



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

The Group operates two core divisions, Agricultural Supplies and Specialist Retail which includes the Country Store Business and the Dedicated Pet Products activity.

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

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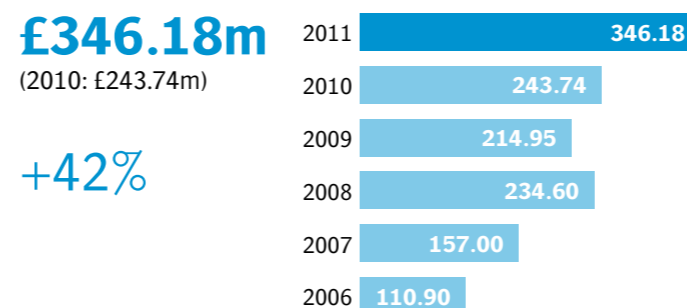
Delivering sustainable growth on a solid foundation

| | 2011 | 2010 |
|------------------------------|-----------------|-----------------|
| Group Revenue | £346.18 million | £243.74 million |
| Earnings per Share | 30.23 pence | 27.48 pence |
| Shareholders’ Funds | £51.70 million | £47.37 million |
| Group EBITDA | £10.07 million | £9.00 million |
| Group Pre Tax Profit* | £6.94 million | £5.95 million |
| Dividend per Share | 7.80 pence | 7.10 pence |

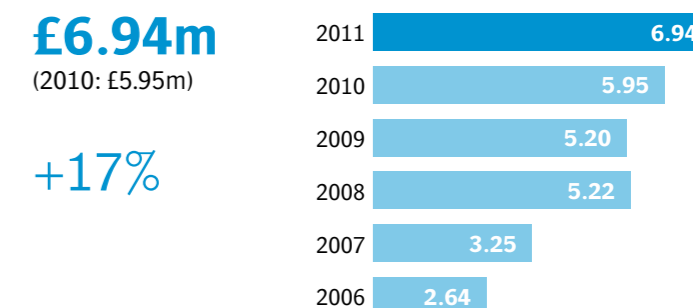
*Group pre-tax profits include the Group’s share of pre-tax profits from joint ventures and associate investments

Growth Record

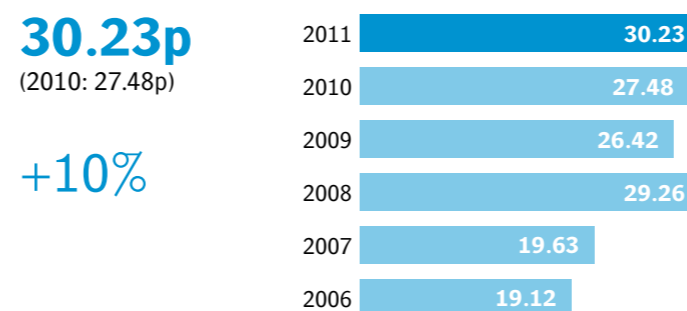
Group Revenue (£m)



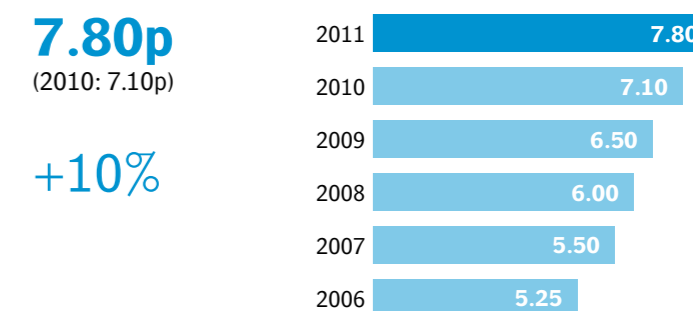
Group Pre Tax Profits* (£m)



Earnings per Share (pence)



Dividend per Share (pence)



Directors
 J E Davies
 E G Owen
 J C Kendrick
 E E Hughes (retired 15 March 2011)
 Lord Carlile CBE QC
 B P Roberts
 K R Greetham
 D A T Evans
 J J McCarthy (appointed 21 July 2011)

Secretary B P Roberts

Company Number 2704051

Registered Office
 Eagle House
 Llansantffraid-Ym-Mechain
 Powys
 SY22 6AQ

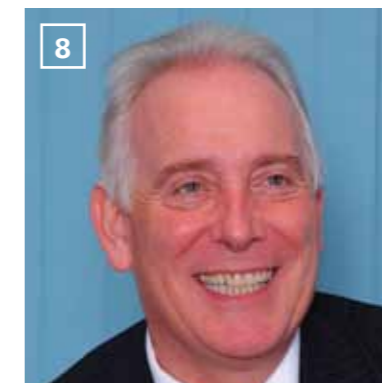
Auditors
 Whittingham Riddell LLP
 Chartered Accountants and Statutory Auditors
 Belmont House
 Shrewsbury Business Park
 Shrewsbury
 SY2 6LG

| | | | |
|----------------|---|------------------------------|---|
| Bankers | HSBC Plc The Cross Oswestry Shropshire SY11 2SR | Nominated Advisor | W H Ireland Limited 11 St James's Square Manchester M2 6WH |
|----------------|---|------------------------------|---|

| | | |
|---------------------|---|---|
| Stockbrokers | W H Ireland Limited 11 St James's Square Manchester M2 6WH | Shore Capital Limited Bond Street House 11 Clifford Street London W1S 4JU |
|---------------------|---|---|

Registrars
 Neville Registrars Limited
 Neville House
 18 Laurel Lane
 Halesowen
 West Midlands
 B63 3DA

| | | |
|------------------|---|---|
| Solicitor | Harrisons Solicitors LLP 11 Berriew Street Welshpool Powys SY21 7SL | DWF LLP 5 St Paul's Square Old Hall Street Liverpool L3 9AE |
|------------------|---|---|



1. John Eric Davies (age 66)
 Non-executive Chairman
 John joined the Board of Wynnstay & Montgomeryshire Farmers Limited in 1980. He became Chairman of the Company in 1992.

2. Edward Gareth Owen (age 63)
 Non-executive Vice Chairman
 Gareth joined the Board of Wynnstay & Montgomeryshire Farmers Limited in 1985. He is a director of Celtic Pride Ltd.

3. Kenneth Richard Greetham (age 52)
 Chief Executive
 Ken joined the Board in 2008 when he became Chief Executive. He joined Wynnstay in 1997, following the integration of Shropshire Grain into Wynnstay.

4. Bryan Paul Roberts (age 48)
 Finance Director
 Paul joined the Board in 1997 when he also became Company Secretary. He joined Wynnstay & Montgomeryshire Farmers Limited in 1987.

5. David Andrew Thomas Evans (age 43)
 Retail Director
 Andrew joined the Board in 2008. Andrew was previously the General Manager of Wynnstay's Retail division, he joined Wynnstay in 1996.

6. Jeffrey Charles Kendrick (age 64)
 Non-executive Director
 Jeffrey joined the Board in 1988 and has been Managing Director of Wynnstay Fuels Ltd since it was established in 1989. He is a director and sole shareholder of Morrey Oils Limited.

7. Lord Carlile CBE QC (age 63)
 Non-executive Director
 Lord Carlile CBE QC joined the Board in 1998 following a period as Chairman of the Company's Special Share Trust.

8. James John McCarthy (age 56)
 Non-executive Director
 Jim joined the Board in July 2011. He has a wealth of corporate and management experience from a background in the retailing industry which spans over 38 years. He is currently Chief Executive Officer of Poundland Ltd.

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

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



FEED DIVISION

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



ARABLE DIVISION

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

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



WYNNSTAY STORES

The rural retail outlets are well established and provide a comprehensive range of products for farmers and rural dwellers. The stores, which now number 28 operating in North and Mid Wales and the West Midlands, supply a wide range of specialist products to farmers, smallholders and pet owners. Our dedicated team are happy to help customers with technical advice on all aspects of products on offer. Our increased diversity complements our core agricultural business, acting as an important route to market for pharmaceutical companies with whom the Group works with closely to provide specialist professional advice to livestock farmers.



JUST FOR PETS

Just for Pets currently has 19 specialist pet product stores operating on busy retail sites throughout the West Midlands, extending east to Cambridge and south to Bristol. All stores offer a wide range of pet related products and are recognised as convenient one stop shops for all pet owners. Our staff have considerable experience within the pet sector and a significant proportion are qualified to offer specialist advice to pet owners. Two stores have an easipetcare concession offering veterinary advice and services to customers; this is further complimented by vaccination clinics in 3 of our other stores. In October 2011 the distribution centre was re-located to Hartlebury, Worcestershire to allow further expansion of specialist pet outlets.



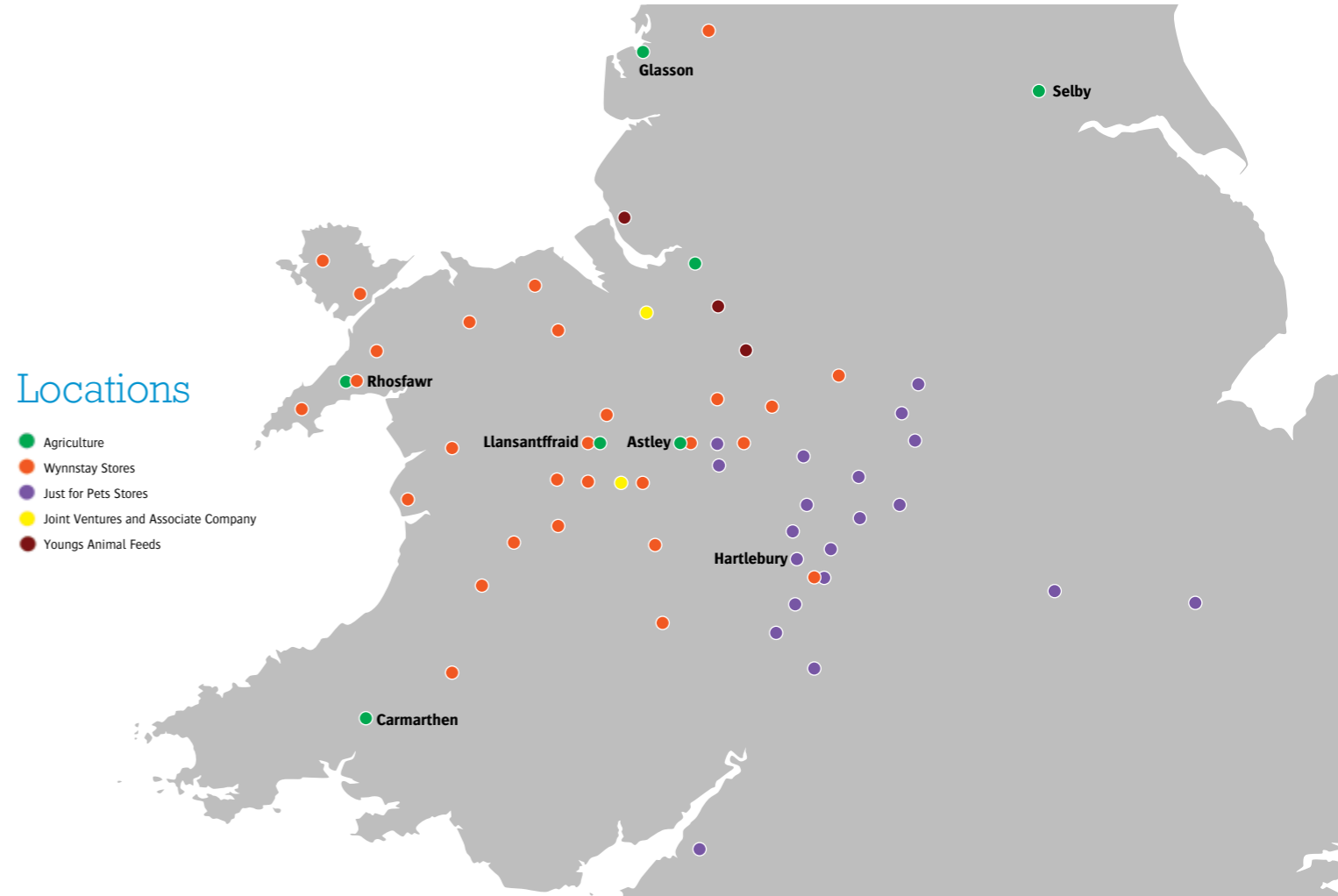
YOUNGS ANIMAL FEEDS

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

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

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

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





The broad business
base of the Group
continues to be an
important factor in
delivering overall growth

OVERVIEW

I am very pleased to report that Wynnstay continues to perform strongly and results for the year to 31 October 2011 set a new high for the Group against the backdrop of a volatile market. Revenues for the twelve months increased by 42% to £346.18m and Group pre-tax profit rose by 17% to £6.94m. The increase reflects the benefit of recent acquisitions, inflation, especially on feed and fertiliser prices, which has been a key feature over the year as well as organic growth.

The broad business base of the Group continues to be an important factor in delivering overall growth and looking across Wynnstay's range of activities, our raw materials trading, arable supplies and specialist retailing activities all delivered especially good results.

The acquisition in May 2011 of Wrekin Grain Ltd, a leading independent grain marketing and agricultural inputs supplier based in Shropshire, has further strengthened our presence in the arable sector. It significantly increases Wynnstay's grain marketing volumes and extends the Group's geographic trading area and farming customer base. We have now completed its integration with our existing grain trading activity and have rebranded and launched the combined businesses as "GrainLink Ltd", giving us a national presence in grain marketing.

