WYN
21 January 2009

WYNNSTAY GROUP PLC
(“Wynnstay” or “the Group”)

Final Results for the year ended 31 October 2008

Based in Wales, Wynnstay manufactures and supplies agricultural products and services for farmers. In addition, it operates two specialist retail chains, comprising Country Stores (with an offering tailored to the needs of farmers and country dwellers) and Pet Superstores (trading as “Just for Pets”).

Key Points

- Record results – very strong trading across both agricultural and retail activities:
    - *agricultural supplies businesses:* revenues rose 52% to £185.2m and operating profits rose 112% to £3.89m
    - *specialist retail businesses:* revenues rose 42% to £49.2m and operating profits rose 45% to £1.9m (after provisions)
- Total revenues increased by 49% to £234.6m (2007: £157.0m)
    - acquisitions contributed £12.6m
- Group profit before tax* increased by 61% to £5.22m (2007: £3.25m)
- Earnings per share increased by 49% to 29.26p (2007: 19.63p)
- Net assets rose by 28% to £36.3m (2007: £28.4m)
- Final dividend of 4p per share proposed, taking total to 6p per share (2007: 5.5p)
- Continued to act as consolidator within agricultural sector
    - number of bolt-on acquisitions completed
- Chain of pet superstores, Wilsons Pet Centres, acquired in January 2008
    - transformational purchase, adding scale and expertise to pet products business
- Board confident of continuing progress

** Group profit before tax includes the Group’s share of profits from joint ventures and associate investments before taxation*

Ken Greetham, Chief Executive, commented,

“I am delighted to report on record results for the Group. Wynnstay’s agricultural businesses performed very strongly, aided by a background of more realistic prices for farm produce. Our trading businesses delivered an exceptional performance, making gains which are unlikely to be repeated in the current financial year and our feed business benefited from our decision to buy animal feed ingredients early, ahead of price rises. Our arable business also achieved a pleasing performance, increasing its contribution to the Group.

Our specialist retail operations, which comprise our network of Country Stores and Pet Superstores, enjoyed a very successful year, with good like-for-like growth and overall sales boosted significantly by acquisitions.

We will continue to pursue our twin track strategy of developing both our agricultural and specialist retailing activities and believe that the Group is well placed to grow its core businesses."

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CHAIRMAN'S STATEMENT

Introduction

Wynnstay continues to make significant progress and results for the 12 months to 31 October 2008 achieved record levels, with revenues increasing by 49% to £234.6m and Group pre-tax profit growing by 61% to £5.22m.

These excellent results benefited from improved contributions across all our agricultural activities and particularly from rising commodity prices, which significantly assisted our raw materials trading activity. We saw very good organic growth across our businesses, with results boosted by the acquisitions we made in both the last financial year and in the financial year under review.

Over the period, we made very good progress with acquisitions, agreeing a number of deals, in line with our strategy both to act as a consolidator within the agricultural sector and to build up our specialist retailing activities.

Most significantly, in January 2008, we acquired Wilsons Pet Centres, a chain of pet superstores based in the West Midlands. This represented a major step in establishing our pet products business, giving us critical mass from which to build. We also purchased the remaining 50% shareholding we do not already own of Welsh Feed Producers Limited, the leading supplier of animal feeds for dairy farmers in south-west Wales. The acquisition, completed in August 2008, enables us to extend our brand in the region, an increasingly important milk producing area in the UK, and increases our market share for feed products. We continued to expand our network of traditional Country Stores with the addition of two retail businesses, taking our Country Stores network to 28 outlets at the year end.

In May, we were delighted to welcome Ken Greetham to the role of Chief Executive, following the retirement of Bernard Harris after 28 years of dedicated service to the Group.

Financial results

The Group's revenues increased by 49% over the year to 31 October 2008 to £234.6m (2007: £157.0m), with acquisitions accounting for £12.6m of the increase. Sales from the agricultural supplies businesses rose by 52% to £185.2m from last year (2007: £122.1m) and sales from the retail businesses rose by 42% over last year to £49.2m (2007: £34.6m).

Excluding contributions from our three joint ventures and associate investment, the Group's operating profits increased by 94% to £5.58m (2007: £2.87m). The agricultural supplies businesses accounted for £3.89m (2007: £1.83m) of this total, while our specialist retailing businesses accounted for £1.90m (after provisions) (2007: £1.31m). This represented increases of 112% and 45% over last year for the agricultural and retail businesses respectively. The gross share of profits from our joint ventures and associate investment was £0.38m (2007: £0.73m) or £0.27m (2007: £0.55m) after their respective taxation charges.

The Group pre-tax profit (which includes the Group's share of profits from joint ventures and associate investments before taxation) rose by 61% to £5.22m (2007: £3.25m). After a Group taxation charge (which includes the Group's share of tax incurred from joint ventures and associate investments) of £1.32m (2007: £0.935m), earnings per share increased by 49% to 29.26p (2007: 19.63p).

