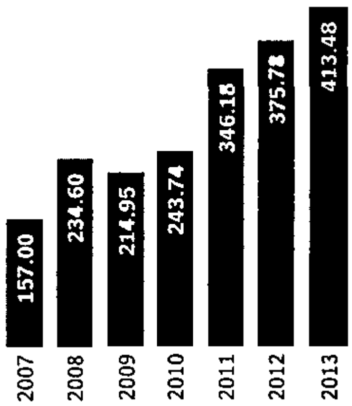
Group pre-tax profits include the Group s share of pre-tax profit from joint ventures and associate investments, but excluding the exceptional costs

Growth Record

Group Revenue (£m)

£413.48m
(2012 £375 78m)

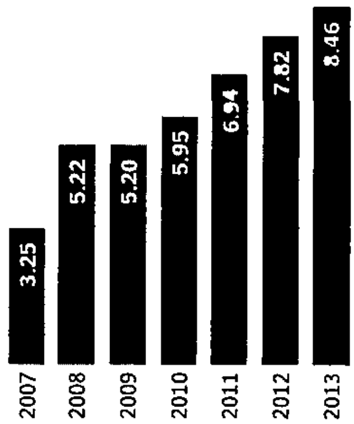
+10%



Group Pre-Tax Profits* (£m)

£8.46m
(2012 £7 82m)

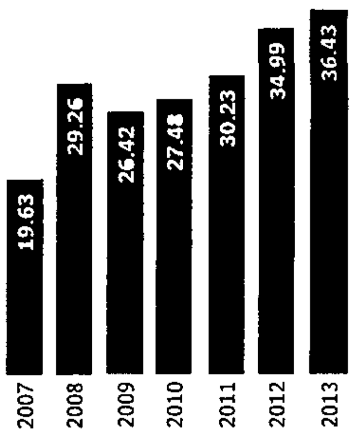
+8%



Earnings per Share (pence)

36.43p
(2012 34 99p)

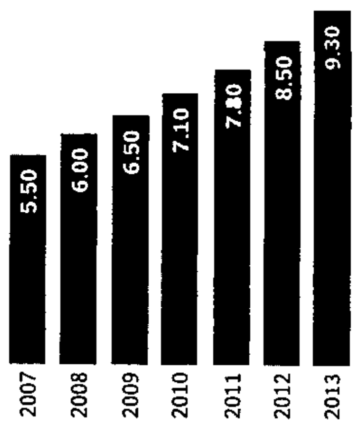
+4%



Dividend per Share (pence)

9.30p
(2012 8 50p)

+9%



Our Business at a Glance

The Group has two complementary divisions, Agriculture and Specialist Retail, as well as an interest in a number of Joint Ventures and an Associate Company

Agriculture

The agriculture division covers the manufacturing and supply of a comprehensive range of agricultural inputs to customers throughout Wales the West Midlands, Lancashire and Yorkshire

FEED DIVISION

The **Feed Division** which operates two compound feed mills and one blending plant, offers a full range of animal nutrition products to the agricultural market The location of the mills allows for logistically efficient delivery of our products throughout our trading area, third party mills are also used to satisfy additional seasonal and geographic requirements Both mills are multi species allowing the business to provide a broad range of products to service the requirements of ruminant and monogastric animals

Glasson which operates from Glasson Dock near Lancaster has traditionally been a raw materials trader and fertiliser blender Glasson s activities now include the packaging of added value products supplied to specialist animal feed retailers The business is also involved in a joint venture, **FertLink**, which is based at Birkenhead and Goole

ARABLE DIVISION

The **Arable Division** supplies a wide range of products to arable and grassland farmers throughout the trading area The Group is recognised as a significant supplier of fertiliser acting as a principle supplier of GrowHow products together with our own Top Crop brand of fertiliser Seed is processed in Shropshire at the arable base as well as at Woodheads Seeds in Yorkshire Agrochemicals are supplied to complete the range of products

GrainLink, the Groups in-house grain marketing company provides farmers with an independent professional marketing service backed by the financial security of the Wynnstay Group The Company has access to major markets for specialist milling and malting grain as well as feed into mills throughout our trading area

Woodheads Seeds operates a seed processing plant, near Selby in Yorkshire supplying a full range of cereal and herbage seeds to farmers and wholesale customers The Company also trades grain and supplies fertiliser to farmers in its trading area

Specialist Retail

Our Retail Division covers the supply of specialist agricultural and retail products to customers throughout Wales the Midlands and Lancashire

WYNNSTAY STORES

The rural retail outlets are well established and provide a comprehensive range of products for farmers and rural dwellers The stores which now number 39 operating throughout Wales and the West Midlands supply a wide range of specialist products to farmers smallholders and pet owners Our dedicated team are happy to help customers with technical advice on all aspects of the wide range of products available Our increased diversity complements our core agricultural business acting as an important route to market for pharmaceutical companies with whom the Group works closely with to provide specialist professional advice to livestock farmers

JUST FOR PETS

Just for Pets, which is based in Hartlebury in Worcestershire, currently has 21 specialist pet product stores operating on busy retail sites throughout the West Midlands extending east to Cambridge and south to Bristol All stores offer a wide range of pet related products and are recognised as convenient one stop shops for all pet owners Our staff have considerable experience within the pet sector and a significant proportion are qualified to offer specialist advice to pet owners Two stores have an easipetcare concession offering veterinary clinic advice and services to customers this is further complimented by vaccination clinics in six of our other stores

YOUNGS ANIMAL FEEDS

Youngs Animal Feeds manufactures equine and small animal feeds from its production facility at Standon in Staffordshire It also acts as a distributor of products to the equine market through wholesalers and retailers in the west of the UK

Locations

- Agriculture
- Wynnstay Stores

  Just For Pets Stores

  Joint Ventures and an Associate Company
- Youngs Animal Feeds

Strategy and Business Model

MISSION

The Group is committed to becoming a leading supplier of products and services in the rural and wider economy In so doing Wynnstay Group Plc will optimise the return to all stakeholders in the business

In order to achieve this mission, the Group recognises that it must excel in terms of value quality and the development of its products services and people The Group strives to become the "Supplier of Choice" for its customer base

CORPORATE GOALS

The Group has separate outline goals for what it identifies as the four main stakeholder groupings in the business and these include

Shareholders – where the Group aims to maximise net worth through a progressive dividend policy and a financial performance that supports capital growth in share value

Customers – where the Group seeks to excel in terms of value quality and service

Employees – where the Group aims to attract, develop and reward high calibre personnel, and ensure a safe, interesting and productive environment to work in, thus encouraging the highest levels of customer service

Suppliers – where the Group wishes to provide the best marketing route, thereby procuring preferential terms and offering better value for its customers

PRINCIPAL ACTIVITIES & BUSINESS MODEL

The principal activities of the Group continue to be that of the supply of agricultural inputs to both livestock and arable enterprises and the retailing of specialist merchandise through country stores and specialist pet product centres in certain areas of the United Kingdom

The Group operates two complementary divisions, Agriculture and Specialist Retail, as well as holding interests in a number of joint ventures and an associate company The details of these activities are explained in full in the "Our Business at a Glance" section of this Annual Report of page 4 and 5 In Agriculture, the Group seek to offer all the inputs that farming enterprises may need for the smooth running of their businesses In Specialist Retail, the Group aim to offer dedicated products to specific customers supported by expert advice

OPERATIONAL STRATEGY

The business operates in an environment where fundamental macro-economic drivers are supporting the growth of the principal activities A growing world population and changing dietary habits are creating an increased demand for food production, which is supported by a UK government that promotes moves for greater productivity and self-sufficiency These factors provide a strong backdrop for expansion of the Group's activities However, the Board has always recognised that the natural processes involved in food production will create risks to certain enterprises at different times, either through climatic, disease, economic or other factors The Groups strategy is designed to minimise such risks through ensuring a broad and balanced spread of activities across the main agricultural input areas rather than relying on any specific single enterprise This policy of having a broad based business limits the impact of any adverse performance in any individual activity and has helped shelter the Group from periodic commodity volatility extremes

The main markets that the Group operates in are currently supplied by a relatively fragmented base This provides a strong platform for the development of the business which has a long track record of both organic and acquisitive growth The Board is confident that with the expertise, balance sheet strength, and enthusiasm of staff available to the business the consolidation strategy successfully carried out for a number of years can continue The Board expect continued geographic expansion of the business's core operating areas and a broadening of its product offering through the ongoing implementation of this strategy

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the business and future developments of the Group are presented in the Chairman s Statement and Chief Executive's Review, and a discussion of the principal risks and uncertainties faced by the Group are provided later in this section of the annual report.

Chairman's Statement

The benefits of the **Group's diverse business** base is evident

OVERVIEW

In my first statement as Chairman, I would like to begin by paying tribute to my predecessor Gareth Owen, who died in August 2013 The news was received with great sadness by us all Gareth had served on the Board of Wynnstay for a considerable time, having joined it in 1985 and becoming Chairman more recently in 2012 During his time on the Board Gareth made a significant contribution to the Group and was highly regarded by his fellow Directors and by all who knew him I would like to express formally our appreciation of his contribution towards Wynnstay's success he will be remembered with great fondness and much respect by us all

Wynnstay has produced an excellent set of results for the year to 31 October 2013 with Group pre-tax profits before exceptional charges up 8% to £8 46m and revenues up 10% to £413 48m setting new records

There were good contributions from all areas of activity and the benefits of the Group s diversified business base are evident again smoothing the volatility of certain market segments

Over recent years, we have been expanding the business both organically and via acquisitions Our objective has been to maintain a balanced split across our arable, feed and retail activities while building our presence within our core areas of expertise We have also sought to extend our geographic footprint in the UK We took another significant step forward with our acquisition strategy towards the end of the financial year on 1 October 2013 when we completed the acquisition of certain trading assets of Carmarthen & Pumsaint Farmers Ltd ("CPF"), a farming co-operative based in South West Wales, for a total adjusted consideration of £5 8m Supplying agricultural inputs including feed and fertiliser to farmers throughout South West Wales, the co-operative operated a network of seven Country Stores CPF is a highly complementary addition to the Group, enhancing Wynnstay s presence in South West Wales where the Group has been under represented, and its proximity to our feed milling facility in Carmarthen brings added benefits The integration of CPF within the Wynnstay Country Stores network is underway and progressing well We were also delighted that the £8 7m share placing to facilitate this acquisition was extremely well supported by new and existing shareholders

The Agricultural Division performed well overall during the year with revenue increasing by 9% to £323 00m and operating profit up by 4% to £4 90m We sold increased volumes of feed and raw materials but, as expected saw reduced volumes in grain, reflecting the poor harvest of 2012

Our Specialist Retail Division continued to grow with revenue up 12% to £90 19m and operating profit up 13% to £4 43m All three operations the Wynnstay Stores chain, Youngs Animal Feeds and our Just for Pets pet products business delivered increased revenue and operating profit year-on-year Including the CPF acquisition we now have a total of 39 outlets in the Wynnstay Stores chain offering a wide range of products to the farmer and country dweller The Just for Pets store chain stands at 21 stores and while there were no new stores opened during the year we have plans for further outlets during 2014

FINANCIAL RESULTS

Revenues for the year to 31 October 2013 increased by 10% to £413 48m (2012 £375 78m), with agricultural supplies sales contributing £323 00m (2012 £295 19m) and specialist retailing contributing £90 19m (2012 £80 47m) The Group s pre-tax profit before exceptional costs was £8 46m (2012 £7 82m), an increase of 8% on the prior year The operating profit contribution from agricultural supplies, including joint venture results, was £4 90m (2012 £4 71m) and specialist retailing activities contributed £4 43m (2012 £3 90m) Other activities showed a loss of £0 39m (2012 loss of £0 33m) and net finance charges amounted to £0 48m (2012 £0 46m) Exceptional costs related to the acquisition and reorganisation of the business and certain trading assets of CPF, and totalled £0 35m (2012 £nil) After a Group taxation charge of £1 94m (2012 £1 99m), net earnings were 6% higher year-on-year at £6 17m (2012 £5 83m) This equates to 36 43p per share (2012 34 99p) representing an increase of 4%