As well as expanding our agricultural supplies activities, we continued with the steady expansion of our specialist retailing division. This division saw very good like-for-like growth from Wynnstay Stores, helped by our refurbishment programme. Mainly targeting the farming community, although we also attract custom from country dwellers in general, these stores typically supply non-discretionary products and therefore sales have remained buoyant. We continued with the roll-out of our Just for Pets pet products chain, expanding by another three stores in the year. Results from all our newer stores are encouraging and the total number of Just for Pets stores now stands at 19. We plan to open three further new stores in 2012.

FINANCIAL RESULTS

The year to 31 October 2011 saw total revenues increase by 42% to £346.18m (2010: £243.74m). The Group's agricultural supplies activities contributed revenues of £274.57m (2010: £178.02m) and specialist retailing contributed £71.32m (2010: £65.47m) to this result. The Group's pre-tax profit was £6.94m (2010: £5.95m), an increase of 17% on last year. The operating profit contribution from agricultural supplies activities including joint venture results was £3.82m (2010: £3.00m) and specialist retailing activities contributed £3.70m (2010: £3.46m). Other activities showed a small loss of £0.19m (2010: loss of £0.13m) and net finance charges amounted to £0.39m (2010: £0.38m). After a Group taxation charge of £1.94m (2010: £1.71m), net earnings were 18% higher than last year at £5.00m (2010: £4.23m). This equates to 30.23p per share (2010: 27.48p) representing an increase of 10% over the preceding year.

The Group's balance sheet remains strong, with net assets at 31 October 2011 amounting to £51.70m (2010: £47.37m) or approximately £3.12 per share (2010: £3.08). Gearing remains low, despite funding the Wrekin acquisition through additional debt, and stands at 13% (2010: 7%) at the year end, based on a net debt position of £6.67m (2010: £3.47m). Return on net assets increased to 14.2% (2010: 13.5%).

DIVIDEND

The Board is pleased to propose the payment of a final dividend of 5.20p per share, which together with the interim dividend of 2.60p per share, paid on 31 October 2011, takes the total dividend for the year to 7.80p, an increase of 10% on last year (2010: 7.10p). The final dividend will be paid on 30 April 2012 to shareholders on the register on 30 March 2012. A scrip dividend alternative will continue to be available as in previous years. The last date for election for the scrip dividend will be 16 April 2012.

THE BOARD

At the Group's AGM, in March 2011, Non-executive Director Edwin Hughes stepped down from the Board, having reached the Company's agreed retirement age. Edwin has had a long and successful tenure with the Group, having joined the Board in 1989 when our business merged with the Vale of Clwyd Farmers. He has always been very supportive of our growth strategy and has made a very significant contribution to the Group over the years, latterly as Non-executive Vice Chairman. I would like to thank him for all his support and, on behalf of the Board and staff, I wish Edwin, together with his wife Jo, a long and happy retirement.

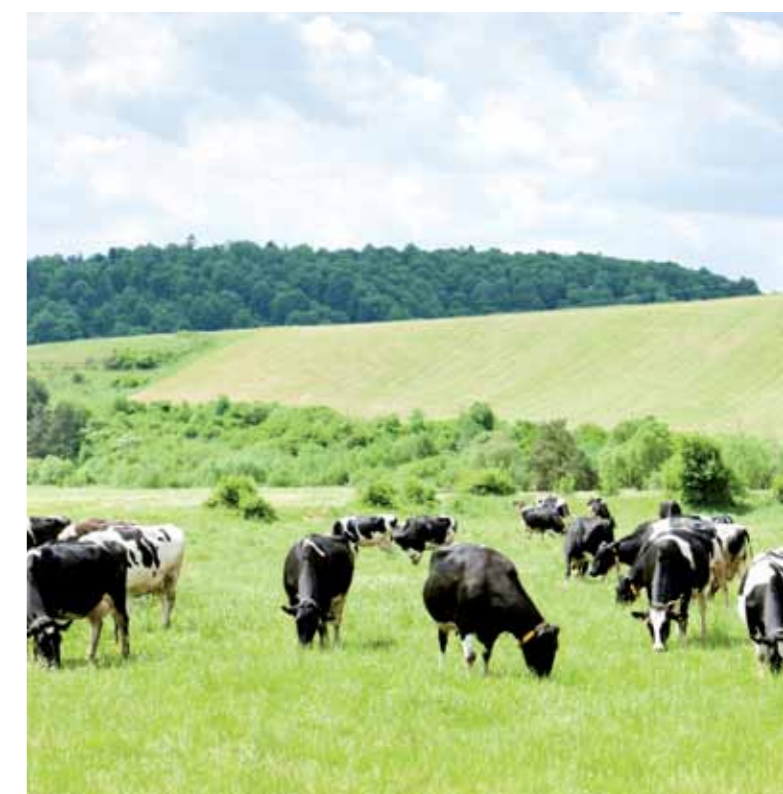
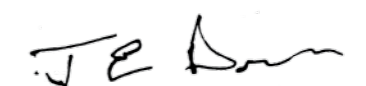
Subsequently, Jim McCarthy was appointed to the Board in July 2011. Jim has assumed the role of Senior independent Non-executive Director and we welcome him as a valuable new contributor to the Group. Jim brings a wealth of corporate and management experience to Wynnstay, having served in a number of very senior and high profile roles, particularly in retailing. He is Chief Executive Officer of Poundland Ltd, the high street retailer, which he has led since joining in 2006. Previously, he was at J Sainsbury Plc, where he was Managing Director of Convenience, and between 1989 and 2003, Jim was Chief Executive Officer at T & S Stores Plc, the convenience store chain which he built up to over 1,100 outlets and subsequently sold to Tesco Plc in 2003.

OUTLOOK

The significant inflation in agricultural commodity prices, which the Group has experienced during the last twelve months, is beginning to reverse. Good grain harvests across the globe have increased world grain stocks and, as a result, we have seen a weakening in cereal prices. Feed prices are reflecting these trends and we expect Group revenues to show the effect of deflation in the coming year. Nonetheless, global macro-economic trends, including population growth, rising food consumption and the shift to a westernised diet, remain unchanged. These powerful trends will continue to maintain the underlying strength of world demand for agricultural products and create opportunities for the agricultural industry as a whole.

Against this backdrop, Wynnstay continues to be very well positioned. The Group is well financed with a strong balance sheet and the spread of our activities is a major strength. We will continue to pursue our twin-track strategy of growth via acquisition, particularly within our core agricultural business, together with organic growth. We believe that the prospects for the Group across both our agricultural and specialist retailing activities remain very positive.

£346.18m
revenue for the year
to 31 October 2011

John Davies

Chairman
24 January 2012



Mae sail fusnes eang y Grŵp yn parhau i fod yn ffactor pwysig o ran sicrhau twf cyffredinol

TROSOLWG

Mae'n bleser gennyf gyhoeddi bod Wynnstay yn parhau i berfformio'n gryf ac mai'r canlyniadau ar gyfer y flwyddyn hyd at 31 Hydref 2011 yw'r rhai gorau a gyflawnwyd erioed gan y Grŵp yn erbyn cefndir o farchnad ansefydlog. Cynyddodd refeniw ar gyfer y 12 mis 42% i £346.18m a chynyddodd elw cyn treth y Grŵp 17% i £6.94m. Mae'r cynnydd yn adlewyrchu mantais caffaeliadau diweddar yn ogystal ag effaith chwyddiant, yn arbennig ar brisiau bwyd anifeiliaid a gwrtaith, sydd wedi bod yn nodwedd allweddol yn ystod y flwyddyn yn ogystal a twf organig.

Mae sail fusnes eang y Grŵp yn parhau i fod yn ffactor pwysig o ran sicrhau twf cyffredinol ac o edrych ar draws holl weithgareddau Wynnstay, cyflawnodd ein masnach mewn deunyddiau crai, cyflenwadau â'r gweithgareddau manwerthu arbenigol oll ganlyniadau arbennig o dda.

Ym mis Mai 2011 caffaelwyd Wrekin Grain Ltd, cyflenwr annibynnol blaenllaw ym maes marchnata grawn a mewnbynnau amaethyddol, a leolir yn Swydd Amwythig, ac o ganlyniad atgyfnerthwyd ein presenoldeb yn y sector â'r ymhellach. Mae'n cynyddu meintiau marchnata grawn Wynnstay yn sylweddol ac yn ymestyn ardal fasnachu ddaeryddol y Grŵp a'i sail cwsmeriaid ffermio. Rydym bellach wedi cwblhau'r broses o'i integreiddio â'n gweithgareddau masnachu grawn presennol ac wedi ail-frandio a lansio'r busnesau cyfun fel "GrainLink Ltd", gan sicrhau presenoldeb cenedlaethol i ni ym maes marchnata grawn.

Yn ogystal ag ehangu ein gweithgareddau sy'n gysylltiedig â chyflenwadau amaethyddol, gwnaethom barhau i ymestyn ein hisadran fanwerthu arbenigol yn raddol. Gwelodd yr isadran hon dwf tebyg am debyg da iawn o ran Wynnstay Stores, a gynorthwywyd gan ein rhaglen ailwampio. Mae'r siopau hyn, sy'n targedu'r gymuned ffermio yn bennaf, er ein bod hefyd yn denu cwsmeriaid sy'n byw yn y wlad yn gyffredinol, yn cyflenwi cynhyrchion annewisol fel rheol ac felly mae gwerthiannau wedi parhau i fod yn llewyrchus. Gwnaethom barhau i gyflwyno ein cadwyn o gynhyrchion anifeiliaid anwes Just for Pets, gan agor tair siop arall yn ystod y flwyddyn. Mae canlyniadau ein siopau mwyaf diweddar yn galonogol ac 19 yw cyfanswm y siopau Just for Pets erbyn hyn ac rydym yn bwriadu agor tair siop newydd arall yn 2012.

CANLYNIADAU ARIANNOL

Yn ystod y flwyddyn a ddaeth i ben 31 Hydref 2011, cynyddodd cyfanswm y refeniw 42% i £346.18m (2010: £243.74m). Cyfrannodd gweithgareddau cyflenwi nwyddau amaethyddol y Grŵp refeniw o £274.57m (2010: £178.02m) a chyfrannodd masnach arbenigol £71.32m (2010: £65.47m) at y canlyniad hwn. £6.94m (2010: £5.95m) oedd elw cyn treth y Grŵp, cynnydd o 17% o gymharu â'r llynedd. Cyfrannodd gweithgareddau cyflenwi nwyddau amaethyddol yn cynnwys canlyniadau'r fenter ar y cyd £3.82m at yr elw gweithredol (2010: £3.00m) a chyfrannodd gweithgareddau masnach arbenigol £3.70m (2010: £3.46m). Gwnaeth gweithgareddau eraill golled fach o £0.19m (2010: colled o £0.13m) a chyfanswm y taliadau cyllid net oedd £0.39m (2010: £0.38m). Ar ôl trethiant y Grŵp o £1.94m (2010: £1.71m), roedd enillion net 18% yn uwch na'r llynedd, sef £5.00m (2010: £4.23m). Mae hyn yn cyfateb i 30.23c fesul cyfranddaliad (2010: 27.48c) sy'n gynydd o 10% o gymharu â'r flwyddyn flaenorol.

Mae mantolen y Grŵp yn parhau i fod yn gryf, gydag asedau net ar 31 Hydref 2011 gwerth £51.70m (2010: £47.37m) neu tua £3.12 fesul cyfranddaliad (2010: £3.08). Mae gerio yn parhau i fod yn isel, er i'r broses o gaffael Wrekin gael ei hariannu drwy ddyled ychwanegol, ac mae'n 13% (2010: 7%) ar ddiwedd y flwyddyn, yn seiliedig ar ddyled net o £6.67m (2010: £3.47m). Cynyddodd elw ar asedau net i 14.2% (2010: 13.5%).

DIFIDEND

Mae'r Bwrdd yn falch o gynnig talu dididend terfynol o 5.20c fesul cyfranddaliad, sy'n golygu gyda'r dididend interim o 2.60c fesul cyfranddaliad, a dalwyd ar 31 Hydref 2011, gyfanswm dididend o 7.80c ar gyfer y flwyddyn, cynnydd o 10% ers y llynedd (2010: 7.10c). Caiff y dididend terfynol ei dalu ar 30 Ebrill 2012 i gyfranddalwyr sydd ar y gofrestr ar 30 Mawrth 2012. Bydd dididend sgrip amgen ar gael o hyd, fel yn y blynyddoedd blaenorol. Y dyddiad olaf ar gyfer dewis cael dididend sgrip fydd 16 Ebrill 2012.

Y BWRDD

Yng Nghyfarfod Cyffredinol Blynyddol y Grŵp ym mis Mawrth 2011, ymddiswyddodd y Cyfarwyddwr Anweithredol Edwin Hughes o'r Bwrdd, ar ôl cyrraedd oedran ymdeol cytûn y Cwmni. Mae Edwin wedi cael cyfnod hir a llwyddiannus gyda'r Grŵp, ar ôl ymuno â'r Bwrdd yn 1989 pan unodd ein busnes â Ffermwyr Dyffryn Clwyd. Mae bob amser wedi bod yn gefnogol iawn i'n strategaeth twf ac wedi gwneud cyfraniad sylweddol iawn i'r Grŵp dros y blynyddoedd, yn fwyaf diweddar fel Is-gadeirydd Anweithredol. Hoffwn ddiolch iddo am ei holl gefnogaeth ac, ar ran y Bwrdd a'r staff, hoffwn dymuno ymdeoliad hir a hapus i Edwin, ynghyd â'i wraig Jo.