The Group's balance sheet strengthened considerably with net assets at 31 October 2008 at £36.3m (equivalent to £2.72 per share, based on the weighted average number of shares in issue during the year), showing a rise of 28% on last year (2007: £28.4m, equivalent to £2.41 per share), and gearing was 28% at the year end (2007: 24%). The return on net assets was 14.38%, an increase of 17% over last year (2007: 12.34%).

During the year, two share placings were effected, with 1,693,000 new shares being issued to institutional shareholders, raising a total of £4.1m (net).

Dividend

The Board is recommending the payment of a final dividend of 4p per share. Together with the interim dividend of 2p per share, which was paid on 31 October 2008, this makes a total for the year of 6p per share, an increase of 9% over last year (2007: 5.5p). The final dividend will be paid on 30 April 2009 to shareholders on the register at the close of business on 27 March 2009. A scrip dividend alternative will be available.

Board changes

In May 2008, we were delighted to welcome Ken Greetham to the role of Chief Executive. Ken previously held a senior management position in Wynnstay's agricultural division and has been with the business for the past 10 years, playing a major part in its development.

Ken succeeds Bernard Harris, who retired from Wynnstay after 28 years as Managing Director. Over that time, Bernard made an outstanding contribution, leading the Company from its original Farming Co-operative status and managing its substantial and profitable growth. I would like to record both my personal thanks and the Board's to Bernard for his successful tenureship.

In May, we also appointed Andrew Evans as Retail Director. Andrew joined Wynnstay in 1996 and replaces Commercial Director, Roger Griffiths, who retired from the Board. On behalf of my fellow Directors, I would like to express our appreciation of Roger's contribution to the Group. We wish both Roger and Bernard a happy retirement.

Review of Trading

Within our agricultural supplies business, Glasson, our raw materials trading activity performed exceptionally well, buoyed by rising commodity prices. Our arable business saw extremely strong fertiliser sales in the first quarter as farmers bought ahead of continuing price inflation. Demand fell away in the second half but we were able to maintain margins at a satisfactory level as a result of our ability to produce own brand blended fertiliser products at our Glasson facility and our position as a major distributor for GrowHow, the sole producer of compound fertiliser in the UK. Careful management of our supply chain enabled us to offer commercially attractive feed contracts to livestock farmers and gain market share. Demand for our dairy feeds was strong, particularly in the latter half of the winter on the back of better milk prices, and indeed improved farm gate prices underpinned demand across our agricultural activities. Our grain trading arm, Shropshire Grain, had another successful year, increasing volumes and managing price volatility to maximum effect.

Our specialist retail division made substantial progress during the year. Most significantly, our pet products business, launched in June 2007, took a major step forward in January 2008, with the acquisition of Wilsons Pet Centres, comprising 10 pet superstores. The acquisition of these superstores, which are located across the West Midlands, represented a step-change in the business, adding scale, expertise and purchasing power to our activities here. We rebranded the stores under our "Just for Pets" brand in August 2008 and also opened an additional store in Wellington, Shropshire. It is especially pleasing that the pets business performed ahead of expectations over the year and continues to trade well despite the downturn in general retailing.

Our network of Country Stores, which sell a wide range of products for country dwellers, achieved good like-for-like growth and was further strengthened by two acquisitions. The benefits of the stores acquired in the financial year ended 31 October 2007 and our ongoing refurbishment programme, together with improvements to our product offering, came through during the year.

The horticulture business, Foxmoor, was adversely affected by unsuitable weather conditions and reduced consumer spending. Following the poor performance, we initiated a restructuring programme and a provision for this is included in the 2008 accounts.

Our joint ventures and associate business continued to make a useful contribution to results.

Outlook

We saw record harvests in the Autumn of 2008, following very high cereal plantings and good weather conditions and, as a result, agricultural commodity prices have begun to fall. Taken together with the current recessionary environment, we expect this to have a short term negative effect on the industry. However the longer term trend in agriculture continues to be positive as demand for cereals as feed for livestock rises, driven by the increasing world population and shift to Western-style, meat-based diets. With the long term picture auguring well for the UK agricultural industry, we consider that Wynnstay is well-placed to continue to grow its agricultural activities both organically and by acquisition.

Our specialist retailing activities remain healthy and while we are conscious of a more challenging environment, trading at our pet product retailing business, “Just for Pets”, continues to be strong and we are looking for further pet store outlets to expand the brand. The trading performance of our Country Stores has also held up well in the first part of the new financial year, helped by their broad agricultural offering for rural dwellers.

While we do not expect the one-off benefits we experienced in the financial year to October 2008 to be repeated in the current financial year (specifically the out-performance by our raw material trading business), we are confident that the Group is well-positioned for the long term.

I look forward to providing a further update on trading at the Annual General Meeting in March 2009.

John Davies
Chairman

CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

In my first review of full year trading since becoming Chief Executive of Wynnstay in May 2008, I am delighted to report on record results for the Group. These very strong figures are testimony to the ongoing success of our strategy both to act as a consolidator in the agricultural supplies market and, at the same time, expand our specialist retailing activities.

