Delivering a sustainable farming future

Interim Report and Accounts 2023

Financial Calendar

Monday 3 July 2023	Announcement of Half Year Results
Friday 29 September 2023	Provisional Interim Dividend Record Date
Tuesday 31 October 2023	Payment of Interim Dividend
Tuesday 31 October 2023	Financial Year End
January 2024	Announcement of Full Year Results
March 2024	Dividend Record Date
March 2024	Annual General Meeting
Tuesday 30 April 2024	Payment of Final Dividend

INTRODUCTION

After last year's exceptional interim results, which benefited from substantial one-off gains as well as a very strong trading environment, interim results this year reflected softer trading conditions and a significant unwinding of inflated fertiliser raw material values, which has impacted profits. Against this changed backdrop, we are pleased with Wynnstay's trading performance. Underlying performance is in line with our expectations, and they demonstrate once again the strength of our broad range of activities that span both the arable and livestock sectors.

Last year's substantial one-off gains were mostly felt by our fertiliser blending activity at Glasson, where raw material stock values were driven to historic highs by soaring natural gas prices. By contrast, over this period, Glasson contended with a global reversal in fertiliser prices, back towards the pre-exceptional levels of late 2021. We estimate that this unwinding of the price spike impacted operating profit by approximately £1.5m and welcome the pricing shift towards more sustainable and realistic levels.

Inflationary pressures were also a significant feature in the period. In particular, higher labour and distribution costs adversely affected margins. Commodity price inflation drove an estimated two-thirds (£48m) of the increase in Group revenue in the period, which rose to £409.14m, up 22% (2022: £335.66m). As expected, Group profitability was significantly lower than the comparable period last year, with adjusted operating profit of £5.78m* (2022: £10.43m) and underlying profit before tax of £5.25m* (2021: £10.21m), which in both cases include the £1.5m adverse Glasson fertiliser stock realisations. Given the exceptional nature of first half results in 2022, it is useful to note that the adjusted operating profit for the first six months of 2021, delivered in a favourable trading environment, was £5.68m.

During the period, we started the important integration of the Humphrey free-range poultry feed business, acquired in March 2022, and expect this to be completed by the financial year-end. At the same time, the free-range egg sector nationally was affected by Avian Influenza, which reduced the national flock. The market is now recovering although there will be a time-lag before laying-hen numbers recover fully. We managed costs effectively during this time, and the Humphrey business made a positive but lower contribution than in the prior six months. The free-range poultry feed market remains an important area of focus for us.

As previously reported, in November 2022, we acquired Tamar Milling Limited ("Tamar"), the animal feed blending business based in Cornwall. It has broadened our geographic footprint and provided the Group with its first manufacturing facility in the South West of England. Tamar made a positive contribution to our first half results, in line with our expectations. At the end of December 2022, we assumed the activities of S.G. Deakins, based in Radnorshire, in Powys. The business supplies agricultural inputs to farmers and runs a small trading team focused on grain, fertiliser and seeds.

These acquisitions continue to extend our farming customer base, add manufacturing capacity, support efficiency improvements and offer scope for further growth. We are delighted to welcome all our new colleagues and customers to the Group, and will continue to review further opportunities that fit our acquisition criteria.

Our investment programmes across the Group are progressing well and will support our growth plans as well as deliver efficiency benefits. In addition, we completed some organisational changes, which further support the delivery of growth objectives. These included the creation of two new Senior Management roles, Group Innovation, Sustainability & Food Supply Chain Director, and Head of Strategy Delivery.

[1] Note 20. Explanation of Non GAAP measure

FINANCIAL RESULTS

Financial results principally reflect the absence of the abnormal and significant one-off gains experienced at our fertiliser blending operation at Glasson in the same period last year, but also the effects of inflation, more cautious farmer sentiment and adverse stock realisations at Glasson, driven by sharply unwinding global fertiliser raw material prices, which significantly impacted margins.

Revenue increased by 22% to £409.14m (2022: £335.66m), with commodity price inflation accounting for an estimated £48.0m of the increase. Group revenue benefited from full period contributions from both the Humphrey and Tamar acquisitions, acquired in March 2022 and November 2022 respectively. The Agriculture Division accounted for £333.57m of the Group's total revenue (2022: £263.03m), up by 27% against the same period last year, while the Specialist Agricultural Merchanting Division contributed £75.57m (2022: £72.63m), up by 4%.

Adjusted operating profit, which is before non-recurring costs, share-based payments and intangible amortisation, and includes an estimated £1.5m of one-off adverse stock realisations at Glasson, was £5.78m (2022: £10.43m including positive Glasson fertiliser stock gains). The Agricultural Division contributed an operating profit of £2.08m (2022: £6.06m), with this result including the £1.5m adverse stock realisations at Glasson. The Specialist Agricultural Merchanting division contributed an operating profit of £3.44m (2022: £4.28m). Other activities contributed a slight operating loss of £0.02m (2022: loss of £0.07m). As in prior years, the contribution from our Joint Ventures will be consolidated in the second half of our full year results.

Non-recurring costs amounted to £0.03m and related to the transaction and funding costs of the Tamar acquisition (2021: £0.52m, the Humphrey acquisition). Net finance costs, including IFRS 16 charges, totalled £0.40m (2022: £0.19m), and reflected the new loans drawn to fund recent acquisitions and the increase in interest rates over the period. Share-based payment expenses for the period increased to £0.15m (2022: £0.13m).

Underlying pre-tax profit, which excludes share-based payments and non-recurring items, but includes the adverse stock realisations at Glasson, was £5.25m* (2022: £10.21m). Reported profit before tax was £5.07m (2021: £9.56m).

The effective tax rate for the period was higher than the same period last year at 24.1% (2022: 21.4%) because of the Government's introduction of the new 25% tax rate during the current year. The total tax charge for the period was £1.22m (2022: £2.05m), and profit after tax was £3.85m (2022: £7.51m). Basic earnings per share were 17.20p (2022: 36.99p).

Net assets at 30 April 2023 were up by 18.1% year-on-year to £131.97m (30 April 2022: £111.68m). The increase includes the net proceeds from the fundraising in August 2022. Net assets per share were £5.90 per share (30 April 2022: £5.50 per share), based on the weighted average number of shares in issue during the period of 22.39m (2022: 20.31m).