Yn dilyn hyn, penodwyd Jim McCarthy i'r Bwrdd ym mis Gorffennaf 2011. Jim yw'r Cyfarwyddwr Anweithredol annibynnol uwch a chroesawn ef fel cyfrannwr newydd gwerthfawr i'r Grŵp. Daw Jim â chyfoeth o brofiad corfforaethol a phrofiad rheoli i Wynnstay, gan iddo wasanaethu mewn nifer o rolau uwch â phroffil uchel iawn, yn arbennig ym maes manwerthu. Ef yw Prif Swyddog Gweithredol Poundland Ltd, y manwerthwr stryd fawr, y mae wedi'i arwain ers ymuno ag ef yn 2006. Yn flaenorol, ef oedd Cyfarwyddwr Cyffredinol Cyfleustra yn J Sainsbury plc, a rhwng 1989 a 2003, Jim oedd Prif Swyddog Gweithredol T & S Stores plc, y gadwyn o siopau cyfleustra a ddatblygodd nes ei bod yn cynnwys mwy na 1,100 o allfeydd ac a werthodd ar ôl hynny i Tesco plc yn 2003.

RHAGOLWG

Mae'r chwyddiant sylweddol mewn prisiau nwyddau amaethyddol, a brofwyd gan y Grŵp yn ystod y deuddeg mis diwethaf, yn dechrau gostwng. Mae cynaeafau grawn da ledled y byd wedi cynyddu stoc o rawn y byd ac, o ganlyniad, mae prisiau grawnfwyd wedi gostwng. Mae prisiau bwyd anifeiliaid yn adlewyrchu'r tueddiadau hyn ac rydym yn disgwyl i refeniw'r Grŵp ddangos effaith dadchwyddiant yn ystod y flwyddyn i ddod. Er hyn, mae tueddiadau macro-economaidd byd-eang, yn cynnwys twf mewn poblogaeth, cynnydd yn y byd a fwyteir a'r newid i ddeiet gorllewinol yn parhau yn ddigfnewid. Bydd y tueddiadau grymus hyn yn parhau i gynnal cryfder sylfaenol galw'r byd am gynhyrchion amaethyddol a chreu cyfleoedd i'r diwydiant amaethyddol yn gyffredinol.

Yn erbyn y cefndir hwn, mae Wynnstay yn parhau i fod mewn sefyllfa dda iawn. Mae'r Grŵp wedi'i ariannu'n dda ac mae ganddo fantolen gref ac mae amrywiaeth ein gweithgareddau yn gryfder mawr. Byddwn yn parhau i frwr ymlaen â'n strategaeth ddeublyg sef twf yn erbyn caffael, yn arbennig o fewn ein busnes amaethyddol craidd, ynghyd â thwf organig. Credwn fod y rhagolygon ar gyfer y Grŵp ar draws ein gweithgareddau manwerthu amaethyddol ac arbenigol yn parhau i fod yn gadarnhaol iawn.

£346.18m

refeniw ar gyfer y flwyddyn hyd at 31 Hydref 2011



John Davies
Cadeirydd
24 Ionawr 2012



Our acquisition strategy has continued to support the Group's expansion

INTRODUCTION

The Group has delivered its best annual results ever in the twelve months to 31 October 2011. This was achieved in a year dominated by inflation across all agricultural commodities, which brought both challenges and opportunities for the agricultural industry.

As I have noted in the past, Wynnstay's ability to deliver growth in a sustained manner is supported by the broad range of activities in which we are involved. Overall there was an increase in the total volume of products traded which, helped by contributions from acquisitions and the significant inflation in commodity prices, lifted revenues to a record £346.18 million, a 42% increase over 2010. Group pre-tax profits rose by 17% to £6.94 million. A notable strength of the Group has been its capacity to deal with inflation, through prudent management of working capital and a strong balance sheet.

Our acquisition strategy has continued to support the Group's expansion. During the year, in May 2011, we acquired Wrekin Grain Ltd, a leading grain marketing business and subsequently merged it with Shropshire Grain Ltd, our existing grain trading business, to form "GrainLink Ltd". This established a national presence for Wynnstay in grain marketing. The business complements our acquisition of Woodheads Seeds Ltd in 2010, the seed processor and supplier based in Yorkshire, and further strengthens our arable activities.

Our refurbishment of Wynnstay Stores continued and the operation produced good like-for-like sales growth. We opened three further Just for Pets outlets during the year and also relocated our distribution centre to a larger facility, which will accommodate the continued expansion of the chain.

Our Chairman paid tribute to Edwin Hughes in his Statement and I would also like to add my personal thanks to Edwin for his commitment to the Group and the support he gave me during my first years as Chief Executive. I wish Edwin a long and happy retirement. At the same time, I would also like to welcome Jim McCarthy to the Board as our new Senior independent Non-executive Director. Jim's substantial corporate and management experience will benefit the Company as we continue to develop the business.

REVIEW OF ACTIVITIES

Agriculture

Revenues from our agricultural activities increased by 54% over 2010 to £274.57 million and the profit contribution rose by 27% to £3.82 million. Volume growth benefited from a full year's input from Woodheads Seeds, which we acquired in May 2010, as well as a six month contribution from Wrekin Grain, which we acquired in May 2011. This, combined with increased trading volume at Glasson and considerable inflation, substantially increased the turnover of the Agricultural Division. Feed volumes showed a year on year improvement, however, as expected, there was a slippage in demand for ruminant feed at the end of the year.

Feed Products

Our feed activities continue to benefit from having a presence in both the ruminant and monogastric markets. We maintained growth in sales of poultry feed, despite poorer egg prices and reduced returns for our customers, and our strong relationship with Stonegate, the national egg marketing business, continues successfully. Recent increases in egg prices are an encouraging sign that the sector will generate more acceptable levels of return for producers.

With the ongoing volatility in world markets, raw material procurement is an important element of the Feed Division. Higher raw material costs, along with increased fuel prices, were generally reflected within feed prices during the second half. However, margins were squeezed as demand for ruminant feed reduced due to extended grazing conditions in the autumn. More recently, deflation in grain prices has triggered a reduction in feed prices; nevertheless, demand for dairy feeds has been slow to recover. Bibby Agriculture, our joint venture business, performed well during the year and maintains an excellent reputation for feed supply in the trading area.

Glasson Group

Glasson Group, our raw material and fertiliser trading operation, outperformed our expectations this year. Strong demand, coupled with significant fluctuations in raw material prices, contributed to an excellent performance from the team. Glasson supplies a wide range of raw materials to the feed compound industry as well as added value lines, including wild bird feeds and a range of smallholder feeds, to animal feed outlets. Its fertiliser blending operations have been very successful and, after the year end, we extended Glasson's fertiliser activity by establishing a joint venture, which trades as "FertLink Ltd". This new business, based in Birkenhead, near Liverpool, will supply fertiliser product both within the Group and to other wholesale accounts.

Arable Products

The Arable Division continued to gain momentum during the year. It has enjoyed the benefit of a full year's trading from Woodheads Seeds, acquired in the prior financial year, in May 2010. The total volume of seed traded, including our pre-existing seed business, has been very encouraging and the enlarged activity now forms a very important strand of the Arable Division. With the addition of Woodheads Seeds, Wynnstay is recognised as a major supplier of cereal seeds and herbage seeds to the UK market.

In May 2011, the Group acquired Wrekin Grain, a grain marketing company, operating from Telford in Shropshire. Wrekin Grain has now been integrated with our long established grain marketing business, Shropshire Grain, to form GrainLink, a business with sufficient scale to create a national presence for Wynnstay in grain marketing. I am pleased to report that GrainLink made a good contribution in its first few months of trading and it provides a platform for further expansion in the arable sector.

Group fertiliser volumes increased over last year and mirrored wider industry trends in the UK, with variable demand during the season. This was closely aligned to weather conditions, particularly within the grassland areas. Demand for arable products was strong during the summer months, as farmers bought stocks ahead of likely price increases. Livestock farms generally have less storage capacity, therefore the recent price increases tempered sales during the autumn, however, this should be balanced by stronger demand in the spring. We continue to enjoy a strong relationship with GrowHow, the only UK manufacturer of ammonium nitrate.

54%
increase in revenue from
our agricultural activities





9%
increase in revenue from
our retail activities

Specialist Retail

Our specialist retailing activities, comprising Wynnstay Stores and Just for Pets, performed well during the year. Revenues increased by 9% over 2010 to £71.32 million and the profit contribution increased by 7% to £3.70 million. Growth was driven by the ongoing store refurbishment programme at our country stores chain, Wynnstay Stores, and additional openings of our Just for Pets pet stores.

Wynnstay Stores

Wynnstay Stores delivered another strong performance. Like-for-like sales, adjusted for inflation, increased by 4% year on year, supported by high levels of non-discretionary spending by our farming customer base. Our wide range of products also attracts a broad cross-section of rural dwellers and these sales have been robust. Our store refurbishment programme continued during the year. At Dolgellau in Gwynedd, we repositioned our store within its existing site in January 2011 and the store now provides an enhanced range of products in a much improved retail environment. At Welshpool in Powys, we have taken a site adjacent to the current store to expand the range of hardware products the store offers and at Oswestry we have relocated to a new flagship store. The site is much larger than the previous location and offers a full range of products including a larger gun room with an excellent range of products for country sports enthusiasts.

Our stores are recognised as an important source of products within their rural communities. Product knowledge is also a key aspect of our offering and all our stores have suitably qualified personnel (SQP) to provide guidance on animal pharmaceuticals. In addition, we continue to look for new products to offer our farming customer base, including the supply of alternative energy products.

We continue to see our Wynnstay store chain, which total 28 stores, as providing a one stop shop for agricultural supplies for farmers as well as a useful resource for rural dwellers. Our ongoing store refurbishment programme is aimed at strengthening our offering and we will seek opportunities to expand the geography of the network further.

Youngs Animal Feeds Ltd, acquired in November 2009, has contributed well and is recognised as a leading supplier of equine products to a number of specialist outlets across the Midlands.

Just for Pets

Sales at our Just for Pets stores continued to grow, up 12% year on year reflecting our store opening programme. The pet product sector continues to show resilience against the wider retails sales trend and although like-for-like sales are down by 3%, we are particularly encouraged by the performance of the new stores. The first "easipetcare" veterinary concession was opened, in November 2010, at our Burton upon Trent store. A number of small pet clinics were established at selected stores during the year and we opened a second easipetcare concession at the Kidderminster store in December 2011.

We were pleased to receive another award from the Pet Care Trade Association during the year, when our Acocks Green store was voted "Favourite pet care retailer". This follows our Malvern branch being voted "Retailer of the year" in 2010. These awards demonstrate the commitment of the business and

staff to customer service, an approach which is apparent throughout all the stores and highly attractive to customers.

We relocated our distribution centre to a new facility at Hartlebury, Worcestershire, in September. The move facilitates further expansion over the coming years as the chain continues to grow. There are plans for three new stores in 2012, the first of which will open at Yardley in the West Midlands in February.

Joint Ventures & Associate

Our joint ventures and associate businesses continue to contribute to the Group and have performed in line with management expectations.

STAFF

I would like to record my appreciation of the dedication and commitment of all personnel within the Group who are for us our most valuable "assets". The Board is very grateful to all staff for their contribution to such strong results.

OUTLOOK

The agricultural industry is a strong and important part of the UK economy and the farming community is the Group's largest customer base. In the short term, there could be some pricing pressures for farmers mainly as a result of supermarkets' commitment to provide essential items such as milk and bread at "value" levels. However, the long term outlook for the UK agricultural industry is very positive, especially for efficient producers in the sector.

The breadth of our activities has been an important part of the Group's ability to deliver sustainable growth over many years. It also acts as a buttress against volatility in our markets caused by the effect of variable climatic conditions on world agricultural production. In addition, Wynnstay has a strong balance sheet, which will help to support our growth ambitions and as well as targeting organic expansion, we will continue to look for suitable complementary acquisitions. We remain confident that the Group is well positioned for continued growth over the new financial year.

I look forward to updating all stakeholders further at our AGM in March.

Ken Greatham
Chief Executive
24 January 2012

**Wynnstay has a strong
balance sheet, which
will help to support our
growth ambitions**





The Group's trading performance has once again reached record levels in terms of revenues, profitability and earnings per share

TRADING RESULTS

The Group's trading performance has once again reached record levels in terms of revenues, profitability and earnings per share. The improved results are a combination of continued volume growth in core agricultural product groups and further positive contributions from acquisitions. Revenues have been exaggerated by considerable commodity price inflation across many of the Group's main product categories.

Group revenue was £346.18m (2010: £243.74m), of which £274.57m (2010: £178.02m) came from agricultural supplies, which included a contribution from the acquisition of Wrekin Grain Limited in May 2011. The precise value of this acquired revenue is unavailable because our existing grain trading business was hived into the acquired Company, which was renamed GrainLink Limited in July 2011, and the separate trading activities became indistinguishable, but a reasonable estimate, is £24.00m. The agricultural supplies business also includes a full contribution from Woodheads Seeds Ltd, which was acquired in May 2010. The revenue of this business in the first half of the year (for which period no comparative information has been included as it pre-dated the acquisition) amounted to £11.75m, making our estimate of the effect of acquisitions on the increase in the revenue of agricultural supplies in these results approximately £35.75m. Our retail operations produced revenue of £71.32m (2010: £65.47m) which included contributions from three additional Just for Pets stores opened during the year. The Group's operating profit before contributions from our Joint Venture and Associate Company activities and non-cash charges relating to goodwill impairment and share based payments was up 15% at £7.51m (2010: £6.54m). After goodwill impairment and share based payments of £0.42m (2010: £0.47m) operating profit was up 17% at £7.09m (2010: £6.07m). With a gross contribution from our Joint Venture and Associate Company activities of £0.24m (2010: £0.26m), Group pre-tax profit before finance costs increased by 16% to £7.33m (2010: £6.33m), with the agricultural supplies businesses contributing £3.82m (2010: £3.00m) and the retail operations £3.70m (2010: £3.46m). Other activities contributed a loss of £0.19m (2010: £0.13m). After net finance costs of £0.39m (2010: £0.38m), Group pre-tax profit was £6.94m (2010: £5.95m).