I would also like to take this opportunity to recognise the significant achievements of my predecessor, Bernard Harris, over his 28 years as Managing Director. It is fitting that, in his last year, the business has been so successful.

Wynnstay's agricultural businesses performed very strongly, aided by a background of more realistic prices for farm produce. Against that, highly volatile commodity prices presented challenges for us, which required careful handling. Our trading businesses delivered an exceptional performance, making gains which are unlikely to be repeated in the current financial year, and our feed business benefited from our decision to buy animal feed ingredients early, ahead of price rises. Our arable business also achieved a pleasing performance, increasing its contribution to the Group.

Our specialist retail operations, which comprise our network of Country Stores and Pet Superstores, enjoyed a very successful year, with good like-for-like growth and overall sales boosted significantly by acquisitions. The key acquisition here was Wilsons Pet Centres, which operates 10 pet superstores in the West Midlands. The superstores are now operating under our "Just for Pets" brand and all are performing ahead of budget.

REVIEW OF ACTIVITIES

<u>Agriculture</u>

Revenues from the Group's agricultural activities accounted for 79% of the Group's total revenues and increased by 52% over the year to £185.2m (2007: £122.1m). Acquisitions contributed £3.9m to this result. Operating profit rose by 112% to £3.89m (2007: £1.83m).

Feed Division

The Feed Division manufactures and supplies a full range of animal feeds (both ruminant and monogastric) for farm livestock. It operates from two wholly owned mills with additional capacity derived through manufacturing agreements with mills in Wynnstay's trading areas in England and Wales, enabling a good balance of activity throughout the agricultural feeds sector.

The Feed Division made good progress over the year. Feed volumes overall increased by 3.5% over the 12 months as a result of increased tonnage for the dairy market. The decision to take an early position on feed raw materials gave us a market advantage in compound feeds and sales were boosted further as better milk prices led farmers to 'feed for yield'. However, there was a reversal in this trend in the latter part of the year as home grown grain was used by farmers in dairy feeding programmes. The increased feed volumes for the dairy market offset a reduction in sheep feed sales although we anticipate some recovery in volumes here in 2009.

We are continuing to gain sales for our poultry feeds and are working closely with free range egg producers to supply the increasing demand for free range eggs. We also liaise directly with the marketing chain to maximise opportunities for our customer base.

In August 2008, we purchased the remaining 50% of the issued share capital of Welsh Feed Producers ("WFP") which we did not already own for a gross cash consideration of £1.43m. Based in the important milk producing area of Carmarthen in south-west Wales, WFP operates a mill producing ruminant animal feeds for dairy farmers. Production at the mill had been helped by capital investment over the course of 2007 which enhanced product quality and output. The Carmarthen mill has now been fully integrated within the Feed Division and retains a good balance of retail and wholesale tonnage, some of which is sold through our joint venture business, Bibby Agriculture Ltd. The purchase of WFP is enabling us to increase our activity in the important South Wales agricultural market and we are continuing to invest in our manufacturing capability at both our mills to ensure operational efficiency and competitive advantage for future years.

Glasson Group

Glasson was acquired in August 2006. It supplies a wide range of raw materials for the animal feed industry and produces blended fertiliser for both retail (direct farm) and wholesale customers. Glasson also operates the port at Glasson.

Since Glasson was acquired in 2006, the management team has contributed year on year increases in revenue and profits to the Group. For the financial year under review, Glasson produced an exceptional performance, which is unlikely to be repeated in 2009. This out-performance was enabled by a combination of rising commodity and fertiliser prices. These were both well managed by Glasson and led to increased volumes of fertiliser from Glasson's in-house blending facility. We intend to invest further in this business to facilitate the growth of added value products.

Arable Division

The Arable Division supplies arable and grassland farmers with a full range of products, including fertiliser, seeds and agrochemicals, for crop production. It is a main distributor for GrowHow UK Ltd, the only ammonium nitrate and compound fertiliser manufacturer in the UK, but also supplies blended fertilisers, some of which are produced by Glasson. Cereal and herbage seeds are processed from a modern production plant at Astley in Shropshire, also the distribution centre for agrochemicals. The Division's grain marketing operation, Shropshire Grain Ltd, buys grain from farmers in the trading area to supply local mills and flour producers.

Fertiliser sales were strong in the first half as farmers bought early to avoid anticipated price increases. In the second half, early orders for the new season were encouraging however demand reduced as world grain prices fell. Farmers have also delayed purchasing in anticipation of falling fertiliser prices as energy prices weaken but we expect to see farmers return to the market in the Spring of 2009.

Cereal and grass seed sales were excellent and we maintained market share in the Autumn season, which was affected by inclement weather and variable seed quality. The national market has since decreased as farmers reduced plantings ahead of lower grain prices. However, we have a reputation for quality, advice and service within this sector and will look to develop the business further in coming years.

Agrochemical sales increased with more farm activity, reflecting better grain prices in the Spring, and higher sales through our Country Stores.

