RNS Number : 5943W
Wynnstay Group PLC
11 February 2025

AIM: WYN

Wynnstay Group plc
("Wynnstay" or "the Group" or "the Company")
Agricultural supplies and services group

Final Results for the year ended 31 October 2024

KEY POINTS

	2024	**2023**
Revenue	£613.1m	£735.9m
Gross profit	£79.2m	£79.9m
Adjusted operating profit[1]	£7.9m	£10.2m
Adjusted profit before taxation[2]	£7.6m	£10.3m
Adjusted earnings per share[3]	23.78p	36.17p
Net assets /net assets per share	£134.8m/ 583p	£135.2m/ 589p
Net cash[4]	£32.8m	£23.7m
Total dividend per share	17.5p	17.25p
Statutory results		
Operating profit	£4.6m	£8.8m
Profit before taxation	£4.1m	£8.7m
Earnings per share	12.12p	30.74p
Net cash / (debt) - full IFRS 16	£17.2m	£10.7m

[1]*Adjusted operating profit excludes amortisation of acquired intangibles, share based payment expenses, losses on mark to market of derivatives and non-recurring items.*

[2]*Adjusted profit before taxation excludes amortisation of acquired intangibles, share based payment expenses, losses on mark to market of derivatives, non-recurring items and the share of tax incurred by joint ventures.*

[3] *Adjusted earnings per share takes into account the tax effect of adjusting items*

[4]*Net cash / (debt) excluding IFRS 16 leases*

Financial

- Results in line with revised expectations and reflect challenging market conditions.
- Revenue decreased to £613.1m (2024: £735.9m) with commodity deflation, which accounted for c. £117.9 (96%) of the reduction.
- Gross profit of £79.2m (2023: £79.9m), with lower activity and decreased unit margins in fertiliser manufacturing and grain marketing.
- Non-recurring items of £2.3m (2023: £0.1m) related mainly to business reorganisation expenses and impairment of assets.
- Robust balance sheet with net cash at £32.8m (2024: £23.7m).
- Proposed final dividend of 11.90p (2023: 11.75p), reflecting good cash generation and Board's confidence of future prospects. Takes total dividend for the year to 17.5p (2023: 17.25p).

Operational

- The Group's operating activities are now presented in three segments to reflect our new organisational structure and provide greater insight into the Group's performance.
- Feed and Grain - adjusted profit before tax of £0.7m (2023: £5.7m):
    - manufactured feed volumes 2.7% lower; mostly reflected lower poultry feed volumes as manufacturing transitioned away from Twyford site. Very poor 2024 harvest resulted in reduced volumes available for grain trading.
- Fertiliser and Seed - adjusted profit before tax of £1.4m (2023: £0.8m):
    - seed and fertiliser sales impacted by prolonged wet weather, which affected both autumn and spring planting seasons; manufactured fertiliser margins below target levels as raw material prices continued to track back to pre-crisis (2022) levels.
- Depot Merchanting - adjusted profit before tax of £5.5m (2023: £3.8m):
    - footfall and transaction levels in line with prior year. Margin improvement more than offset operational cost increases.
- Higher labour and energy costs partly offset by efficiency initiatives.

CEO appointed and "Project Genesis" launched

- Alk Brand joined as CEO on 1 October 2024.
- Project Genesis launched; objective is to establish a more efficient operating model that will drive higher margins, profits and cash generation and support the Group's wider growth plans and value creation.
    - A new integrated divisional structure has been created: its implementation is already under way, including senior management changes.
    - Three-year timetable with initial benefits expected to be felt in FY25.

Outlook

- Farmgate prices across most sectors are robust, which will support farmer sentiment despite continuing uncertainties around the transition in governmental support policies.
- Group is expected to deliver a stronger performance in FY25 than in FY24, helped by operational improvements already made.

Alk Brand, Chief Executive Officer of Wynnstay Group plc, commented:

"It was a disappointing year for the Group, reflecting a number of challenges, including adverse weather, which impacted planting and growing conditions, falling commodity prices and underperformance in certain areas of the business. More positively, investments progressed, cash flows were good, and the Group's balance sheet remains strong.

"Together with the Board, I have reviewed the business, and we have launched Project Genesis. It is a three-year transformation programme, which is focused on establishing a more efficient operating model to drive performance. We are confident that this will better position Wynnstay for future growth and long-term success, and create substantial value for shareholders.

"Trading in the new financial year is in line with management expectations, and we anticipate an improved performance over last year, helped by the actions we have already taken."

Enquiries:

Wynnstay Group plc	Alk Brand, Chief Executive Officer Rob Thomas, Chief Financial Officer	020 3178 6378 (Today) 01691 827 142
KTZ Communications	Katie Tzouliadis, Robert Morton	020 3178 6378
Shore Capital (Nomad and Broker)	Stephane Auton/Tom Knibbs (Corporate Advisory) Henry Willcocks (Corporate Broking)	020 7408 4090

Wynnstay will be hosting an online presentation of the Company's results on 14 February 2025. Shareholders and potential investors can register to join the online presentation at https://bit.ly/WYN_FY24_results_webinar. Further information can be obtained from KTZ Communications.

CHAIRMAN'S STATEMENT

Overview

The year presented significant challenges for Wynnstay, which trading results reflect. A number of factors contributed, including very difficult weather conditions (which significantly impacted the planting season and harvest outcome), falling commodity prices and underperformance in certain areas of the business. Nonetheless, in this tough trading year, we continued with investment plans and took a number of important structural and operational decisions.

In mid-September 2024, we were pleased to announce the appointment of Alk Brand as Chief Executive Officer, with Gareth Davies having decided to step down from this role to continue to focus on a serious family matter. Since then, and building on existing work, the Board has agreed and launched a new programme to transform the Groups operations, Project Genesis. It is aimed at establishing a more efficient operating model that will drive future margins and profits and better support our growth ambitions in the agricultural supplies marketplace, which remains highly fragmented.

We believe there is a significant opportunity to simplify and streamline the Group's operations, bringing subsidiary operations closer to the centre and integrating certain operations. We have already commenced this transformation programme and have made important senior management changes. The year's results therefore have also been affected by material one-off costs, relating to these management and organisational changes as well as to the restructuring of manufacturing operations. Project Genesis has a three-year time horizon and we expect to see some initial benefits come through in the new financial year.

Financial Results

Revenue for the financial year decreased to £613.1m (2023: £735.9m), with £117.9m (96%) of the reduction accounted for by falling commodity prices. Lower activity in Feed and Grain was an additional factor. Gross profit was broadly flat at £79.2m (2023: £79.9m) while adjusted operating profit was down by 23% at £7.9m (2023: £10.2m). This mainly reflected significantly higher administrative expenses, up by 20%. Adjusted profit before tax was £7.6m (2023: £10.3m), which includes the Group's share of profits of joint ventures of £0.8m (2023: £0.9m).