Group Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) rose by 12% to £10.07m (2010: £9.00m).

TAXATION

The Group's tax charge of £1.94m (2010: £1.71m) represented 27.9% (2010: 28.8%) of the Group pre-tax profit, which was slightly higher than the pro-rata standard rate for the period of 26.8%. This was primarily a result of depreciation charges on the Group's freehold buildings not being eligible for capital allowances.

EARNINGS PER SHARE & DIVIDEND

Basic earnings per share was 30.23p (2010: 27.48p), based on a weighted average number of shares in issue during the year of 16.545m (2010: 15.400m), which represents an increase of 10%. The Board proposes to recommend the payment of a final dividend of 5.20p per share on the 30 April 2012, which when added to the interim dividend of 2.60p per share paid on the 31 October 2011, makes a total of 7.80p for the year (2010: 7.10p), an increase of 9.9%. The total dividend is expected to be covered 3.85 times (2010: 3.87 times) by earnings, and continues the Board's progressive dividend policy.

SHARE CAPITAL

The only shares issued during the year were to existing shareholders exercising their right to receive dividends in the form of new shares under the Company's scrip dividend scheme. A total of 106,263 shares (2010: 97,295) with an equivalent cash value of £0.368m (2010: £0.269m) were allotted in these issues. A small number of employee share options were exercised during the year and satisfied with existing shares already held by the Company's Employee Share Ownership Trust.

BALANCE SHEET

Group net assets at the year end amounted to £51.70m (2010: £47.37m), and based on the weighted average number of shares in issue during the year of 16.545 million, this represented a net asset value per share of £3.12 (2010: £3.08). During the financial year the share price traded in a range between a low of £2.93 in December 2010 and a high of £3.78 in July 2011.

Capital investment in fixed assets amounted to £3.36m (2010: £2.22m) and during the year, expenditure on new acquisitions, inclusive of acquired net cash / (debt), was £2.60m (2010: £4.09m).

Commodity price inflation, particularly in feed raw materials and fertiliser products, has impacted the Group's working capital requirements, with higher inventory and receivables values as a result of higher unit costs in addition to greater activity levels. Total inventory values increased by 31% to £23.69m (2010: £18.00m), with the acquisition of Wrekin Grain accounting for £0.8m of this increase. Trade and other receivables increased to £45.58m (2010: £36.00m) with the acquisition effectively responsible for around £5.60m of the increase after adjusting for the hive up of the existing Shropshire Grain activities into the merged business. The additional funding requirement was partly offset by an increase in trade and other payables which stood at £48.16m (2010: £36.58m) at the year end.

CASHFLOW & NET DEBT

The considerable working capital outflow mentioned above, which amounted to £4.34m (2010: £1.82m), saw net cash generated from operating activities reduce to £3.72m (2010: £4.77m). Total net cash investment, including acquisitions, but excluding assets acquired under finance leases amounted to £5.43m (2010: £5.13m), and new equity finance of £0.37m was raised through the scrip dividend scheme (2010: £4.49m raised through the scrip dividend scheme and share placings). After the payment of £1.21m (2010: £1.03m) in dividends to shareholders, debt repayments of £2.50m (2010: £2.62m), and new loans drawn of £4.03m (2010: £Nil) there was a net decrease in cash and cash equivalents in the business of £1.02m (2010: £0.48m increase). When added to the net reduction in term and other existing non liquid debts of £1.85m (2010: £1.76m) and accounting for the new expansion loans of £4.03m (2010: £Nil) the total increase in net debt in the year was £3.20m (2010: £2.24m decrease).

£51.70m
Group net assets for the year to 31 October 2011



This net cash outflow in the year has increased the Group's year end net debt position to £6.67m (2010: £3.47m), producing a gearing level of 12.9% (2010: 7.3%) of shareholders total equity at the year end. The Board planned for an increase in debt levels during the year in order to finance the expansion projects completed. The support for the new facilities obtained demonstrates the continuing confidence of the Group's main bankers and the Board believes current overall debt is still at a comfortable level, well within existing facilities. This provides sufficient headroom to absorb any further inflationary pressures from volatile commodity prices.

RISK MANAGEMENT

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

Financial Risk Management:

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

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

Foreign Currency – The main currency related risk to the Group comes from the forward purchasing of imported raw materials for our Glasson business. This risk is mainly managed by entering into currency purchase agreements at the time the underlying transaction is completed.

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

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

Operational Risk Management:

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

Customer Loss & Competition – There is a constant risk of customer loss from both industry contraction, particularly in the dairy sector, and through enhanced competition. The Group's continuing strategy for overcoming this issue is market share growth through geographic expansion and acquisitions. A specific strategy of expanding the multi species feed activities of the business has been successfully implemented which will help minimise dependence on any particular livestock sector. Significant recent investment has also been made in the Company's direct sales force, both in terms of numbers and training.

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

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

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

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

KEY PERFORMANCE INDICATORS

The performance of the business is regularly monitored against Key Performance Indicators (KPI's), the comparative results for which are reported in the Chairman's Statement on page 6. These indicators are defined as follows :

Revenue: The invoiced value of sales from the Group's activities, measured at a fair value net of all rebates and excluding value added tax.

EBITDA: Group pre-tax profit, including share of pre-tax profits of joint ventures and associate, including profit on fixed asset disposals, before interest, taxation, depreciation, fixed asset impairment charges and share based payments.

Earnings per share: Profit for the year after taxation divided by the weighted average number of shares in issue during the year excluding any shares held by the Group's Employee Share Ownership Trust.

Return on Net Assets: Group pre-tax profit, including share of pre-tax profits of joint ventures and associates before any goodwill impairment or share based payment charges, divided by the balance sheet net asset value.

Net Asset Per Share: The balance sheet net asset value, divided by the weighted average number of shares in issue during the year, excluding any shares held by the Group's Employee Share Ownership Trust.



Paul Roberts
Finance Director
24 January 2012



The Directors present their report together with the audited financial statements of the Parent Company ("the Company") and the Group for the year ended 31 October 2011.

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

The address of the Company's registered office is Wynnstay Group Plc, Eagle House, Llansantffraid-Ym-Mechain, Powys, SY22 6AQ.

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

The Group financial statements were authorised for issue by the Board of Directors on 24 January 2012.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

SHARE CAPITAL

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

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

Reported under IFRS the Group profit before taxation is £6,852,000 (2010: £5,877,000). After a taxation charge of £1,851,000 (2010: £1,645,000), the Group profit for the year is £5,001,000 (2010: £4,232,000).

The Directors recommend a final ordinary dividend of 5.20p per ordinary 25p share net (2010: 4.70p per ordinary 25p share net), to be paid on 30 April 2012, to shareholders on the Register at the close of business on 30 March 2012.

The share price will be marked ex dividend with effect from the 28 March 2012. In accordance with the rules of the Company's Scrip Dividend Scheme, eligible shareholders will be entitled to receive their dividend in the form of additional shares. New mandate forms for this scheme should be signed and lodged with the Company Secretary 14 days before the dividend payment date of 30 April 2012.

DONATIONS

During the year ended 31 October 2011 the Group made charitable donations of £2,700 (2010: £2,320) principally to local charities servicing the communities in which the Group operates.

LAND AND BUILDINGS

In the opinion of the Directors, the current open market value of the Group's interest in land and buildings exceeds the book value at 31 October 2011 (refer to note 12) by approximately £3,200,000 (2010: £5,165,000).

DIRECTORS' APPOINTMENTS AND RETIREMENTS

Under Article 91, Mr K.R. Greetham, Mr B.P. Roberts and Lord Carlile CBE QC retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election. Under Article 86, Mr J.J. McCarthy, having been appointed to the Board on the 21 July 2011 retires and being eligible offers himself for re-election.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

EMPLOYEES

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

POLICY FOR PAYMENT OF CREDITORS

The Group agrees terms and conditions with suppliers before business takes place and, while there is no Group code or standard it is not Group policy to extend supplier payment terms beyond that agreed. There are no suppliers subject to special arrangements. The average credit terms for the Group as a whole based on the year-end trade payables figure and a 365 day year is 50 days (2010: 55 days).

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

AUDITORS

The Board have decided to seek competitive tenders for the Group audit for 2012. Whittingham Riddell LLP have indicated their willingness to continue in office up to the point of the conclusion of this competitive review and accordingly a resolution proposing their re-appointment will be submitted to the Annual General Meeting. Whittingham Riddell LLP have further expressed their willingness to be considered in the competitive review, but have agreed to resign should they be unsuccessful, to enable the Directors to appoint a new auditor in accordance with s489(3)(c) of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the financial statements comply with the Companies Act 2006 and as regards the Group financial statement, Article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Wynnstay Group website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on page 2 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Chief Executive's Review includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

B P Roberts
Secretary
24 January 2012

DIRECTORS AND THEIR INTERESTS

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

| | 25p Ordinary Shares | | SAYE Options | | Discretionary Options | |
|---------------------------------------|---------------------|---------|--------------|-------|-----------------------|--------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| J E Davies | 40,658 | 39,815 | - | - | - | - |
| E G Owen | 25,050 | 24,530 | - | - | - | - |
| J C Kendrick | 9,980 | 9,773 | - | - | - | - |
| E E Hughes (retired 15 March 2011) | n/a | 61,926 | n/a | - | - | - |
| B P Roberts | 106,000 | 110,000 | 5,046 | 5,046 | 36,500 | 36,500 |
| Lord Carlile CBE QC | 31,656 | 30,999 | - | - | - | - |
| K R Greetham | 36,593 | 34,668 | 7,331 | 7,331 | 54,000 | 54,000 |
| D A T Evans | 12,550 | 12,290 | 5,918 | 5,918 | 27,500 | 27,500 |
| J J McCarthy (appointed 21 July 2011) | - | n/a | - | n/a | - | n/a |

No Director held any direct interest in any subsidiary or associate company. Mr J C Kendrick has an interest in Morrey Oils Limited, the controlling shareholder in Wynnstay Fuels Limited. Biographical details of the directors are set out before the director's report.

SUBSTANTIAL SHAREHOLDERS

At 31 October 2011, the following shareholders held 3% or more of the issued share capital of the Company:

| Registered Shareholder | | Beneficial Holder |
|---|-------|--|
| Ferlim Nominees Limited | 4.90% | Discretionary management funds of Investec Wealth & Investment Limited |
| Europe Nominees Limited | 4.88% | Polar Capital |
| The Bank of New York (Nominees) Limited | 3.07% | Blackrock BGF World Agriculture Fund |
| Vidacos Nominees Limited | 3.03% | Blackrock Agriculture Fund |

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

THE PRINCIPLES OF GOOD GOVERNANCE

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

THE BOARD OF DIRECTORS

The Board currently comprises eight directors, three of whom are executive and five non-executives. The roles of Chairman and Chief Executive are separated. The Chairman is non-executive and is elected by the whole Board on an annual basis. The executive directors all have considerable experience in the agricultural supply industry and have a total of over 53 years service with the Group. The non-executives bring a range of business and commercial expertise to the Board, including direct agriculture, specialist retail, transport & logistics experience and legal and political skills. Primarily due to their length of service, three of the non-executive directors are not deemed independent under the Combined Code on Corporate Governance. James McCarthy, having been appointed in July 2011, is deemed the Senior independent non-executive, and Lord Carlile CBE QC, although having served on the Board for twelve years, is still deemed independent through the integrity provided from his other roles, which include, sitting as a part time judge, chairing the Competition Appeals Tribunal, and advising Government on various sensitive matters. A formal schedule of matters requiring Board approval is maintained, and covers such areas as Group strategy, approval of financial budgets and results, Board appointments, approval of major capital expenditure and dividend policy. The Board normally meets once a month with additional meetings as necessary. Directors are able, if necessary, to take independent professional advice in furtherance of their duties, at the Company's expense. All directors and some senior members of staff have adopted a set of guidelines in regard to their responsibilities for the management and conduct of the Company.

BOARD COMMITTEES

Audit Committee

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

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

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

Remuneration Committee

This Committee of the Board consists of three non-executive directors, Mr E G Owen, Mr J C Kendrick and is chaired by Lord Carlile CBE QC. The Committee normally meets at least once a year and has standard terms of reference in place which have been formally approved by the Board. These terms of reference include the formulation of remuneration policies for executive directors and senior managers, and the supervision of employee benefit structures throughout the Company. The Remuneration Committee did not meet during the year as the Chairman was satisfied that all necessary and relevant matters had been considered and agreed in their previous session.

Nomination Committee

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

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

RELATIONS WITH SHAREHOLDERS

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

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

GOING CONCERN

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

INTERNAL CONTROL

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

The key procedures within the control structure include:

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

AUDITOR INDEPENDENCE

The Board is satisfied that Whittingham Riddell LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence is maintained. The Company meets its obligations for maintaining the appropriate relationship with the external auditors through the Audit Committee, whose terms of reference include an obligation to consider and keep under review the degree of work undertaken by the external auditors, other than the statutory audit, to ensure such objectivity and independence is safeguarded. The Board have resolved that they will conduct a competitive tender process for the role of Group auditor during the next six months and believes that such a process conducted periodically represents sound business practice.