In September 2013 linked to our acquisition of CPF we completed a placing of 1 682,242 new ordinary shares of 25 pence each in the capital of the Company to raise £8 7m net of expenses, with the new shares admitted to trading on the AIM market of the London Stock Exchange on 30 September 2013

Net assets at the year end were 26% higher at £71 55m or £4 22 per share (2012 £56 83m or £3 41 per share) and net debt has reduced considerably to £2 49m (2012 £13 79m) with the decrease reflecting the successful fund raising and improved working capital utilisation The return on net assets was 12 1% (2012 14 2%) with the reduction primarily the result of the additional capital raised towards the year end

DIVIDEND

The Board is pleased to propose the payment of a final dividend of 6 20p per share (2012 5 65p), which together with the interim dividend of 3 10p per share paid on 31 October 2013 takes the total dividend for the year to 9 30p, an increase of 9% on last year (2012 8 50p) The final dividend will be paid on 30 April 2014 to shareholders on the register on 28 March 2014 A scrip dividend alternative will continue to be available as in previous years The last date for election for the scrip dividend will be 16 April 2014

THE BOARD

In April 2013 we were pleased to appoint Philip Kirkham to the Board as a Non-executive Director A widely respected dairy farmer and Non-executive Director of a number of agricultural business Philip brings a wealth of experience to the Group His appointment followed the retirement of John Davies in March 2013 John who was a former Chairman of the Group had joined the Board in 1980 and led Wynnstay through its transition to Plc status and into the strong business it is today In December 2013, Non-executive Director, Lord Carlile CBE QC stepped into the role of Vice-chairman after I assumed the position of Chairman following the sad loss of Gareth Owen in August

Currently, a recruitment process is underway to appoint an additional new non-executive director to the Board and we anticipate being in a position to make an announcement on this in the spring

As previously reported Jeff Kendrick will be retiring at the Group's next Annual General Meeting in March 2014 Jeff has served as a Non-executive Director since 1988 and the Group has benefited from his significant commercial experience

STAFF

I take this opportunity to thank all our Wynnstay colleagues who have worked tirelessly to provide our customers with a consistent supply of our products and services especially during the very difficult weather conditions we experienced during the year

OUTLOOK

The UK agricultural industry remains buoyant despite the pricing pressure faced by some sectors World demand for food and energy remain long term positive drivers for farmers in the UK and opportunities are strong although efficiency will remain an important consideration for all involved in the industry

Wynnstay is well positioned to continue its growth and the recent acquisitions we have made will benefit the ongoing development of the Group Our diversified business model remains a major strength together with our expanding customer base As well as supplying a wide range of our own manufactured products we also represent a valuable route to market for many suppliers

The Group is well financed and we intend to continue our growth strategy, which combines organic expansion with complimentary acquisitions

Jim McCarthy
Chairman
27 January 2014

Wynnstay is **well positioned to continue** its growth

Datganiad y Cadeirydd

Mae manteision **sail eang y Grŵp** yn amlwg

Yn unol a n traddodiad a n diwylliant rydym wedi dewis parhau i gynnwys cyfieithiad Cymraeg o Ddatganiad ein Cadeirydd

TROSOLWG

Yn fy natganiad cyntaf fel cadeirydd, hoffwn ddechrau drwy dalu teyrnged i fy rhagflaenydd Gareth Owen, a fu farw ym mis Awst 2013 Derbyniwyd y newyddion a thristwch gennym bob un Roedd Gareth wedi bod yn aelod o Fwrdd Wynnstay ers cryn amser, ar ôl iddo ymuno ym 1985 a chael ei benodi'n Gadeirydd yn fwy diweddar yn 2012 Yn ystod ei gyfnod ar y Bwrdd gwnaeth Gareth gyfraniad sylweddol tuag at y Grŵp ac roedd gan ei gyd-gyfarwyddwyr a phawb a oedd yn ei adnabod feddwl mawr ohono Hoffwn ddatgan yn ffurfiol ein gwerthfawrogiad o'i gyfraniad at lwyddiant Wynnstay, bydd gan bob un ohonom atgofion melys iawn am ddyn uchel ei barch

Mae Wynnstay wedi cynhyrchu canlyniadau rhagorol ar gyfer y flwyddyn hyd at 31 Hydref 2013 gydag elw cyn treth cyn taliadau eithriadol yn cynyddu 8% i £8 46m a refeniw yn cynyddu 10% i £413 48m, gan osod record newydd

Roedd pob maes gweithgarwch wedi gwneud cyfraniadau da ac mae manteision sail eang y Grŵp yn amlwg eto, gan leddfu'r ansefydlogrwydd a welir mewn rhai rhannau o'r farchnad

Dros y blynyddoedd diweddar rydym wedi bod yn ehangu'r busnes yn organig a thrwy gaffaeliadau Ein nod yw cadw rhaniad cytbwys rhwng ein gweithgareddau âr, bwydydd a manwerthu gan ddatblygu ein presenoldeb o fewn ein meysydd arbenigedd craidd Rydym hefyd wedi ceisio ehangu ein hôl-troed daearyddol yn y DU Gwnaethom gymryd cam mawr ymlaen yn ein strategaeth gaffael tua diwedd y flwyddyn ariannol ar 1 Hydref 2013, pan gaffaeliwyd rhai asedau masnachu gan Carmarthen and Pumsaint Farmers Ltd ("CPF"), sef cwmni ffermio cydweithredol yn Ne-orllewin Cymru, am gyfanswm wedi'i addasu o £5 8m Gan ddarparu cyflenwadau amaethyddol gan gynnwys bwydydd a gwrtaith i ffermwyr ledled De-orllewin Cymru, mae gan y cwmni cydweithredol rwydwaith o saith Canolfan Mae CPF yn ychwanegiad cadarnhaol i'r Grŵp, gan amlygu presenoldeb Wynnstay yn Ne-orllewin Cymru lle nad oedd gan y Grŵp gynrychiolaeth ddigonol ac mae ei agosrwydd at ein cyfleuster melino bwydydd yng Nghaerfyrddin yn cyflwyno buddiannau ychwanegol Mae'r gwaith o integreiddio CPF i rwydwaith canolfannau Wynnstay wedi dechrau ac mae'n mynd rhagddo'n dda Roeddem hefyd wrth ein boddau y cafodd ein penderfyniad i werthu £8 7m o gyfranddaliadau er mwyn hwyluso'r caffaeliad hwn ei gymeradwyo gan randdeiliaid newydd a rhai presennol

Perfformiodd yr Is-adran Amaethyddiaeth yn dda ar y cyfan yn ystod y flwyddyn gyda refeniw yn cynyddu 9% i £323 00m ac elw gweithredol yn cynyddu 4% i £4 90m Gwnaethom werthu mwy o fwydydd deunyddiau crai a gwrtaith ond, yn ôl y disgwyl gwelsom leihad yng ngwerthiant grawn, sy n adlewyrchu cynhaeaf gwael 2012

Parhaodd ein His-adran Manwerthu Arbenigol i dyfu, gyda refeniw yn cynyddu 12% i £90 19m ac elw gweithredol yn cynyddu 13% i £4 43m Mae pob un o'r tri, cadwyn Wynnstay Stores Youngs Animal Feeds a Just for Pets, wedi cynhyrchu mwy o refeniw ac elw gweithredol o flwyddyn i flwyddyn Gan gynnwys caffaeliad CPF, mae gennym nawr gyfanswm o 39 o ganolfannau yng nghadwyn Wynnstay Stores, gan cynnig ystod eang o gynnyrch i ffermwyr a thrigolion y wlad Mae gan y gadwyn Just for Pets 21 o siopau ac er nad agorwyd rhai newydd yn ystod y flwyddyn, mae cynlluniau i agor mwy o siopau yn ystod 2014

WYNNSTAY

CANLYNIADAU ARIANNOL

Cynyddodd refeniw ar gyfer y flwyddyn hyd at 31 Hydref 2013 10% i £413 48m (2012 £375 78m), gyda gwerthiannau cyflenwadau amaethyddol yn cyfrannu £323 00m (2012 £295 19m) a manwerthu arbenigol yn £90 19m (2012 £80 47m) £8 46m (2012 £7 82m) oedd elw cyn treth cyn taliadau eithriadol y GrŴp sef cynnydd o 8% ers y flwyddyn flaenorol Cyfrannodd cyflenwadau amaethyddol, yn cynnwys canlyniadau'r fenter ar y cyd £4 90m at yr elw gweithredol (2012 £4 71m) a chyfrannodd gweithgareddau manwerthu arbenigol £4 43m (2012 £3 90m) Dangosodd gweithgareddau eraill golled o £0 39m (2012 colled o £0 33m) a chyfanswm y taliadau cyllid net oedd £0 48m (2012 £0 46m) Cyfanswm y taliadau eithriadol oedd £0 35m (2012 £dim) mewn cysylltiad â chaffael ac aildrefnu'r busnes a rhai asedau masnachu gan CPF Ar ôl tâl trethiant y GrŴp o £1 94m (2012 £1 99m), roedd enillion net sef £6 17m 6% yn uwch na'r llynedd (2012 £5 83m) Mae hyn yn cyfateb i 36 43c fesul cyfranddaliad (2012 34 99c), sy'n gynnydd o 4%

Ym mis Medi 2013, yn gysylltiedig â chaffael CPF, gwnaethom werthu 1 682,242 o gyfranddaliadau cyffredin newydd gwerth 25 ceiniog yng nghyfalaf y Cwmni er mwyn codi 8 7m yn glir o dreuliau a derbyniwyd y cyfranddaliadau newydd i'w masnachu ar y farchnad AIM yng Nhyfnewidfa Stoc Llundain ar 30 Medi 2013

Roedd asedau net ar ddiwedd y flwyddyn 26% yn uwch ar £71 55m neu £4 22 fesul cyfranddaliad (2012 £56 83m neu £3 41 fesul cyfranddaliad) ac mae'r ddyled net wedi lleihau n sylweddol i £2 49m (2012 £13 79m), gyda'r lleihad yn adlewyrchu gwaith llwyddiannus i godi arian a r defnydd gwell o gyfalaf gweithio Roedd yr adenillion ar asedau net yn 12 1% (2012 14 2%), gyda r lleihad hwn i w briodoli n bennaf i'r cyfalaf ychwanegol a godwyd tua diwedd y flwyddyn

DIFIDEND

Mae'r Bwrdd yn falch o gynnig talu difidend terfynol o 6 20c fesul cyfranddaliad, sydd gyda'r difidend interim o 3 10c fesul cyfranddaliad a dalwyd ar 31 Hydref 2013 yn creu cyfanswm difidend o 9 30c ar gyfer y flwyddyn sy'n gynnydd o 9% ers y llynedd (2012 8 50c) Caiff y difidend terfynol ei dalu ar 30 Ebrill 2014 i gyfranddalwyr sydd ar y gofrestr ar 28 Mawrth 2014 Bydd y difidend sgrip amgen yn parhau fel yn y blynyddoedd blaenorol Y dyddiad olaf ar gyfer dewis cael difidend sgrip fydd 16 Ebrill 2014

Y BWRDD

Ym mis Ebrill 2013 roeddem yn falch o benodi Philip Kirkham i'r Bwrdd fel Cyfarwyddwr Anweithredol Mae Philip yn ffarmwr llaeth uchel ei barch ac yn gyfarwyddwr anweithredol i nifer o fusnesau amaethyddol sydd yn dod a brofiad cyfoeth i r GrŴp Roedd ei benodiad yn dilyn ymddeoliad John Davies ym mis Mawrth 2013 Roedd John, a oedd yn gyn-gadeirydd y GrŴp wedi ymuno â r Bwrdd yn 1980 ac arweiniodd Wynnstay trwy ei newid i statws plc ac i mewn i r busnes cryf y mae heddiw Ym mis Rhagfyr 2013, camodd y cyfarwyddwr anweithredol, yr Arglwydd Carlile CBE, CF i rôl yr Is-gadeirydd ar ôl i mi ddod yn gadeirydd yn dilyn marwolaeth Gareth Owen ym mis Awst

Ar hyn o bryd mae proses recriwtio ar waith i benodi cyfarwyddwr anweithredol newydd ychwanegol i'r Bwrdd ac rydym yn disgwyl gwneud cyhoeddiad yn y gwanwyn