Net debt on a pre IFRS 16 basis (excluding property leases) increased to £10.68m at 30 April 2023 (2022: £7.62m). The rise reflected both acquisition funding and continued high working capital requirements, which resulted from the ongoing commodity price inflation. Working capital in any given year typically peaks around April, and reduces over the second half, and the Group is expected to close the financial year with net cash. Total Right of Use property lease liabilities amounted to £5.62m (2022: £5.13m) resulting in reported accounting net debt of £16.30m (2022: £12.75m).

DIVIDEND

In line with its progressive dividend policy, the Board is pleased to declare an increased interim dividend of 5.50p per share (2021: 5.40p), up by 1.8% year-on-year. Dividend cover remains prudent at over two times earnings.

The interim dividend will be paid on 31 October 2023 to shareholders on the register at the close of business on 29 September 2023. As in previous years, the Scrip Dividend alternative will continue to be available, with the last day for election for this scheme being 14 October 2023.

REVIEW OF OPERATIONS AGRICULTURE DIVISION

Farmgate prices at the start of the new financial year were off the peaks of 2022 although still strong compared to the average of the last five years, albeit with sector variation. As the period progressed, milk and grain prices decreased while free-range egg and beef prices increased, with beef prices rising to a historic high. Free-range egg producers suffered from the outbreak of Avian Influenza, causing a significant reduction in laying-hen numbers nationally. These have now begun to recover. Inflationary pressures have generally increased the costs of production for farmers, and coupled with weaker farmgate prices in certain sectors, this affected farmer sentiment and buying habits.

FEED PRODUCTS

Manufactured feed volumes reduced by 1.3% and by 7% on a like-for-like basis over the same period last year, which was in line with the sector. The decrease reflected a number of factors including weaker milk prices and Avian Influenza. In addition, margins were pressured by inflation, which affected labour, distribution and packaging costs. We successfully mitigated some of the pressures through efficiency initiatives.

We started the integration of the Humphrey business into the Group's wider poultry operations in the period, combining the two sales teams and rebranding the business as Wynnstay Humphrey Feed & Pullets; this rebranding was completed just after the first half. We expect to substantially complete the integration of the Humphrey business by the financial year-end. Reflecting the nationwide reduction in laying-hen numbers, feed volumes were lower, however we scaled back costs to protect returns. The redevelopment of the mothballed poultry feed mill at Calne, acquired with the acquisition of Humphrey, remains under consideration.

Our project to increase the manufacturing capacity of our multi-species feed mill at Carmarthen continued to progress successfully in the period.

ARABLE PRODUCTS

There was significant variation in performance across our product categories. The breadth of our offering to the arable sector limited exposure to any single segment, and the overall performance was encouraging.

GrainLink, our grain marketing business, performed extremely strongly, contributing well ahead of our expectations. The volume of grain traded increased to a new record level, up by 27% against what was already a record level last year. The Eastern Region performed particularly well.

The autumn seed planting season in 2022 went well, with good volumes of winter cereals planted and the favourable growing conditions experienced since then bodes well for the forthcoming 2023 harvest and healthy grain trading volumes. The spring-sown cereal crops acreage has also increased above last year's level (and the national average), reflecting farmer confidence in grain prices. Against that, grass seed sales were lower than the comparative period last year, which reflected the dry weather and, as expected, fertiliser volumes in Wynnstay Agricultural Supplies were down in line with national trends, with high prices suppressing demand.

GLASSON GRAIN LIMITED ("GLASSON")

Glasson operates in three main areas; feed raw materials, blended fertiliser production, and the manufacture of specialist animal feed products.

Like last year, the fertiliser blending operations made most impact on Glasson's performance although in the opposite direction, creating adverse stock realisations this year, compared to substantial one-off gains last year. As a manufacturer across four sites, Glasson carries substantial physical volumes of fertiliser raw material for blending. Therefore the reversal of last year's rapid escalation in worldwide values for fertiliser raw materials, back towards pre-exceptional levels, impacted stock values and margins. Glasson handled this well. Fertiliser prices are now back to the pre-Ukraine war levels, which we see as a major positive, and Glasson is replacing its fertiliser raw materials at these more sustainable levels.

Feed raw materials activity performed in line with management expectations while specialist animal feed products, Glasson's smallest activity, underperformed. We are restructuring this operation, in order to reduce labour and manufacturing costs.

SPECIALIST AGRICULTURAL MERCHANTING DIVISION

Specialist Agricultural Merchanting and Youngs Animal Feeds

The Division operates a chain of 53 depots (H1 2022: 54), which cater for the needs of farmers and other rural dwellers. It operates very closely with the Agricultural Division, providing a strong channel to market for Wynnstay-manufactured products.

Total and like-for-like sales for the period were ahead of the same period last year, reflecting the impact of inflation. The Division's net contribution was adversely affected by lower volumes of bagged feed, which were down by 10%, and lower hardware sales, which decreased by 13%, as well as increased overhead costs.

We continued to develop our digital offering and the number of farmers who have signed up to our customer portal is increasing steadily. The portal enables customers to access their Wynnstay accounts and place orders online. In the main, the majority of digital activity is non-trading related.

Youngs, our specialist equine feeds operation, delivered a profitable contribution to the division, although like the rest of the equine sector, it experienced volume and margin pressures.

JOINT VENTURES AND ASSOCIATES

As in previous years, results from joint ventures and associate companies do not feature in half-year results but will be consolidated into Wynnstay's full year results.

ESG

Last year, we established a Sustainable Farm Advisory Team, bringing together a group of external specialists chaired by Philip Wynn, Chairman of LEAF (Linking the Environment And Farming) and a Director of Dyson Farming. The Team is assisting us with the development of our ESG strategy and delivery plans, including the roadmap we are developing to integrate the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD").

We have a number of programmes currently under way to reduce carbon emissions and energy consumption. These programmes encompass the Group's vehicle fleet, biofuel use and energy requirements. We have committed over £1.0m to solar panel projects in the current period and expect this to be the first phase of a rollout of renewables over the next five years. We will report more fully on TCFD at the financial year-end.

