AIM: WYN
18 June 2014

WYNNSTAY

WYNNSTAY GROUP PLC
("Wynnstay" or "the Group")

Half Year Results
For the six months to 30 April 2014

Key Points

- Robust trading performance in conditions markedly different to prior H1, a record half year
- Revenue up 3% to £222.49m (2013: £216.09m)
  - including £9.0m contribution from Carmarthen & Pumsaint Farmers business ("CPF")
- PBT reduced by 10% to £4.70m (2013: £5.21m)
  - no contribution from CPF in H1 as expected
- EPS decreased by 18% to 19.41p (2013: 23.60p), reflecting additional shares in issue
- Net debt significantly reduced at £10.86m, a decrease of 29% (2013: £15.36m)
- Net assets up 24% to £74.54m (2013: £60.16m)
- Increased interim dividend of 3.40p, a rise of 9.7% (2013: 3.10p, a rise of 8.8%)
  - in line with policy to increase payout while maintaining a prudent dividend cover ratio
- Agricultural Division – revenues of £171.50m, operating profit of £2.35m:
  - unusually mild weather impacted normal seasonal demand
- Specialist Retail Division – revenues of £50.81m, operating profit of £2.58m:
  - reduced demand for weather-related products, particularly bagged feed, in country stores off-set by a strong performance from Just for Pets
- Integration of CPF well underway – will contribute to Group profitability in H2 and beyond
  - H1 revenue contribution to both Divisions
- Prospects for the balance of the year are encouraging with a good harvest expected

Chief Executive, Ken Greetham, commented,

"Wynnstay generated robust results with revenues at £222.49m and pre-tax profit at £4.70m. While pre-tax profit is 10% behind last year's record level, this year's results were achieved in trading conditions which differed markedly to the prior year and continue to demonstrate the strength of Wynnstay's broad spread of activities.

The variation between the two first halves largely reflected the weather conditions, which in both periods was atypical for the season. The unusually mild weather in the first half gave rise to a different demand pattern across our products and market segments against the same period last year. The unit margin picture across our agricultural supplies also varied against last year, with lower comparisons seen in raw materials, manufactured fertiliser and wholesale seed. Nonetheless, Wynnstay's performance within agricultural products was robust and encouraging given the market conditions.

Wynnstay remains well-placed for continued development and its broad base of activities provides firm foundations for growth. Current trading is in line with management budgets and, with a good harvest expected, the Board remains confident of prospects for the remainder of the financial year and beyond."

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CHAIRMAN'S STATEMENT

INTRODUCTION

Wynnstay delivered a robust trading performance with revenues at £222.49m (2013: £216.09m) and pre-tax profit at £4.70m (2013: £5.21m) for the six months to 30 April 2014. While pre-tax profit is 10% behind last year's record level, this year's results were achieved in trading conditions which differed markedly to the prior year and continue to demonstrate the strength of Wynnstay's broad spread of activities.

Current trading remains in line with management expectations and prospects for the balance of the financial year are encouraging, with a good harvest expected. This will benefit our arable activities. Looking towards the year end and beyond, we are therefore encouraged that the Group remains well positioned.

A more detailed review of our activities is provided below but the variation between the first halves of 2014 and 2013 largely reflected the weather conditions, which in both periods was atypical for the season. The unusually mild weather in the first half gave rise to a different demand pattern across our products and market segments against the same period last year. The unit margin picture across our agricultural supplies also varied against last year, with lower comparisons seen in raw materials, manufactured fertiliser and wholesale seed. Nonetheless, Wynnstay's performance within agricultural products was robust and encouraging given the market conditions.

Within our specialist retailing activities, the unseasonably mild weather drove a change in the sales mix and performance across Wynnstay Stores, with the reduction in the normal levels of feed sales contrasting against the exceptionally high demand in the same period last year. Our pet products chain, Just for Pets, increased like-for-like sales and the current performance is encouraging.

The Carmathen & Pumsaint Farmers ("CPF") business we acquired on 1 October 2013 is now well into the integration process. It added approximately £9.0m to Group revenues in the period, contributing to both the Agricultural and Retail Divisions. In line with our expectations at the time of its acquisition, CPF made no contribution to Group profitability in the first half. However, it will contribute to Group profitability in the second half of the financial year and beyond.