Fel y nodwyd eisoes bydd Jeff Kendrick yn ymddeol yng Nghyfarfod Cyffredinol Blynyddol nesaf y GrŴp ym mis Mawrth 2014 Mae Jeff wedi bod yn gyfarwyddwr anweithredol ers 1988 ac mae'r grŴp wedi elwa ar ei brofiad masnachol sylweddol

STAFF

Hoffwn gymryd y cyfle hwn i ddiolch i bob un o'n cydweithwyr Wynnstay sydd wedi gweithio n ddiflino i ddarparu chyflenwad cyson o ein cynhyrchion a n gwasanaethau i n cwsmeriaid, yn enwedig yn ystod yr amodau tywydd anodd iawn a brofwyd yn ystod y flwyddyn

RHAGOLWG

Mae diwydiant amaethyddol y DU yn parhau i fod yn fywiog er gwaethaf y pwysau prisio sy'n wynebu rhai sectorau Mae'r galw byd eang am fwyd ac ynni yn parhau i fod yn ffactorau cadarnhaol tymor hir i ffermwyr yn y DU, ac mae cyfleoedd yn gryf ond bydd effeithlonrwydd yn dal i fod yn ystyriaeth bwysig i bawb sy n rhan o r diwydiant

Mae Wynnstay mewn sefyllfa dda i barhau i dyfu a bydd y caffaeliadau diweddar o fudd i ddatblygiad parhaus y GrŴp Mae ein model busnes amrywiol ynghyd â'n sail cwsmeriaid sy'n ehangu yn gryfderau mawr o hyd Yn ogystal â chyflenwi ystod eang o gynhyrchion a gynhyrchir gennym ein hunain rydym hefyd yn gyswllt gwerthfawr â'r farchnad i lawer o gyflenwyr

Mae'r GrŴp wedi'i ariannu'n dda ac rydym yn bwriadu dal ati i dyfu n organig a thrwy gaffael

Jim McCarthy
Cadeirydd
27 Ionawr 2014

Mae Wynnstay mewn
sefyllfa dda i barhau i dyfu

Chief Executive's Review

Feed volumes **increase 9%**

INTRODUCTION

It is pleasing to see another record performance from Wynnstay as the business continues to develop in line with the Board s growth plan Group pre-tax profit before exceptional charges has increased by 8% to £8 46m and revenue has risen 10% to £413 48m

The increased revenue and profit reflect a combination of organic growth across all divisions of the Group as well as the benefit of the small acquisitions made in the last two years Like last year the trading backdrop has been dominated by very difficult weather conditions and these strong results demonstrate once again the resilience of the business model

During the year the Group opened new retail stores, completed a further small acquisition and at the end of the year acquired for £5 8m certain trading assets of Carmarthen & Pumsaint Farmers Limited, a farmers' co-operative operating in South West Wales We also completed a share placing which was oversubscribed, to raise £8 7m net of expenses with the proceeds primarily used to fund the deal The acquisition fits seamlessly with our existing Wynnstay Store network, adding seven new stores and significant new customer volumes for fertiliser and feed as well as other products

In August, we were saddened by the untimely death of our Chairman, Gareth Owen, and I would like to take this opportunity to reiterate our appreciation of the tremendous contribution Gareth made during his time on the Board He was a great friend and colleague, respected by everybody who knew him and will be sadly missed by us all

REVIEW OF ACTIVITIES

Agriculture

The Agricultural Division generated revenue of £323 00m up 9% year-on-year and operating profit of £4 90m up 4% over the prior year The Division performed well despite the impact of particularly difficult weather in 2012 and prolonged winter conditions in the spring of 2013 Reflecting the adverse weather, arable farmers suffered from lower volumes of grain as well as poor grain quality, whilst livestock farmers were challenged by low winter fodder stocks Heavy snow in March also created major problems for sheep farmers and delayed the spring grass for all livestock enterprises As a result, we saw increased demand for feed during the period but the associated service costs and higher raw material prices limited the benefit of the extra sales Fertiliser sales were higher overall but this largely reflected the additional join venture fertiliser facilities we established in 2011 while like-for-like sales were slightly down on the prior year Cereal seed and herbage sales were very strong and made a good contribution to the Division

Feed Products

Feed volume increased by 9% over the prior year, partly reflecting the extended winter conditions in March and April which created exceptional demand for ruminant feed However, the costs of servicing our customer base also increased This was largely driven by our use of third party manufacturers to cover the exceptional demand and higher distribution costs during the inclement conditions We have taken the decision to invest further in our production facilities to accommodate additional demand particularly in the South Wales region and this investment is now underway As we exited the financial year under review mild weather conditions have extended the grazing period tempering demand for ruminant feed Sales of poultry feed, which typically stay at more constant level of demand throughout the year, were good and combined with increased activity within our trading department, contributed to the balance of the feed division Demand for dairy feed continues to be encouraging, reflecting the long awaited increase in milk prices which has brought a degree of confidence to the dairy sector This was also evident in the trading performance of Bibby Agriculture, our joint venture business which continues to perform well

Glasson

The increased demand for raw materials for feed manufacture was also a benefit to the Glasson business which continues to make a good contribution to the Group We also saw strong demand for 'added value' products including wild bird feed and specialist feed for smallholders Sales of fertiliser increased significantly during the year reflecting the success of FertLink the joint venture business we established in 2011 FertLink commissioned a new facility in Goole which came on stream in April 2013 and will bring further opportunities to the Group during 2014

Arable Products

Despite the poor harvest conditions in 2012, our arable operations performed well As expected grain volumes were down on a like-for-like basis, but the trading teams at GrainLink and Woodheads Seeds worked hard to secure fair contracts for the variable quality grain produced by farmers across the trading area The quality of grain from the 2013 harvest is significantly better although volume is still lower than normal Encouragingly conditions look promising for the 2014 harvest Seed sales during the 12 months under review started well as farmers turned to spring planted crops following the difficult autumn conditions Demand for autumn cereal seed was slightly tempered by the carryover of seed from the previous year but herbage seed sales were strong and the overall performance was excellent We made significant capital investment at both our seed plants to increase efficiency and improve service levels which were beneficial during the condensed autumn season

Demand in the UK fertiliser market varied during the year There was some recovery in demand in the spring but the traditional early buying by the arable sector was delayed as a result of signs of a weaker world market However a rebalancing of prices brought an increased confidence to the sector and fertiliser demand rose at the end of the 2013 with the order book looking healthy for the spring of 2014

Specialist Retail

The Specialist Retail Division comprises Wynnstay Stores Just for Pets and Youngs Animal Feeds All three businesses performed well reflecting our investment in the Division, including a further bolt-on acquisition and a more buoyant market for all products Total revenues increased by 12% to £90 19m with operating profit rising by 13% to £4 43m The acquisition of certain trading assets of Carmarthen & Pumsaint Farmers Limited on 1 October 2013 will significantly boost our Wynnstay Stores operation and its integration is well underway

Wynnstay Stores

There is a high level of non-discretionary spend at our Wynnstay Stores, which provide a wide range of products for the farmer and rural dweller, and this helps to underpin revenues This year, revenues, excluding the addition of the Carmarthen & Pumsaint Farmers business increased by 11% over the prior year This was helped by the addition of three new stores, but also strong like-for-like sales which rose by 5% and were boosted by the upturn in feed demand during the inclement weather

Specialist retail revenue **increased by 12%**

Chief Executive's Review (continued)

We acquired Banbury Farm and General Supplies in November 2012, extending our geographic reach into Oxfordshire, and opened two new stores, at Tan-y-groes, in Cardiganshire in February 2013 and at Kendal in Cumbria in July The Kendal store is on a newly developed livestock market close to the town and replaces a basic facility from which we traded at the previous market.

We also relocated our stores at Pontesbury and Whitchurch in Shropshire to larger sites and closed a small outlet in Market Drayton

The acquisition of certain trading assets of Carmarthen & Pumsaint Farmers Limited in October 2013 brings an excellent opportunity for us to further extend our retail sales into the important South Wales region where the Group already has a feed milling operation The seven retail outlets we have acquired are well located and supported by experienced sales personnel who will work within the Agricultural Division The addition of these new outlets brings our network of Wynnstay stores to 39

Just for Pets

Just for Pets our chain of pet product outlets, performed well with revenue increasing by 9% This reflected a first full year's trading contribution from the two new stores at Yardley and Coventry On a like-for-like basis sales are 0 8% ahead of the previous year Excellent customer service is a major focus for us and we were pleased to receive the Gold Award for 'Retail Chain of the Year' from The International Trade Association of Pet Equipment Suppliers in recognition of the quality of the staff and outlets in the Just for Pets business While no new stores were opened in the year under review we expect to open additional new sites in 2014

Youngs Animal Feeds

Youngs manufactures and distributes a range of equine products for distribution by specialist outlets across the centre of the UK Revenue increased by 11% and the business made a good contribution to the Group

Joint Ventures and Associate

The Group is involved with a number of joint ventures including Bibby Agriculture Wyro and FertLink together with the associate business Wynnstay Fuels All businesses performed in line with management expectations over the year In addition, we also established a new joint venture, GeoGen which extends the Group's involvement in the alternative energy market GeoGen provides and installs a range of renewable energy generation equipment to the rural community

STAFF

As the business continues to progress, I would like to take this opportunity to recognise the ongoing commitment and hard work of all staff within the Group Their dedication and efforts help to fuel Wynnstay s success I would also like to welcome personally all new employees who have joined the Group during the year they are all valued members of the team

OUTLOOK

There have been many challenges for the UK agricultural industry over recent years World food demand continues to increase and commodity prices remain volatile UK farmers have generally benefited from the strengthening demand for agricultural products but continue to face the challenges of climatic conditions and commodity pricing There will be further challenges over the coming years as the CAP reforms are implemented The details of changes are yet to be finalised however the underlying support for the agricultural industry is likely to remain albeit with a change of emphasis for distribution of funding

WYNNSTAY

Overall the agricultural sector remains strong and the Group's broad spread of activities forms a solid foundation for continuing sustainable returns for all stakeholders in the business

The newly acquired Carmarthen & Pumsaint Farmers business will continue to be integrated into the Group during the coming twelve months Its integration brings further opportunity for the business and we look forward to strengthening and enhancing our relationship with our new customers

As we start the new financial year the mild winter conditions have tempered demand for feed and raw materials however the broad base of the business traditionally provides a buffer to varied market conditions and I look forward to providing an update at Wynnstay's Annual General Meeting in March

Ken Greetham
Chief Executive
27 January 2014

Finance Review

TRADING RESULTS

The continued development of the business over the last financial year has again driven revenues and profitability to record levels with growth generated from acquisition contributions investment in refurbished outlets and strong weather related demand across a number of important product categories Additionally the year under review was a period of relatively higher commodity prices with for example average compound feed prices being 10% higher than the previous year With the improved world harvests in 2013 this trend has now reversed and feed prices are currently lower than they were twelve months ago

The sixth consecutive year the Board has been able to raise the dividend by over 8%

Group revenue was £413 48m (2012 £375 78m), of which £323 00m (2012 £295 19m) came from agricultural supplies which benefited from strong feed demand during the period Our retail operations produced revenue of £90 19m (2012 £80 47m) which included full year contributions from the two businesses acquired during the previous year and from the new acquisition of Banbury Farm & General Supplies in November 2012

The Group pre-tax profit, which includes the Group s share of pre tax profits from joint ventures and associate investments, was £8 11m, or £8 46m (2012 £7 82m) prior to exceptional costs of £0 35m relating to the acquisition and reorganisation of the business and certain trading assets of Carmarthen & Pumsaint Farmers Net finance charges amounted to £0 48m (2012 £0 46m) which meant that Group operating profit, before exceptional costs increased by 8 0% to £8 94m (2012 £8 28m) Of this total Agricultural supplies contributed £4 90m (2012 £4 71m) and the retail operations £4 43m (2012 £3 90m) Other activities which include the Group share-based payment cost of £0 18m (2012 £0 20), contributed a loss of £0 39m (2012 loss of £0 33m)

Group Earnings before Interest, Tax Depreciation and Amortisation (EBITDA) rose by 1 7% to £11 16m (2012 £10 97m) or by 4 9% to £11 51m before the exceptional costs, and was made up as follows