As well as our internal environmental goals, we are well-placed to assist farmers with solutions to their environmental issues. Precision-farming techniques will be playing an increasingly important role in limiting carbon emissions and protecting soil, water and air quality. We are supporting customers with advice, products, and services necessary to adapt to the new environmental and efficiency priorities set by the UK Agriculture Act. Our "whole farm approach" launched last year, now forms an integral part of our on-farm specialist advice. We are continuing to introduce novel environmentally-beneficial products into our offering.

Our 'Colleagues Forum' continues to be developed as well as initiatives to support the local communities in which we operate. As ever, our staff remain highly engaged with charitable efforts, which we are pleased to foster and support.

BOARD CHANGES

In April 2023, we were delighted to appoint Steven Esom as a senior Independent Non-executive Director. He succeeded Philip Kirkham, who retired in May 2023, after 10 years on the Board, latterly as Vice-chairman and Senior Non-executive Director.

I would like to take this opportunity to thank Philip Kirkham for his great support and wise counsel both to me and all his other colleagues, and to wish him well in his retirement.

Steven has significant experience in the UK food and retailing industries, including the agrifood sector. Over the course of his executive career, he was Managing Director of Waitrose & Partners and involved in Waitrose-owned farmlands, as well as Executive Director of Food at Marks & Spencer.

He also held senior commercial buying roles at J Sainsbury plc for 12 years. As a non-executive, he is Chairman of Sedex, a leading global supply chain consultancy focused on environmental, social and governance outcomes, Chairman of Andrews & Partners Ltd, the residential estate agency and lettings and management group, and Chairman of Advantage Travel Partnership, the UK's largest independent travel agent group. For nine years, until 2018, he was a non-executive director of Cranswick plc, a leading UK food producer and FTSE-250 constituent.

Today, we also announce that Paul Roberts, Group Finance Director, has informed us of his decision to step down from his position and to retire from the Group after many years of outstanding service. We have started a recruitment process to consider suitable candidates and, until this process is concluded, Paul will remain in his role in order to ensure a smooth handover to his successor. We thank Paul for his continuing commitment to Wynnstay and his colleagues, and will make a further announcement on this process in due course.

OUTLOOK

Despite a number of headwinds in the broader economy, we believe that the overall outlook for the second half of the financial year is encouraging. Our diversified business model will continue to ensure that we are well-placed to negotiate sector variations and believe that the Group will manage expected commodity price volatility effectively.

For the remainder of the financial year, our arable activities look well-positioned, underpinned by the good Autumn and Spring plantings and expectations of a good 2023 grain harvest. While the short-term demand for fertiliser has been affected by high prices, we view the retreat of fertiliser raw material prices back to pre-exceptional levels as a positive and see current pricing levels as more sustainable. We are confident that our fertiliser blending operations are very well-placed as the supply base restructures.

Demand for feed products in the second half of this financial year will remain affected by farmer sentiment, which is influenced by farmgate prices and production costs. We are already seeing wide sector variations, including lower feed demand from dairy farmers, reflecting the current unrealistic milk prices versus production costs, while more positively, national free-range laying hen numbers are now starting to recover, stimulated by improving egg prices and lower producer costs. The breadth of our feed activities will help to balance overall performance.

Wynnstay's financial position remains strong, and the business continues to generate good cash flows over the full year cycle. Our capital investment programmes across the Group are progressing well and will support future growth plans and productivity improvements. We will also continue to review acquisition opportunities in line with our strategic growth plan.

The outlook for the second half is encouraging, with the arable sector looking strong. We believe it prudent at this stage to view Glasson losses as unlikely to be recovered. That aside, at this stage of the season, the Board believes that the Group remains on track to deliver its underlying financial targets, and we continue to view long-term growth prospects very positively.

Steve Ellwood
Chairman

* See Note 6 for explanation of Non GAAP measures.

[1] Note 6. Explanation of Non GAAP measure.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 April 2023

CONTINUING OPERATIONS	Note	**Unaudited six months ended 30 April 2023 £000**	Unaudited six months ended 30 April 2022 £000	Audited year ended 31 October 2022 £000
Revenue		**409,139**	335,661	713,034
Cost of sales		**(369,194)**	(294,399)	(622,228)
Gross profit		**39,945**	41,262	90,806
Manufacturing, distribution and selling costs		**(29,199)**	(27,059)	(59,386)
Administrative expenses		**(5,198)**	(3,962)	(9,307)
Other operating income	5	**227**	193	335
Adjusted operating profit[3]	6	**5,775**	10,434	22,448
Amortisation of acquired intangible assets and share-based payment expense	7	**(269)**	(165)	(416)
Non-recurring items	7	**(28)**	(523)	(1,094)
Group operating profit		**5,478**	9,746	20,938
Interest income		**200**	25	166
Interest expense		**(604)**	(211)	(656)
Share of profits in joint ventures and associate accounted for using the equity method	2	**-**	-	808
Share of tax incurred in by joint venture and associate		**-**	-	(132)
Profit before taxation		**5,074**	9,560	21,124
Taxation	8	**(1,223)**	(2,047)	(3,982)
Profit for the period		**3,851**	7,513	17,142
Other comprehensive income				
Items that will reclassified subsequently to profit or loss:				
• net change in the fair value of cashflow hedges taken to equity, net of tax		**70**	42	(2,462)
• recycle of cashflow hedge taken to income statement		**(286)**	-	2,336
Other comprehensive income for the period		**(216)**	42	(126)
Total comprehensive income for the period		**3,635**	7,555	17,016
Basic earnings per ordinary share (pence)		**17.20**	36.99	82.72
Diluted earnings per ordinary share (pence)		**16.84**	36.07	80.65

[3] Adjusted operating profit is after adding back amortisation of acquired intangible assets, share-based payment expense and non-recurring items.