By order of the Board



B P Roberts
Secretary
24 January 2012



Independent Auditors' Report

to the Shareholders of Wynnstay Group Plc

We have audited the financial statements of Wynnstay Group Plc for the year ended 31 October 2011 which comprise the Group Consolidated Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the Companies Act 2006.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

This report, including the opinions, has been prepared for and only for the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 October 2011 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Malpass BA FCA (Senior Statutory Auditor)

For and on behalf of
WHITTINGHAM RIDDELL LLP
Chartered Accountants & Statutory Auditor

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 24 January 2012

Consolidated Statement of Comprehensive Income

for the year ended 31 October 2011



| | Note | 2011 £000 | 2010 £000 |
|---|------|------------------|--------------|
| Continuing Operations | | | |
| Revenue | 2 | 346,176 | 243,744 |
| Cost of sales | | (303,672) | (204,946) |
| Gross Profit | | 42,504 | 38,798 |
| Distribution costs | | (30,957) | (28,539) |
| Administrative expenses | | (4,038) | (3,712) |
| Group Operating Profit Before Goodwill | | 7,509 | 6,547 |
| Impairment and Share-Based Payment Costs | | (422) | (474) |
| Goodwill impairment and share-based payments | | | |
| Group Operating Profit | 4 | 7,087 | 6,073 |
| Interest income | 3 | 72 | 31 |
| Interest expense | 3 | (468) | (412) |
| Finance charges - net | | (396) | (381) |
| Share of profits/losses in associate and joint ventures | | 246 | 253 |
| Share of tax incurred in associate and joint ventures | | (85) | (68) |
| Profit Before Taxation | | 6,852 | 5,877 |
| Taxation | 8 | (1,851) | (1,645) |
| Profit for the Year | | 5,001 | 4,232 |
| Earnings per 25p share | 10 | 30.23p | 27.48p |
| Diluted earnings per 25p share | 10 | 29.47p | 27.06p |

All of the above are derived from continuing operations.

There were no recognised income and expenses for 2011 and 2010 other than those included in the consolidated statement of Comprehensive Income above.

The notes on pages 27 to 50 form part of these financial statements.

Consolidated and Company Balance Sheet

as at 31 October 2011
Registered number 2704051

| | Note | Group | | Company | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2011 £000 | 2010 £000 | 2011 £000 | 2010 £000 |
| Assets | | | | | |
| Non-Current Assets | | | | | |
| Goodwill | 11 | 15,089 | 11,455 | 2,451 | 2,451 |
| Property, plant and equipment | 12 | 17,384 | 17,040 | 13,055 | 12,481 |
| Investment in subsidiaries | 13 | - | - | 21,607 | 16,780 |
| Investments accounted for using equity method | 13 | 3,134 | 3,073 | 1,256 | 1,256 |
| | | 35,607 | 31,568 | 38,369 | 32,968 |
| Current Assets | | | | | |
| Inventories | 16 | 23,687 | 17,994 | 14,332 | 11,618 |
| Trade and other receivables | 17 | 45,584 | 36,001 | 27,870 | 25,176 |
| Available for sale assets | 18 | 682 | - | 682 | - |
| Financial assets | | | | | |
| - loan to joint venture | | 3,493 | 3,461 | 3,493 | 3,461 |
| Cash and cash equivalents | 19 | 1,351 | 2,083 | 1,286 | 1,176 |
| | | 74,797 | 59,539 | 47,663 | 41,431 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Financial liabilities - borrowings | 22 | (4,826) | (3,977) | (3,175) | (2,516) |
| Trade and other payables | 20 | (48,162) | (36,583) | (37,089) | (30,589) |
| Current tax liabilities | 21 | (2,002) | (1,067) | (600) | (721) |
| | | (54,990) | (41,627) | (40,864) | (33,826) |
| Net Current Assets | | 19,807 | 17,912 | 6,799 | 7,605 |
| Non-Current Liabilities | | | | | |
| Financial liabilities - borrowings | 22 | (3,196) | (1,577) | (2,884) | (1,444) |
| Trade and other payables | 20 | (92) | - | - | - |
| Deferred tax liabilities | 25 | (372) | (461) | (60) | (122) |
| Government grants | 26 | (58) | (68) | - | - |
| | | (3,718) | (2,106) | (2,944) | (1,566) |
| Net Assets | | 51,696 | 47,374 | 42,224 | 39,007 |
| Equity | | | | | |
| Ordinary shares | 27 | 4,154 | 4,127 | 4,154 | 4,127 |
| Share premium | | 17,274 | 16,932 | 17,274 | 16,932 |
| Other reserves | | 2,312 | 2,153 | 2,143 | 1,984 |
| Retained earnings | | 27,956 | 24,162 | 18,653 | 15,964 |
| Total Equity | | 51,696 | 47,374 | 42,224 | 39,007 |

The financial statements were approved by the Board of Directors on 24 January 2012 and signed on its behalf.




J E Davies - Director

B P Roberts - Director

The notes on pages 27 to 50 form part of these financial statements.

Consolidated Statement of Changes in Equity

for year ended 31 October 2011



| Group | Share capital £000 | Share premium account £000 | General reserves £000 | Retained earnings £000 | Total £000 |
|---|-----------------------|-------------------------------|--------------------------|---------------------------|---------------|
| | | | | | |
| At 1 November 2009 | 3,635 | 12,931 | 1,971 | 20,955 | 39,492 |
| Profit retained for the year | - | - | - | 4,232 | 4,232 |
| Shares issued during the year | 492 | 4,001 | - | - | 4,493 |
| Dividends | - | - | - | (1,025) | (1,025) |
| Adjustment in respect of share based payments | - | - | 182 | - | 182 |
| At 31 October 2010 | 4,127 | 16,932 | 2,153 | 24,162 | 47,374 |
| Profit retained for the year | - | - | - | 5,001 | 5,001 |
| Shares issued during the year | 27 | 342 | - | - | 369 |
| Dividends | - | - | - | (1,207) | (1,207) |
| Adjustment in respect of share based payments | - | - | 159 | - | 159 |
| At 31 October 2011 | 4,154 | 17,274 | 2,312 | 27,956 | 51,696 |
| Company | | | | | |
| At 1 November 2009 | 3,635 | 12,931 | 1,802 | 14,169 | 32,537 |
| Profit retained for the year | - | - | - | 2,820 | 2,820 |
| Shares issued during the year | 492 | 4,001 | - | - | 4,493 |
| Dividends | - | - | - | (1,025) | (1,025) |
| Adjustment in respect of share based payments | - | - | 182 | - | 182 |
| At 31 October 2010 | 4,127 | 16,932 | 1,984 | 15,964 | 39,007 |
| Profit retained for the year | - | - | - | 3,896 | 3,896 |
| Shares issued during the year | 27 | 342 | - | - | 369 |
| Dividends | - | - | - | (1,207) | (1,207) |
| Adjustment in respect of share based payments | - | - | 159 | - | 159 |
| At 31 October 2011 | 4,154 | 17,274 | 2,143 | 18,653 | 42,224 |

The notes on pages 27 to 50 form part of these financial statements.

Consolidated and Company Cash Flow Statement

As at 31 October 2011

| | Note | 2011 £000 | Group 2010 £000 | 2011 £000 | Company 2010 £000 |
|---|------|--------------|-----------------------|--------------|-------------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 36 | 5,452 | 6,867 | 4,592 | 5,653 |
| Interest received | | 72 | 31 | 49 | 25 |
| Interest paid | | (468) | (412) | (352) | (352) |
| Tax paid | | (1,339) | (1,712) | (781) | (703) |
| Net cash flows from operating activities | | 3,717 | 4,774 | 3,508 | 4,623 |
| Cash flows from investing activities | | | | | |
| Acquisition of subsidiaries (net of cash acquired) | | (2,599) | (3,535) | (3,015) | (3,535) |
| Net liquid debt acquired | | - | (426) | - | - |
| Proceeds from sale of property, plant and equipment | | 520 | 244 | 443 | 73 |
| Purchase of property, plant and equipment | | (2,714) | (1,502) | (2,140) | (694) |
| Purchase of intangible assets | | (288) | - | - | - |
| Investment in asset held for resale | | (453) | (16) | (453) | (916) |
| Purchase of additional shares in subsidiary | | - | - | (999) | - |
| Dividends received | | 100 | 100 | 3,150 | 100 |
| Utilisation of cash acquired on acquisition | | - | - | (1,000) | - |
| Net cash used by investing activities | | (5,434) | (5,135) | (4,014) | (4,972) |
| Cash flows from financing activities | | | | | |
| Net proceeds from the issue of ordinary share capital | | 369 | 4,493 | 369 | 4,493 |
| Net proceeds from drawdown of new loans | | 4,030 | - | 4,030 | - |
| Finance lease principal repayments | | (689) | (661) | (613) | (556) |
| Repayment of borrowings | | (1,808) | (1,966) | (1,963) | (1,705) |
| Dividends paid to shareholders | | (1,207) | (1,025) | (1,207) | (1,025) |
| Net cash generated from financing activities | | 695 | 841 | 616 | 1,207 |
| Net (decrease)/increase in cash and cash equivalents | | | | | |
| Cash and cash equivalents at the beginning of the period | | 1,015 | 535 | 1,176 | 318 |
| Cash and cash equivalents at the end of the period | 19 | (7) | 1,015 | 1,286 | 1,176 |

The notes on pages 27 to 50 form part of these financial statements.

Principal Accounting Policies



ACCOUNTING POLICIES

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

Basis of preparation

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

Basis of consolidation

The Group's consolidated financial statements incorporate the financial statements of Wynnstay Group Plc ('the company') and entities controlled by Wynnstay Group Plc (its 'subsidiaries') together with the Group's share of the results of its associate and joint ventures. Group inter-company transactions are eliminated in full. Results of subsidiary undertakings acquired are included in the financial statements from the effective date of control. The separable net assets, both tangible and intangible, of acquired subsidiary undertakings are incorporated into the financial statements on the basis of their fair value as at the effective date of control. All business combinations are accounted for by applying the acquisition method. Subsidiaries are entities where the Group has the power to govern the financial and operating policies, generally accompanied by a share of more than 50% of the voting rights. Subsidiaries are consolidated from the date on which control is assumed by the Group and are included until the date the Group ceases to control them. Associates are entities over which the Group has significant influence but not control and generally accompanied by a share of between 20% and 50% of the voting rights. Joint ventures are entities over which the Group has joint control. Investments in associates and joint ventures are accounted for using the equity method.

Revenue recognition

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

Segmental reporting

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

Non-recurring items

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

Financial instruments

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

Trade receivables

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

Investments

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

Financial liabilities and bank borrowings

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

Trade payables

Trade payables are stated at their nominal value.

Equity instruments

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

Derivative hedging instruments

The Group uses derivative financial instruments such as future contracts to manage certain exposure to fluctuations in commodity prices and for trading purposes. These financial instruments have values that change in response to changes with underlying variables, they require little or no net initial investment and are settled at a future date. Gains and losses on such hedges are recorded in the consolidated statement of comprehensive income when the hedged transaction matures.

Leases

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

Property, plant and equipment

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

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

Goodwill

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

Impairment of assets

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

Employment benefit costs

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

Inventories

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

Taxation including deferred taxation

The income tax expense represents the sum of the current income tax and deferred income tax. Current income tax is based on the taxable profits for the year. Taxable profit differs from the profit as reported in the consolidated statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability other than a business combination. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when related deferred income tax asset is realised or the deferred income tax liability settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Dividends

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

Share-based payments

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

Investments

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

Cash and cash equivalents

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

Foreign currencies

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

Employee share ownership trust

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

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the consolidated statement of comprehensive income over the estimated useful life of the assets to which they relate.

Significant judgements, key assumptions and estimates

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

Valuation of share-based payments

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

Impairment of goodwill

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

Provision for impairment of trade receivables

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

Provision for impairment of inventories

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

New standards and interpretations

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

International Financial Reporting Standards ("IFRS")

| | |
|---------------------------------|----------------|
| IFRS 9: 'Financial instruments' | 1 January 2015 |
|---------------------------------|----------------|

| | |
|---|----------------|
| IAS 24 (revised) 'Related party disclosure' | 1 January 2011 |
|---|----------------|

Amendments to existing standards

| | |
|---|-------------|
| Amendment to IFRS 1: 'Hyperinflation and fixed dates' | 1 July 2011 |
|---|-------------|

| | |
|--|-------------|
| Amendments to IFRS 7: 'Financial instruments: disclosures' | 1 July 2011 |
|--|-------------|

| | |
|--|----------------|
| Amendments to IAS 12: 'Income taxes on deferred tax' | 1 January 2011 |
|--|----------------|

| | |
|----------------------------------|----------------|
| Annual improvement to IFRSs 2010 | 1 January 2011 |
|----------------------------------|----------------|

From the 1 November 2010 the following standards, amendments and interpretations became effective and were adopted by the Group:

International Financial Reporting Interpretations Committee ("IFRIC") interpretations

| | |
|---|--|
| IFRIC 19: 'Extinguishing financial liabilities with equity instruments' | |
|---|--|

Amendments to existing standards

| | |
|--|--|
| Amendment to IFRS 1: 'for additional exemptions' | |
|--|--|

| | |
|--|--|
| Amendments to IAS 2: 'Share-based payments – Group cash settled share-based payment transaction' | |
|--|--|

| | |
|--|--|
| Amendments to IAS 32: 'Financial instruments: Presentation on classification of rights issues' | |
|--|--|

| | |
|----------------------------------|--|
| Annual improvement to IFRSs 2009 | |
|----------------------------------|--|

| | |
|--|--|
| Amendment to IFRS 1: 'First time adoption' | |
|--|--|

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

1. The Company has taken advantage of the exemption, under section 408 of the Companies Act 2006, from presenting its own income statement. The profit after tax for the period dealt with in the financial statements under IFRS of the company was £3,896,000 (2010: £2,820,000).

2. SEGMENTAL REPORTING

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

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

Continuing operations

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

Retail – Supplies of a wide range of specialist products to farmers, smallholders and pet owners.

