



**WYNNSTAY**

**Wynnstay Group Plc**

Interim Report 2010

# Financial Calendar

Half Year Results Announced	16 June 2010
Interim Dividend Record Date	1 October 2010
Interim Dividend Date	29 October 2010
Financial Year End	31 October 2010
Announcement of Full Years Results	January 2011
Dividend Record Date	March 2011
Annual General Meeting	March 2011
Dividend Payment	30 April 2011

## Company Stockbrokers

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## Registrars

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## Registered Office

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SY22 6AQ  
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Registered in England and Wales  
Registration No. 2704051

# Chairman's Statement

## INTRODUCTION

Trading results for the six months to 30 April 2010 are very encouraging. Characteristically, the Group's broad spread of agricultural activities, which span animal feed supplies and arable inputs, has helped to ensure good results from the Agricultural Division against variable trading conditions, with some weakening of farm gate prices over the period. Our Specialist Retailing Division continues to demonstrate robust growth. There is a high degree of predictability to revenues at our Wynnstay Country Stores chain, sales of which are geared primarily towards the farming community. We are also continuing to push forward with the expansion of Just for Pets, our chain of pet product stores, opening two new stores during the first half.

After the period end, on 27 May, we were pleased to announce the acquisition of Woodheads Seeds Ltd, the cereal seed processing business, based in Yorkshire. The acquisition is strategically important for us, significantly scaling our presence in the seed processing market. It also opens up a new trading area for us, which we will be able to leverage over time.

## Financial Results

The Group's revenue for the six months to 30 April 2010 rose to £120.34m (2009: £117.70m). Our agricultural supplies division contributed sales of £87.65m (2009: £92.00m), with the reduction over last year reflecting the continuing reversal of the inflation experienced in 2008 - 2009, particularly in fertiliser prices. Our specialist retailing operations contributed £32.56m (2009: £25.64m), with results boosted by a full six month contribution from Youngs Animal Feeds following the acquisition of the remaining 50% of this business in November 2009, and the new Just for Pets outlets.

Group operating profit showed an improvement of 8% to £3.74m (2009: £3.47m). Our agricultural supplies business contributed operating profits of £2.03m (2009: £2.15m), with the reduction attributed to lower commodity trading returns. Our specialist retail operations contributed £1.66m (2009: £1.27m), benefiting from higher activity levels and improving like for like sales in the Country Stores division.

Net finance costs reduced by 37% to £0.193m (2009: £0.304m), reflecting lower average interest rates and a

reduction in net debt of 24%, to £10.54m, (2009: £13.89m) over the equivalent period last year. Profit before tax increased to £3.55m (2009: £3.16m), a rise of 12%, and earnings per share rose by 8.7% to 17.73p (2009: 16.31p).

Net assets at 30 April 2010 increased to £42.0m (2009: £38.2m). This represents approximately £2.87 per share (2009: £2.65 per share), based on the weighted average number of shares in issue during the period.

After the period end, on 2 June 2010, we successfully completed a placing of 1,700,000 Ordinary Shares (representing 10.3% of the issued share capital) to raise a total of £3.995m before expenses. The fund raising was undertaken to support the Group's acquisition strategy.

## Dividend

The Board is pleased to declare an interim dividend of 2.40p per share, which represents a 9% rise on last year (2009: 2.20p). The interim dividend will be paid on 29 October 2010 to shareholders on the register at the close of business on 1 October 2010. As in previous years, a Scrip Dividend alternative will also be available.

## REVIEW OF OPERATIONS

### Agriculture

#### Feed products

Feed volumes showed an increase on a like-for-like basis against the more difficult six month period last year. The improvement was across the broad range of feeds we supply, with significant growth in poultry feeds as we continue to balance production across all species.

We have gained new business at our Carmarthen mill, in South West Wales, in particular increasing blended feed tonnage. At our mill at Llansantffraid, on the Mid Wales border, sales of poultry feed have increased significantly, supported by our close relationship with Stonegate, the national egg marketing business. We are working together with Stonegate in a combined initiative to establish new producers of free range eggs to satisfy the increasing UK demand. As part of this scheme, we will be making further investment at our Carmarthen mill to expand our production of poultry diets for the South Wales area where we anticipate further expansion.

