

27 January 2016
AIM: WYN



Wynnstay Group plc
(“Wynnstay” or the “Group” or the “Company”)

Final Results
For the year ended 31 October 2015

Key points

- Resilient performance despite challenging trading conditions, with low farmgate prices impacting farmers
- Group revenue of £377.38m (2014: £413.56m) – impacted by commodity price deflation
- Group pre-tax profit*, before share based payments and exceptional charges, increased by 4% to £9.05m (2014: £8.70m)
- Underlying EPS** up 3% to 36.32p (2014: 35.28p)
- Net cash at the year end of £2.14m (2014: £2.75m)
- Net assets increased by 7.3% to £82.86m (2014: £77.23m)
- Proposed final dividend of 7.40p taking the total for the year to 11.10p (2014: 10.20p), an increase of 8.8%
- Agricultural Division – revenue of £270.05m, operating profit up 9% to £4.13m
 - performed well in a difficult market, achieving year-on-year volume improvement in most product categories
- Specialist Retail Division – revenue of £107.19m, operating profit up 4% to £5.08m
 - continued expansion, including addition of Agricentre at year end, which establishes the Group’s presence in the West Country, a new geographic region

**Group pre-tax profit includes the Group’s share of pre-tax profits from joint ventures and associate investments but excludes share based payments and the exceptional item.*

*** Underlying EPS calculation excludes the exceptional charge*

Ken Greetham, Chief Executive of Wynnstay, commented:

“Wynnstay has delivered a pleasing performance in a trading environment that has been impacted by continuing low output prices for farmers. The Group achieved a record underlying pre-tax profit of £9.05m, 4% ahead year-on-year.

These robust results were supported by recent acquisitions as well as increased volumes and efficiency gains in some sectors. We continued to expand our business during the year, including the acquisition of Agricentre at the year end, which brings eight new outlets and extends the Group's presence into a major new geographic region.

Farmgate prices remain a challenge for the industry, with prices still below the realistic cost of production for many farmers. With the consequent impact on farm sentiment, it is prudent to take a more cautious view on trading for the year ahead. However the longer term macroeconomic growth drivers for the sector remain compelling and we intend to continue to build on the Group's solid foundations, developing Wynnstay's presence both organically and through further acquisitions.

I look forward to providing an update on trading at Wynnstay's AGM in March."

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About Wynnstay Group plc
www.wynnstaygroup.co.uk

Headquartered in Wales, Wynnstay manufactures and supplies agricultural inputs, including animal nutrition products, seeds, fertiliser and agro-chemicals, to livestock and arable farmers. Its activities also include the supply of raw materials for feed ingredients to farmers and other feed manufacturers, and the provision of grain trading services for farmers. Its specialist retailing activities comprise: Wynnstay Stores, a network of country stores catering for farmers and the wider rural community; Youngs Animal Feeds, a manufacturer and distributor of equine products; and Just for Pets, a chain of pet products stores operating predominantly across the West Midlands.

CHAIRMAN'S STATEMENT

OVERVIEW

The Group has delivered a resilient performance in a year which has seen some very difficult trading conditions for our farming customers, with continuing low farmgate prices. The spread of the Group's activities across arable, feed and retail continued to be a major strength and has supported the overall performance. Group pre-tax profit for the year, before exceptional charges and share based payments, increased by 4% to £9.05m (2014 £8.70m), helped by the successful integration of recent acquisitions and growth across a number of product sectors. Revenues at £377.38m (2014: £413.56m) were impacted by ongoing commodity price deflation.

We continued to expand the business during the year, with a number of small acquisitions, benefiting both our Agricultural and Specialist Retail Divisions. Of particular note was the acquisition at the year end of Agricentre, a farm supplies operation in the West Country. Its addition extends the Group's trading area and also provides additional opportunities across the range of our agricultural activities.

A more detailed account of the Group's trading is set out in the Chief Executive's review and while the business is reported under two Divisions, both are closely linked with strong synergies.

The Agricultural Division benefited from higher feed sales in the first half of the year and a good performance within the raw material sector. There was also an increased volume of grain, reflecting the larger UK harvest. Seed sales were encouraging and, although fertiliser demand was subdued, returns from the Agricultural Division improved over the prior year and were in line with overall expectations.

