WYNNSTAY

Delivering a sustainable farming future

Annual Report and Accounts 2023

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COMPANY DETAILS AND ADVISORS

DIRECTORS	S J Ellwood – Chairman S D Esom (appointed 18 April 2023) P M Kirkham (retired 24 May 2023) C Bradshaw H J Richards G W Davies – Chief Executive B P Roberts – Finance Director (retired 02 January 2024) R J Thomas – Group Finance Director (appointed 02 October 2023)
SECRETARY	C A Williams
COMPANY NUMBER	2704051
REGISTERED OFFICE	Eagle House Llansantffraid-Ym-Mechain Powys SY22 6AQ
AUDITOR	Crowe UK LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
PRINCIPAL BANKERS	HSBC UK Bank PLC Wales Corporate Banking Centre 5 Callaghan Square Cardiff CF10 5BT
NOMINATED ADVISOR & STOCKBROKER	Shore Capital and Corporate Limited Cassini House 57 St James's Street London SW1A 1LD
REGISTRARS	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD
SOLICITORS	Harrisons Solicitors LLP 30 Broad Street Welshpool Powys SY21 7RR DWF LLP 5 St Paul's Square Liverpool L3 9AE

ESG

SIGNIFICANT INVESTMENT

We have progressed well with our internal sustainability objectives, focusing on carbon, water and waste. During the year, we made a £1 million investment into a solar project. This is part of a wider £5m renewable energy investment programme spread over three years, which not only will help us deliver a substantial element in our net zero programme but will also be an attractive investment opportunity.

FEED

EXPANSION BY ACQUISITION

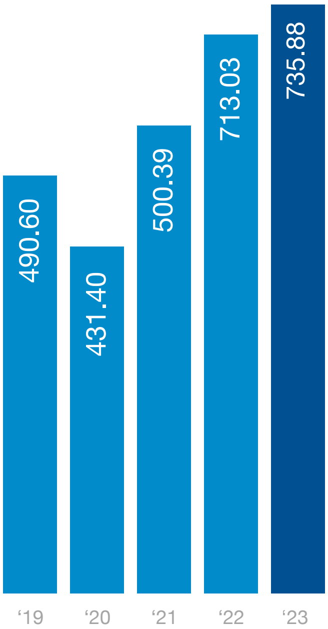
In November 2022, Tamar Milling was acquired, which expanded our feed manufacturing capability into the Southwest. Following the acquisition of Humphrey Feeds in the previous financial year, we brought our poultry feed offerings together to form the combined brand Wynnstay Humphrey Feeds & Pullets. We continued to make progress with our investment programme in Carmarthen Mill, with the new bin block completed and operational from January 2024.

GRAIN

RECORD PERFORMANCE

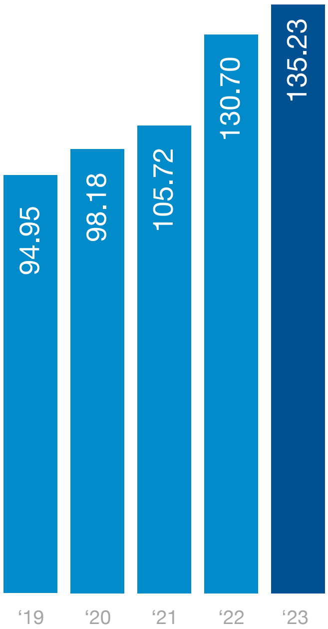
2023 saw an excellent performance by our grain trading business GrainLink, who delivered record results following a good-sized harvest, higher market penetration and our eastern expansion.

Financial Highlights



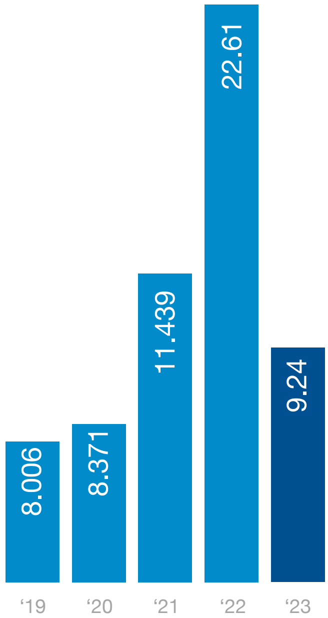
Group Revenue (£m)

£735.88m



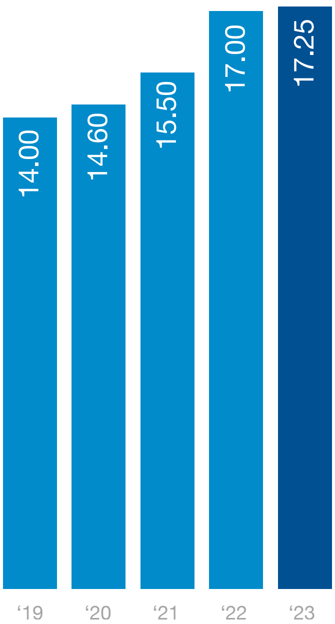
Shareholder's Funds

£135.23m



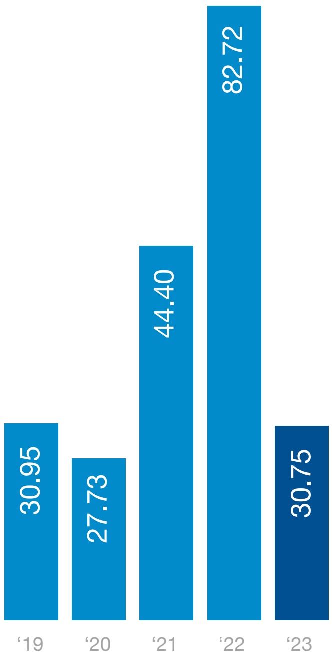
Underlying Pre-tax Profit*

£9.24m



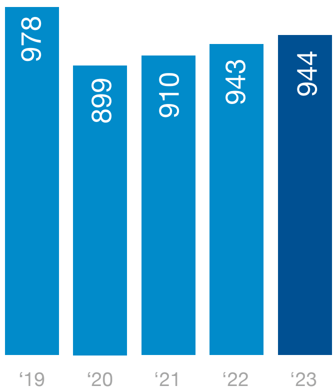
Dividend per Share (pence)

17.25p



Earnings per Share (pence)

30.75p



Colleagues

944

*Underlying pre-tax profit is a non-GAAP (generally accepted accounting principles) measure and is not intended as a substitute for GAAP measures and may not be calculated in the same way as those used by other companies. Refer to Note 36 of the Financial Statements on page 117 for an explanation on how this measure has been calculated and the reasons for its use.

Wynnstay helps livestock and arable farmers to produce food in a more sustainable, environmentally friendly and profitable way. We provide our customers with quality products, specialist advice and an efficient service that is industry leading.

The business model is aligned with the buying needs and habits of our farming customer base, which includes arable, livestock and mixed farms. The Group is committed to sustained development within the agricultural sector and strives for continued growth with a view to optimising the return to all stakeholders.

Our Mission:

To help the farmer to feed the UK in a more sustainable way

WYNNSTAY

AGRICULTURE

FEED

ARABLE

GLASSON

SPECIALIST AGRICULTURAL MERCHANTING

DEPOTS

YOUNGS ANIMAL FEEDS

2

COMPLEMENTARY & BALANCED DIVISIONS

A robust and balanced business model with two complementary divisions - Agriculture and Specialist Agricultural Merchanting.

944

COMMITTED AND LOYAL COLLEAGUES

Committed and loyal colleagues who offer technical advice to support the prosperity of our farmer customer base through efficiencies and an extensive range of products.

25K

PRODUCTS

A broad range of agricultural products, marketed via a multichannel sales offering.

12

MANUFACTURING SITES

Manufacturing sites across our trading area for the production or processing of fertiliser, feed and seed.

53

DEPOTS

53 depots across our trading areas catering for the needs of farmers and rural dwellers.

33

ACQUISITIONS SINCE 2004

33 acquisitions alongside a number of other commercial initiatives since 2004. Opportunities for future growth into the currently fragmented farming and rural economy by increased geographic reach through organic and focused acquisitions.

Agriculture

Comprises the manufacturing and supply of a comprehensive range of agricultural inputs to customers across many parts of the UK.

FEED

The Group operates three feed mills and three blending plants, offering a full range of animal nutrition products to the agricultural market in bulk or bags. Third-party mills are also used to satisfy additional seasonal and geographic requirements.

The Feed operation caters for the needs of dairy, sheep and beef enterprises, and organic and conventional poultry feeds are marketed under the brand Wynnstay Humphrey Feeds & Pullets following the integration of Humphrey Feeds in 2023.

GLASSON

Glasson operates from Glasson Dock, near Lancaster. It is a producer of blended fertiliser, a supplier of feed raw materials and a manufacturer of added-value products to specialist animal feed retailers.

The business operates fertiliser blending manufacturing facilities at Winmarleigh, Goole, Montrose, and Howden, and also sources from a facility at Birkenhead. It is currently the second largest fertiliser blender in the UK.

Glasson complements the Group strategy by providing a further internal hedge against commodity volatility in the agricultural supply sector.

ARABLE

The Group's arable activities supply a wide range of products to arable and grassland farmers, including seed, fertiliser and agro-chemicals. Seed processing facilities are located at Shrewsbury, Shropshire.

GRAINLINK

GrainLink is the Group's in-house grain marketing company and 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. GrainLink operates from offices in Shropshire and Yorkshire.

GrainLink

GLASSON

Specialist Agricultural Merchanting

Supplies specialist agricultural and associated sundry products to customers throughout Wales, the Midlands, North West and South West of England.

DEPOTS

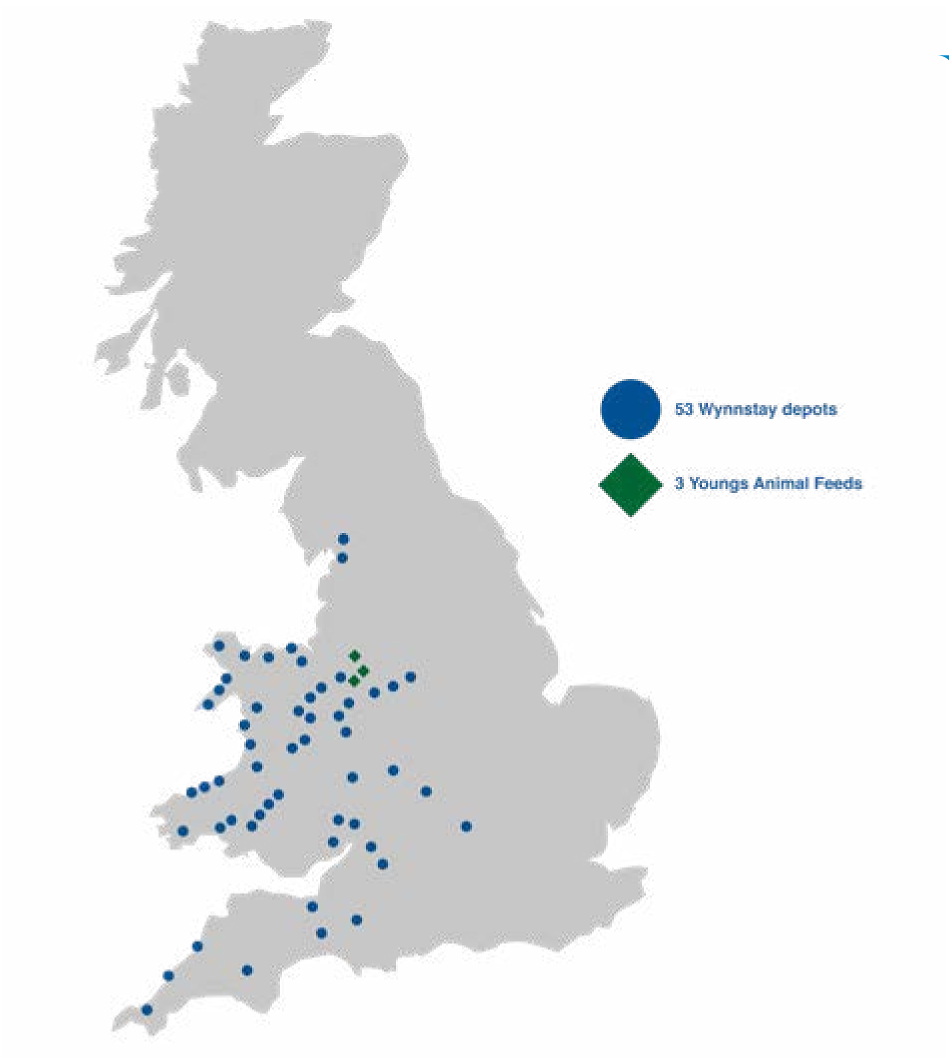
The Group's Specialist Agricultural Merchanting depots are well established and provide a comprehensive range of products for farmers and rural dwellers. The Group operates 53 depots across Wales, the Midlands, North West and South West England, supplying to farmers, smallholders and rural dwellers.

Our team is trained to help customers with technical advice and our customers can purchase via depot, click and collect or for direct delivery.

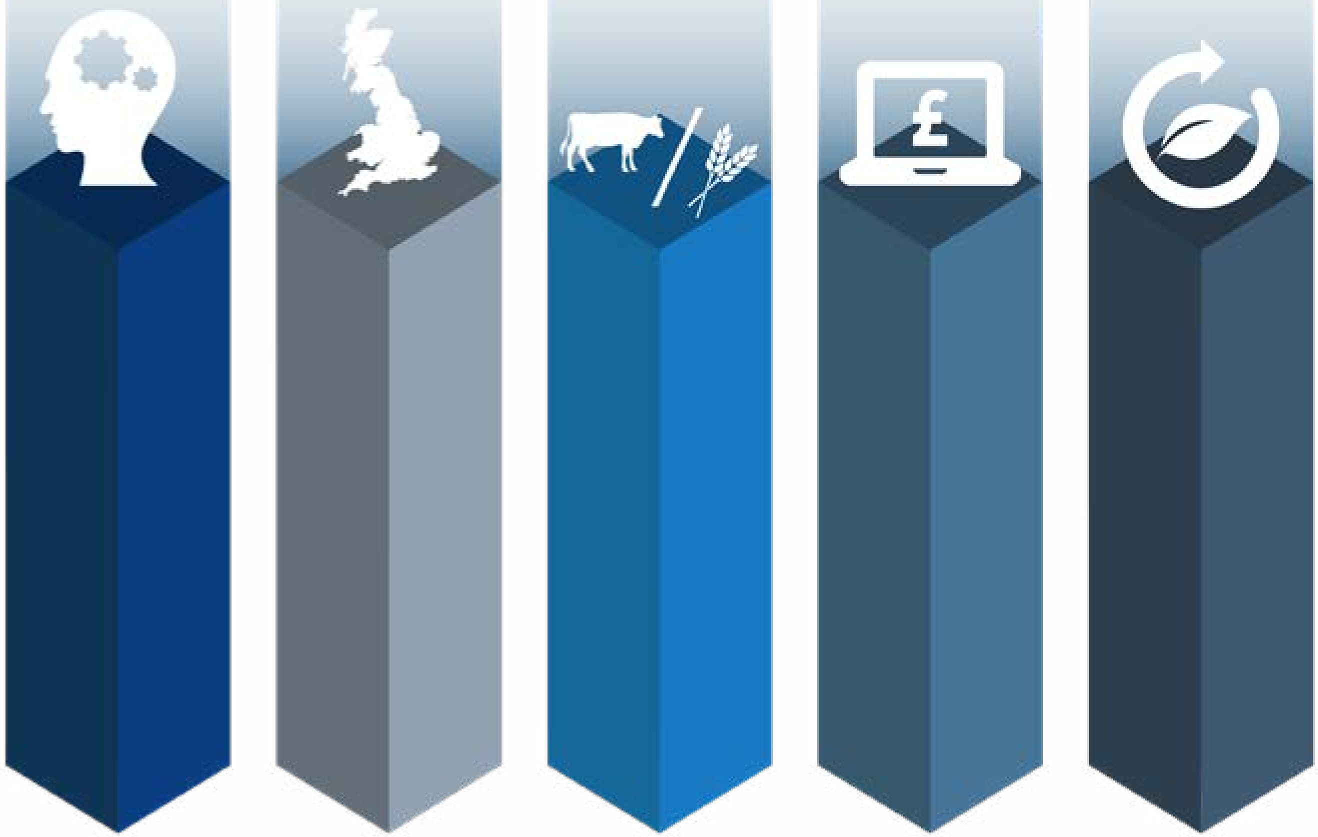
We partner with pharmaceutical companies to provide specialist advice on animal health and other agricultural products

YOUNGS ANIMAL FEEDS

Youngs Animal Feeds operates from its production facility at Standon, Staffordshire, and two other locations, selling a range of equine and small animal feeds through to wholesalers and retailers, including our own depot network, in Wales and the Midlands. The Sweet Meadow branded equine feed range is a market-leading product.



Our Pillars



EXPERT GUIDANCE

The quality of our advice enables us to stand-out and create deeper relationships with customers. We have strong teams of specialists who assist customers in identifying areas to improve their business so that they can produce food profitably, efficiently, sustainably and in an environmentally beneficial way.

ACQUISITIONS

Acquisitions have played an important role in Wynnstay's development to date, and remain an important element of our growth strategy alongside organic expansion. We look for acquisitions that complement our existing areas of operation and will add value.

ORGANIC GROWTH

There are very good opportunities for us to increase our market share across all our key areas of operation and to expand our manufacturing capability. As we increase our share of the market, we intend to continue to maintain our wide offering of products and services for livestock, arable and mixed farms. This balanced approach smooths sector volatility.

MULTI-CHANNEL VISION

Technology offers new ways of selling our products and services and enhancing our customer proposition. We are investing to take advantage of these new opportunities and align ourselves with the shift in customers' buying habits and engagement.

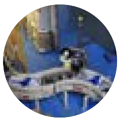
ESG

Helping farmers to feed the country in a more sustainable way is our fundamental goal. It has the power to transform lives for the better. We are proud to be pursuing this aim and, alongside this, to uphold high ESG values.

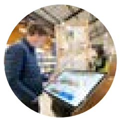
OUR PROPOSITION

Trusted Experts

Product Range



Manufacturing Capability



Multi-Channel Offering

Established

Culture & Values

WE INVEST IN

CREATING STAKEHOLDER VALUE

Growth Strategy

Twin-tracked Growth

The fragmented nature of the UK's agricultural supplies market presents growth opportunities, and the Group has demonstrated its ability to increase its market share organically and through complementary acquisitions.

Acquisitions

- Act as consolidator in the UK agricultural supply sector
- Continue 'bolt-on" geographic transactions
- Seek larger opportunities to complement existing activities and enhance economics of scale

Organic Growth

- Enhance relationships with key customers through CRM
- Maximise cross-selling opportunities, supported with technical advice from trained colleagues
- Develop new sales channels, including through digital channels.
- Seek new depot and operating centre opportunities to grow footprint and increase efficiencies
- Continuous investment in research and development to offer innovative products

CHAIRMAN'S STATEMENT

Trading conditions over the financial year contrasted sharply to the prior year. Farm gate prices were weaker across most categories and farmer sentiment was lower as a result. The substantial one-off gains arising from macroeconomic events that we had benefitted from last year were absent too.

The stratospheric rise in fertiliser raw material prices, which generated significant one-off gains in 2022, returned to more normal levels over the year. This normalisation of prices led to one-off stock losses at the Group's fertiliser manufacturing operations, although it should be noted that these losses were considerably less than the one-off stock gains of the previous financial year. There were also margin challenges from higher labour, distribution and energy costs.

While the Group was on target to achieve market forecasts for most of the financial year, after a weak seasonally important final quarter, we reported in November 2023 that results would be below market expectations. Underlying Group pre-tax profit for the financial year was £9.2 million, and Group revenue was £735.9 million. Revenue growth reflected a first full year's contribution from both Humphrey Poultry (Holdings) Limited ("Humphrey Feeds") and Tamar Milling Ltd following their acquisition, as well as record grain trading volumes, in part, offset by a reduction in raw material and fertiliser prices.

In the Agriculture Division, the integration of the two acquisitions, Humphrey Feeds and Tamar Milling was completed, contributing to a rise in revenue. However, the Division's operating performance was affected by the correction in fertiliser raw material prices, lower demand for feed, which was experienced nationally, particularly for dairy and poultry feed, and the disruption in post-harvest farming activities in the final quarter caused by the prolonged wet weather. Against this challenging background, GrainLink Limited, our grain trading operation, produced record results, helped by both market share growth and margin expansion.

The Specialist Agriculture Merchanting Division maintained footfall and transaction numbers, although the rise in revenue mainly reflected agricultural inflation, and reduced volumes of own-brand bagged feed and a decrease in hardware sales delivered an overall lower margin product mix. Higher energy and labour costs also reduced operating profit.

Our joint ventures performed well and delivered a record contribution to Group results.

We continued to invest across the Group in line with strategic plans. This investment is aimed at increasing manufacturing capacity, driving efficiencies and increased capabilities. We successfully completed the first part of our investment at our feed mill in Carmarthen, and will be proceeding with further investment. We also continued to focus on developing both our environmental offering to customers, and the steps needed to attain the Group's Net Zero ambitions. Our Renewable Energy Programme to install solar arrays started and progressed well in its first year of roll-out, and we are involved with some exciting environmental projects. We will be adding to our teams of on-farm specialists, who advise farmers on how to achieve their farming objectives. These objectives increasingly concern environmental goals as Government support shifts to payments according to environmental outcomes.

Financial Results

Group revenue for the year to 31 October 2023 increased by 3% to £735.9 million (2022: £713.0 million). This included full year contributions from two acquisitions, Humphrey Feeds and Tamar Milling Ltd, partly offset by the significant correction in fertiliser prices, which returned to more normalised levels from the historic highs recorded in 2022, following Russia's invasion of Ukraine.

As expected, adjusted operating profit and underlying Group pre-tax profit, the Board's alternative performance measure, both decreased significantly year-on-year. However, after a weak final quarter, and including the nominal, non-cash accounting loss of £0.8 million relating to the grain trading book, adjusted operating profit was was £9.3m (2022: £22.4m, which included significant one-off gains, in particular fertiliser stock gains) and underlying Group pre-tax profit was £9.2 million, (2022: £22.6 million). Further details on the non-cash accounting loss of £0.8m are provided in the Financial Report and Notes. Reported pre-tax profit was £8.7 million (2022: £21.1 million) and basic earnings per share was 30.75p (2022: 82.72p).

The Agricultural Division delivered sales of £584.3 million (2022: £564.3 million) and the Specialist Agricultural Merchanting sales of £151.5 million (2022: £148.8 million). The segmental profit contribution from the Agriculture Division was £3.7 million (2022: £14.7m), which included contributions from joint ventures, with the Specialist Agricultural Merchanting Division contributing £6.1 million before non-recurring items (2022: £7.9m). Other activities generated a loss of £0.04m (2022: profit of £0.23m).

The Group continued to generate good cash flows, and net cash generated from operating activities was £17.2 million (2022: £10.3 million), helped by an easing of working capital requirements as raw material prices decreased.

The Group net cash position excluding property leases at 31 October 2023 was £19.0 million (2022: £18.2 million). This calculation excludes the classification of land and buildings leases as debt, which is in line with the basis that the Group's banking covenants are calculated. October remains the highest point of net cash in the Group's annual working capital cycle.

During the financial year, 111,181 (2022: 75,891) new ordinary shares were issued to existing shareholders exercising their right to receive dividends in the form of new shares. The total equivalent cash amount was £0.5 million (2022: £0.6 million). A further 503,534 shares (2022: 65,689) were issued for a total cash consideration of £1.0 million (2022: £0.3m) to employees exercising rights over approved share options. In the prior financial year, 1,900,000 shares were issued in a private placing to institutional holders for a total cash consideration of £10.3 million.

Capital investment in fixed assets over the year amounted to £15.6 million (2022: £5.3 million). Of this, £6.2 million related to renewal of property leases (2022: nil) and £2.7 million was invested in acquisitions (2022: £10.2 million), including deferred consideration.

The balance sheet remains very robust. Group net assets at the financial year-end increased to £135.2 million (2022: £130.7 million). Based on the weighted average number of shares in issue during the financial year of 22.525m (2022: 20.722m), this equates to a net asset per share of £6.00 (2022: £6.31 per share). Return on net assets from underlying pre-tax profit was 7.0% (2022: 17.4%).

Dividends

The Board is pleased to propose an increased final dividend of 11.75p per share (2022: 11.60p). This together with the interim dividend of 5.50p per share, paid on 31 October 2023, takes the total dividend for the year of 17.25p (2022: 17.00p), a 1.5% rise on the previous financial year. Subject to shareholder approval, the final dividend will be paid on 30 April 2024 to shareholders on the register as at 02 April 2024.

This is the 20th consecutive year of dividend growth change since 2004, when Wynnstay joined AIM. It is covered 1.8 times by profit after tax (2022: 4.1 times) and continues the Board's progressive dividend policy.

ESG

The business is committed to reaching Net Zero by 2040 and we are making good early steps towards this aim. The 2023 Annual Report and Accounts will include our first Task Force on Climate-related Financial Disclosures ("TCFD") report, and we have brought in external expertise and established additional internal groups as we further develop our Net Zero roadmap. We also commenced a significant investment programme in solar energy, which continues in the new financial year and beyond.

Our ESG programme is much wider than our own Net Zero ambitions. It also encompasses our objective to assist our farmer customers as they increasingly focus on environmental and biodiversity goals. The transition period from payments based on the EU's Common Agricultural Policy (CAP) to a new system of financial support based on environmental outcomes is driving change across UK farms. Wynnstay's on-farms teams provide advice and guidance on the innovative products and services the Group offers, including our expanding environmental seeds offering.

As we deepen our environmental expertise and offerings, we are widening our links. In particular, I am pleased to highlight two exciting projects in which Wynnstay is involved. The first is the 'Dancing with Daffodils' research project. This is a revolutionary research project, supported by the department of Farming, Environment and Rural Affairs and Innovate UK, which is trialing the use of daffodils to reduce cattle methane emissions. If successful, Wynnstay would be the route-to-market for the new product. The second project is one with Harper Adams University, which is exploring ways to grow soya beans in the UK.

We continue to host specialist agricultural events for farmers, including the Arable Event, and Beef and Sheep Event.

Board and Colleagues

On behalf of the Board, I would like to thank our very dedicated people for their hard work over the year. They provide customers with excellent service, and my fellow directors and I are very pleased to acknowledge their vital contribution to the Group's success.

There have been two changes to the Board's composition during the financial year. Steven Esom was appointed as Senior Independent Non-executive Director and head of the Renumeration Committee on 18 April 2023. He replaced Philip Kirkham who retired on 24 May 2023, after 10 years as a Board member. Steven has extensive senior-level experience in the UK food and retailing industries and significant experience of the UK agricultural sector. He was Managing Director of Waitrose & Partners, where he regularly engaged with farmers and was involved with the oversight of Waitrose-owned farmlands. He was also Executive Director of Food at Marks & Spencer, and held senior commercial buying roles at J Sainsbury plc for 12 years as well as at Texas, the DIY retailer, then part of Ladbroke Group. Steven also holds three other non-executive directorships. He is Chairman of Sedex, a leading global supply chain consultancy focused on environmental, social and governance ("ESG") outcomes. He is also Chairman of Andrews & Partners Ltd, the residential estate agency and lettings and management group, and Chairman of Advantage Travel Partnership, the UK's largest independent travel agent group.

In July 2023, we announced that Paul Roberts, Finance Director, was retiring after 36 years with Wynnstay. We subsequently appointed Rob Thomas, FCA, as Group Finance Director designate, and Rob joined the Group in this role on 2 October. On 2 January 2024, Rob took over fully from Paul after a very smooth handover process. Paul continues to assist in a consultancy capacity while the year-end audit process completes.

Rob Thomas has significant financial and commercial experience in senior roles, including in the agricultural and the supply chain sectors. He joined Wynnstay from EFS Global Limited, the UK-based logistics provider, where he was Group Finance Director. Before that, he worked at NWF Group plc, the specialist distributor of fuel, food and feed, for eight years until 2022. For the majority of his time there, he was Finance Director of the feeds division, NWF Agriculture Limited, which manufactures and supplies animal feeds to livestock farmers across the UK. He has significant experience of M&A and strategic planning. Rob's earlier career was in accountancy with PwC, both in the UK and overseas.

I take this opportunity to welcome Rob to Wynnstay and to pay tribute to the outstanding contribution that Paul has made to the business over his long year career. Paul joined the Board in 1997 and has managed the Group's finances in an exemplary manner over this time.

Outlook

In November 2023, the Board reported that with uncertainty over milk and other farm-gate prices, farmer sentiment is likely to remain cautious in the short-term. We expect this to remain the case. However, with our strong market position, good cash flows and very robust balance sheet, the Board believes that the Group is well-positioned as we continue with our strategic growth plans and investments, which will further strengthen our position in the market. We continue to review acquisition opportunities that fit our strategic criteria.

Steve Ellwood
Chairman
29 January 2024

CHIEF EXECUTIVE'S REPORT

Introduction

Trading conditions over the financial year were markedly different from the prior financial year, when the Group benefited from substantial one-off gains, as well as strong farmgate prices, to deliver a record set of results. By contrast, in the financial year under review, farmgate prices were lower across most categories, impacting farmer sentiment and spending. In addition, the global correction in fertiliser raw material prices, which moved back to more normalised levels, created one-off stock losses for Glasson Grain Ltd. This represented the opposite picture to last year's one-off gains when fertiliser raw material prices soared to historic highs following Russia's invasion of Ukraine. For context, last year's one-off gains were significantly greater than this financial year's one-off losses. Inflation also remained a factor for the Group, affecting labour, distribution and packaging costs in particular.

The trading backdrop in the second half of the financial year was weaker than the first half. Farm gate prices moved lower, especially for milk and grain. In addition, the Group's arable activities suffered from the very wet autumn in a seasonally important period, with heavy rains reducing the grain harvest and disrupting post-harvest farming activities, particularly winter cereal seed planting.

More positively, GrainLink, the Group's specialist crop marketing business, delivered record annual results. This was driven by increased volumes of grain purchased, helped by market share gains in the eastern side of its trading area and good margin retention. This record performance was even after the recognition of a non-cash nominal accounting loss.

Both our acquisitions, Humphrey Feeds and Tamar Milling, have now been fully incorporated into the business, and contributed positively to the performance of the Group. Unlike Tamar Milling though, the performance of Humphrey Feeds was below our expectations. The business was affected by the challenges experienced by the free range sector, driven by Avian influenza and weaker prices. However, the sector is recovering, stimulated by higher egg prices.

The first phase of our investment at Carmarthen feed mill is now complete, and we are considering the most viable and sustainable options for replacing the feed volumes that we currently manufacture at Twyford.

Our Joint Ventures and associate business together delivered an above-expected performance, helped by record trading at Bibby Agriculture Ltd and positive contributions from WYRO and Total Angling Ltd.

We continued to make good progress with our ESG strategy, both internally and in relation to our farmer customers whose financial support mechanisms are now increasingly linked to environmental outcomes. In England approximately 50% of the previous Basic Farm Payment under the Common Agricultural Policy is moving to Environmental Land Management ("ELMs") schemes by 2024, and the devolved administrations will shape their respective support schemes from 2025.

Review of Agricultural Activities

Agriculture Division

The Agriculture Division manufactures and processes a wide range of agricultural inputs, including feeds, fertiliser and seeds, which cater for the needs of both livestock and arable farmers. Glasson Grain Limited ("Glasson"), whose operations include fertiliser blending, and GrainLink, the Group's crop marketing business, also report within this Division.

Divisional revenue increased by 3.6% year-on-year to £584.3 million (2022 £564.3 million) and the segmental contribution was £3.7 million (2022: £14.7 million). Revenue was boosted by full-year contributions from the Humphreys Feeds and Tamar Milling acquisitions, as well as by increased activity at GrainLink Limited. However, operating profit was impacted by a number of factors: the reversal in fertiliser raw material prices, which impacted Glasson; the weaker free range egg sector, which suffered from the outbreak of Avian Influenza and margin pressures; and the difficult final quarter, when prolonged wet weather impacted arable activities.

Feed

Wynnstay manufactures and supplies a wide range of feeds and animal nutrition products for a range of sectors, including, dairy, beef, sheep, and poultry. The business operates three feed mills and three blending plants, and offers nutrition products in compounded, blended and meal forms, both in bulk and in bags. This wide offering provides an internal hedge against sector variations. Bagged feed is predominantly marketed under our "Wynnstay brand" and sold through our depot network.