Glasson, which supplies a wide range of raw materials and associated products to the animal feed industry, continues to trade buoyantly and delivered a strong performance over the first half. We expect a good performance from the business in the second half.

### **Arable products**

Fertiliser sales, which saw a significant decrease in the last financial year as high prices reduced demand, have benefited from lower prices. Accordingly, volumes have recovered over the same period last year, with demand returning in the grassland areas. With more realistic fertiliser prices, we anticipate further activity in the second half and the return to more normalised buying patterns looks set to continue.

Grain trading and agrochemical sales continue to support our arable division and make a useful contribution to the business.

Cereal and herbage seed volumes have been good although, as expected, profitability did not match last year's exceptional levels. The recent acquisition of Woodheads Seeds Ltd in May 2010 establishes Wynnstay as a major seed processor in the UK, offering a strong route to market for international seed breeders. We are well-placed to build on this strong market position and anticipate the acquisition to be a catalyst for further growth in our arable activities.

## **SPECIALIST RETAIL**

### **Country Stores ('Wynnstay Country Stores')**

As expected, our network of 28 Country Stores performed well over the period, with like-for-like sales up by 11%. A significant proportion of customer spend is non-discretionary and this helps to underpin sales, with animal healthcare products representing a core part of our offering to farmers. Our stores provide an important route to market for all agricultural products, acting as a 'one stop shop', for farmers and small holders as well as a local resource for country dwellers. The uplift in like-for-like sales reflects the work we have done to enhance the product range as well as our refurbishment

programme. There is clear potential to expand further within our trading region and we continue to seek opportunities to add stores by acquisition or as start-ups.

During the period, we relocated our site at Tregaron in West Wales, moving it to larger, better located premises. We also completed the refurbishment of our Penygroes store in North Wales. Sales at both sites have responded well. We will be starting the refurbishment of our store at Dolgellau in Mid Wales in the Summer and anticipate further sales growth in that area.

Youngs Animal Feeds, previously a joint venture, which operates three small stores and produces equine feeds, was acquired in full in November 2009. The business has made a good contribution during the first half and we see good scope to build on the synergies with the Group's core activities while continuing to run it on a stand-alone basis.

### **Pet Products ("Just for Pets")**

We are pleased with the continuing expansion of our chain of pet product stores and during the period opened two new branches, at Burton upon Trent and Wolverhampton. Sales at our established outlets continue to be encouraging albeit we have seen some change to buying habits during the recession. Sales at our newer stores are on track and we are pleased with their performances. We now have a total of 16 outlets in the West Midlands area and anticipate opening a further store before the year end, with more openings planned for 2011.

### **Joint Ventures & Associate Company**

Trading across our two joint ventures and our associate company is in line with our expectations. The Group consolidates its share of results from these businesses from audited accounts at the end of the full trading year and therefore half year results do not include any contribution from them.

### **Outlook**

UK agriculture stands to be a long term beneficiary of global macro economic factors, especially world population increase and the use of biofuels. In addition, food security in the UK remains a sensitivity, with the country producing only 60% of its food needs. The Government has recently

produced the Food 2030 paper, outlining objectives for the agricultural sector. Against this backdrop, UK farmers have the potential to take advantage of demand for agricultural products and Wynnstay is well placed to benefit from this.

Within our Agricultural business, as a manufacturer of a comprehensive range of animal feed for both monogastric and ruminant diets, we are able to respond efficiently to variations in demand across specific feed markets and also to limit our exposure to any single feed sector. Our position in the fertiliser market is also strong, being both one of the main UK distributors of GrowHow compound fertiliser and an in-house producer of our own brand blended product. Demand for fertiliser was encouraging in the first half and we expect to see this return to normalised trading patterns continue during the second half of the year.

The recent acquisition of Woodheads Seed Ltd is a notable step for the Group, establishing Wynnstay as

a significant seed processor in the UK and expanding our trading area into a new region creating further opportunities for our business.

We see very good growth potential for our Specialist Retailing activities. We are continuing with our programme to unroll further Just for Pets stores. It is encouraging to see that our well-established stores are trading resiliently, although we have seen some changes to spending habits during the recession. Our newer stores are performing to target. We anticipate adding to our Wynnstay Country Stores chain within our existing trading regions.

The Board remains very positive about prospects for the second half of the year and beyond.