On a statutory basis, including amortisation of acquired intangibles and share based payment expenses (£0.5m (2023: £0.5m)), losses on mark to market of derivatives (£0.5m (2023: £0.8m)) and non-recurring items (£2.3m (2023: £0.1m)) and the share of tax incurred by joint ventures (£0.2m (2023: £0.2m)), profit before tax was £4.1m (2023: £8.7m) and earnings per share were 12.12p (2023: 30.74p).

Balance sheet and cash generation

The Group continued to generate good cash flows and the balance sheet remains very strong, with net cash at 31 October 2024 at £32.8m (2023: £23.7m). Including IFRS 16 leases, net cash increased to £17.2m (31 October 2023: £10.7m). As part of our cash strategy, we have instigated a full review of our operating assets and have established a new capital allocation framework.

Dividend

The Board is pleased to propose a final dividend of 11.90p per share, which subject to shareholder approval at the Company's AGM on 27 March 2025, will be paid on 30 April 2025 to shareholders on the register as at 27 March 2025. Together with the interim dividend of 5.60p per share, paid on 31 October 2024, this gives a total annual dividend of 17.50p (2023: 17.25p), an increase of 1.4% year-on-year. The proposed final dividend reflects the Group's strong cash generation as well as the Board's increase of 1.4% year-on-year. The proposed final dividend reflects the Group's strong cash generation as well as the Board's view of prospects in the new financial year.

The Board has taken the decision to suspend the Company's Scrip Dividend Scheme 2015, therefore the final dividend will be paid entirely in cash.

Sustainability
The Group continues to make steps towards reaching Net Zero by 2040. Our 2024 Task Force on Climate-related Financial Disclosures ("TCFD") Report, which can be found in the Annual Report, details our progress in developing our Net Zero roadmap. Our investment programme in solar energy is well under way and previous investments in this area have delivered the expected robust returns.

The Group's sustainability plans also encompasses our offering to our farmer customers as they focus on environmental and biodiversity goals. This reflects the major transition currently under way in governmental support, from payments based on the EU's Common Agricultural Policy (CAP), to a new system of financial support based on environmental outcomes. We continue to adapt and develop our products and services in support of this changeover. Our teams of on-farm specialists provide wide-ranging advice and guidance, including on environmental seeds, soil health, water and air quality, livestock nutrition and new farming techniques and interventions.

Board Changes
After an extended period of absence relating to a serious family matter, Gareth Davies stepped down as Chief Executive Officer on 1 October 2024 to continue to focus on this matter. He remains on the Board in a non-executive advisory capacity until the Group's AGM in March. On behalf of everyone at Wynnstay, I would like to thank Gareth for his valued service and tremendous commitment to the Group since he joined in 1999, becoming Chief Executive Officer in 2018.

We welcome Alk Brand, the Group's new Chief Executive Officer. Alk has a highly successful track record in business growth and development, which includes M&A, acquisition integration and efficiency programmes. He has wide experience of the agricultural sector, supply chains, farming co-operatives and food markets. Alk was previously Chief Executive Officer of Westfalia Fruit Group, the UK-based fresh produce business with operations across 17 countries. Before that, he headed Richardson International UK, the miller and supplier of grain-based ingredients. He comes from a family farming background in South Africa.

We announce today the retirement of Non-executive Director, Howell Richards. He will step down from the Group at the forthcoming AGM. With his wide understanding of the agricultural industry, he has provided sound counsel over many years for which we thank him. A recruitment process to find a suitable successor, with relevant industry knowledge, is in progress and an announcement will be made in due course.

Outlook
Our transformation and investment programme is under way and should significantly strengthen our model and establish a higher base level of profitability. It fully supports our growth plans, which are based on accretive acquisitions and organic growth.

The year under review was a very difficult year for the Group, but with the actions we have already taken, we expect Wynnstay to deliver a better performance in the new financial year and beyond.

Steve Ellwood
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Overview
Having joined Wynnstay on 1 October 2024, this is my first report as the Group's Chief Executive Officer.

It was an especially challenging year for the Group, with disappointing performances in feed and fertiliser activities. Higher costs, including labour and energy, were also issues although efficiency initiatives helped to mitigate this. It was unusual for both of the two main planting seasons for grain crops (autumn and spring) to suffer from exceptionally wet weather conditions. It led to a reduction in demand for agricultural inputs and also to the UK's second poorest harvest on record. Farmer sentiment was affected by higher costs and the ongoing uncertainties of the transition to new governmental support mechanisms. In addition, dairy and arable farmers contended with weaker farmgate prices, although these moved more favourably later in the year. Reported results were also affected by significant non-recurring items.

Despite these substantial headwinds, the Group continued to generate good cash flows, helped by effective cash management, and reductions in working capital. Wynnstay's balance sheet remains very strong, with significant net cash.

Wynnstay has developed a strong market position, and I share the view that there is a major opportunity to build and develop the Group. There is also an opportunity to reshape significantly the existing operations and to establish a more efficient and effective platform. This will enhance profitability as well as support our M&A strategy. We have commenced a three-year transformation programme, which we are calling Project Genesis, to drive reorganisation and investment, and have already made a number of management changes as we established a new senior team.

Divisional Performance
In order to provide investors with a better understanding of the Group's trading performance, and in line with the changes we are making to our organisational structure, we have re-examined our segmental reporting. We now report this data under three segments: Feed and Grain, Fertiliser and Seed, and Depot Merchanting. This replaces our previous segmentation of Agriculture and Specialist Agricultural Merchanting. Comparative segmental data for the prior financial year is provided. We foresee improvement and growth opportunities in all three segments.

Feed and Grain
Wynnstay manufactures and supplies a wide range of feeds and animal nutrition products, principally for the dairy, beef, sheep and poultry sectors. The Group operates three feed mills and three blending plants, manufacturing feed that is offered

in compounded, blended and meal forms, and sold both in bulk and in bags. Bagged feed is predominantly sold through the Group's depot network. Wynnstay also sells a range of raw materials for feed, through its Wynnstay and Glasson Grain brands. Farmers are offered grain and combinable crop marketing services through the GrainLink business.

Both the first and second halves of the year were challenging and the combined results of Feed and Grain operations show a significant decrease year-on-year. Total revenue was £353.3m (2023: £437.7m), with the decrease reflecting falling commodity prices, lower feed volumes, and a poor 2024 harvest. Poultry feed volumes in particular reduced as we started to transition away from manufacturing at Twyford. Together with more normal margins at GrainLink after a record prior year, this led to gross profit of £33.2m (2023: £36.6m). Higher labour and energy costs were also pressures. Adjusted profit before tax was £0.7m (2023: £5.7m).