FINANCIAL RESULTS

Revenue for the six months to 30 April 2014 increased by 3% to £222.49m (2013: £216.09m), with the rise reflecting the CPF acquisition which contributed some £9.0 million in the period (2013: nil). Excluding CPF's contribution, sales were 1% down against the prior year. This generally reflected the reduced demand for certain weather-related products which affected both Divisions. Sales at our Agricultural Supplies Division of £171.50m (2013: £172.29m), showed a slight decrease of 0.5%, with higher fertiliser volumes (benefiting from the early spring weather) partially off-setting reduced manufactured feed volumes. Our Specialist Retail operations generated sales of £50.81m (2013: £43.76m), with the major part of the increase reflecting the incorporation of the CPF stores into this Division.

Group operating profit was 11% lower at £4.86m (2013: £5.48m). Our Agricultural Supplies Division saw operating profits reduce by 24% to £2.35m (2013: £3.11m), with the main adverse effects of the mild winter impacting raw material trading margins and seed related activity, particularly when compared against the record achievements in these operations in 2013. Operating profit at our Specialist Retail operations was similar to the prior year at £2.58m (2013: £2.59m), with the reduction in income from weather-related products, particularly bagged feed, in the country stores off-set by a strong performance from the Just for Pets business. The CPF acquisition contribution to the Group during the period was effectively neutral, however the integration benefits of improved margins and cost reductions will become evident in the second half and beyond.

Net finance costs reduced by 43% to £0.16m (2013: £0.28m), as a result of lower average net debt levels throughout the period, which have been assisted by the beneficial working capital implications of reduced feed volumes. Net debt at the period end decreased by 29% year-on-year to £10.86m (2013: £15.36m).

Profit before tax was £4.70m (2013: £5.21m), a 10% decrease on 2013. Reflecting the additional shares in issue following the fund raising last September to support the CPF acquisition, earnings per share were 18% lower at 19.41p (2013: 23.60p).

Net assets at 30 April 2014 were 24% higher at £74.54m (2013: £60.16m), which represents approximately £3.94 per share (2013: £3.60 per share), based on the weighted average number of shares in issue during the period of 18.91m.

DIVIDEND

The Board is pleased to declare an increased interim dividend of 3.4p per share (2013: 3.1p). This represents a 9.7% rise (2013: 8.8%) and is in line with our policy to gradually increase the payout ratio while still maintaining a prudent level of cover. The interim dividend will be paid on 31 October 2014 to shareholders on the register at the close of business on 26 September 2014. As in previous years, a Scrip Dividend alternative will also be available, with the last day for election for this scheme being 15 October 2014.

REVIEW OF OPERATIONS

AGRICULTURE

Over the past two years returns for arable and livestock farmers have been challenged by the weather. Generally the adverse weather has resulted in poor UK harvests, reducing returns for arable enterprises, and, until recently, in increased use of manufactured feeds for livestock farmers. Wynnstay's operations have felt the effects but the Group's broad spread of activities provides a natural hedge, smoothing the overall impact across the year. We anticipate that in the second half our arable activities will benefit from the return to more normalised conditions, with a good harvest expected this year.

Feed Products
Demand for ruminant feed was lower than the record level experienced in the comparable period in the prior year. This was principally due to the favourable weather, which also shortened the housing period for livestock. The high costs of servicing customers during the adverse weather of 2013 however were avoided this year, preserving margins, and our feed activities remain on budget for a good performance for the full year.

Glasson Grain
Glasson benefited from increased demand for feed raw materials, with the poor harvest in 2013 reducing the availability of grain. However, margins were reduced because of the relatively stable market and the contribution from this activity was lower than last year. Glasson has established a strong reputation for the supply of specialist feed products and we continue to focus on developing this market. Fertiliser sales at both our Glasson facility and our FertLink joint venture were strong but the manufacturing side suffered margin pressure, reflecting competitive conditions. Our fertiliser operations are well placed for continued growth in the market.