The Specialist Retail Division performed well and continues to develop. Recent acquisitions have been integrated successfully and, including Agricentre, there are now 51 Wynnstay Stores, serving the agricultural and rural communities, and 23 Just for Pet outlets, providing a wide range of pet products predominately in urban areas. Youngs Animal Feeds, which supplies a range of equine and small animal feeds, complements both these activities and contributed positively.

FINANCIAL RESULTS

The Group generated revenues of £377.38m (2014: £413.56m) for the year to 31 October 2015. Agricultural commodity price deflation is estimated to have accounted for approximately £32.00m of the reduction. Sales in the Agricultural Division were £270.05m (2014: £308.71m), reflecting lower unit values for most feed, grain and fertiliser products. The Specialist Retail Division contributed revenues of £107.19m (2014: £104.62m) with the rise mainly reflecting the increased number of outlets.

Group pre-tax profit, before share based payments and exceptional costs, increased by 4% to £9.05m (2014: £8.70m). The reduced reported statutory profit of £8.34m (2014: £8.49m) reflects increased share based payments, reorganisational costs relating to the integration of the Agricentre acquisition and a reduced contribution from joint venture results.

Pleasingly, both Divisions generated a year-on-year uplift in operating profit contribution. The operating profit contribution from the Agricultural Division increased by 8.7% to £4.13m (2014: £3.80m), with higher volumes in core product categories. The Specialist Retail Division contributed a 4.1% increase in operating profit at £5.08m (2014: £4.88m), primarily reflecting the increased number of outlets. Other activities showed a loss of £0.26m (2014: profit of £0.25m), as a result of reduced joint venture income mainly from agricultural activities and higher share based payment costs.

Net finance charges reduced to £0.24m (2014: £0.33m) which reflected the continuing reduction in average net debt through the year as a result of strong trading cash flow and lower working capital.

Underlying earnings per share, before exceptional costs, increased by 2.9% to 36.32p (2014: 35.28p). Statutory basic earnings per share were 34.66p (2014: 35.28p).

Net assets at 31 October 2015 were 7.3% higher at £82.86m or £4.31 per share (2014: £77.23m or £4.07 per share).

Cash generation remained strong and at the year end, which represents the normal seasonal low in the working capital cycle, net cash stood at £2.14m (2014: £2.75m).

DIVIDEND

The Board is pleased to propose the payment of a final dividend of 7.40p per share (2014: 6.80p per share). Together with the interim dividend of 3.70p per share, paid on 30 October 2015, this takes the total dividend for the year to 11.10p (2014: 10.20p), an increase of 8.8% on the prior year.

The final dividend will be paid on 29 April 2016 to shareholders on the register on 29 March 2016. A scrip dividend alternative will continue to be available as in previous years. The last date for election of the scrip dividend will be 14 April 2016.

THE BOARD

We are delighted to announce the appointment of Stephen Ellwood as a Non-Executive Director. Steve has over 30 years' experience in the agricultural banking sector, with the majority of his career spent at HSBC Bank plc, where he was Head of Agriculture for 10 years. Steve currently serves as a Non-Executive Director of several companies in the sector, including Velcourt Farms Ltd, a leading UK farm management business. His appointment, which takes effect in April 2016, follows the retirement of Lord Carlile CBE QC, who served as a Non-Executive Director for over 16 years. On behalf of the Board, I would like to warmly welcome Steve to the Group and reiterate our sincere thanks to Lord Carlile for his dedicated service and wise counsel over so many years.

COLLEAGUES

I remain grateful to my colleagues across Wynnstay for their professionalism and commitment both to the Group and our customers. On behalf of the Board, I would like to take this opportunity to recognise their ongoing input and contribution to the business.

OUTLOOK

In a year where the backdrop for our farming customers has been challenging, Wynnstay's results demonstrate the resilience and progress we have made in continuing to drive the Group's development.

Looking ahead, farmgate prices still show little sign of the expected recovery and continue to impact farmer income. In addition, early trading has seen a slower start, due in part to the late onset of winter. While it is still early in our calendar, a cautious view of the year ahead is appropriate since a continuation of these conditions will impact the Group's performance.

The long term growth trends remain positive for UK agriculture, although the need to drive greater efficiencies through the sector is also a feature. We will continue to develop the Group's activities and services, both organically and via acquisitions, and ensure that we can provide our farming customers with a breadth of competitively priced products complemented by technical support and advice.