Total manufactured feed volumes were 2.7% lower than the previous year, which compares to market growth of 3.8%, as estimated by the Agriculture and Horticulture Development Board ("AHDB"). As noted above, poultry feed volumes predominantly accounted for the variation.

We took the decision to bring forward the transition of manufacturing of poultry feed away from the Twyford site, and production ceased at the end of January 2025, approximately a year ahead of the termination of the lease. Instead, poultry feed will be manufactured at Llansantffraid and through third parties. We plan to develop our own micro manufacturing sites to serve our poultry customers in due course. As previously reported, it was considered unlikely that we would proceed with the renovation of the mothballed facility at Calne, and we have now agreed a price with a potential acquiror, subject to finalisation of legal documentation and due diligence, and hope to complete a sale in the Spring of 2025. We have the ability to grow our market share and profitability from our anchor sites in Llansantfffraid and Carmarthen through strategic investment, aligned with our vision to use manufacturing assets more efficiently.

Grain marketing and feed raw materials volumes together were 8.8% lower than in the prior year. The heavy rains during the planting season led to the UK's second lowest harvest on record and reduced the volumes available for marketing by GrainLink. It did not therefore repeat its excellent performance of the prior year, with margins also moving to more normal levels, as expected. Total feed raw materials volumes were up year-on-year, driven by higher demand from farmers. Margins remained stable.

Our specialist teams continued to work with our farmer customers, advising on nutrition for dairy, beef, sheep, youngstock and poultry enterprises, as well as ways of improving performance efficiency and delivering environmental objectives. We will be adding to these specialist teams over the coming year.

As we start the new financial year, farmgate prices for red meat and free range eggs are robust and the price ratio for milk to feed ratio is favourable. This should boost farmer sentiment.

Fertiliser and Seed

The Group supplies a full range of high-quality, Wynnstay-branded agricultural fertiliser products (compound, straight, and blended), and its Glasson fertiliser blending operations are the UK's second largest fertiliser blender. Our specialists offer bespoke fertiliser programmes. These address specific soil conditions, thereby increasing the efficiency of the fertiliser and improving plant growth. The Group also supplies a wide range of seeds (spring, autumn, grass, maize, catch & forage, and environmental seeds), and operates a major seed processing facility in Shrewsbury, Shropshire.

Fertiliser and Seed activities contended with a second year of significant challenges, and while results were off last year's lows, the expected recovery did not materialise. Revenues totalled £119.7m (2023: £156.4m), gross profit rose to £11.4m (2023: £11.0m) and adjusted profit before tax increased to £1.4m (2023: £0.8m).

The continuing normalisation of fertiliser prices helped a recovery in demand for blended fertiliser, and Glasson Grain's volumes increased by 8% year-on-year. However, demand in the important fourth quarter of the financial year was disappointing as farmers delayed purchases, in reaction to weather conditions. Margins were also below target levels - affected by global fertiliser raw material price fluctuations as they continued to track back to pre-Ukraine war (2022) levels.

The volume of merchanted fertiliser sold directly to farmers through the Wynnstay brand was slightly higher than the prior year but was affected by the smaller acreages sown (as a result of heavy rains) for a second year. Margins improved year-on-year.

The seed business was also affected by the unusually wet weather conditions, which disrupted the crucial planting seasons. Autumn cereal seed sales were lower than normal although higher than last year's severely impacted levels. Spring cereal volumes were hampered by a combination of lower availability of seed after the 2023 harvest yields and poor planting conditions. Sales of traditional grass seed mixtures were down year-on-year while demand for environmental seed mixtures grew strongly. This reflected farmer participation in the Welsh Government's Sustainable Farming Scheme and the English Government's Environmental Land Management Schemes. Our specialist advisors continued to provide customers with advice on seeds mixture to promote biodiversity and soil health. The seed industry offers significant growth opportunities. New integrated structures and sector focus will better enable Wynnstay to capture these.

We completed the planned closure of our fertiliser blending site at Howden, amalgamating its volumes into our plant at Goole for greater efficiency. We are now in the process of opening an advanced new fertiliser blending plant in the Port of Avonmouth, Bristol. It will extend our geographic reach, and also enable Glasson Fertilisers to serve customers in South Wales and the South West of England more effectively. The new facility will use advanced manufacturing technology to produce a wide range of fertiliser formulations and support our environmental offering. We expect it to become operational in Spring 2025.

Depot Merchanting

Wynnstay operates a network of 51 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 multi-channel routes to market, which include a digital sales platform, a sales trading desk, regional field sales teams and specialist catalogues.

Depot Merchanting revenue was £140.1m (2023: £141.7m), with deflation accounting for the slight decrease year-on-year. Footfall and transactions volumes were in line with last year. Gross profit improved to £34.6m (2023: £32.3m) and adjusted profit before tax increased to £5.5m (2023: £3.8m). Margin improvement more than offset operational cost increases, which included higher energy and labour costs.

After a difficult first half, with lower sales volumes in higher margin product categories, (which reflected both more cautious spending behaviour and a delayed start to the normal seasonal on-farm construction and maintenance projects because of the prolonged wet weather), trading improved in the second half of the financial year. There was a more favourable product mix and a better underlying margin performance.

We continued to develop our multi-channel routes to market, launching a click-and-collect service and direct-to-farm deliveries for certain products. Uptake of our digital portal increased further, although it is mainly used by farmers to manage and settle their customer accounts online.

Joint Ventures

Wynnstay's gross share of results of joint ventures (Bibby Agriculture Ltd, WYRO Developments Limited and Total Angling Limited) and associate company (Celtic Pride Limited) was £0.8m (2023: £0.9m). This was another good contribution. In July 2024, we concluded the sale of the Group's share of Total Angling Ltd.

Project Genesis

As discussed earlier, we are excited to have launched Project Genesis, our three-year operational transformation initiative. It is a fundamental step, which will integrate and streamline operations and establish a lower cost, more efficient operating model. This will enhance profitability and significantly improve the Group's ability to drive future growth and value creation.

Rob Thomas and I are leading the programme, supported by cross-functional teams. The programme is structured around workstreams focused on sales growth, margin improvements, operational efficiency, HR, and business processes. By simplifying our operations into distinct wholesale and direct sales channels, we will make operational gains, improve decision-making, and enhance financial discipline.

We expect to see significant benefits over the three years of transformation, with the new financial year seeing some early gains. As we progress execution, the financial and operational benefits should come through more strongly, building in each year. This programme will establish Wynnstay with a stronger, more scalable, and competitive business model, and enable us to better serve our customers and drive stronger returns for our shareholders.