Feed volumes on a like-for-like basis were 5.3% below the previous year. This decrease largely reflected reduced demand from the dairy sector, as a result of weaker milk prices, and from free range poultry farmers, who were still recovering from Avian influenza and also contending with reduced margins. The early spring and an abundance of grass in the summer months were also factors dampening demand. Efficiency initiatives have helped mitigate inflation-driven costs, which were especially evident in labour, distribution and packaging costs. As we move through the early months of the new financial year, with milk prices still low, we expect demand from the dairy farmers to remain suppressed.

The integration of the two acquisitions, Humphrey Feeds (purchased in March 2022) and Tamar Milling (purchased in November 2022), into the Group's wider activities, was completed. Our offering to the free range egg sector has been rebranded as 'Wynnstay Humphrey Feeds and Pullets', and the respective sales teams combined. This has created greater efficiencies in both feed manufacturing and distribution. Whilst the Humphrey Feeds acquisition contributed positively to the Group's overall performance, its performance was below our expectations. This reflected the challenges of the free range egg sector, including the organic egg sub-sector, with a number of producers exiting the marketplace. However, the more recent onset of higher free range egg prices has stimulated confidence in the sector and acted as a boost to recovery. Tamar Milling performed above management expectations in its first full year contribution. The full potential of these acquisitions is still to come through.

Our investment to expand the feed manufacturing capacity of our mill at Carmarthen and to improve its operational efficiencies progressed well over the year. Phase one, which included the installation of a bank of blended feed out-loading bins, has been completed. The second phase of investment is scheduled to commence and the feed mill is now also being evaluated as we consider the most commercially optimal solutions for replacing the manufacturing facility currently in use at Twyford.

Our on-farm animal nutrition advisors continued to work very effectively with customers to help them improve performance efficiency and deliver their environmental objectives and respond to market demands. We continue to focus on keeping abreast of the latest scientific developments and aim to further strengthen our teams of specialists across all sectors in support of our growth plans.

Arable Products
Our arable operations supply a wide range of services and products to arable and grassland farmers. These include seeds, fertilisers and agrochemicals as well as grain marketing services.

We saw significant variations in performance within the arable division. GrainLink, our grain and combinable crop marketing business delivered record results, which were well ahead of management expectations. This resulted from a 30% increase in grain marketing volumes and good margin retention. GrainLink continued to gain market share on the eastern side of the trading area. As we detail in the Financial Report, GrainLink's headline performance was impacted by the accounting treatment of financial derivatives. It should be noted that this results only from the application of International Financial Reporting Standard 9 and is a non-cash charge.

The final quarter of the financial year is a seasonally important period for arable activities, and weather conditions were challenging. The very wet summer and heavy rains in the autumn reduced the harvest size, and its quality, and created very difficult autumn sowing conditions. Land intended for autumn sowing has not been sown, impacting sales of winter cereal seed, and some of the crop seed that was sown was flood damaged. In addition, some of the decrease in winter cereal seed sales also reflected our decision to exit from some low-margin wholesale contracts.

While we anticipate that demand for spring sown cereal and environmental seed mixtures will increase, as a result of reduced autumn sowings, there are difficulties in the availability of spring seed this season, following the poorer 2023 harvest yields.

Volumes of traditional grass seed mixtures were also impacted by the weather and were 5% lower year-on-year. However, this was better than the national trend, which showed an annual decrease of 10%. Sales of our environmental seed mixtures grew strongly as farmers adjusted and changed cropping rotations, in line with opportunities to participate in the Government's Environmental Land Management Schemes. We expect demand for these environmental seed mixtures to continue to increase. Our team of specialist advisors can offer customers environmentally-friendly seed mixtures that include pollinators, deep-rooted herbs and wildflowers. Demand for root seeds has also increased as sheep farmers grow more crops to reduce bought-in feed and participate in environmental schemes.

The completion of our investment at our seed plant at Astley in Shropshire will enable us to double grass seed processing and provides a platform to continue to increase sales in the future. It also enhances our reputation for high-quality seeds.

Merchanted fertiliser volumes in the second half of the year were stronger than in the first half and overall sales were up by 2% on the prior year. This was significantly better than the estimated national decrease in volumes of c. 10%. As fertilizer prices reduced from the higher levels earlier in the year, demand improved, however margins were affected in a falling market.

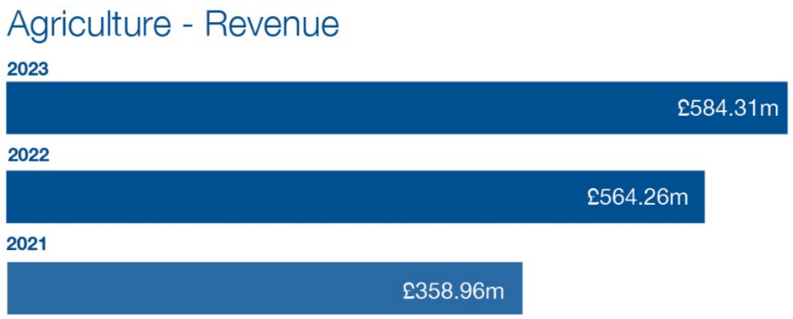
Farmer returns within the arable sector have been squeezed in comparison to the very strong prior year, when grain supplies were disrupted following the invasion of the Ukraine by Russia and prices climbed to record highs. While the reduced acreage that has been sown this autumn will impact the demand for crop inputs, including fertiliser, farmers will plant alternative crops, which will require our products and services.

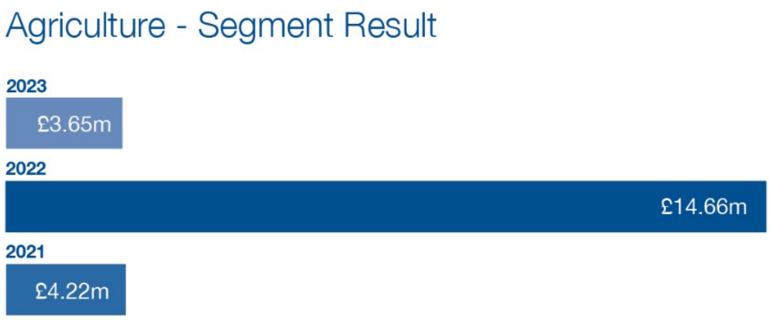
Glasson Grain Limited
Glasson Grain is the second largest fertiliser blender in the UK and is based at Glasson Dock near Lancaster. As well as fertiliser blending, Glasson has two other core activities, the supply of feed raw materials and the manufacture of added-value animal feed products.

As we reported with first-half results, Glasson contended with the sharp reversal of global fertiliser raw material prices, from the unsustainable levels of the prior year, to more normalised levels. In the last financial year, the stratospheric rise in raw material prices led to significant one-off gains; by contrast, in this financial year, Glasson's performance has been distorted by adverse stock realisations. As a fertiliser manufacturer, Glasson carries stocks of raw materials for blending and therefore can be affected by price movements, up and downwards. Fertiliser prices continued their correction in the second half of the financial year and retained a degree of volatility in the autumn period.

Overall, Glasson's fertiliser volumes decreased by 4% year-on-year, although it increased its market share. We anticipate that fertiliser usage will change as farmers switch increasingly to precision application techniques, stimulated by Government-supported environmental schemes. As farmers shift their approach and carry out more detailed nutrient management plans to identify crop requirements, Glasson is well-placed to assist, having the ability to process bespoke fertilisers to suit individual customer requirements. We anticipate opportunities to add value to the business in the coming years, and expect to maintain our position as the UK's second largest manufacturer of blended fertiliser.

Feed raw materials performed well and ahead of expectation. Although volumes decreased by 11%, which was in line with national trends, margins were better than last year and drove strong results. Glasson's smaller operation, the specialist animal feed activity, saw lower volumes as the cost-of-living crisis reduced consumer demand for some of the manufactured products. Higher energy and labour costs also put pressure on margins. We are currently restructuring the operation to mitigate costs.





Specialist Agricultural Merchanting Division

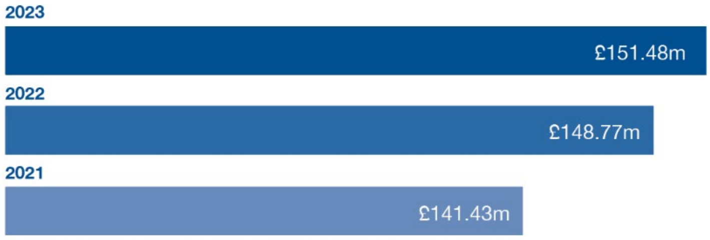
The Specialist Agricultural Merchanting Division comprises a network of 53 depots catering mainly for the needs of farmers but also rural dwellers. Depots are mostly located within the livestock areas of England and Wales. The network is supported by a multi-channel sales route to market, which includes a digital sales platform, a sales trading desk and specialist catalogues. Youngs Animal Feeds ("Youngs") is also accounted for in this division. Youngs manufactures and distributes a wide range of equine products, which are sold through three dedicated Youngs outlets, Wynnstay depots and via third-party wholesale customers.

Revenue in the division increased to £151.5 million (2022: £148.8 million). However, this rise mostly reflected agricultural inflation, while segmental contribution decreased to £6.1 million (2022: £7.9 million), which was below management expectations. Footfall and the number of transactions were in line with the previous year, but an overall lower margin product mix had an impact on profitability. In particular, we felt the effect of lower volumes of our own-brand bagged feed and lower hardware sales. This shift in buying patterns reflected subdued farmer sentiment, as farmers tightened their belts in response to lower farm gate prices, and the good availability of grass in the second half also had an effect on feed volumes. In addition, rising energy and labour costs affected the Division's cost base and we have put in place actions to mitigate this.

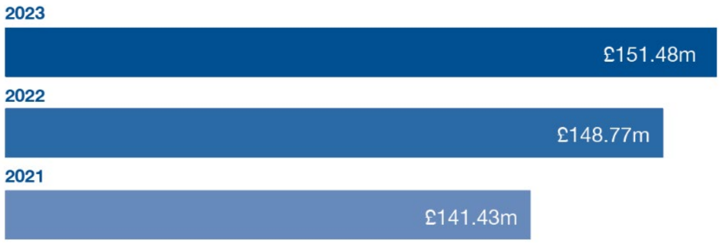
We continue to develop our digital offering. The number of customers who have signed up to our digital portal continued to increase. The majority of the activity on the portal remains non-trading and accounts related. During the coming year, we will be introducing a click-and-collect service as we continue to develop our online offering.

Youngs Animal Feeds saw an increase in sales of its own- manufactured fibre product, 'Sweet Meadow' and performed ahead of last year.

Specialist Agricultural Merchanting - Revenue



Specialist Agricultural Merchanting - Revenue



Joint Ventures and Associate Companies

Wynnstay has three joint venture companies, Bibby Agriculture Ltd, WYRO Developments Limited and Total Angling Limited, as well as an associate company, Celtic Pride Limited. The businesses together made another strong contribution, which totalled £0.9 million (2022 £0.8 million). This was driven by a record performance from Bibby Agriculture Limited, as well as positive contributions from WYRO and Total Angling Limited.

Environmental, Social and Governance ("ESG")

Our ESG strategy has two goals. As an organisation, Wynnstay is working towards becoming carbon neutral by 2040. We are committed to helping to protect the local and global environments, and aim to minimise, as much as we can, any adverse environmental impacts that our activities may have. Alongside this, we are focused on helping farmers to feed the UK in a more sustainable way, providing advice and access to more environmentally-friendly agricultural inputs and other innovative products.

In the last financial year, we established The Sustainable Farm Advisory Team. The team includes industry experts, and the objective is to bring in additional expertise to help guide the decisions of our Executive Management and our Sustainability Team as they develop our environmental strategies. We have recently formed the Resource Efficiency Action Team, which has been tasked with accelerating resource efficiency gains across the Group.

In order to reduce Group energy costs and its carbon footprint, we have invested £1.0m in solar voltaic panels and will be investing a further £1.0m over the new financial year to install solar panels on roofs of Group properties. The

Group's vehicle replacement policy is now reshaping the vehicle fleet with electric/hybrid cars and lorries that are more fuel efficient.

We continue to work with the wider industry and customers on carbon and methane reduction projects. During the year, Wynnstay, along with other partners from the industry, launched the revolutionary "Dancing with Daffodils". The project is investigating the potential use of a daffodil extract to reduce methane emissions from cows. A 96% reduction in methane emissions has been demonstrated in artificial cow stomachs and a team of researchers at Scotland's Rural College is now trialling the extract's use in real cows. The research team believes that the daffodil extract, when added to livestock feed, could reduce methane emissions by at least 30%. A four-year programme of trials has begun at farms across the UK, and if they prove successful, it is intended that Wynnstay provides the route-to-market for the end-product. Whilst we already offer methane inhibitors within our climate-friendly range of feed products, this potential new product would represent a significant step forward in reducing methane emissions from ruminant animals.

In line with our environmental commitments and to address concerns about poultry manure and phosphate levels in rivers, we introduced a lower phosphorus feed option for free range layer hens. The new feed formula, which optimises the level of the phytase enzyme without compromising feed performance or bird health, improves diet utilisation and results in an average reduction of 13.8% in in phosphate excretion per bird per year. All of Wynnstay's relevant manufactured layer mashes now contain optimised doses of phytase.

Our colleagues remain of paramount importance, and we work hard to encourage dialogue and engagement throughout the Group, including the contribution of ideas as to how to improve the business, workplace and performance. The Colleagues Ideas Hub was established as a means by which staff can submit their ideas. If an idea is taken up and shown to be successful, we also provide financial recognition. The Executive Team regularly updates colleagues across the Group on the Company's progress, with both the Team and colleagues benefiting from this regular engagement. We also support colleagues' fundraising initiatives. Fundraising proceeds are distributed to nominated charities, principally Children with Cancer and The Royal Agricultural Benevolent Institution (RABI), the award-winning charity which provides local support to the farming community in England and Wales.

Colleagues

I would like to take this opportunity to thank all our colleagues for their continued hard work, loyalty and commitment over the past twelve months. They have risen to the challenge of a more difficult trading environment and continued to demonstrate Wynnstay's values and serve our customers well. I am proud of working alongside them.

I would also like to add my personal thanks to Paul Roberts, who retired as Finance Director, on 2 January 2024 after a long and successful career at Wynnstay. It has been a great pleasure to work with him, and I join my colleagues in acknowledging his outstanding contribution to the Group.

Outlook

The trading backdrop remains difficult. Farmer sentiment is cautious, reflecting uncertainty over farmgate prices and the adjustment to the Environmental Land Management Scheme and the Sustainable Farming Scheme. We anticipate current low milk prices to continue to suppress dairy feed demand, although some recovery is expected in the coming months, and arable inputs are likely to be down in the spring, following the significant reduction in autumn cereal planting. It is also reasonable to expect a smaller 2024 harvest. Energy and labour costs remain factors too.

While these are challenges for the entire sector in the short term, Wynnstay's strong balance sheet and good cash generation enables us to continue to invest across the business in support of our growth plans, and to consider acquisitions. The Group is well-placed in the marketplace and its balanced business model helps to smooth sector variations and remains a strength.

Gareth Davies
Chief Executive Officer
29 January 2024

FINANCE REVIEW

TRADING RESULTS

A summary of the trading conditions experienced by the business over the last financial year is provided in the Chief Executive's Review on pages 16-20.

The Group's operations are divided into two main reporting segments; the Agriculture Division, which manufactures and supplies agricultural inputs; and the Specialist Agricultural Merchanting Division, which provides products (and specialist advice) predominantly for farmers, but also the wider rural community.

£'000s	**2023**	**2022**
Revenue	**735,877**	713,034
Adjusted operating profit	**9,399**	22,448
Underlying profit before tax	**9,236**	22,612

Revenue

The Group generated revenue of £735.88m (2022: £713.03m) over the financial year, a 3% increase over the prior year. This increase reflected the first full year contribution from both the Humphrey business and Tamar Milling, (acquired respectively in March 2022 and November 2022) as well as higher grain trading activity, offset by more normalised fertiliser prices after the very significant spiking of prices in the prior year caused by macroeconomic events. The Agriculture Division contributed £584.31m to Group revenues (2022: £564.26m), up by almost 4% year-on-year. The Specialist Agricultural Merchanting Division contributed £151.48m (2022: £148.77m), up by 2%, driven by slightly higher like-with-like activity in the first half of the year, with the second half experiencing lower volumes of bagged feed sales and hardware products.

Adjusted Operating Profit and Underlying Profit Before Taxation

As expected, Group adjusted operating profit and underlying profit before taxation reduced significantly compared to the previous year, which benefited from substantial one-off gains, mainly arising from global events. As outlined in a trading update announcement on 30 November 2022, the outcome for the financial year was also impacted by an adverse final quarter, which meant that final results were lower than market expectations.

Group adjusted operating profit was £9.40m (2022: £20.45m), and underlying profit before taxation was £9.24m (2022: £22.61m). These performance metrics, which include the gross share of results from joint ventures but exclude share-based payments and non-recurring items, are the Board's preferred alternative performance measure. Their reconciliation with the reported income statement, and the reasons for their use, are provided in Note 36 to the accounts.

Including contributions from joint ventures, the Agriculture Division generated an operating profit before non-recurring items of £3.65m (2022: £14.66m), and the Specialist Agricultural Merchanting Division generated an operating profit before non-recurring items of £6.13m (2022: £7.95m). Other activities generated a loss of £0.04m (2022: £0.23m profit).

Whilst the Group's underlying performance has been impacted by the difficult trading environment across the agricultural sector, particularly in the second half of the year, results were also affected by the reversal of certain one-off gains experienced in 2022. This was expected, and the most notable reversal was in fertiliser commodity values. As previously reported, fertiliser commodity values peaked to historic highs in 2022, which resulted in substantial one-off gains in the raw material stock book at Glasson Grain Limited ("Glasson"). (As a manufacturer, Glasson benefited because of its typically 'long' position in raw materials i.e. it buys in and holds raw materials stock). In the financial year under review, fertiliser prices reversed from their artificially high peaks and this normalisation resulted in the opposite position i.e. adverse stock realisations, which amounted to approximately £1.5m. It should also be noted that the FY 2022 one-off stock gains significantly outweighed the one-off stock losses in FY 2023.

As previously reported, FY 2022 results benefited from a non-cash accounting gain of approximately £0.4m. This related to the fair value of wheat contracts taken on the London ICE Futures market as a hedge against the physical wheat contracts sold to customers. The gain resulted from the application of International Financial Reporting Standard ("IFRS") 9, which requires that certain open derivative contracts be valued by reference to a recognised market price as at the financial year-end. As expected, this non-cash gain reversed in FY 2023, and a further non-cash accounting loss of £0.4m was recorded, in line with IFRS 9, which resulted in a total non-cash loss of £0.8m in the financial year under review. This accounting treatment has no effect on the grain trading book of the Agricultural Division. It simply accelerates the recognition of the fair value from the relevant transactions.

Taxation

The Group's total tax charge, including joint ventures, was £1.97m (2022: £4.11m). This represents 22.12% (2022: 19.40%) of the Group's reported pre-tax profit of £8.90m (2022: £21.26m). The year-on-year increase reflects the uplift in the main rate of Corporation Tax from 1 April 2023. A reconciliation of the tax charge to reported pre-tax profit is given below:

£'000s	2023	2022
Group's tax charge		
Taxation	**1,776**	3,982
Share of tax incurred by joint ventures & associates	**192**	132
	1,968	4,114
Group pre-tax profit from continuing operations		
Profit before taxation from operations	**8,704**	21,124
Share of tax incurred by joint ventures & associates	**192**	132
	8,896	21,256
Effective tax rate in Group accounts	**20.40%**	18.85%
Effective tax rate including joint ventures	**22.12%**	19.40%

In accordance with Schedule 19 of the Finance Act 2016, the Group has published a Tax Strategy document on its website. The document confirms the Group's commitment to all its statutory obligations and its full disclosure policy. The Group does not use offshore tax jurisdictions.

Earnings Per Share & Dividend

Basic earnings per share for the financial year was 30.75p (2022: 82.72p), based on a weighted average number of shares in issue during the year of 22.525m (2022: 20.722m).

The Board recommends the payment of a final dividend of 11.75p per share (2022: 11.60p), which will be paid on 30 April 2024 and is subject to shareholder approval. Including the interim dividend of 5.50p per share (2022: 5.40p), paid on 31 October 2023, this takes the total dividend for the financial year to 17.25p (2022: 17.00p), an increase of 1.5% on the prior year.

The proposed total dividend is the twentieth consecutive year of dividend growth since the Group joined the Alternative Investment Market of the London Stock Exchange in 2004.

The proposed total dividend is covered 1.8 times by profit after tax (2022: 4.1 times). Current Company distributable reserves amount to £16.61m (2022: £16.55m) and can cover nearly four years of current dividend payment levels. Anticipated cash resources and future cash generation assumptions support the Board's view that the Group's progressive dividend policy is sustainable. A process of subsidiary dividend payments to the parent Company continues so as to ensure adequate liquidity and capital are available to support the progressive dividend policy.

Balance Sheet

£'000s	2023	2022
Tangible & intangible fixed assets	**45,087**	41,909
Right of use assets	**14,129**	8,202
Investments in property & joint ventures	**6,257**	5,951
Net working capital	**61,030**	62,619
Loans to joint venture	**639**	1,067
Net cash (excluding IFRS 16 leases)	**23,717**	21,494
Lease liabilities	**(12,975)**	(7,343)
Derivative financial instruments	**(177)**	466
Provisions	**-**	(345)
Current tax liabilities	**(257)**	(1,639)
Deferred tax liabilities	**(2,219)**	(1,680)
Net assets	**135,231**	130,701

Capital investment in fixed assets, including right-of-use assets, amounted to £15.54m (2022: £5.31m) in the year. Of this, £6.16m related to renewal of property leases (2022: £nil) and £2.71m was invested in acquisitions (2022: £10.23m), including deferred consideration.

Working capital, defined as inventories plus current trade and other receivables less current trade and other payables, reduced by £1.59m or 2.5% to £61.03m (2022: £62.62m). The reduction mainly reflected lower commodity prices, which offset the impact of acquisitions and higher levels of activity. The like-for-like working capital cash movement of £4.22m represents a partial reversal of the working capital increase of £13.66m incurred by the Group in the previous year, which experienced significant commodity inflation. It has supported the generation of strong positive operational cash flows during the financial year.

The Group's net assets at the financial year-end amounted to £135.23m (2022: £130.70m). Based on the weighted average number of shares in issue during the financial year of 22.525m (2022: 20.722m), this equates to a net asset per share of £6.00 (2022: £6.31 per share). Based on these balance sheet values, the return on net assets from underlying pre-tax profit was 7.0% (2022: 17.4%).

Cash Flow and Net Cash

£'000s	**2023**	**2022**
Operating cash flows*	**16,020**	27,502
Working capital movement	**4,252**	(13,663)
Net interest	**(294)**	(233)
Tax paid	**(2,763)**	(3,342)
Net cash generated from operating activities	**17,215**	10,264
Net capital expenditure	**(5,505)**	(3,296)
Cash paid for acquisition of subsidiaries	**(2,709)**	(10,234)
Joint ventures, associates and trusts	**600**	2,263
Net cash used in investing activities	**(7,614)**	(11,267)
Proceeds from issue of share capital	**1,471**	11,040
Net movement in bank borrowings	**(2,345)**	9,011
Repayment of capital element of leases	**(5,042)**	(4,229)
Dividends paid	**(3,868)**	(3,339)
Net cash (used in)/ generated from financing activities	**(9,784)**	12,483
Net movement in cash	**(183)**	11,480
Effects of exchange rate differences	**61**	56
Opening cash balances	**31,177**	19,641
Closing cash balances	**31,055**	31,177

**Before movements in working capital*

Net cash generated from operating activities totalled £17.22m (2022: £10.26m). The reported net cash position at the financial year-end was £10.74m (2022: £14.15m). Excluding the classification of land & building leases as debt, in accordance with the basis on which the Group's banking covenants are calculated, the net cash position was £19.01m (2022: £18.20m).

The October financial year-end marks a trough in the Group's working capital cycle, and therefore typically reflects an optimal position over the 12-month cycle.

£'000s	**2023**	**2022**
Cash and cash equivalents	**31,055**	31,177
Bank borrowings	**(7,338)**	(9,683)
Net cash (excluding IFRS 16 leases)	**23,717**	21,494
IFRS 16 non-property leases	**(4,708)**	(3,292)
Net cash (excluding IFRS 16 property leases) bank basis	**19,009**	18,202
Other IFRS 16 leases	**(8,268)**	(4,051)
Net Cash (IFRS)	**10,741**	14,151

During the financial year, a total of 111,181 (2022: 75,891) new ordinary shares were issued to existing shareholders exercising their right to receive dividends in the form of new shares. The total equivalent cash amount was £0.474m (2022: £0.459m). A further 503,534 shares were issued for a total cash consideration of £0.997m (2022: £0.32m) to employees exercising rights over approved share options (2022: 65,689). In the prior financial year, 1,900,000 shares were issued in a private placing to institutional holders for a total cash consideration of £10.26m.

Share Price

The closing share price at 31 October 2023 was 382.5p. During the financial year, the shares traded in the range of 640.0p per share (in November 2022) and 360.0p per share (in October 2023).

Key Performance Indicators

The performance of the business is regularly monitored against financial key performance indicators (KPIs), defined as follows:

KPI	2023	2022	Definition
Revenue	£735.88m	£713.03m	The invoiced value of sales from the Group's activities, measured at a fair value net of all rebates and excluding value added tax.
Adjusted EBITDA*	£16.89m	£28.31m	Earnings before interest, tax, depreciation and amortisation, and investment property fair value adjustment, tax on joint ventures, goodwill impairment, share-based payment expenses and other non-cash charges.
Earnings per share	30.75p	82.72p	Profit for the year after taxation divided by the weighted average number of shares in issue during the year.
Underlying pre-tax profit*	£9.24m	£22.61m	Underlying pre-tax profit includes the Group's share of pre-tax profit from joint ventures and associate investments but excludes non-recurring costs and share-based payment expense.
Return on net assets	7.0%	17.4%	Underlying pre-tax profit, with intangible amortisation added back, divided by the balance sheet net asset value.
Net assets per share	£6.00	£6.31	The balance sheet net asset value, divided by the weighted average number of shares in issue during the year.

**A reconciliation of these measures to reported IFRS profit before tax is provided in Note 36 to the accounts.*

Going Concern

As part of their normal year-end processes, the Board has reviewed commercial plans and budgets for the new financial year, and assessed the principal identified risks and uncertainties for the Group. Detailed cashflow projections were prepared and considered against available funding sources, which at the financial year-end included net cash of £10.74m, £3.0m of undrawn revolving credit facilities and £10.5m of unused overdraft facilities with HSBC Bank UK plc ("HSBC").

During the financial year, £7.5m of committed revolving credit facilities and an accordion facility of £2.5m expired. A direct replacement was agreed with HSBC. This comprises a final form base facility of £10m with a £5m accordion facility, both on the same coupon and fee arrangements as the expired facility.

Reflecting the Group's strong cash position and an assessment of the Group's needs in the short term, the Group has deferred the implementation of the new facility with the agreement of HSBC. This, in turn, will defer the commencement of the fixed commitment term, payment of the arrangement fee and the instigation of non-utilisation fees. The new facility will be available approximately one month after it is requested.

The Directors believe that the Group has adequate financial resources to support the operational requirements of the business for the foreseeable future, and that it is appropriate to continue adopting the going concern concept in the preparation of financial statements.

Whilst the financial performance of the Group has been impacted by a difficult trading environment and certain negative one-off items, the Board believes that the Group's market position, strong balance sheet and balanced business model support its view that Wynnstay remains resilient and is well-placed to navigate the current commercial environment.

Rob Thomas
Group Finance Director
29 January 2024

PRINCIPAL RISKS AND UNCERTAINTIES

For the year ended 31 October 2023

The strategic ambition of the Group is to create sustainable growth over the medium to long-term by identifying appropriate business opportunities and developing these within a risk management framework appropriate to the activities being conducted, the scale of the enterprise and the resources available. The Executive Team has overall responsibility for reviewing risk management strategies, and together with the wider executive team, regularly reviews the operating environment for evolving concerns. A risk register is maintained and overseen by the executive directors, who take account of the specialist knowledge available across the Group. The non-executive directors provide oversight and scrutiny in this area to ensure that risk management is appropriately aligned with commercial strategy.

In all businesses, there are some risks and uncertainties which are not able to be fully controlled. The table below sets out the principal risks and uncertainties which could have a material impact on the Group, but the list is not exhaustive, and it is possible that there will be other risks or uncertainties that could have a material adverse impact. Whilst all companies are subject to some financial risk, the Group continues to have a strong balance sheet and low gearing which remain priorities for the Board.

Risk	Description Of Risk	Mitigating Actions
Continuing	Operational: Health and safety protocols An absolute priority for the Group remains the safety, health and welfare of our colleagues, customers, suppliers and the communities in which it operates. Causing harm to any individuals through the Group's activities or actions creates moral, reputational and financial risk to the organisation, as well as potential disruption through absence, loss of experience and other consequential implications. Recent experience from Covid 19 has highlighted the potential threats to businesses from pandemics and other infection risks.	The Group has taken further tangible actions over the last year to strengthen and embed the culture of mutual responsibility for health and safety matters. Initiatives have included extended training, increased dedicated resource, including the appointment of a senior executive in the role of Group Health & Safety Manager reporting directly to the CEO, and enhanced auditing and external system and policy reviews. Benefits from amended operating protocols have been recognised, and the Group will be vigilant for emerging concerns.
Increasing	Operational: IT systems including cyber security Much of the Group's activities rely on networked IT systems and the breakdown of any of these systems through mechanical fault, data loss, malicious activity or obsolescence could lead to failure in customer fulfilment processes together with reputational and financial damage. The potential risk of cyber attacks has increased with the expansion of the business and the use of remote working.	The Group has internal IT support teams to manage its computer systems, including procedures for recovery from disruption. Security training continues for relevant staff and recovery simulations have been successfully completed. Investment has increased to update both hardware and operating software solutions.
Continuing	Operational: Supply chain efficiency The Group requires access to raw materials and goods for resale and any disruption to its supply chains would damage revenue streams.	Strategic partnerships with suppliers are managed by specialist colleagues who aim to ensure inventories are kept at an optimum level.
Increasing	Operational: Manufacturing Investments	

	The Group’s expansion strategy entails significant investment in manufacturing capacity across a range of activities including feed production, seed processing and fertiliser blending. Such investment programs have failure risks associated with them together with concerns such as delays, cost overruns and other project management issues.	Considerable time and effort have been invested in obtaining expert external professional support to the design, planning and implementation phases of these projects. The Group employs an operational director and an engineering manager who regularly review these critical plans, and report progress to the Board.
Continuing	Financial: Commodity prices, currency exchange rates and general market volatility The Group’s raw material inputs (grain, feed and fertiliser ingredients), along with the farmer customer outputs (dairy, meat, agricultural goods) are subject to world prices which are impacted by supply and demand, political factors and currency exchange rates which could lead to fluctuating demand for the Group’s products. The wider economy has experienced a period of considerable volatility with higher cost inflation and increased interest rates. The Group is not immune to such general pressures	The Group does not engage in the taking of speculative commodity positions, and uses position reporting systems with appropriate buying limits in place to manage its forward purchasing requirements for its manufacturing operations. Position reporting systems are in place and where available, hedging tools such as commodity futures contracts are used to manage pricing decisions, while foreign currency risk is managed by entering into agreements at the time of the underlying transaction. Various hedging strategies have been used to fix costs where possible including, in the electricity and fuel markets. Management are also tasked with seeking forward commitment arrangements utilising the Group’s strong balance sheet where appropriate.
Increasing	Financial: Availability of finance and interest rates Fluctuating commodity prices can adversely impact the Group’s working capital requirements and increases in interest rates raise the Group’s cost base and can limit capital availability. Recent Bank of England policy has been to increase interest rates to contribute to managing high inflationary pressures.	The Group monitors headroom in its banking facilities and maintains adequate capacity to absorb unexpected but foreseeable trading patterns and conditions. Debt facilities are in place with HSBC Bank Plc which include variable overdraft and committed revolving credit facilities and term loans, together with separate asset funding lines. The majority of existing debt facilities have floating interest rates linked to bank reference rates, but the Board could readily fix these through the use of swap derivatives if appropriate.