**J.E. Davies**

Chairman

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 April 2010

	Note	Unaudited six months ended 30 April 2010 £'000	Unaudited six months ended 30 April 2009 £'000	Audited year ended 31 October 2009 £'000
Continuing operations				
Revenue		120,343	117,698	214,952
Cost of sales		(100,092)	(99,964)	(181,532)
<b>Gross profit</b>		<b>20,251</b>	<b>17,734</b>	<b>33,420</b>
Distribution costs		(14,098)	(12,500)	(24,664)
Administrative expenses		(2,226)	(1,768)	(3,276)
Goodwill impairment		(186)	0	0
<b>Group operating profit</b>		<b>3,741</b>	<b>3,466</b>	<b>5,480</b>
Net finance costs		(193)	(304)	(546)
Share of profits/losses in associates and joint ventures	2	0	0	263
Share of tax incurred in associates and joint ventures		0	0	(79)
<b>Profit before taxation</b>		<b>3,548</b>	<b>3,162</b>	<b>5,118</b>
Taxation	4	(957)	(810)	(1,297)
<b>Profit for the period</b>		<b>2,591</b>	<b>2,352</b>	<b>3,821</b>
Earnings per 25p share	5	17.73p	16.31p	26.42p
Diluted earnings per 25p share	5	17.47p	16.14p	26.14p

# Condensed Consolidated Balance Sheet

As at 30 April 2010

	Unaudited As at 30 April 2010	Unaudited As at 30 April 2009	Audited As at 31 October 2009
Note	£'000	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	8,575	8,606	8,606
Property, plant and equipment	16,981	14,863	15,489
Investments accounted for using equity method	2,941	3,580	3,771
	<b>28,497</b>	<b>27,049</b>	<b>27,866</b>
<b>Current assets</b>			
Inventories	16,577	16,867	12,879
Biological assets	0	1,385	441
Trade and other receivables	37,600	35,416	25,856
Financial assets: - loans to joint ventures	3,302	3,652	3,402
- cash and cash equivalents	497	352	957
	<b>57,976</b>	<b>57,672</b>	<b>43,535</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities: - borrowings	(8,642)	(10,270)	(3,549)
Trade and other payables	(31,468)	(29,872)	(23,645)
Current tax liabilities	(1,497)	(1,307)	(1,074)
	<b>(41,607)</b>	<b>(41,449)</b>	<b>(28,268)</b>
<b>Net current assets</b>	<b>16,369</b>	<b>16,223</b>	<b>15,267</b>
<b>Non-current liabilities</b>			
Financial liabilities: - borrowings	(2,391)	(3,969)	(3,123)
Deferred tax liabilities	(456)	(443)	(367)
Provisions	0	(625)	(151)
	<b>(2,847)</b>	<b>(5,037)</b>	<b>(3,641)</b>
<b>Net assets</b>	<b>42,019</b>	<b>38,235</b>	<b>39,492</b>
<b>Equity</b>			
Ordinary shares	6	3,692	3,635
Share premium	13,410	12,857	12,931
Other reserves	2,001	1,947	1,971
Retained earnings	22,916	19,805	20,955
<b>Total equity</b>	<b>42,019</b>	<b>38,235</b>	<b>39,492</b>

## Condensed Consolidated Statement of Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 November 2008</b>	3,605	12,732	1,947	18,030	36,314
Net profit				2,352	2,352
Equity dividend paid				(577)	(577)
Shares issued	21	125			146
<b>Total shareholders' equity at 30 April 2009</b>	<b>3,626</b>	<b>12,857</b>	<b>1,947</b>	<b>19,805</b>	<b>38,235</b>
Net profit				1,469	1,469
Equity dividend paid				(319)	(319)
Shares issued	9	74			83
Adjustment in respect of share based payments			24		24
<b>Balance at 31 October 2009</b>	<b>3,635</b>	<b>12,931</b>	<b>1,971</b>	<b>20,955</b>	<b>39,492</b>
Net profit				2,591	2,591
Equity dividend paid				(630)	(630)
Shares issued	57	479			536
Adjustment in respect of share based payments			30		30
<b>Total shareholders' equity at 30 April 2010</b>	<b>3,692</b>	<b>13,410</b>	<b>2,001</b>	<b>22,916</b>	<b>42,019</b>