Other – Miscellaneous operations not classified as agriculture or 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.

Primary reporting format - business segments

The segment results for the year ended 31 October 2011 are as follows:

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

| Year ended 31 October 2010 | Agriculture Supply £000 | Retail £000 | Other £000 | Total £000 |
|---|----------------------------|----------------|---------------|---------------|
| Revenue | 178,016 | 65,470 | 258 | 243,744 |
| Segment result | 2,878 | 3,460 | (265) | 6,073 |
| Share of results of associate and joint ventures | 122 | - | 131 | 253 |
| | 3,000 | 3,460 | (134) | 6,326 |
| Interest income | | | | 31 |
| Interest expense | | | | (412) |
| Profit before tax | | | | 5,945 |
| Income taxes | | | | (1,713) |
| Profit for the year attributable to equity shareholders | | | | 4,232 |
| Segment assets | 18,101 | 26,556 | 6,188 | 50,845 |
| Corporate net borrowings | | | | (3,471) |
| Total Net Assets | | | | 47,374 |

3. FINANCE COSTS - NET

| | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Interest expense: | | |
| Interest payable on borrowings | (298) | (250) |
| Interest payable on finance leases | (127) | (102) |
| Interest payable on other loans | (43) | (60) |
| Interest and similar charges payable | (468) | (412) |
| Interest income | 72 | 31 |
| Interest receivable | 72 | 31 |
| Finance costs - net | (396) | (381) |

4. GROUP OPERATING PROFIT

| The following items have been included in arriving at operating profit: | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Staff costs | 18,406 | 16,611 |
| Depreciation of property plant and equipment: | | |
| - owned assets | 1,851 | 1,432 |
| - under finance leases | 517 | 750 |
| Impairment of goodwill | 263 | 292 |
| Impairment of freehold land & buildings | 176 | - |
| Profit on disposal of fixed assets | (228) | (56) |
| Amortisation of government grants | (10) | (10) |
| Other operating lease rentals | 1,826 | 1,756 |
| Repairs and maintenance expenditure on plant, property and equipment | 1,567 | 1,585 |
| Trade receivables impairment | 70 | (51) |

Services provided by the Group's auditors

| During the year the Group obtained the following services from the Group's auditor: | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Audit services – statutory audit | 87 | 84 |
| Tax services | 2 | 2 |
| Other services | 1 | 1 |

Included in the Group audit fee are fees of £46,750 (2010: £43,085) paid to the Group's auditor in respect of the Parent Company.

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

| | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Share of post-tax profits in associate | 113 | 107 |
| Share of post-tax profits in joint ventures | 48 | 78 |
| Total share of post-tax profits of associate and joint ventures | 161 | 185 |

6. STAFF COSTS

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

| | 2011 £000 | 2010 £000 |
|----------------------------|--------------|--------------|
| Wages and salaries | 16,129 | 14,439 |
| Social security costs | 1,493 | 1,393 |
| Pension and other costs | 625 | 597 |
| Cost of share based reward | 159 | 182 |
| | 18,406 | 16,611 |

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

| | 2011 No. | 2010 No. |
|--------------------------------|-------------|-------------|
| Administration | 93 | 87 |
| Production | 85 | 81 |
| Sales, distribution and retail | 605 | 599 |
| | 783 | 767 |

7. DIRECTORS' REMUNERATION

Aggregate Directors' remuneration

| | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Directors' emoluments | 540 | 529 |
| Company contributions to money purchase pension schemes | 23 | 23 |
| | 563 | 552 |

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

| | Basic salary £000 | Benefits in kind £000 | Annual bonuses £000 | 2011 Total £000 | 2010 Total £000 |
|---------------------------------------|-------------------------|-----------------------------|---------------------------|-----------------------|-----------------------|
| Executives | | | | | |
| K R Greetham | 130 | 9 | 50 | 189 | 182 |
| B P Roberts | 95 | 7 | 26 | 128 | 123 |
| D A T Evans | 72 | 7 | 25 | 104 | 99 |
| Non-Executives | | | | | |
| J E Davies | 37 | 1 | - | 38 | 38 |
| E E Hughes (retired 15 March 2011) | 8 | 1 | - | 9 | 22 |
| E G Owen | 21 | 1 | - | 22 | 22 |
| J C Kendrick | 21 | - | - | 21 | 21 |
| Lord Carlile CBE QC | 22 | 1 | - | 22 | 22 |
| J J McCarthy (appointed 21 July 2011) | 7 | - | - | 7 | n/a |
| | 413 | 27 | 101 | 540 | 529 |

Directors' pension entitlements

| | 2011 No. | 2010 No. |
|---|-------------|-------------|
| Money purchase pension scheme | 3 | 3 |
| | £000 | £000 |
| Contribution paid by the Group to money purchase pension schemes in respect of such directors were: | | |
| K R Greetham | 12 | 12 |
| B P Roberts | 6 | 6 |
| D A T Evans | 5 | 5 |
| | 23 | 23 |

8. TAXATION

| | 2011 £000 | 2010 £000 |
|--|--------------|--------------|
| Analysis of tax charge in year | | |
| Current tax | | |
| - continuing operations | 2,066 | 1,720 |
| - adjustments in respect of prior years | (126) | (15) |
| Total current tax | 1,940 | 1,705 |
| Deferred tax | | |
| - origination and reversal of timing differences | (89) | (60) |
| Tax on profit on ordinary activities | 1,851 | 1,645 |

Factors affecting tax charge for the year

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

| | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before tax | 6,852 | 5,877 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.83% (2009 - 28%) | 1,841 | 1,645 |
| Effects of: | | |
| Tax effect of share of profit of associate and joint ventures | (43) | (52) |
| Expenses not deductible for tax purposes | 19 | 5 |
| Capital allowances less than depreciation | 201 | 97 |
| Adjustment to tax charge in respect of prior years | (126) | (15) |
| Utilisation of tax losses | (30) | - |
| Origination and reversal of timing differences | (89) | (60) |
| Other items | 78 | 25 |
| Total tax charge for year | 1,851 | 1,645 |

Factors that may affect future tax charges

It has been announced that there will be a reduction in the top rate of Corporation tax from 26% to 24% over the next three years.

9. DIVIDENDS

| | 2011 £000 | 2010 £000 |
|--|--------------|--------------|
| Final dividend paid for prior year | 776 | 630 |
| Interim dividend paid for current year | 431 | 395 |
| | 1,207 | 1,025 |

Subsequent to the year end it has been recommended in the Directors' Report that a final dividend of 5.20p net per ordinary share (2010: 4.70p) be paid on 30 April 2012. Together with the interim dividend already paid on 31 October 2011, of 2.60p net per ordinary share (2010: 2.40p), this would result in a total dividend for the financial year of 7.80p net per ordinary share (2010: 7.10p).

10. EARNINGS PER SHARE

| | Basic earnings per share | | Diluted earnings per share | |
|---|--------------------------|--------|----------------------------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| Earnings attributable to shareholders (£000) | 5,001 | 4,232 | 5,001 | 4,232 |
| Weighted average number of shares in issue during the year (No. '000) | 16,545 | 15,400 | 16,969 | 15,634 |
| Earnings per ordinary 25p share (pence) | 30.23 | 27.48 | 29.47 | 27.06 |

Basic earnings per 25p ordinary share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding those held in the Employee Share Ownership Trust (note 33) which are treated as cancelled.

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

11. GOODWILL

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

| Group | £000 |
|---|---------------|
| Cost | |
| At 1 November 2010 | 12,784 |
| Additions | 3,897 |
| At 31 October 2011 | 16,681 |
| Aggregate impairment | |
| At 1 November 2010 | 1,329 |
| Impairment charge | 263 |
| At 31 October 2011 | 1,592 |
| Net book value | |
| At 31 October 2011 | 15,089 |
| At 31 October 2010 | 11,455 |
| Company | £000 |
| Cost | |
| At 1 November 2010 and 31 October 2011 | 3,345 |
| Aggregate impairment | |
| At 1 November 2010 and 31 October 2011 | 894 |
| Net book value | |
| At 31 October 2011 | 2,451 |
| At 31 October 2010 | 2,451 |

The carrying value of goodwill within the group balance sheet allocated to each of the cash generating units is not considered significant in terms of the total carrying value of goodwill. Included within the carrying value of goodwill within the company balance sheet is £2.04m relating to Eifionydd Farmers.

Goodwill is tested annually for impairment by estimating future cash flows from the cash generating units to which the goodwill has been allocated and discounting these cash flows to their present value. The key assumptions in this calculation are in respect of discount rates used and the change in cash flows. Management estimates discount rates, which are consistent for all of the cash generating units, using the Board's assessment of the time value of money and the risks specific to the cash generating units.

Cash flows are estimated using the most recent available actual results for the year to 31 October 2011, and adjusted for any anticipated changes that may impact the material carrying value of the cash generating unit.

12. PROPERTY, PLANT AND EQUIPMENT

| Group | Leasehold land and buildings £000 | Freehold land and buildings £000 | Plant, machinery and office equipment £000 | Motor vehicles £000 | Total £000 |
|--|--------------------------------------|-------------------------------------|---|------------------------|---------------|
| Cost | | | | | |
| At 1 November 2010 | 1,314 | 11,143 | 16,542 | 5,015 | 34,014 |
| Additions | 23 | 1,343 | 1,102 | 892 | 3,360 |
| Acquisition value | - | - | 49 | - | 49 |
| Disposals | - | (295) | (402) | (381) | (1,078) |
| Reclassified as assets held for resale | - | (306) | (208) | - | (514) |
| At 31 October 2011 | 1,337 | 11,885 | 17,083 | 5,526 | 35,831 |
| Depreciation | | | | | |
| At 1 November 2010 | 386 | 2,793 | 10,757 | 3,038 | 16,974 |
| Charge for the year | 76 | 430 | 1,098 | 764 | 2,368 |
| Impairment charge | - | 176 | - | - | 176 |
| On disposals | - | (104) | (330) | (352) | (786) |
| Reclassified as assets held for resale | - | (81) | (204) | - | (285) |
| At 31 October 2011 | 462 | 3,214 | 11,321 | 3,450 | 18,447 |
| Net book value | | | | | |
| At 31 October 2011 | 875 | 8,671 | 5,762 | 2,076 | 17,384 |
| At 31 October 2010 | 928 | 8,350 | 5,785 | 1,977 | 17,040 |

The net book value of plant and machinery and motor vehicles above includes amounts of £1,655,955 (2010: £1,684,901) representing assets held under finance leases.

| Company | Freehold land and buildings £000 | Plant, machinery and office equipment £000 | Motor vehicles £000 | Total £000 |
|--|-------------------------------------|---|------------------------|---------------|
| Cost | | | | |
| At 1 November 2010 | 10,509 | 11,793 | 4,401 | 26,703 |
| Additions | 1,343 | 597 | 845 | 2,785 |
| Disposals | (295) | (256) | (280) | (831) |
| Reclassified as assets held for resale | (306) | (208) | - | (514) |
| At 31 October 2011 | 11,251 | 11,926 | 4,966 | 28,143 |
| Depreciation | | | | |
| At 1 November 2010 | 2,802 | 8,709 | 2,711 | 14,222 |
| Charge for the year | 244 | 667 | 670 | 1,581 |
| Impairment charge | 176 | - | - | 176 |
| On disposals | (104) | (227) | (275) | (606) |
| Reclassified as assets held for resale | (81) | (204) | - | (285) |
| At 31 October 2011 | 3,037 | 8,945 | 3,106 | 15,088 |
| Net book value | | | | |
| At 31 October 2011 | 8,214 | 2,981 | 1,860 | 13,055 |
| At 31 October 2010 | 7,707 | 3,084 | 1,690 | 12,481 |

The net book value of plant and machinery and motor vehicles above includes amounts of £1,430,058 (2010: £1,365,182) representing assets held under finance leases.

13. FIXED ASSET INVESTMENTS

| Group | Joint ventures £000 | Associate £000 | Other unlisted investments £000 | Total £000 |
|---|------------------------|-------------------|------------------------------------|---------------|
| Cost | | | | |
| At 1 November 2010 | 2,430 | 558 | 181 | 3,169 |
| Disposals | - | - | (1) | (1) |
| Share of profit / Investment income | 49 | 113 | - | 162 |
| Dividend income received from associate | - | (100) | - | (100) |
| At 31 October 2011 | 2,479 | 571 | 180 | 3,230 |
| Provision for impairment | | | | |
| At 1 November 2010 and 31 October 2011 | 69 | - | 27 | 96 |
| Net book value | | | | |
| At 31 October 2011 | 2,410 | 571 | 153 | 3,134 |
| At 31 October 2010 | 2,361 | 558 | 154 | 3,073 |

| Company | Share in group undertakings £000 | Joint ventures £000 | Associate £000 | Other unlisted investments £000 | Total £000 |
|---------------------------------|-------------------------------------|------------------------|-------------------|------------------------------------|---------------|
| Cost | | | | | |
| At 1 November 2010 | 16,780 | 1,130 | 48 | 174 | 18,132 |
| Additions / Investment income | 5,014 | - | - | - | 5,014 |
| Disposal | (187) | - | - | - | (187) |
| At 31 October 2011 | 21,607 | 1,130 | 48 | 174 | 22,959 |
| Provision for impairment | | | | | |
| At 1 November 2010 | - | 69 | - | 27 | 96 |
| Charge for year | - | - | - | - | - |
| At 31 October 2011 | - | 69 | - | 27 | 96 |
| Net book value | | | | | |
| At 31 October 2011 | 21,607 | 1,061 | 48 | 147 | 22,863 |
| At 31 October 2010 | 16,780 | 1,061 | 48 | 147 | 18,036 |

14. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

Principal subsidiaries

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

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

Woodheads Seeds Limited's year end is not co-terminous with the Group as the structure of the Share Purchase Agreement was such that the contingent consideration is based on the audited year end accounts as of 30 April. It is the opinion of the Directors that it is in the Group's best interest not to change the year end until the contractual obligation of the contingent consideration has been settled. Woodheads Seeds Limited have prepared additional financial statements as at the 31 October 2011 which have been used in preparing the consolidated financial statements.