Condensed Consolidated Balance Sheet

As at 30 April 2023
Registered Number 2704051

	Note	**Unaudited six months ended 30 April 2023**	Unaudited six months ended 30 April 2022	Audited year ended 31 October 2022
		£000	£000	£000
ASSETS				
NON-CURRENT ASSETS				
Goodwill		**15,530**	17,465	16,133
Intangibles assets		**5,046**	4,940	4,936
Investment property		**1,850**	2,372	1,850
Property, plant and equipment		**22,728**	18,340	20,840
Right-of-use assets	10	**10,015**	9,861	8,202
Investments accounted for using the equity method		**4,100**	3,430	4,101
Derivative financial instruments		**-**	-	1
		59,269	56,408	56,063
CURRENT ASSETS				
Inventories		**59,050**	63,721	71,095
Trade and other receivables		**108,710**	103,254	96,575
Financial assets - loans to joint ventures		**1,059**	2,090	1,067
Cash and cash equivalents	11	**1,381**	6,112	31,177
Derivative financial instruments		**-**	359	598
		170,200	175,536	200,512
TOTAL ASSETS		**229,469**	231,944	256,575
LIABILITIES				
CURRENT LIABILITIES				
Financial liabilities - borrowings		**(2,975)**	(2,569)	(3,043)
Lease liabilities		**(3,312)**	(3,685)	(3,344)
Trade and other payables		**(76,510)**	(96,761)	(105,015)
Current tax liabilities		**(918)**	(1,793)	(1,639)
Derivative financial instruments		**(137)**	(825)	(53)
Provisions		**(108)**	(351)	(345)
		(83,960)	(105,984)	(113,439)
NET CURRENT ASSETS		**86,240**	69,552	87,073
NON-CURRENT LIABILITIES				
Financial liabilities – borrowings		**(5,691)**	(7,588)	(6,640)
Lease liabilities		**(5,706)**	(5,025)	(3,999)
Trade and other payables		**(35)**	(37)	(36)
Derivative financial instruments		**-**	-	(80)
Deferred tax liabilities		**(2,109)**	(1,629)	(1,680)
		(13,541)	(14,279)	(12,435)
TOTAL LIABILITIES		**(97,501)**	(120,263)	(125,874)
NET ASSETS		**131,968**	111,681	130,701
EQUITY				
Share capital	14	**5,639**	5,094	5,585
Share premium		**42,431**	31,989	42,130
Other reserves		**3,785**	4,303	4,267
Retained earnings		**80,113**	70,295	78,719
TOTAL EQUITY		**131,968**	111,681	130,701

Condensed Consolidated Statement of Changes in Shareholders' Equity

For the six months ended 30 April 2023

	Share Capital	Share Premium	Other Reserves	Cashflow Hedge Reserve	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at 1 November 2021	5,075	31,600	3,868	263	64,916	105,722
Profit for the period	-	-	-	-	7,513	7,513
Change in the fair value of cash flow hedges taken to equity, net of tax during the period	-	-	-	42	-	42
Total comprehensive income for the period	-	-	-	42	7,513	7,555
Transactions with owners of the Company, recognised directly in equity						
Shares issued during the period	19	389	-	-	-	408
Dividends	-	-	-	-	(2,134)	(2,134)
Equity settled remuneration transactions	-	-	130	-	-	130
Total contributions by and distributions to the owners of the Group	19	389	130	-	(2,134)	(1,596)
At 30 April 2022	5,094	31,989	3,998	305	70,295	111,681
Profit for the period	-	-	-	-	9,629	9,629
Change in the fair value of cash flow hedges taken to equity, net of tax during the period	-	-	-	(168)	-	(168)
Total comprehensive income for the period	-	-	-	(168)	9,629	9,461
Transactions with owners of the Company, recognised directly in equity:						
Shares issued during the period	491	10,141	-	-	-	10,632
Dividends	-	-	-	-	(1,205)	(1,205)
Equity settled remuneration transactions	-	-	132	-	-	132
Total contributions by and distributions to owners of the Group	491	10,141	132	-	(1,205)	9,559
At 31 October 2022	**5,585**	**42,130**	**4,130**	**137**	**78,719**	**130,701**
Profit for the period	**-**	**-**	**-**	**-**	**3,851**	**3,851**
Net change in the fair value of cash flow hedges taken to equity, net of tax	**-**	**-**	**-**	**70**	**-**	**70**
Recycle of cashflow hedge taken to income statement	**-**	**-**	**-**	**(286)**	**-**	**(286)**
Total comprehensive income for the period	**-**	**-**	**-**	**(216)**	**3,851**	**3,635**
Transactions with owners of the Company, recognised directly in equity						
Shares issued during the period	**54**	**301**	**-**	**-**	**-**	**355**
Dividends	**-**	**-**	**-**	**-**	**(2,608)**	**(2,608)**
Own shares acquired by ESOP trust	**-**	**-**	**(225)**	**-**	**-**	**(225)**
Equity settle remuneration transactions	**-**	**-**	**145**	**-**	**-**	**145**
Recycle of equity remuneration transactions	**-**	**-**	**(186)**	**-**	**151**	**(35)**
Total contributions by and distributions to owners of the Group	**54**	**301**	**(266)**	**-**	**(2,457)**	**(2,368)**
At 30 April 2023	**5,639**	**42,431**	**3,864**	**(79)**	**80,113**	**131,968**

Condensed Consolidated Cash Flow Statement

For the six months ended 30 April 2023

	Note	**Unaudited six months ended 30 April 2023**	Unaudited six months ended 30 April 2022	Audited year ended 31 October 2022
		£000	£000	£000
Cash flow from operating activities				
Cash (used in)/generated from operations	9	**(16,763)**	(9,316)	13,839
Interest received		**200**	25	166
Interest paid		**(433)**	(84)	(399)
Tax paid		**(1,599)**	(1,311)	(3,342)
Net cash (used in)/generated from operating activities		**(18,595)**	(10,686)	10,264
Cash flows from investing activities				
Acquisition of subsidiaries and other businesses and their assets (net of cash acquired)	17	**(2,709)**	(8,572)	(10,234)
Proceeds of sale of property, plant, and equipment & ROU assets		**122**	492	264
Purchase of property, plant and equipment		**(2,836)**	(1,418)	(3,560)
Decrease in short term loans to joint ventures		**8**	1,229	2,252
(Increase) in short term loan to ESOP trust		**(195)**	-	-
Receipts from Unlisted Investments		**-**	2	7
Dividends received from joint ventures		**-**	-	4
Net cash used by investing activities		**(5,610)**	(8,267)	(11,267)
Cash flows from financing activities				
Net proceeds from the issue of ordinary share capital		**320**	408	11,040
Lease payments		**(2,263)**	(2,335)	(4,229)
New borrowings		**-**	9,485	9,485
Repayments of loans		**(1,423)**	-	(474)
Dividends paid to shareholders		**(2,608)**	(2,134)	(3,339)
Net cash from/(used in) financing activities		**(5,974)**	5,424	12,483
Net (decrease) / increase in cash and cash equivalents		**(30,179)**	(13,529)	11,480
Cash and cash equivalents at beginning of period		**31,177**	19,641	19,641
Effects of exchange rate changes		**(23)**	-	56
Cash and cash equivalents at end of period	11	**975**	6,112	31,177