£millions	2013	2012
Profit before taxation	8 02	7 76
Share of tax incurred by joint ventures	0 09	0 06
Interest	0 48	0 46
Depreciation and freehold land impairment	2 52	2 48
Goodwill impairment	-	0 05
(Profit) on disposal of fixed assets	(0 13)	(0 04)
Share-based payments	0 18	0 20
Exceptional costs	0 35	-
EBITDA	11 51	10 97

TAXATION

The Group's tax charge of £1 94m (2012 £1 99m) represented 23 9% (2012 25 4%) of the Group pre-tax profit and again has benefited from the reduction in general corporation tax rates and the related reduction in deferred tax provisions However it remained above the pro-rata standard rate for the period of 23 4% primarily as a result of certain cost items not being deductible for tax purposes Actual tax cash payments in the year were £2 04m (2012 £2 64m) more in line with the actual charge for the period than in the previous year where payments had been exaggerated due to some of the Group's trading subsidiaries moving to quarterly payments on account for the first time in the current year

EARNINGS PER SHARE & DIVIDEND

Basic earnings per share was 36 43p (2012 34 99p) based on a weighted average number of shares in issue during the year of 16 941m (2012 16 669m) The Board proposes to recommend the payment of a final dividend of 6 20p per share on the 30 April 2014, which when added to the interim dividend of 3 10p per share paid on the 31 October 2013 makes a total of 9 30p for the year (2012 8 50p), an increase of 9 4% The total dividend is expected to be covered 3 65 times (2012 4 10 times) by earnings and represents the sixth consecutive year that the Board has been able to raise the dividend by over 8%

SHARE CAPITAL & PLACING

During the year a total of 2 108 136 (2012 127,668) new ordinary shares were issued for a total equivalent cash amount of £9 836m (2012 £0 435m) The largest element within this total related to a substantially over subscribed private placing with institutional shareholders in September when 1 682,242 (2012 20 204) shares were issued at a price of £5 35 per share raising a net of expenses total of £8 70m (2012 £0 05m) These funds were primarily used to fund the acquisition of the business and certain trading assets of Carmarthen & Pumsaint Farmers, with the surplus being applied for general corporate purposes A further 357 406 (2012 16,678) shares were issued in relation to the exercise of employee share options for a total consideration of £0 801m (2012 £0 039m) The remaining 68 488 (2012 90 786) shares were issued to existing shareholders exercising their right to receive dividends in the form of new shares under the Company's scrip dividend scheme for a total equivalent cash value of £0 333m (2012 £0 343m)

BALANCE SHEET

Retained profits and the placing described above have contributed to a further strengthening of the consolidated Balance Sheet, with net assets, inclusive of goodwill, at the year end amounting to £71 55m (2012 £56 83m) Based on the weighted average number of shares in issue during the year of 16 941 million this represented a net asset value per share of £4 22 (2012 £3 41) During the financial year the share price traded in a range between a low of £4 01 in November 2012 and a high of £6 34 in October 2013

Capital investment in fixed assets amounted to £3 02m (2012 £2 77m) and during the year expenditure on new acquisitions inclusive of acquired net cash / (debt) was £5 21m (2012 £0 92m) Additionally a further £0 13m (2012 £1 48m) was invested during the year in the Pwllheli redevelopment scheme which is held for sale and being actively marketed

Following last year's adverse working capital impact caused by the very early onset of winter feed trading and a reported reduced level of comparative trade payables, a more normalised position has been experienced at the 2013 year end This has contributed to a net working capital improvement adjusted for acquisitions of £2 0m (2012 £9 1m deterioration) Net working capital being defined as the net of current inventory trade & other receivables and trade and other payables of £31 8m (2012 £30 3m) with the element attributable to acquisitions in the year being £3 5m

CASHFLOW & NET DEBT

The considerable working capital improvement mentioned above has contributed to a very strong positive cashflow from operating activities of £10 44m (2012 £1 24m absorbed) Total net cash investment, including acquisitions but excluding assets acquired under finance leases amounted to £6 38m (2012 £4 15m) New equity finance of £9 84m (2012 £0 44m) was raised to contribute to this investment, from which a further £1 12m was paid just after the year end with regard to the Carmarthen & Pumsaint acquisition with the remaining balance contributing to a reduction in short term debt After the payment of £1 47m (2012 £1 34m) in dividends to shareholders, term debt repayments of £2 54m (2012 £2 48m) and new loans drawn of £0 90m (2012 £3 10m) there was a net increase in cash and cash equivalents in the business of £10 79m (2012 £5 67m decrease) When added to the net reduction in term and other existing non liquid debts of £1 41m (2012 £1 65m) and accounting for the new expansion loans of £0 90m (2012 £3 10m) the total decrease in net debt in the year was £11 30m (2012 £7 12m increase)

This net cash inflow in the year has decreased the Group s year end net debt position to £2 49m (2012 £13 79m), producing a gearing level of 3 5% (2012 24 3%) of shareholders total equity at the year end Whilst this position benefits from the traditional seasonal trough of the Group s working capital cycle, it still represents a strong cash control performance which remains a Board priority The Group continues to receive strong support from its bankers and the Board believes current and projected overall debt will remain well within existing facilities which currently amount to £20 1m of short term renewable overdrafts plus the term balances shown in note 24 to the accounts

GROUP STRUCTURE

During the year, the Group established a new subsidiary Wynnstay (Agricultural Supplies) Limited, which was used as the acquisition vehicle for the Carmarthen & Pumsaint Farmers transaction on the 1 October 2013 After the year end, the existing trading activities previously conducted through Wynnstay Group Plc were hived down into this new trading subsidiary, so that all similar business is conducted within the same trading entity This leaves Wynnstay Group Plc as a holding company with six wholly owned trading subsidiaries, namely

- Wynnstay (Agricultural Supplies) Limited, an agricultural merchant
- Glasson Grain Limited, a feed & fertiliser merchant
- GrainLink Limited a grain merchant
- Woodheads Seeds Limited a seed merchant
- Just for Pets Limited, a pet products retailer
- Youngs Animal Feeds Limited, an equine and pet products distributor

Additionally Wynnstay Group Plc holds investments in the principal joint venture and associate companies outlined in note 16 in the accounts and certain other property and investment assets

KEY PERFORMANCE INDICATORS & RISK MANAGEMENT

Details of Key Performance Indicators and the risks and uncertainties for the business are given on pages 18 & 19

Paul Roberts
Finance Director
27 January 2014

Key Performance Indicators & Risk Management

KEY PERFORMANCE INDICATORS

The performance of the business is regularly monitored against Key Performance Indicators (KPI's) results for which are reported in the Chairman s Statement on page 8 and 9 These indicators are defined as follows

Revenue	The invoiced value of sales from the Group's activities, measured at a fair value net of all rebates and excluding value added tax
EBITDA	Group pre-tax profit, including share of pre-tax profits of joint ventures and associates including profit on fixed asset disposals, before interest taxation depreciation fixed asset impairment charges and share based payments
Earnings per Share	Profit for the year after taxation divided by the weighted average number of shares in issue during the year excluding any shares held by the Group's Employee Share Ownership Trust
Return on Net Assets	Group pre-tax profit, including share of pre-tax profits of joint ventures and associates before any goodwill impairment, share based payment charges or exceptional costs divided by the balance sheet net asset value
Net Asset per Share	The balance sheet net asset value, divided by the weighted average number of shares in issue during the year excluding any shares held by the Group's Employee Share Ownership Trust

RISK MANAGEMENT

Risks and uncertainties for the business are classified into two main categories Financial and Operational The Board monitor such risks and have developed policies for managing the uncertainties they bring The main elements of these controls operate in the following areas

Financial Risk Management

The Group policies for managing treasury risks are developed and approved by the Board and are designed to minimise exposure to market volatility These and include

Interest Rate – While currently most of the Group's term debt is floating base rate linked, the Board constantly reviews its 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 – The main currency related risk to the Group arises from the forward purchasing of imported raw materials for our Glasson 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 at the current and prior year end is not material As at the year end the principal amounts relating to forward purchased currency amounted to £2,281 000 (2012 £2 026 000)

Commodity Price – 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 appraised 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 – A significant proportion of the Group's trade is conducted on credit terms and as such a risk of non payment is always present Detailed systems of credit approval before initial supply, the operation of credit limits and an active credit control policy act to minimise this risk and historically the incidence of bad debts is low The grain trading business has exposed the Group to certain substantial customer credit balances, and to assist in mitigating this perceived risk, a credit insurance policy has been purchased to provide partial cover against default by certain customers

Operational Risk Management

Trading concerns are regularly reviewed in monthly Divisional Management meetings with conclusions reported to the Board Existing issues include

Customer Loss & Competition – There is a constant risk of customer loss from enhanced competition and through industry contraction particularly in sectors which may experience an adverse income impact from recent changes to the calculation of the Common Agricultural Policy's Single Payment Scheme The Group's continuing strategy for overcoming this issue is market share growth through geographic expansion and acquisitions The Group specifically seeks to maintain the broadest spread of activities across the main agricultural input areas to minimise threats affecting any particular farming enterprise Significant investment continues in the Company's sales channels both in terms of the traditional direct teams and new trading desk facilities

Manufacturing Productivity – Much of the Group s feed business is conducted on a customer "made to order" basis This requires sophisticated order processing manufacturing and delivery systems as low lead times can provide a competitive advantage The breakdown of any of these systems through mechanical fault, weather and traffic disruption or computer malfunctions and errors can create the risk of order fulfilment failure The Group protects against this through the operation of multiple supply points, with third party manufacturing arrangements in place and the back up of all IT systems supported with a disaster recovery plan

Supply Chain Efficiency – The Group's considerable inventories, both in the retail businesses and as raw materials for the manufacturing activities are vital to the success of the organisation, and disruption to this supply would damage revenue streams To minimise this risk the Group operates partnership relationships with as many suppliers as possible which endeavour to ensure that optimum stock levels are maintained in Group warehouses in wholesaler locations or within committed supplier facilities

Reputation – The Group's trading philosophy is to seek to be the "Supplier of Choice" to its customers To achieve this, a reputation for quality products, service and value for money must be maintained Through a comprehensive employee Information and Consultation policy, all members of staff and local management are tasked with enhancing the Group's reputation in the eyes of customers and all other stakeholders of the business

Fraud – More difficult general economic circumstances may increase the risk of fraud being perpetrated on the Company The Board has recognised this increased risk, and continually reviews internal systems and controls, addressing areas of identified weaknesses including any matters raised as part of the Group audit process

Our 2013 Strategy Report from pages 4 to 19 has been reviewed and approved by the Board of Directors on the 27 January 2014

Paul Roberts
Finance Director

Advisers

DIRECTORS	E G Owen (died 24 August 2013) J J McCarthy J C Kendrick J E Davies (retired 19 March 2013) Lord Carlile CBE QC P M Kirkham (appointed 22 April 2013) B P Roberts K R Greetham D A T Evans
SECRETARY	B P Roberts
COMPANY NUMBER	2704051
REGISTERED OFFICE	Eagle House Llansantffraid-ym-Mechain Powys SY22 6AQ
AUDITOR	KPMG Audit Plc 8 Princes Parade Liverpool L3 1QH
PRINCIPAL BANKERS	HSBC Plc Corporate Banking Centre 3 Rivergate Bristol BS1 6ER
NOMINATED ADVISOR & STOCKBROKER	Shore Capital Limited Bond Street House 11 Clifford Street London W1S 4JU
REGISTRARS	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
SOLICITORS	Harrisons Solicitors LLP 11 Berriew Street Welshpool Powys SY21 7SL DWF LLP 5 St Paul's Square Liverpool L3 9AE

Board of Directors

1 Jeffrey Charles Kendrick
(age 65)

Non Executive Director

Jeff joined the Board in 1988 and has been Managing Director of Wynnstay Fuels Ltd since it was established in 1989 He is a director and principal shareholder of Morrey Oils Limited

2 Philip Michael Kirkham
(age 56)

Senior Independent Non-Executive Director

Philip joined the Board in April 2013 He runs a mixed farming business in the West Midlands and also has significant experience in the UK livestock sector He is non-executive chairman of National Milk Records Plc and a director of Meadow Quality Ltd

3 Kenneth Richard Greetham
(age 54)

Chief Executive

Ken joined the Board in 2008 when he became Chief Executive He joined Wynnstay in 1997 following the integration of Shropshire Grain and was responsible for the development of the Group s arable activities