Shropshire Grain Ltd, our in-house grain marketing company, enjoyed an excellent year with revenues increasing during a period dominated by volatility in world grain prices. World harvest volumes have exceeded demand for only the second time in the last 10 years with a resultant effect on grain prices which reduced by 50% between July and November of 2008. Variable UK grain quality from the 2008 harvest has had a further detrimental effect on UK pricing as traders search for markets for the exportable surplus of UK production. The recent fall in sterling should help exports and balance UK stocks. Reduced world plantings are likely to stabilise the supply/demand balance in the 2009 season if there is no significant variation in weather patterns.

Retail

Revenues from the Group's specialist retail activities accounted for 21% of the Group's total revenues and increased by 42% over the year to £49.2m (2007: £34.6m). Acquisitions contributed £8.7m to this result. Operating profit (before provisions relating to the horticultural business) rose by 92% to £2.53m (2007: £1.31m).

Country Stores

Wynnstay's Country Stores supply a wide range of products specifically tailored to the needs of farmers and country dwellers (from fencing, fishing and shooting equipment to pet food and animal healthcare products). Wynnstay now has a total of 28 Country Stores located across Wales, Shropshire, Staffordshire, Lancashire, Herefordshire and Worcestershire.

Revenues from our Country Stores grew by more than 30% over the year, driven by the acquisition of Wrekin Country Stores and J Hatton Agriculture in the first half. On a like-for-like basis, Country Store sales increased by 10% over the previous year. While some of this increase is accounted for by price inflation, organic growth has been supported by improvements to our stores' product offering, which importantly includes a wide range of our animal health and nutrition products. Our store refurbishment programme continued and we opened a new store in December 2007 at our head offices in Llansantffraid as well as relocating our store at St Asaph, in North Wales, to a larger facility.

We hope to make further complementary acquisitions over the new financial year and plan to open a new store at Leominster in Herefordshire, which will replace the premises occupied by the Westhope Livestock Supplies business acquired in August 2007.

"Just for Pets" Pet Superstores

Our first dedicated pet store was launched in Telford in June 2007 under the "Just for Pets" brand. With the acquisition of 10 pet superstores in January 2008, the business has undergone rapid expansion and there are currently 12 stores, trading under our "Just for Pets" brand.

Having opened our first dedicated pet store in June 2007, the acquisition of Wilsons Pet Centres in January 2008 has accelerated our expansion plans and established a firm base from which to grow our pet products activities. By the end of August, we successfully completed the integration of Wilsons Pet Centres, rebranding all its 10 pet superstores under our own "Just for Pets" brand. The superstores are all located in the West Midlands region and the brand is now well established as a destination store for pet products. The management team puts great effort into staff training to ensure that customers receive good advice on the purchase of pets and pet related products and this is proving an added attraction to customers. In August, we opened an additional store at Wellington, near Telford, taking the total number of our pet stores to 12 at the year end. The pet stores business performed above budget for the year, with a like-for-like 18% improvement in sales (on a pro-forma basis) and increased margins. Our enhanced purchasing power has had a positive impact both within the "Just for Pets" business and on the product offering in our Country Stores.

Over the coming year, we intend to develop our pet retailing activities further and three new stores are planned to open in the first half of 2009. In addition, we recently launched an online shopping facility and will be expanding the "Just for Pets" brand in selected Country Stores after our successful trial.

Horticulture

Our horticultural activities suffered from inclement weather conditions and reduced consumer spending. As a result, the business saw a poor trading performance for the year. A provision is included in the 2008 accounts for a restructuring programme, which is underway, to reduce the scale of the operation.

Joint Ventures and Associate Investment

The Group's three joint ventures and one associate business contributed operating profits of £267,000, after tax of £116,000, to the Group's results. This compared with last year's contribution of £548,000, after tax of £184,000. The lower contribution this year was anticipated and largely reflected the severe decline in the residential housing market.

Wyro Developments
Activity has been satisfactory given the decline in the property market. The main building activity is in the "first time buyers" market and while transactions are currently very low, we believe there is pent up demand for when the market returns. Meanwhile new building projects have been suspended until an improvement in conditions becomes evident.

Youngs Animal Feeds
Results from this business were pleasing. The business is well established and the Molichop brand has strong recognition in the equine market. The production plant at Standon in Staffordshire runs at full capacity ensuring maximum efficiency in the manufacturing process. Its products are sold both through specialist equine product outlets on the western side of the Country and through Wynnstay's Country Stores.

Bibby Agriculture Ltd
The business performed well during the year and continues to develop sales throughout its trading area. Following the purchase of the WFP business, the Group now has a 50% share in Bibby Agriculture Ltd. The Bibby brand is well established as a supplier of animal feeds throughout Wales and North West England. Production is supplied from the Wynnstay Carmarthen mill for the Southern trading area whilst the Northern area is supplied from a mill at Stone in Staffordshire owned by the partner in the business, Carrs Billington Agriculture Ltd.