Outlook

The Group has a well-established market position, a strong balance sheet and generates robust cash flows.

Our major new programme to transform the Group's operations will sharpen our focus, introduce greater commercial discipline and strengthen our ability to deliver the returns envisaged by our growth plans. We have already made good early progress with the new programme, restructuring the senior leadership team and taking decisive action to close the Twyford site ahead of its lease termination date.

While agriculture is inherently subject to market and weather fluctuations, we believe that through a more streamlined and focused approach, the business will be more resilient against short-term market volatility and deliver stronger underlying returns. Our transformation programme supports our strategy of partnering with farmers to supply a comprehensive range of agricultural products while also consolidating a fragmented market. We are confident of the potential ahead of us to generate significantly greater shareholder value.

Our Depot Merchanting division will form a substantial part of our growth strategy. Depots are a significant margin creator for our business and renewed focus and investment in key resources to further improve performance will be given to this area.

We anticipate that our investments in people, processes, and platforms will fully materialise over the next three years, however the actions we have already taken should yield immediate tangible benefits.

Trading since the beginning of the new financial year has been in line with the Board's expectations, and we remain confident that the Group's performance in FY25 will show an improvement over FY24.

Alk Brand
Chief Executive Officer

FINANCIAL REVIEW

Group Results

£'000s unless stated	2024	2023
Revenue	**613,053**	735,877
Gross Profit	**79,209**	79,871
Adjusted operating profit	**7,926**	10,161
Adjusted profit before tax	**7,616**	10,268
Profit before tax	**4,097**	8,704
Basic EPS	**12.12p**	30.74p
Net Cash (excluding lease liabilities)	**32,824**	23,717

Group revenue in the year decreased by £122.8m to £613.1m (2023: £735.9m) reflecting reduced commodity prices and lower levels of activity in the Feed & Grain Division. Gross profit was broadly unchanged at £79.2m (2023: £79.9m) just £0.7m lower year-on-year. Adjusted operating profit reduced by £2.3m to £7.9m (2023: £10.2m).

Net finance costs increased by £0.3m (42.3%) to £1.1m (2023: £0.8m). IFRS 16 interest was £0.5m higher than 2023 and this was offset by a £0.2m reduction in bank interest. Share of profits of joint ventures reduced by £0.1m (11.6%) to £0.8m (2023: £0.9m).

Adjusted profit before tax reduced by £2.7m to £7.6m (2023: £10.3m).

Losses on the mark to market of wheat futures contract derivatives reduced by £0.3m to £0.5m (2023: £0.8m). These non-cash losses arise in accordance with the valuation requirements of IFRS 9 and have no effect on the grain trading book of the Feed and Grain Division.

There were £2.3m of non-recurring items in the year (2023: £0.1m).

Taxation
The Group's tax charge, including joint ventures of £1.5m (2023: £2.0m), represents 34.9% (2023: 22.1%) of the Group pre-tax profit of £4.3m (2023: £8.9m). A reconciliation relating to Group's tax charge and Group pre-tax profit is given below:

£'000s	2024	2023
Group's tax charge		
Taxation	**1,308**	1,776
Share of tax incurred by joint ventures & associates	**191**	192
	1,499	1,968
Group pre-tax profit from continuing operations		
Profit before taxation from operations	**4,097**	8,703
Share of tax incurred by joint ventures & associates	**191**	192
	4,288	8,895
Effective tax rate in Group accounts	**31.9%**	20.4%
Effective tax rate including joint ventures	**34.9%**	22.1%

In accordance with Schedule 19 of the Finance Act 2016, the Group has published a Tax Strategy document on its website, which confirms that the organisation is committed to full compliance with all statutory obligations and adopts a policy of full disclosure to HMRC. The Group refrains from using offshore tax jurisdictions and will not use specifically constructed tax avoidance schemes or arrangements.

Earnings Per Share
Basic earnings per share were 12.12p (2023: 30.74p), based on a weighted average number of shares in issue during the year of 23.029m (2023: 22.525m).

Balance Sheet

£'000s	2024	2023
Tangible & intangible fixed assets	**43,939**	45,088
Right of use assets	**16,919**	14,129
Investments in property & joint ventures	**6,107**	6,257
Net working capital	**54,240**	61,029
Loans to joint venture	**600**	639
Net cash (excluding IFRS 16 leases)	**32,824**	23,717
Lease liabilities	**(15,658)**	(12,975)
Derivative financial instruments	**(879)**	(177)
Provisions	**(1,199)**	-
Current tax assets / (liabilities)	**950**	(257)
Deferred tax liabilities	**(2,994)**	(2,220)
Net assets	**134,849**	135,230

Capital investment in fixed assets including right of use assets, amounted to £10.2m (2023: £15.5m) in the year. Of this amount, £1.3m related to renewal of previously held property leases.

Working capital reduced by £6.8m to £54.2m (2023: £61.0m) as a result of reductions in commodity prices. This has supported the generation of strong operational cash flows during the year.

Group net assets at the year-end amounted to £134.8m (2023: £135.2m), which based on the weighted average number of shares in issue during the year of 23.029m (2023: 22.525m), equated to a net asset value per share of £5.86 (2023: £6.00 per share). Based on the number of shares in issue at the year-end of 23.127m (2023: 22.956m), this net asset per share value was £5.83 (2023: £5.89). Based on these balance sheet values, Return on Net Assets from adjusted profit before tax was 5.6% (2023: 7.6%).

Cash Flow and Net Cash

£'000s	2024	2023
Operating cash flows*	**13,817**	16,020
Working capital movement	**6,944**	4,252
Net interest	**(71)**	(294)
Tax paid	**(1,556)**	(2,763)
Net cash generated from operating activities	**19,134**	17,214
Net capital expenditure	**(1,061)**	(5,504)
Cash paid for acquisition of subsidiaries	**(33)**	(2,709)
Joint ventures, associates and trusts	**763**	600
Net cash used in investing activities	**(454)**	(7,613)
Proceeds from issue of share capital	**583**	1,471
Net movement in bank borrowings	**(1,806)**	(2,345)
Repayment of capital element of leases	**(6,290)**	(5,042)
Dividends paid	**(3,995)**	(3,868)
Net cash used in financing activities	**(11,508)**	(9,784)

Net movement in cash	**7,172**	(183)
Effects of exchange rate differences	**62**	61
Opening cash balances	**31,055**	31,177
Closing cash balances	**38,289**	31,055

*Before movements in working capital and provisions

Net cash generated from operating activities amounted to £19.1m (2023: £17.2m). The net cash position at the year-end was £32.8m (2023: £23.7m). Including IFRS 16 leases, the net cash position was £17.2m (2023: £10.7m). The year-end represents a trough in the Group's annual seasonal working capital cycle and therefore usually results in the highest reported cash position.