Increasing	Operational: Operating environment - Impact of weather conditions and climate change. Demand for the Group's products is affected by climatic conditions which impact both livestock and arable activities, and so customer demand can be impacted by the weather which, in turn, could lead to volatility of earnings. - Animal diseases. Much of the Group's commercial activity entails the supply of products into the livestock sector, and as such any disease issue which impacts the number of animals may reduce the opportunities for the business. The recent increasing incidents of Avian Influenza represents serious commercial risks to an important customer sector for the Group's feed business. -Government regulation and licences. A number of the operating sites within the Group require specific environment regulated permits or other governmental approvals or licences. Non-compliance with the terms of such approvals could result in the withdrawal of authority to operate certain activities which could lead to volatility of earnings or loss of reputation.	The Group monitors trends and, as noted above, seeks to diversify where possible to avoid reliance on individual customer or product groups, such as offering products to arable and livestock farmers. The Group monitors area of concern and implements operational bio-security protocols to minimise the risk of contributing to the spread of disease. The Group is not dependent on any single category of livestock and maintains exposure to multiple farming enterprises to reduce the impact from issues affecting any particular sector. The Board oversees environment and regulatory compliance by receiving regular updates from management and monitoring the results of internal reviews and external compliance audits.
Continuing	Financial: Credit A significant proportion of the Group's trade is conducted on credit terms and as such the risk of non-payment is always present. - Grain trading business The grain trading business derives a significant proportion of revenue from a small number of key customers, leading to substantial customer credit balances.	Customers are credit checked and appropriate limits set up prior to goods being supplied. The Group actively monitors accounts using the credit control policy and the Board regularly monitors debtor days. The historic incidence of bad debts is low. The Group utilises credit insurance in order to provide partial cover against default by certain large customers for grain.
Continuing	Operational: Industry consolidation and change The Group operates in a fragmented market which is undergoing consolidation. Our strategy is to grow through a combination of organic and acquisition-based means in order to remain competitive and benefit from economies of scale. Consequently, it is important to successfully identify, execute and integrate growth opportunities in order to mitigate the risk of customer loss and competition.	The Group pursues a sensible growth strategy by seeking to increase its market share through geographic expansion and acquisitions. The Group continues to invest in its sales channels, capturing data through a customer relationship management tool in order to identify and manage customer sales, service, support and quality across our catalogue, direct to farm and specialist agricultural merchanting depot network.

Increasing	Operational: Government policy and agricultural support Following Brexit, the UK government and the respective authorities in the devolved nations implemented replacement agricultural policies, with evolving and different support mechanisms for farmers, with an underlying focus on sustainability and the environment. The potential for reduced income for the Group's predominant farmer customer base, either from the direct changes in support payments or, to the current commitments from an altered political agenda, could impact the demand for the Group's products.	The Group receives consultancy input on the implications of government policy and closely monitors changes to arrangements and adapts plans to respond to the opportunities arising from such changes. The respective government's agricultural legislative frameworks have been fully investigated and resources allocated to assist our customers to access the available funding for joint commercial benefit.

WYNNSTAY GROUP PLC - SECTION 172 STATEMENT

Financial Year ending 31 October 2023

Background

All large companies are required to include a separate statement in their strategic report that explains how its directors have had regard to wider stakeholder needs when performing their duty under s172 of the Companies Act 2006. This disclosure requirement in no way changes the underlying statutory duties of a director, which are set out below:

Section 172(1) of the Companies Act 2006

A director of a company must act in the way he/she considers, in good faith, and would be most likely to promote the success of the company for the benefit of its members and in doing so have regard (amongst other matters) to:

a. The likely consequences of any decision in the long term
b. The interests of the company's employees
c. The need to foster the company's business relationships with suppliers, customers and others
d. The impact of the company's operations on the community and the environment
e. The desirability of the company maintaining a reputation for high standards of business conduct, and
f. The need to act fairly between members of the company.

The Board and its individual directors have acted in accordance with these statutory obligations while conducting their duties during the financial year to 31 October 2023, and have taken into account relevant issues, factors and wider stakeholder group concerns when considering business strategy and the decisions necessary to execute that strategy. The Directors recognise the importance of managing the business in a responsible, fair and ethical manner, and strive to engender such values in every aspect of the Group’s operations.

Stakeholders

The Group continues to identify five main stakeholder groupings associated with the business, and have produced specific outline corporate goals for each, which must be balanced to satisfy the expectations of all stakeholders and to achieve the overall strategic ambitions of the Business. Engagement channels are well developed for each grouping, which provide strong two-way communication links, ensuring the Board is always cognisant of expectations. Additional information on engagement can be found the ESG Framework section of the Annual Report.

<u>Customers</u> – where the Group seeks to excel in terms of range, value, quality, and service. The relationship nature of the Group’s trading activities requires strong communication links with individual customers which are maintained through named account managers and other dedicated sales contact personnel, regular correspondence and increasingly through digital interaction channels. The Group has specialist teams who are able to offer advice on a range of agricultural matters, and more details can be found within the Strategic Report.

<u>Shareholders</u> – the Board seeks to execute its strategy in a sustainable way in line with our corporate values, Wynnstay THRIVE, which is explained on page 42. We utilise the principles set out in the QCA code to use good corporate governance and build trust, communicating updates on financial performance in a timely and appropriate manner. Directors will routinely engage with both institutional and private investors and will seek out opinions on unusual or potentially controversial matters before applying policy changes.

<u>Colleagues</u> – where the Group aims to attract, develop and reward high-quality personnel, and ensure a safe, productive and interesting environment to work in, thus encouraging the highest levels of customer service. The Group has a Colleague Forum and a senior management “open-door” policy to encourage open dialogue across the business. Senior executives and Non-executive directors regularly visit operational locations and staff are routinely updated on developments through correspondence, newsletters, blogs and meetings.

<u>Suppliers</u> –the Group has a comprehensive network of reliable and supportive suppliers and seeks to select suppliers who offer sustainable partnerships in order to offer better value to our customers. Product managers regularly engage with suppliers, developing marketing initiatives that align with the commercial objectives of the business.

<u>Communities</u> – where the Group aims to be an active and positive participant in the local communities in which it operates. Participation in social engagement with various community contacts is encouraged, and the Group selects certain charities to support on an annual basis. During the year some 240 examples of support were offered to community initiatives in the form of sponsorship, other financial support or practical assistance.

Key Board Decisions

During the year, certain key Board decisions and their implications on relevant stakeholder groups can be categorised as follows:

Issue & Decision	Stakeholder Groups	Outcomes
Executive Management Reorganisation – During the year, the Chief Executive Officer refined his senior management team, and presented these proposals to the Board for consideration. These proposals created a focused Executive Team which assumed some of the responsibilities previously held by subsidiary boards. The primary intention of this reorganisation was to align and co-ordinate management approaches across the Group and clarify specific executive responsibilities. The changes included amendments to the responsibilities of certain executives, including the extended role of Group Sustainability & Innovation Director. A number of new roles were also created including, Head of Strategic Delivery, and Group Director of Feeds & Logistics. Additionally, below the Executive Committee a new Health & Safety executive was recruited, reporting directly to the CEO, to ensure the critical importance of this philosophy is embedded across all activities of the Group.	All	The additional senior management resources have enabled a greater focus on strategic planning and delivery of the corporate plan while also clarifying executive responsibility for all stakeholder groups. The widening of experience at the senior level adds resilience to the operational management of the business and provides clarity for lines of responsibility. A clearer management structure assists with the Group's People Management & Development (PM&D) strategy, and the in-depth management succession plans across the business. Health & Safety must be embedded in the culture of the organisation, and this has undoubtedly been strengthened by the additional resource committed to this area, and the independence provided by the direct CEO reporting line.

Installing a resilient and clear management structure across the business establishes the platform on which the next phase of the Group's growth plan can be built. Ensuring focused attention on the identified priorities for the business, supported by adequate processes and procedures overseen by competent individuals will place the Group in a stronger position to succeed in the future.

Assessment of acquisition opportunities and integration planning - In continuation of the Group's well-communicated acquisition strategy, the Board have continued to identify, appraise and approach potential acquisition opportunities. At the beginning of the year, the acquisition of Tamar Milling was completed, with the business fully integrated into existing operations. During the summer, the integration of Humphrey Feeds & Pullets was commenced, including the roll-out of the new branding, maintaining the Humphrey name across all the Group's poultry activities. This process was fully completed by the financial year end. A number of other potential acquisition opportunities were considered and rejected during the year, as they did not fit ideally with strategy or have to potential to provide a satisfactory return.	Customers Suppliers Shareholders	The integration processes have again demonstrated the Group's historically successful track record of dealing with acquisitions even in challenging commercial environments. The impact of Avian Influenza on the Humphrey acquisition had not been fully anticipated prior to completion, yet the operational plans implemented minimised the potential disruption and maintained customer service levels and the platform for recovery as the disease hopefully abates. Rejecting inappropriate opportunities evidences the Group's discerning acquisition criteria, and the Board's clear decision priorities focused on earnings enhancement.

Acquisitions expand the Group's geographic presence and the successful integration of last year's transactions have strengthened Company's brand and reputation in the South West of England.

Assessment and approval of the continuing capacity investment in the Carmarthen feed plant – The long-term plan to improve the efficiency of, and increase the capacity at the Carmarthen feed mill was regularly reviewed with the significant Phase One investment in the out-loading facilities confirmed, and other Phases reviewed for	Customers Colleagues Suppliers Shareholders	The opportunity to improve our operations in the strategically important South Wales milk field was reiterated, and the first phase investment of some £1.7m was committed and completed. The new out-loading facility was completed towards the end of the financial year and fully commissioned in November 2023. Initial results are extremely encouraging, with the speed of vehicle loading significantly improved

alternative approaches in light of other activity decisions and business developments such as the acquisition of the feed blending activity, Tamar Milling Ltd.

over the traditional process, resulting in much quicker vehicle turnaround times and customer service improvements.

The investment in this strategically important asset demonstrates the Group's commitment to customers in this growing dairy area, together with achieving improvements in cost efficiencies and customer service levels.

Board Succession Planning – With Philip All Kirkham approaching ten years of non-executive service on the Board and Paul Roberts indicating his intention to retire, the Board were able to complete a smooth succession plan to replace one-third of their strength. These transition requirements often bring disruption risks, so already having a clear process in hand was essential to minimise delay and resource distraction.

Already having a plan in place for the involvement of trusted and experienced advisors to assist with the recruitment of replacement directors clearly minimised the timetable and provided clarity to the process steps. The rapid agreement of effective handover protocols and focused induction plans facilitated smooth transitions and enabled Steven Esom and Rob Thomas to hit the ground running in making an immediate positive contribution to the Board.

The continued strengthening and refreshing of the Group's Board in a smooth manner supports the reputational quality of the business in the minds of all stakeholder categories.

Further examples of the Group's engagement with Customers, Suppliers and Colleagues are referenced in the Chairman's Statement, Chief Executive's Review and Finance Review sections of this Strategic Report.

This Strategic Report on pages 3-31 was approved by the Board of Directors on 29 January 2024 and signed on its behalf by Steve Ellwood and Rob Thomas.

Steve Ellwood
Chairman

Rob Thomas
Group Finance Director

ESG FRAMEWORK

ENVIRONMENTAL STRATEGY

Our Environment

"Our mission is to help the farmer to feed the UK in a more sustainable way"

Internal Operations

We have replaced six seven-year-old vehicles based at our Twyford mill with six new Scania vehicles, increasing our fuel efficiency from 6mpg to 9.5mpg. We have also taken delivery of two new Renault vehicles, with more expected in 2024. In addition to this we have replaced three older trailers with hydraulic blower trailers, which is saving an average of 0.3 litres per tonne in diesel compared to a conventional trailer with an independent engine.

We are continuing to increase the number of hybrid vehicles within our fleet with 36 hybrids now integrated, and we are now running our first full electric company car. We are continuing to trial electric vans, which, although they are not yet integrated into the business, we do still see merit in exploring this further with more plans to trial into 2024. Furthermore, we are expecting delivery of a gas-fuelled lorry in spring 2024, which we will be trialling across our operations.

As outlined in the last report, we have been investing in renewable energy generation at our sites. We have installed over 700kWp of solar PV (photovoltaics) panels on five of our sites with high electricity usage. Over the next 12 months, this investment is predicted to generate over 550,000kWh of electricity (which is 3% of total electricity usage across the Group).

External

We are continuing to develop our Group sustainability proposition, to build resilience into our own business and our customers' businesses. In spring 2024 we will be working closely with a group of farms to improve their productivity and reduce their farm carbon footprint.

Wynnstay is committed to supporting our customers to tackle the issue of waste plastic accumulating on farms. We have recently committed our support to The Green Tractor Scheme. Green Tractor was founded in 2020 by four agricultural plastic recycling specialists who all shared the same ambition to provide a standard to the UK agricultural industry, and the ability to recycle all agricultural plastics by 2030. They have identified some of the key areas of focus as being.

- Education surrounding separation and presentation of waste for the farmers,
- Collaborating with and enabling recyclers to be more efficient and effective,
- Lobbying the government to force producers to remove unnecessary plastics from the supply chain.

Wynnstay will be utilising assets available from Green Tractor to educate and inform our customers as to the best practices for recycling and what facilities are available within their region.

Due to the significant changes in agricultural policy and funding since the UK's exit from the EU, there has been increased interest in environmental stewardship options. We have seen a growing uptake of scheme agreements, SFI in England and 'Growing for the Environment' in Wales in the past year. This has led to an 80% increase in our environmental stewardship mixture sales. With additional scheme options expected this year, we would expect further interest in this area throughout the season as our customers continue to implement the options available to them.

We have continued to support our customers with managing their farm manures and slurries through increased activity and focus on Nutrient Management Plans, which aim to maximise the use of farm nutrients alongside providing a range of complementary soil conditioners and synthetic fertilisers where required.

As concern grows that poultry manure is associated with excessive phosphate levels in rivers, at Wynnstay, we have focused on how we can reduce the phosphorus levels in our layer's feeds without compromising bird performance and health. From January 2023, all Wynnstay manufactured layer mashes from our Llansantffraid mill contained triple doses of phytase. Optimising the level of phytase enzyme in our layer feeds (increased to a triple dose) has allowed us to reduce our total phosphorus levels and requirement for inorganic sources, such as monocalcium phosphate (MCP), by increasing the phosphorus available to the birds from the existing feed ingredients. This improves diet utilisation and results in an average reduction of 13.8% in phosphorus excretion per bird per year.

Alongside nine project partners, Wynnstay is pleased to be involved in the Innovate UK project 'Dancing with Daffodils', which focuses on cultivating and processing daffodils. Research is being undertaken to identify the potential of the incorporation of a compound found in daffodils into ruminant diets to reduce methane emissions and improve protein utilisation. Daffodils have already been shown to have properties to improve human health. Galantamine, a compound found in the plant, has been used for dementia and brain health in humans for several years. 'Dancing with Daffodils' is a project looking at developing a UK-based supply chain for a methane-reducing additive for ruminants which is found in daffodils. The four-year project started on 1 June 2023. However, some preliminary lab work has been undertaken so the partners know the daffodil extract can be used to reduce methane production and improve protein utilisation in ruminants, the ongoing research is to now identify to what extent.

The best outcome is to replicate the results that have been seen in the lab, which include:

- A reduction in methane production.
- The rumen working more efficiently, improving protein utilisation.

Advisory

Throughout 2023 we have been developing our sustainability approach with the support of selected industry experts. As part of this approach, we have formed two teams to reflect our dual sustainability approach of internal operations and external opportunities.

- To support our internal operations, we have set up a Resource Efficiency Action (REA) Team. The role of the REA Team will focus on internal factors within the direct control of the business, carbon, water and waste.
- To develop external opportunities, we have formed a Sustainable Farming Advisory (SFA) Team. The role of the SFA Team is to provide wise counsel and unbiased strategic advice to ensure Wynnstay delivers a sustainable farming future.

TCFD STATEMENT

The Group recognise the significance of climate change and its financial materiality. That is why we are actively working to develop adaptation measures to increase resilience to climate change while at the same time enriching our business offering to answer farmers' evolving needs. In parallel, we are on a continuous journey to reduce our impact on climate change and reach Net Zero by 2040.

We acknowledge that tackling climate change requires a long-term and embedded approach, so we are supportive of the aims and objectives of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") and are working to align with the TCFD Recommendations.

We have adopted the TCFD framework and recommendations, this provides a structured approach to embed climate into our decision-making and apply best practice on reporting and disclosures. We see this as an opportunity to build on our ongoing climate-related work, whilst taking the first steps on the roadmap of TCFD reporting. In doing so, we ensure that our stakeholders can better understand Wynnstay's operational and business resilience to climate change as well as how we are increasingly incorporating the management of climate-related risks and opportunities into our business.

Alignment Status

The following table provides a summary of our current alignment with TCFD recommendations.

TCFD pillar	Recommended disclosure	Current Status	Alignment	2023-2024 Objectives
Governance	Board's oversight of climate-related risks and opportunities.	Via the Audit Committee, the Board is overseeing the Group's Risk Register, comprising climatic conditions. It is supported by advisory teams to do so.	*In Progress*	*Objective 1*
	Management's role in assessing and managing climate-related risks and opportunities.	Responsibilities are assigned within management to develop climate-related strategy, best risk management practices, as well as detailed metrics and targets.	*In Progress*	*Objective 2*
Strategy	Climate-related risks and opportunities identified over the short, medium, and long term.	The Group foresees shifts in market trends because of climate change and is planning further work to identify detailed climate-related risks and opportunities, in 2024.	*Planned*	*Objective 3*
	Impact of climate on the organization's businesses, strategy, and financial planning.	As part of a comprehensive climate risk analysis in 2024, the Group will evaluate the materiality of climate risks and opportunities on its business.	*Planned*	*Objective 3*
	Resilience of the strategy, taking into consideration different climate-related scenarios.	In 2024, the Group will assess its resilience to climate-related physical and transition risks in different climate scenarios through scenario analysis.	*Planned*	*Objective 4*
Risk Management	Processes for identifying and assessing climate-related risks.	Group risk managers are supported by the Resource Efficiency Action team, and the Sustainable Farming Advisory team who monitor climate-related risks.	*In Progress*	*Objective 6*
	Processes for managing climate-related risks.	The Board sets up the Group overall strategy taking into account all risks within the Enterprise Risk Register. Climate-related risks are part of the Published Principal Risks and Uncertainties within the Enterprise Risk Register.	*In Progress*	*Objective 7*
	How such processed are integrated into overall risk management.			Objective 8

Metrics & Targets	Metrics used by the organization to assess climate-related risks and opportunities.	Current metrics are GHG emissions: Scope 1 and Scope 2. In 2024, the Group will establish other metrics and targets to track progress against climate risk and opportunity management.	*In Progress*	*Objective 9*
	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions.	The Group Streamlined Energy and Carbon Reporting Statement 2022/23 includes Scope 1, Scope 2, and part of scope 3 emissions.	*Advanced*	*Objective 5*
	Targets used by the organization to manage climate-related risks and opportunities.	Our main climate-related target is to be carbon neutral (Net Zero) by 2040. Other intermediary targets will be developed in 2024 to manage climate-related risks and opportunities.	*In Progress*	*Objective 10*

Climate Roadmap Overview

Our 2024 Climate Roadmap is centred around 3 main activities that will enable the Group to continue aligning to the TCFD disclosure recommendations.

Activity		**2023-2024 Objectives**	**Outcome**
1 Climate risk analysis	Detailed analysis of climate-related risks and opportunities: • Physical risks: factories, agricultural value chains, and customers. • Transition risks: upcoming regulations, market changes, and new technologies.	3, 6, 7 and 8	✓ Materiality of climate risks on strategy & financial planning ✓ Updated climate risk assessment methodology
2 Scenario planning and climate strategy	Development of climate scenarios to stress-test organizational resilience vs risks and opportunities & identify best strategic options.	4 and 6	✓ Strengthened alignment of climate risks and opportunities with operational strategy, decision making and financial planning ✓ Appropriate targets & metrics to set strategy in motion
3 Net Zero Reduction Pathway	Continue to identify key reduction areas, hotspots, and areas of further focus to strengthen a clear forward-looking roadmap that communicates the reduction within Scope 1, 2 and 3 emissions.	1, 2, 5, 9 and 10	✓ Transition Plan development for successful emissions reductions ✓ Intensity targets for Scope 1 and 2 emissions

Governance

Our current alignment

The Group is proactively aligning its governance system with TCFD recommendations.

The Board retains overall responsibility for reviewing risk management strategies. Clear responsibilities have been assigned within management to ensure the development of strong climate-related strategy and risk management practices. Climate change is part of our risk register which is maintained and regularly reviewed and overseen by the executive directors, supported by the wider Executive Team and the specialist knowledge available across the Group.

The Board and its sub-committees are supported by external advisors as required, such as those sitting in the Resource Efficiency Action team, and the Sustainable Farming Advisory team. Furthermore, the Board has appointed a Sustainability Director within the Executive Team to lead the implementation of our environmental strategy, including our climate endeavours.

2023-2024 objectives

Objective 1

In the coming year, climate risks and opportunities will be formally included in roles within the Group Board, the Executive Committee, as well as in our Advisory Teams. We will align these different committees behind processes and frameworks, enabling them to rigorously monitor and manage climate risks and opportunities.

Objective 2

A governance body for timely climate risk discussions will officially be empowered to lead our climate-related efforts. This committee will serve to implement and track progress in the process of embedding climate risks and opportunities management in the Group.

Strategy

Our current alignment

Strategic decisions are made in the context of our mission to help farmers feed the UK in a more sustainable way. The Sustainability Strategy is dual-focused on resource efficiency and future-proofing profitability of Group activities. Further to this, our five-year commercial strategy is underpinned by ESG components, among which our 2040 Net Zero goal. Climate-related risks and opportunities are intrinsically linked with this dual focus and the ESG framework.

Going forward, the Group will not only identify detailed climate-related risks and opportunities, but also assess their materiality on the business model, strategic objectives, and financial planning. The Group will also assess its resilience to climate-related physical and transition risks through scenario analysis.

2023-2024 objectives

Objective 3

We will carry out a detailed assessment of climate risks and opportunities in the short, medium, and long term. We will analyse risks and opportunities to which the Group is directly exposed via its operations and production facilities, or indirectly via its upstream and downstream value chains. We will determine the materiality of climate risks and opportunities, which will enable us to prioritize risks to mitigate and opportunities to grasp.

Objective 4

Subsequently, we will develop multiple scenarios - including a 2°C or lower average global warming scenario - to stress-test our organisational resilience in the face of multiple climate risks and opportunities. This will serve to set detailed climate-related ambitions and identify the best strategic climate options to be embedded into our next 5-year strategy plan.

Objective 5

Finally, and in parallel, we will enhance our calculation of scope 1, 2 and 3 emissions, following a value chain mapping exercise, and continue to progress on our current decarbonization path. We will keep on identifying key reduction areas, hotspots, and areas of further focus to establish a clear forward-looking transition plan that communicates the reduction within Scope 1, 2 and 3 emissions.

Risk Management

Our current alignment

The Group has started to analyse change in weather patterns as a first climate-related risk and is on its way to add multiple other climate related risks to be assessed and managed. Climatic conditions are currently part of the Published Principal Risks and Uncertainties within the Enterprise Risk Register, set up and managed by risk executives.

The Enterprise Risk Register is currently reviewed twice a year, and a new process is being shaped to increase the frequency of its revision by the Board and allocate more specific individual responsibility.

In parallel, the Group continues to invest internally in low-carbon **technologies** and **efficiencies** (as described on page 32) to align its internal operations with its objective of carbon neutrality by 2040. Externally, the Group continues to develop its panel of products so that farmers in the UK can farm more sustainably, reducing their carbon emissions (as described on page 32**).**

2023-2024 objectives

Objective 6
Our goal is first to create a robust risk assessment matrix for climate-related risks to build on the current climate items on our risk register.

Objective 7
We will evolve our risk assessment methodology to be more science-based and will further develop how we identify and monitor climate risk within the Enterprise Risk Register. Our methodology will include metrics to continuously monitor internal and external climate-related risks and opportunities. Our climate risk mitigation plans will be reviewed and updated regularly to ensure regulatory compliance and competitiveness, as part of our Enterprise Risk Management approach.

Objective 8
Finally, we will strengthen and detail the link between organizational strategy and risk management with climate risks & opportunities. Climate risks and opportunities will be embedded into core company processes such as strategy, business planning, enterprise risk management, and our acquisition thesis.

Metrics and Targets

Our current alignment

Metrics and Targets will support our commitment to measure, monitor, and report on the progress we make towards mitigating climate-related risks and capitalizing on green opportunities. By employing a set of carefully selected metrics, we will strive to provide a transparent view of our climate impact and the effectiveness of our strategic responses. In our journey to reach Net Zero by 2040 we currently measure and report on our energy and carbon data across the whole Group, giving comprehensive data to authenticate the environmental impact of the Company. Our SECR statement includes all emission sources required under the 2019 regulations for the financial year ended 31 October 2023. As this is the fourth year of reporting, we shall be comparing this year to the previous 2021/22 year, however the benchmark 2019/20 year is shown in the table below.

Wynnstay Group used 13,881 (2022: 12,832) carbon dioxide equivalent tonnes (tCO_2e) of energy during the year. 30% (2022: 32%) of energy was used in producing compound and blended feeds in our production plants, which saw the addition of Tamar Milling Ltd. A further 61% (2022: 58%) was used by our fleet of vehicles, this percentage increase being driven by an absolute rise in the litres of Derv used. Both production and transport efficiency are key to our energy savings plans, as we continue to seek efficiencies in factory throughput and miles achieved per litre for road fuel respectively.

The carbon intensity ratio we have chosen is the best reflection of our total activity across all our operations based on the total tonnage traded of agricultural inputs and grain. Our carbon intensity ratio for the year ended 31 October 2023 was 7.37tCO_2e (2022: 7.24) per 1,000 tonnes of agricultural inputs and grain traded. For future periods we shall set reduction targets for our carbon emissions to enable us to begin the measurement of energy efficiency along with financial performance.

In order to calculate the carbon emissions, we have used the emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023. One of the requirements of the SECR regulations is to report our total UK energy use in kilowatt hours (kWh); for this we have used the 2023 conversion factors. The Scope 1 and 2 emissions reported are for all operational facilities under our control and for which we have direct management responsibility. Current scope 3 emissions are emissions from the transportation of employees between their homes and their worksites (category 7 of the Greenhouse Gas Protocol).

2023-2024 objectives

Objective 9
In 2024, the Group will establish other metrics and targets to track progress against climate risk and opportunity management.

Objective 10
Our main climate-related target is to be carbon neutral (Net Zero) by 2040. Other intermediary targets will be developed in 2024 to manage climate-related risks and opportunities.

STREAMLINE ENERGY AND CARBON REPORTING

Carbon emissions (tCO_2e)	Current 2022/23	Previous 2021/22	Benchmark 2019/20
Scope 1 Emissions	10,567	9,682	9,086
Scope 2 Emissions	3,282	3,127	3,582
Scope 3 Emissions	32	23	42
Total Emissions	13,881	12,832	12,710
Traded tonnage of agricultural inputs and grain	1,882,745	1,772,821	1,560,895
Carbon intensity ratio (tCO_2e/1000t traded)	7.37	7.24	8.14
Total UK energy usage (kWh)	**60,522,547**	**57,910,122**	**53,320,243**

2023-2024 objectives

For the next 12 months, continuing with our decarbonisation endeavours, we commit to establish Scope 1 & 2 emissions reduction targets, aligned with GHG Protocol methodology.

In addition, we will work to establish other relevant metrics to track progress against climate risk mitigation or opportunity management; and to set our climate strategy in motion. These additional metrics will permit to monitor several variables related to TCFD risk and opportunities categories:

Risks	Opportunities
Physical	Resource efficiency
Policy and Legal	Energy Source
Technology	Products and Services
Market	Markets
Reputation	Resilience

These metrics will provide a solid foundation for setting clear, actionable targets. These targets will not only guide our sustainable operations and investment decisions, but also help gauge our resilience to climate-related risks. Monitoring our progress through these metrics will ensure continuous improvement and will reinforce our commitment to climate mitigation and adaptation, providing greater transparency for all stakeholders.

SOCIAL STRATEGY

Employee Engagement

Our Colleague Forum is a group of individuals from across the business who meet to operate as a mechanism to seek input into the Group's strategic decision-making process, encourage involvement in business performance and increase awareness of the financial and economic factors affecting the Group. The Forum met once during the year, including presentations from three different senior colleagues. Topics covered included the acquisition and integration of Humphreys Feed & Pullets, our marketing strategy and an overview of the annual pay review decision-making process.

Our Colleague Ideas Hub is a route for individuals from across the Group to submit ideas and suggestions for ways in which to improve all aspects of our business. Individuals are recognised for their own ideas and rewarded for suggestions which are progressed and implemented. We were pleased to have received 6 suggestions which have been considered by Senior Management during the year. During the year, we also held a Colleague Ideas Week, which actively encouraged colleagues to propose new ideas to improve business productivity. During that week we received a total of 74 ideas from across the business.

In 2023, a series of engaging Colleague Roadshows were held throughout our trading area. During these events, the Executive Team not only shared a comprehensive update on our business strategy but also actively sought the valuable perspectives of our colleagues on enhancing various facets of our operations. The Roadshow generated a plethora of innovative suggestions and ideas aimed at refining our business. Many of these recommendations are now being actively implemented, and we are already witnessing the positive impact they bring to our organisation.

Our Wynnstay Connect platform engages colleagues with company strategy, initiatives, and developments, along with enabling efficient interactive communications across the Group. The platform also provides easy access links to career and development and benefits hubs, including pension and Save as You Earn Share scheme portals. Our Save as You Earn offering is popular with a mixture of colleagues across sites and salary levels and the directors wish to continue to encourage colleague participation.

People Management and Development Framework

Our bespoke People Management and Development Framework works to preserve our 1st Choice Employer brand while providing a set of principles and guiding policies and processes to support the management and progression of colleagues across the Group. The core focus of the framework is to support the attraction, retention and development of our people, providing management teams with the comprehensive tools they need for the career management and development of individuals and their teams.

Training and Development

Our business is built on the foundation of offering customers the highest standards of customer service and specialist advice. A key part of delivering this service is the training and development of our people, which not only ensures a high service level but also offers career progression for our colleagues. We offer a range of training courses and professional qualifications across our business which include:

- Management and Leadership - 20Twenty Business Growth and Apprenticeship
- Sales and Personal Development - Wynnstay Sales Academy
- Specialist Expertise - BASIS (Pesticides and Fertiliser), FACTS (Fertiliser), AMTRA (Animal Health), Wynnsan Training Academy (Dairy hygiene), Cow Signals (Livestock health and welfare)
- People Management and Development - Chartered Institute of Professional Development
- Marketing Management - Chartered Institute of Marketing
- Finance - Chartered Institute of Management Accountants
- Health and Safety - Institution of Occupational Safety and Health

Diversity and Equal Opportunities

Wynnstay is proud to be an inclusive equal opportunities employer within its geographical communities and promotes diversity at all levels of the business. Wynnstay aims to provide a working environment that respects the rights of each individual and where colleagues treat each other with respect. Any behaviour that undermines this aim is unacceptable.

Health and Safety

The health, safety and welfare of our colleagues, customers, suppliers and the wider communities in which we operate are an absolute priority for Wynnstay. A focus on health and safety is built into the Group's whole approach to managing risks in all aspects of its business.

As a Group we are continually taking action to strengthen the safety culture throughout our business. We have continued to embed a culture of mutual responsibility for health and safety matters, extending training to colleagues and made improvements to existing protocols. In addition, we have appointed a senior executive to the role of Group Health and Safety Manager, who will report directly to the CEO.

Our aims:

1. To continually build on and strengthen a 'Culture of Safety'
2. To ensure that the organisation continually improves.
3. To ensure health and safety performance is measured and monitored.
4. To maintain a skilled and competent workforce.

Industry Initiatives

Throughout the year, we championed various industry initiatives, proudly sponsoring events like the NFU Cymru Wynnstay Sustainable Agriculture Award, Harper Adams University Beef Award, NFU Cymru Poultry Conference and The Cream Awards. Additionally, we actively endorsed crucial industry campaigns such as Farm24. Our dedicated involvement in these endeavours not only underscores our commitment to the agricultural sector but also serves as a vital means to connect with the next generation—fostering relationships with future customers and potential colleagues.

Some of the industry initiatives and campaigns we have supported.

- NFU Cymru Wynnstay Sustainable Agriculture Award
- NFU Cymru Sustainable Farming Conference
- Dairy Vitality Award at The British Dairying Cream Awards
- Harper Adams University Beef Award
- NFU Cymru Poultry Conference
- BFREPA Young Person Initiative
- YFC Wales
- Farm24

Community Impact

Our commitment to making a positive impact in the communities we serve is important within our business. Throughout the year, we lent our support to over 240 individual events or causes, ranging from local agricultural shows to charitable initiatives, community groups, and educational settings. In the spirit of giving back, we directly contributed £1,780 to charitable causes and £26,383 to initiatives within both the agricultural and local communities. Our colleague fundraising during the year raised £4,666, which was split across two charities, Children with Cancer UK and The Royal Agricultural Benevolent Institution (R.A.B.I).