Notes to the Condensed Consolidated Interim Financial Statements

GENERAL INFORMATION

Wynnstay Group Plc has a number of operations. These are described in the segment analysis in note 4.

Wynnstay Group Plc is a company incorporated and domiciled in the United Kingdom. The address of its registered office is shown in note 3.

1. BASIS OF PREPARATION

The Interim Report was approved by the Board of Directors on 30 June 2023.

The condensed financial statements for the six months to the 30 April 2023 have been prepared in accordance with International Accounting Standard (IAS) 34 and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. Financial conduct authority, except as disclosed in note 3.

The financial information for the Group for the year ended 31 October 2022 set out above is an extract from the published financial statements for that year which have been delivered to the Registrar of Companies. The auditor's report on those financial statements was not qualified and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006. The information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the six months ended 30 April 2023 and for the six months ended 30 April 2022 are unaudited. The consolidated financial statements are presented in sterling, which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 October 2022, which have been prepared in accordance with UK adopted International Accounting Standards.

2. GOING CONCERN

The Directors have prepared the condensed consolidated interim financial statements on a going concern basis, having satisfied themselves from a review of internal budgets and forecasts and current banking facilities that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group has a sound financial base and forecasts that show profitable trading and sufficient cash flow and resources to meet the requirements of the business, including compliance with banking covenants and on-going liquidity. In assessing their view of the likely future financial performance of the Group, the Directors consider industry outlooks from a variety of sources, and various trading scenarios. This analysis showed that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook with regards to the on-going Coronavirus outbreak.

In conclusion, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention other than shared-based payments, which are included at fair value and certain financial instruments which are explained in the annual consolidated financial statements for the year ended 31 October 2022.
The condensed consolidated interim financial statements for the six months to 30 April 2023 have been prepared on the basis of the accounting policies expected to be adopted for the year ending 31 October 2022 except for those highlighted in Note 2. These are anticipated to be consistent with those set out in the Group's latest annual financial statements for the year ended 31 October 2022. A copy of these financial statements is available from the Company's Registered Office at Eagle House, Llansantffraid, Powys, SY22 6AQ.

3. SIGNIFICANT ACCOUNTING POLICIES continued

New standards and interpretations

New and amended standards adopted in the annual financial statements for the year ended 31 October 2022 did not have any significant impact on those results and changes implemented from the 1 January 2023 are similarly not having any material impact on the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. These estimates and judgements are continually evaluated based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions, however it is believed these are not significant nor likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notes to the Condensed Consolidated Interim Financial Statements

4. 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 Agricultural Merchanting, 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 Agricultural Merchanting – supplies a wide range of specialist products to farmers, smallholders, and pet owners.

Other – miscellaneous operations not classified as Agriculture or Specialist Agricultural Merchanting.

The Board assesses the performance of the operating segments based on a measure of operating profit. Non-recurring costs and 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. No segment is individually reliant on any one customer.

The segment results for the period ended 30 April 2023 and comparative periods are as follows:

	Agriculture	Specialist Agricultural Merchanting	Other	Total
Unaudited for the six months ended 30 April 2023:	£000	£000	£000	£000
Revenue from external customers	333,569	75,570	-	409,139
Segment results				
Group operating profit before non-recurring items	2,078	3,444	(16)	5,506
Share of result of Joint Ventures	-	-	-	-
	2,078	3,444	(16)	5,506
Non-recurring items (note 7)				(28)
Interest income				200
Interest expense				(604)
Profit before taxation				5,074
Taxation				(1,223)
Profit for the period attributable to shareholders				3,851

4. SEGMENTAL REPORTING continued

Unaudited for the six months ended 30 April 2022:	Agriculture £000	Specialist Agricultural Merchanting £000	Other £000	Total £000
Revenue from external customers	263,034	72,627	-	335,661
Segment results				
Group operating profit before non-recurring items	6,062	4,276	(69)	10,269
Share of result of joint ventures	-	-	-	-
	6,062	4,276	(69)	10,269
Non-recurring items (note 7)				(523)
Interest income				25
Interest expense				(211)
Profit before taxation				9,560
Taxation				(2,047)
Profit for the period attributable to shareholders				7,513

Audited for the year ended at 31 October 2022:	Agriculture £000	Specialist Agricultural Merchanting £000	Other £000	Total £000
Revenue from external customers	564,263	148,771	-	713,034
Segment results				
Group operating profit before non-recurring items	14,108	7,939	(15)	22,032
Share of result of joint ventures	553	8	247	808
	14,661	7,947	232	22,840
Non-recurring items (note 7)				(1,094)
Interest income				166
Interest expense				(656)
Profit before taxation				21,256
Taxation				(4,114)
Profit for the period attributable to shareholders				17,142

5. OTHER OPERATING INCOME

	Unaudited six months ended 30 April 2023 £000	Unaudited six months ended 30 April 2022 £000	Audited year ended 31 October 2022 £000
Rental Income	**226**	193	333
Grant income	**1**	-	2
	227	193	335

6. ALTERNATIVE PERFORMANCE MEASURES

On the Board's preferred alternative performance measures referred to as Adjusted operating profit and Underlying pre-tax profits which are respectively, Group operating profit adding back amortisation of acquired intangible assets, share-based payment expense and non-recurring items, and the Group profit before tax adding back share-based payment expense, non-recurring items and including the value of the share of tax incurred by joint ventures and associates. On these measures the Group achieved Adjusted operating profit of £5.78m (2022: £10.43m) and Underlying pre-tax profits of £5.25m (2022: £10.21m).
Reconciliation with the reported income statement for this measure, Operating profit before non-recurring items and Underlying pre-tax profit and the Profit before tax shown on the Condensed Statement of Comprehensive Income, together with reasons for their use is given below.