Wynnstay Fuels (Associate Company)
Supplying fuel to a range of agricultural and domestic customers throughout the West Midlands and North Wales, the business performed well in a volatile energy market and produced pleasing results. Its expansion into the North Wales market has been particularly successful and the business continues to identify further opportunities.

OUTLOOK

The Group made very good progress over the financial year to 31 October 2008 and trading results have been exceptionally strong. We will continue to pursue our twin track strategy of developing both our agriculture and specialist retailing activities and believe that the Group is well placed to grow its core businesses.

The agricultural market remains volatile, with demand for feed and fertiliser affected by a combination of global raw material and farm gate pricing. While this may challenge margins, the Company will continue to seek earnings enhancing opportunities to strengthen its position in the market as a principal supplier to the agricultural industry.

We see further expansion opportunities within our specialist retailing businesses. In particular, there is significant growth potential in our "Just for Pets" chain, where sales remain very healthy. Our intention is to add new pet superstores in strategic locations at retail parks in urban locations. We also intend to increase the number of our Country Stores and expand our geographic area.

Wynnstay's success relies on the continued commitment and support of all staff and the loyalty of a strong customer base. I would like to take this opportunity to thank all stakeholders of the business for their support in 2008 and look forward to reporting on further progress in due course.

Ken Greetham
Chief Executive

WYNNSTAY GROUP PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 October 2008

All of the above are derived from continuing operations.

	Note	£000	2008 £000	£000	2007 £000
Continuing operations					
Revenue	2		**234,580**		157,047
Cost of sales			**(202,708)**		(133,832)
GROSS PROFIT			**31,872**		23,215
Distribution costs			**(22,499)**		(17,553)
Administrative expenses			**(3,165)**		(2,535)
Goodwill impairment			**-**		(257)
OPERATING PROFIT BEFORE NON-RECURRING ITEMS			**6,208**		2,870
Provision for business restructuring			**(625)**		-
OPERATING PROFIT	4		**5,583**		2,870
Net finance costs	3		**(743)**		(355)
Share of profits/losses in associate and joint ventures		**383**		732	
Share of tax incurred in associate and joint ventures		**(116)**	**267**	(184)	548
PROFIT BEFORE TAXATION			**5,107**		3,063
Taxation			**(1,205)**		(751)
PROFIT FOR THE YEAR	11		**3,902**		2,312
Earnings per 25p share	8		**29.26p**		19.63p
Diluted earnings per 25p share			**29.09p**		18.89p

There were no recognised gains and losses for 2008 or 2007 other than those included in the Consolidated Income Statement shown above.

WYNNSTAY GROUP PLC
BALANCE SHEET
As at 31 October 2008

	Note	2008 £000	2007 £000
ASSETS			
NON-CURRENT ASSETS			
Goodwill		**8,606**	3,614
Property, plant and equipment		**14,772**	11,534
Investments accounted for using equity method		**3,580**	3,972
		26,958	19,120
CURRENT ASSETS			
Inventories		**14,805**	9,186
Biological assets		**1,296**	1,675
Trade and other receivables		**30,815**	24,476
Financial Assets			
- loan to joint venture		**3,802**	4,852
Cash and cash equivalents		**768**	722
		51,486	40,911
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities – borrowings		**(5,813)**	(4,763)
Trade and other payables		**(28,416)**	(23,050)
Current tax liabilities		**(1,871)**	(435)
		(36,100)	(28,248)
NET CURRENT ASSETS		**15,386**	12,663
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings		**(4,961)**	(2,843)
Deferred tax liabilities		**(444)**	(551)
Provisions		**(625)**	-
		(6,030)	(3,394)
NET ASSETS		**36,314**	28,389
EQUITY			
Ordinary shares	6	**3,605**	3,125
Share premium	11	**12,732**	8,597
Other reserves	11	**1,947**	1,778
Retained earnings	11	**18,030**	14,889
TOTAL EQUITY	11	**36,314**	28,389

WYNNSTAY GROUP PLC
CASH FLOW STATEMENT
For the year ended 31 October 2008

	Note	2008 £000	2007 £000
Cash flows from operating activities			
Cash generated from operations	10	**4,222**	1,447
Interest received		**199**	298
Interest paid		**(942)**	(653)
Tax paid		**(176)**	(686)
Net cash flows from operating activities		**3,303**	406
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)		**(5,413)**	(769)
Proceeds from sale of property, plant and equipment		**151**	375
Purchase of property, plant and equipment		**(1,637)**	(1,532)
Purchase of intangible assets		**(307)**	(114)
Proceeds on sale of investments		**595**	-
Purchase of investments		**-**	(91)
Net cash used by investing activities		**(6,611)**	(2,131)
Cash flows from financing activities			
Net proceeds from the issue of ordinary share capital		**4,615**	1,182
Net proceeds from drawdown of new loans		**4,490**	2,663
Finance lease principal repayments		**(463)**	(434)
Repayment of acquired borrowings		**(1,585)**	-
Repayment of borrowings		**(2,019)**	(1,501)
Dividends paid to shareholders		**(761)**	(643)
Net cash generated from financing activities		**4,277**	1,267
Net increase/(decrease) in cash and cash equivalents		**969**	(458)
Cash and cash equivalents at the beginning of the period		**(1,154)**	(696)
Cash and cash equivalents at the end of the period		**(185)**	(1,154)

1. ACCOUNTING POLICIES

The 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

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention other than certain assets which are at deemed cost under the transition rules and share-based payments which are included at fair value. A summary of the more important Group accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted principles requires the use of 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.