4 James John McCarthy
(age 58)

Chairman

Jim joined the Board in July 2011 and was appointed chairman of the Group in November 2013 He has a wealth of corporate and management experience from a background in the retailing industry which spans over 38 years He is currently Chief Executive Officer of Poundland Limited

5 Lord Carlile CBE QC
(age 65)

Vice Chairman

Lord Carlile joined the Board in 1998 following a period as Chairman of the Company s Special Share Trust while he was MP for Montgomeryshire He currently also acts as a Deputy High Court Judge and is an active member of the House of Lords

6 Bryan Paul Roberts
(age 50)

Finance Director

Paul joined the Board in 1997 when he also became Company Secretary He originally joined the Company in 1987 having previously worked in the animal feed industry He is a fellow of the Chartered Institute of Management Accountants

7 David Andrew Thomas Evans
(age 45)

Retail Director

Andrew joined the Board in 2008 and has executive responsibility for all the Group s retail activities He is also a dairy farmer in Mid Wales

Directors' Report

for the year ended 31 October 2013

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 2013

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-ym-Mechain 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 27 January 2014

Further information on the activities of the business and the Group strategy are presented in the Chairman s Statement, Chief Executive's Review Strategic and Business Model, Directors Remuneration Statement and Corporate Governance Report included within the Group's full published Annual Report

SHARE CAPITAL

The movement in the share capital during the period is detailed in note 27 to the financial statements

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

Reported under IFRS the Group profit before taxation is £8,021 000 (2012 £7,760,000) After a taxation charge of £1,850 000 (2012 £1 927,000), the Group profit for the year is £6 171,000 (2012 £5 833 000)

The Directors recommend a final ordinary dividend of 6 20p per ordinary 25p share net (2012 5 65p per ordinary 25p share net) to be paid on 30 April 2014, to shareholders on the register at the close of business on 28 March 2014

The share price will be marked ex dividend with effect from the 26 March 2014 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 2014

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 2013 (refer to note 14) by approximately £3 705 000 (2012 £3,470,000)

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 Option		Discretionary Options	
	2013	2012	**2013**	2012	**2013**	2012
E G Owen (died 24 August 2013)	n/a	25,585	-	-	-	-
J J McCarthy	-	-	-	-	-	-
J C Kendrick	**10,375**	10,193	-	-	-	-
J E Davies (retired 19 March 2013)	n/a	41,526	-	-	-	-
Lord Carlile CBE QC	**32,909**	32 331	-		-	-
P M Kirkham (appointed 22 April 2013)	-	-	-			-
B P Roberts	**105,219**	103 000	**4,150**	6,369	**44,500**	44 500
K R Greetham	**39,969**	34 051	**1,413**	7,331	**62,000**	62,000
D A T Evans	**18,965**	12,818	-	5 918	**35,500**	35,500

In addition to the above shareholdings Mr B P Roberts is a trustee of the Company s Employee Share Ownership Plan trust, which at the year end, held nil shares (2012 5,600 shares) Accordingly this director was 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 2013, the following shareholders held 3% or more of the issued share capital of the Company

Registered Shareholder		Beneficial Holder
Ferlim Nominees Limited	6 8%	Discretionary managed funds of Investec Wealth & Investment Limited
Chase Nominees Limited	6 2%	Schroder Investment Management Limited
Europe Nominees Limited	4 7%	Polar Capital
Vidacos Nominees Limited	3 0%	Discretionary managed funds of Brown Shipley Private Bank

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

DIRECTORS' APPOINTMENTS AND RETIREMENTS

Under Article 91 Mr D A T Evans and Mr K R Greetham retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election Having been appointed during the year, Mr P M Kirkham retires under Article 86, and being eligible offers himself for re-election Mr J C Kendrick also retires 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 Group has procedures for keeping its employees informed about the progress of the business The Group continues to encourage employee motivation by operating a Savings Related Share Option Scheme open to all employees The Group 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 Group 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 Health and safety matters are a high priority issue for the Board, who consider a monthly report on developments and any incidents that may have occurred, including accidents and near misses

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 (2012 42 days)

AUDITOR REAPPOINTMENT

KPMG Audit Plc have notified the company that they are not seeking reappointment due to the wind down of KPMG Audit Plc and the transfer of audit services to KPMG LLP It is therefore proposed that KPMG LLP be appointed auditor of the Group to hold office from the conclusion of the Annual General Meeting held on 18 March 2014 until the conclusion of the next General Meeting at which accounts are laid before the Group

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 20 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 auditor is 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 auditor is 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 IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS, STRATEGIC REPORT AND DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Accounts Strategic Report and 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 Parent 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

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Corporate Governance Statement and Directors Remuneration Statement that complies with that law and those regulations

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

By order of the Board

Paul Roberts
Finance Director
27 January 2014

Corporate Governance Statement

for the year ended 31 October 2013

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 updated in 2013 The Board believes that it has incorporated these principles in formulating a Corporate Governance policy appropriate to the size of the Group and which can provide comfort for the Group'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 seven directors, three of whom are executive and four 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, with Mr J J McCarthy being appointed to this role in November 2013 following the sad death of Mr E G Owen in August 2013 The executive directors all have considerable experience in the agricultural supply industry and have a total of over 59 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 Mr P M Kirkham having been appointed in April 2013 is deemed the Senior independent non-executive and Lord Carlile, CBE QC although having served on the Board for longer than the code recommended period of nine 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 The Chairman is responsible for the periodic performance reviews of the Board sub-committees and non-executive directors The Board is currently in the search process for appointing a further independent non-executive director after Mr Owen's death but is satisfied that it has the correct balance of skills and experience in place for the effective stewardship of the business 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 meet 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 The Board believes that this structure together with the operation of its sub-committees described below satisfies the flexible and effective management elements of the QCA guidelines

BOARD COMMITTEES

Audit Committee

This Committee consists of three non executive directors Mr J C Kendrick (Committee Chairman), Mr P M Kirkham 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 auditor and monitored the findings of the auditor The Committee organise 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 auditor 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 auditor s independence, objectivity or integrity and complies with ethical standards

Remuneration Committee

This Committee of the Board consists of three non-executive directors Mr J J McCarthy 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 J J McCarthy Mr K R Greetham and is chaired by Mr P M Kirkham 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

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

WYNNSTAY

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

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 auditor 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 auditor, other than the statutory audit, to ensure such objectivity and independence is safeguarded

By order of the Board

Paul Roberts
Finance Director
27 January 2014

Directors' Remuneration Statement

for the year ended 31 October 2013

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 Directors Remuneration Statement, 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 Directors Remuneration received during the year can be found in note 8 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 2013, together with the amounts actually being received are shown in the table opposite
- 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 opposite 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 as evidenced by the HMRC P60 return 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 The relevant anticipated rate for the bonus which will be paid in February 2014 relating to the last financial year is 3 4% 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 below 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 actual performance condition results at October 2013 were a Market Capitalisation of over £100 million and an Earnings per share figure of over 32 9p This means that the scheme participants are eligible to exercise 100% of their scheme entitlement, as described below
- 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 At the date of this report no Director had yet exercised options under the scheme The Remuneration Committee are currently considering terms of a new long term incentive scheme for Executive Directors and some senior managers
- 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 22 and in note 28 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	139	0 750	142	9 6	9
B P Roberts	130	101	0 375	96	6 5	8
D A T Evans	87	87	0 400	72	6 5	8

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 reimbursement 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**
J J McCarthy	49	-
P M Kirkham	33	-
J C Kendrick	33	-
Lord Carlile CBE QC	33	1

Lord Carlile CBE, QC
Vice-Chairman & Chairman of Remuneration Committee

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 2013 set out on pages 30 to 63 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 members, as a body for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors Responsibilities Statement set on out page 23, 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 2013 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 Strategic Report and 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

27 January 2014

Consolidated Statement of Comprehensive Income

for the year ended 31 October 2013

		2013		2012	
	Note	£000	£000	£000	£000
Revenue	2		**413,481**		375 776
Cost of sales			**(363,728)**		(329 163)
Gross profit			**49,753**		46 613
Manufacturing distribution and selling costs			**(36,672)**		(34 102)
Administrative expenses			**(4,319)**		(4 211)
Group operating profit before goodwill impairment, share-based payment costs and exceptional item			**8,762**		8,300
Goodwill impairment and share-based payments			**(182)**		(248)
Exceptional item	4		**(350)**		
Group operating profit	5		**8,230**		8,052
Interest income	3	**46**		64	
Interest expense	3	**(524)**		(527)	
Net finance charges	3		**(478)**		(463)
Share of profits/losses in associate and joint ventures accounted for using the equity method		**362**		229	
Share of tax incurred by associate and joint ventures	6	**(93)**	**269**	(58)	171
Profit before taxation			**8,021**		7 760
Taxation	9		**(1,850)**		(1 927)
Profit for the year			**6,171**		5,833
Earnings per 25p share	11		**36.43p**		34 99p
Diluted earnings per 25p share	11		**35 25p**		34 05p

All of the above are derived from continuing operations

The notes on pages 34 to 63 form part of these financial statements

Consolidated and Company Balance Sheet

as at 31 October 2013
Registered number 2704051

		Group		Company	
		2013	2012	**2013**	2012
	Note	**£000**	£000	**£000**	£000
Assets					
Non-current assets					
Goodwill	12	**17,014**	15,614	**6,660**	5,724
Property plant and equipment	14	**17,861**	17 748	**13,124**	13,454
Investment in subsidiaries	15	**-**		**18,182**	18,352
Investments accounted for using equity method	15	**3,365**	3 205	**1,048**	1,157
Intangibles	13	**99**		**-**	-
		38,339	36 567	**39,014**	38,687
Current assets					
Inventories	18	**30,602**	27,213	**17,334**	15 198
Trade and other receivables	19	**51,271**	46,982	**36,819**	27 709
Held for sale assets	20	**2,287**	2,157	**2,287**	2 157
Financial assets					
loan to joint venture	16	**3,067**	3 252	**3,067**	3 252
Cash and cash equivalents	23	**6,636**	699	**647**	17
		93,863	80 303	**60,154**	48 333
Total assets		**132,202**	116 870	**99,168**	87 020
Liabilities					
Current liabilities					
Financial liabilities - borrowings	24	**(4,855)**	(10 986)	**(3,192)**	(5,760)
Trade and other payables	21	**(49,338)**	(43 737)	**(34,655)**	(33,073)
Current tax liabilities	22	**(1,221)**	(1 349)	**(700)**	(623)
		(55,414)	(56 072)	**(38,547)**	(39,456)
Net current assets		**38,449**	24 231	**21,607**	8,877
Non-current liabilities					
Financial liabilities – borrowings	24	**(4,269)**	(3,499)	**(4,237)**	(3 361)
Trade and other payables	21	**(711)**	(156)	**(417)**	-
Deferred tax liabilities	26	**(259)**	(317)	**(105)**	(105)
		(5,239)	(3,972)	**(4,759)**	(3,466)
Total liabilities		**(60,653)**	(60 044)	**(43,306)**	(42 922)
Net assets		**71,549**	56 826	**55,862**	44,098
Equity					
Share capital	27	**4,713**	4 186	**4,713**	4 186
Share premium		**26,986**	17,677	**26,986**	17,677
Other reserves		**2,697**	2 515	**2,528**	2 346
Retained earnings		**37,153**	32 448	**21,635**	19 889
Total Equity		**71,549**	56 826	**55,862**	44 098

The financial statements were approved by the Board of Directors on 27 January 2014 and signed on its behalf

J J McCarthy – Director

B P Roberts - Director

The notes on pages 34 to 63 form part of these financial statements

Consolidated and Company Statement of Changes in Equity

as at 31 October 2013

Group	Share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
At 1 November 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
Profit for the year	-	-	-	6,171	6 171
Total comprehensive income for the year	-		-	**6,171**	**6,171**
Transactions with owners of the Company, recognised directly in equity					
Shares issued during the year	527	9 309			9,836
Dividends		-		(1,466)	(1 466)
Equity settled share-based payment transactions			182		182
Total contributions by and distributions to owners of the Company	**527**	**9,309**	**182**	**(1,466)**	**8,552**
At 31 October 2013	**4,713**	**26,986**	**2,697**	**37,153**	**71,549**