Notwithstanding the current challenges in the sector, Wynnstay remains well placed within its marketplace and is supported by strong cash flows and a robust balance sheet.

Jim McCarthy
Chairman

CHIEF EXECUTIVE REVIEW

INTRODUCTION

Wynnstay has delivered a pleasing performance in a trading environment that has been impacted by continuing low output prices for farmers. Group pre-tax profit, before exceptional charges and share based payments, increased by 4% to £9.05m (2014: £8.70m), a new record, on revenues which reduced to £377.38m (2014: £413.56m), reflecting commodity price deflation. These robust results were supported by recent acquisitions as well as increased volumes and efficiency gains in some sectors. Wynnstay's balanced spread of activities, spanning the arable, livestock and retail sectors, also helped to underpin results, providing a smoothing effect against sector volatility.

We further expanded our Wynnstay Stores network adding a number of new outlets during the year, which strengthens our existing geographic footprint. At the year end, we completed the acquisition of Agricentre, a well-established farm supplies operation, trading through eight units in the West Country. The move is important as it extends Wynnstay's presence into a major new geographic region and there are opportunities to enhance both Agricentre's product range and the breadth of its activities. The integration process has started well, although the full benefits of this acquisition are not expected to come through for another 12 months.

Farmgate prices remain a challenge for the industry, with prices below the realistic cost of production for many farmers. However, the longer term macroeconomic growth drivers for the sector remain compelling and we intend to continue to build on the Group's solid foundations, developing Wynnstay's presence both organically and through further acquisitions.

REVIEW OF ACTIVITIES

Agricultural Division

The Agricultural Division performed well in a difficult market with operating profit increasing by 8.7% to £4.13m (2014: £3.80m), helped by strong demand for feed in the first half and an improved raw materials performance. While revenues were impacted by commodity price deflation, decreasing by 13% to £270.05m (2014: £308.71m), we achieved year-on-year volume improvement in many product categories. Although margins remained under pressure, our focus on operational efficiencies contributed to the improved financial performance.

Our Agricultural Division works closely with our Wynnstay Stores network, which has grown significantly over recent years, and our expansion into new geographies provides further opportunities across the breadth of our agricultural activities.

Feed Products

Total feed volumes increased by 1.5% over the prior year, in line with market trends. After a strong first half, demand for feed was subsequently more subdued, reflecting both the prolonged autumn weather and the poor milk and meat prices affecting farmers. As in prior years, the broad spread of the Group's feed activities, which include products for the ruminant and poultry markets, along with

traded raw materials, helped to smooth the overall result. Slightly lower demand for dairy compound was balanced by an increased demand for blends and feed for poultry, beef and sheep.

We have continued to develop our team of dairy specialists as part of our ongoing initiative targeting the dairy sector. Working alongside both their farm sales and Wynnstay Stores colleagues, they help to ensure that customers have access to the full range of products and services essential to an efficient dairy enterprise. We also continued to improve our own efficiencies, which supports our aim of maintaining competitive prices for our customers.

Glasson

The Glasson business, which operates from port facilities at Glasson Dock, near Lancaster, is a long standing supplier of a broad range of raw materials to the agricultural wholesale market. It also manufactures specialist products for wholesale merchants and processes fertiliser for both the wholesale sector and our own direct fertiliser sales. While overall volumes of raw materials were down year-on-year, the business generated a good financial contribution, supported by a favourable product mix. Good volumes of fertiliser and specialist products also offset a reduction in unit margins across these categories.

Arable Products

Our arable activities cover a full range of arable inputs which are complemented by a farmer-focused grain trading business. We continued to make progress within the sector, although margin pressure remained a feature. We were pleased with the performance of our seed activities; sales were strong and volumes were in line with the previous year.

Grain yields were good across the trading area although, with output prices remaining disappointing, farmers have been reluctant to market their grain. However, the increased yields provided a good opportunity for the grain trading teams at GrainLink and Woodheads Seeds, and combined volumes increased over the previous year.

Demand for fertiliser was subdued in the first half as customers, in anticipation of a price reduction, held back from buying. The resultant spot market was strong but margins remained under pressure. Autumn demand for fertiliser was tempered by weaker farmer sentiment and we therefore anticipate a shift in seasonal sales activity to the Spring of 2016.