£'000s	**2024**	2023
Cash and cash equivalents	**38,289**	31,055
Bank borrowings	**(5,465)**	(7,338)
Net cash (excluding IFRS 16 leases)	**32,824**	23,717
IFRS 16 leases	**(15,658)**	(12,975)
Net cash (IFRS basis)	**17,166**	10,742

During the financial year, a total of 140,780 (2023: 111,181) 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 £0.487m (2023: £0.474m). A further 31,487 shares were issued for a total cash consideration of £0.096m (2023: £0.997m) to employees exercising rights over approved share options (2023: 503,534). Under the Terms and Conditions of the Wynnstay Group Plc Scrip Dividend Scheme 2015, 'The Scrip Dividend Mandate will only apply in respect of future Dividend if the Directors decide to offer a Scrip Dividend Alternative in respect of that Dividend. If the Directors decide not to offer a Scrip Dividend in respect of any particular Dividend, a full cash Dividend will be paid in the usual way.' The Directors confirm that no Scrip Dividend alternative is offered for the year ended 31 October 2024 and the Wynnstay Group Plc Scrip Dividend Scheme 2015 should now be considered suspended in order to avoid dilution of existing shareholders' ownership percentage.

Capital Allocation

The Board's objective is to maximise shareholder returns over the longer term, through a disciplined deployment of cash generated, and has adopted the following capital allocation framework in support of this:

- **Improved efficiency:** the Board has identified a number of opportunities to reduce costs and improve efficiency through a more streamlined management structure.
- **Organic growth:** the Board will invest in increased and more efficient capacity in order to satisfy demand within our chosen markets.
- **Acquisitions:** the Board will continue to explore value enhancing acquisition opportunities in our chosen markets in order to leverage scale advantages and to grow overall group revenues in the future. Such acquisitions will only be made where they are clearly value accretive to the business.
- **Returns to shareholders:** the Board recognises the importance of dividend to shareholders and intends to pay a regular dividend.

Our target is to make earnings enhancing investments which achieve rates of return well in excess of our internal cost of capital.

Rob Thomas
Chief Financial Officer

WYNNSTAY GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 October 2024

	Note	**2024** **£'000**	**2023** **£'000**
Revenue		**613,053**	735,877
Cost of Sales		**(533,844)**	(656,008)
Gross Profit		**79,209**	79,869
Manufacturing, distribution and selling costs		**(59,809)**	(60,060)
Administrative expenses		**(11,925)**	(10,020)
Other operating income		**451**	371
Adjusted operating profit[1]		**7,926**	10,160
Amortisation of acquired intangible assets and share-based payment expense	3	**(543)**	(468)
Loss on mark to market of derivatives		**(473)**	(822)
Non-recurring items	3	**(2,312)**	(82)
Operating Profit		**4,598**	8,788
Interest Income	4	**497**	528
Interest Expense	4	**(1,572)**	(1,286)
Share of profits in joint ventures using the equity method		**765**	865
Adjusted profit before taxation[2]		**7,616**	10,267
Intangible amortisation and share based payments	3	**(543)**	(468)
Loss on mark to market of derivatives	3	**(473)**	(822)
Share of tax incurred by joint venture		**(191)**	(192)
Non-recurring items	3	**(2,312)**	(82)

Non-recurring items	3	**(2,312)**	(82)
Profit before taxation		**4,097**	8,703
Taxation	5	**(1,308)**	(1,776)
Profit for the year		**2,789**	6,927
Other Comprehensive (Expense) / Income			
Items that will be reclassified subsequently to profit or loss:			
- Net change in the fair value of cashflow hedges taken to equity (net of tax)		**27**	49
- Recycled cashflow hedge taken to income statement		**(95)**	(83)
		(68)	(34)
Total comprehensive earnings for the period		**2,721**	6,893
Basic earnings per share		**12.12**	30.74
Dituled earnings per share		**11.75**	30.30

[1] *Adjusted operating profit excludes amortisation of acquired intangibles, share based payment expenses, losses on mark to market of derivatives and non-recurring items.*

[2] *Adjusted profit before taxation excludes amortisation of acquired intangibles, share based payment expenses, losses on mark to market of derivatives, non-recurring items and the share of tax incurred by joint ventures.*

WYNNSTAY GROUP PLC
CONSOLIDATED BALANCE SHEET
As at 31 October 2024

	Note	2024	2023*	2022*
NON-CURRENT ASSETS				
Goodwill		**15,530**	15,530	16,133
Intangible assets		**4,727**	4,960	4,936
Investment property		**1,850**	1,850	1,850
Property, plant and equipment		**22,416**	24,598	20,840
Right-of-use assets		**16,919**	14,129	8,202
Investments accounted for using equity method		**4,257**	4,407	4,101
Derivative financial instruments		**10**	54	1
		65,709	65,528	56,063
CURRENT ASSETS				
Assets held for sale		**1,266**	-	-
Inventories		**43,328**	55,456	71,095
Trade and other receivables		**70,418**	81,276	96,575
Financial assets - loan to joint ventures		**600**	639	1,067
Cash and cash equivalents	9	**38,289**	31,055	31,177
Current tax asset		**950**	-	-
Derivative financial instruments		**52**	209	598
		154,903	168,635	200,512
TOTAL ASSETS		**220,612**	234,163	256,575
CURRENT LIABILITIES				
Financial liabilities - borrowings	9	**(2,619)**	(2,595)	(3,043)
Lease liabilities	9	**(4,399)**	(3,762)	(3,344)
Trade and other payables		**(59,499)**	(75,692)	(105,015)
Current tax liabilities		**-**	(257)	(1,639)
Provisions		**(1,199)**	-	(345)
Derivative financial instruments		**(940)**	(432)	(53)
		(68,656)	(82,740)	(113,439)
NET CURRENT ASSETS		**86,247**	85,895	87,073
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings	9	**(2,846)**	(4,743)	(6,640)
Lease liabilities	9	**(11,259)**	(9,213)	(3,999)
Trade and other payables		**(7)**	(9)	(36)
Derivative financial instruments		**(1)**	(8)	(80)
Deferred tax liabilities		**(2,994)**	(2,220)	(1,680)
		(17,107)	(16,193)	(12,435)
TOTAL LIABILITIES		**(85,763)**	(98,933)	(125,874)
NET ASSETS		**134,849**	135,230	130,701
EQUITY				
Share capital		**5,782**	5,739	5,585
Share premium		**44,022**	43,482	42,130
Share based payments		**506**	1,287	1,261
Cash flow hedge reserve		**35**	103	137
Other reserves		**1,492**	1,516	1,741
[illegible]		[illegible]	[illegible]	[illegible]