	Note	**Unaudited six months ended 30 April 2023 £000**	Unaudited six months ended 30 April 2022 £000	Audited year ended 31 October 2022 £000
Profit before tax		**5,074**	9,560	21,124
Share of tax incurred by joint ventures and associate		**-**	-	132
Non-recurring items	7	**28**	523	1,094
Net finance costs		**404**	186	490
Share of results from joint ventures before tax		**-**	-	(808)
Operating profit before non-recurring items		**5,506**	10,269	22,032
Share of results from joint ventures and associate before tax		**-**	-	808
Segment results plus share of results from joint ventures and associate before tax	4	**5,506**	10,269	22,840
Share-based payments		**145**	130	262
Net finance charges		**(404)**	(186)	(490)
Underlying pre-tax profit		**5,247**	10,213	22,612

	Note	**Unaudited six months ended 30 April 2023 £000**	Unaudited six months ended 30 April 2022 £000	Audited year ended 31 October 2022 £000
Profit before tax		**5,074**	9,560	21,124
Share of results from joint ventures		**-**	-	(808)
Share of tax incurred by joint ventures		**-**	-	132
Net finance charges		**404**	186	490
Share-based payments		**145**	130	262
Amortisation of intangibles		**124**	35	154
Non-recurring items	7	**28**	523	1,094
Adjusted operating profit		**5,775**	10,434	22,448

6. ALTERNATIVE PERFORMANCE MEASURES continued

The Board uses alternative performance measures as it believes the underlying commercial performance of the current trading activities is better reflected, and provides investors and other users of the accounts with an improved view of likely future performance by making adjustments to the IFRS results for the following reasons:

• Share of results from joint ventures and associate
Provides a fuller understanding of activities directly under management control and those incorporated from joint ventures.

• The add back of tax incurred by joint ventures and associate
The Board believes the incorporation of the gross result of these entities provides a fuller understanding of their combined contribution to the Group performance.

• Net finance charges
Provides an understanding of results before interest received and paid.

• Share-based payments
This charge is calculated using a standard valuation model, with the assessed non-cash cost each year varying depending on new scheme invitations and the number of leavers from live schemes. These variables can create a volatile non-cash charge to the income statement, which is not directly connected to the trading performance of the business.

• Amortisation of acquired intangible assets
This charge relates to intangible assets created from prior business combinations, hence provides a fuller understanding of current operating performance.

• Non-recurring items
The Group's accounting policies include the separate identification of non-recurring material items on the face of the income statement, which the Board believes could cause a misinterpretation of trading performance if not disclosed.

Notes to the Condensed Consolidated Interim Financial Statements

7. AMORTISATION OF ACQUIRED INTANGIBLE ASSETS, SHARE-BASED PAYMENTS AND NON-RECURRING ITEMS

	Unaudited six months ended 30 April 2023	Unaudited six months ended 30 April 2022	Audited year ended 31 October 2022
	£000	£000	£000
Amortisation of acquired intangible assets and share-based payments			
Amortisation of intangibles	**124**	35	154
Cost of share-based reward	**145**	130	262
	269	165	416
Non-recurring items			
Acquisition transaction costs	**28**	523	572
Fair value change in investment property	**-**	-	522
	28	523	1,094

Acquisition transaction costs relate to the Business Combination (see note 17) of Humphrey Poultry Holdings in March 2022 and Tamar Milling Limited in November 2022.

8. TAXATION

The tax charge for the six months ended 30 April 2023 and 30 April 2022 is based on an apportionment of the estimated tax charge for the full year.

The effective tax rate is 24.1% (6 months ended 30 April 2022: 21.4%) which is higher than the prior year following the Government's decision to raise the standard rate of Corporation Tax to 25% with effect from April 2023 (2022: 19.0%).

9. CASH (USED IN)/GENERATED FROM OPERATIONS

	Unaudited six months ended 30 April 2023	Unaudited six months ended 30 April 2022	Audited year ended 31 October 2022
	£000	£000	£000
Profit for the period	**3,851**	7,513	17,142
Adjustments for:			
Taxation	**1,223**	2,047	3,982
Depreciation of tangible fixed assets	**1,163**	1,109	2,289
Amortisation of other intangible fixed assets	**124**	35	154
Amortisation of right-use-assets	**2,024**	2,019	4,086
Profit on disposal of property, plant and equipment	**(31)**	(104)	(132)
Profit on disposal of right-use-asset	**-**	-	(86)
Fair Value movement in investment property	**-**	-	522
Movement in provisions	**(237)**	-	(6)
Net interest income / (expense)	**233**	59	233
Interest on right of use liabilities	**171**	127	257
Derivative held as Fair Value FVPL	**434**	632	(627)
Hedge ineffectiveness	**(118)**	-	104
Government grant	**(1)**	(1)	(2)
Share of results of joint venture and associate	**-**	-	(676)
Share-based payment expense	**145**	130	262
ESOP trust revaluation	**(31)**	-	-
Changes in working capital			
(excluding effects of acquisitions and disposals of subsidiaries)			
Increase in inventories	**12,998**	(11,028)	(18,401)
Increase in trade and other receivables	**(11,074)**	(25,106)	(18,467)
Increase in trade and other payables	**(27,637)**	13,252	23,205
Cash (used in)/generated from operations	**(16,763)**	(9,316)	13,839

During the six months to 30 April 2023, the Group entered new land and building leases creating right-of-use assets of £2,417,000 (2022:nil), the Group also purchase property, plant and equipment of £3,776,000 (2022: £2,381,000) of which £940,000 relates to right-of-use assets (2022: £965,000).

Notes to the Condensed Consolidated Interim Financial Statements

10. LEASES

The following tables shows the movement in right-of-use assets and lease liabilities, along with the aging of the lease liabilities.