Specialist Retail Division

The Specialist Retail Division, which encompasses Wynnstay Stores, Just for Pets and Youngs Animal Feeds, continued to make pleasing progress over the period, adding 13 new outlets. Total revenues rose by 2.5% to £107.19m (2014: £104.62m) and operating profit increased by 4.1% to £5.08m (2014: £4.88m).

Wynnstay Stores

Our network of Wynnstay Stores, which are mainly geared towards farm supplies, has expanded significantly over recent years, and the acquisition of Agricentre, completed at the year end, takes the total number of outlets to 51 from 40 over the past twelve months.

Total sales for the year increased by 3.1%, benefiting from the opening of a new store in Aberystwyth in November 2014 and the acquisitions of Ross Feed at Ross-on-Wye in January 2015 and S. Jones in Bethania, Ceredigion, in September 2015. Reflecting commodity price deflation, like-for-like sales showed a marginal reduction of 1%.

The acquisition of Agricentre was an important strategic move, providing us with a trading entry into the West Country. Bringing an additional eight units, the business, now rebranded 'Wynnstay Agricentre', has been trading across the West Country since 1961. Its model of small units is wholly geared to farmers, mirroring the approach we are taking with certain new stores.

Our store network represents an important route to market for UK and international suppliers, and we intend to continue to scale the operation. In an environment where farm incomes are under pressure, our increased purchasing power will also help us ensure that we continue to offer our customers a broad range of competitively priced products and services.

Just for Pets

Total and like-for-like sales at our chain of pet product outlets, 'Just for Pets', increased marginally year-on-year. As expected, the contribution was below the prior year, reflecting the costs associated with expansion. We opened two new stores in the year, at Cambourne in June 2015 and Reading in October 2015, with a further outlet opened in Nottingham after the year end, in November 2015. We continue to identify potential new sites for stores and expect to open an additional outlet in the spring of 2016.

Youngs Animal Feeds

Youngs manufactures and distributes a range of equine products that are sold by specialist outlets across the centre of the UK. The business has performed strongly over the year, expanding its position in the market, with further opportunities available from the continuing growth of the Specialist Retail Division.

Joint Ventures and Associates

The Group has five key joint venture businesses, (Bibby Agriculture, Wyro, GeoGen, FertLink and Total Angling) as well as two associate businesses (Wynnstay Fuels and Celtic Pride). These ventures continued to make a valuable contribution to the Group and the reduced contribution this year, compared to the prior year, mainly reflected the challenges of the agricultural market.

Staff

Wynnstay's success to date reflects the efforts of all staff, and I would like to take this opportunity to recognise the commitment, enthusiasm and drive of my colleagues across the Group and to record my personal appreciation.

I would also like to echo our Chairman's thanks to Lord Carlile CBE QC who retired from the Group in March 2015 after 16 years as a Non-Executive Director. I also have much pleasure in welcoming Steve

Ellwood who will be joining Wynnstay as a Non-Executive Director in April 2016. Steve's background as an agricultural specialist in commercial banking further strengthens our Board of Directors.

OUTLOOK

The Group's broad base of activities continues to underpin its resilient performance and we are pleased with the ongoing development of the business over the year.

However, output prices for farmers remain low, with the combination of high levels of world food stocks, tempered demand in developing countries and fluctuating international currencies delaying a return to acceptable pricing. This means that our farmer customers will face ongoing challenges which will require further efficiencies throughout the agricultural industry.

In light of continuing low farmgate prices and subdued farmer sentiment, our view of the outlook for the new financial year ahead has become more cautious. Also, the prolonged mild autumn has resulted in a slow start to the feed season. Nonetheless, Wynnstay remains well placed to progress with its strategic plans and we continue to focus on developing opportunities for ongoing growth. Looking further ahead, we remain optimistic about prospects for UK farming, which are well supported by macroeconomic factors, including world population growth and increasing demand for food and energy.

I look forward to providing a further update on trading at Wynnstay's AGM in March. For those able to attend the meeting, please be aware that we will be returning to our regular venue at Shrewsbury Town Football Club for 2016.

Ken Greetham
Chief Executive

WYNNSTAY GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 October 2015

All of the above are derived from continuing operations.