Engaging With Our Customers

As part of our customer engagement strategy, we held our annual Arable Event, which is now in its 9th year—inviting customers to explore trial plots, browse trade stands, watch demonstrations, and listen to insights from keynote speakers in the agricultural industry. Complementing these flagship events are various localised depot events, on-farm workshops, and customer meetings, collectively providing numerous opportunities for ongoing and meaningful engagement with our valued customers.

Wynnstay helps livestock and arable farmers to produce food in a more sustainable, environmentally friendly and profitable way. We provide our customers with quality products, specialist advice and an efficient service that is industry leading.

TEAMWORK
Together we are more effective

ENVIRONMENTAL SUSTAINABILITY
A more sustainable world

HONESTY, COMMITMENT & QUALITY
We aim high

VALUE CREATION
A better tomorrow

RESPECT
Respect and fairness are essential

INNOVATION
Innovation is the future

Values

TEAMWORK

Together we are more effective

We can be more effective as a business through collaboration and teamwork. This means communicating our goals well and listening to the ideas and concerns of all members of the team.

HONESTY, COMMITMENT & QUALITY

We aim high

By aiming high, we will succeed in creating a stronger, better business. It applies in all sorts of ways, including the quality of our products, the service we offer, the efficiency of our processes, and in the advice we provide. Ultimately, if we are a step ahead, customers will be assured of quality products, expert advice and good value.

RESPECT

Respect and fairness are essential

We believe that relationships flourish where there is mutual respect, and that people should be treated fairly and equitably. This is most relevant in the work place but it also cuts across all professional relationships, including with partners, suppliers and customers.

INNOVATION

Innovation is the future

Farming is changing and we want to provide farmers with access to the innovation that is driving sustainable and more effective farming practices. To that end we are constantly looking across the market for new products and approaches that will allow us to provide farmers with the tools they need to maximise their potential. We apply the same spirit to our business to ensure continuing development and improvement.

VALUE CREATION

A better tomorrow

Our objective is to generate value for shareholders and for society, as well as for our customers and people. We endeavour to run the business in such a way that we offer participation in a business model with an attractive long-term financial profile, which also contributes to society.

ENVIRONMENTAL SUSTAINABILITY

A more sustainable world

We consider our environmental impact when making business decisions. We are dedicated to making our supply chain more sustainable, and are working hard towards contributing to a more sustainable world.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 October 2023

On behalf of the Board, I am pleased to present our Corporate Governance Statement for the year ending 31 October 2023.

The Board places the highest priority on delivering long-term shareholder value, and as stewards of this responsibility, we believe it is critical to maintain a governance strategy appropriate to the activities and scale of our business, based on honesty, integrity, and transparency. This Statement provides details of the framework and practices the Board apply to satisfy these responsibilities. In accordance with AIM Rule 26, the Board confirms that they apply the QCA Corporate Governance Code for Small and Mid-size Quoted Companies revised in April 2018 ("the Code") to the Group. I am pleased to report that the Board believe the Group have remained in compliance with the principles of the Code throughout the year, and I would like to explain how this was achieved. Where relevant information is contained elsewhere in this document, references are given, and the Board notes the QCA's intention to update the Code in the near future.

The Code contains ten principles which are:

DELIVER GROWTH	
Principle 1	Establish a strategy and business model which promote long-term value for shareholders
Principle 2	Seek to understand and meet shareholder needs and expectations
Principle 3	Take into account wider stakeholder and social responsibilities and their implications for long-term success
Principle 4	Embed effective risk management, considering both opportunities and threats, throughout the organisation
MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK	
Principle 5	Maintain the board as a well-functioning, balanced team led by the Chairman
Principle 6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
Principle 7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
Principle 8	Promote a corporate culture that is based on ethical values and behaviours
Principle 9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
BUILD TRUST	
Principle 10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Deliver Growth

Principle 1: Long-term value creation is at the heart of our business; our goal is to help our predominantly farmer customers feed the country in a more sustainable way. The Board updated its long-term strategy in 2020 with five key growth pillars, which are laid out in the Strategic Report on page 10, and which support the development of the Group's balanced business model, an overview of which is given on page 11. Key developments in the business during the year are explained in the Chief Executive Review on page 16, and the Board's major decisions during the year are highlighted within our S172 statement on page 29.

Principle 2: The Board appreciates that the diverse shareholder base of the Group may have differing objectives for their investment in the business, and therefore the importance of ensuring that non-executive directors ("NEDs") in particular, have an up to date understanding of these perspectives is well recognised.

Directors proactively engage with both institutional and private investors when appropriate and will seek out opinions on unusual or potentially controversial matters before adopting policy changes or tabling shareholder resolutions. The Board will always review written feedback reports from investors following financial results "roadshows" and will also always consider information received from institutional voter advisory firms. Until his retirement in May 2023, Philip Kirkham was the nominated independent NED who made himself available to shareholders who may require independent Board contact, with this role being assumed by Steven Esom from that date.

Details on how the Board have taken the views of all stakeholders into consideration when making significant decisions in the year are contained within the S172 statement on page 29.

KEY SHAREHOLDER MILESTONES DURING THE YEAR	
November 2022	• Pre-Close Trading Update and announcement of Tamar acquisition provided to the Market.
January 2023	• Notice of announcement of Final Results and presentation available for shareholders and potential investors.
February 2023	• Announcement of Preliminary Final Results for 2022 together with details of the Final dividend for the period noting this was the 19th consecutive year of dividend growth since listing on AIM. • Results roadshow by CEO & FD to existing and potential shareholders. • Live Results webinar with Q&A session.
March 2023	• Annual General Meeting attended by 38 shareholders in person.
April 2023	• Payment of Final Dividend and allotment and notification of appropriate Scrip Dividend shares. • Announcement of Board appointment of Steven Esom.
July 2023	• Announcement of Interim Final Results for 2023 together with details of the Interim dividend for the period. • Announcement of the planned retirement of the FD. • Announcement of relevant trading initiatives including sustainable farming awards and methane inhibition research.
September 2023	• Announcement of Board appointment of Rob Thomas as new Group Finance Director.
October 2023	• Payment of Interim Dividend and allotment and notification of appropriate Scrip Dividend shares.

Principle 3: We create value by operating in a sustainable way, to help livestock and arable farmers grow food that is profitable, sustainable and environmentally friendly. The Directors recognise the importance of managing the business in a responsible, fair and ethical manner, and strive to engender such values in every aspect of the Group's operations. More detail on how the Group engages with sustainable farming practices is contained in the ESG section of the Strategic Report. During the year, the commitment to the Environmental and Sustainability elements of strategy was strengthened through the appointment of a Group Sustainability, Innovation and Food Supply Director, with Andrew Evans appointed to lead the important initiatives already commenced in these critical areas, including a substantial renewable energy investment program and the development of the customer focused Farm Resilience Program. The Sustainable Farming Advisory ("SFA") team was further developed and customer feedback sought via both sales colleagues, senior management, and targeted market research. We regularly review customer sales-related metrics using our CRM tool. Please also refer to our TCFD Report on page 34.

Continually improving communication between directors and colleagues is important and a number of mechanisms are used across the Group including, results Roadshows led by the Executive Team, newsletters, Colleague Forums, Health & Safety Committees, and opportunities for all Colleagues to put questions directly to the Chief Executive, who operates an "open door" policy.

Principle 4: The Board's risk appetite is explained within the Principal Risks and Uncertainties Report on page 25 which also includes an analysis of significant risks and mitigations. The Board retains ultimate responsibility for determining our risk appetite and overseeing management strategies, with the support of the Audit Committee which discusses internal controls and risk management. The Committee would then make any appropriate control improvement recommendations to the Board for implementation. The Group does not currently have a formal internal audit function and at present the Board believes that existing management resource is sufficient to adequately control the Group in its current size, however this matter continues to be actively reviewed, and with the appointment of the new Group Finance Director, the resource plan will be refreshed.

The key procedures within the control structure include:

• A comprehensive risk register is maintained and regularly reviewed by the Board,

• Managers at all levels in the Group have clear lines of reporting responsibility within a clearly defined organisational structure;

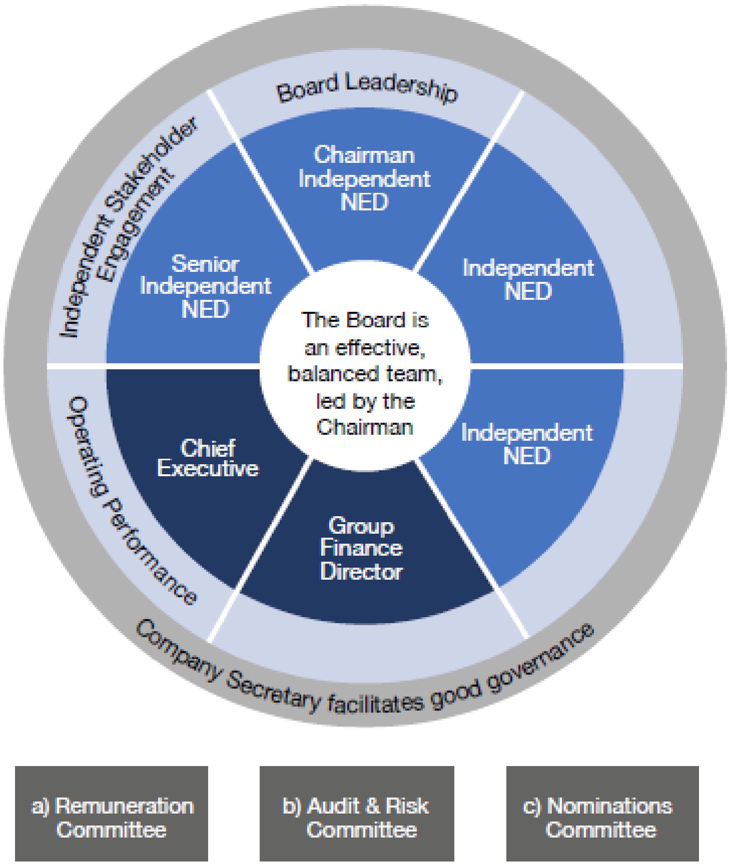
• Comprehensive financial reporting procedures exist, with budgets covering profits, cash flows and capital expenditure being prepared and adopted by the Board annually. Actual results are reported monthly to the Board and results compared with budgets and last year's actual. Revised forecasts are prepared as appropriate; and

• There is a structured process for appraising and authorising capital projects with clearly defined authorisation levels.

Maintain A Dynamic Management Framework

Principle 5: The Board composition is shown below. Continuity is an important element in the effective functionality of the Board, but equally succession planning is critical to the business to ensure smooth transition of Board composition changes to uphold the independence requirements of the Code. I was appointed Chairman in 2021 having had five years' experience with the business, and the Board has successfully navigated two important succession issues during the year. Following a comprehensive search process Steven Esom was appointed as a non-executive in April in anticipation of the pending retirement of Philip Kirkham who had served for ten years. Following Paul Roberts' announcement of his intention to retire as Group Finance Director, a successful recruitment process culminated with the announcement in August of the appointment of Rob Thomas as Group Finance Director from January 2024 when Paul also stepped down from the Board.

The roles of Chairman and Chief Executive on the Board are separate, and the Chairman is elected by the whole Board on an annual basis. All Directors retire by rotation on a two or three-year cycle and, where eligible, are able to offer themselves for re-election at the appropriate AGM. All Board members are able to take independent professional advice on matters associated with the Company at the Company's expense. I am happy to confirm that all the non-executive directors are considered to be suitably independent and the Board is satisfied that it has an appropriate mix of capabilities, skills and personal qualities and is not dominated by one person or group of people.



Details of membership and key skills are on pages 53 to 55

A formal schedule of matters requiring Board approval is maintained and regularly reviewed and covers items such as Group strategy, approval of budgets and financial results, dividend policy, major capital expenditure, corporate governance and Board appointments and comprehensive briefing papers are circulated prior to each meeting. The Board usually meets once per month with additional meetings when necessary, and details of additional Board Committee meetings are described under Principle 9 below. The Board and its sub-committees are supported by external advisors as required, who will also offer guidance in ensuring Directors maintain an adequate skill set to satisfactorily carry out their duties. All Board members are able to call on the Company Secretary to arrange any required training, briefings or practical experience necessary to improve their understanding of the business and its operating environment and their obligations as directors. During the year, our Company Secretary, Claire Williams, returned to work after recuperating from a serious car accident. A table of meetings and attendances during the financial year is given below:

	Board Main	Board Additional	Audit Committee	Remuneration Committee	Nominations Committee
Number of Meetings	12	7	4	7	3
Steve Ellwood	12	7	n/a	7	3
Philip Kirkham	7	5	2	5	2
Howell Richards	12	5	2	7	n/a
Catherine Bradshaw	12	6	4	7	n/a
Steven Esom	7	2	2	3	1
Gareth Davies	12	7	n/a	n/a	3
Paul Roberts	12	7	n/a	n/a	n/a

Principle 6: Biographical details of the Directors and their skills are included on pages 53 to 55. The executive directors all have considerable experience in the agricultural supply industry, providing a significant degree of management continuity. The non-executives bring a range of business and commercial expertise to the Board, including direct agriculture and specialist merchanting experience. Catherine Bradshaw is Audit Committee Chair and has considerable and relevant financial oversight and reporting experience in her executive role as Director of Group Reporting and Control at Cranswick plc. The Board is satisfied that it has an appropriate balance of sector, financial and public markets skills and experience and is not dominated by any one person or group of people.

Principle 7: As Chairman I am responsible for the periodic performance reviews of the Board, its sub-committees and non-executive directors. Stakeholder feedback is sought and acted upon where necessary and myself and our Senior Non-Executive, Steven Esom, routinely make ourselves available to meet shareholders. An appraisal of the performance of the Board and each Executive Director has been undertaken at the year-end in the form of confidential questionnaires and individual interviews with each Director conducted by the Chairman. The process reviewed elements in five broad categories which were:

- Clarity of Company roles and responsibilities.
- Accountability and transparency.
- Personal skills, strengths and teamwork abilities.
- Stakeholder engagement.
- Board structure and processes.

The assessed conclusions of the review were of adequate results in each category with the improvements noted in the previous year being maintained. During these discussions, any concerns over technical knowledge or sector understanding necessary to fulfil their role as a director of the Company were considered with additional support arranged as necessary. Continuing professional development support was provided to the Board during the year by specialist presentations from expert agricultural sector operators.

Additionally, the Company Secretary performed a review of research published on how effective boards act with reference to a number of large listed companies. These findings were discussed with the Chairman, the Committee Chairs and the Executive Directors and an implementation plan was agreed which spans into the next financial year.

The Board approves annual objectives for the Executive Directors and measures performance against these objectives when deciding whether to award performance-related bonuses, details of which are reported in the Director's Remuneration Report.

Principle 8: The Group promotes its Wynnstay THRIVE corporate values culture which is described on page 42. Wynnstay THRIVE involves collaboration throughout the companies within our Group structure and with colleagues at all levels. The Board supports THRIVE as it facilitates our corporate culture which is based on ethical values and behaviours. The Group also has a number of policies and procedures designed to safeguard our ethical values, including Whistleblowing, Equal Opportunities, Training and continuing professional development and, where possible, colleague internal promotions. The Board receives regular feedback on these concepts through the Colleagues Forum, Annual Employee Roadshows and other senior executive interactions with the wider Company. The Board have appointed senior executives into management roles to lead the implementation of our environmental strategy and further details of initiatives from this plan is provided in our ESG Framework report on page 32.

Principle 9: The Board is supported by Shore Capital and Corporate Limited who act as Nominated Advisor and are consulted on matters when appropriate so that the Board can take their advice into account on relevant decision-making requirements. Close relationships are maintained with the Group's corporate law advisors, DWF Law LLP.

The Board is responsible for the development and oversight of strategy, with implementation of that strategy and day-to-day management of the business delegated to the Executive Directors and Executive Team. Each trading entity has its own divisional executive board, on which the two Executive Directors sit, and this structure ensures timely and effective decision making is made and implemented and that there is a direct link back to the Group Board. Senior Management from across the Group are routinely invited to attend Board meetings for relevant discussions.

The Board is supported by three sub-committees, the membership of which is shown on pages 53 to 55.

- Audit

The committee meets to provide oversight of the financial reporting process, the external audit process including maintaining auditor objectivity and independence in relation to non-audit services, the Group's system of internal controls, compliance with laws and regulations and risk management.

- Remuneration

The committee meets to consider remuneration policy for executive directors and senior managers and the supervision of employee benefit structures throughout the Group.

- Nominations

Meets as required to consider senior appointments.

The Board is satisfied that the Group's governance structures and processes are appropriate to its size, complexity and appetite and tolerance to risk and keeps these structures under review as the Group develops over time. The Board regularly monitors developments in Corporate Governance regulations and processes and will regularly review the continuing suitability of the QCA code.

Build Trust

Principle 10: Details of the Group's financial performance and position are provided throughout the annual report, and details on how key judgements made during the year and their impact on stakeholders are explained on page 29. Considering the volatile trading circumstances confronted by the business, the Board are satisfied with the financial performance of the Group during the year. Our results demonstrate the resilience of our focused "farmer first" balanced business model upon which the Group's long-term strategy is built. The Directors are confident and have a reasonable expectation that the Group has adequate resources to continue trading for the foreseeable future and continue to adopt the going concern basis in the preparation of the Financial Statements. These results will be communicated through all the usual channels and the arrangements for maintaining a dialogue with shareholders and other relevant stakeholders are described under Principles 2 and 3 above. The Directors Remuneration report is presented on page 61, and the Audit Committee report has been prepared on page 49. Following a commercial assessment of our relationship with RSM UK Audit LLP, the Board appointed new auditors for the year under review, with Crowe UK LLP assuming the role from July 2023, which is in accordance with the Group's view that periodic rotation of auditors is a matter of confidence for stakeholders in the business.

Steve Ellwood
Chairman
29 January 2024

AUDIT COMMITTEE REPORT

I am pleased to present the Audit Committee report for the year ended 31 October 2023, on behalf of the Board.

Purpose and Aim

The Audit Committee provides effective oversight and governance over the financial integrity of the Group's financial reporting to ensure that the interests of the Group's shareholders are protected at all times. It assesses the quality of the external audit processes and ensures that the risks which our businesses face are being effectively managed. The purpose of the Committee is to make recommendations on the reporting, control, risk management and compliance aspects of the Directors' and Group's responsibilities, providing independent monitoring, guidance, and challenge to executive management in these areas.

The Committee's aim is to ensure high standards of corporate and regulatory reporting are maintained together with, an appropriate and proportionate control environment, a robust risk management framework and effective compliance monitoring is in place. The Committee believes that such standards enhance the effectiveness of the Group's business and reduces the risks it faces.

Key Responsibilities

- The accounting principles, practices and policies applied in the Group's Financial Statements.
- The adequacy and effectiveness of the internal control environment.
- The effectiveness of whistleblowing procedures.
- The effectiveness of the Group's finance function.
- The appointment, independence, effectiveness, and remuneration of the Group's external auditor, including the policy on non-audit services.
- The supervision of any tender process for the Group's external auditor.
- External financial reporting and associated announcements.
- The Group's risk management processes and performance.
- The Group's compliance with the audit-related provisions of the appropriate Governance Code.

Audit Committee Membership

The composition of the Audit Committee meets the requirements of the appropriate Governance Code, but in line with good practice, membership is reviewed annually.

Following the retirement of Philip Kirkham from the Board in May 2023, Steven Esom was appointed to the Committee.

The Board considers that each member of the Committee was throughout the year, and remains, independent within the terms of the QCA Corporate Governance Code for Small and Mid-size companies. The knowledge and experience of the Committee members' means that the Committee as a whole is competent in the sector in which the Company operates. The Company Secretary also attends each Committee meeting, and when appropriate, the Group Finance Director is invited to attend the Committee's meetings.

During the year to 31 October 2023, the Committee comprised of:

Chair of the Committee	Members	
Catherine Bradshaw	Philip Kirkham	Retired on 24 May 2023
	Howell Richards	
	Steven Esom	Appointed on 18 April 2023

The Committee operates under terms of reference which are reviewed annually by the Committee and changes are recommended to the Board for approval. The Committee has in its terms of reference the power to engage outside advisors and to obtain its own independent external advice at the Company's expense should it be deemed necessary. The Chair of the Committee reports to the next subsequent meeting of the Board on any key issues, identifying any matters on which it considers that action or improvement is needed and makes recommendations on the steps to be taken.

Key Areas of Focus During 2023

The Committee monitored the Group's financial performance through a period of intense volatility in commodity prices, particularly fertiliser raw materials, giving particular attention to the accurate valuation of such inventories in the Group's financial statements, ensuring appropriate accounting policies were applied at all times. With the announcement during the year of the retirement of the incumbent Group Finance Director, the Committee conducted a review of the finance department resources and skill levels and have overseen the strengthening of resources including the recruitment of a suitable replacement, with Rob Thomas joining the Group in October 2023.

External Audit

The Committee is responsible for approving the appointment and remuneration of the Group's external auditors, including satisfying itself of their independence and of the satisfactory commercial terms of the relationship.

Following the completion of the 2022 external audit, the Committee reported to the Board that it was satisfied with the quality and robustness of the work carried out by RSM UK Audit LLP and recommended their reappointment at the forthcoming AGM, which was duly supported by shareholders in March 2023. However, subsequently, RSM UK Audit LLP indicated that they would be seeking a significant increase in fees to conduct the 2023 statutory audit, which the Committee felt unable to support without a market comparison. A limited scope tender process was therefore conducted, following which RSM UK Audit LLP were asked to resign by the Board. Acceptable terms were agreed with Crowe U.K. LLP in June 2023, who were subsequently appointed to conduct the 2023 audit.

In line with the previous year, and in accordance with the audit plan agreed with Crowe U.K. LLP, the Group's audit scope took advantage of the exemption available under section 479 (c) of the Companies Act 2006 for five of its subsidiaries to be excluded from an independent statutory audit, with Wynnstay Group PLC providing a parent guarantee in regard to these subsidiaries. The relevant companies are Glasson Group (Lancaster) Limited (company number 03230345), Youngs Animal Feeds Limited (company number 04128486), Humphrey Poultry (Holdings) Limited (company number 13882065), Humphrey Feeds Limited (company number 00884405) and Humphrey Pullets Limited (company number 06780228). These entities remain fully consolidated with the Group's financial statements with their respective contributions audited to Group materiality levels.

Meetings

The Committee meets regularly throughout the year, and four formal meetings relevant to the year under review were held along with the audit close meeting in early 2024. The agenda for the formal meetings are linked to events in the Company's financial calendar.

The Committee addressed the following key agenda items during its four main meetings in the financial period:

19 January 2023	21 March 2023	18 July 2023	12 September 2023
Review of going concern paper as basis of accounts preparation.	Consider control improvement measures and implementation.	Interim results accounting treatment considerations.	Review of in year acquisition and accounting treatment.
Consideration of intangible asset impairment reviews.	Consider audit fee proposals for 2023.	Finance team resource review and succession requirements.	Receipt and approval of external auditor's year end audit plan.
Receive external auditor's report on process and results.	Risk register review.	Principal risks and uncertainties review.	Group internal controls and resource review.
Review draft 2022 Annual Report and preliminary results announcement.		Introduction to new external audit team.	Risk register update.

All members of the Committee attended all meetings during their respective periods of tenure. The Committee Chair regularly invites senior company executives to attend meetings of the Committee to discuss or present specific items and the Group Finance Director, Paul Roberts, attended all four of the meetings. The respective external auditor also attended two meetings of the Committee and has direct access to the Committee Chair. The Committee also meets with the external auditor without the Executive Directors being present and the Committee Chair also meets with the external auditor in advance of Committee meetings.

Financial Reporting and Significant Accounting Matters

The Committee considered the following financial reporting and key accounting issues in relation to the financial statements:

Carrying value of goodwill and intangible assets

The carrying value of goodwill and intangible assets is systematically reviewed prior to year-end. A consistent methodology is applied to the individual cash generating units, taking account of market outlook, risk-adjusted discounted future cash flows, sensitivities, and other factors which may have a bearing on impairment considerations. Specific focus has been given to Humphreys as a recent acquisition involving purchase price allocation. The Committee considered the appropriateness of the assumptions including discount and growth rates.

Derivatives

Hedge accounting rules were reviewed to establish if it could be applied to other operating companies within the group where derivatives are used, taking due consideration of the commercial dynamics of the operations. Including, taking due consideration of the commercial dynamics of the operations. The Committee concluded it was not possible to apply hedge accounting rules to the other companies, with the exception of Glasson Grain Limited, where cash flow hedges are used.

Control improvements

Regular reports on internal controls issues are presented to and discussed at the Audit Committee and a follow up process in place to audit recommendations are fully implemented. The Group's external auditor communicated, as part of their audit of the Financial Statements several control recommendations. The Board, in reviewing key control observations, can confirm that actions are being undertaken to remedy the weaknesses identified. During 2024, further work will be undertaken to review and enhance systems and processes across the Group.

Going concern and longer-term viability

The Committee reviewed the Group’s cashflow, net debt and leverage forecasts and noted that there was adequate headroom projected against all the appropriate bank financial covenants throughout a forward three-year viability period. Current deflationary trends in commodity prices were noted as being beneficial to working capital requirements, which had eased considerably over the last twelve-month period. The Committee concluded that it was satisfied with these assumptions and that it was appropriate to assume the Group was a going concern and to prepare financial results on that basis.

Fair, Balanced and Understandable

The Committee has reviewed the contents of this year’s Annual Report and Accounts and advised the Board that, in its view, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information to enable shareholders to assess the position and performance, strategy and business model of the Group. In reaching this conclusion the Committee has considered the following:

- The preparation of the Annual Report is a collaborative process between Finance, Legal, Human Resources and Communications functions within Wynnstay, ensuring the appropriate professional input to each section. External guidance and advice is sought where and when appropriate.
- The coordination and project management is undertaken by a central team to ensure consistency and completeness of the document.
- An extensive review process is undertaken, both internally and through the use of external advisors.
- A final draft is reviewed by the Audit Committee members prior to consideration by the Board.

On behalf of the Board

Catherine Bradshaw
Chair of the Audit Committee
29 January 2024

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS, STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with UK Adopted International Accounting Standards and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on A.I.M.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK Adopted International Accounting Standards, 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 Company will continue in business.

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

The Directors confirm that:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

On behalf of the Board

Claire Williams
Company Secretary
29 January 2024

BOARD OF DIRECTORS AND COMPANY SECRETARY

Steve Ellwood

Chairman

Steve joined the Board in April 2016. He has a wealth of experience within the UK agriculture and agri-food sectors after spending 10 years as Head of Agriculture at HSBC, following on as Head of Food and Agriculture at Smith & Williamson for four years. Steve is Chairman of AH Worth and Company and is a Non-Executive Director at NIAB and Velcourt Group.

- Finance
- Mergers & Acquisitions
- Sector Experience
- Strategy & Leadership

- Nominations Committee – Chair
- Remuneration Committee

Steven Esom

Senior Independent Non-Executive Director

Steven joined the Board in April 2023. He has extensive sector-level experience in the UK food and retailing industries and significant experience of the UK agricultural sector. Previously, Steven was Managing Director of Waitrose & Partners and also an Executive Director of Food at Marks & Spencer. Steven is Chairman of Sedex, a leading global supply chain consultancy focused on environmental, social and governance outcomes.

- Mergers & Acquisitions
- Sales & Marketing
- Strategy & Leadership

- Remuneration Committee – Chair
- Audit Committee
- Nominations Committee

Catherine Bradshaw

Independent Non-Executive Director

Catherine joined the Board in July 2021. As a qualified chartered accountant, Catherine brings a wealth of experience in financial control from previous roles at Northern Foods Plc, Morrisons Plc, Greencore Plc, and currently as Director of Reporting and Controls at Cranswick Plc.

- Finance
- Mergers & Acquisitions
- Strategy & Leadership

- Audit Committee - Chair
- Remuneration Committee

Howell John Richards

Independent Non-Executive Director

Howell joined the Board in July 2014. He has significant experience within the agricultural industry and has established a large dairy enterprise business in South Wales. As a member of a number of well recognised committees, Howell promotes the UK dairy industry and supports initiatives for young entrants into UK farming.

- Sector Experience
- Strategy & Leadership

- Audit Committee
- Remuneration Committee

Gareth Wynn Davies

Chief Executive

Gareth was appointed to the Board as Chief Executive in May 2018. He joined Wynnstay in 1999 as Sales Manager for South Wales and became Head of Agriculture in 2008. He is also a Non-Executive Director at Hybu Cig Cymru - Meat Promotion Wales.

- Mergers & Acquisitions
- Sales & Marketing
- Sector Experience
- Strategy & Leadership

- Nominations Committee

Rob Thomas (Appointed 02 October 2023)

Group Finance Director

Rob joined the Board in October 2023 as Group Finance Director Designate and became Group Finance Director on 2 January 2024. He has significant financial and commercial experience in senior roles, including in the agricultural and supply chain sectors. A Chartered Accountant, Rob has significant experience of M&A and strategic planning. His earlier career was in accountancy with PwC, both in the UK and overseas.

- Finance
- Mergers & Acquisitions
- Sector Experience
- Strategy & Leadership

Claire Alexander Williams

Company Secretary

Claire was appointed to the Board in January 2020. She joined Wynnstay in 2017 as Group Financial Controller. She is a member of the Institute of Chartered Accountants in England and Wales.

- Company Secretarial
- Finance

SENIOR MANAGEMENT

David Chadwick

Managing Director, Glasson Grain

Dave joined the Group in August 2006 when Wynnstay acquired Glasson Grain. Dave has significant commercial experience in international trading of animal feeds and fertiliser.

- Operations & Supply Chain
- Sales & Marketing
- Strategy & Leadership

Stuart Dolphin

Arable Director

Joined the Group in May 2011 when Wynnstay acquired Wrekin Grain which subsequently became GrainLink. Stuart has significant commercial experience in commodity trading and arable farming, including seed, fertiliser and agronomy.

- Operations & Supply Chain
- Sales & Marketing
- Strategy & Leadership

Paul Jackson

Sales and Marketing Director

Paul joined Wynnstay in July 2021, having worked for AB Agri for 17 years, most recently as Head of Sales. He has over 35 years' experience of working in the supply industry.

- Sales & Marketing
- Sector Experience
- Strategy & Leadership

Neil Richardson

Group Feed & Logistics Operations Director

Neil joined the Group in March 2023 when Wynnstay acquired Humphrey Feeds. Neil brings to the team a wealth of experience within the feed sector, along with a passion for delivering continuous improvement, and excellent customer service.

- Compliance
- Operations & Supply Chain
- Sector Experience
- Strategy & Leadership

Andrew Evans

Group Sustainability, Innovation and Food Supply Chain Director

Andrew joined Wynnstay in 1996 as Marketing Manager and became Retail Manager in 2003. He also owns a dairy farm in Mid Wales.

- Operations
- Sales & Marketing
- Sector Experience
- Strategy & Leadership

Paul Godwin

Group Head of Strategic Delivery

Paul joined Wynnstay in 2003 to establish a professional purchasing and stock management team for our Specialist Merchanting Division. He has held roles within the business with responsibility for operations, health and safety, property and estate management and merchandising.

- Compliance
- Operations & Supply Chain
- Strategy & Leadership

Samantha Roberts

Group Personnel Manager

Samantha joined the Group in July 2000 and held a variety of roles before assuming the position of Group Personnel Manager in July 2005.

- Health & Safety
- HRM & People Management and Development

DIRECTORS' REPORT

For the year ended 31 October 2023

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 2023.

Results and Dividends

	2023	2022
Interim dividend per share paid	5.50p	5.40p
Final dividend per share proposed	11.75p	11.60p
Total dividend	17.25p	17.00p
	£000	**£000**
Group revenue	735,877	713,034
Group profit after tax	6,928	17,142

Subject to approval at the Annual General Meeting, the final dividend will be paid on 30 April 2024 to shareholders on the register at the close of business on 02 April 2024. The share price will be marked ex-dividend with effect 28 March 2024. 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 2024.

Details of authorised and issued share capital and the movement in the year are detailed in note 27 of the financial statements.

Directors and Their Interests

The Directors who held office during the year and as at 31 October 2023 had the following interests in the ordinary shares of the Company:

	25p ordinary shares		SAYE options		Discretionary options	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Gareth Davies	50,143	40,113	-	1,309	30,634	45,715
Steve Ellwood	4,700	4,700	-	-	-	-
Steven Esom	-	-	-	-	-	-
Catherine Bradshaw	-	-	-	-	-	-
Howell Richards	2,810	2,810	-	-	-	-
Paul Roberts	102,046	98,998	-	5,236	20,519	36,574
Rob Thomas	-	-	-	n/a	-	n/a

Further information on the Directors' discretionary options, including the performance criteria, can be found in the Directors' Remuneration Report, with the numbers shown in the above table representing the maximum available to vest.