Company	Share capital £000	Shares premium account £000	Other reserves £000	Retained earnings £000	Total £000
At 1 November 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
Profit for the year	-			3,212	3,212
Total comprehensive income for the year	-	-	-	**3,212**	**3,212**
Transactions with owners of the Company, recognised directly in equity					
Shares issued during the year	527	9,309	-	-	9 836
Dividends	-	-	-	(1 466)	(1 466)
Equity settled share based payment transactions	-		182		182
Total contributions by and distributions to owners of the Company	**527**	**9,309**	**182**	**(1,466)**	**8,552**
At 31 October 2013	**4,713**	**26,986**	**2,528**	**21,635**	**55,862**

The notes on pages 34 to 63 form part of these financial statements

Consolidated and Company Cash Flow Statement

as at 31 October 2013

	Note	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Cash flows from operating activities					
Cash generated from operations	37	**12,956**	1 863	**(3,972)**	650
Interest received		**46**	64	**30**	52
Interest paid		**(524)**	(527)	**(433)**	(406)
Tax paid		**(2,036)**	(2 635)	**(802)**	(755)
Net cash flows from operating activities		**10,442**	(1,235)	**(5,177)**	(459)
Cash flows from investing activities					
Acquisitions (net of cash acquired)		**(5,254)**	(915)	**(566)**	(488)
Utilisation of cash acquired on acquisition		**47**	-	**-**	-
Proceeds from sale of property, plant and equipment		**729**	85	**678**	57
Purchase of property plant and equipment		**(1,878)**	(1 941)	**(792)**	(1 222)
Purchase of intangible assets		**-**	-	**-**	(120)
Proceeds on sale of investments		**150**		**150**	100
Investments in held for sale assets		**(130)**	(1,475)	**(130)**	(1,475)
Purchase of investments		**(40)**	-	**(41)**	(1)
Dividends received		**-**	100	**500**	979
Net cash used by investing activities		**(6,376)**	(4 146)	**(201)**	(2 170)
Cash flows from financing activities					
Net proceeds from the issue of ordinary share capital		**9,836**	435	**9,836**	435
Net proceeds from drawdown of new loans		**896**	3,100	**896**	3 100
Finance lease principal repayments		**(830)**	(724)	**(774)**	(667)
Repayment of borrowings		**(1,708)**	(1,759)	**(1,107)**	(1,544)
Dividends paid to shareholders		**(1,466)**	(1 341)	**(1,466)**	(1,341)
Net cash generated from financing activities		**6,728**	(289)	**7,385**	(17)
Net increase/(decrease) in cash and cash equivalents		**10,794**	(5 670)	**2,007**	(2 646)
Cash and cash equivalents at the beginning of the period		**(5,677)**	(7)	**(1,360)**	1 286
Cash and cash equivalents at the end of the period	23	**5,117**	(5,677)	**647**	(1,360)

The notes on pages 34 to 63 form part of these financial statements

Principal Accounting Policies

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

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 adopted 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 under 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 24 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 associate 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 for example delivering products into the customer's possession, and 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 at fair value 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 Statement of Comprehensive Income over the period of the borrowings on an effective interest basis

Trade payables

Trade and other payables are recognised at fair value

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 Statement of Comprehensive Income 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 Group Statement of Comprehensive Income over the period of the lease Rentals paid under operating leases are charged to the Group 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 Group 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 Group 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 Group 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

Principal Accounting Policies (continued)

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Taxation including deferred taxation (continued)

However deferred income tax is not accounted for if it arises from initial recognition 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 Group 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 judgments, key assumptions and estimates

Application of certain Group accounting policies requires management to make judgments 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 Groups "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 Group 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

	Effective for accounting periods commencing on or after
International Financial Reporting Standards (IFRS)	
IFRS 9 Financial instruments'	1 January 2015
IFRS 10 'Consolidated financial statement'	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
IAS 27 (revised 2011) 'Separate financial statements	1 January 2014
IAS 28 (revised 2011) Associates and joint ventures'	1 January 2014
Amendments to existing standards	
Amendments to IFRS 7 on Financial instruments assets and liabilities offsetting	1 January 2013
Amendments to IAS 19 (revised 2011) Employee benefits	1 January 2013
Amendment to IAS 32 on Financial instruments assets and liability offsetting	1 January 2014

From 1 November 2012 the following standards amendments and interpretations became effective and were adopted by the Group

Amendments to existing standards	
Amendment to IAS 12 Income taxes on deferred tax	1 January 2012
Amendment to IAS 1 'Presentation of financial statement on OCI	1 July 2012

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 £3,212 000 (2012 £2,577 000)

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 access 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 2013 are as follows

	Agriculture	**Specialist Retail**	**Other**	**Total**
Year ended 31 October 2013	**£000**	**£000**	**£000**	**£000**
Revenue from external customers	**322,995**	**90,191**	**295**	**413,481**
Segment result	**4,542**	**4,427**	**(389)**	**8,580**
Share of results of associate and joint ventures	**359**	**-**	**3**	**362**
	4,901	**4,427**	**(386)**	**8,942**
Exceptional item				**(350)**
Interest income				**46**
Interest expense				**(524)**
Profit before tax				**8,114**
Income taxes				**(1,943)**
Profit for the year attributable to equity shareholders				**6,171**
Segment assets	**29,553**	**37,194**	**7,290**	**74,037**
Corporate net borrowings				**(2,488)**
Total net assets				**71,549**

	Agriculture	**Specialist Retail**	**Other**	**Total**
Year ended 31 October 2012	**£000**	**£000**	**£000**	**£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

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3 **NET FINANCE COSTS**

	2013	2012
	£000	£000
Interest expense		
Interest payable on borrowings	**(378)**	(390)
Interest payable on finance leases	**(108)**	(104)
Interest payable on other loans	**(38)**	(33)
Interest and similar charges payable	**(524)**	(527)
Interest income	**46**	64
Interest receivable	**46**	64
Finance costs - net	**(478)**	(463)

4 **EXCEPTIONAL ITEM**

	2013	2012
	£000	£000
Exceptional costs	**(350)**	

Exceptional costs relate to the expenses associated with the acquisition and re-organisation of the business and certain trading assets of Carmarthen & Pumsaint Farmers

5 **GROUP OPERATING PROFIT**

The following items have been included in arriving at operating profit

		2013	2012
		£000	£000
Staff costs		**21,597**	19 902
Depreciation of property plant and equipment	- owned assets	**1,881**	1 989
	- under finance	**641**	486
Impairment of goodwill		**-**	45
(Profit) on disposal of fixed assets		**(131)**	(38)
Other operating lease rentals payable		**2,323**	2,026
Repairs and maintenance expenditure on plant property and equipment		**1,715**	1 704
Trade receivables impairment		**52**	202

Services provided by the Group's auditor

During the year the Group obtained the following services from the Group's auditor

	2013	2012
	£000	£000
Audit services – statutory audit	**90**	83
Tax services	**4**	4
Due diligence	**27**	
XBRL tagging	**1**	

Included in the Group audit fee are fees of £43 500 (2012 £43 050) paid to the Group s auditor in respect of the Parent Company

Notes to the Financial Statements (continued)

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

	2013 £000	2012 £000
Share of post-tax profit/ (loss) in associate	**54**	(28)
Share of post-tax profits in joint ventures	**215**	199
Total share of post-tax profits of associate and joint ventures	**269**	171

7 STAFF COSTS

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

	2013 £000	2012 £000
Wages and salaries	**19,121**	17 444
Social security costs	**1,701**	1,612
Pension and other costs	**593**	643
Cost of share-based reward	**182**	203
	21,597	19 902

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

	2013 £000	2012 £000
Administration	**100**	94
Production	**89**	90
Sales distribution and retail	**712**	649
	901	833

8 **DIRECTORS' REMUNERATION**

Aggregate Directors' remuneration

	2013 £000	2012 £000
Directors emoluments	642	640
Company contributions to money purchase pension schemes	25	24
Aggregate gains made on the exercise of Approved SAYE options	52	-
	719	664

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

Name of Director	Basic salary £000	Benefits in kind £000	Annual bonuses £000	2013 Total £000	2012 Total £000
Executives					
K R Greetham	136	9	65	210	196
B P Roberts	99	8	33	140	135
D A T Evans	85	8	19	112	111
Non-Executives					
E G Owen (died September 2013)	44	1	-	45	45
J J McCarthy	33	-	-	33	30
J E Davies (retired March 2013)	15	1	-	16	48
J C Kendrick	33	-	-	33	37
Lord Carlile CBE QC	33	1	-	34	38
P M Kirkham (appointed April 2013)	19	-	-	19	-
	497	28	117	642	640

Retirements benefits are accruing to the following number of Directors under	2013 No	2012 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		
K R Greetham	13	13
B P Roberts	6	6
D A T Evans	6	5
	25	24

Gains made on exercise of Approved SAYE options

	2013 £000	2012 £000
K R Greetham	22	
B P Roberts	8	
D A T Evans	22	-
	52	-

Notes to the Financial Statements (continued)

9 **TAXATION**

Analysis of tax charge in year	2013 £000	2012 £000
Current tax		
- continuing operations	**1,915**	1,974
- adjustments in respect of prior years	**(7)**	8
Total current tax	**1,908**	1 982
Deferred tax		
- accelerated capital allowances	**(51)**	(35)
effect of decrease of rate	**(7)**	(20)
Total deferred tax	**(58)**	(55)
Tax on profit on ordinary activities	**1,850**	1,927

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 23 41% (2012 24 83%) explained as follows

	2013 £000	2012 £000
Profit on ordinary activities before tax	**8,021**	7 760
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 41% (2012 24 83%)	**1,877**	1,927
Effects of		
Tax effect of share of profit of associates and joint ventures	**(63)**	(42)
Expenses not deductible for tax purposes	**145**	23
Adjustment to tax charge in respect of prior years	**(10)**	8
Utilisation of tax losses	**8**	-
Effect of decrease in rate	**(7)**	(20)
Other items	**(100)**	31
Total tax charge for year	**1,850**	1,927

Factors that may affect future tax charges

The 2013 Budget on 19 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015 A reduction in the rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2013) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013

This will reduce the company's future current tax charge accordingly The deferred tax liability at 31 October 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date

10 **DIVIDENDS**

	2013 £000	2012 £000
Final dividend paid for prior year	**946**	865
Interim dividend paid for current year	**520**	476
	1,466	1 341

Subsequent to the year end it has been recommended in the Directors' Report that a final dividend of 6 20p net per ordinary share (2012 5 65p) be paid on 30 April 2014 Together with the interim dividend already paid on 31 October 2013, of 3 10p net per ordinary share (2012 2 85p) this would result in a total dividend for the financial year of 9 30p net per ordinary share (2012 8 50p)

11 EARNINGS PER SHARE

	Basic earnings per share		Diluted earnings per share	
	2013	2012	**2013**	2012
Earnings attributable to shareholders (£000)	**6,171**	5 833	**6,171**	5,833
Weighted average number of shares in issue during the year (number 000)	**16,941**	16,669	**17,508**	17 130
Earnings per ordinary 25p share (pence)	**36 43**	34 99	**35 25**	34 05

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 34) 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

12 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	
Cost	£000
At 1 November 2011	16 681
Additions	570
At 31 October 2012	17,251
Additions	1 400
At 31 October 2013	**18,651**
Aggregate impairment	
At 1 November 2011	1 592
Impairment charge	45
At 31 October 2012 and 31 October 2013	**1,637**
Net book value	
At 31 October 2013	**17,014**
At 31 October 2012	15 614

Company	
Cost	£000
At 1 November 2011	3 345
Additions	120
Transfer from investments	3,153
At 31 October 2012	6,618
Transfer from investments	936
At 31 October 2013	**7,554**
Aggregate impairment	
At 1 November 2011, 31 October 2012 and 31 October 2013	**894**
Net book value	
At 31 October 2013	**6,660**
At 31 October 2012	5,724

During the year investments valued at £936 401 (2012 £3,152 946) have been transferred to Goodwill in the company The trade and assets of the investments have been hived up into Wynnstay Group Plc in the current and preceding year in respect of the PSB and Banbury acquisitions

Notes to the Financial Statements (continued)