	Note	2015		2014	
		£000	£000	£000	£000
Revenue	2		377,382		413,558
Cost of sales			(321,874)		(360,353)
GROSS PROFIT			55,508		53,205
Manufacturing distribution and selling costs			(42,265)		(40,838)
Administrative expenses			(4,666)		(4,455)
Other income			476		588
GROUP OPERATING PROFIT BEFORE INTANGIBLE AMORTISATION, SHARE BASED PAYMENT COSTS AND EXCEPTIONAL ITEM			9,053		8,500
Intangible amortisation and share based payments			(344)		(109)
Exceptional item	4		(319)		-
GROUP OPERATING PROFIT	5		8,390		8,391
Interest income	3	50		52	
Interest expense	3	(290)	(240)	(378)	(326)
Share of profits in associate and joint ventures accounted for using the equity method		245		536	
Share of tax incurred by associate and joint ventures	6	(58)	187	(108)	428
PROFIT BEFORE TAXATION			8,337		8,493
Taxation	7		(1,667)		(1,796)
PROFIT FOR THE YEAR			6,670		6,697
Earnings per 25p share before exceptional	9		36.32p		35.28p
Diluted earnings per 25p share before exceptional	9		35.91p		34.63p
Earnings per 25p share	9		34.66p		35.28p
Diluted earnings per 25p share	9		34.27p		34.63p

There was no other comprehensive income during the current and prior year.

WYNNSTAY GROUP PLC

CONSOLIDATED BALANCE SHEET

As at 31 October 2015

	Note	2015 £000	2014 £000
ASSETS			
NON-CURRENT ASSETS			
Goodwill		18,155	17,209
Investment property		2,372	-
Property, plant and equipment		19,424	18,289
Investments accounted for using equity method		3,680	3,643
Intangibles		124	89
		43,755	39,230
CURRENT ASSETS			
Inventories		31,694	29,758
Trade and other receivables		48,607	48,749
Held for sale assets		-	2,372
Financial assets			
- loan to joint venture		2,802	2,802
Cash and cash equivalents	11	9,750	8,990
		92,853	92,671
TOTAL ASSETS		136,608	131,901
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities – borrowings	12	(3,643)	(3,938)
Trade and other payables		(44,739)	(47,088)
Current tax liabilities		(861)	(678)
		(49,243)	(51,704)
NET CURRENT ASSETS		43,610	40,967
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings	12	(3,972)	(2,300)
Trade and other payables		(246)	(339)
Deferred tax liabilities		(292)	(327)
		(4,510)	(2,966)
TOTAL LIABILITIES		(53,753)	(54,670)
NET ASSETS		82,855	77,231
EQUITY			
Share capital	13	4,848	4,777
Share premium		28,439	27,633
Other reserves		2,890	2,796
Retained earnings		46,678	42,025
TOTAL EQUITY		82,855	77,231

WYNNSTAY GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 October 2015

Group	Share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
At 1 November 2013	4,713	26,986	2,697	37,153	71,549
Profit for the year	-	-	-	6,697	6,697
Total comprehensive income for the year	-	-	-	6,697	6,697
Transactions with owners of the Company recognised directly in equity :					
Shares issued during the year	64	647	-	-	711
Dividends	-	-	-	(1,825)	(1,825)
Equity settled share- based payment transactions	-	-	99	-	99
Total contributions by and distributions to owners of the Company	64	647	99	(1,825)	(1,015)
At 31 October 2014	4,777	27,633	2,796	42,025	77,231
Profit for the year	-	-	-	6,670	6,670
Total comprehensive income for the year	-	-	-	6,670	6,670
Transactions with owners of the Company recognised directly in equity:					
Shares issued during the year	71	806	-	-	877
Own shares acquired by ESOP trust	-	-	(380)	-	(380)
Own shares disposed of by ESOP trust	-	-	140	-	140
Dividends	-	-	-	(2,017)	(2,017)
Equity settled share based payment transactions	-	-	334	-	334
Total contributions by and distributions to owners of the Company	71	806	94	(2,017)	(1,046)
At 31 October 2015	4,848	28,439	2,890	46,678	82,855

There was no other comprehensive income during the current and prior year.