In addition to the above shareholdings, Gareth Davies and Rob Thomas are trustees of the Company's Employee Share Ownership Plan trust which at the year-end held 127,022 shares (2022: 16,834 shares). Accordingly, these directors were deemed to hold an additional non-beneficial holding in such shares.

No director at the year-end held any interest in any subsidiary or associate company.

Further details on related party transactions with Directors are provided in note 32 to the financial statements.

Having been appointed during the year, Steven Esom and Rob Thomas, offer themselves for re-election under Article 86. In the prior year, Howell Richards was elected under Article 91 at the 2023 AGM but having served nine years as a non-executive director, he has made it known that he wishes to retire during the current year. A recruitment process will commence in due course to ensure the appointment of a new independent non-executive director by the time Howell Richards steps down.

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.

Substantial Shareholdings

At 31 October 2023, the following shareholders held 3% or more of the issued share capital of the Company:

Registered shareholder	Beneficial holder	Number of shares	% of issued share capital
Lion Nominees Limited	Discretionary managed funds of Close Asset Management Limited	2,666,821	11.6
Rock Nominees Limited	Discretionary managed funds of Charles Stanley & Co	2,456,325	10.7
Luna Nominees Limited	Discretionary managed funds of Cazanove Capital	963,500	4.2
Rulegale Nominees Limited	Discretionary managed funds of James Sharp & Co	901,132	3.9

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, and no new notifications of substantial shareholdings have been received between 31 October 2023 and the date of this report.

Shareholder Resolutions

At the Annual General Meeting held on the 21 March 2023 the Directors received authority from the shareholders to:

- Allot shares

This gives Directors the authority to allot shares and maintains flexibility in respect of the Company's financing arrangements. The nominal value of ordinary shares which the Director may allot in the period up to the next Annual General Meeting to be held on 21 March 2023 is limited to £450,000. This authority will expire on 21 March 2024, but the Directors intend to seek to renew the same.

- Disapplication of rights of pre-emption

This disapplies rights of pre-emption on the allotment of shares by the Company and the sale of treasury shares. This authority allows the Directors to allot equity securities for cash pursuant to the authority to allot shares mentioned above, and to sell treasury shares for cash without a pre-emptive offer to existing shareholders, up to an aggregate amount of £450,000. This authority will expire on 21 March 2024, but the Directors intend to seek to renew the same.

- To buy own shares

This authority allows the Company to buy its own shares in the market, as permitted under the Articles of Association of the Company, up to a limit of 500,000 ordinary shares. The Directors have no immediate plans to exercise the powers of the Company to purchase its own shares and would only plan to do so if they were satisfied that a purchase would result in an increase in expected earnings per share and was in the best interests of the Company at the time. This authority will expire on 21 March 2024, but the Directors intend to seek to renew the same.

Colleagues

The Group has procedures for keeping its colleagues informed about the progress of the business, which include bi-monthly newsletters, annual roadshows, financial results presentations and a Colleague Forum.

The Group continues to encourage employee motivation by operating a Savings Related Share Option Scheme open to all employees.

The Group 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 Group 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.

Health and Safety matters are a high priority issue for the Board, who consider a monthly report on developments and any incidents that may have occurred, including accidents and near misses.

Engagement with Customers, Suppliers and Others

Details of the identified main stakeholder groupings associated with the business are provided in the s172 Statement of the Strategic Report, but the continuing relationship nature of the Group's trading activities requires strong communication links with individual customers and suppliers. This is achieved through dedicated personnel contacts, regular correspondence and increasingly through digital interaction channels.

Payment of Suppliers

The Group agrees terms and conditions with suppliers before business takes place and, while there is no formal 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 42 days (2022: 54 days).

Financial Instruments and Risks

The Group has a number of financial instruments and these are detailed, together with the risk management objectives and policies relating to these instruments in Note 25 to the financial statements. The main financial risks for the Group come from customer credit, foreign exchange, commodity price volatility, intertest rate movements, cash liquidity and capital management. The Board's approach to managing these risks are detailed in Note 25 of the financial statement.

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 2023 as provided in Note 16 to the financial statements by approximately £9,718,000 (2022: £9,578,000). The director's opinion is supported by a valuation exercise carried out by BNP Paribas Real Estate in July 2022.

Political and Charitable Donations

Details of support to the community is given in ESG report. There were no political donations during the year (2022: none).

Directors' Statement as to Disclosure of Information to Auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 53 - 55.

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 Group's auditor is 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 Group's auditor is aware of that information.

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

Independent Auditors

Crowe U.K. LLP have indicated their willingness to continue in office and accordingly a resolution proposing their reappointment will be submitted to the Annual General Meeting.

Other Matters

The Company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of strategy and future developments and principal risks and uncertainties.

By order of the Board

Claire Williams
Company Secretary
29 January 2024

DIRECTORS' REMUNERATION REPORT

For the year ended 31 October 2023

Board Remuneration

Introductory Statement

As Chair of the Remuneration Committee and on behalf of the Board of Directors, I am delighted to present our report on Board remuneration for the Financial Year ended 31 October 2023. I would like to thank Peter Kirkham for his service as Chair of the Remuneration Committee until May 2023.

The general approach to remuneration

The Committee's approach to remuneration continues to be the provision of competitive but not excessive reward packages for Executive Directors, that align their pay with the strategy of the Group, encouraging, incentivising and motivating behaviours which we believe will deliver long-term success for the Group. The interests of Executive Directors should align with those of shareholders, and our Policy seeks to adopt practices to achieve this while complying with all relevant laws and corporate governance regulations, giving the Group a sound basis for long-term growth and progression.

With regard to Executive Directors, the Committee will seek to ensure that:

i. the remuneration packages offered are competitive within the marketplace in which the Company operates, allowing it to attract and retain the talent necessary to deliver the results demanded by the Board and the Company's shareholders;
ii. the performance-based elements of remuneration are aligned with the Group's strategic objectives, with measures that reward exceptional achievement whilst avoiding rewarding poor performance; and
iii. the remuneration structures provide the mechanisms to protect shareholders where necessary and adopt a sufficiently long-term basis for aligning the interests of Executive Directors with those of investors.

Committee decisions on remuneration

During the previous financial year, the Committee carried out a benchmarking pay review exercise for the Executive Directors with adjustments to basic pay implemented from March 2022. The Executive Directors were then included in the standard company-wide 5% annual review award with effect from November 2022. Similarly, Non-Executive Director's fees were reviewed with adjustments implemented from November 2022. The details of these individual changes are provided later in this report within the respective remuneration sections. Having been appointed to the Board, and as Chair of the Remuneration Committee in April 2023, I intend to conduct further bench-market reviews in the new year.

With the Nominations Committee having identified and recommended the appointment of a new Group Finance Director during the year, the Remuneration Committee negotiated the contract terms for this appointment, with the candidate successfully commencing employment in October 2023.

The Committee remained conscious of the general inflationary pressures evident in the wider economy and the cost-of-living challenges faced by colleagues across the business. In considering the budgeted pay review proposal for the year commencing November 2023, the Committee were keen to support colleagues perceived as under the most pressure from these issues and was pleased to therefore announce a two-tiered review award. A 6% award was therefore granted to colleagues with basic salaries below a threshold of £25,000 per annum, with a 4.5% award granted to higher earners. The Committee believed this represented a sound targeted use of available resources, offering the most support to our lower-paid colleagues, and reflecting well against the published Consumer Price Index (CPI) for October 2023 which was 4.6%.

The Remuneration Committee remains fully committed to an open and honest dialogue with our shareholders, and we welcome your views on any aspects of remuneration at any time.

Board Remuneration Policy

All matters relating to remuneration of the Directors of the Company are determined by the Remuneration Committee whose decisions are made to achieve the broad objective of rewarding individuals for the nature of their work and the contribution they make towards the Group achieving its business objectives. Proper regard is given to the need to recruit and retain high-quality and motivated staff at all levels and to ensure the effective management of the business. The Committee will be cognisant of comparative pay levels after taking into account geographic location and the operations of the business and taking appropriate external professional advice where considered necessary.

Equity based schemes are an effective way to align the interests of participants and shareholders and provide an efficient and cost-effective incentive for long-term value creation. All new incentives or substantive changes to existing schemes will be subject to prior approval by shareholders. Details of the current Share Plans can be found here Wynnstay Share Plans | Wynnstay PLC. Whilst the dilution limits vary in the individual Schemes, the Remuneration

Committee has undertaken a review of capacity, and expects to operate within a maximum of 15% dilution in aggregate across the schemes. The Remuneration Committee will monitor the aggregate dilution on a regular basis and prior to the grant of new options.

The remuneration policy for Directors is set to achieve the above objectives and is broadly split into Executive and Non-Executive categories, and consists of the following components in each sub-category:

Executive Directors:

Basic Salary	**Purpose**: To provide an appropriate amount of basic fixed income to enable the recruitment and retention of effective management to implement Group strategy. **Operation**: The Committee reviews base salaries on an annual basis, consistent with the reviews conducted for other employees. The review takes into account: absolute and relative Group profitability; any changes to the scope of each role and responsibilities; any changes to the size and complexity of the Group; salaries in comparable organisations; the general economic conditions prevalent in the country: pay increases elsewhere in the Group; and the impact of any increases to base salary on the total remuneration package. **Maximum opportunity**: The Remuneration Committee has set no overall maximum on salary increases, as it believes that this creates an anchoring effect for Executive Directors and other employees. **Performance measures**: None, although individual performance, skills and experience are taken into consideration by the Remuneration Committee when setting salaries.
Annual Performance Bonus (APB)	**Purpose**: To incentivise the Executive Directors to deliver the Group's corporate strategy by focusing on annual goals that are consistent with longer-term strategic objectives. **Operation**: Bonus targets are reviewed and set on an annual basis. Pay-out levels are determined by the Remuneration Committee after the year-end, after completion of the audit, based upon a rigorous assessment of performance against the targets. Malus provisions apply for the duration of the performance period and any deferral period allowing the Remuneration Committee to reduce to zero any unvested or deferred awards. Clawback provisions apply to cash amounts paid and shares or cash released for three years following payment or release, allowing the Remuneration Committee to claim back all or any amount paid or released. The circumstances in which malus and/or clawback provisions may be triggered include: if the assessment of any performance condition was based upon erroneous or inaccurate or misleading information; if a material misstatement is discovered that results in the audited accounts of the Group being adjusted; or in the event of any action or conduct of a participant that amounts to fraud or gross misconduct. **Maximum opportunity**: The maximum annual bonus opportunity that can be earned for any year is capped at 100% of base salary for all Executive Directors. Payments at or approaching these levels would require an exceptional level of performance. **Performance measures**: The payment of awards under the APB is dependent upon performance conditions based upon: profit before tax (PBT) after accrual for bonus payments (75% weighting); stretching, specific and measurable strategic and/or individual objectives. (25% weighting).

	The Remuneration Committee believes the chosen metrics are suitably aligned with the Group's strategy and are focused on delivering long-term growth and shareholder return.
Wynnstay Profit Related Pay	**Purpose**: An all-employee scheme in which the Executive Directors participate on the same basis as all other employees, designed to encourage achievement of profit budgets within main trading subsidiaries. **Operation**: An employee scheme to reward all staff with a pro-rata profit share, based on a pre-set formula. Paid in February following the announcement of the financial results for the previous year, after completion of the annual audit. **Performance measures**: Based upon the pre-tax profit of two trading subsidiaries, as a net percentage of revenues adjusted for commodity inflation and subject to a total cap on the overall all-employee pay-out of 10% of profits of the participating companies.
Performance Share Plan (PSP)	**Purpose**: To incentivise Executive Directors to focus on the long-term strategic objectives of the Group and to deliver substantial shareholder value, aligning their interests with the interests of shareholders. **Operation**: Awards may be granted annually under the PSP and will consist of rights over shares with a value calculated as a percentage of base salary. Vesting is subject to the Group's performance, measured over three years and is followed by a holding period in respect of 50% of the vested shares, of which one half are released after a one-year holding period and one half after a two-year holding period. Malus provisions apply for the duration of the performance period and shares held under deferral arrangements, allowing the Remuneration Committee to reduce to zero any unvested or deferred awards. Clawback provisions apply until two years after the date upon which any entitlement becomes unconditional, allowing the Remuneration Committee to claim back all or part of the value of any shares vested. The circumstances in which malus and/or clawback provisions may be triggered are as stated in relation to the APB above. The principal terms of the PSP were approved by shareholders at the 2018 AGM. **Maximum opportunity**: The maximum PSP award opportunity per Executive Director, in respect of any financial year, is limited to rights over shares with a market value at grant of 100% of base salary. **Performance measures**: The vesting of all awards made under the PSP is dependent upon performance conditions based upon: EPS growth (75% weighting) Return on capital employed (25% weighting) The Remuneration Committee believes the chosen metrics are suitably aligned with the Group's strategy and are focused on delivering long-term growth and shareholder return.
All-employee share plans	**Purpose:** To align the interests of the broader employee base with the interests of shareholders and to assist with recruitment and retention. **Operation**: The Group currently operates a HM Revenue & Customs-approved Save As You Earn plan. In accordance with the relevant tax legislation, the Executive Directors are entitled to participate on the same basis (and subject to the same maximums) as other Group employees. **Maximum opportunity**: As determined by the statutory limits in force from time to time. **Performance measures:** None.
Pension	**Purpose**: To provide an income for Executive Directors during their retirement and enable the Group to recruit and retain suitable individuals. **Operation**: Fixed company contributions expressed as a percentage of current basic salary for each individual are paid into a personal pension scheme held in that individual's name. In

	addition, death in service cover provides for four times current annual salary paid into trust, where death occurs during the term of the Director's employment contract.
Benefits	**Purpose**: To attract and retain suitable Executive Directors and assist Executive Directors in the performance of their duties. **Operation**: The benefits provided by the Group to Executive Directors are currently restricted to the provision of a company car and private medical insurance. **Maximum opportunity:** Dependent upon the cost of providing the relevant benefits and the individual's personal circumstances. The Remuneration Committee examines the cost of benefit provision and will only agree to provide benefits that are in line with market practice and cost-effective for the Group. **Performance measures**: None.

The executive director's remuneration terms are detailed in individual contracts of employment and associated amendment documentation, which amongst other points contain standard details as follows:

- Notice period to be given by the Company is twelve months.
- Notice period to be given by the Director is six months.
- Paid holiday entitlement of 23 days plus bank holidays.
- Post employment restrictive covenants lasting twelve months.
- Standard non-compete restrictions during employment.

Non-Executive Directors:

Basic Annual Fee	**Purpose**: To attract and retain a balanced skill set of individuals to ensure strong stewardship and governance of the Group. **Operation**: Fees are set so as to reflect the factors pertinent to respective positions, taking into account the anticipated amount of time commitment, and comparative rates paid by other companies of a similar size. The Non-Executive Directors do not participate in share option awards, performance bonuses or pension arrangements. Fees are reviewed by the Remuneration Committee on an annual basis.
Supplemental Committee Chair Fees	**Purpose:** To acknowledge the additional time and input commitment of chairing two of the important Board sub-committees, being Audit and Remuneration. **Operation:** An additional annually reviewed premium is added to the Basic Annual Fee for the appointed Non-Executive holding the chair of the respective committee for that relevant financial year.
Travelling Expenses	**Purpose**: To reimburse legitimately incurred costs of attending necessary Board and associated meetings. **Operation**: Pre-set rates used to reimburse mileage, travel, accommodation and other incurred expenses in line with those used for other employees.
Medical Insurance Benefit	**Purpose**: To assist Directors in the completion of their duties. **Operation**: Benefits restricted to the provision of private medical insurance for those directors who do not have alternative arrangements in place.

The non-executive director's remuneration terms are detailed in individual letters of appointment, which amongst other points contain standard details as follows:

- Initial appointment for a period of twelve months.
- Renewal of appointment for a fixed period of three years after the initial twelve months.

- Post-employment restrictive covenants lasting twelve months.

Remuneration Report

Executive Director Remuneration

In line with the above policy, the Remuneration Committee have approved the following details of executive director remuneration, which are designed to ensure both the continued competitiveness of remuneration levels and the satisfaction of current investor expectations concerning governance arrangements for Long Term Incentive Plans:

- Basic Salaries. A current annual salary effective from November 2023, is shown in the table below in column A. The previous annual salary, where relevant, is shown in column B, with the actual amounts received during the last financial year shown in column C.

Basic Salary	Column A	Column B	Column C
Executive Director	Current Basic Salary	Previous Basic Salary	Actual Salary as a Director Nov 2022 – Oct 23
	£000's	£000's	£000's
Gareth Davies	315*	278	288
Paul Roberts	194	186	186
Rob Thomas	180	n/a	15

** During the period, an amendment was made to the contractual terms of employment for Gareth Davies, whereby the basic salary was increased by an annualised amount of £23,484, with an equivalent reduction in the employer's pension contribution.*

- Annual Performance Bonuses & Profit Related Pay. The bonus payments made to Executive Directors in March 2023, and therefore during the financial year under review, were in relation to the performance of the business for the financial year 2021/22 which was a record year for the Group in terms of financial performance. These payments were made under the auspices of the Annual Performance Bonus scheme which includes potential payments of up to 75% of basic salary based on the Group's financial performance, and up to 25% based on stretching specific and measurable strategic and/or individual objectives. The bonus payments made for the financial years ending October 2022 and October 2021, received in the following March, are shown in the table below in columns A & B respectively.

The Executive Directors also participate in the Wynnstay Profit Related Pay Scheme, ("PRP") which is a scheme for employees of Wynnstay Group plc and Grainlink Limited, and which pays an annual bonus based on a formula which produces a percentile result which is then applied to the relevant individual's prior year earnings. The formula calculation is the aggregate of the pre-tax profit of Wynnstay (Agricultural Supplies) Limited and Grainlink Limited divided by the aggregate of the combined revenues. The scheme is subject to a limiting factor preventing the total paid under the arrangements from exceeding 10% of the profits of the participating companies. The relevant rate for 2022, paid in February 2023, was 2.7% (2022: 3.1%), with the actual PRP paid to each executive shown in Column C below. The anticipated rate for 2023, to be paid in February 2024 relating to the last financial year is 2.4% of relevant earnings.

Bonuses £000's	Column A	Column B	Column C	
Executive Director				
	Total	Total	PRP received	
	2022	2021	Feb 23	Feb 22
Gareth Davies	265	206	13	10
Paul Roberts	177	158	9	8

In October 2023, Rob Thomas joined the Board as an Executive Director and Group Finance Director Designate and was awarded an appointment payment in lieu of foregone previous employment earnings.

- Pension and death in service life cover. Individual Company contributions to personal pension plans are based on the value of the Executive Directors basic salary only. The annual defined Company contributions to a personal pension scheme held in the individual's name, expressed as a percentage of basic salary, and the amounts paid on behalf of each individual for their period of service as a director during the last financial year, are shown in the table below under column A and column B respectively. Column C shows the anticipated contribution for each individual for the new financial year starting November 2023. As explained above, the contribution rate for Gareth Davies was reduced during the period in accordance with a salary consolidation arrangement. The death in service life assurance cover is provided in a Group policy covering all members, with individual costs attributed to separate members being unavailable. However, the scheme to which both of the executive directors belong, had a total renewal cost at November 2022 of £106,297 (2021: £108,575), and there were 580 (2021: 583) members covered, equating to an average cost of £183 per person (2021: £186).

Pension	**Column A**	**Column B**	**Column C**
Executive Director	**Pension %**	**Pension Contribution £000's**	**Anticipated Pension Contribution Rate 23/24**
Gareth Davies	8.2%	24	3.17%
Paul Roberts	6.5%	12	12.00%
Rob Thomas	12.0%	2	12.00%

- Benefits in kind. Gareth Davies was supplied with a company car during the financial year, primarily for the furtherance of his duties. However, this vehicle was available for the executive's private use and as such has a taxable benefit in kind value calculated in accordance with HMRC rules. The value for the tax year ending April 2023 is shown in the table below in column A. The cost of fuel used for private motoring is refunded monthly. Additionally, the Company pays the cost of providing private medical insurance for the executives to ensure that should they require treatment this is provided as quickly as possible and minimises any period of potential absence from their duties. The cost to the Company of this cover for each individual in relation to the 2023 financial year is shown below in column B. Paul Roberts and Rob Thomas received a monthly car allowance for their respective tenure during the financial year with the total amounts received shown in Column C below. With effect from November 2023, Rob Thomas will be supplied with a company car appropriate to his role.

Benefits in kind	**Column A**	**Column B**	**Column C**
Executive Director	**Company Car Value**	**Private Medical Cover**	**Cash Settled Car Allowance**
Gareth Davies	£5,690	£709	n/a
Paul Roberts	n/a	£709	£7,200
Rob Thomas	n/a	n/a	£333

- Long-Term Incentives. The Remuneration Policy provides for a Performance Share Plan (PSP) to incentivise executive directors to focus on the long-term strategic objectives of the Group and to deliver substantial shareholder value, aligning their interests with the interests of shareholders. This PSP is intended to grant option awards annually, with rights over shares to a value calculated as a percentage of base salary. Other conditions are explained in the Remuneration Policy above. Grants of options under this arrangement during the financial year ending October 2023 were made in February 2023 and details are shown in the option table below, which also shows all outstanding options open at the year end.

  The performance criteria of the relevant options are tested at the end of the third financial year after the respective grant as follows:

- Awards granted January 2020 – Performance tested for Financial Year Oct 2022.
- Awards granted April 2021 – Performance tested for Financial Year Oct 2023.

- Awards granted February 2023 – Performance tested for Financial Year Oct 2025.

The performance criteria attached to the current PSP options are as follows:

1.75% of the Award Shares will vest if the Company's Earnings Per Share ("EPS") grows at an annual rate exceeding the rate of growth of the Retail Price Index ("RPI") plus 8%. Where this growth is not met, provided EPS grows at an annual rate of at least RPI plus 1%, 30% of the Award Shares tested under the EPS target will vest. Between these criteria, the Award Shares will vest on a straight-line basis.

2. 25% of the Award Shares will vest if the Company's Return on Capital Employed ("ROCE") increases to at least 12.6% for the respecting testing financial year. Where this target is not met, provided a minimum ROCE employed of 10% is met, the Award Shares will vest between these two criteria on a straight-line basis.

In accordance with scheme rules and relevant option contracts, the Remuneration Committee tested the performance conditions for the awards granted in January 2020 against the audited financial results for the year to October 2022, with the following conclusions:

	Scheme Target	**Actual Result**
EPS Growth Rate	Range between RPI + 1% - 8%	30.7%
ROCE	Range between 10% - 12.6%	16.6%

As the actual results for both criteria exceeded the maximum targets, the respective proportions for each element were awarded in full to both executive directors as follows, with 50% released in February 2023, and 50% retained for future release in accordance with the scheme rules:

	Total Award Shares Granted Feb 23	**Total Released Feb 23**	**Total Retained for 2024 & 25**
Gareth Davies	27,896	13,948	13,948
Paul Roberts	22,318	11,159	11,159

Outstanding options as at October 2023 for directors who had served during the year.

Executive Director	**PSP Scheme Maximum Award**		**SAYE**
	No. of Options Granted Apr 21	**No. of Options Granted Feb 23**	**No. of Options**
Gareth Davies	17,819	30,634	-
Paul Roberts	14,256	20,519	-
Rob Thomas	-	-	-

Further information relating to the PSP is set out in the Rules of the scheme which are published on the Group's website at https://www.wynnstayplc.co.uk/esg/governance/wynnstay-share-plans

- Other Share Schemes. The executive directors are eligible to participate in Save As You Earn (SAYE) option invitations, subject to the scheme and legislative limitations. No such options were outstanding as at October 2023 as shown in the table above. SAYE options do not have any performance criteria attached to them are exercisable in accordance with the scheme rules and dependent on an ongoing savings contract administered by Equiniti Ltd, an authorised provider, being retained.

  During the year Gareth Davies exercised 1,309 SAYE options and Paul Roberts exercised 5,236 SAYE options at a price of £2.75 each. Using the market price on the day of exercise, £4.125 per share, gains of £1,800 and £7,200 respectively were generated although both directors retained the shares.

Non-Executive Director Remuneration

The remuneration of the Non-Executive Directors is and has been paid in accordance with the policy outlined above and has been set so as to reflect the factors pertinent to their respective positions. Details of the amounts received during the last financial year and the current levels of Basic Annual Fees being paid are given in the table below:

	Received Financial Year Ending Oct 2023			
Non-Executive Director	**Basic Fee £000's**	**Supplemental Fee £000's**	**Benefits in kind £000's**	**Travelling Expenses £000's**
Steve Ellwood– Chairman	75	0	0	1
Philip Kirkham (retired May 23)	30	0	1	1
Howell Richards	42	0	1	1
Catherine Bradshaw	42	2	0	1
Steven Esom	26	0	0	1
	Payable Financial Year Ending Oct 2024			
Steve Ellwood – Chairman	78	0	0	1
Howell Richards	44	0	1	1
Catherine Bradshaw	44	2	0	1
Steven Esom	44	2	0	1

Steven Esom
Chairman of Remuneration Committee
29 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYNNSTAY GROUP PLC

Opinion

We have audited the financial statements of Wynnstay Group plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 October 2023, which comprise:

- the Group statement of comprehensive income for the year ended 31 October 2023;
- the Group and Parent Company balance sheets as at 31 October 2023;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group and Parent Company statements of cash flows for the year then ended; and

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

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 2023 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewed the group cash flow model provided by management and challenged the key assumptions used in the forecasts, including downside sensitivities of reduced sales volumes;
- Checking the numerical accuracy of management's financial projections;
- Reviewed the availability of facilities and cash reserves in the context of both the financial projections and downside scenarios, including an assessment of compliance with applicable covenants;
- Procedures to review and evaluate the historical accuracy of management's past projections;
- Reviewing the disclosures made in the financial statements relating to going concern and agreeing it is consistent with management's assessment;

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £880,000, based on approximately 6% of average consolidated profit before tax for years ended 31 October 2023 and 31 October 2022 Materiality for the Parent Company financial statements as a whole was set at £170,000 based on 5% of the average profit before tax for the years ended 31 October 2023 and 31 October 2022.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £615,000 for the group and £120,000 for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £45,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group and its subsidiaries are accounted for at three main sites in the UK, including the Parent company head office. We performed full scope audits of the complete financial information of Wynnstay Group plc and the three components, Wynnstay (Agricultural Supplies) Limited, GrainLink Limited and Glasson Grain Limited. The work was performed directly by the Group audit team. The operations that were subject to full-scope audit procedures made up 97% of the consolidated revenues, 99% total profit before tax and 95% total assets and liabilities. The Group's other subsidiary entities, Glasson Group (Lancaster) Limited, Youngs Animal Feeds Limited, Humphrey Poultry (Holdings) Limited, Humphrey Feeds Limited and Humphrey Pullets Limited was subject to Specific procedures as they are not considered a signficiant component.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Revenue recognition (note 2) Revenue is a key driver of the business and used as an important benchmark by shareholders for assessing the performance of the Group. We deemed the significant risk to be in respect of existence and cut off as this is the area considered to be most susceptible to misstatement by management in close proximity to the year-end where there is an incentive to meet performance targets	Our audit work in this area included the following: • Assessing the design effectiveness of the relevant controls in place associated with revenue recognition; • Testing a sample of revenue transactions across the Group to ensure revenue recognition was appropriate by selection from the nominal and agreeing amounts to sales invoice, cash receipts and proof of delivery where applicable; • Reviewing pre-year end and post year end invoices to ensure cut off correctly applied; • Performed testing using computer aided tool to corroborate sales invoiced in the period to cash receipt; • Reviewed contractual terms of business with both key customers and suppliers to confirm basis of revenue recognition complies with IFRS 15.
Carrying value of goodwill and investments (notes 13 and 17) The Group holds goodwill at a carrying value of £15.5m. The Parent Company also holds significant investments with a carrying value of £54.2m. Recovery of these assets is dependent upon future cash flows which are required to be discounted.	Our audit work in this area included the following: • Obtaining management's impairment papers and value in use calculations along with related workings to support the value in use of each cash generating unit, including assessing the definition of CGU's used by management; • Testing the mathematical accuracy of the value in use calculations, as well as challenging key assumptions used in the preparation of the discounted cash-flow model, including the discount rate, growth rate and expected revenues.

Key audit matter	*How the scope of our audit addressed the key audit matter*
There is a risk that forecasts for these future cash flows are not met or that the cash flows have not been discounted at an appropriate rate. If the cash flows do not meet expectations the assets may become impaired. Due to the high level of estimation uncertainty and sensitivity in changes to the assumptions on the future cash flows we identified the possible impairment of assets as a key audit matter.	Specialists within the audit team were used to assess for reasonableness of the assumptions which significantly influence the value in use calculation; • Assessing the accuracy of historic forecasts compared to actual results; • Consideration given to any signficiant changes which may indicate an impairment trigger such as technological, market, economic or legal changes. • Reviewing the disclosures in the financial statements in relation to goodwill and investments

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 52, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK, being the principal jurisdiction in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, used data analytics techniques to identify any unusual transactions, sample testing on the posting of journals, and reviewing accounting estimates for biases where significant judgements are involved.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us. We performed testing on journal entries and used computer aided tools to assist this testing to address the risk of fraud through management override of controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Evans (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

B69 2DG

Consolidated Statement of Comprehensive Income

For the year ended 31 October 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Revenue	2		**735,877**		713,034
Cost of sales			**(656,829)**		(622,228)
Gross Profit			**79,048**		90,806
Manufacturing, distribution and selling costs			**(60,060)**		(59,386)
Administrative expenses			**(10,020)**		(9,307)
Other operating income	4		**371**		335
Adjusted Operating Profit *[1]			**9,339**		22,448
Intangible amortisation and share-based payments	5		**(468)**		(416)
Non-recurring items	5		**(82)**		(1,094)
GROUP OPERATING PROFIT	6		**8,789**		20,938
Interest income	3	**528**		166	
Interest expense	3	**(1,286)**	**(758)**	(656)	(490)
Share of profits in joint ventures accounted for using the equity method	18	**865**		808	
Share of tax incurred by joint ventures	7	**(192)**	**673**	(132)	676
PROFIT BEFORE TAXATION			**8,704**		21,124
Taxation	10		**(1,776)**		(3,982)
PROFIT FOR THE YEAR			**6,928**		17,142
OTHER COMPREHENSIVE (EXPENSE) / INCOME					
Items that will reclassified subsequently to profit or loss:					
- net change in the fair value of cashflow hedges taken to equity, net of tax			**49**		(2,462)
- recycle cashflow hedge to income statement			**(83)**		2,336
Other comprehensive (expense) / income for the period			**(34)**		(126)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**6,894**		17,016
Basic Earnings per 25p share	12		**30.75p**		82.72p
Diluted Earnings per 25p share	12		**30.31p**		80.65p

The notes on pages 78 to 117 form part of these financial statements.

[1]Adjusted results are after adding back amortisation of acquired intangible assets, goodwill impairment, share-based payment expense and non-recurring items.