Arable Products
Sales of arable products reflected the market conditions experienced in the autumn of 2013. High levels of autumn cereal planting combined with early spring conditions benefited the agro chemical and fertiliser market. Demand for cereal and herbage seed was good although below last year's exceptional levels. However, there was some pressure on margins in our wholesale seed operations. Grain volumes were once again reduced, reflecting a second poor harvest. However, more encouragingly, current agronomic conditions point to a significant harvest this summer.

SPECIALIST RETAIL

Wynnstay Stores
The acquisition of the CPF business, on 1 October 2013, has extended our presence in South Wales with the addition of seven stores. Their integration within our existing operations has been a key focus and we expect the second half of the financial year to show some of the benefits, with the full benefits coming through in 2015.

Like-for-like sales across our Wynnstay Stores were 0.7% below the same period last year, which had set a new record as a result of the extreme weather experienced in that season. However the mix of product sales between the two periods differed, affecting margins. In particular the mild weather significantly reduced feed demand in contrast to the exceptional demand in the prior year. We anticipate more normalised trading conditions for the rest of the year and the current performance is line with budgets.

Just for Pets
Just for Pets performed well in the first half. Like-for-like sales increased by 3.2% reflecting ongoing marketing initiatives throughout the chain. In April, we took the opportunity to transfer the business of our store at Acocks Green to the larger store at Yardley which offers a more comprehensive range of products, and we are pleased with the results. Just for Pets' current performance is encouraging and we continue to investigate opportunities for new stores.

JOINT VENTURES

The performance of our joint venture and associate activities are in line with budgets and, as in past years, their results will be consolidated into the Group's full year results and are not included in this report.

BOARD CHANGES

As previously announced, Jeff Kendrick, Non-executive Director retired from the Board at the AGM in March. We are indebted to him for his contribution to Wynnstay over some 26 years and wish him well in his retirement.

We are currently in the final stages of recruiting an additional Non-executive director to the Board and accordingly expect to make an announcement in due course.

OUTLOOK

Following two successive years of unusual weather patterns, which have had a significant effect on all aspects of agriculture, the UK industry appears to be returning to more normalised levels of production.

Price volatility for agricultural outputs will remain, influenced by world markets, and we expect pricing pressure from end users of agricultural products to continue. In addition, the requirement for the agricultural industry to become more efficient remains an ongoing trend. Nonetheless, the long term outlook for UK agriculture continues to read very positively, supported by increasing world food demand as well as domestic factors including targets for greater self-sufficiency in foods.

Wynnstay remains well-placed for continued development and its broad base of activities provides firm foundations for growth. Current trading is in line with management budgets and, with a good harvest expected, the Board remains confident of prospects for the remainder of the financial year and beyond.

Jim McCarthy
Chairman

WYNNSTAY GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 April 2014

	Note	**Unaudited six months ended 30 April 2014**	Unaudited six months ended 30 April 2013	Audited year ended 31 October 2013
		£'000	*£'000*	*£'000*
Revenue		**222,492**	216,090	413,356
Cost of sales		**(195,399)**	(190,104)	(363,728)
Gross Profit		**27,093**	25,986	49,628
Manufacturing, distribution and selling costs		**(19,812)**	(17,969)	(36,804)
Administrative expenses		**(2,671)**	(2,528)	(4,319)
Other operating income	10	**281**	99	257
Group Operating Profit Before Goodwill Impairment, Share-Based Payment Costs and Exceptional items		**4,891**	5,588	8,762
Goodwill impairment and share-based payments		**(28)**	(103)	(182)
Exceptional Item		**-**	-	(350)
Group Operating Profit		**4,863**	5,485	8,230
Interest income		**26**	38	46
Interest expense		**(188)**	(313)	(524)
Share of profits in associate and joint ventures	2	**-**	-	362
Share of tax incurred in associate and joint ventures		**-**	-	(93)
Profit Before Taxation		**4,701**	5,210	8,021
Taxation	4	**(1,030)**	(1,259)	(1,850)
Profit For The Period		**3,671**	3,951	6,171
Earnings per 25p share	5	**19.41p**	23.60p	36.43p
Diluted earnings per 25p share	5	**19.17p**	22.86p	35.25p