Right-of-use assets	**Land and buildings £000**	**Plant, machinery and motor vehicles £000**	**Total £000**
At 1 November 2021	6,113	4,930	11,043
Additions	-	965	965
Arising on acquisition of subsidiary undertakings	-	210	210
Reclassification	55	(55)	-
Amortisation	(1,102)	(917)	(2,019)
Disposals	-	(338)	(338)
At 30 April 2022	5,066	4,795	9,861
Additions	-	784	784
Reclassification	(55)	(256)	(311)
Amortisation	(1,092)	(974)	(2,066)
Disposals	-	(66)	(66)
At 31 October 2022	**3,919**	**4,283**	**8,202**
Additions	**2,417**	**940**	**3,357**
Arising on acquistion of subsidiary undertakings	**307**	**217**	**524**
Reclassification	**54**	**(86)**	**(32)**
Depreciation	**(1,175)**	**(849)**	**(2,024)**
Disposals	**-**	**(12)**	**(12)**
At 30 April 2023	**5,522**	**4,493**	**10,015**

Lease liabilities	**Land and buildings £000**	**Plant, machinery and motor vehicles £000**	**Total £000**
At 1 November 2021	6,220	3,506	9,726
Additions	-	965	965
Reclassification	-	17	17
Arising on acquisition on subsidiary undertaking	-	210	210
Interest expense	60	67	127
Lease payments	(1,144)	(1,191)	(2,335)
At 30 April 2022	5,136	3,574	8,710
Additions	-	784	784
Reclassification	-	(17)	(17)
Interest expense	53	77	130
Lease payments	(1,137)	(757)	(1,894)
Disposals	-	(370)	(370)
At 31 October 2022	**4,052**	**3,291**	**7,343**
Additions	**2,417**	**940**	**3,357**
Arising on acquisition of subsidiary undertakings	**307**	**147**	**454**
Interest expense	**92**	**79**	**171**
Lease payments	**(1,245)**	**(1,018)**	**(2,263)**
Disposals	**-**	**(44)**	**(44)**
At 30 April 2023	**5,623**	**3,395**	**9,018**

	Within 1 year £000	**1-2 years £000**	**2-5 years £000**	**Over 5 years £000**	**Total £000**
Lease liability	**3,312**	**2,997**	**1,652**	**1,057**	**9,018**

11. NET CASH

	Unaudited six months ended 30 April 2023 £000	Unaudited six months ended 30 April 2022 £000	Audited year ended 31 October 2022 £000
Cash and cash equivalents per balance sheet	**1,381**	6,112	31,177
Bank overdrafts repayable on demand	**(406)**	-	-
Cash and cash equivalents per cash flow	**975**	6,112	31,177
Bank loans due within one year or on demand	**(1,897)**	(1,897)	(2,371)
Loan capital	**(672)**	(672)	(672)
Net Cash due within one year	**(1,594)**	3,543	28,134
Bank loans due after one year	**(5,691)**	(7,588)	(6,640)
Total net (debt) / cash excluding leases	**(7,285)**	(4,045)	21,494

12. FINANCIAL INSTRUMENTS

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group Financial Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group's principle financial instruments (other than derivatives) compromise loans, cash and short -term deposits; the main purpose of these instruments is to raise finance for the Gorup's operations; and additionally include trade and other receivables, trade and other payables and lease liabilities.

The Group also enters derivative transactions, principally foreign exchange contracts and wheat futures to manage commodity price and currency risks arising from the Group's operations.

The Group's policy does not permit use of derivatives for speculative purposes. However, some derivatives do not qualify for hedge accounting, or are specifically not designated as a hedge where gains and losses on the hedging instrument and the hedged item naturally offset in the Group's income statement. Treasury operates on a centralised basis, where Derivatives are only used for economic hedging purposes and not as speculative investments and are classified as 'held for trading', other than designated and effective hedging instruments and are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period, otherwise they are classified as non current.

The principal financial instruments used by the Group, from which risk arises, are as follows:

- Cash and cash equivalents
- Trade receivables
- Trade and other payables
- Borrowings
- Forward currency contracts
- Wheat futures contracts

The following financial instruments have been recognised in the Group's respective financial statements:

		GROUP	
Financial Assets	**April 2023**	April 2022	October 2022
	£000	£000	£000
Cash and cash equivalents per balance sheet	**1,381**	6,112	31,177
Trade receivables, net of loss allowance	**106,854**	98,139	94,823
Loan to joint venture	**1,059**	2,090	1,067
Derivative of financial instruments	**-**	359	599
	109,294	106,700	127,666

Financial Liabilities	**April 2023**	April 2022	October 2022
	£000	£000	£000
Bank loans and other borrowings	**8,666**	10,157	9,683
Lease liabilities	**9,018**	8,710	7,343
Trade payables and other payables	**76,205**	81,823	101,858
Deferred and contingent consideration	**199**	3,785	2,099
Derivative financial instruments	**137**	825	133
	94,225	105,300	121,116

12. FINANCIAL INSTRUMENTS continued

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings, and lease liabilities. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.
IFRS 13 requires financial instruments that are measured at fair value to be classified according to the valuation technique used:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs, other than level 1 inputs, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived form prices)
- Level 3 - unobservable inputs

All derivative financial assets and liabilities are classified as Level 1 instruments as they are quoted market prices. Contingent consideration is measured at fair value using Level 3 inputs such as entity projections of future probability.

	Fair value			Amortised cost		
	April 2023	April 2022	October 2022	**April 2023**	April 2022	October 2022
Financial assets	**£000**	£000	£000	**£000**	£000	£000
Trade Receivables, net of loss allowance	**-**	-	-	**106,854**	98,139	94,823
Loans to joint ventures	**-**	-	-	**1,059**	2,090	1,067
Derivative financial instruments (Level 1)	**-**	359	599	**-**	-	-
	-	359	599	**107,913**	100,229	95,890

	April 2023	April 2022	October 2022	**April 2023**	April 2022	October 2022
	£000	£000	£000	**£000**	£000	£000
Financial labilities						
Bank loans and other borrowings	**-**	-	-	**8,666**	10,157	9,683
Lease liabilities	**-**	-	-	**9,018**	8,710	7,343
Trade and other payables	**-**	-	-	**76,205**	81,823	101,858
Deferred and contingent consideration	**199**	3,785	2,099	**-**	-	-
Derivative financial instruments (Level 1)	**137**	825	133	**-**	-	-
	336	4,610	2,232	**93,889**	100,690	118,884

The Group is exposed through its operation to the following financial risks:

- Credit risk
- Foreign exchange risk
- Commodity market price risk
- Interest rate risk
- Liquidity risk
- Capital management risk

The policies and processes for managing each of these risks are summarised in the Group's annual report published in February 2023 and available on the Company's website.