WYNNSTAY GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Cash generated from operations	14	8,609	11,773
Interest received		50	52
Interest paid		(290)	(378)
Tax paid		(1,519)	(2,271)
Net cash flows from operating activities		<u>6,850</u>	<u>9,176</u>
Cash flows from investing activities			
Acquisition in the year		(3,287)	(120)
Proceeds from sale of property, plant and equipment		313	289
Purchase of property, plant and equipment		(1,836)	(2,450)
Proceeds on sale of investments		150	150
Investments in asset held for resale		-	(85)
Own shares acquired by ESOP trust		(380)	-
Own shares disposed of by ESOP trust		140	-
Net cash flows used by investing activities		<u>(4,900)</u>	<u>(2,216)</u>
Cash flows from financing activities			
Net proceeds from the issue of ordinary share capital		877	711
Net proceeds from drawdown of new loans		3,500	272
Finance lease principal repayments		(985)	(792)
Repayment of borrowings		(1,967)	(2,054)
Dividends paid to shareholders		(2,017)	(1,825)
Net cash flows generated from financing activities		<u>(592)</u>	<u>(3,688)</u>
Net increase in cash and cash equivalents		1,358	3,272
Cash and cash equivalents at the beginning of the period		<u>8,389</u>	<u>5,117</u>
Cash and cash equivalents at the end of the period	11	<u>9,747</u>	<u>8,389</u>

WYNNSTAY GROUP PLC

NOTES TO THE ACCOUNTS

1. The Company is taking advantage of the exemption in s408 of the Companies Act 2006, not to present its individual income statement and related notes of these approved financial statements.

2. **SEGMENTAL REPORTING**

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

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

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

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

Specialist Retail – Supply 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.

2. SEGMENTAL REPORTING – (continued)

The segment results for the year ended 31 October 2015 are as follows:

Year ended 31 October 2015	Agriculture £000	Specialist Retail £000	Other £000	Total £000
Revenue from external customers	270,047	107,193	142	377,382
Segment result	3,953	5,006	(250)	8,709
Share of results of associate and joint ventures before tax	181	76	(12)	245
	4,134	5,082	(262)	8,954
Exceptional item				(319)
Interest income				50
Interest expense				(290)
Profit before tax				8,395
Income taxes (includes tax of associate and joint ventures)				(1,725)
Profit for the year attributable to equity shareholders				6,670
Segment net assets	30,843	42,727	7,150	80,720
Corporate net cash (note 12)				2,135
Total net assets				82,855

2. SEGMENTAL REPORTING – (continued)

Year ended 31 October 2014	Agriculture £000	Specialist Retail £000	Other £000	Total £000
Revenue from external customers	308,711	104,617	230	413,558
Segment result				
	3,476	4,798	117	8,391
Share of results of associate and joint ventures before tax	326	77	133	536
	3,802	4,875	250	8,927
Exceptional item				-
Interest income				52
Interest expense				(378)
Profit before tax				8,601
Income taxes (includes tax of associate and joint ventures)				(1,904)
Profit for the year attributable to equity shareholders				6,697
Segment net assets	29,449	37,849	7,181	74,479
Corporate net cash (note 12)				2,752
Total net assets				77,231

3. FINANCE COSTS

	2015 £000	2014 £000
Interest expense:		
Interest payable on borrowings	(176)	(271)
Interest payable on finance leases	(114)	(107)
Interest and similar charges payable	(290)	(378)
Interest income	50	52
Interest receivable	50	52
Finance costs	(240)	(326)

4. EXCEPTIONAL ITEM

	2015	2014
	£000	£000
Exceptional costs	319	-

Exceptional costs relate to the expenses associated with the acquisition and re-organisation of the business and certain trading assets of Agricentre Farm Supplies Farmers.

5. GROUP OPERATING PROFIT

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

	2015	2014
	£000	£000
Staff costs	25,428	23,816
Depreciation of property, plant and equipment:		
- owned assets	1,968	1,945
- under finance leases	697	564
Amortisation of intangibles	10	10
(Profit) on disposal of fixed assets	(260)	(171)
Other operating lease rentals payable	3,243	2,858
Repairs and maintenance expenditure on plant, property and equipment	1,693	
Trade receivables impairment	116	1,630 68

Services provided by the Group's auditor:

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

	2015	2014
	£000	£000
Audit services – statutory audit	97	95
Tax services	8	4
Other services	2	1

Included in the Group Audit fee are fees of £5,000 (2014: £5,000) paid to the Group's auditor in respect of the parent company. The fees relating to the parent company this year are borne by one of the Group's subsidiaries.