Retained earnings	**83,012**	83,103	79,847
TOTAL EQUITY	**134,849**	135,230	130,701

*As restated - see note 11

WYNNSTAY GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 October 2024

Group	Share capital £000	Share premium £000	Share based payment £000	Cashflow hedge reserves £000	Other reserves £000	Retained earnings £000	Total £000
At 1 November 2022	5,585	42,130	-	137	4,130	78,719	130,701
Change in accounting policy	-	-	1,261	-	(2,389)	1,128	-
At 1 November 2022 (restated)	5,585	42,130	1,261	137	1,741	79,847	130,701
Profit for the year	-	-	-	-	-	6,927	6,927
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	-	-	-	(34)	-	6,927	6,893
Transactions with owners							
Share based payment	-	-	258	-	-	-	258
Exercise, lapse or forfeit of share-based payments (restated*)	-	-	(232)	-	-	197	(35)
Shares issued in the year	154	1,352	-	-	-	-	1,506
Dividends	-	-	-	-	-	(3,868)	(3,868)
Own shares acquired by ESOP trust	-	-	-	-	(225)	-	(225)
	154	1,352	26	-	(225)	(3,671)	(2,364)
At 31 October 2023 (restated)	5,739	43,482	1,287	103	1,516	83,103	135,230
Profit for the year	**-**	**-**	**-**	**-**	**-**	**2,789**	**2,789**
Net change in the fair value of cashflow hedges taken to equity, net of tax	**-**	**-**	**-**	**27**	**-**	**-**	**27**
Recycle cashflow hedge to income statement	**-**	**-**	**-**	**(95)**	**-**	**-**	**(95)**
Total comprehensive income	**-**	**-**	**-**	**(68)**	**-**	**2,789**	**2,721**
Transactions with owners							
Share based payment	**-**	**-**	**309**	**-**	**-**		**309**
Exercise, lapse or forfeit of share-based payments (restated*)	**-**	**-**	**(1,090)**	**-**	**-**	**1,090**	**-**
Shares issued in the year	**43**	**540**	**-**	**-**	**-**	**-**	**583**
Dividends	**-**	**-**	**-**	**-**	**-**	**(3,995)**	**(3,995)**
Transfer	**-**	**-**	**-**	**-**	**(24)**	**24**	**-**
	43	**540**	**(781)**	**-**	**(24)**	**(2,881)**	**(3,103)**
At 31 October 2024	**5,782**	**44,022**	**506**	**35**	**1,492**	**83,012**	**134,849**

WYNNSTAY GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Cash generated from operations		**20,761**	20,271
Interest received - cash		**497**	528
Interest paid - cash		**(568)**	(822)
Tax paid		**(1,556)**	(2,763)
Net cash generated from operating activities		**19,134**	17,214
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**990**	257
Purchase of property, plant and equipment		**(2,174)**	(5,761)
Acquisition of subsidiary undertaking, net of cash acquired		**(33)**	(2,709)
Receipt of repayment of short-term loans to joint ventures		**39**	428
Payment of short terms loan to ESOP trust		**-**	(195)
Disposal of investments		**123**	-
Dividends received from joint ventures and associates		**601**	367
Net cash used by investing activities		**(454)**	(7,613)

Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital	**583**	1,471
Proceeds from new loans	**91**	26
Lease repayments	**(6,290)**	(5,042)
Repayment of borrowings	**(1,897)**	(2,371)
Dividends paid to shareholders	**(3,995)**	(3,868)
Net cash used in financing activities	**(11,508)**	(9,784)
Net increase / (decrease) in cash and cash equivalents	**7,172**	(183)
Effects of exchange rate changes	**62**	61
Cash and cash equivalents at the beginning of the period	**31,055**	31,177
Cash and cash equivalents at the end of the period	**38,289**	31,055

WYNNSTAY GROUP PLC
NOTES TO THE ACCOUNTS

1. GENERAL INFORMATION AND 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 this approved financial information.

Basis of Preparation
The Group's financial statements have been prepared in accordance with international accounting standards in accordance with UK-adopted International Accounting Standards and applicable law. The Group financial statements have been prepared under the historical cost convention other than certain assets which are at deemed cost under the transition rules, share-based payments which are included at fair value and certain financial instruments which are explained in the relevant section below. A summary of the material Group accounting policies, which have been applied consistently, is set out below.

The preparation of financial statements in accordance 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.

Going Concern
As part of their normal year end processes the Board have reviewed commercial plans and budgets for the new financial year, together with assessing the principal identified risks and uncertainties for the Group. Detailed cashflow projections have been prepared and considered against available funding sources, which at the year-end included net cash of £17.16m, plus £10m of undrawn revolving credit facilities and £10.5m of unused overdraft facilities with HSBC Bank UK plc (HSBC).

In May 2024 an RCF facility of £10m with a £5m accordion, was renewed with HSBC Bank UK plc (HSBC) and committed to 28 February 2027. The facility was undrawn at 31 October 2024 and in addition, the Group has £10.5m unused overdraft facilities and net cash (including IFRS 16 leases) of £17.16m at the year end.

Detailed cash flow projections have been prepared and considered against these available funding sources and substantial headroom is available to fund the continuing development of the Group.

The Directors have therefore concluded that they have reasonable expectation 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.

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

Alternative performance measures
The Board believe that Adjusted Operating Profit and Adjusted Profit Before Taxation better reflect the adjusted commercial trends and performance of the Group and provides investors and other users of the accounts with useful information on these trends.

Adjusted Operating Profit is statutory operating profit after adding back non-recurring items, amortisation of acquired intangible assets, share based payment expenses and unrecognised fair value derivative gains/(losses). Adjusted profit before taxation is statutory profit before taxation after adding back non-recurring items, amortisation of acquired intangible assets, share based payment expenses, unrecognised fair value derivative gains/(losses) and the share of tax incurred by joint ventures.

Non-recurring items
Non-recurring items are items that the Board believes are material and one-off or non-operating in nature and are better disclosed separately in the income statement. 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.

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 Feed and Grain, Fertiliser and Seed and Depot Merchanting.

Feed and Grain - 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. Bagged feed is predominantly sold through our depot network. In addition, we sell a range of feed raw materials through both the Wynnstay and Glasson Grain brands, as well as offering grain and combinable crop marketing services through the GrainLink business.

Fertiliser and Seed - Our arable operations supply a wide range of services and products to arable and grassland farmers. These include seeds, fertilisers and agrochemicals. Our fertiliser manufacturing business, Glasson Fertiliser, is the second largest fertiliser blender in the UK and is based at Glasson Dock near Lancaster.

Depot Merchanting - Wynnstay operates a network of 51 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.