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

Glasson Group (Lancaster) Limited

Glasson Shipping Services Limited
Glasson Grain Limited
Glasson Fertilizers Limited

Youngs Animal Feeds Limited

Dollin and Morris Limited

Just for Pets Limited

Petssesories Limited

Principal joint ventures

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

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

Joint ventures are accounted for using the equity method.

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

| | 2011 £000 | 2010 £000 |
|-------------------------|--------------|--------------|
| Non-current assets | 691 | 699 |
| Current assets | 5,212 | 5,606 |
| Current liabilities | (4,404) | (4,850) |
| Non-current liabilities | (9) | (14) |
| Net assets | 1,490 | 1,441 |

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

| | 2011 £000 | 2010 £000 |
|----------|--------------|--------------|
| Revenue | 12,221 | 10,926 |
| Expenses | (12,128) | (10,817) |

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

| | 2011 £000 | 2010 £000 |
|---|--------------|--------------|
| Group's share of joint ventures profit before tax | 93 | 109 |

Principal associate

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

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

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

| | 2011 £000 | 2010 £000 |
|--|--------------|--------------|
| Total assets | 4,535 | 3,770 |
| Total liabilities | (2,982) | (2,500) |
| Net assets | 1,553 | 1,270 |
| Group's share of associate's net assets | 621 | 508 |
| Total revenue | 22,769 | 18,459 |
| Profit for the period | 383 | 361 |
| Group's share of associate's profit before tax | 153 | 144 |

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

| Company | Accounting period |
|---------------------------|-------------------|
| Wyro Developments Limited | 31 October 2011 |
| Wynnstay Fuels Limited | 31 December 2010 |
| Bibby Agriculture Limited | 3 September 2011 |

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

14. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE (continued)

Trading transactions:

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

| | Group | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 2011 £000 | 2010 £000 | 2011 £000 | 2010 £000 |
| Transactions with subsidiaries | | | | |
| Balance sheet items | | | | |
| Amounts due from subsidiary undertakings: | | | | |
| Trade receivables | - | - | 296 | 247 |
| | | | 296 | 247 |
| Amounts due to subsidiary undertakings: | | | | |
| Trade payables | - | - | 2,104 | 2,103 |
| | | | 2,104 | 2,103 |
| Transactions reported in the statement of comprehensive income: | | | | |
| Revenue | - | - | 1,629 | 1,515 |
| Purchases | - | - | 11,334 | 7,396 |

| | Group | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 2011 £000 | 2010 £000 | 2011 £000 | 2010 £000 |
| Transactions with associate | | | | |
| Balance sheet items | | | | |
| Amounts due from associated undertaking: | | | | |
| Trade receivables | 411 | 112 | 411 | 112 |
| | 411 | 112 | 411 | 112 |
| Amounts due to associated undertaking: | | | | |
| Trade payables | 1,334 | 1,568 | 1,297 | 1,568 |
| | 1,334 | 1,568 | 1,297 | 1,568 |
| Transactions reported in the statement of comprehensive income: | | | | |
| Revenue | 63 | 52 | 63 | 52 |
| Purchases | 573 | 782 | 536 | 782 |

Sales and purchase transactions with Wynnstay Fuels Limited, amounting to £6,365,000 (2010: £4,986,000), have been netted through the statement of comprehensive income with no gross profit impact. In addition the Parent Company purchased fuel amounting to £3,518,000 (2010: £2,342,000) on behalf of Wynnstay Fuels Limited which was recharged at no margin.

| | Group | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 2011 £000 | 2010 £000 | 2011 £000 | 2010 £000 |
| Transactions with joint ventures | | | | |
| Balance sheet items | | | | |
| Amounts due from joint ventures: | | | | |
| Trade receivables | 880 | 507 | 880 | 507 |
| Loans | 3,493 | 3,461 | 3,493 | 3,461 |
| | 4,373 | 3,968 | 4,373 | 3,968 |
| Amounts due to joint ventures: | | | | |
| Trade payables | 40 | 35 | 40 | 35 |
| | 40 | 35 | 40 | 35 |
| Transactions reported in the statement of comprehensive income: | | | | |
| Revenue | 7,750 | 5,876 | 7,750 | 5,876 |
| Purchases | 158 | 147 | 158 | 147 |
| Income received | 72 | 53 | 72 | 38 |

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

15. BUSINESS COMBINATIONS

During the year the Group completed one acquisition structured as a share purchase.

On the 4 May 2011 the Group completed the acquisition of the entire share capital of Wrekin Grain Limited, a leading independent grain marketing and agricultural inputs supplier based in Telford, Shropshire. After utilising cash acquired with the business of £1 million (as set out in the table below) the net maximum consideration, contingent on a certain level of financial performance being achieved over the next four years, is £4.015 million. Details of the trade, asset values acquired and the consideration are given below, together with details, subject to the comments below, of the revenues and operating profit generated in the period :

| Wrekin Grain Limited | | | |
|---|------------|-----------------------|------------|
| Date of acquisition | 4 May 2011 | | |
| | Book value | Fair value adjustment | Fair Value |
| | £000 | £000 | £000 |
| Property plant and equipment | 49 | - | 49 |
| Goodwill | 8 | (8) | - |
| Cash and cash equivalents | 1,416 | (1,000) | 416 |
| Trade and other receivables | 4,707 | - | 4,707 |
| Other current assets | 42 | - | 42 |
| Other current liabilities | (4,808) | - | (4,808) |
| Acquired debt: liquid | - | - | - |
| Net assets acquired | 1,414 | (1,008) | 406 |
| Maximum goodwill | | | 3,609 |
| Total consideration | | | 4,015 |
| Consideration transferred to gain control: | | | |
| Cash paid on completion | | | 3,015 |
| Maximum contingent consideration | | | 1,000 |
| | | | 4,015 |
| Revenue in the period to 31 October 2011 | | | 30,788 |
| Operating profit in period to 31 October 2011 | | | 663 |

100% of the trade receivables at the acquisition date have been collected.

The acquisition of Wrekin Grain Ltd, which has since changed its name to GrainLink Ltd, will provide the Group with an expanded customer base, providing cross selling opportunities and the scope to develop new trading relationships. The expanded activities are intended as a platform to establish a national presence in grain marketing for the Group. In July 2011 the trade and assets of Shropshire Grain Ltd were hived into GrainLink Ltd and the respective figures shown above for consolidated revenue and operating profit therefore contain transactions for that period which would previously have been reported in that Company but are now indistinguishable from the acquired activities.

16. INVENTORIES

| | Group | | Company | |
|-------------------------------------|--------|--------|---------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Raw materials and consumables | 1,406 | 1,157 | 1,406 | 1,157 |
| Finished goods and goods for resale | 22,281 | 16,837 | 12,926 | 10,461 |
| | 23,687 | 17,994 | 14,332 | 11,618 |

17. TRADE AND OTHER RECEIVABLES

| Current | Group | | Company | |
|------------------------------------|--------|--------|---------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Trade receivables | 43,164 | 34,175 | 26,728 | 23,515 |
| Amounts owed by group undertakings | - | - | 160 | 944 |
| Other receivables | 2,420 | 1,826 | 982 | 717 |
| | 45,584 | 36,001 | 27,870 | 25,176 |

Trade receivables are stated after a provision for impairment of £729,857 (2010: £693,741) Company £421,876 (2010: £416,876). Concentration of credit risk with respect to trade receivables is limited due to the Group's customer base being large and unrelated. Due to this, management believe that there is no further credit risk provision required in excess of the normal provision for doubtful receivables. Included within the Company Trade receivables are £296,387 (2010: £240,581) of intercompany trade receivables.

18. AVAILABLE FOR SALE ASSETS

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

| | Group | | Company | |
|---------------------------|-------|------|---------|------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Available for sale assets | 682 | - | 682 | - |

19. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

| | Group | | Company | |
|--|------------|--------------|--------------|--------------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Cash and cash equivalents per Balance sheet | 1,351 | 2,083 | 1,286 | 1,176 |
| Bank overdrafts | (1,358) | (1,068) | - | - |
| Cash and cash equivalents per Cash Flow Statement | (7) | 1,015 | 1,286 | 1,176 |

20. TRADE AND OTHER PAYABLES

| Current | Group | | Company | |
|------------------------------------|--------|--------|---------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Trade payables | 40,208 | 30,697 | 26,942 | 23,552 |
| Amounts owed to group undertakings | - | - | 5,005 | 3,489 |
| Other taxes and social security | 693 | 517 | 447 | 290 |
| Other payables | 1,046 | 396 | 495 | 259 |
| Accruals and deferred income | 4,415 | 4,128 | 2,450 | 2,154 |
| Contingent consideration | 1,750 | 750 | 1,750 | 750 |
| Deferred consideration | 50 | 95 | - | 95 |
| | 48,162 | 36,583 | 37,089 | 30,589 |

Included within Company Trade payables are £2,103,812 (2010: £2,103,170) of intercompany trade payables.

| Non-current | Group | | Company | |
|----------------|-------|------|---------|------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Other payables | 92 | - | - | - |

21. CURRENT TAX LIABILITIES

| | Group | | Company | |
|-------------------------|-------|-------|---------|------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Current tax liabilities | 2,002 | 1,067 | 600 | 721 |
| | 2,002 | 1,067 | 600 | 721 |

22. FINANCIAL LIABILITIES - BORROWINGS

| Current | Group | | Company | |
|---|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Bank loans and overdrafts due within one year or on demand: | | | | |
| Secured overdrafts | 1,358 | 1,068 | - | - |
| Secured loans | 2,152 | 1,597 | 1,938 | 1,320 |
| | 3,510 | 2,665 | 1,938 | 1,320 |
| Loan capital (unsecured) | 717 | 724 | 717 | 724 |
| Convertible loanstock | 17 | 18 | 17 | 18 |
| Net obligations under finance leases | 582 | 570 | 503 | 454 |
| | 4,826 | 3,977 | 3,175 | 2,516 |

| Non-current | Group | | Company | |
|--------------------------------------|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Bank loans: | | | | |
| Secured | 2,568 | 893 | 2,284 | 827 |
| | 2,568 | 893 | 2,284 | 827 |
| Net obligations under finance leases | 628 | 684 | 600 | 617 |
| | 3,196 | 1,577 | 2,884 | 1,444 |

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

Non-current

The bank loans include term loans repayable by instalments as follows:

| Lender | Monthly instalment | Balance outstanding | Interest rate |
|-------------------|--------------------|---------------------|----------------------|
| Barclays Bank Plc | £53,774 | £2,736,486 | 2% over Base Rate |
| HSBC Bank Plc | £30,687 | £304,745 | 0.95% over Base Rate |
| HSBC Bank Plc | £46,538 | £680,024 | 1.00% over Base Rate |
| Barclays Bank Plc | £4,167 | £66,160 | 1.10% over Base Rate |
| HSBC Bank Plc | £14,323 | £432,372 | 1.5% over Base Rate |
| HSBC Bank Plc | n/a | £500,000 | 1.85% over Base Rate |

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

Bank loans and overdrafts include overdrafts totalling £1,357,574 (2010: £1,067,569) relating to subsidiary companies, which are secured by debentures over the assets of those companies.

| | Group | | Company | |
|--|---------|---------|---------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Borrowings are repayable as follows: | | | | |
| On demand or within one year | 4,826 | 3,977 | 3,175 | 2,516 |
| In the second year | 1,286 | 1,263 | 1,077 | 1,155 |
| In the third to fifth years inclusive | 1,910 | 314 | 1,807 | 289 |
| | 8,022 | 5,554 | 6,059 | 3,960 |
| Finance leases included above are repayable as follows: | | | | |
| On demand or within one year | 582 | 570 | 503 | 454 |
| In the second year | 372 | 386 | 348 | 328 |
| In the third to fifth years inclusive | 256 | 298 | 252 | 289 |
| | 1,210 | 1,254 | 1,103 | 1,071 |
| The net borrowings are: | | | | |
| Borrowings as above | 8,022 | 5,554 | 6,059 | 3,960 |
| Cash and cash equivalents | (1,351) | (2,083) | (1,286) | (1,176) |
| Net debt | 6,671 | 3,471 | 4,773 | 2,784 |

23. FINANCIAL INSTRUMENTS**Fair values of non-derivative financial assets and financial liabilities**

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

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

Risks associated with financial instruments

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

Interest rate risk

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

Foreign currency

The main currency related risk to the Group comes from the forward purchasing of imported raw materials for our Glasson business. This risk is mainly managed by entering into currency purchase agreements at the time the underlying transaction is completed.

Commodity price

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

Credit

A significant proportion of the Group's trade is conducted on credit terms and as such a risk of non payment is always present. Detailed systems of credit approval before initial supply, the operation of credit limits and an active credit control policy act to minimise this risk and historically the incidence of bad debts is minimal.

Liquidity risk

The Group has appropriate overdraft facilities in place to allow flexibility in managing liquidity.