Consolidated and Company Balance Sheet

As at 31 October 2023
Registered Number 2704051

		Group		Company	
					restated *
		2023	2022	**2023**	2022
	Note	**£000**	£000	**£000**	£000
NON-CURRENT ASSETS					
Goodwill	13	**15,530**	16,133	**-**	-
Intangible assets	14	**4,960**	4,936	**-**	-
Investment property	15	**1,850**	1,850	**1,850**	1,850
Property, plant and equipment	16	**24,598**	20,840	**9,870**	9,333
Right-of-use assets	16, 24	**14,129**	8,202	**543**	-
Investment in subsidiaries	17	**-**	-	**54,203**	55,108
Investments accounted for using equity method	17	**4,407**	4,101	**191**	191
Derivative financial instruments	25	**54**	1	**-**	-
		65,528	56,063	**66,657**	66,482
CURRENT ASSETS					
Inventories	19	**55,456**	71,095	**-**	-
Trade and other receivables	20	**81,276**	96,575	**-**	9
Amounts owed by subsidiary undertakings	20	**-**	-	**3,629**	2,109
Loans to joint venture	18	**639**	1,067	**639**	1,067
Current tax asset	20	**-**	-	**23**	102
Cash and cash equivalents	23	**31,055**	31,177	**7,312**	10,919
Derivative financial instruments	25	**209**	598	**-**	-
		168,635	200,512	**11,603**	14,206
TOTAL ASSETS		**234,163**	256,575	**78,260**	80,688
CURRENT LIABILITIES					
Borrowings	23	**(2,595)**	(3,043)	**(2,595)**	(3,043)
Lease liabilities	24	**(3,762)**	(3,344)	**(102)**	-
Trade and other payables	21	**(75,694)**	(105,015)	**(306)**	(2,722)
Amounts owed to subsidiary undertakings	21	**-**	-	**(423)**	(59)
Current tax liabilities		**(257)**	(1,639)	**-**	-
Provisions	22	**-**	(345)	**-**	-
Derivative financial instruments	25	**(432)**	(53)	**-**	-
		(82,740)	(113,439)	**(3,426)**	(5,824)
NET CURRENT ASSETS		**85,895**	87,073	**8,177**	8,382
NON-CURRENT LIABILITIES					
Borrowings	23	**(4,743)**	(6,640)	**(4,743)**	(6,640)
Lease liabilities	24	**(9,213)**	(3,999)	**(450)**	-
Trade and other payables	21	**(9)**	(36)	**-**	-
Derivative financial instruments	25	**(8)**	(80)	**-**	-
Deferred tax liabilities	26	**(2,219)**	(1,680)	**-**	-
		(16,192)	(12,435)	**(5,193)**	(6,640)
TOTAL LIABILITIES		**(98,932)**	(125,874)	**(8,619)**	(12,464)
NET ASSETS		**135,231**	130,701	**69,641**	68,224
EQUITY					
Share capital	27	**5,739**	5,585	**5,739**	5,585
Share premium		**43,482**	42,130	**43,482**	42,130
Other reserves		**4,080**	4,267	**3,808**	3,961
Retained earnings		**81,930**	78,719	**16,612**	16,548
TOTAL EQUITY		**135,231**	130,701	**69,641**	68,224

* restated to correct the classification of certain bank accounts between group companies of £10.9m

Steve Ellwood – Director

Rob Thomas - Director

The Company generated profit after tax of £3,781,000 (2022: profit of £3,415,000). The financial statements were approved by the Board of Directors on 29 January 2024 and signed on its behalf. The notes on pages 78 to 117 form part of these financial statements.

Consolidated Statement of Changes in Equity

As at 31 October 2023

Group	Share capital £000	Share premium account £000	Other reserves £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
At 31 October 2021	5,075	31,600	3,868	263	64,916	105,722
Profit for the year	-	-	-	-	17,142	17,142
Net change in the fair value of cashflow hedges taken to equity, net of tax	-	-	-	(2,462)	-	(2,462)
Recycle cashflow hedge to Income Statement	-	-	-	2,336	-	2,336
Total comprehensive income for the year	-	-	-	(126)	17,142	17,016
Transactions with owners of the Company, recognised directly in equity:						
Shares issued during the year	510	10,530	-	-	-	11,040
Dividends	-	-	-	-	(3,339)	(3,339)
Equity settled share-based payment transactions	-	-	262	-	-	262
Total contributions by and distributions to owners of the Company	510	10,530	262	-	(3,339)	7,963
At 31 October 2022	5,585	42,130	4,130	137	78,719	130,701
Profit for the year	**-**	**-**	**-**	**-**	**6,928**	**6,928**
Net change in the fair value of cashflow hedges taken to equity, net of tax	**-**	**-**	**-**	**49**	**-**	**49**
Recycle cashflow hedge to Income Statement	**-**	**-**	**-**	**(83)**	**-**	**(83)**
Total comprehensive income for the year	**-**	**-**	**-**	**(34)**	**6,928**	**6,894**
Transactions with owners of the Company, recognised directly in equity:						
Shares issued during the year	**154**	**1,352**	**-**	**-**	**-**	**1,506**
Dividends	**-**	**-**	**-**	**-**	**(3,868)**	**(3,868)**
Own shares acquired by ESOP trust	**-**	**-**	**(225)**	**-**	**-**	**(225)**
Equity settled share-based payment transactions	**-**	**-**	**258**	**-**	**-**	**258**
Recycle of equity remuneration reserves	**-**	**-**	**(186)**	**-**	**151**	**(35)**
Total contributions by and distributions to owners of the Company	**154**	**1,352**	**(153)**	**-**	**(3,717)**	**(2,364)**
At 31 October 2023	**5,739**	**43,482**	**3,977**	**103**	**81,930**	**135,231**

All values are derived from continuing operations.

The notes on pages 78 to 117 form part of these financial statements.

Company Statement of Changes in Equity

As at 31 October 2023

Company	Share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
At 31 October 2021	5,075	31,600	3,699	16,472	56,846
Profit for the year	-	-	-	3,415	3,415
Total comprehensive income for the year	-	-	-	3,415	3,415
Transactions with owners of the Company, recognised directly in equity:					
Shares issued during the year	510	10,530	-	-	11,040
Dividends	-	-	-	(3,339)	(3,339)
Equity settled share-based payment transactions	-	-	262	-	262
Total contributions by and distributions to owners of the Company	510	10,530	262	(3,339)	7,963
At 31 October 2022	5,585	42,130	3,961	16,548	68,224
Profit for the year	**-**	**-**	**-**	**3,781**	**3,781**
Total comprehensive income for the year	**-**	**-**	**-**	**3,781**	**3,781**
Transactions with owners of the Company, recognised directly in equity:					
Shares issued during the year	**154**	**1,352**	**-**	**-**	**1,506**
Dividends	**-**	**-**	**-**	**(3,868)**	**(3,868)**
Own shares acquired by ESOP trust	**-**		**(225)**		**(225)**
Equity settled share-based payment transactions	**-**	**-**	**258**	**-**	**258**
Recycle of equity remuneration reserves	**-**	**-**	**(186)**	**151**	**(35)**
Total contributions by and distributions to owners of the Company	**154**	**1,352**	**(153)**	**(3,717)**	**(2,364)**
At 31 October 2023	**5,739**	**43,482**	**3,808**	**16,612**	**69,641**

The notes on pages 78 to 117 form part of these financial statements.

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

Consolidated and Company Cash Flow Statement

For the year ended 31 October 2023

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 restated * £000
Cash flows from operating activities					
Cash generated from operations	33	**20,272**	13,839	**(827)**	(10,154)
Interest received	3	**528**	166	**158**	-
Interest paid	3	**(822)**	(399)	**(515)**	(171)
Tax paid		**(2,763)**	(3,342)	**-**	-
Net cash generated from / (used) from operating activities		**17,215**	10,264	**(1,184)**	(10,325)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**256**	264	**-**	-
Purchase of property, plant and equipment	16	**(5,761)**	(3,560)	**(1,038)**	(905)
Acquisition of business and assets, net of cash acquired		**-**	(98)	**-**	-
Acquisition of subsidiary undertakings, net of cash acquired	35	**(2,709)**	(10,136)	**(1,095)**	(11,147)
Receipt of repayment of short term loans to joint ventures		**428**	2,252	**428**	2,252
Payment of short term loan to ESOP trust		**(195)**	-	**(195)**	-
Disposal of investments		**-**	7	**-**	-
Dividends received from joint ventures		**367**	4	**367**	4
Dividends received from subsidiaries		**-**	-	**3,950**	5,438
Net cash (used in) / generated by investing activities		**(7,614)**	(11,267)	**2,417**	(4,358)
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital	27	**1,471**	11,040	**1,471**	11,040
Proceeds from new loans	23	**26**	9,485	**26**	9,485
Lease payments	24, 34	**(5,042)**	(4,229)	**(98)**	-
Repayment of borrowings	34	**(2,371)**	(474)	**(2,371)**	(474)
Dividends paid to shareholders	11	**(3,868)**	(3,339)	**(3,868)**	(3,339)
Net cash generated from / (used in) financing activities		**(9,784)**	12,483	**(4,840)**	16,712
Net increase / (decrease) in cash and cash equivalents		**(183)**	11,480	**(3,607)**	2,029
Effects of exchange rate changes		**61**	56	**-**	-
Cash and cash equivalents at the beginning of the period		**31,177**	19,641	**10,919**	8,890
Cash and cash equivalents at the end of the period	23	**31,055**	31,177	**7,312**	10,919

* restated to correct the classification of certain bank accounts between group companies of £10.9m

The notes on pages 78 to 117 form part of these financial statements.

Principal Accounting Policies

GENERAL INFORMATION

Wynnstay Group Plc has a number of operations. These are described in the segmental analysis in note 2.

Wynnstay Group Plc is a company incorporated and domiciled in the United Kingdom. The address of its registered office is Eagle House, Llansantffraid Ym Mechain, Powys, SY22 6AQ. The Company has its listing on AIM, part of the London Stock Exchange.

ACCOUNTING POLICIES

The Group and Company's principal accounting policies adopted in the preparation of these financial statements are set out below.

BASIS OF PREPARATION

The Group's financial statements have been prepared in accordance with UK adopted International Accounting Standards. The Group and Company's financial statements have been prepared under the historical cost convention other than certain assets which are at deemed cost under the transition rules, and certain financial instruments which are explained in the relevant section below. A summary of the material Group and Company's accounting policies is set out below, and these have been applied consistently.

The preparation of financial statements in conformity with UK adopted International Accounting Standards 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.

The Group has taken advantage of the audit exemption available under section 479(A) of the Companies Act 2006 for five of its subsidiaries, Glasson Group (Lancaster) Limited (company number 03230345), Youngs Animal Feeds Limited (company number 04128486), Humphrey Poultry (Holdings) Limited (company number 13882065), Humphrey Feeds Limited (company number 00884405) and Humphrey Pullets Limited (company number 06780228). The Company has provided parent guarantees to these subsidiaries which have taken advantage of the exemption from audit.

GOING CONCERN

The Directors have prepared the financial information presented for the Group and Company on a going concern basis having considered the principal risks to the business and the possible impact of plausible downside trading scenarios. The Board have concluded that they have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future, and that the going concern assumption is appropriate. The recent impact of the Covid-19 pandemic is no longer considered a major risk to the Group's business.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the outlook comments of the Chairman's Statement and Chief Executive's Review sections of the Strategic report on pages 13 to 20. The financial position of the Group and the principal risks and uncertainties are also described in the Strategic report.

The Group has a sound financial base and forecasts that show profitable trading and sufficient cash flow and resources to meet the requirements of the business, including compliance with banking covenants and on-going liquidity. In assessing their view of the likely future financial performance of the Group, the Directors consider industry outlooks from a variety of sources, and various trading scenarios. This analysis showed that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. More detail on outlook is contained within the Strategic Report on page 13-20.

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

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 joint ventures and associates.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- the size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- substantive potential voting rights held by the company and by other parties;
- other contractual arrangements; and
- historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The fair value of contingent consideration is assessed using management judgement to reflect the likelihood of the pertinent matters being achieved. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Associates are entities over which the Group has significant influence but not control, generally accompanied by a share of between 20% and 50% of the voting rights. Joint ventures are entities over which the Group has joint control. Investments in joint ventures and associates are accounted for using the equity method. In the Company financial statements, investments in subsidiaries, joint ventures and associates are accounted for at cost.

REVENUE RECOGNITION

Revenue is income arising for the sale of goods and services in the ordinary course of the Group's activities, net of value added taxes and discounts. Revenue is recognised when performance obligations are satisfied, and control has transferred to the customer. Although the Group does provide some services (agronomy, such as analysis of nutritional content of silage samples), the majority of the revenue relates to sale of goods and consequently the level of judgement required to determine the transaction price or the timing of transfer of control is low. All revenue is derived from UK operations. The Group uses two main operating segments which relate to how our customers purchase products, as described below:

Agriculture

For feed, seed, fertiliser and other agricultural products sold in bulk to farmer customers, revenue is recognised on collection by, or delivery to, the customer and the Group had evidence that all criteria for acceptance have been satisfied.

Specialist Agricultural Merchanting

For goods sold in depots, revenue is recognised at the point of sale. For goods sold through catalogues or online, revenue is recognised on collection by, or delivery to, the customer. Some contracts provide customers with a limited right of return, but historical experience has shown that the value of these returns is immaterial.

Additionally the Group recognises an "Others" segment for any minor peripheral activities not readily attributable to either of the main segments.

Standard customer payments terms exist across the Group and vary in detail depending on the commercial activity and product category, but are agreed in advance in appropriate trading terms.

FINANCE INCOME

Finance income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

AMORTISATION OF INTANGIBLE ASSETS, SHARE-BASED PAYMENTS AND NON-RECURRING EXPENSE ITEMS

Amortisation of acquired intangible assets, share-based payment expense and non-recurring items that are material by size and/or by nature are presented within their relevant income statement category but highlighted separately on the face of the consolidated statement of comprehensive income and within a note to the financial statements, see note 5. The separate disclosure of profit before these items helps provide a better indication of the Group's underlying business performance as discussed in the non-IFRS alternative performance measure 'Underlying pre-tax profit' in note 36 to the Accounts.

Events which may give rise to non-recurring items include, but are not limited to, gains or losses on the disposal of subsidiaries/businesses, gains or losses on the disposal or revaluation of properties, gains or losses on the disposal of investments, the restructuring of the business, the integration of new businesses, acquisition related costs, changes to estimates in relation to deferred and contingent consideration for prior period business combinations and asset impairments including impairment of goodwill.

EMPLOYMENT BENEFIT COSTS

The Group operates a number of defined contribution pension schemes. Contributions to these schemes are charged to the Group Statement of Comprehensive Income as they are incurred, in accordance with the rules of the scheme.

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 Group Statement of Comprehensive Income. Once recognised, an impairment of goodwill is not reversed.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group assesses whether there is any indication that a non-financial 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 the higher of fair value less costs to sell and value in use and is considered for each 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.

INVESTMENT PROPERTY

Investment property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently stated at fair value at the reporting date, as determined by the directors and is periodically supported by external valuers. Gains or losses arising from changes in the fair value of investment property are recognised in the income statement in the period in which they arise.

Gains or losses on disposal of an investment property are recognised in the income statement on the unconditional completion of the sale.

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 less estimated residual value of fixed assets over their expected useful lives as follows:

- freehold property 2.5% - 5% per annum straight line;
- leasehold land and building and right of use assets is over the period of the lease;
- plant and machinery and office equipment 10% - 33% per annum straight line; and
- motor vehicles 20% - 30% per annum straight line.

If the expenditure provides incremental future benefits so that it improves the earning capacity or extends the life of the non-current asset beyond its originally intended useful economic life, then it is treated as capital expenditure. This is usually the case with non-climate compliant assets where the Group seeks to modify appropriate assets where possible as it works towards its zero-carbon footprint commitment which is detailed in the strategic report. Climate uncertainty does not have a material impact on the assessment of useful lives as the assets are considered to be fit for purpose over the assessed useful economic lives with reasonable repairs and maintenance.

The impact of historical climate related incidents indicates that any financial impact on physical assets, including adapting them for use is addressed by our existing capital programme. Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. Gains and losses on disposals are calculated by comparing proceeds with carrying amount and are included in the income statement.

INTANGIBLE ASSETS

Following initial recognition of an intangible asset, the cost model is applied requiring the asset to be held at cost less any accumulated amortisation and impairment. Amortisation begins when the asset is ready for use.

The cost of an intangible asset acquired in a business combination with a definite useful life (three to eight years) is amortised on a straight-line basis, with the carrying value being its fair value at the acquisition date. Where intangibles (including brands) have an indefinite life, they are not amortised, but assessed for impairment during the year. See Note 14 for details on intangibles movement during the period.

FINANCIAL INSTRUMENTS

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at the transaction price (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contract cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets and liabilities at amortised cost

Financial assets and liabilities are measured at amortised cost if they meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets or satisfy the financial liabilities through the associated contractual cash flows or
- the contractual terms of the financial assets and liabilities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below), and will be charged through cost of sales in the income statement.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expect- ed credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the asset.

Measurement of the expected credit losses is determined by a prob- ability-weighted estimate of credit losses over the expected life of the financial asset. For large one-off balances where there is no historical experience, analysis is completed in respect of several reasonably possible scenarios.

Other Investments

Investments are measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the Group has specifically elected to present fair value changes are then shown in 'other comprehensive income'. Cost is used as an appropriate estimate of the fair value for investments where in limited cases there is insufficient, recent information available to measure fair value.

Trade and other receivables and loans to joint ventures

Trade receivables are initially recognised at their transaction price. When a trade receivable is uncollectible, it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against costs in the income statement. Short-term trade receivables do not carry any interest and are stated at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

The Group uses its historical experience, external indicators and for- ward-looking information to calculate the expected credit losses.

The Group assess impairment of trade receivables on a collective basis where they possess shared credit risk characteristics, they have been grouped based on sector industry global default rates. Refer to Note 20 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that provides a residual interest in the assets of a business after deducting all other liabilities. Equity instruments is- sued by the Group are recorded as the proceeds received, net of direct issue costs.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, derivative financial instruments and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

Borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Group Consolidated Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

Prepaid fees in relation to issuance of debt are held on the Balance Sheet on the basis that such issuance is considered probable. If issues do not occur, or are deemed not to be probable, such fees are recognised in the income statement.

Financial guarantees

Where composite financial guarantees (not within the definition of IFRS 9) over the general bank obligations of subsidiaries for debt instruments held at amortised cost exist, such balances are netted in Balance Sheet.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by Wynnstay are foreign exchange forward contracts and futures. The Group does not hold or issue derivative financial instruments for trading or speculative purposes. Derivative financial assets and liabilities are measured at fair value. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

Hedge accounting

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives designated as hedging instruments are classified at inception of hedge relationship as cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedges are effective. Ineffective portions are recognised in profit or loss immediately. Amounts deferred in other comprehensive income are reclassified to the income statement when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When or if a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred in full to the income statement.

Both the ineffective portions and recycled amounts from OCI are put through cost of sales, as management consider these to be integral to commercial operations, rather than finance related.

Accounting for changes in credit risk

Accounting standards require that the fair value of financial instruments reflects their credit quality and also changes in credit quality where there is evidence that this has occurred. The credit risk associated with the Group's derivatives is reviewed at Treasury Management Committee meetings monthly where the impact is not material, due to the Group strong financial position.

INVENTORIES

Inventories (covering raw materials, consumables, finished goods and goods for resale) are stated at the lower of cost and net realisable value. Biological inventories are measured at fair value less estimated cost to sell at the point of harvest. 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.

CASH AND CASH EQUIVALENTS

For the purposes of the Balance Sheet, cash and cash equivalents comprise cash at bank, cash in hand, money market funds and short-term deposits with an original maturity of three months or less. For the Consolidated and Company statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

LEASES

The Group as a lessee, accounts for all leases by recognising a right-of-use asset and a lease liability. At inception, the Group assess whether the contract contains a lease or is a lease. A lease is determined when the contract conveys the right to control an identified asset for a period of time in exchange for consideration. The Group recognises a right-of- use asset and a corresponding lease liability for all lease agreements in which the Group is the lessee at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial lease liability adjusted for any lease payment made at or before the commencement date, plus any indirect initial costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are then subsequently depreciated using the straight-line method or reducing balance method from the commencement date to the earlier of the lease term or useful life of the underlying asset. Right-of-use assets are reviewed for indicators of impairment on an annual basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the rate implicit in the lease, or, if the rate cannot be determined, the Group's incremental borrowing rate.

The incremental borrowing rate is based on the (i) reference rate, (ii) financing spread and (iii) lease specific adjustments. The reference rate is based on the UK Nominal Gilts aligned with the tenor of the lease observed at the time of signing the contract. The financing spread is based on the term of the debt, level of indebtedness, entity and economic environment.
Lease payments included in the measurement of lease liabilities includes the following:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and

- The amount expected to be payable by the lessee under residual value guarantees

The Group remeasures the lease liability when there is a change in the future lease payments arising from a change in rate or index or, a modification to the lease that is not accounted for as a separate lease. In the latter case, the lease liability is remeasured by using a revised discount rate. When the lease liability has been remeasured, a corresponding adjustment is made to the carrying amount of the right- of-use asset or is recorded in the profit or loss account if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has opted not to recognise right-of-use assets and lease liabilities for low value assets and short-term leases (defined as a lease with a lease term of 12 months or less). Instead, the lease payments are recognised as an operating expense on a straight-line basis over the length of the lease term or on a systematic basis.

CURRENT AND DEFERRED INCOME TAX

The tax charge/credit for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised in other comprehensive income.

Current tax assets and current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Group relief claimed/surrendered between UK companies is paid for at the applicable tax rate of 22.5% (2022: 19%) for the year.

Deferred income taxation 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's financial statements, at rates expected to apply when they reverse, based on current tax rates and law. Deferred income taxation is not provided on the initial recognition of an asset or liability in a transaction, other than a business combination, if at the time of the transaction there is no effect on either accounting or taxable profit or loss.

Deferred income tax assets are recognised to the extent that there are future taxable temporary differences from the unwind of the deferred income tax liabilities, against which these deductible temporary differences can be utilised or other future taxable profits. Deferred tax assets and liabilities are not discounted. Deferred income taxation is determined using the tax rates and laws that have been enacted, or substantively enacted during the year and are expected to apply in the periods in which the related deferred tax asset or liability is reversed. No material uncertain tax positions exist as at 31 October 2023.

DEFERRED INCOME

Amounts received prior to the delivery of goods and services are recorded as deferred income and released to the income statement as they are provided.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are discounted, where material, to present value using a current, pre-tax rate that reflects, where appropriate, the risks specific to the liability.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

SHARE CAPITAL

Ordinary shares are classified as equity and are recorded at the par value of proceeds received, net of direct issue costs, allowing for any reductions in the par value. Where shares are issued above par value, the proceeds in excess of par value are recorded in the share premium account. Where shares have been issued following the exercise of eligible nil-cost employee options, previously expensed equity remuneration reserves are recycled to share capital at par value only.

DIVIDEND DISTRIBUTION

A dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the shareholders' right to receive payment of the dividend is established.

FOREIGN CURRENCY

The consolidated financial statements are presented in Sterling, which is the parent company's functional currency.

Transactions denominated in foreign currencies are initially recorded in the functional currency using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Sterling at the rates of exchange ruling at the reporting date. Differences arising on translation are charged or credited to the income statement.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group makes certain judgements and assumptions about the measurement of certain assets, liabilities, revenues and expenses. These assessments are continually evaluated based on historic experience and expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions, however we believe these are not significant nor likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. The main categories include:

Business combinations - Where valuation techniques are used to determine the fair value of certain assets and liabilities acquired in a business combination, including estimates of the fair value of contingent consideration, which is dependent on the outcome of variables such as future trade or profitability. See note 35 to the accounts.

Intangible asset impairment reviews - An impairment review is conducted annually on intangible assets which are not being amortised. Such reviews include management making judgements of appropriate discount and growth rates, together with estimates of future cashflows. See note 13 to the accounts.

Climate change - The Group has considered climate change as part of the cashflow projections within going concern, impairment assessments and viability, and the impact of climate change is not deemed to have a significant impact on these assessments currently and therefore they are not deemed to be a key source of estimation uncertainty. The Group will continue to monitor the impacts of climate change over the coming years.

Notes to the Financial Statements

For the year ended 31 October 2023

1. GENERAL INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

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

Changes in accounting policies and disclosures

a) New standards, interpretations and amendments effective from 31 October 2022

New standards impacting the Group adopted in the annual financial statements for the year ended 31 October 2023, and which have given rise to changes in the Group's accounting policies but have not had any significant impact on adoption are as follows:

• Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 27 August 2020)	1 January 2023
• Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	1 January 2023
• Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued 7 May 2021)	1 January 2023

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b) New accounting pronouncements, that are not yet effective and have not been adopted early by the Group, to be adopted on or after 1 January 2024

• Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (issued on 28 Nov 2023)	1 January 2024
• Amendments to IAS 1 Presentation of Financial Statements – classification of Liabilities as Current or Non-current (published on 23 January 2020)	1 January 2024
• Amendments to IAS 1 Presentation of Financial Statements including Non-current Liabilities with Covenants and Deferral of Effective Date Amendment (published on 12 July 2020)	1 January 2024
• Amendments to IFRS 16 Lease Liability in a Sale and Leaseback arrangement (issued 11 May 2023)	1 January 2024
• Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules (issued 19 July 2023)	1 January 2024

The new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

2. SEGMENTAL REPORTING

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

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

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

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

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

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

The Board assesses the performance of the operating segments based on a measure of operating profit. Non-recurring costs and finance income and costs are not included in the segment result that is assessed by the Board. Other information provided to the Board is measured in a manner consistent with that in the financial statements. No segment is individually reliant on any one customer.

All revenue during the current and prior financial years have arisen from revenue recognised at a point in time.

The segment results for the year ended 31 October 2023 are as follows:

	Agriculture	Specialist Agricultural Merchanting	Other	Total
Year ended 31 October 2023	**£000**	**£000**	**£000**	**£000**
Revenue from external customers	584,313	151,475	89	735,877
Segment result				
Group operating profit before non-recurring items	2,849	6,101	(79)	8,871
Share of results of joint ventures before tax	802	27	36	865
	3,651	6,128	(43)	9,736
Non-recurring items				(82)
Interest income				528
Interest expense				(1,286)
Profit before tax from operations				8,896
Income taxes (includes tax of joint ventures)				(1,968)
Profit for the year attributable to equity shareholders from operations				6,928
Other information:				
Depreciation and amortisation	3,922	2,565	14	6,501
Non-current asset additions including acquisitions	11,747	5,107	5	16,859
Segment assets	129,542	71,541	3,820	204,903
Segment liabilities	(57,306)	(20,632)	-	(77,938)
				126,965
Add corporate net cash (note 23)				10,742
Less corporate and deferred tax liabilities				(2,476)
Net assets				135,231
Included in segment assets above are the following investments in joint ventures and associates	3,105	136	1,078	4,319

There were no revenues from transactions in the year with individual customers which amount to 10% or more of Group revenues.

2. SEGMENTAL REPORTING continued

The segment results for the year ended 31 October 2022 are as follows:

Year ended 31 October 2022	Agriculture	Specialist Agricultural Merchanting	Other	Total
	£000	£000	£000	£000
Revenue from external customers	564,263	148,771	-	713,034
Segment result				
Group operating profit before non-recurring items	14,108	7,939	(15)	22,032
Share of results of joint ventures and associates before tax	553	8	247	808
	14,661	7,947	232	22,840
Non-recurring items				(1,094)
Interest income				166
Interest expense				(656)
Profit before tax from operations				21,256
Income taxes (includes tax of joint ventures and associates)				(4,114)
Profit for the year attributable to equity shareholders from operations				17,142
Other Information:				
Depreciation and amortisation	3,772	2,591	12	6,375
Non-current asset additions including acquisitions	13,490	1,260	-	14,750
Segment assets	146,008	75,099	4,212	225,319
Segment liabilities	(80,906)	(24,544)	-	(105,450)
				119,869
Add corporate net cash (note 23)				14,151
Less corporate and deferred tax liabilities				(3,319)
Net Assets				130,701
Included in segment assets above are the following investments in joint ventures and associates	2,746	117	1,150	4,013

There were no revenues from transactions in the year with individual customers which amount to 10% or more of Group revenues.

3. FINANCE INCOME AND COSTS

	2023	2022
	£000	£000
Interest expense:		
Interest payable on borrowings	**(822)**	(399)
Interest payable on leases	**(464)**	(257)
	(1,286)	(656)
Interest receivable:		
Interest received from bank deposits	**317**	66
Interest received from customers	**211**	100
	528	166
Net finance costs	**(758)**	(490)

4. OTHER OPERATING INCOME

	2023	2022
	£000	£000
Rental income	**369**	333
Investment and grant income	**2**	2
	371	335

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

	2023 £000	2022 £000
Amortisation of acquired intangible assets and share-based payments		
Amortisation of intangibles	210	154
Cost of share-based remuneration	258	262
	468	416
Non-recurring items		
Business combination expenses	28	572
Business reorganisation expenses	54	-
Fair value change in Investment property	-	522
	82	1,094

Non-recurring items consisted of:

in 2023:

- Business combination expenses in relation to the acquisition of Tamar Milling Limited in November 2022.
- Business reorganisation expenses made during the year at Glasson Grain Limited.

in 2022:

- Business combination expenses in relation to the acquisition of Humphreys Poultry (Holdings) Limited in March 2022
- The fair value change in investment property followed a professional valuation carried out by BNP Paribas Real Estate in July 2022.

6. GROUP OPERATING PROFIT

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

	2023 £000	2022 £000
Staff costs	38,430	37,724
Cost of inventories recognised as an expense	646,673	617,170
Depreciation of property plant and equipment	2,312	2,290
Depreciation of right-of-use assets	4,189	4,085
Amortisation of intangibles	210	154
Fair value (gains) / losses on derivative financial instruments	809	(627)
Hedge ineffectiveness for the period	(50)	104
(Profit) on disposal of fixed assets	(121)	(132)
Loss / (Profit) on disposal of right-of-use asset	2	(86)
Other short term and low value lease rental payments (see note 24)	323	349

Services provided by the Group's auditor

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

	2023 £000	2022 £000
Audit services – statutory audit	225	175

Included in the Group audit fee are fees of £32,500 (2022: £25,000) paid to the Group's auditor in respect of the Parent Company. The fees relating to the Parent Company are borne by one of the Group's subsidiaries and not recharged.

7. SHARE OF POST-TAX PROFITS OF JOINT VENTURES AND ASSOCIATES

	2023 £000	2022 £000
Share of post-tax profits in joint ventures	**673**	676
Total share of post-tax profits of joint ventures	**673**	676

8. STAFF COSTS

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

	2023 £000	2022 £000
Wages and salaries	**33,251**	32,688
Social security costs	**3,292**	3,318
Pension and other costs	**1,629**	1,456
Cost of share-based reward	**258**	262
	38,430	37,724

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

	2023 No.	2022 No.
Administration	**115**	120
Production	**146**	139
Sales, distribution and depots	**683**	684
	944	943

The parent company did not have any employees in the current or prior year other than executive directors who are remunerated by other Group Companies, and four non-executive directors with a gross cost categorised as fees of £240,000 (2022: £220,000) not included in the above sums.

9. DIRECTORS' REMUNERATION

	2023 £000	2022 £000
Directors' emoluments	**1,208**	1,039
Social security costs	**176**	142
Company contributions to money purchase pension schemes	**38**	48
Aggregate gains made on the exercise of Approved options	**142**	16
	1,564	1,245

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.

Name of Director	2023 £000	2022 £000
Executives		
Gareth Davies	**573**	492
Paul Roberts	**381**	352
Rob Thomas (appointed to the Board 2 October 2023)	**35**	n/a
Non-Executives		
Steve Ellwood - Chairman	**75**	71
Philip Kirkham (retired from the Board 24 May 2023)	**31**	42
Howell Richards	**43**	40
Catherine Bradshaw	**44**	42
Steven Esom (appointed to the Board 18 April 2023)	**26**	n/a
	1,208	1,039

9. DIRECTORS' REMUNERATION continued

Retirement benefits are accruing to the following number of directors:

	2023 No.	2022 No.
Money purchase pension scheme	3	2

	2023 £000	2022 £000
Contribution paid by the Group to money purchase pension schemes in respect of such directors were:		
Gareth Davies	24	28
Paul Roberts	12	20
Rob Thomas (appointed to the Board 2 October 2023)	2	n/a
	38	48

	2023 £000	2022 £000
Gains made on the exercise of approved share options schemes in respect of such directors were:		
Gareth Davies	76	16
Paul Roberts	66	-
	142	16

10. TAXATION

Analysis of tax charge in year:

	2023 £000	2022 £000
Current tax		
- operating activities	1,474	3,627
- adjustments in respect of prior years	(93)	136
Total current tax	1,381	3,763
Deferred tax		
- accelerated capital allowances	438	(76)
- other temporary and deductible differences	(43)	295
Total deferred tax	395	219
Total tax charge for the year	1,776	3,982

Factors affecting tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of Corporation Tax in the UK applicable to the Group of 22.5% (2022: 19%) and is explained as follows:

Current tax		
Profit on activities before tax	8,704	21,124
Profit on activities multiplied by standard rate of corporation tax in the UK of 22.50% (2022: 19.00%)	1,958	4,014
Effects of:		
Tax effect of share of profit of joint ventures and associates	(192)	(132)
Expenses not deductible for tax purposes	66	273
Non-taxable intangible amortisation and other charges	30	-
Adjustment to tax charge in respect of prior years	(93)	136
Short term timing differences	-	3
Accelerated capital allowances	(103)	(76)
Movement on unrecognised deferred tax	109	(366)
Other items	1	130
Total tax charge for year	1,776	3,982

Factors that may affect future tax charges

The main rate of Corporation Tax was raised from 19% to 25% with effect from April 2023, and accordingly only partially impacted the charge for the current year, but this will increase proportionately for future periods.