12 GOODWILL (continued)

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 2013 and 2012 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% (2012 6% to 12%) in respect of Agriculture and 9% to 15% (2012 9% to 15%) 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 3% (2012 0% to 6%)

13 INTANGIBLE ASSETS

Group	**£000**
Cost	
Additions acquired through business combinations	100
At 31 October 2013	**100**
Aggregate amortisation	
Amortisation charge for the year	1
At 31 October 2013	**1**
Net book value	
At 31 October 2013	**99**
At 31 October 2012	

The Intangible assets addition in the year relates to the value assessed by the Directors in respect of the customer book of Carmarthen & Pumsaint Farmers Limited included within the acquisition

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14 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 2011	1 337	11,885	17,083	5,526	35,831
Additions	69	384	1,399	917	2 769
Acquisitions 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
Additions	77	9	1,709	1 221	3 016
Acquisition through business combinations	-		113	136	249
Disposals	-	(207)	(1 304)	(705)	(2 216)
At 31 October 2013	**1,432**	**12,071**	**18,612**	**6,687**	**38,802**
Depreciation					
At 1 November 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
Charge for the year	47	301	1,207	967	2,522
Acquisitions through business combinations	-		15	17	32
On disposals	-	(71)	(884)	(663)	(1 618)
At 31 October 2013	**529**	**3,743**	**12,490**	**4,179**	**20,941**
Net book value					
At 31 October 2013	**903**	**8,328**	**6,122**	**2,508**	**17,861**
At 31 October 2012	873	8,756	5,942	2,177	17 748

The net book value of plant and machinery and motor vehicles above includes amounts of £2 213 173 (2012 £1 697,158) representing assets held under finance leases

14 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 2011	11,251	11,926	4 966	28,143
Additions	384	710	852	1 946
Disposals		(242)	(475)	(717)
Acquisitions through business combination		8	154	162
At 31 October 2012	11,635	12,402	5 497	29 534
Additions	9	810	1 060	1 879
Disposals	(207)	(1 276)	(624)	(2,107)
Acquisitions through business combination		19	42	61
At 31 October 2013	**11,437**	**11,955**	**5,975**	**29,367**
Depreciation				
At 1 November 2011	3,037	8,945	3 106	15 088
Charge for the year	291	567	794	1 652
On disposals	-	(242)	(463)	(705)
Acquisitions through business combinations	-	7	38	45
At 31 October 2012	3,328	9 277	3 475	16 080
Charge for the year	272	523	877	1 672
On disposals	(71)	(856)	(614)	(1 541)
Acquisitions through business combinations		15	17	32
At 31 October 2013	**3,529**	**8,959**	**3,755**	**16,243**
Net book value				
At 31 October 2013	**7,908**	**2,996**	**2,220**	**13,124**
At 31 October 2012	8 307	3 125	2 022	13 454

The net book value of plant and machinery and motor vehicles above includes amounts of £2 028,576 (2012 £1,563 552) representing assets held under finance leases

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15 FIXED ASSET INVESTMENTS

Group	Joint ventures £000	Associates £000	Other unlisted investments £000	Total £000
Cost				
At 1 November 2011	2 479	571	180	3 230
Share of profit / (loss) / Investment Income	198	(28)	1	171
Dividend income received from associate	(100)	-		(100)
At 31 October 2012	2,577	543	181	3,301
Additions	40	-	-	40
Share of profit / Investment Income	215	54	1	270
Disposal	(150)	-		(150)
At 31 October 2013	**2,682**	**597**	**182**	**3,461**
Provision for impairment				
At 1 November 2011 31 October 2012 and 31 October 2013	**69**	**-**	**27**	**96**
Net book value				
At 31 October 2013	**2,613**	**597**	**155**	**3,365**
At 31 October 2012	2,508	543	154	3,205

Notes to the Financial Statements (continued)

15 **FIXED ASSET INVESTMENTS** (continued)

Company	Shares in group undertakings £000	Joint ventures £000	Associates £000	Other unlisted investments £000	Total £000
Cost					
At 1 November 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
Additions / Investment Income	766	40	-	1	807
Disposal		(150)		-	(150)
Transferred to goodwill	(936)	-		-	(936)
At 31 October 2013	**18,182**	**920**	**48**	**176**	**19,326**
Provision for impairment					
At 1 November 2011					
31 October 2012 and **31 October 2013**	**-**	**69**	**-**	**27**	**96**
Net book value					
At 31 October 2013	**18,182**	**851**	**48**	**149**	**19,230**
At 31 October 2012	18 352	961	48	148	19 509

16 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	Feed and Fertiliser merchant
Just for Pets Limited	100	Pet products retailer
Wynnstay (Agricultural Supplies) Limited	100	Agricultural merchant
Woodheads Seeds Limited	100	Seed merchants
Youngs Animal Feeds Limited	100	Equine and pet products distributor
Grainlink Limited	100	Grain merchant
Wrekin Grain Limited	100	Dormant company
Eifionydd 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	Dormant company
Welsh Feed Producers Limited	100	Non trading company
Pigeon Post Limited	100	Dormant company
Wynnstay Country Farmstock Limited	100	Dormant company
Petssesories Limited	100	Dormant company
C & M Transport Limited	100	Dormant company
PSB (Country Supplies) Limited	100	Non-trading company
Banbury Farm and General Supplies Limited	100	Non-trading company

Woodheads Seeds Limited prepared statutory accounts for a 18 month period to 31 October 2012 to bring their year end co-terminus with the Group, the 12 month period to 31 October 2012 has been used for comparative 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
Eifionydd Farmers (formerly Dollin and Morris Limited)

Just for Pets Limited
Petssesories Limited

Notes to the Financial Statements (continued)

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16 **PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE** (continued)

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	Interest	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
Geogen Limited	50% - Ordinary	Supplier and installation of renewable energy

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

	2013 £000	2012 £000
Non-current assets	**969**	774
Current assets	**6,184**	5 649
Current liabilities	**(5,145)**	(4 670)
Non-current liabilities	**(130)**	(3)
NET ASSETS	**1,878**	1 750

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

	2013 £000	2012 £000
Revenue	**29,390**	23,472
Expenses	**(29,097)**	(23 150)

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

	2013 £000	2012 £000
Group's share of joint ventures profit before tax	**293**	277

Principal associate

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

Company name	Interest	Nature of Business
Wynnstay Fuels Limited	40%	Supply of petroleum products

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

	2013 £000	2012 £000
Total assets	**3,833**	3 809
Total liabilities	**(2,464)**	(2 575)
Net assets	**1,369**	1,234
Group s share of associate s net assets	**548**	493
Total revenue	**21,045**	23 388
Profit / (loss) for the period	**173**	(121)
Group's share of associate s profit / (loss) before tax	**69**	(48)

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

Company name	Interest
Wyro Developments Limited	31 October 2013
Wynnstay Fuels Limited	31 December 2012
Bibby Agriculture Limited	31 August 2013
Fertlink Limited	31 October 2013
Geogen Limited	31 October 2013

IAS 27 "Consolidated and separate financial statements" and IAS 28 "Investments in Associate" 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

Trading transactions

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

Transactions and balances with subsidiaries	Company	
	2013 £000	2012 £000
Amounts due from subsidiary undertakings		
Trade receivables	**413**	490
Amounts due to subsidiary undertakings		
Trade payables	**1,688**	1,980
Transactions reported in the statement of comprehensive income		
Revenue	**3,385**	2 933
Purchases	**13,385**	12 286

Notes to the Financial Statements (continued)

16 **PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE** (continued)

	Group		Company	
	2013	2012	**2013**	2012
Transactions and balances with associate	**£000**	£000	**£000**	£000
Amounts due from associated undertaking				
Trade receivables	**4**	4	**4**	4
	4	4	**4**	4
Amounts due to associated undertaking				
Trade payables	**64**	273	**64**	271
	64	273	**64**	271
Transactions reported in the statement of comprehensive income				
Revenue	**45**	40	**45**	40
Purchases	**1,066**	897	**1,065**	869

	Group		Company	
	2013	2012	**2013**	2012
Transactions and balances with joint ventures	**£000**	£000	**£000**	£000
Amounts due from joint ventures				
Trade receivables	**2,215**	957	**1,183**	863
Loans	**3,067**	3,252	**3,067**	3 252
	5,282	4,209	**4,250**	4 115
Amounts due to joint ventures				
Trade payables	**1,078**	113	**55**	40
	1,078	113	**55**	40
Transactions reported in the statement of comprehensive income				
Revenue	**13,729**	11 359	**1,703**	8,741
Purchases	**11,321**	3 363	**273**	168
Income received	**72**	76	**72**	76

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

17 **BUSINESS COMBINATIONS**

During the year the Group completed two acquisitions one of which was a share purchase and the other structured as an asset purchase

On the 9 November 2012 the Group completed the acquisition of the entire share capital of Banbury Farm and General Supplies Limited an independent agricultural inputs supplier based in Burton Dasset outside Banbury, Oxfordshire

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

Banbury Farm and General Supplies Limited

Date of acquisition	9 November 2012
	Fair Value
	£000
Fair value of acquisition	
Plant and equipment	29
Trade receivables	143
Inventories	199
Other current assets	120
Other current liabilities	(272)
Cash acquired	1 004
Net assets acquired	1 223
Goodwill	500
Total consideration	**1,723**
Total consideration	1 723
Less cash utilised from acquired business	(957)
Fair value of contingent consideration	(200)
Cash paid at completion and upon asset verification	**566**
Historical revenue in the period 1 October 2011 to 9 November 2012	**1,546**
Historical operating profit in the period 1 October 2011 to 9 November 2012	**405**

100% of the trade receivables at the acquisition have been collected The Directors have considered whether any specific intangibles can be identified within the value paid for goodwill

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 On 9 November 2012 the trade and assets of the acquired company were hived up into Wynnstay Group Plc, and the respective figures generated from the acquired business for the period to 31 October 2013 and included in the results of Wynnstay Group Plc were revenue of £1,333,400 and operating profit of £109 834

Payment of the contingent consideration is dependent on future turnover and profitability Management believe the maximum consideration of £200 000 to be the Fair Value of the deferred consideration payable

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17 BUSINESS COMBINATIONS (continued)

On the 1 October 2013 the Group purchased the business and certain assets of Carmarthen & Pumsaint Farmers Limited The acquisition was effected through a new Group subsidiary, Wynnstay (Agricultural Supplies) Limited which was established with the further intention of transferring the agricultural trading activities of Wynnstay Group Plc into this new company in accordance with the Group restructuring process explained in the Finance Review (also note 35) As part of this transaction Wynnstay (Agricultural Supplies) Limited entered into six new operating leases and agreed to the assignment of a lease on one further location for premises from where Carmarthen & Pumsaint Farmers Limited were trading No obligations have been assumed with regard to the defined benefit pension scheme previously operated by Carmarthen & Pumsaint Farmers Limited

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

Carmarthen & Pumsaint Farmers Limited

Date of acquisition	1 October 2013
	Fair Value
	£000
Fair value of acquisition	
Plant and equipment including vehicles	188
Trade receivables	2,426
Inventories	2,190
Intangibles	100
Goodwill	900
Total assets acquired	**5,804**
Consideration transferred to gain control	
Cash paid on completion	4,688
Deferred payment 1 November 2013	903
Deferred payment 15 December 2013	213
	5,804
Historical revenue in the period 1 October 2011 to 30 September 2012	**23,881**
Historical Pre-exceptional operating loss in period 1 October 2011 to 30 September 2012	**(336)**

95% of the Trade receivables at the acquisition have been collected

The Directors have assessed the fair value of identifiable intangible assets acquired as part of this business combination and consider the customer book to have a value of £100,000

The acquisition of Carmarthen & Pumsaint Farmers Limited represents a strategic investment for the Group into an important geographic trading area where the business already operates a feed mill but had only a limited retail Country Store presence

18 INVENTORIES

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Raw materials and consumables	**7,759**	8 792	**1,290**	1 258
Finished goods and goods for resale	**22,843**	18,421	**16,044**	13 940
	30,602	27,213	**17,334**	15,198

19 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Current				
Trade receivables	**48,858**	44 196	**29,814**	26 832
Amounts owed by group undertakings	**-**	-	**6,173**	160
Other receivables	**2,385**	2 121	**832**	717
Fair value of derivatives	**28**	665	**-**	
	51,271	46 982	**36,819**	27,709