Basis of consolidation

The consolidated financial statements comprise Wynnstay Group Plc and all its subsidiaries together with the Group's share of the results of its associates and joint ventures. Group inter-company transactions are eliminated in full.

Results of subsidiary undertakings acquired, are included in the financial statements on an acquisition basis, from the effective date of control. The separable 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 purchase 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.

Segmental reporting

The Group's primary reporting format is business segments. A business segment is a component of the Group that is engaged in providing a group of related products and is subject to the risk and returns that are different from other business segments. The Group operates in one geographical segment being the UK.

Non-recurring items

Non-recurring items, which are material by size and/or by nature, or which management considers to fall into this category, are disclosed on the face on the consolidation income statement and within a note to the financial statements. 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 Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are recorded at their nominal amount less an allowance for doubtful debts.

Investments

Investments are initially measured at cost, including transaction costs. They are classified as either 'available-for-sale', 'fair values through profit or loss' or 'held to maturity'. Where securities designated as 'at fair value' are included in net profit or loss, gains or losses arising from changes in fair value are included in 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.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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 consolidated balance sheet and are depreciated over the expected useful life of the asset. The interest element of the rental obligations is charged to the consolidated income statement over the period of the lease.

Rentals paid under operating leases are charged to the consolidated income statement 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 repayments 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 is stated at cost, net of accumulated depreciation and any provision for impairment losses.

Depreciation is provided at rates calculated to write-off the cost 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 arising on consolidation 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 income statement. Once recognised, an impairment of goodwill is not reversed under any circumstance.

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 the 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 deemed for an 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 company operates a defined contribution pension scheme. Contributions to this scheme are charged to the income statement, as they are incurred, in accordance with the rules of the scheme.

Inventories & biological assets

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.

Biological assets, which are comprised of horticultural growing stocks, (separately identifiable plants) are measured at fair value, based on estimated selling price less estimated point of sale costs in accordance with IAS 41.

Taxation including deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date, and management provides where appropriate on the basis of amounts expected to be paid to the tax authorities.

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

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.

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 consolidated 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 income statement.

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.

Valuation of share-based payments

The fair value of share-based payments is determined using valuation models and is charged to the income statement 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 standards and interpretations, which are in issue at the balance sheet date but not yet effective, have not been applied in the financial statements.

	Effective for periods commencing on or after
IAS 1 (Revised) – Presentation of financial statements	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IFRIC 12 Service Concession Arrangements	1 January 2009
IFRIC 13 Customers Loyalty Programmes	1 January 2009
IFRS 5 (amendment) – Non-current assets held-for-sale and discontinued operations	1 July 2009
IAS 28 (amendment) – Investments in associates	1 January 2009
IAS 36 (amendment) – Impairment of assets	1 January 2009
IAS 38 (amendment) – Intangible assets	1 January 2009
IAS 1 (amendment) – Presentation of financial statements	1 January 2009
IAS 27 (amendment) – Consolidated and separate financial statements	1 January 2009
IAS 28 (amendment) – Interests in joint ventures	1 January 2009
IAS 41 (amendment) – Agriculture	1 January 2009
IAS 23 (amendment) – Borrowing costs	1 January 2009
IAS 32 (amendment) – Financial instruments: Presentation and IAS 1 (amendment)	
Presentation of financial statements	
Puttable financial instruments and obligations arising on liquidation	1 January 2009
IAS 27 (revised) – Consolidated and separate financial statements	1 July 2009
IAS 39 (amendment) – Eligible hedged items	1 January 2009
IFRS 2 (amendment) – Share-based payment Amendment Vesting conditions and cancellations	1 January 2009
IFRS 3 (Revised) – Business combinations	1 July 2009

It is considered that the above standards and interpretations will not have a significant effect on the results or net assets of the Group. IAS 1 Revised and IFRS 8 will have no impact on the results or net assets of the Group but will increase the level of disclosure to be made in the financial statements.

2. SEGMENTAL REPORTING

Primary reporting format – business segments

The segment results for the year ended 31 October 2008 are as follows:

Year ended 31 October 2008	Agriculture Supply £000	Retail £000	Other £000	Total £000
Revenue	**185,203**	**49,222**	**155**	**234,580**
Segment result	**3,889**	**2,530**	**(211)**	**6,208**
Provision for business restructuring	**-**	**(625)**	**-**	**(625)**
Share of results of associate and joint ventures	**-**	**119**	**264**	**383**
	3,889	**2,024**	**53**	**5,966**
Interest income				**199**
Interest expense				**(942)**
Profit before tax				**5,223**
Corporation taxes				**(1,321)**
Profit for the year attributable to equity shareholders				**3,902**
Segment assets	**15,384**	**24,933**	**6,256**	**46,573**
Unallocated net assets				**(253)**
Corporate net borrowings				**(10,006)**
Total net assets				**36,314**

The Group operates in one geographical segment being the UK.