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 April 2010

	Note	Unaudited six months ended 30 April 2010 £'000	Unaudited six months ended 30 April 2009 £'000	Audited year ended 31 October 2009 £'000
<b>Cash flow from operating activities</b>				
Cash (used in) / generated from operations	8	(1,593)	(808)	10,248
Interest received		15	35	63
Interest paid		(208)	(339)	(609)
Tax paid		(534)	(1,373)	(2,171)
<b>Net cash (used in) / generated from operating activities</b>		<b>(2,320)</b>	<b>(2,485)</b>	<b>7,531</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, (net of cash acquired)		(1,075)	0	0
Purchase of property, plant and equipment	8	(909)	(866)	(2,059)
Proceeds on sale of property, plant and equipment		50	28	71
Proceeds from investments		100	0	0
Purchase of investments		0	0	(7)
<b>Net cash used in investing activities</b>		<b>(1,834)</b>	<b>(838)</b>	<b>(1,995)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from the issue of ordinary share capital		536	146	229
Finance lease principal repayments		(287)	(227)	(503)
Repayments of borrowings		(1,000)	(2,609)	(3,646)
Dividends paid to shareholders		(630)	(577)	(896)
<b>Net cash generated from financing activities</b>		<b>(1,381)</b>	<b>(3,267)</b>	<b>(4,816)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,535)</b>	<b>(6,590)</b>	<b>720</b>
Cash and cash equivalents at beginning of period		535	(185)	(185)
<b>Cash and cash equivalents at end of period</b>		<b>(5,000)</b>	<b>(6,775)</b>	<b>535</b>

# Notes to the Condensed Consolidated Interim Financial Statement

## 1. Basis of preparation

The Interim Report was approved by the Board of Directors on 15 June 2010.

The condensed financial statements for the six months to the 30 April 2010 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The financial information for the Group for the year ended 31 October 2009 set out above is an extract from the published financial statements for that year which have been delivered to the Registrar of Companies. The auditor's report on those financial statements was not qualified and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006. The information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the six months ended 30 April 2010 and for the six months ended 30 April 2009 are unaudited.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for 31 October 2009, which have been prepared in accordance with IFRS.

## 2. Consolidation of share of results in joint ventures & associates

As the Group has a policy of using audited accounts for the consolidation of its share of the results of joint venture & associate activities, no such consolidation has occurred during the six months to 30 April 2010. Relevant results will be accounted for during the second half of the financial year.

## 3. Significant accounting policies

The condensed financial statements have been prepared on a historical cost basis or fair value basis as appropriate.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparing of the Group's financial statements for the year ended 31 October 2009. A copy of these financial statements is available from the Company's Registered Office at Eagle House, Llansantffraid, Powys SY22 6AQ.

The following accounting standards and interpretations to published standards are effective for the Group for the financial year ended 31 October 2010, but have not had a significant effect on the results or net assets of the group.

IAS 1 (Revised) Presentation of financial statements

IFRS 3 (Revised) Business Combinations

IFRS 8 Operating Segments

IFRIC 12 Service Concession Arrangement

IFRIC 13 Customer Loyalty Programmes

IFRS 5 (amendment) Non-current assets held-for-sale and discontinued operations

IAS 28 (amendment) - Investments in associates

IAS 36 (amendment) - Impairment of assets

IFRS 38 (amendment) - Intangible assets

IAS 1 (amendment) - Presentation of financial statements

IAS 27 (amendment) - Consolidated and separate financial statements

IAS 28 (amendment) - Interests in joint ventures

IAS 41 (amendment) - Agriculture

IAS 32 (amendment) - Financial instruments : Presentation and IAS 1 ( amendment)

Presentation of financial statements

Puttable financial instruments and obligations arising on liquidation

IAS 27 (Revised) Consolidated and separate financial statements

#### 4. Taxation

The tax charge for the six months to 30th April 2010 is based on an apportionment of the estimated tax charge for the full year.

#### 5. Earnings per share

Earnings per share have been calculated based on the profit attributable to ordinary shareholders of £2,591,000 (*six months ended 30 April 2009 : profit of £2,352,000*) and the weighted average number of shares in issue of 14,611,480 (*2009: 14,422,700*). Diluted earnings per share are based on the aggregate weighted average number of shares and all potential shares adjusted for their proposed issue price, of 14,827,779 (*2009: 14,574,710*).