13. EARNINGS PER SHARE

Basic earnings per 25p ordinary share has been calculated by dividing profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. 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.

	Unaudited six months ended 30 April 2023	Unaudited six months ended 30 April 2022
Weighted average number of shares in issue: basic	**22,388,625**	20,311,023
Earnings per share: basic in pence	**17.20**	36.99
Weighted average number of shares in issue: diluted	**22,869,576**	20,831,327
Earnings per share: diluted in pence	**16.84**	36.07

14. SHARE CAPITAL

	Number of shares 000s	**Total £000**
Allotted and fully paid: ordinary shares 25p each		
Balance at 31 October 2021	20,299	5,075
Issue of shares	77	19
Balances at 30 April 2022	20,376	5,094
Issue of shares	1,964	491
Balances at 31 October 2022	22,340	5,585
Issue of shares	**215**	**54**
Balances at 30 April 2023	**22,555**	**5,639**

The shares issued in the period related to 142,000 in relation to Performance Share Plan options (2022: 26,000) and 73,000 (2022: 51,000) shares allotted to shareholders exercising their rights to receive dividends under the Company's scrip dividend scheme. No other shares were allocated during the current or prior period.

As at 30 April 2023 a total of **22,554,586** shares are in issue (2022: 20,376,156).

15. DIVIDENDS

During the period ended 30 April 2023 an amount of £2,608,000 (2022: £2,134,000) was charged to reserves in respect of equity dividends paid. An interim dividend of 5.50p per share (2022: 5.40p) will be paid on 31 October 2023 to shareholders on the register on the 29 September 2023. New elections to receive Scrip Dividends should be made in writing to the Company's Registrars before 14 October 2023.

16. OTHER RESERVES

Included in Other reserves are share-based payments; as 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.

The Group operates a number of share option and 'Save As You Earn' schemes and fair value is measured by use of a recognised 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.

At the 30 April 2023 the ESOP Trust, which is consolidated within the Group financial statements, held 127,043 (2022: 16,834) Ordinary Shares in the Group.

17. BUSINESS COMBINATION

Tamar Milling Limited
On 16 November 2022, Wynnstay Agricultural Supplies entered a business combination and acquired 100% of the shares of Tamar Milling Limited.
The provisional consideration is £1.746m inclusive of cash and cash equivalents of £32k.

	Current £000	Non-Current £000	Total £000
Trade receivables net of loss allowance	1,015	-	**1,015**
Other receivables	45	-	**45**
Inventories	953	-	**953**
Cash and cash equivalents	32	-	**32**
Trade payables	(722)	-	**(722)**
Other payables	(292)	-	**(292)**
Lease liabilities	(141)	(313)	**(454)**
Deferred tax	-	(119)	**(119)**
Net Current Assets and Non-Current Liabilities	**890**	**(432)**	458
Tangible fixed assets	-	788	**788**
Underlying Net Assets of Acquiree	**890**	**356**	**1,246**

The provisional consideration payable is dependent on employee retention and the future product volume and profitability of the commercial business acquired. The fair value of the contingent consideration has been based on management's expectation of the future performance of the business and that could range from £nil to £0.1m.

17. BUSINESS COMBINATION continued

A full analysis of the provisional consideration is provided in the table below. The goodwill balance represents the assembled workforce and future sales opportunities and is not expected to be deductible for tax purposes.

Fair value of net assets acquired	**Fair Value of Net Assets Acquired £000**	**Adjustment £000**	**Fair Value of Net Assets £000**
Goodwill	-	302	**302**
Intangibles - customer accounts	-	234	**234**
Property, plant and equipment	264	-	**264**
ROU Assets	524	-	**524**
Inventories	953	-	**953**
Trade Receivables	1,015	-	**1,015**
Other receivables	45	-	**45**
Cash and cash equivalents	32	-	**32**
Trade Payables	(722)	-	**(722)**
Other payables	(292)	-	**(292)**
Lease liabilites	(454)	-	**(454)**
Deferred tax	(119)	(36)	**(155)**
Net Assets	**1,246**	**500**	**1,746**
Acquisition date- fair value of the total net assets acquired			**1,746**
Representing:			
Cash settled to vendor during the period			**1,646**
Deferred consideration outstanding at 30 April 2023			**100**
Provisional Consideration			**1,746**
Cash Flow Statement:			
Cash settled to vendor during the period			**1,646**
less, Cash and cash equivalents acquired			**(32)**
Cash settled to vendor during the period for prior acquisitions			**1,095**
			2,709

Directly attributable acquisition costs of £28k were incurred with the transaction, and these have been recognised as non-recurring expenses in the income statement for the period. During the last available audited accounts of the acquired entities, for the period to September 2021, the annual aggregate revenues on a non-consolidated basis amounted to £6.397m and profit before tax was £0.422m. Business combination accounting is expected to be finalised within 12 months from the completion date of the acquisition. Amounts included in the Consolidated Statement of Comprehensive Income period to April 2023 in relation to the acquired business are revenues of £4.17m and profit before tax of £0.05m.

Contingent and deferred consideration of £1.095m was paid during the period to 30 April 2023 relating to other prior period acquisitions, resulting in a total gross cash outflow of £2.741m or £2.709m net of cash acquired with the Tamar Milling transaction.

Following the acquisition of Humphrey Poultry (Holdings) Limited on the 18 March 2022, and the final calculation of the contingent consideration relating to that transaction on the 28 February 2023, the acquisition accounting has been finalised within the twelve-month period recommended under IFRS 3. The resultant adjustments to previously reported provisional accounting entries have been, a reduction of £0.905m in carried Goodwill and an equivalent reduction in Deferred Consideration.