WYNNSTAY GROUP PLC
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 April 2014

	Note	**Unaudited as at 30 April 2014 £'000**	Unaudited as at 30 April 2013 £'000	Audited as at 31 October 2013 £'000
Assets				
Non-current assets				
Goodwill		**17,014**	16,114	17,014
Property, plant and equipment		**17,546**	17,554	17,861
Investments		**3,365**	3,205	3,365
Intangibles		**95**	-	99
		38,020	36,873	38,339
Current assets				
Inventories		**37,338**	32,132	30,602
Trade and other receivables		**66,804**	64,941	51,271
Held for sale assets	6	**2,372**	2,184	2,287
Financial assets - loans to joint ventures		**2,967**	3,097	3,067
Cash and cash equivalents	11	**2,860**	2,137	6,636
		112,341	104,491	93,863
Total Assets		**150,361**	141,364	132,202
Liabilities				
Current Liabilities				
Financial liabilities - borrowings		**(10,390)**	(13,919)	(4,855)
Trade and other payables		**(60,736)**	(61,261)	(49,338)
Current tax liabilities		**(1,113)**	(1,668)	(1,221)
		(72,239)	(76,848)	(55,414)
Net Current Assets		**40,102**	27,643	38,449
Non-Current Liabilities				
Financial liabilities - borrowings		**(3,332)**	(3,575)	(4,269)
Trade and other payables		**-**	(458)	(711)
Deferred tax liabilities		**(254)**	(319)	(259)
		(3,586)	(4,352)	(5,239)
Total Liabilities		**(75,825)**	(81,200)	(60,653)
Net Assets		**74,536**	60,164	71,549
Equity				
Ordinary shares	7	**4,761**	4,199	4,713
Share premium		**27,407**	17,894	26,986
Other reserves		**2,721**	2,618	2,697
Retained earnings		**39,647**	35,453	37,153
Total equity		**74,536**	60,164	71,549

WYNNSTAY GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended 30 April 2014

	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2012		4,186	17,677	2,515	32,448	56,826
Profit for the period		-	-	-	3,951	3,951
Total comprehensive income for the period		-	-	-	3,951	3,951
Transactions with owners of the company, recognised directly in equity						
Shares issued during the period		13	217	-	-	230
Dividends		-	-	-	(946)	(946)
Equity settled share-based payments transactions		-	-	103	-	103
Total contributions by and distributions to owners of the Group		13	217	103	(946)	(613)
At 30 April 2013		4,199	17,894	2,618	35,453	60,164
Profit for the period		-	-	-	2,220	2,220
Total comprehensive income for the period		-	-	-	2,220	2,220
Transactions with owners of the company, recognised directly in equity						
Shares issued during the period		514	9,092	-	-	9,606
Dividends		-	-	-	(520)	(520)
Equity settled share-based payments transactions		-	-	79	-	79
Total contributions by and distributions to owners of the Group		514	9,092	79	(520)	9,165
At 31 October 2013		4,713	26,986	2,697	37,153	71,549
Profit for the period		**-**	**-**	**-**	**3,671**	**3,671**
Total comprehensive income for the period		**-**	**-**	**-**	**3,671**	**3,671**
Transactions with owners of the company, recognised directly in equity						
Shares issued during the period	**7**	**48**	**421**	**-**	**-**	**469**
Dividends	**8**	**-**	**-**		**(1,177)**	**(1,177)**
Equity settled share-based payments	**12**	**-**	**-**	**24**	**-**	**24**
Total contributions by and distributions to owners of the Group		**48**	**421**	**24**	**(1,177)**	**(684)**
At 30 April 2014		**4,761**	**27,407**	**2,721**	**39,647**	**74,536**