6. SHARE OF POST-TAX PROFITS/(LOSSES) OF ASSOCIATE AND JOINT VENTURES

	2015	2014
	£000	£000
Share of post-tax profit in associate	39	85
Share of post-tax profits/(losses) in joint ventures	148	343
Total share of post-tax profits/(losses) of associate and joint ventures	187	428

7. TAXATION

	2015	2014
	£000	£000
Analysis of tax charge in year		
Current tax		
- Continuing operations	1,736	1,839
- Adjustments in respect of prior years	(34)	(111)
Total current tax	1,702	1,728
Deferred tax		
- Accelerated capital allowances	(35)	77
- Effect of decrease of rate	-	(9)
Total deferred tax	(35)	68
Tax on profit on ordinary activities	1,667	1,796

8. DIVIDENDS

	2015	2014
	£000	£000
Final dividend paid for prior year	1,300	1,177
Interim dividend paid for current year	717	648
	2,017	1,825

Subsequent to the year end it has been recommended that a final dividend of 7.40p net per ordinary share (2014: 6.80p) be paid on 29 April 2016. Together with the interim dividend already paid on 30 October 2015 of 3.70p net per ordinary share (2014: 3.40p), this would result in a total dividend for the financial year of 11.10p net per ordinary share (2014: 10.20p).

9. EARNINGS PER SHARE

	Basic earnings per share before exceptional item		Basic earnings per share		Diluted earnings per share before exceptional		Diluted earnings per share	
	2015	2014	2015	2014	2015	2014	2015	2014
Earnings attributable to shareholders (£'000)	6,989	6,697	6,670	6,697	6,989	6,697	6,670	6,697
Weighted average number of shares in issue during the year (number '000)	19,243	18,981	19,243	18,981	19,463	19,338	19,463	19,338
Earnings per ordinary 25p share (pence)	36.32	35.28	34.66	35.28	35.91	34.63	34.27	34.63

Basic earnings before exceptional item per 25p ordinary share is calculated by dividing the earnings with the full exceptional item added back, without any tax adjustment, attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

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 before exceptional item per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares (share options) taking into account their exercise price in comparison with the actual average share price during the year.

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.

10. BUSINESS COMBINATIONS

During the year the Wynnstay (Agricultural Supplies) Limited completed three acquisitions and Glasson Grain Limited completed one acquisition, all structured as purchases of goodwill and other certain assets.

On the 12 January 2015, Wynnstay (Agricultural Supplies) Limited completed the purchase of certain assets of Ross Feed Limited, a supplier of agricultural and hardware goods based in Ross-on-Wye, Herefordshire. On the 21 September 2015, the assets of S. Jones & Sons, an agricultural merchant based in Llanon, Ceredigion were acquired. Finally, on the 30 October 2015, the Company purchased the trade and assets of the West Country based Agricentre farm supplies business from T.G. Jeary Limited.

On the 1 September 2015, Glasson Grain Limited completed the purchase of certain assets of Horti-Stores Limited, a supplier of packaging materials to the horticultural and agricultural industries based in Skelmersdale, West Lancashire.

Details of the trade, asset values acquired and the consideration are given below, together with details of historic revenue and operating profits, based on the latest practical available information:

	Horti-Stores	Ross Feed	S. Jones & Sons	Agricentre	Total
Date of acquisition	12 Jan 2015	12 Jan 2015	21 Sep 2015	30 Oct 2015	
	Fair Value £000	Fair Value £000	Fair Value £000	Fair Value £000	Fair Value £000
Fair value of net assets on acquisition:					
Plant and equipment	-	19	-	571	590
Inventories	55	116	56	1,996	2,223
Other intangible assets	-	-	-	45	45
Other current liabilities	-	-	-	(324)	(324)
Total anticipated goodwill	92	312	87	455	946
Total fair value of net assets on acquisition	147	447	143	2,743	3,480
Net cash paid on completion and asset confirmation	101	387	106	2,693	3,287
Fair value of contingent consideration	46	60	37	50	193
Total fair value of consideration	147	447	143	2,743	3,480
Historical annual revenue	1* 295	*2 1,044	*3 1,168	*4 17,067	19,574
Historical operating profit	1* 59	*2 123	*3 40	*4 377	599

Notes: *1 - For the financial year to 31 March 2015
*2 - For the financial year to 30 June 2014
*3 - For the financial year to 31 March 2014
*4 - For the financial year to 31 December 2014

All these transactions extend the Company's geographic trading area and farmer customer base, as well as adding additional outlets to the Group's Country Store chain.