23. FINANCIAL INSTRUMENTS (continued)

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

| | Group | | Company | |
|-----------------|-------|------|---------|------|
| | 2011 | 2010 | 2011 | 2010 |
| Bank overdraft | 2% | 2% | 2% | 2% |
| Bank borrowings | 2.25% | 1.5% | 2.25% | 1.5% |
| Loan capital | 1.5% | 1.5% | 1.5% | 1.5% |
| Finance leases | 4.75% | 3.9% | 4.75% | 3.9% |

24. PROVISIONS

| | Group | | Company | |
|-------------------------|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| At 1 November 2010 | - | 151 | - | 151 |
| Utilisation in the year | - | (151) | - | (151) |
| At 31 October 2011 | - | - | - | - |

The provision charge in 2010 related to restructuring costs of the Group's Foxmoor horticultural business within the retail sector announced on 22 October 2008. During that year £150,812 of the provision was released in respect of a stock write down.

25. DEFERRED TAXATION

| | Group | | Company | |
|---------------------------|-------|------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| At 1 November 2010 | 461 | 367 | 122 | 227 |
| Brought in on acquisition | 6 | 154 | - | - |
| Charge for the year | (95) | (60) | (62) | (105) |
| At 31 October 2011 | 372 | 461 | 60 | 122 |

The provision for deferred taxation is made up as follows:

| | Group | | Company | |
|--------------------------------|-------|------|---------|------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Accelerated capital allowances | 372 | 474 | 60 | 135 |
| Tax losses brought forward | - | (10) | - | (10) |
| Short term timing differences | - | (3) | - | (3) |
| | 372 | 461 | 60 | 122 |

26. GOVERNMENT GRANTS

| | Group | | Company | |
|---|-----------|-----------|----------|----------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Received and receivable | | | | |
| As 1 November 2010 and 31 October 2011 | 126 | 126 | - | - |
| Amortisation | | | | |
| As 1 November 2010 | 58 | 48 | - | - |
| Credited to statement of comprehensive income | 10 | 10 | - | - |
| At 31 October 2011 | 68 | 58 | - | - |
| Net balance | | | | |
| At 31 October 2010 and 31 October 2011 | 58 | 68 | - | - |

27. SHARE CAPITAL

| | 2011 | | 2010 | |
|---|---------------|--------|---------------|--------|
| | No. of shares | £000 | No. of shares | £000 |
| | 000 | £000 | 000 | £000 |
| Authorised | | | | |
| Ordinary shares of 25p each | 40,000 | 10,000 | 40,000 | 10,000 |
| Allotted, called up and fully paid | | | | |
| Ordinary shares of 25p each | 16,614 | 4,154 | 16,508 | 4,127 |

During the year 106,263 shares (2010: 97,295) were issued with an aggregate nominal value of £26,566 (2010: £24,324) and were fully paid up for equivalent cash of £368,057 (2010: £268,317) to shareholders exercising their right to receive dividends under the Company's scrip dividend scheme.

A total of Nil (2010: 167,504) shares with an aggregate nominal value of £Nil (2010: £41,876) were issued for a cash value of £Nil (2010: £373,884) to relevant holders exercising options in the Company.

28. SHARE BASED PAYMENTS

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

| | Exercise Price per share £ | Exercisable by | As at 1 November 2010 | (Exercised) / Issued in year | Lapsed in year | As at 31 October 2011 |
|---|----------------------------|-----------------------------|-----------------------|------------------------------|----------------|-----------------------|
| Discretionary Share Option Schemes | | | | | | |
| Granted May 2005 | 2.4000 | June 2008 - May 2015 | 25,000 | (25,000) | - | - |
| Granted August 2008 | 2.5300 | Sept 2013 - Aug 2018 | 223,000 | - | - | 223,000 |
| Granted October 2008 | 0.2500 | Oct 2013 - Mar 2014 | 177,000 | - | - | 177,000 |
| | | | 425,000 | (25,000) | - | 400,000 |
| Savings Related Option Schemes | | | | | | |
| Granted August 2008 | 2.2000 | September 2013 - Feb 2014 | 359,691 | (4,438) | (12,867) | 342,386 |
| Granted March 2010 | 2.2000 | April 2015 - September 2015 | 229,082 | - | (17,947) | 211,135 |
| | | | 588,773 | (4,438) | (30,814) | 553,521 |
| | | | 1,013,773 | (29,438) | (30,814) | 953,521 |

During the year 25,000 Discretionary Share Options (2010: 12,500) and 4,438 Savings Related Options (2010: 13,373) were exercised and satisfied by the transfer of 29,438 (2010: 25,873) shares from the Company's Employee Share Ownership Trust. The change in the numbers of other Savings Related Options relates to members withdrawing from the scheme by leaving employment or closing their savings contracts.

Fair Value of Options after 7 November 2002

During the year, the Group charged £158,474 (2010: £182,173) of share based remuneration cost to its statement of Comprehensive Income based on a movement in the fair value of outstanding options granted after November 2002. The weighted average fair value of these options were estimated by using the Black-Scholes option-pricing model and the following assumptions:

| Weighted average assumptions | 2011 | 2010 |
|------------------------------|------------|------------|
| Share price at year end | £3.39 | £2.93 |
| Average share price | £2.73 | £2.55 |
| Exercise price | £1.93 | £2.01 |
| Expected volatility | 1.04% | 1.00% |
| Expected life | 2.70 years | 3.52 years |
| Number of options | 953,521 | 1,013,773 |
| Risk free interest rate | 0.50% | 0.50% |

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

29. CAPITAL COMMITMENTS

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

| | Group | | Company | |
|--|-------|------|---------|------|
| | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Contracts placed for future capital expenditure not provided in the financial statements | 1,700 | 236 | 1,374 | 102 |

30. OPERATING LEASE COMMITMENTS

At 31 October 2011 the Group had annual commitments under non-cancellable operating leases as follows:

| | Land and Buildings | | Other | |
|-----------------------|--------------------|-------|-------|------|
| Group | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Expiry date: | | | | |
| Within 1 year | 65 | 73 | 35 | 5 |
| Between 2 and 5 years | 784 | 382 | 113 | 64 |
| Over 5 years | 1,391 | 1,189 | 12 | - |

| | Land and Buildings | | Other | |
|-----------------------|--------------------|------|-------|------|
| Company | 2011 | 2010 | 2011 | 2010 |
| | £000 | £000 | £000 | £000 |
| Expiry date: | | | | |
| Within 1 year | 23 | 17 | - | - |
| Between 2 and 5 years | 72 | 60 | 47 | 16 |
| Over 5 years | 141 | 141 | - | - |

31. GROUP FINANCIAL COMMITMENTS

The Group has guaranteed the overdrafts of one of its joint ventures to a maximum of £125,000 (2010: £125,000).

32. PENSION COMMITMENTS

The Group operates two defined contribution pension schemes which are administered on separate bases. The pension and associated costs charge for the year was £625,000 (2010: £597,000). The liability owed to the pension schemes at 31 October 2011 was £59,795 (2010: £56,000).

33. EMPLOYEE SHARE OWNERSHIP TRUST

The Company operates an employee share ownership trust (ESOP). As at 31 October 2011, 38 Ordinary 25p shares (2010: 1,802 Ordinary 25p shares) were held by the trust with a market value of £129 (2010: £5,280). The assets, liabilities, income and costs of the ESOP are incorporated into the financial statements of the Group.

34. POST BALANCE SHEET EVENT

On 1 November 2011 Glasson Grain Limited, a subsidiary of the Group, established a fertiliser operation, FertLink Limited, as a joint venture with NW (Trading) Limited.

35. RELATED PARTY TRANSACTIONS

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

Transactions with Key Management Personnel

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

| | 2011 £ | 2010 £ |
|---------------------------------------|----------------|----------------|
| J E Davies | 86,473 | 78,819 |
| E G Owen | 111,485 | 102,067 |
| E E Hughes (retired 15 March 2011) | 10,874 | 21,573 |
| J C Kendrick | - | - |
| Lord Carlile CBE QC | - | - |
| K R Greetham | 165 | 280 |
| D A T Evans | 110,229 | 115,597 |
| B P Roberts | 479 | 461 |
| J J McCarthy (appointed 21 July 2011) | - | - |
| | 319,705 | 318,797 |

36. CASH GENERATED FROM/(USED IN) OPERATIONS

| | Group | | Company | |
|--|----------------|--------------|----------------|--------------|
| | 2011 £000 | 2010 £000 | 2011 £000 | 2010 £000 |
| Profit for the year | 5,001 | 4,232 | 3,896 | 2,820 |
| Adjustments for: | | | | |
| Tax | 1,851 | 1,645 | 598 | 751 |
| Dividend received | - | - | (3,150) | (100) |
| Utilisation of cash acquired on acquisition | - | - | 1,000 | - |
| Depreciation of tangible fixed assets | 2,543 | 2,182 | 1,757 | 1,407 |
| Impairment of other intangible fixed assets | 263 | 292 | - | - |
| Impairment of investment | - | 69 | - | 69 |
| Profit on disposal of property, plant and equipment | (228) | (56) | (218) | (51) |
| Profit on disposal of intangible assets | - | - | - | (429) |
| Interest income | (72) | (31) | (49) | (25) |
| Interest expense | 468 | 412 | 352 | 352 |
| Share of results of joint ventures | (161) | (185) | - | - |
| Loans made to joint ventures | (32) | (59) | (32) | (59) |
| Share based payments | 159 | 182 | 159 | 182 |
| Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries): | | | | |
| (Increase) in inventories | (5,693) | (3,750) | (2,714) | (1,209) |
| (Increase) in trade and other receivables | (4,834) | (7,474) | (2,694) | (4,699) |
| Increase in payables | 6,187 | 9,559 | 5,687 | 6,795 |
| (Decrease) in provisions | - | (151) | - | (151) |
| Cash generated from operations | 5,452 | 6,867 | 4,592 | 5,653 |

Notice is hereby given that the twentieth Annual General Meeting (the "Meeting") of Wynnstay Group Plc (the "Company") will be held at The Sovereign Suite, Shrewsbury Town Football Club, Oteley Road, Shrewsbury, Shropshire, SY2 6ST on Tuesday 20 March, 2012 at 11.45am to transact the following business:

ORDINARY BUSINESS

- To receive and adopt the Company's annual accounts for the financial year ended 31 October 2011 together with the Directors' Report and Auditors' Report on those accounts.
- To declare a final dividend for the year ended 31 October 2011.
- To re-appoint the following Director who retires by rotation under Article 91:

Kenneth Richard Greetham
- To re-appoint the following Director who retires by rotation under Article 91:

Bryan Paul Roberts
- To re-appoint the following Director who retires by rotation under Article 91:

Lord Carlile CBE QC
- To re-appoint the following Director who having been appointed to the Board during the last year retires under Article 86:

James John McCarthy
- To reappoint, at a remuneration to be determined by the Directors, Whittingham Riddell LLP as auditors to hold office from the conclusion of the Meeting to the conclusion of the competitive review process for the position of the Company's auditor, to be conducted by the Directors within a three month period of the passing of this resolution, Whittingham Riddell LLP have expressed their willingness to be considered in the competitive review process and, thereafter, should they be unsuccessful in such review, have undertaken to resign as auditor and the Directors are then authorised, hereby, to appoint an auditor, pursuant to s.489(3)(c) of the Companies Act 2006, as if a casual vacancy in the office of auditor had occurred, such appointment to be until the conclusion of the next general meeting at which accounts are laid before the Company, again the appointment to be at a remuneration to be determined by the Directors.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following Resolutions which will be proposed as Special Resolutions:

- That, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot equity securities up to an aggregate nominal amount of £500,000 provided that this authority shall, unless renewed, varied or revoked by the Company in the General Meeting, expire on the earlier of the next Annual General Meeting of the Company and 15 months from the date of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to Section 80 of the Companies Act 1985, but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.
- That, subject to passing Resolution 8 the Directors be and they are empowered pursuant to Section 570 of the Act to allot equity securities wholly for cash pursuant to the authority conferred by the previous Resolution as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:-
 - in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £500,000, and shall expire on the earlier of the next Annual General Meeting of the Company and 15 months from the date of this Resolution save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

10. That, the Company be and is generally and unconditionally authorised for the purposes of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693 of the Act) on the London Stock Exchange of Ordinary Shares of £0.25 each in the capital of the Company provided that:-
- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 500,000 (representing 3.0% of the Company's issued ordinary share capital);
 - (b) the minimum price which may be paid for such shares is £0.25 per share;
 - (c) the maximum price which may be paid for an Ordinary Shares shall not be more than 5% above the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased;
 - (d) unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the Company's next Annual General Meeting or 15 months from the date of passing this Resolution, if earlier; and
 - (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By Order of the Board



B P Roberts
Company Secretary

Wynnstay Group Plc
Eagle House
Llansantffraid
Powys
SY22 6AQ

24 January 2012

Notes to the Notice of Annual General Meeting

1. Appointment of proxies

A member of the Company is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Meeting. A form of proxy accompanies this document and if it is to be used, it must be deposited at the Companies Head Office not less than 24 hours before the meeting. A proxy does not need to be a member of the Company but must attend the Meeting to represent you.

2. Authority to allot shares

Special resolutions 8 & 9 are put forward to give the directors authority to allot new shares (including to those shareholders exercising their preference to receive dividends in the form of Scrip shares). The resolutions limit the requested authority to the stated maximum as an added shareholder protection. These authorities give the directors the flexibility in financing possible business opportunities and are normal practise for a company of this size.

3. Authority to purchase shares

Special resolution 10 is put forward to give the directors the ability to buy back and cancel existing shares if they feel that such action would benefit all remaining shareholders.

4. Documents on display

Copies of necessary documents will be available for at least 15 minutes prior to the Meeting and during the Meeting.

| | |
|------------------------|--------------------------------------|
| 25 January 2012 | Announcement of 2011 Results |
| 20 March 2012 | Annual General Meeting |
| 30 March 2012 | Dividend Record Date |
| 30 April 2012 | Payment of 2011 Dividends |
| June 2012 | Announcement of 2012 Interim Results |

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