WYNNSTAY GROUP PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 April 2014

	Note	**Unaudited six months ended 30 April 2014**	Unaudited six months ended 30 April 2013	Audited year ended 31 October 2013
		£'000	*£'000*	*£'000*
Cash flow from operating activities				
Cash (used in) / generated from operations	12	**(5,384)**	1,778	12,956
Interest received		**26**	38	46
Interest paid		**(188)**	(313)	(524)
Tax paid		**(1,143)**	(938)	(2,036)
Net cash flows from operating activities		**(6,689)**	565	10,442
Cash flows from investing activities				
Acquisition (net of cash acquired)		**-**	(408)	(5,254)
Utilisation of cash acquired on acquisition		**-**	-	47
Proceeds on sale of property, plant and equipment		**81**	17	729
Purchase of property, plant and equipment	12	**(713)**	(588)	(1,878)
Proceeds on sale of investment		**-**	-	150
Investment in held for sale assets		**(85)**	(27)	(130)
Purchase of investments		**-**	-	(40)
Net cash used by investing activities		**(717)**	(1,006)	(6,376)
Cash flows from financing activities				
Net proceeds from the issue of ordinary share capital		**469**	230	9,836
Net proceeds from drawdown of new loans		**272**	896	896
Finance lease principal repayments		**(399)**	(382)	(830)
Repayments of borrowings		**(1,056)**	(801)	(1,708)
Dividends paid to shareholders		**(1,177)**	(946)	(1,466)
Net cash generated from financing activities		**(1,891)**	(1,003)	6,728
Net (decrease)/increase in cash and cash equivalents		**(9,297)**	(1,444)	10,794
Cash and cash equivalents at beginning of period		**5,117**	(5,677)	(5,677)
Cash and cash equivalents at end of period	11	**(4,180)**	(7,121)	5,117

WYNNSTAY GROUP PLC
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Interim Report was approved by the Board of Directors on 17 June 2014.

The condensed financial statements for the six months to the 30 April 2014 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting except as disclosed in note 2.

The financial information for the Group for the year ended 31 October 2013 set out above is an extract from the published financial statements for that year which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was not qualified and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006. The information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the six months ended 30 April 2014 and for the six months ended 30 April 2013 is unaudited.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for year ended 31 October 2013, which have been prepared in accordance with IFRS as adopted by the EU.

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

2. Consolidation of share of results in joint ventures and associate

As the Group has a policy of using audited accounts for the consolidation of its share of the results of joint venture and associate activities, no such consolidation has occurred during the six months to 30 April 2013. Although this is not in accordance with IFRS the impact on the financial statements is not material.
Relevant results will be accounted for during the second half of the financial year.

3. Significant accounting policies

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

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparing of the Group's financial statements for the year ended 31 October 2013. A copy of these financial statements is available from the Company's Registered Office at Eagle House, Llansantffraid, Powys SY22 6AQ.

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

International Financial Reporting Standards ("IFRS")	**Effective for accounting periods commencing on or after**
Transition guidance : Amendments to IFRS 10, IFRS 11 and IFRS 12 EU	1 January 2014
IFRS 10: 'Consolidated financial statements'	1 January 2014
IFRS 11: 'Joint arrangements'	1 January 2014
IFRS 12: 'Disclosure of interests in Other Entities'	1 January 2014
	1 January 2013

Amendments to existing standards

Certain elements of Annual improvements to IFRSs 2009-2011	1 January 2014
IAS 27 (revised 2011): 'Separate financial statements'	1 January 2014
IAS 28 (revised 2011): 'Associates and joint ventures'	1 January 2014

The accounting policies applied by the group in these condensed consolidated interim statements are substantially the same as those applied by the group in its consolidated financial statements for the 12 months ending 31 October 2013. There have been a number of minor changes to standards which became applicable for the year ended 31 October 2014, none of which have been assessed as having a significant impact on the group.

4. Taxation

The tax charge for the six months ended 30 April 2014 and 30 April 2013 is based on an apportionment of the estimated tax charge for the full year.

The effective tax rate is 21.91% which is higher than the standard rate of 21% (2013: 23%). Taxable profit differs from the profit as reported in the Group Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Chancellor has announced a reduction in the main rate of UK corporation tax to 20% effective from 1 April 2015 enacted on 2 July 2013. This will reduce the Groups future current tax charge accordingly. The deferred tax liability has been calculated based on a rate of 20% substantively enacted at the balance sheet date.