Payment of the contingent consideration for each transaction is dependent on the future financial performance of that respective acquired business, with the maximum and total anticipated contingent goodwill payment in each case being in line with the fair value that the Directors consider to be the most likely outcome.

11. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

	2015 £000	2014 £000
Cash and cash equivalents per balance sheet	9,750	8,990
Bank overdrafts	(3)	(601)
Cash and cash equivalents per cash flow statement	9,747	8,389

12. FINANCIAL LIABILITIES – BORROWINGS

Current

	2015 £000	2014 £000
Bank loans and overdrafts due within one year or on demand:		
Secured overdrafts	3	601
Secured loans	2,162	1,979
	2,165	2,580
Loan capital (unsecured)	667	656
Other loanstock (unsecured)	16	16
Net obligations under finance leases	795	686
	3,643	3,938

Non-current

	2015 £000	2014 £000
Bank loans:		
Secured	2,888	1,549
	2,888	1,549
Net obligations under finance leases	1,084	751
	3,972	2,300

12. FINANCIAL LIABILITIES – BORROWINGS (continued)

Bank loans and overdrafts include overdrafts totalling £222,233 (2014: £600,271) relating to subsidiary companies, which are secured by debentures over the assets of those companies.

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

	2015	2014
	£000	£000
Borrowings are repayable as follows:		
On demand or within one year	3,643	3,938
In the second year	1,473	1,791
In the third to fifth years inclusive	2,499	509
Over five years	-	-
	7,615	6,238

Finance leases included above are repayable as follows:

On demand or within one year	795	686
In the second year	572	419
In the third to fifth years inclusive	512	332
Over five years	-	-
	1,879	1,437

The net borrowings are:

Borrowings as above	7,615	6,238
Cash and cash equivalents	(9,750)	(8,990)
Net (cash)/ debt	(2,135)	(2,752)

13. SHARE CAPITAL

	2015		2014	
	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	19,391	4,848	19,108	4,777

During the year 81,733 shares (2014: 62,970) were issued with an aggregate nominal value of £20,433 (2014: £15,743) and were fully paid up for equivalent cash of £430,808 (2014: £390,418) to shareholders exercising their right to receive dividends under the Company's scrip dividend scheme.

A total of 200,812 (2014: 195,282) shares with an aggregate nominal value of £50,203 (2014: £48,821) were issued for a cash value of £446,868 (2014: £320,511) to relevant holders exercising options in the Company. No other shares were issued for cash in this financial year (2014: Nil).

14. CASH GENERATED FROM OPERATIONS

	2015 £000	2014 £000
Profits for the year	6,670	6,697
Adjustments for:		
Tax	1,667	1,796
Depreciation of tangible fixed assets	2,665	2,509
Amortisation of other intangible fixed assets	10	10
(Profit) on disposal of property, plant and equipment	(260)	(171)
Interest income	(50)	(52)
Interest expense	290	378
Share of results of joint ventures and associate	(187)	(428)
Share based payments	334	99
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):		
Decrease in short term loan to joint ventures	-	265
Decrease in inventories	287	844
Decrease in trade and other receivables	143	2,522
(Decrease) in payables	(2,960)	(2,696)
Cash generated from operations	8,609	11,773

15. RESPONSIBILITY STATEMENT

The Directors below confirm to the best of their knowledge:

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

J J McCarthy
P M Kirkham
B P Roberts
K R Greetham
D A T Evans
H J Richards

16. CONTENT OF THIS REPORT

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 October 2015 or 31 October 2014, but is derived from those accounts.

Statutory accounts for 2014 have been delivered to the Registrar of Companies. The auditor, KPMG Audit Plc, has reported on the 2014 accounts; the report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The statutory accounts for 2015 will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor, KPMG LLP, has reported on these accounts; their report is unqualified, does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and; does not include a statement under either section 498(2) or (3) of the Companies Act 2006.

The Annual Report and full Financial Statements will be posted to shareholders during the week commencing 1 February 2016. Further copies will be available to the public, free of charge, from the Company's Registered Office at Eagle House, Llansantffraid, Powys, SY22 6AQ or on the Company's website at www.wynnstay.co.uk.

17. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at The Sovereign Suite, Shrewsbury Football Club, Oteley Road, Shrewsbury, Shropshire, SY2 6ST on 22 March 2016 at 11.45am.