2. SEGMENTAL REPORTING (cont.)

Year ended 31 October 2007	Agriculture Supply £000	Retail £000	Other £000	Total £000
Revenue	122,133	34,627	287	157,047
Segment result	1,832	1,311	(273)	2,870
Share of results of associate and joint ventures	194	26	512	732
	2,026	1,337	239	3,602
Interest income				298
Interest expense				(653)
Profit before tax				3,247
Corporation taxes				(935)
Profit for the year attributable to equity shareholders				2,312
Segment assets	9,820	17,803	6,980	34,603
Unallocated net assets				670
Corporate net borrowings				(6,884)
Total net assets				28,389

The Group operates in one geographical segment being the UK.

3. FINANCE COSTS – NET

	2008 £000	2007 £000
Interest expense:		
Interest payable on borrowings	**(816)**	(577)
Interest payable on finance leases	**(86)**	(61)
Interest payable on other loans	**(40)**	(15)
Interest and similar charges payable	**(942)**	(653)
Interest income	**199**	287
Income from other fixed asset investors	**-**	11
Interest receivable	**199**	298
Finance costs net	**743**	355

4. GROUP OPERATING PROFIT

The following items have been included in arriving at operating profit:

	2008 £000	2007 £000
Staff costs	**14,720**	11,358
Depreciation of property, plant and equipment:		
- owned assets	**1,172**	1,034
- under finance leases	**314**	235
Impairment of goodwill	**-**	257
Loss/ (profit) on disposal of fixed assets	**(13)**	(160)
Other operating lease rentals payable:		
- Property	**1,038**	368
Repairs and maintenance expenditure on plant, property and equipment	**1,198**	646
Trade receivables impairment	**192**	182

Services provided by the Group's auditors

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

	2008 £000	2007 £000
Audit services – statutory audit	**77**	54
Tax services	**8**	18

Included in the Group audit fee are fees of £39,625 (2007: £40,000) paid to the Group's auditor in respect of the parent company.

5. SHARE OF POST-TAX PROFIT/(LOSS) OF ASSOCIATE AND JOINT VENTURES

	2008 £000	2007 £000
Share of post-tax profits in associate	**49**	74
Share of post-tax profits in joint ventures	**218**	474
Total share of post-tax profits of associate and joint ventures	**267**	548

6. SHARE CAPITAL

	2008 No. of shares '000	2008 £000	2007 No. of shares '000	2007 £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	**14,422**	**3,605**	12,501	3,125

During the year 98,826 shares (2007: 90,788) were issued with an aggregate nominal value of £24,706 (2007: £22,697) and were fully paid up for equivalent cash of £250,608 (2007: £223,821) to shareholders exercising their right to receive dividends under the Company's scrip dividend scheme.

A total of 120,000 (2007: 925,212) shares with an aggregate nominal value of £30,000 (2007: £231,303) were issued for a cash value of £228,000 (2007: £931,119) to relevant holders exercising options and warrants in the Company. In addition 1,702,650 (2007: 17,459) shares were issued during the year for a total net cash receipt of £4,136,842 (2007: £27,480).

7. DIVIDENDS

	2008 £000	2007 £000
Final dividend paid for prior year	**474**	408
Interim dividend paid for current year	**287**	235
	761	643

Subsequent to the year end, it has been recommended in the Directors' Report that a final dividend of 4.00p net per ordinary share (2007: 3.625p) be paid on 30 April 2009. Together with the interim dividend already paid on 31 October 2008, of 2.00p net per ordinary share (2007: 1.875p) this would result in a total dividend for the financial year of 6.00p net per ordinary share (2007: 5.50p).

8. EARNINGS PER SHARE

	Basic earnings per share 2008 000	Basic earnings per share 2007 000	Diluted earnings per share 2008 000	Diluted earnings per share 2007 000
Earnings attributable to shareholders (£000)	**3,902**	2,312	**3,902**	2,312
Weighted average number of shares in issue during the year (no.'s)	**13,333**	11,775	**13,411**	12,238
Earnings per ordinary 25p share (pence)	**29.26**	19.63	**29.09**	18.89

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, 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.

9. ACQUISITIONS

During the year, the Group completed four acquisitions, two of which were structured as asset purchases and two as share purchases. The asset transactions were the purchase of goodwill and certain assets, including two agricultural retail outlets, from Wrekin Country Stores Ltd on 10 December 2007, for a consideration of £293,010, consisting of fixed assets of £33,010 and stock of £260,000. In the year to 31 May 2007, these acquired activities generated revenues of approximately £1.6 million. On 4 January 2008, the Group acquired the goodwill and certain assets, including an agricultural products distribution centre in Lancaster, of J. Hatton Agriculture for a consideration of £585,183, consisting of fixed assets of £36,965, stock of £240,967and goodwill of £307,251. In the last available financial statements of this business, the acquired activities generated revenues of £1.7 million in the year to December 2006.