#### 6. Share capital

During the current period a total of 227,511 (*2009: 84,128*) shares were issued with an aggregate nominal value of £56,878 (*2009: £21,032*) fully paid up for equivalent cash of £535,483 (*2009: £146,046*). Included in these issues were 60,007 (*2009: 84,128*) shares allotted to shareholders exercising their rights to receive dividends under the Company's scrip dividend scheme and 167,504 shares (*2009: Nil*) allotted to relevant holders exercising options in the Company. As at 30 April 2010 a total of 14,770,812 shares are in issue (*2009: 14,506,363*) and as at the date of this report this had increased to 16,470,812 shares following a placing conducted in June 2010 (see note 15).

#### 7. Dividends

In the period an amount of £630,200 (*2009: £576,890*) was charged to reserves. An interim dividend of 2.40p per share (*2009: 2.20p*) will be paid on 29 October 2010 to shareholders on the register on the 1 October 2010. New elections to receive Scrip Dividends should be made in writing to the Company's Registrars before 15 October 2010.

#### 8. Cash (used in) / generated from operations

	Unaudited as at 30 April 2010 £'000s	Unaudited as at 30 April 2009 £'000s	Audited as at 31 October 2009 £'000s
Profit for the period	2,591	2,352	3,821
Adjustments for:			
Taxation	957	810	1,297
Depreciation of tangible fixed assets	1,076	890	1,892
Impairment of other intangible fixed assets	186	0	0
Profit on disposal of property, plant and equipment	(35)	(18)	(43)
Interest expense	208	339	609
Interest income	(15)	(35)	(63)
Share of results of joint ventures	0	0	(184)
Repayment of loans made to joint ventures	100	150	400
Share based payments	30		24
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)			
(Increase)/decrease in inventories & biological assets	(2,788)	(2,151)	2,781
(Increase)/decrease in trade and other receivables	(10,857)	(4,601)	4,959
Increase/(decrease) in payables	7,105	1,456	(4,771)
(Decrease)/increase in provisions	(151)	0	(474)
Cash (used in) / generated from operations	(1,593)	(808)	10,248

# Notes to the Condensed Consolidated Interim Financial Statement (continued)

## 8. Cash (used in) / generated from operations (continued)

During the six months to 30 April 2010, the Group purchased Property, plant and equipment of £1,482,000, (2009: £993,000) of which £573,000 (2009: £127,000) relates to assets acquired under finance leases.

## 9. 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 risks and returns that are different from other business segments. The Group operates in one geographical segment being the UK.

	Agricultural Supply £'000s	Retail £'000s	Other £'000s	Total £'000s
<b>Unaudited as at 30 April 2010:</b>				
Revenue	87,650	32,564	129	120,343
Segment result	2,034	1,659	48	3,741
Share of result of associates & joint ventures	0	0	0	0
	<b>2,034</b>	<b>1,659</b>	<b>48</b>	<b>3,741</b>
Net interest				(193)
<b>Profit before tax</b>				<b>3,548</b>
Taxation				(957)
<b>Profit for the period attributable to shareholders</b>				<b>2,591</b>

<b>Unaudited as at 30 April 2009:</b>				
Revenue	92,001	25,641	56	117,698
Segment result	2,155	1,271	40	3,466
Share of result of associates & joint ventures	0	0	0	0
	<b>2,155</b>	<b>1,271</b>	<b>40</b>	<b>3,466</b>
Net interest				(304)
<b>Profit before tax</b>				<b>3,162</b>
Taxation				(810)
<b>Profit for the period attributable to shareholders</b>				<b>2,352</b>

<b>Audited as at 31 October 2009:</b>				
Revenue	160,720	54,034	198	214,952
Segment result	2,511	3,021	(52)	5,480
Share of result of associates & joint ventures	(25)	104	184	263
	<b>2,486</b>	<b>3,125</b>	<b>132</b>	<b>5,743</b>
Net interest				(546)
<b>Profit before tax</b>				<b>5,197</b>
Taxation				(1,376)
<b>Profit for the year attributable to shareholders</b>				<b>3,821</b>

## 10. Business combinations

During the period the Group acquired the remaining 50% of the share capital of Young's Animal Feeds Limited. Details of the trade, assets acquired, price paid and trading during the period are provided below:

<b>Young's Animal Feeds Limited</b>			2 November 2009
Date of acquisition	Book Value £000	Fair Value Adjustment £000	Fair Value £000
Fair value of acquisition			
Property plant and equipment	1,159	96	1,255
Cash and cash equivalents	2		2
Trade and other receivables	887		887
Other current assets	469		469
Other current liabilities	(786)		(786)
Acquired debt	(327)		(327)
Net assets acquired	1,404	96	<b>1,500</b>
Fair value of previously held equity interest			(750)
Consideration transferred to gain control:			<b>750</b>
Cash paid			<b>750</b>
Revenue in period			<b>4,538</b>
Operating profit in period			<b>148</b>

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

The gain recognised on the remeasurement of the fair value of the equity interest held in the acquiree before the business combination is deemed immaterial and has been set off against the fair value adjustment.

The details of the acquisition shown above are based on the revised IFRS 3 Business Combinations, which came into effect for the accounts for the year ended 31 October 2010.

## 11. Other reserves

Included in Other reserves are 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.

The Group operates a number of share option and Save As You Earn schemes and fair value is measured by use of a recognised valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

# Notes to the Condensed Consolidated Interim Financial Statement (continued)

## 12. Group financial commitments

During the period the Group acquired the remaining 50% of the share capital of Young's Animal Feeds Ltd that it did not already own and therefore the guarantee of £125,000 offered by Wynnstay Group Plc to support the overdraft facility of that Company is no longer classified as a contingent liability. On 16 November 2009, the Group's associated undertaking, Wynnstay Fuels Ltd, transferred its primary banking relationship from HSBC Bank plc to the Co-Operative Bank, and the guarantee of £200,000 offered by Wynnstay Group plc to support the overdraft facility of that undertaking was cancelled. As at 30 April 2010, the Group's contingent liabilities in respect of bank guarantees for one of its joint ventures therefore amounts to £125,000.

## 13. Capital commitments

As at 30 April 2010 the Group had capital commitments as follows:

	Unaudited as at 30 April 2010 £'000s	Unaudited as at 30 April 2009 £'000s	Audited as at 31 October 2009 £'000s
Contracts placed for future capital expenditure not provided in the financial statements	552	680	282

## 14. Related parties

Transactions between the Company and its subsidiaries, which are related parties have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures and associates are described below:

	Transaction value			Balance outstanding		
	Six months 30 April 2010	Six months 30 April 2009	Year to 31 October 2009	Six months 30 April 2010	Six months 30 April 2009	Year to 31 October 2009
Sales of goods to Joint ventures and associates	4,674	4,605	5,518	1,264	1,327	909
Purchases of goods from Joint ventures and associates	3,079	3,929	2,754	1,129	195	1,787
Interest receivable from Joint ventures and associates	0	0	53	0	0	0

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 the relationship between parties.

## 15. Post Balance sheet events

### (a) Acquisition

On the 27 May 2010 the Group completed the acquisition of the entire share capital of Woodhead Seeds Ltd, a Yorkshire based seed processing and grain trading business. Details of the trade, estimated assets values acquired, and provisional price paid, together with the previous trading performance of the Company during the period covered by the last available accounts are provided below:

#### Woodhead Seeds Limited

Date of acquisition	27 May 2010 £'000s
Initial fair value of acquisition	
Property plant and equipment	637
Trade receivables	422
Other current assets	1,034
Other current liabilities	(1,316)
Acquired debt	(399)
	378
Maximum goodwill	2,970
<b>Total consideration</b>	<b>3,348</b>
<b>Consideration transferred to gain control:</b>	
Cash paid on completion	2,598
Maximum Deferred Contingent Consideration	750
	<b>3,348</b>

The final consideration to be paid is subject to confirmation of Net Assets and performance targets over the next two years which will result in a deferred contingent payment of between £nil and a maximum of £0.75m.

100% of the Trade receivables are expected to be collected.

Revenue in year to 30 April 2009	<b>15,866</b>
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Operating profit in year to 30 April 2009	<b>554</b>
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Financial performance information for the six month period ending April 2010 for the acquired business is unavailable.

### (b) Share Placing

On the 2 June 2010, the Group conducted a placing of shares with institutional and other investors in which a total of 1,700,000 shares were issued for a total gross cash receipt of £3,995,000.



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