11. DIVIDENDS

	2023 £000	2022 £000
Final dividend paid for prior year	2,608	2,134
Interim dividend paid for current year	1,260	1,205
	3,868	3,339

Subsequent to the year end it has been recommended that a final dividend of 11.75p per ordinary share (2022: 11.60p) be paid on 30 April 2024. Together with the interim dividend already paid on 31 October 2023 of 5.50p net per ordinary share (2022: 5.40p) this will result in a total dividend for the financial year of 17.25p net per ordinary share (2022: 17.00p).

12. EARNINGS PER SHARE

	Basic earnings per share		Diluted earnings per share	
	2023	2022	2023	2022
Earnings attributable to shareholders (£000)	6,928	17,142	6,928	17,142
Weighted average number of shares in issue during the year (number '000)	22,525	20,722	22,853	21,254
Earnings per ordinary 25p share (pence)	30.75	82.72	30.31	80,65

Basic earnings per 25p ordinary share is calculated by dividing profit for the year from operating activities attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

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

	2023			2022		
	Earnings	Weighted average number of shares (number '000)	Earnings per share	Earnings	Weighted average number of shares (number '000)	Earnings per share
Earnings per ordinary 25p share (pence)	6,928	22,525	30.75	17,142	20,722	82.72
Effect of dilutive securities						
Share options	-	328	(0.44)	-	532	(2.07)
Diluted Earnings per ordinary 25p share (pence)	6,928	22,853	30.31	17,142	21,254	80.65

13. GOODWILL

After initial recognition, 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	£000 Impairment	£000 Net book value
Cost			
At 1 November 2021	16,326	(2,004)	14,322
Additions – Business Combinations	1,811	-	1,811
Impairment Charged	-	-	-
At 31 October 2022	18,137	(2,004)	16,133
Additions- Business Combination	**302**	**-**	**302**
Adjustment following completion of previous acquisition accounting	**(905)**	**-**	**(905)**
At 31 October 2023	**17,534**	**(2,004)**	**15,530**

During the period, in February 2023, the contingent consideration relating to the acquisition of Humphrey Poultry (Holdings) Limited was settled in the sum of £1,095,000. This value was less than the provisionally assessed contingent consideration of £2,000,000, primarily as a result of a change in anticipated trading conditions created in part by the impact of Avian Influenza on poultry flocks. As the timing of the recognition of this change was within the maximum twelve month period permitted under IFRS 3 for finalising the business combination accounting relating to this transaction, the adjustment to the provisionally assessed value of the contingent consideration and the settled amount, has resulted in a reduction in the acquired value of goodwill of £905,000. New additions in the year relate to Tamar Milling Limited (see Note 35).

Goodwill impairment

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated to groups of the smallest cash generating units at which management monitor that goodwill.

Recoverable amounts for cash generating units are based on the higher of value in use and fair value less costs to sell. Value in use is calculated from cash flow projections for the next 5 years using data from the Group's latest internal forecasts, the results of which are reviewed by the Board.

Goodwill is allocated to specific cash generating units ("CGU's") as it arises, and the Group has a number of CGUs in both the Agriculture and the Specialist Agricultural Merchanting sectors. The CGU's are assessed as legal entities and the only change from the prior year has been the addition of a Humphrey CGU within the Agriculture segment for the acquisition of Humphrey Poultry (Holdings) Limited.

The carrying amount of goodwill allocated to each CGUs is Glasson £786,000 (2022: £786,000), Agricultural Supplies £10,232,000 (2022: £9,930,000), Grainlink £3,606,000 (2022: £3,606,000) and Humphrey £906,000 (2022: £1,811,000).

Annual impairment reviews were performed by comparing the carrying value of the cash generating unit with its recoverable amount.

Key assumptions for the value in use calculations are those regarding discount rates, growth rates and cashflows to be achieved expected changes in margins. Management estimate discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the cash generating units. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market. Given the current economic climate, a sensitivity analysis has been performed in assessing the recoverable amounts of goodwill.

A pre-tax discount rate of 8.70% was applied for all CGUs (2022: 7.13% except Humphrey where a rate of 7.69% was used),

The forecasted cash flows are extrapolated based on a 2 to 5 year average growth rate of 1% (2022: 1%) and perpetuity growth rate of 2% (2022: 1.5%) for the Humphrey, Agriculture and Specialist Agricultural Merchanting CGU's. The short term growth rate of 1% has been used to reflect current specific UK market conditions and performance expectations based on management opinions for that timeframe, while the 5 year plus perpetuity rate of 2% reflects a more realistic historic long term growth rate for the UK economy.

All calculations indicated adequate headroom in these results for the value in use compared to the carrying value.

Sensitivity analysis has been considered for the key assumptions by applying a 100 basis point reduction to both the perpetuity growth rate and the 2 to 5 year growth rate, and by applying 100 basis point increase to the pre-tax discount rate. Each individual change, with all other variables remaining constant, has had no impact on the result of the impairment tests for the continuing defined CGU's.

An impairment would only be triggered if the discount rate was to exceed 13.36%, which is 4.66% higher than applied in the testing analysis.

14. INTANGIBLE ASSETS

Group	Brand £000	Key and other customer accounts £000	Customer books £000	Trademarks £000	Total £000
Cost					
Balance as at 1 November 2021	-	-	395	10	405
Additions – Business Combination	3,759	1,095	-	-	4,854
At 31 October 2022	3,759	1,095	395	10	5,259
Additions- Business Combination (see note 35)	**-**	**234**	**-**	**-**	**234**
At 31 October 2023	**3,759**	**1,329**	**395**	**10**	**5,493**
Aggregate amortisation					
Balance at 1 November 2021	-	-	163	6	169
Charge for the year	-	113	39	2	154
At 31 October 2022	-	113	202	8	323
Charge for the year	**-**	**171**	**38**	**1**	**210**
At 31 October 2023	**-**	**284**	**240**	**9**	**533**
Net book value At 31 October 2023	**3,759**	**1,045**	**155**	**1**	**4,960**
Net book value At 31 October 2022	3,759	982	193	2	4,936

The additions in the year relate to the acquisition of Tamar Milling Limited with the intangible items identified following a purchase price analysis review which included a customer accounts value identified using the multiple excess earnings method.

15. INVESTMENT PROPERTY

Investment property relates to a redeveloped retail property in Pwllheli. The amount of rent receivable from the Investment property in the year was £182,000 (2022: £211,000). Direct operating expenses associated with this investment property amounted to £4,992 in the year (2022: £17,082).

Group and Company	2023 £000
Balance as at 1 November 2021	2,372
Fair value movement	**(522)**
Balance as at 31 October 2022	1,850
Balance as at 31 October 2023	**1,850**

An Investment property valuation carried out by BNP Paribas Real Estate on 24 June 2022 concluded the property had an open market valuation of £1,850,000. This market valuation of the investment property was therefore based on a level 2 category valuation where use was made of; sale prices per square metre of similar properties in similar locations, observable current market rents per square metre for similar properties in similar locations, and property yields derived from recent transactions. Consequentially, the Group and Company recognised a fair value movement charge of £522,000 in the prior period which was treated as a non-recurring item in the Income Statement.

16. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and buildings £000	Freehold land and buildings £000	Plant, machinery and office equipment £000	Motor vehicles £000	Right-of-use assets £000	Total £000
Cost						
At 1 November 2021	1,302	15,840	23,724	3,134	20,770	64,770
Additions	172	755	2,552	81	1,749	5,309
Acquisitions	-	1,895	386	285	210	2,776
Reclassification	219	-	27	284	(2,760)	(2,230)
Disposals	-	-	(830)	(204)	(873)	(1,907)
Obsolete asset disposals	-	(446)	(6,234)	(2,292)	(994)	(9,966)
At 31 October 2022	1,693	18,044	19,625	1,288	18,102	58,752
Additions	**463**	**698**	**4,052**	**548**	**9,775**	**15,536**
Acquisitions (see note 35)	**18**	**-**	**243**	**2**	**524**	**787**
Reclassifications	**-**	**(8)**	**53**	**168**	**(1,749)**	**(1,536)**
Disposals	**-**	**-**	**(118)**	**(178)**	**(1,684)**	**(1,980)**
At 31 October 2023	**2,174**	**18,734**	**23,855**	**1,828**	**24,968**	**71,559**

Depreciation						
At 1 November 2021	464	6,420	17,550	2,820	9,727	36,981
Charge for the year	113	424	1,516	237	4,085	6,375
Reclassifications	219	-	-	-	(2,449)	(2,230)
Disposals	-	-	(790)	(191)	(469)	(1,450)
Obsolete asset disposals	-	(446)	(6,234)	(2,292)	(994)	(9,966)
At 31 October 2022	796	6,398	12,042	574	9,900	29,710
Charge for the year	**114**	**436**	**1,438**	**324**	**4,189**	**6,501**
Reclassifications	**-**	**-**	**-**	**48**	**(1,584)**	**(1,536)**
Disposals	**-**	**-**	**(72)**	**(105)**	**(1,666)**	**(1,843)**
At 31 October 2023	**910**	**6,834**	**13,408**	**841**	**10,839**	**32,832**
Net book value at 31 October 2023	**1,264**	**11,900**	**10,447**	**987**	**14,129**	**38,727**
Net book value at 1 November 2022	897	11,646	7,583	714	8,202	29,042

During the previous period (2022) a detailed review of historic records contained in the Group's fixed asset registers were conducted which identified all obsolete items which were removed from the accounting records and treated as obsolete asset disposals. The net book value of these items was zero, and therefore there was no impact on the carrying fair value of the Group's property, plant and equipment assets.

16. PROPERTY, PLANT AND EQUIPMENT continued

Company	Leasehold land and buildings £000	Freehold land and buildings £000	Right-of-use assets £000	Total £000
Cost				
At 1 November 2021	763	14,294	-	15,057
Additions	150	755	-	905
At 31 October 2022	913	15,049	-	15,962
Additions	**393**	**645**	**630**	**1,668**
Disposals	**-**	**-**	**-**	**-**
At 31 October 2023	**1,306**	**15,694**	**630**	**17,630**
Depreciation				
At 1 November 2021	363	5,775	-	6,138
Charge for the year	89	402	-	491
At 31 October 2022	452	6,177	-	6,629
Charge for the year	**86**	**415**	**87**	**588**
At 31 October 2023	**538**	**6,592**	**87**	**7,217**
Net book value at 31 October 2023	**768**	**9,102**	**543**	**10,413**
Net book value at 31 October 2022	461	8,872	-	9,333

17. FIXED ASSET INVESTMENTS

Group	Joint Ventures £000	Other unlisted investments £000	Total £000
Cost and net book value			
At 1 November 2021	3,341	92	3,433
Share of profit or investment income	676	2	678
Dividend distribution	(4)	-	(4)
Disposal	-	(6)	(6)
At 31 October 2022	4,013	88	4,101
Share of profit or investment income	**673**	**-**	**673**
Dividend distribution	**(367)**	**-**	**(367)**
Disposal	**-**	**-**	**-**
At 31 October 2023	**4,319**	**88**	**4,407**
Provision for impairment			
At November 2022 and 31 October 2023	**-**	**-**	**-**
Net book value at 31 October 2023	**4,319**	**88**	**4,407**
Net book value at 31 October 2022	4,013	88	4,101

Company	Share in Group Undertakings £000	Joint Ventures & Associates £000	Total £000
Cost			
At 1 November 2022	55,709	191	55,900
Business combination – Final acquisition account adjustment	**(905)**	**-**	**(905)**
At 31 October 2023	**54,804**	**191**	**54,995**
Provision for impairment			
At 1 November 2022	(601)	-	(601)
At 31 October 2023	**(601)**	**-**	**(601)**
Net book value at 31 October 2023	**54,203**	**191**	**54,394**
Net book value at 31 October 2022	55,108	191	55,299

18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES 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	Registered office address
Glasson Group (Lancaster) Limited	100	Holding company	West Quay, Glasson Dock, Lancaster, Lancs, LA2 0DB
Glasson Grain Limited	100	Feed and Fertiliser merchant	
Wynnstay (Agricultural Supplies) Limited	100	Agricultural merchant	Eagle House, Llansantffraid Ym Mechain, Powys, SY22 6AQ
Woodheads Seeds Limited	100	Dormant company	
Youngs Animal Feeds Limited	100	Equine and pet products distributor	
GrainLink Limited	100	Grain merchant	
Humphrey Poultry (Holdings) Limited	100	Holding company	
Humphrey Feeds Limited	100	Agricultural merchant	
Humphrey Pullets Limited	100	Pullet supplier	
Wrekin Grain Limited	100	Dormant company	
Eifionydd Farmers Limited	100	Dormant company	
Shropshire Grain Limited	100	Dormant company	
Welsh Feed Producers Limited	100	Dormant company	
Tamar Milling Limited	100	Dormant company	

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:

Wynnstay Agricultural (Supplies) Limited	Youngs Animal Feeds Limited	Glasson Group (Lancaster) Limited	Humphrey Poultry (Holdings) Limited
Tamar Milling Limited	Eifionydd Farmers Limited	Glasson Grain Limited	Humphrey Feeds Limited Humphrey Pullets Limited

JOINT VENTURES

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

Company name	Interest	Nature of business	Registered office address
Bibby Agriculture Limited	50% -Ordinary	Distribution of animal feeds	Montgomery Way, Carlisle, CA1 2UY
Wyro Developments Limited	50% - Ordinary	Property development	Eagle House, Llansantffraid Ym Mechain, Powys, SY22 6AQ
Total Angling Limited	50% - Ordinary	Retailer of angling products	

Investments in the joint ventures listed above are all held directly by Wynnstay Group Plc. Joint ventures are accounted for using the equity method. The aggregate amounts of the Group's share of joint venture assets and liabilities are :

	2023 **£000**	2022 £000
Non-current assets	**687**	710
Current assets	**4,950**	6,032
Cash and cash equivalents	**679**	177
Current liabilities	**(1,654)**	(2,206)
Financial liabilities	**(343)**	(700)
Non-current liabilities	**-**	-
Net Assets	**4,319**	4,013

18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES continued

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

	2023 £000	2022 £000
Revenue	**26,375**	24,198
Expenses	**(25,488)**	(23,350)
Net finance costs	**(22)**	(40)

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

	2023 £000	2022 £000
Group's share of joint ventures profit before tax	**865**	808

ASSOCIATE

The interest in associates is represented by the following limited company, which is incorporated in the UK

Company name	Interest	Nature of business	Registered office address
Celtic Pride Limited	33.3%	Production and marketing of premium Welsh beef	Castell Howell Foods Ltd, Celtic Pride Ltd Cross Hands Food Park, Cross Hands, Llanelli, Carmarthenshire, Wales, SA14 6SX

Summarised financial information in respect of the Group's associates are as follows:

	2023 £000	2022 £000
Total assets	**312**	297
Total liabilities	**(187)**	(174)
Net assets	**125**	123
Group's share of associates' net assets	**41**	41
Total revenue	-	-
Profit for the period	-	-
Group's share of associates' profit before tax	-	-

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

Company	Accounting period
Wyro Developments Limited	31 October 2023
Bibby Agriculture Limited	31 August 2023
Total Angling Limited	31 October 2023
Celtic Pride Limited	31 January 2023

18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES continued

TRADING TRANSACTIONS

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

Company

Transactions and balances with subsidiaries	2023 £000	restated * 2022 £000
Amounts due from subsidiary undertakings:		
Loans	**3,629**	2,109
	3,629	2,109
Amounts due to subsidiary undertakings:		
Loans	**(423)**	(59)
	(423)	(59)
Transactions reported in the statement of comprehensive income:		
Income received	**608**	492
Purchases	**154**	134

* restated to correct the classification of certain bank accounts between group companies of £10.9m

Transactions and balances with joint ventures	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts due from joint ventures:				
Trade receivables	**1,066**	555	-	-
Loans	**639**	1,067	**639**	1,067
	1,705	1,622	**639**	1,067
Trade payables	**(33)**	(70)	-	-
	(33)	(70)	-	-
Transactions reported in the statement of comprehensive income:				
Revenue	**10,737**	8,526	-	-
Purchases	**(176)**	(280)	-	-

19. INVENTORIES

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Raw materials and consumables	**17,773**	**20,416**	-	-
Finished goods and goods for resale	**36,752**	**49,971**	-	-
Biological assets	**931**	**708**	-	-
	55,456	**71,095**	-	-

Inventories are stated after a provision for impairment of £330,000 (2022: £846,000) (Company £nil (2022: £nil)). During the period, the sum of £Nil (2022: £406,000) was charged to the provision for impairment. £407,000 (2022: £1,824,000) of inventories included in the year end balances relate to the acquisition during the year.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
				restated *
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Current				
Amounts owed by subsidiary undertakings	**-**	**-**	**3,629**	2,109
Trade receivables, net of loss allowance	**78,241**	94,823	**-**	-
Prepayments and accrued income	**2,049**	1,084	**-**	-
Other receivables	**986**	668	**-**	9
Current tax asset	**-**	-	**23**	102
	81,276	96,575	**3,652**	2,220

* restated to correct the classification of certain bank accounts between group companies of £10.9m

The carrying value of trade and other receivables classified at amortised cost approximates to their fair value. No receivables are pledged as collateral or sold to discounting or debt factoring services. Amounts owed by subsidiary undertakings are repayable on demand or in line with standard company credit terms.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the UK.

If the expected credit loss was to increase or decrease by 25 basis points across each category the impact on the income statement would be £197,000 (2022: £240,000) loss or gain, respectively.

The lifetime expected loss provision for trade receivables is as follows:

	Current £000	More than 30 days past due £000	More than 60 days past due £000	More than 90 days past due £000	Total £000
31 October 2023					
Expected loss rate	**0.07%**	**0.17%**	**0.92%**	**11.14%**	**0.93%**
Gross carrying amount	**53,219**	**14,938**	**5,218**	**5,600**	**78,975**
Loss provision	**(36)**	**(26)**	**(48)**	**(624)**	**(734)**
Trade receivables, net of loss allowance	**53,183**	**14,912**	**5,170**	**4,976**	**78,241**
31 October 2022					
Expected loss rate	0.14%	0.17%	0.42%	17.83%	1.19%
Gross carrying amount	68,482	16,242	5,681	5,559	95,964
Loss provision	(99)	(27)	(24)	(991)	(1,141)
Trade receivables, net of loss allowance	68,383	16,215	5,657	4,568	94,823

Movements in the impairment allowance for trade receivables are as follows:	Group		Company	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Opening provision for impairment of trade receivables	**1,141**	1,057	**-**	-
(Decrease) / Increase during the year	**(245)**	495	**-**	-
Receivables written off during the year as un-collectible	**(162)**	(411)	**-**	-
At 31 October 2023	**734**	1,141	**-**	-

21. TRADE AND OTHER PAYABLES

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Current				
Trade payables	**69,158**	85,694	**-**	-
Amounts owed to subsidiary undertakings	**-**	-	**423**	**59**
Other payables	**1,454**	5,922	**303**	319
Accruals and deferred income	**3,777**	10,242	**3**	403
Other taxes and social security	**1,106**	1,083	**-**	-
Contingent consideration	**199**	2,074	**-**	2,000
	75,694	105,015	**729**	2,781
Non-current				
Contingent consideration	**-**	25	**-**	-
Government grants	**9**	11	**-**	-
	9	36	**-**	-
Total trade and other payables	**75,703**	105,051	**729**	2,781

The carrying value of trade and other payables classified as financial liabilities is measured at amortised cost which approximates to fair value. Contingent consideration is measured at fair value.

22. PROVISIONS

	Total £000
Balance as at 1 November 2021	243
Charge for the year	282
Utilised / reversed	(180)
At 31 October 2022	**345**
Utilised in year	**(152)**
Reversed in year	**(193)**
At 31 October 2023	**-**

	2023 £000	2022 £000
Legal provision	**-**	193
Onerous rent	**-**	108
Site closure	**-**	44
At 31 October	**-**	345

The legal provision charged in the previous year related to disputes over the classification of certain types of grain where the achieved out-turn prices have been lower than initially expected, with all claims settled during the current year. The provision for onerous rent relates to the reclassification of a prior year charge from accruals in relation to the vacation of a leased property. The provision for onerous rent and site closure were all settled during the current year.

23. CASH, CASH EQUIVALENTS, BORROWINGS AND LEASE LIABILITIES

	Group		Company	
				restated *
	2023 £000	**2022** £000	**2023** £000	**2022** £000
Current				
Cash and cash equivalents per balance sheet	**31,055**	31,177	**7,312**	10,919
Cash and cash equivalents per cash flow statement	**31,055**	31,177	**7,312**	10,919
Bank loans and other loans due within one year or on demand:				
Secured loans	**(1,897)**	(2,371)	**(1,897)**	(2,371
Loan stock (unsecured)	**(698)**	(672)	**(698)**	(672)
Borrowings	**(2,595)**	(3,043)	**(2,595)**	(3,043)
Non-property leases	**(2,658)**	(1,647)	**-**	-
Property leases	**(1,104)**	(1,697)	**(102)**	-
Lease liabilities	**(3,762)**	(3,344)	**(102)**	-
Total current net cash / (borrowings) and lease liabilities	**24,698**	24,790	**4,615**	7,876
Non-current				
Bank loans	**(4,743)**	(6,640)	**(4,743)**	(6,640)
Borrowings	**(4,743)**	(6,640)	**(4,743)**	(6,640)
Non-property leases	**(2,049)**	(1,645)	**-**	-
Property leases	**(7,164)**	(2,354)	**(450)**	-
Lease liabilities	**(9,213)**	(3,999)	**(450)**	-
Total non-current net (borrowings) and lease liabilities	**(13,956)**	(10,639)	**(5,193)**	(6,640)
Total net cash/(borrowings) and lease liabilities	**10,742**	14,151	**(578)**	1,236
Total net cash/(borrowings) and lease liabilities, excluding property leases	**19,010**	18,202	**(26)**	1,236

* restated to correct the classification of certain bank accounts between group companies of £10.9m

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are all non-restricted balances and are all cash at bank and held with HSBC UK Bank Plc, except for £1,500,000 (2022: £1,652,000) which is held at International FC Stones for wheat futures hedging purposes. HSBC UK Bank Plc's credit rating per Moody's for long-term deposits is Aa3 (2022: Aa3).

£1,820,000 of the cash and cash equivalent balances are denominated in foreign currencies, EUR (98%) and USD (2%) (2022: £3,623,000, in EUR (99%) and USD (1%)). All other amounts are denominated in GBP and are at booked fair value.

BORROWINGS

Bank loans and overdrafts are secured by an unlimited composite guarantee of all the trading entities within the Group. The outstanding bank loan of £6,640,000 (2022: £9,011,000) is structured as a term facility with quarterly repayments of £474,250. Interest on this loan is 1.75% over the daily SONIA rate up to the point of repayment.

Loan stock is redeemable at par at the option of the Company or the holder. Interest of 3.7% (2022: 1.5%) per annum is payable to the holders.

24. LEASES

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties, certain items of plant and equipment and vehicles. The table below shows the number of leases at 31 October 2023.

Group	Number of lease Contracts at November 2022	Additions	Additions / Business Combinations	Expired or Disposed	Number of Lease Contracts at October 2023	Fixed Payment %
Property leases	39	13	1	(17)	36	16%
Plant and equipment leases	18	4	-	-	22	10%
Vehicle leases	154	31	-	(20)	165	74%
Total	211	**48**	**1**	**(37)**	**223**	**100%**
Company						
Property leases	-	2	-	-	2	100%

Group	Land and buildings £000	Plant, machinery and motor vehicles £000	Total £000
Right-of-use assets			
At November 2022	3,919	4,283	8,202
Additions	**6,163**	**3,612**	**9,775**
Additions - Business combination (see note 35)	**307**	**217**	**524**
Reclassification to PPE	**53**	**(218)**	**(165)**
Amortisation	**(2,377)**	**(1,812)**	**(4,189)**
Disposal	**-**	**(18)**	**(18)**
At 31 October 2023	**8,065**	**6,064**	**14,129**

Company	Land and buildings £000	Plant, machinery and motor vehicles £000	Total £000
Right-of-use assets			
At November 2022	-	-	-
Additions	**630**	**-**	**630**
Amortisation	**(87)**	**-**	**(87)**
At 31 October 2023	**543**	**-**	**543**

Group	Land and buildings £000	Plant, machinery and motor vehicles £000	Total £000
Lease liabilities			
At 1 November 2022	4,052	3,291	7,343
Additions	**6,163**	**3,612**	**9,775**
Additions - Business combination (see note 35)	**307**	**146**	**453**
Interest expense	**248**	**216**	**464**
Lease payments	**(2,502)**	**(2,540)**	**(5,042)**
Disposal	**-**	**(18)**	**(18)**
At 31 October 2023	**8,268**	**4,707**	**12,975**

24. LEASES continued

Company	Land and buildings £000	Plant, machinery and motor vehicles £000	Total £000
Lease liabilities			
At 1 November 2022	-	-	-
Additions	**630**	**-**	**630**
Interest expense	**20**	**-**	**20**
Lease payments	**(98)**	**-**	**(98)**
At 31 October 2023	**552**	**-**	**552**

Group	2023 £000	2022 £000
Short-term lease expense	**308**	341
Low value lease expense	**15**	8
	323	349

The Company had no short-term or low value lease expense in either 2023 or 2022

2023 Group	Within one year £000	One to two years £000	Two to five years £000	Over five years £000	Total £000
Lease liabilities	**3,762**	**2,995**	**3,695**	**2,523**	**12,975**
2022 Group					
Lease liabilities	3,344	1,824	2,175	-	7,343
2023 Company					
Lease liabilities	**102**	**52**	**126**	**272**	**552**
2022 Company					
Lease liabilities	-	-	-	-	-

25. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(i) Principal financial instruments

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

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

(ii) Financial instruments by category

	Group		Company	
				restated *
Financial Assets	**2023**	2022	**2023**	2022
	£000	£000	**£000**	£000
Cash and cash equivalents	**31,055**	31,177	**7,312**	10,919
Amounts owed by subsidiary undertakings	**-**	-	**3,629**	2,109
Trade receivables, net of loss allowance	**78,241**	94,823	**-**	-
Loan to joint venture	**639**	1,067	**639**	1,067
Derivative financial instruments	**263**	599	**-**	-
	110,198	127,666	**11,580**	14,095

Financial Liabilities	Group		Company	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Bank loans and other borrowings	**7,338**	9,683	**7,338**	9,683
Finance lease liabilities	**12,975**	7,343	**552**	-
Amounts owed to subsidiary undertakings	**-**	-	**423**	59
Trade payables and other payables	**70,612**	91,616	**303**	319
Accruals	**3,777**	10,242	**3**	403
Contingent consideration	**199**	2,099	**-**	2,000
Derivative financial instruments	**440**	133	**-**	-
	95,341	121,116	**8,619**	12,464

* restated to correct the classification of certain bank accounts between group companies of £10.9m

25. FINANCIAL INSTRUMENTS continued

(iii) Financial instruments carrying value

Financial instruments not measured at fair value includes trade and other receivables, trade and other payables and loans and borrowings.

Group Financial assets	Fair value		Amortised cost	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade receivables, net of loss allowance	-	-	78,241	94,823
Loan to joint venture	-	-	639	1,067
Derivative financial instruments	263	599	-	-
	263	599	78,880	95,890

Group Financial liabilities	Fair value		Amortised cost	
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loans and other borrowings	-	-	7,338	9,683
Lease liabilities	-	-	12,975	7,343
Trade payables and other payables	-	-	70,612	91,616
Accruals	-	-	3,777	10,242
Contingent consideration	199	2,099	-	-
Derivative financial instruments	440	133	-	-
	639	2,232	94,702	118,884

Company Financial assets	Fair value		Amortised cost	
				restated *
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts owed by subsidiary undertakings	-	-	3,629	2,109
Loan to joint venture	-	-	639	1,067
	-	-	4,268	3,176

Company Financial liabilities	Fair value		Amortised cost	
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loans and other borrowings	-	-	7,338	9,683
Lease liabilities	-	-	552	-
Amounts owed to subsidiary undertakings	-	-	423	59
Trade payables and other payables	-	-	303	319
Accruals	-	-	3	403
Contingent consideration	-	2,000	-	-
	-	2,000	8,619	10,464

(iv) Derivative Financial instruments classification by type, level and non-current and current split

Derivative financial instruments specifically have been broken into their current and non-current component and by derivative instrument type under hedge accounting and fair value through profit and loss.

	Fair value		Current	Non-Current	Current	Non-Current
	2023	2022	2023	2023	2022	2022
Asset derivative financial instruments:	£000	£000	£000	£000	£000	£000
Forward FX contracts- designated cash flow hedge instruments	209	46	209	-	46	-
Wheat futures contracts- designated cash flow hedge instruments	-	39	-	-	38	1
Wheat futures contracts- fair value through profit or loss	54	514	-	54	514	-
	263	599	209	54	598	1

25. FINANCIAL INSTRUMENTS continued

Liability derivative financial instruments:	Fair value 2023	Fair value 2022	Current 2023	Non-Current 2023	Current 2022	Non-Current 2022
	£000	£000	**£000**	**£000**	£000	£000
Forward FX contracts- designated cash flow hedge instruments	**-**	53	**-**	**-**	53	-
Wheat futures contracts- designated cash flow hedge instruments	**12**	-	**12**	**-**	-	-
Wheat futures contracts- fair value through profit or loss	**428**	80	**420**	**8**	-	80
	440	133	**432**	**8**	53	**80**

The valuation techniques and significant unobservable inputs related to determining the fair value of derivatives (level 1) and deferred and contingent consideration which is classified at level 3 in the fair value hierarchy, where the valuation techniques are explained in the table below.

Financial instrument	Valuation techniques used	Significant unobservable inputs (level 3 only)	Inter-relationship between key unobservable inputs and fair value (level 3 only)
Forward foreign exchange contracts	Spot price at reporting date including forward swap points based off the appropriate interest rate curve over 12 months	Not applicable	Not applicable
Wheat futures contracts	Market prices published by ICE Futures Europe, MIC Code: IFLX	Not applicable	Not applicable
Contingent consideration	Realisation of net assets on completion and target earnings	Management accounts information	Any adjustments to net assets or profitability of management accounts

The fair value hierarchy of financial instruments measured at fair value is provided below. There were no transfers between levels during the period.

	Level 1		Level 2		Level 3	
	2023	2022	**2023**	2022	**2023**	2022
Financial assets	**£000**	£000	**£000**	£000	**£000**	£000
Derivative financial assets (designated hedging instruments)	**209**	85	**-**	-	**-**	-
Derivative financial assets (fair value through profit or loss)	**54**	514	**-**	-	**-**	-
	263	599	**-**	-	**-**	-

	Level 1		Level 2		Level 3	
	2023	2022	**2023**	2022	**2023**	2022
Financial liabilities	**£000**	£000	**£000**	£000	**£000**	£000
Derivative financial liabilities (designated hedging instruments)	**12**	53	**-**	-	**-**	-
Derivative financial liabilities (fair value through profit or loss)	**428**	80	**-**	-	**-**	-
Contingent consideration	**-**	-	**-**	-	**199**	2,099
	440	133	**-**	-	**199**	2,099

25. FINANCIAL INSTRUMENTS continued

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

Contingent consideration

	Group £000	Company £000
As at 31 October 2021	197	-
Payments of contingent consideration in year	(98)	-
New contingent consideration in year	2,000	2,000
As at 31 October 2022	2,099	2,000
Payments out of contingent consideration in year	**(1,095)**	**(1,095)**
Acquisition accounting adjustment	**(905)**	**(905)**
Contingent consideration recognised in year	**100**	**-**
As at 31 October 2023	**199**	**-**

The sensitivity analysis of a reasonably possible change in one significant unobservable input, holding all other inputs constant within level 3 financial instruments is not provided as the item above only has one input as described in the valuation table.

Hedging strategy

The objective of Wynnstay's Treasury activity is to minimise the post-tax net cost of financial operations and reduce its volatility to benefit earnings and cash flows. The Group uses few financial instruments to finance its operations, with derivative financial instruments used to manage market risks from these operations. Derivatives principally comprise of foreign exchange forward contracts and wheat futures contracts. These financial instruments reduce the uncertainty of foreign currency transactions and wheat price movements.

Derivatives are used exclusively for hedging purposes in relation to underlying business activities and not as trading or speculative instruments.

Hedge ratios are monitored on a monthly basis at Board level in line with the Group's risk management policies and procedures where the hedged item exposure is hedged with derivatives within a 90% to 100% range.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates and ineffectiveness, including timing differences between the cash flows of the hedged item and the hedging instruments.

Foreign Exchange Contracts and Wheat Futures designated under cash flow hedges

During 2023, the Group entered into forward foreign exchange contracts which have been designated as cash flow hedges. These were entered into to hedge the foreign exchange exposure arising on cash flows from Euro and USD denominated physical commodity purchase transactions. The Group manages its cash flow wheat price risk by entering into offsetting futures contracts on the ICE Futures Europe market.