An assessment of the combined fair value of these two asset acquisitions is given below:

	£000
Property, plant and equipment	70
Other current assets	501
Net assets acquired	571
Goodwill arising on acquisition – provisional	307
Consideration	878
Consideration satisfied by:	
Cash paid	622
Contingent deferred consideration	256
	878

Details of fair value of the two material share acquisitions are given below, which on an annualised proforma basis would have contributed aggregate revenue of £24.9 million and aggregate profits before tax of £856,000 in the year to 31 October 2008:

On 11 January 2008, the Group acquired the entire share capital of Wilsons Pet Centres Ltd for a gross cash consideration of up to £5.96 million. After utilising cash acquired with the business of £696,000, as set out in the table below, the net consideration of £5.26 million was satisfied by £4.40 million paid in cash on completion and £0.86 million in deferred payments. Expenses of the transaction amounting to £106,000 are included in the above figures. The business currently operates a chain of 12 pet retail outlets which now trade under the Group’s pet retailing brand “Just for Pets”.

Details of the acquisition costs and net assets acquired of Wilsons Pet Centres Ltd are as follows:

9. ACQUISITIONS (cont.)

	Book Value £000	£000	Fair Value £000
Property, plant and equipment	634		634
Cash and cash equivalents	1,190	(696)	494
Other current assets	1,014		1,014
Other current liabilities	(881)		(881)
	1,957	(696)	1,261
Goodwill	4,003		4,003
Total consideration	5,960	(696)	5,264
Consideration satisfied by:			
Cash paid			4,298
Expenses			106
Deferred consideration			860
			5,264

On 15 August 2008, the Group acquired the remaining 50% of the share capital in Welsh Feed Producers Ltd for a gross cash consideration inclusive of expenses of £1.45 million.

	Book Value £000	**Fair Value Adjustment £000**	**Fair Value £000**
Property, plant and equipment	796	1,074	1,870
Cash and cash equivalents	1		1
Investments	1,023		1,023
Other current assets	3,347		3,347
Other current liabilities	(1,349)		(1,349)
Acquired debt	(3,511)		(3,511)
	307	1,074	1,381
Asset revaluation surplus			(169)
Previous attributable retained earnings			(293)
Goodwill			682
Total consideration			1,601
Consideration satisfied by:			
Cash paid			1,433
Expenses			18
Existing investment cost			150
			1,601

In addition, a further net asset adjustment payment of £53,000 was made during the year in relation to the MVZ Farm Supplies Ltd acquisition from October 2007.

10. CASH GENERATED FROM/ (USED IN) OPERATIONS

	Group 2008 £000	2007 £000
Profit for the year	**3,902**	2,312
Adjustments for:		
Tax	**1,205**	751
Dividend received	**-**	-
Depreciation of tangible fixed assets	**1,486**	1,269
Amortisation of other intangible fixed assets	**20**	257
Profit on disposal of property, plant and equipment	**(13)**	(160)
Interest income	**(199)**	(298)
Interest expense	**942**	653
Share of results of joint ventures	**(267)**	(548)
Loans made to joint ventures	**1,050**	(2,102)
Share based payments	**-**	89
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):		
(Increase) in inventories and biological assets	**(3,672)**	(1,018)
(increase) in trade and other receivables	**(3,542)**	(4,537)
Increase in payables	**2,685**	4,779
Increase in provisions	**625**	-
Cash generated from operations	**4,222**	1,447

11. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

Group	Share capital £000	Share premium account £000	Loanstock redemption reserve £000	General reserves £000	Retained earnings £000	Total £000
At 1 November 2007	2,867	7,673		1,582	13,220	25,342
Profit retained for the year	-	-	-	-	2,312	2,312
Shares issued during the year	258	924	-	-	-	1,182
Dividends	-	-	-	-	(643)	(643)
Adjustment in respect of share based payments	-	-	-	196	-	196
At 31 October 2007	3,125	8,597	-	1,778	14,889	28,389
Profit retained for the year	**-**	**-**	**-**	**-**	**3,902**	**3,902**
Shares issued during the year	**480**	**4,135**	-	-	**-**	**4,615**
Dividends	-	-	-	-	**(761)**	**(761)**
Asset revaluation surplus	-	-	-	**169**	**-**	**169**
At 31 October 2008	**3,605**	**12,732**	**-**	**1,947**	**18,030**	**36,314**

12. ANNUAL REPORT

The Annual Report and Financial Statements will be posted to shareholders on 6 February 2009. Further copies will be available to the public, free of charge, at the Company's Registered Office at Eagle House, Llansantffraid, Powys, SY22 6AQ and from the Company's website, www.wynnstay.co.uk.

13. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at The Function Suite at Shrewsbury Town Football Club, Oteley Road, Shrewsbury on 17 March 2009 at 11.45a.m.