Trade receivables are stated after a provision for impairment of £903 118 (2012 £748 316) (Company £459,876 (2012 £434 876))

20 HELD FOR SALE ASSETS

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

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Held for sale assets	**2,287**	2,157	**2,287**	2 157
	2,287	2,157	**2,287**	2,157

Notes to the Financial Statements (continued)

21 **TRADE AND OTHER PAYABLES**

Current

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Trade payables	**42,260**	37,044	**27,975**	25 662
Amounts owed to Group undertakings	-	-	**3,798**	3 884
Other taxes and social security	**672**	582	**404**	319
Other payables	**2,646**	1 165	**586**	376
Accruals and deferred income	**3,273**	4,031	**1,519**	1,917
Contingent consideration	**373**	915	**373**	915
Fair value of derivatives	**114**	-		
	49,338	43 737	**34,655**	33 073

Included within the Company's trade payables are £1 687 553 (2012 £1,979 673) of intercompany trade creditors

Non-current

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Other payables	**256**	108	-	-
Government grants	**38**	48	-	-
Contingent consideration	**417**	-	**417**	-
	711	156	**417**	-

22 **CURRENT TAX LIABILITIES**

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Current tax liabilities	**1,221**	1,349	**700**	623
	1,221	1 349	**700**	623

23 **CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS**

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Cash and cash equivalents per balance sheet	**6,636**	699	**647**	17
Bank overdrafts	**(1,519)**	(6 376)	-	(1 377)
Cash and cash equivalents per Cash flow statement	**5,117**	(5,677)	**647**	(1 360)

24 FINANCIAL LIABILITIES - BORROWINGS

Current

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Bank loans and overdrafts due within one year or on demand				
Secured overdrafts	**1,519**	6 376	-	1 377
Secured loans	**1,940**	3 299	**1,840**	3,115
	3,459	9,675	**1,840**	4,492
Loan capital (unsecured)	**672**	708	**672**	708
Other loanstock (unsecured)	**17**	17	**17**	17
Net obligations under finance leases	**707**	586	**663**	543
	4,855	10 986	**3,192**	5 760

Non-current

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Bank loans				
Secured	**3,354**	2 771	**3,355**	2,672
	3,354	2,771	**3,355**	2 672
Net obligations under finance leases	**915**	728	**882**	689
	4,269	3,499	**4,237**	3,361

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 convertible unsecured loanstock

The bank loans include term loans repayable by instalments as follows

Company name	Monthly instalment	**Balance outstanding 2013**	Balance outstanding 2012	Interest rate	Maturity date
Barclays Bank Plc	£53 774	**£1,556,481**	£2 154 686	2% over base rate	May 2016
HSBC Bank Plc	£46 538	-	£127 687	1 0% over base rate	Jan 2013
HSBC Bank Plc	£52 389	**£1,869,294**	£1 504,206	1 8% over base rate	Nov 2016
Barclays Bank Plc	£4 167	-	£16,160	1 10% over base rate	Feb 2013
HSBC Bank Plc	£57 730	**£1,769,095**	£2 000 000	2 00% over base rate	June 2016
HSBC Bank Plc	£14 323	**£99,602**	£267 675	1 5% over base rate	May 2014

These loans are secured by legal charges over certain of the Company's freehold property
Bank loans and overdrafts include overdrafts totalling £1 519,346 (2012 £4 999 271) relating to subsidiary companies which are secured by debentures over the assets of those companies

Notes to the Financial Statements (continued)

24 **FINANCIAL LIABILITIES – BORROWINGS** (continued)

Finance lease obligations are secured on the assets to which they relate

	Group		Company	
	2013	2012	**2013**	2012
Borrowings are repayable as follows	**£000**	£000	**£000**	£000
On demand or within one year	**4,855**	10,986	**3,192**	5,760
In the second year	**2,487**	1 501	**2,465**	1 384
In the third to fifth years inclusive	**1,782**	1,998	**1,772**	1 977
Over five years	-	-	-	
	9,124	14,485	**7,429**	9 121
Finance leases included above are repayable as follows				
On demand or within one year	**707**	586	**663**	543
In the second year	**502**	391	**480**	373
In the third to fifth years inclusive	**413**	337	**402**	316
Over five years	-		-	-
	1,622	1 314	**1,545**	1,232
The net borrowings are				
Borrowings as above	**9,124**	14 485	**7,429**	9 121
Cash and cash equivalents	**(6,636)**	(699)	**(647)**	(17)
Net debt	**2,488**	13 786	**6,782**	9 104

25 **FINANCIAL INSTRUMENTS**

Fair values of non-derivative financial assets and financial liabilities

The fair value of current assets and current liabilities are assumed to approximate to book value due to the short-term maturity of these 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

WYNNSTAY

The Group's derivative financial assets and liabilities that are measured at fair value at 31 October 2013, 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 review 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 arises 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 £2,281 000 (2012 £2 026 000)

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 appraised 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 counter party 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.

Detailed systems of credit approval before initial supply, the operation of credit limits and an active credit control policy act to minimise this risk and historically the incidence of bad debts is low The Group's grain trading activities has exposed it to certain substantial customer credit balances and to assist in mitigating this perceived 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 £412 988 (2012 £490 295) of intercompany trade debtors

At 31 October 2013 trade receivables of £7 132 000 (2012 £6,148,000), (Company £5,365 000 (2012 £4,230 000)) 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	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Up to 3 Months	**5,548**	5 180	**4,075**	3,562
Over three months	**1,584**	968	**1,290**	668

Notes to the Financial Statements (continued)

25 **FINANCIAL INSTRUMENTS** (continued)

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	
	2013	2012	**2013**	2012
Bank overdraft	**2 2%**	2 1%	**2 0%**	1 8%
Bank borrowings	**2 4%**	2 4%	**2 4%**	2 4%
Loan capital	**1 5%**	1 5%	**1 5%**	1 5%
Finance leases	**6 9%**	5 5%	**6 9%**	5 5%

26 **DEFERRED TAXATION**

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
At 1 November 2012	**317**	372	**105**	60
Charge for the year	**(58)**	(55)	**-**	45
At 31 October 2013	**259**	317	**105**	105

The provision for deferred taxation is made up as follows

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Accelerated capital allowances	**259**	317	**105**	105
	259	317	**105**	105

27 **SHARE CAPITAL**

	2013		2012	
	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	**18,850**	**4,713**	16,742	4 186

During the year 68 488 shares (2012 90 786) were issued with an aggregate nominal value of £17,122 (2012 £22,697) and were fully paid up for equivalent cash of £333,036 (2012 £342 681) to shareholders exercising their right to receive dividends under the Company s scrip dividend scheme

A total of 357 406 (2012 16 678) shares with an aggregate nominal value of £89 352 (2012 £4 170) were issued for a cash value of £800 994 (2012 £39 332) to relevant holders exercising options in the Company and a further 1 682 242 shares (2012 20 204 shares) with a aggregate nominal value of £420 560 (2012 £5 051) were issued to other parties in a private share placing for a total net cash value of £8 702 310 (2012 £53 103)

28 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 2012	(Exercised)/ Issued in year	Lapsed in year	As at 31 October 2013
Discretionary Share Option Schemes						
Granted August 2008	2 5300	Sept 2013 - Aug 2018	197 000	(44 550)	-	152 450
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
			414,000	(44 550)	-	369,450
Savings Related Option Schemes						
Granted August 2008	2 2000	Sept 2013 Feb 2014	329 075	(312 856)	(3,946)	12 273
Granted March 2010	2 2000	April 2015 – Sept 2015	194,037		(7 208)	186,829
Granted August 2012	3 4000	Sept 2017 – Feb 2018	166,681		(12,964)	153 717
			689 793	(312,856)	(24 118)	352 819
			1 103,793	(357 406)	(24 118)	722 269

During the year 44 550 (2012 8,000) Discretionary Share Options and 312,856 (2012 8 678) Savings Related Options were exercised and satisfied by the allotment of new shares by the Company The change in the number of other Savings Related Options relates to members withdrawing from the scheme by leaving employment or closing their savings contracts

Fair Value of Options after 7 November 2002

During the year, the Group charged £181 647 (2012 £203 426) of share based remuneration cost to its Group 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	2013	2012
Share price at year end	**£6 28**	£4 01
Average share price	**£4 89**	£3 77
Exercise price	**£2 17**	£2 06
Expected volatility	**12 6%**	12 3%
Expected life	**0 85 years**	1 78 years
Number of options	**1,079,675**	1,103 793
Risk free interest rate	**0 50%**	0 50%
Number of options exercisable	**341,723**	Nil

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

29 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 £nil (2012 £935 777)

30 CAPITAL COMMITMENTS

At 31 October 2013 the Group and Company had capital commitments as follows

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Contracts placed for future capital expenditure not provided in the financial statements	**95**	158	**68**	132

31 OPERATING LEASE COMMITMENTS

Non-cancellable operating leases are payable as follows

	Land and buildings		Other	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Group				
Expiry date				
Within 1 year	**2,620**	2,213	**99**	69
Between 2 and 5 years	**8,163**	7,285	**94**	138
Over 5 years	**4,190**	5 132	**-**	10
Company				
Expiry date				
Within 1 year	**369**	267	**-**	-
Between 2 and 5 years	**1,247**	691	**-**	-
Over 5 years	**510**	476	**-**	-

32 GROUP FINANCIAL COMMITMENTS

The Group has guaranteed the overdrafts of one of its joint ventures to a maximum of £125,000 (2012 £125,000)

33 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 £593 067 (2012 £643,000) The liability owed to the pension schemes at 31 October 2013 was £67 591 (2012 £72 311)

34 EMPLOYEE SHARE OWNERSHIP TRUST

The Company operates an employee share ownership trust (ESOP) As at 31 October 2013 nil ordinary 25p shares (2012 5,562 ordinary 25p shares) were held by the trust with a market value of £nil (2012 £22 303) The assets, liabilities income and costs of the ESOP are incorporated into the financial statements of the Group

35 POST BALANCE SHEET EVENT

During the year the Group established a new subsidiary, Wynnstay (Agricultural Supplies) Limited which was used as the acquisition vehicle for the Carmarthen & Pumsaint Farmers Limited transaction on the 1 October 2013 After the year end on 1 November 2013, the existing trading activities previously conducted through Wynnstay Group Plc were hived down into this new trading subsidiary, so that all similar business is conducted within the same trading entity This leaves Wynnstay Group Plc as a holding company with six wholly owned trading subsidiaries

WYNNSTAY

36 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 8)

	Total sales		Balance outstanding	
	2013	2012	**31 October 2013**	31 October 2012
	£	£	**£**	£
J J McCarthy	**-**	-	**-**	
J C Kendrick	**-**	-	**-**	-
Lord Carlile CBE QC	**-**	-	**-**	-
K R Greetham	**222**	131	**55**	-
D A T Evans	**213,469**	142 846	**25,097**	12 066
B P Roberts	**1,034**	321	**61**	27
P M Kirkham (appointed 22 April 2013)	**84,686**		**17,020**	-
	299,411	143 298	**42,233**	12 093

37 CASH GENERATED FROM OPERATIONS

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Profit for the year	**6,171**	5 833	**3,212**	2 577
Adjustments for				
Tax	**1,850**	1 927	**879**	823
Dividend received	**-**		**(500)**	(979)
Depreciation of tangible fixed assets	**2,522**	2,475	**1,672**	1,652
Impairment of other intangible fixed assets	**-**	45	**-**	589
Profit on disposal of property, plant and equipment	**(131)**	(38)	**(112)**	(45)
Interest income	**(46)**	(64)	**(30)**	(52)
Interest expense	**524**	527	**433**	406
Share of results of joint ventures and associate	**(269)**	(171)	**-**	
Share-based payments	**182**	203	**182**	203
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
Decrease/(increase) in short term loan to joint venture	**185**	241	**185**	241
(Increase) in inventories	**(1,000)**	(3 165)	**(2,136)**	(866)
(Increase)/decrease in trade and other receivables	**(1,600)**	(920)	**(9,108)**	160
Increase/(decrease) in payables	**4,568**	(5 030)	**1,351**	(4,059)
Cash generated from operations	**12,956**	1 863	**(3,972)**	650