The Board assesses the performance of the operating segments based on a measure of profit before tax (Adjusted Profit Before Tax). Other information provided to the Board is measured in a manner consistent with that in the financial statements.

Year ended 31 October 2024:	Feed & Grain £000	Fertiliser & Seed £000	Depots £000	Total £000
Revenue	353,264	119,705	140,084	613,053
Gross Profit	33,200	11,402	34,607	79,209
Result				
Adjusted Operating Profit	**157**	**1,629**	**6,140**	**7,926**
Amortisation of acquired intangible assets and share-based payment expense	(142)	(90)	(311)	(543)
Unrealised derivative losses	(473)	-	-	(473)
Non-recurring items	(2,087)	-	(225)	(2,312)
Operating Profit	**(2,545)**	**1,539**	**5,604**	**4,598**
Adjusted Profit before taxation	**682**	**1,410**	**5,524**	**7,616**
Amortisation of acquired intangible assets and share-based payment expense	(142)	(90)	(311)	(543)
Unrealised derivative losses	(473)	-	-	(473)
Share of tax incurred by joint ventures and associates	(191)	-	-	(191)
Non-recurring items	(2,087)	-	(225)	(2,312)
Profit before taxation	**(2,211)**	**1,320**	**4,988**	**4,097**
Income tax expense	706	(422)	(1,593)	(1,308)
Profit for the year	**(1,505)**	**899**	**3,395**	**2,789**
Other information				
Depreciation and amortisation	(1,728)	(1,169)	(2,110)	(5,007)
Property, plant and equipment additions	4,582	457	2,878	7,917
Balance Sheet				
Segment assets	90,272	43,692	86,648	220,612
Segment liabilities	(43,578)	(14,898)	(27,287)	(85,763)
Net assets	46,694	28,794	59,361	134,849
Included in segment assets above are the following investments in joint ventures and associates	4,169	-	-	4,169

Year ended 31 October 2023:	Feed & Grain £000	Fertiliser & Seed £000	Depots £000	Total £000
Revenue	437,748	156,442	141,687	735,877
Gross Profit	36,615	10,985	32,269	79,869
Result				
Adjusted Operating Profit	**5,054**	**954**	**4,153**	**10,161**
Amortisation of acquired intangible assets and share-based payment expense	(182)	(57)	(229)	(468)
Unrealised derivative losses	(822)	-	-	(822)
Non-recurring items	(82)	-	-	(82)
Operating Profit	**3,969**	**897**	**3,924**	**8,789**

Adjusted Profit before taxation	**5,683**	**786**	**3,799**	**10,267**
Amortisation of acquired intangible assets and share-based payment expense	(182)	(57)	(229)	(468)
Unrealised derivative losses	(822)	-	-	(822)
Share of tax incurred by joint ventures and associates	(192)	-	-	(192)
Non-recurring items	(82)	-	-	(82)
Profit before taxation	**4,405**	**729**	**3,570**	**8,703**
Income tax expense	(900)	(148)	(728)	(1,776)
Profit for the year	**3,505**	**581**	**2,843**	**6,927**
Other information				
Depreciation and amortisation	(1,811)	(1,221)	(1,856)	(4,888)
Property, plant and equipment additions	6,862	3,219	5,455	15,536
Balance Sheet				
Segment assets	109,796	46,905	77,462	234,163
Segment liabilities	(53,858)	(20,192)	(24,883)	(98,933)
Net assets	55,938	26,713	52,579	135,230
Included in segment assets above are the following investments in joint ventures and associates	4,183	-	136	4,319

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

	2024 **£000**	2023 £000
Amortisation of acquired intangibles and share based payment		
Amortisation of acquired intangibles	**234**	210
Share based payments	**309**	258
	543	468
Non-recurring items		
Business combination expenses	**-**	28
Business reorganisation expenses	**1,268**	54
Environmental expenses	**202**	-
Loss on disposal o joint venture	**23**	-
Impairment of Asset held for Sale	**819**	-
	2,312	82

In the year ended 31 October 2024, the Group incurred non-recurring items totalling £2,312,000 (2023: £82,000). These costs are considered material, non-recurring, and outside the normal course of the Group's operations. They have been classified separately to provide stakeholders with a clear understanding of the Group's underlying financial performance.

Business reorganisation expenses
These costs primarily relate to Board and leadership changes and the restructuring of manufacturing operations.

Environmental expenses
These costs were incurred for the remediation of land and safe disposal of contaminated soil.
While the Group has submitted a claim to its insurers, no income or receivable has been recognised in the year as the likelihood of reimbursement is not virtually certain. Should the insurance claim be successful, any recoveries will be recognised as non-recurring income in future periods.

Impairment of assets
Impairment of Fixed Assets (£819,000):
The Group recognised a write-down on the Calne feed mill, reflecting the shortfall between its carrying value and the agreed sale price. The asset has been classified as "held for sale" in the balance sheet.

Loss on Disposal of Joint Venture (£23,000):
The Group disposed of its investment in Total Angling Ltd during the year, resulting in a loss on disposal.

4. FINANCE COSTS

	2024 **£000**	2023 £000
Interest expense:		
Interest payable on borrowings	**(568)**	(822)
Interest payable on finance leases	**(1,004)**	(464)
Interest and similar charges payable	**(1,572)**	(1,286)
Interest income from banks deposits	**479**	317
Interest income from customers	**19**	211
Interest receivable	**497**	528
Net Finance Costs	**(1,075)**	(758)

5. TAXATION

	2024 **£000**	2023 £000

Current tax		
Operating activities	**430**	1,474
Adjustments in respect of prior years	**73**	(93)
	503	1,381
Deferred tax		
Accelerated capital allowances	**805**	438
Other temporary and deductible differences	**-**	(43)
	805	395
Tax on profit on ordinary activities	**1,308**	1,776

6. DIVIDENDS

	2024	2023
	£000	£000
Final dividend paid for prior year	**2,701**	2,608
Interim dividend paid for current year	**1,293**	1,260
	3,995	3,868

Subsequent to the year end it has been recommended that a final dividend of 11.90p per ordinary share (2023: 11.75p) be paid on 30 April 2024. Together with the interim dividend already paid on 31 October 2024 of 5.60p net per ordinary share (2023: 5.50p) this will result in a total dividend for the financial year of 17.50p net per ordinary share (2023: 17.25p).

7. EARNINGS PER SHARE

	Basic earnings per share		**Diluted earnings per share**	
	2024	2023	**2024**	2023
Earnings attributable to shareholders (£000)	**2,789**	6,927	**2,789**	6,927
Weighted average number of shares in issue during the year (number '000)	**23,029**	22,525	**23,736**	28,853
Earnings per ordinary 25p share (pence)	**12.12**	30.74	**11.75**	30.30

Basic earnings per 25p ordinary share is calculated by dividing profit for the year from continuing operations 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.