The notional value of foreign exchange forward contracts and wheat futures is the absolute total of outstanding positions at the balance sheet date. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Sensitivity analysis impacts for both 2023 and 2022 was not material.

During the year, total hedge ineffectiveness arising from forward foreign exchange contracts amounted to £50,000 (2022: £104,000) at the balance sheet date.

Hedge Type	Hedging Instrument	Hedged Item	Nominal Value £000	Average contracted derivatives prices	Maturing
Cash flow hedge	Forward FX GBP/EUR	Physical grains & fertilisers	**11,748**	GBP/EUR 1.1574	Group Qrt 1 to Qrt 2 2024
Cash flow hedge	Forward FX GBP/USD	Physical grains & fertilisers	**5,686**	GBP/USD 1.2437	Group Qrt 1 to Qrt 2, 2024
Cash flow hedge	UK Feed Wheat futures contract-IFLX	Physical Wheat	**657**	£271.32	Group Qrt 3, 2023
			18,091		

25. FINANCIAL INSTRUMENTS continued

The amounts recognised in the hedging reserve and recycled to the Statement of Comprehensive Income (SoCI) are shown below:

				Amounts reclassified to SoCI		
2023	Hedging gains/ (losses) recognised in OCI reserves	Hedge cost/ ineffectiveness recognised in P&L	Line item in SoCI where hedge ineffectiveness is included	Hedged future cash flows no longer expected to occur	As hedged item affects SoCI	Line item in which reclass adjustment is included
Cash flow hedges:	**£000**	**£000**		**£000**	**£000**	
Variability in cash flow- Wheat futures	**(12)**	**-**	**Cost of sales**	**-**	**(235)**	**Cost of sales**
Variability in cash flow- Forward FX	**150**	**50**	**Cost of sales**	**-**	**152**	**Cost of sales**
	138	**50**		**-**	**(83)**	
2022						
Cash flow hedges:						
Variability in cash flow- Wheat futures	40	-	Cost of sales	-	463	Cost of sales
Variability in cash flow- Forward FX	143	(104)	Cost of sales	-	1,873	Cost of sales
	183	(104)		-	2,336	

Set-off of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the Consolidated and Company Balance Sheets where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. According to the enforceable master netting agreements with the financial counterparties, in the event of default, derivative financial instruments with the same counterparty can be net settled. In the event of default, subject to payment enforcements £Nil (2022: £40,000) of assets and liabilities, respectively of the derivative financial instruments are subject to right for offsetting, under ISDA (International Swaps and Derivatives Association) agreements.

There were no other material amounts offset in the Consolidated and Company Balance Sheets or associated with enforceable master netting agreements.

	2023			2022		
Gross and net presentation of derivatives	**Gross Position**	**Right of offset to net settle**	**Balance Sheet Net Position**	Gross Position	Right of offset to net settle	Balance Sheet Net Position
	£000	**£000**	**£000**	£000	£000	£000
Asset derivative financial instruments	**263**	-	**263**	639	(40)	599
Liability derivative financial instruments	**440**	-	**440**	173	(40)	133

RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES

The main risks arising for the Group are credit risk, foreign currency, commodity price risk, intertest rate risk, liquidity risk and capital management risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below:

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. A significant proportion of the Group's trade is conducted on credit terms and as such a risk of non-payment is potentially always present.

Detailed credit approval before initial supply, the operation of credit limits and active credit control monitoring and policy, help to minimise the incidence of bad debt risk. The Group's grain trading activities is exposed to substantial customer credit limits and to assist in mitigating such riskier limits, a credit insurance policy is put in place to provide partial cover against default by customers.

The overdue accounts are reviewed monthly at divisional management meetings to mitigate exposure to credit risk and make provisions accordingly. Concentration of credit risk with respect to trade receivables is limited due to the Group's diverse customer base being large and unrelated.

ii) Foreign currency risk

The main currency related risk to the Group comes from the forward purchasing of imported raw materials for use in our Agriculture division. This risk is managed by entering into forward foreign exchange contracts to coincide at the same time as when the underlying transaction is

25. FINANCIAL INSTRUMENTS continued

priced and agreed for future delivery. The fair value of the contracts was £258,000 as an asset and £49,000 as a liability with a net asset of £209,000 (2022: £7,000 liability) with the principal nominal amounts of the forward purchased currency, based in sterling of £17,434,000 (2022: £20,527,000).

The Group is primarily exposed to foreign exchange risk in relation to Sterling against movements in US Dollar and Euro. Foreign exchange risk arises from the translation of financial assets and liabilities that are not in the functional currency of the entity that holds them. Based upon the carrying value of the Group's net financial assets and liabilities denominated in a foreign currency as at 31 October 2023 and 31 October 2022, the exposure is minimal.

iii) Commodity market risk

Whilst the Group does not speculate in commodity trading, it does have to make significant forward purchases of certain raw materials, particularly for use within its animal feed manufacturing operations. Position reporting systems and controls are in place to ensure the Board is informed of exposure level via the Treasury Management Committee on a regular basis, where the hedging of wheat contracts via a commodities broker is transacted on the Inter-Continental Exchange (ICE) futures market to manage commercial pricing decisions and prevent margin erosion.

If the ICE futures price quoted in pounds sterling was to increase or decrease by £1 on all contracts at the same time, with all other variables held constant, this would result in a £79,000 gain or loss (2022: £34,000), as at the year-end, which would feature either through FVPL or other comprehensive income. As at 31 October 2023, the ICE futures market open liability reflected in the Group's financial statements amounted to £387,000 (2022: £474,000 asset).

iv) Interest rate risk

The Group's debt terms, historically have generally been floating rate interest. The Board will periodically consider the option to fix interest rates attached to such variable rate debt through utilising interest rate swaps. However, where possible fixed rate term asset finance is used for the acquisition of property, plant and equipment.

The Group raises borrowings in sterling only. During the year the Company repaid debt borrowings of £2,371,000 (2022; £474,000).

At 31 October 2023, if interest rates had been 150 basis points higher or lower with all other variables held constant, profit after tax and net assets would have been £192,000 (2022: £135,000) lower or higher, respectively mainly as a result of higher/ lower interest expense on sterling floating rate borrowings. The directors consider that 150 basis points increase is the maximum likely change in sterling interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has overdraft and revolving credit facilities in place of £10.5m and £3.0m respectively (2022: £10.5m and £7.5m) to manage liquidity needs. The overdraft facility is renewable in April 2024, priced at 1.4% over base rate and the revolving credit facility is committed to June 2025, priced at 1.6% over SONIA and the Board believes these are adequate to provide prudent liquidity management.

The Board regularly receives monthly cash flow projections as well as information regarding net cash/(debt), where these monthly projections have indicated that the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. Refer to note 23 on net cash position.

The following table analyses the Group and Company's financial liabilities that will be settled on a net basis, where there is legal and constructive obligation to do so, based on agreed contractual settlement dates, as shown within time buckets in the table below. Interest projections for both bank loans and other borrowings and lease liabilities, have been calculated using the future effective rate of interest applicable to each instrument type and then discounted using the appropriate UK gilt rate to derive the present value of interest.

	2023				2022			
Group	**Total**	**Within one year**	**Two to five years**	**Over five years**	Total	Within one year	Two to five years	Over five years
	£000	**£000**	**£000**	**£000**	£000	£000	£000	£000
Bank loans and other borrowings	**7,338**	**2,595**	**4,743**	**-**	9,683	3,043	6,640	-
Bank loans and other borrowings - interest projections	**617**	**130**	**487**	**-**	991	345	646	-
Finance lease liabilities	**12,975**	**3,763**	**6,689**	**2,523**	7,343	3,344	3,999	-
Finance lease liabilities – interest projections	**2,350**	**258**	**1,833**	**259**	602	213	389	-
Derivatives	**440**	**432**	**8**	**-**	133	53	80	-
Trade payables and other payables	**70,612**	**70,612**	**-**	**-**	91,616	91,616	-	-
Accruals	**3,777**	**3,777**	**-**	**-**	10,242	10,242	-	-
Contingent consideration	**199**	**199**	**-**	**-**	2,099	2,074	25	-
	98,308	**81,766**	**13,760**	**2,782**	122,709	110,930	11,779	-

25. FINANCIAL INSTRUMENTS continued

Company	2023 Total	2023 Within one year	2023 Two to five years	2023 Over five years	2022 Total	2022 Within one year	2022 Two to five years	2022 Over five years
	£000	£000	£000	£000	£000	£000	£000	£000
Bank loans and other borrowings	**7,338**	**2,595**	**4,743**	**-**	9,683	3,043	6,640	-
Bank loans and other borrowings - interest projections	**617**	**130**	**487**	**-**	991	345	646	-
Finance lease liabilities	**552**	**102**	**178**	**272**	-	-	-	-
Finance lease liabilities – interest projections	**109**	**22**	**61**	**26**	-	-	-	-
Amounts due to subsidiary undertakings	**423**	**423**	**-**	**-**	59	59	-	-
Trade payables and other payables	**303**	**303**	**-**	**-**	319	319	-	-
Accruals	**3**	**3**	**-**	**-**	403	403	-	-
Contingent consideration	**-**	**-**	**-**	**-**	2,000	2,000	-	-
	9,345	**3,578**	**5,469**	**298**	13,455	6,169	7,286	-

vi) Capital management risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits to shareholders' whilst principally maintaining an efficient capital structure to optimise the cost of capital. In order to maintain or adjust the capital structure, the Group adjusts the amount of dividends to, or to be paid to shareholders', the return of equity capital to shareholders', the issuance of new shares (that could also possibly take the form of bonus script ordinary shares), the disposal of cash generative assets to settle the Group's debt exposure.

The Group monitors its gearing ratio for the purpose of capital management. This ratio is calculated as net cash/(debt) divided by total equity. Net cash/ (debt) is calculated as cash and cash equivalents less total borrowings (both current and non-current borrowings) and lease liabilities. Total equity is as shown in the consolidated balance sheet.

	2023	2022
	£000	£000
Cash and cash equivalents	**31,055**	31,177
Loans and borrowings	**(7,338)**	(9,683)
Lease liabilities	**(12,975)**	(7,343)
Net cash	**10,742**	14,151
Total equity	**135,231**	130,701
Net cash to equity ratio (%)	**7.94%**	10.83%

The Group monitors cash balances and net cash / (debt) on a daily basis to ensure adequate headroom exists on banking facilities and that it is compliant with banking covenants, where relevant.

26. DEFERRED TAXATION

	Group		Company	
	2023 **£000**	2022 £000	**2023** **£000**	2022 £000
At 1 November 2022	**1,680**	474	**-**	-
Tax equalisation	**-**	2	**-**	-
Business combination (see note 35)	**155**	1,000	**-**	-
Charge for the year in Statement of Income	**395**	219	**-**	-
Charge for the year in Statement of Changes in Equity	**(11)**	(15)	**-**	-
At 31 October 2023	**2,219**	1,680	**-**	-

The provision for deferred taxation is made up as follows:

	Group		Company	
	2023 **£000**	2022 £000	**2023** **£000**	2022 £000
Accelerated capital allowances	**811**	373	**-**	-
Other temporary and deductible differences	**1,408**	1,307	**-**	-
	2,219	1,680	**-**	-

A deferred tax asset has not been recognised at Group or Company level in respect of the movement in fair value on an investment property (see Note 15) as there is uncertainty as to whether an expected future capital gain will crystallise to offset the capital loss.

27. SHARE CAPITAL

	2023 **No. of shares** **000**	**2023** **Nominal Value** **£000**	2022 No. of shares 000	2022 Nominal Value £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	**22,955**	**5,739**	22,340	5,585

During the year 111,181 shares (2022: 75,891) were issued with an aggregate nominal value of £28,000 (2022: £19,000) and were fully paid up for equivalent cash of £474,000 (2022: £459,000) to shareholders exercising their right to receive dividends under the Company's dividend scrip scheme. A further 503,534 (2022: 1,965,689) shares with a nominal value of £126,000 (2022: £491,000) were issued for an equivalent cash value of £997,000 (2022: £10,581,000), with 503,534 (2022: 65,689) shares being to satisfy the exercise of employee options. Of these employee option shares, 141,766 (2022: Nil) were the result of the exercise of nil cost options under the Company's Performance Share Plan, with the nominal value being credited from the transfer of capital from the Equity Remuneration Reserve.

28. SHARE-BASED PAYMENTS

The Group has three types of share-based payment schemes in operation at 31 October 2023. The executive directors and certain employees participate in a performance share plan (PSP) under which the vesting of all awards made under the PSP is subject to an earnings per share ("EPS") and Return on Capital Employed ("ROCE") growth target measured against average annual increases over a three-year period.

Certain senior employees participate in the discretionary Approved Company Share Option Plan (CSOP). Such schemes have no performance criteria attached to their operation.

All employees, subject to eligibility criteria, may participate in the Save As You Earn plan. The scheme does not have any performance criteria attached to its operation.

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

	Exercise Price per share £	Exercisable by	As at 01 November 2022	(Exercised)/ Issued in year	Lapsed in year	As at 31 October 2023
Discretionary Share Option Schemes						
CSOP Granted October 2014	5.4750	Oct 2017 - Oct 2024	120,425	**-**	**(25,000)**	**95,425**
PSP Granted January 2020	Nil cost	Oct 2022 - Mar 2023	141,766	**(141,766)**	**-**	**-**
PSP Granted April 2021	Nil cost	Oct 2023 - Mar 2024	81,609	**-**	**(81,609)**	**-**
CSOP Granted April 2021	4.6250	Apr 2024 - Apr 2031	154,000	**-**	**(18,000)**	**136,000**
PSP Granted January 2023	Nil cost	Oct 2025 - Mar 2026	-	**139,311**	**-**	**139,311**
			497,800	**(2,455)**	**(124,609)**	**370,736**
Savings Related Option Schemes						
Granted September 2018	4.0000	Oct 2023 - Mar 2024	112,170	**(2,125)**	**(5,075)**	**104,970**
Granted August 2020	2.7500	Sep 2023 - Feb 2024	390,493	**(360,318)**	**(5,139)**	**25,036**
Granted August 2022	5.5000	Sep 2025 - Feb 2026	141,142	**-**	**(19,064)**	**122,078**
			643,805	**(362,443)**	**(29,278)**	**252,084**
			1,141,605	**(364,898)**	**(153,887)**	**622,820**

During the year 141,766 (2022: 30,575) Discretionary Share Options and 362,443 (2022: 35,114) Savings Related Options were exercised and satisfied by the allotment of 503,534 (2022: 65,689) new shares by the Company and the transfer of 675 (2022: Nil) existing shares from the Group's ESOP Trust. The other changes in the number of Discretionary and Savings Related Options relate to members withdrawing from the scheme by leaving employment, exercise conditions not being met or by employees closing their savings contracts. During the period 139,311 new options were granted to certain executives under the terms of the Group's Performance Share Plan (2022: 142,710 options granted under a SAYE scheme to all eligible employees).

The weighted average market share price at the time of exercise of options exercised during the year was £4.46 (2022: £6.08).

Fair Value of Options

During the year, the Group charged £258,000 (2022: £262,000) of share based remuneration cost to its Consolidated Statement of Comprehensive Income based on a movement in the fair value of outstanding options granted after October 2014. The fair value of these options were estimated by using the Black Scholes option pricing model, and for the new options granted during the year, the following assumptions were used:

Weighted average assumptions	2023	2022
Share price at year end	**£3.83**	£6.11
Average share price	**£4.87**	£5.84
Weighted average exercise price	**£Nil**	£5.50
Expected volatility	**24.55%**	24.40%
Weighted average remaining contractual life	**2.00 years**	2.85 years
Number of options	**139,311**	141,142
Risk free interest rate at inception	**4.00%**	1.25%

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

29. CAPITAL COMMITMENTS

At 31 October 2023 the Group and Company had capital commitments as follows:

	Group		Company	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Contracts placed for future capital expenditure not provided in the financial statements	**635**	1,590	**-**	-

30. PENSION COMMITMENTS

Following the acquisition of Humphrey Poultry (Holdings) Limited in 2022, the Group currently operates three defined contribution pension schemes which are administered on separate bases to the Group's trade. The pension and other associated costs charge for the year £1,401,000 (2022: £1,456,000). The liability owed to the pension schemes at 31 October 2023 was £197,000 (2022: £169,000).

31. EMPLOYEE SHARE OWNERSHIP TRUST

The Company operates an employee share ownership trust (ESOP). As at 31 October 2023, 127,022 ordinary 25p shares (2022: 16,834 ordinary 25p shares) were held by the trust with an aggregate market value at the year end of £485,860 (2022: £102,855). The assets, liabilities, income and costs of the ESOP are incorporated into the financial statements of the Group.

32. RELATED PARTY TRANSACTIONS

The Board confirms that they consider the Directors of the Company to be the only key management personnel. During the year sales and purchases took place between the Group and a number of its directors. All transactions were carried out on an arm's length basis. Directors and their remuneration is disclosed within the Director's Remuneration disclosure (note 9).

	Total sales		Balance outstanding	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Gareth Davies	**1**	3	**-**	-
Steve Ellwood	**-**	-	**-**	-
Philip Kirkham as director of M&R Kirkham & Sons Ltd (retired 24 May 2023)	**526**	542	**n/a**	90
Howell Richards as a director of Cwrtmalle Ltd	**6,018**	4,268	**1,725**	1,277
Paul Roberts	**1**	2	**-**	-
Catherine Bradshaw	**-**	-	**-**	-
Steven Esom (appointed 18 Apr 2023)	**-**	-	**-**	-
Rob Thomas (appointed 2 Oct 2023)	**-**	n/a	**-**	n/a
	6,546	4,815	**1,725**	1,367

During the year Group companies entered into the following transactions with related parties who are not members of the Group:

	Total sales		Balance outstanding	
Group	**2023**	2022	**2023**	2022
	£000	£000	**£000**	£000
Purchases from NIAB, a company of which S J Ellwood is a director	**62**	70	**2**	10

33. CASH GENERATED FROM OPERATIONS

	Group		Company	
				restated *
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Profit for the year from operations	**6,928**	17,142	**3,781**	3,415
Adjustments for:				
Tax	**1,776**	3,982	**(107)**	(187)
Group tax relief elections	**-**	-	**187**	-
Dividend received from subsidiaries	**-**	-	**(3,950)**	(5,438)
Dividends from Joint ventures and associates	**-**	-	**(367)**	(4)
Depreciation of tangible fixed assets	**2,312**	2,289	**501**	492
Amortisation of right-of-use assets	**4,189**	4,086	**87**	-
Fair value movement in investment property	**-**	522	**-**	522
Amortisation of intangible fixed assets	**210**	154	**-**	-
(Profit) on disposal of property, plant and equipment	**(121)**	(132)	**-**	-
Loss / (Profit) on disposal of right of use asset	**2**	(86)	**-**	-
ESOP trust revaluation	**(31)**	-	**(31)**	-
Derivative held as FVPL	**809**	(627)	**-**	-
Hedge ineffectiveness	**(50)**	104	**-**	-
Government grant	**(2)**	(2)	**-**	-
Net movement in provisions	**(345)**	(6)	**-**	-
Interest on lease liabilities	**464**	257	**20**	-
Net Interest expense	**294**	233	**357**	171
Share of post-tax results of joint ventures	**(673)**	(676)	**-**	-
Share-based payments	**258**	262	**258**	262
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):				
Decrease / (Increase) in inventories	**16,592**	(18,401)	**-**	-
Decrease / (Increase) in trade and other receivables	**16,360**	(18,467)	**(1,511)**	(9,874)
(Decrease) / Increase in payables	**(28,700)**	23,205	**(52)**	487
Cash generated from / (used in) operations	**20,272**	13,839	**(827)**	(10,154)

* restated to correct the classification of certain bank accounts between group companies of £10.9m

34. RECONCILIATION OF LIABILITIES FROM FINANCING

	Group			Company		
	Non-Current	Current	Total	Non-Current	Current	Total
	£000	£000	**£000**	£000		
As at 31 October 2021	5,731	4,667	10,398	-	672	672
Cash flows - Receipt of borrowings	7,588	1,897	9,485	7,588	1,897	9,485
- Repayments of borrowings	-	(474)	(474)	-	(474)	(474)
- Business combination	148	62	210	-	-	-
- Payment of lease liabilities	-	(4,229)	(4,229)	-	-	-
Non cash flows - Lease movements	1,413	223	1,636	-	-	-
- Loans and borrowings reclassified	(4,241)	4,241	-	(948)	948	-
As at 31 October 2022	10,639	6,387	17,026	6,640	3,043	9,683
Cash flows - Receipt of borrowings	**-**	**26**	**26**	**-**	**26**	**26**
- Repayments of borrowings	**-**	**(2,371)**	**(2,371)**	**-**	**(2,371)**	**(2,371)**
- Business combination	**140**	**313**	**453**	**-**	**-**	**-**
- Payments of lease liabilities	**-**	**(5,042)**	**(5,042)**	**-**	**-**	**-**
Non cash flows - Lease movements	**5,074**	**5,147**	**10,221**	**-**	**-**	**-**
- Loans and borrowings reclassified	**(1,897)**	**1,897**	**-**	**(1,897)**	**1,897**	**-**
-						
As at 31 October 2023	**13,956**	**6,357**	**20,313**	**4,743**	**2,595**	**7,338**

	Group			Company		
	Non-Current	**Current**	**Total**	**Non-Current**	**Current**	**Total**
2023	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Lease Liabilities	**9,213**	**3,762**	**12,975**	**-**	**-**	**-**
Loan Stocks	**-**	**698**	**698**	**-**	**698**	**698**
Borrowings	**4,743**	**1,897**	**6,640**	**4,743**	**1,897**	**6,640**
	13,956	**6,357**	**20,313**	**4,743**	**2,595**	**7,338**
2022						
Lease Liabilities	3,999	3,344	7,343	-	-	-
Loan Stocks	-	672	672	-	672	672
Borrowings	6,640	2,371	9,011	6,640	2,371	9,011
	10,639	6,387	17,026	6,640	3,043	9,683

35. BUSINESS COMBINATIONS

TAMAR MILLING LIMITED

On 16 November 2022, Wynnstay Agricultural Supplies entered a business combination and acquired 100% of the shares of Tamar Milling Limited. The provisional consideration is £1,746,000 inclusive of cash and cash equivalents of £32,000.

	Current	**Non- Current**	**Total**
	£000	**£000**	**£000**
Trade receivables net of loss allowance	1,015	-	1,015
Other receivables	45	-	45
Inventories	953	-	953
Cash and cash equivalents	32	-	32
Trade payables	(722)	-	(722)
Other payables	(292)	-	(292)
Lease liabilities	(140)	(313)	(453)
Deferred tax	-	(119)	(119)
Net Current Assets and Non-Current Liabilities	891	(432)	459
Tangible fixed assets	-	787	787
Underlying Net Assets of Acquiree	891	355	1,246

The provisional consideration payable is dependent on future product volumes and profitability of the commercial business acquired. The fair value of the contingent consideration has been based on management's expectation of the future performance of the business and that could range from £Nil to £100,000.

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

35. BUSINESS COMBINATIONS NOTE (continued)

	Fair Value of Net Assets Acquired	Adjustment	Fair Value of Net Assets
	£'000	£'000	£'000
Fair value of net assets acquired			
Goodwill	-	302	**302**
Intangibles - customer accounts	-	234	**234**
Property, plant and equipment	263	-	**263**
ROU Assets	524	-	**524**
Inventories	953	-	**953**
Trade receivables	1,015	-	**1,015**
Other receivables	45	-	**45**
Cash and cash equivalents	32	-	**32**
Trade payables	(722)	-	**(722)**
Other payables	(292)	-	**(292)**
Lease liabilities	(453)	-	**(453)**
Deferred tax	(119)	(36)	**(155)**
Net Assets	**1,246**	**500**	**1,746**
Acquisition date- fair value of the total net assets acquired			**1,746**
Representing:			
Cash settled to vendor during the period			**1,646**
Deferred consideration outstanding at 31 October 2023			**100**
Provisional Consideration			**1,746**
Cash Flow Statement:			
Cash settled to vendor during the period			**1,646**
Less cash and cash equivalents acquired			**(32)**
Cash settled to vendor during the period for prior acquisitions			**1,095**
			2,709

Subsequent to the year-end, a first instalment of the deferred consideration shown in the table above was paid to the vendors in the sum of £37,000 in January 2024. Directly attributable acquisition costs of £28,000 were incurred with the transaction, and these have been recognised as non-recurring expenses in the income statement for the period. During the last available audited accounts of the acquired entity, for the period to September 2021, the annual aggregate revenues on a non-consolidated basis amounted to £6,397,000 and profit before tax was £422,000. Business combination accounting is expected to be finalised within 12 months from the completion date of the acquisition. Amounts included in the Consolidated Statement of Comprehensive Income period to October 2023 in relation to the acquired business are revenues of £7,430,000 and profit before tax of £110,000.

Contingent and deferred consideration of £1,095,000 was paid during the period to 31 October 2023 relating to other prior period acquisitions, resulting in a total gross cash outflow of £2,741,000 or £2,709,000 net of cash acquired with the Tamar Milling transaction.

In February 2023, the contingent consideration relating to the acquisition of Humphrey Poultry (Holdings) Limited was settled in the sum of £1,095,000. This value was less than the provisionally assessed contingent consideration of £2,000,000, primarily as a result of a change in anticipated trading conditions created in part by the impact of Avian Influenza on poultry flocks. As the timing of the recognition of this change was within the maximum twelve month period permitted under IFRS 3 for finalising the business combination accounting relating to this transaction, the adjustment to the provisionally assessed value of the contingent consideration and the settled amount, has resulted in a reduction in the acquired value of goodwill of £905,000 (see Note 13).

36. ALTERNATIVE PERFORMANCE MEASURES

The Board of Directors consider that the following Alternative Performance Measures provide useful information for shareholders on underlying trends and performance:

- Adjusted Operating Profit
- Underlying Profit Before Tax
- Adjusted EBITDA

The Board believes these Alternative Performance Measures reflect the underlying commercial performance of the current trading activities and provide investors and other users of the accounts with an improved view of likely future performance. The rationale behind making adjustments to the IFRS results is as follows:

- **The add back of tax incurred by joint ventures and associates.** The Board believes the incorporation of the gross result of these entities provides a fuller understanding of their combined contribution to the Group performance.
- **The add back of share-based payments.** This charge is a calculated using a standard valuation model, with the assessed non-cash cost each year varying depending on new scheme invitations and the number of leavers from live schemes. These variables can create a volatile non-cash charge to the income statement, which is not directly connected to the trading performance of the business.
- **Non-recurring items.** The Group's accounting policies include the separate identification of non-recurring material items on the face of the income statement, which the Board believes could cause a misinterpretation of trading performance if not disclosed. An analysis of these charges is given in Note 5 to the accounts.

A reconciliation of reported IFRS results to Alternative Performance Measures is shown below:

Adjusted Operating Profit
Adjusted results are after adding back amortisation of acquired intangible assets, goodwill impairment, share-based payment expense and non-recurring items.

	2023	2022
	£'000s	£'000s
Operating profit	**8,789**	20,938
Amortisation of acquired intangibles	**210**	154
Share based payments	**258**	262
Non-recurring items	**82**	1,094
Adjusted Operating Profit	**9,339**	22,448

Underlying Profit Before Tax
Adjusted results which includes the gross share of results from joint ventures are after adding back share-based payment expense and non-recurring items.

	2023	2022
	£'000s	£'000s
Profit before tax	**8,704**	21,124
Share of tax incurred by joint ventures & associates	**192**	132
Share based payments	**258**	262
Non-recurring items	**82**	1,094
Underlying profit before tax	**9,236**	22,612

Adjusted EBITDA
Defined as earnings before interest, tax, depreciation and amortisation, and investment property fair value adjustment, tax on joint ventures, goodwill impairment, share-based payment expenses and other non-cash charges.

	2023	2022
	£'000s	£'000s
IFRS reported pre-tax profit	**8,704**	21,124
Investment property fair value adjustment	**-**	522
Tax on joint venture & associate income	**192**	132
Net profit on disposal of assets	**(119)**	(218)
Interest	**758**	490
Depreciation and ROU amortisation	**6,501**	6,375
Intangible amortisation and share based payment expense	**468**	416
Other non-cash charges	**381**	(531)
Adjusted EBITDA	**16,885**	28,310
Property lease payments	**(2,502)**	(2,281)
Adjusted EBITDA after operating lease payments	**14,383**	26,029

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-first Annual General Meeting (the "Meeting") of Wynnstay Group plc (the "Company") will be held in the Sovereign Suite, Shrewsbury Town Football Club, Oteley Road, Shrewsbury, Shropshire, SY2 6ST on Tuesday 26 March 2024 at 11.45 am to transact the following business:

Ordinary Business

1. To receive and adopt the Company's annual accounts for the financial year ended 31st October 2023 together with the Directors' Report and Auditors' Report on those accounts.
2. To declare a final dividend for the year ended 31 October 2023.
3. To re-appoint the following Director who retires under Article 86:
   Steven Esom
4. To re-appoint the following Director who retires under Article 86:
   Rob Thomas
5. To re-appoint the following Director who retires by rotation under Article 91:
   Steve Ellwood
6. To re-appoint Crowe UK LLP as auditors, to hold office from the conclusion of the Meeting to the conclusion of the next Meeting at which accounts are laid before the Company 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:

7. 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 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 551 of the Companies Act 2006, but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

8. That, subject to passing Resolution 7 earlier, 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:-

   a) 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

   b) 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 many, 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.

9. 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 approximately 2.5% 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
Claire Williams
Company Secretary

Wynnstay Group plc
Eagle House
Llansantffraid-ym-Mechain
Powys, SY22 6AQ

29 January 2024

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. **Meeting format**

   As at the date of this Notice, the Board intend to hold the 2024 AGM as a physical meeting and shareholders are therefore invited to attend a traditional meeting in person. All resolutions will be decided on a show of hands unless a poll of members is/has been requested.

   - Shareholders may submit questions to be addressed during the meeting by emailing their question to shareholder-communications@wynnstay.co.uk no later than 7 days before the meeting.

2. **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.

3. **Authority to allot shares**

   Special resolutions 7 & 8 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, and are routinely put to shareholders.

4. **Authority to purchase shares**

   Special resolution 9 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 and are normal practise for a company of this size, and are routinely put to shareholders.

5. **Documents on display**

   Copies of necessary documents will be available on the Company's website prior to and during the Meeting.

6. **Enquiries relating to the Meeting**

   Members are welcome to contact the Company Secretary with any enquiries relating to the Meeting or the Agenda during normal business hours at any time prior to the Meeting. Enquiries concerning shareholdings should be directed to the Company's external registrar at the following address: Neville Registrars, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD (Tel. 0121 585 1131).

Shareholder Fraud Warning

Shareholders are advised that as the Company's share register is a public document, details concerning individual shareholdings may be available to people who may try to use such information for fraudulent, scam or other criminal purposes. Extreme diligence is recommended whenever you receive any un-solicited contact about your Wynnstay Group plc shares or any other investment holding. Fraudsters can be very persuasive and will use high pressure tactics to try to scam investors they believe to have disposable resources. Such contact may be used to sell shares or other investments which may be fake or worthless, or to try to persuade you to dispose of existing investments for below their market value.

The Financial Conduct Authority (FCA) has a very useful website providing information on known frauds and scams, and identifying companies that may be operating in an unauthorised or illegal manner, which is likely to increase the risk associated with doing business with them. Please visit http://scamsmart.fca.org.uk/.

Some simple advice to avoid investment scams and share frauds include :

1. Hang up on cold calls – if you are cold called in relation to investment opportunities there is a high risk that it may involve an attempted scam. The safest thing to do is to hang up.

2. Check out any firm – before considering any relationship with a new individual or firm offering financial services, check them out on the Financial Services Register on the FCA website. Generally all businesses legally authorised to offer such services will be regulated by the FCA.

3. Get impartial advice – before handing over any money in relation to new investments, think about seeking advice from someone unconnected to the new contact or entity that would receive your funds.

4. Report a scam – if you suspect you have been approached by attempted fraudsters, then please report it to the FCA by using the reporting form available on the FCA website. If you have actually lost money to an investment fraud, you should report it to the police using the Action Fraud National Reporting scheme on 0300 123 2040 or http://www.actionfraud.police.uk/.

REMEMBER, IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS!

Financial Calendar

30 January 2024	Announcement of 2023 Results
26 March 2024	Annual General Meeting
02 April 2024	Dividend Record Date
30 April 2024	Payment of Final 2023 Dividends
June 2024	Announcement of 2024 Interim Results