8. SHARE CAPITAL

	2024		2023	
	No. of shares 000	**Nominal Value £000**	No. of shares 000	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	**23,127**	**5,782**	22,955	5,739

During the financial year, a total of 140,780 (2023: 111,181) 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 £487,000 (2023: £474,000). A further 31,487 shares were issued for a total cash consideration of £96,000 (2023: £997,000) to employees exercising rights over approved share options (2023: 503,534). Under the Terms and Conditions of the Wynnstay Group Plc Scrip Dividend Scheme 2015, 'The Scrip Dividend Mandate will only apply in respect of future Dividend if the Directors decide to offer a Scrip Dividend Alternative in respect of that Dividend. If the Directors decide not to offer a Scrip Dividend in respect of any particular Dividend, a full cash Dividend will be paid in the usual way.' The Directors confirm that no Scrip Dividend alternative is offered for the year ended 31 October 2023 and the Wynnstay Group Plc Scrip Dividend Scheme 2015 should now be considered suspended in order to avoid dilution of existing shareholders' ownership percentage.

9. CASH AND CASH EQUIVALENTS, BORROWINGS AND LEASE LIABILITIES

	2024	2023
	£000	£000
Current		
Cash and cash equivalents	**38,289**	31,055
Bank loans and overdrafts due within one year or on demand:		
Secured loans	**(1,897)**	(1,897)
Loan stock (unsecured)	**(722)**	(698)
Financial liabilities - borrowings	**(2,619)**	(2,595)
Net obligations under finance leases:		
Non-property leases	**(2,450)**	(2,658)
Property leases	**(1,949)**	(1,104)
	(4,399)	(3,762)
Total current net cash and lease liabilities	**31,271**	24,698

Non-current		
Bank loans: Secured	**(2,846)**	(4,743)
Financial liabilities - borrowings	**(2,846)**	(4,743)
Net obligations under leases:		
Non-property leases	**(3,179)**	(2,049)
Property leases	**(8,080)**	(7,164)
	(11,259)	(9,213)
Total non-current net debt and lease liabilities	**(14,105)**	(13,956)
Total net cash and lease liabilities	**17,166**	10,742

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 £2,771,000 (2023: £1,500,000) 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 (2023: Aa3). £690,000 of the cash and cash equivalent balances are denominated in foreign currencies, EUR (53%) and USD (47%) (2023: £1,820,000, in EUR (98%) and USD (2%)). 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 £4,743,000 (2023: £6,640,000) 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 5.0% (2023: 3.7%) per annum is payable to the holders.

10. CASH GENERATED FROM OPERATIONS

	2024 £000	2023 £000
Profits for the year from operations	**2,789**	6,927
Adjustments for:		
Tax	**1,308**	1,776
Depreciation of tangible fixed assets	**2,276**	2,312
Amortisation of right-of-use assets	**3,825**	4,189
Amortisation of other intangible fixed assets	**234**	210
(Profit) on disposal of property, plant and equipment	**(236)**	(121)
Loss on disposal of right-of-use asset	**-**	2
ESOP trust revaluation	**-**	(31)
Loss on disposal on joint venture	**23**	-
Impairment of fixed asset	**819**	-
Interest on lease liabilities	**1,004**	464
Net Interest expense	**71**	294
Share of post-tax results of joint ventures	**(574)**	(673)
Share-based payments	**309**	258
Derivative held at fair value	**347**	809
Hedge ineffectiveness	**77**	(50)
Government grant	**(2)**	(2)
Net movement in provisions	**1,199**	(345)
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):		
Decrease in inventories	**12,128**	16,592
Decrease in trade and other receivables	**10,363**	16,360
(Decrease) in payables	**(15,199)**	(28,700)
Cash generated from operations	**20,761**	20,271

11. RESTATEMENT OF PRIOR YEAR

Change in accounting policy
The Group changed its accounting policy for share-based payments such that the value of shares that have exercised, lapsed or forfeit is now credited to Retained earnings as opposed to remaining within the Share-based payment reserve. The change in accounting policy had no impact upon the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Cash Flows, net assets of the Group, or the Group distributable reserves. The change in accounting policy enables the readers of the financial statements to identify the cumulative value of share-based payments that are still to be exercised, lapse or forfeit. The impact of the change in accounting policy is detailed in the Group Statement of Changes in Equity. There is no change to basic and diluted earnings per share arising from the change in accounting policy

The impact on the condensed consolidated balance sheets at 31 October 2023 and 31 October 2022 is as follows:

	2023 (as reported) £'000	Change in accounting policy £'000	Correction of error £'000	2023 (as restated) £'000
Share based payment reserve	-	1,287	-	1,287
Cash flow hedge reserve	-	103	-	103
Other reserves	4,080	(2,564)	-	1,516

Other reserves	4,080	(2,564)	-	1,516
Retained earnings	81,930	1,174	-	83,104
Total equity	135,230	-	-	135,230

	2022 (as reported) £'000	Change in accounting policy £'000	Correction of error £'000	2022 (as restated) £'000
Share based payment reserve	-	1,261	-	1,261
Cash flow hedge reserve	-	137	-	137
Other reserves	4,267	(2,526)	-	1,741
Retained earnings	78,719	1,128	-	79,847
Total equity	130,701	-	-	130,701

12. RESPONSIBILTY STATEMENT

The Directors below confirm to the best of their knowledge:

The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

The management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

S J Ellwood
S D Esom
G W Davies
A Brand
R J Thomas
H J Richards
C A Bradshaw

13. CONTENT OF THIS REPORT

The information in this announcement has been extracted from the audited statutory financial statements for the year ended 31 October 2024 and as such, does not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006 as it does not contain all the information required to be disclosed in the financial statements prepared in accordance with UK-adopted International Accounting Standards.

Statutory accounts for 2023 have been delivered to the Registrar of Companies. The auditor, Crowe U.K. LLP, has reported on the 2023 accounts; the report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The statutory accounts for 2024 will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor, Crowe U.K. LLP, has reported on these accounts; their report is unqualified, does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and; does not include a statement under either section 498(2) or (3) of the Companies Act 2006.

The Annual Report and full Financial Statements will be available to shareholders during February 2025. Further copies will be available to the public, free of charge, from the Company's Registered Office at Eagle House, Llansantffraid, Powys, SY22 6AQ or on the Company's website at www.wynnstay.co.uk.

14. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Thursday, 27 March 2025 at 11.45am in the Holiday Inn Telford - Ironbridge, an IHG Hotel (Telford International Centre, St. Quentin Gate, Telford, England, TF3 4EH). Further details will be published on the Company's website www.wynnstayplc.co.uk.