5. Earnings per share

Earnings per share have been calculated based on the profit attributable to ordinary shareholders of £3,671,086 (six months ended 30 April 2013: profit of £3,951,209) and the weighted average number of shares in issue of 18,909,774 (2013: 16,742,311). Diluted earnings per share are based on the aggregate weighted average number of shares and all potential shares adjusted for their proposed issue price, of 19,148,773 (2013: 17,282,184).

6. Held for sale assets

Held for sale assets relates to a freehold property that has been redeveloped and is being marketed for sale.

7. Share capital

During the current period a total of 192,505 (2013: 50,627) shares were issued with an aggregate nominal value of £48,127 (2013: £12,657) fully paid up for equivalent cash of £468,876 (2013: £230,353). Included in these issues were 40,423 (2013: 50,627) shares allotted to shareholders exercising their rights to receive dividends under the Company's scrip dividend scheme and 152,082 shares (2013: Nil) allotted to relevant holders exercising options in the Company. No other shares (2013: nil) were allocated during the period. As at 30 April 2014 a total of 19,042,672 shares are in issue (2013: 16,792,658).

8. Dividends

During the period ended 30 April 2014 an amount of £1,177,373 (2013: £945,928) was charged to reserves in respect of equity dividends paid. An interim dividend of 3.40p per share (2011: 3.10p) will be paid on 31 October 2014 to shareholders on the register on 26 September 2014. New elections to receive Scrip Dividends should be made in writing to the Company's Registrars before 15 October 2014.

9. 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 access their performance.

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

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

Agriculture - Manufacturing and supply of animal feeds, fertiliser, seeds and associated agricultural products

Specialist Retail - Supplies of a wide range of specialist products to farmers, smallholders and pet owners

Other - Miscellaneous operations not classified as agriculture or specialist retail

The Board assesses the performance of the operating segments based on a measure of operating profit. Finance income and costs are not included in the segmental result that is assessed by the Board.

Other information provided to the Board is measured in a manner consistent with that in the financial statements. Inter-segmental transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

The Board has assessed the movement in net assets within each operating segment and notes that there has been no material differences compared to the previous year.

The segment results for the period ended 30 April 2014 are as follows:

	Agriculture	Specialist Retail	Other	Total
	£'000s	*£'000s*	*£'000s*	*£'000s*
Unaudited for the six months ended 30 April 2014:				
Revenue	**171,503**	**50,809**	**180**	**222,492**
Segment result	2,352	2,584	(73)	4,863
Share of result of associate & joint ventures	-	-	-	-
	2,352	**2,584**	**(73)**	**4,863**
Interest income				26
Interest expense				(188)
Profit before tax				**4,701**
Taxation				(1,030)
Profit for the period attributable to shareholders				**3,671**
Unaudited for the six months ended 30 April 2013 :				
Revenue	172,285	43,762	43	216,090
Segment result	3,111	2,594	(220)	5,485
Share of result of associate & joint ventures	-	-	-	-
	3,111	2,594	(220)	5,485
Interest income				38
Interest expense				(313)
Profit before tax				5,210
Taxation				(1,259)
Profit for the period attributable to shareholders				3,951
Audited for the year ended 31 October 2013 :				
Revenue	322,995	90,191	170	413,356
Segment result	4,542	4,427	(389)	8,580
Share of result of associate & joint ventures	359	-	3	362
	4,901	4,427	(386)	8,942
Exceptional item				(350)
Interest income				46
Interest expense				(524)
Profit before tax				8,114
Taxation				(1,943)
Profit for the year attributable to shareholders				6,171

10. Other operating income

	Unaudited as at 30 April 2014	Unaudited as at 30 April 2013	Audited as at 31 October 2013
	£'000s	*£'000s*	*£'000s*
Rental income	**145**	99	257
Profit / gain on sale of lease	**136**	-	-
Other operating income	**281**	99	257

11. Cash and cash equivalents and bank overdrafts

	Unaudited as at 30 April 2014	Unaudited as at 30 April 2013	Audited as at 31 October 2013
	£'000s	*£'000s*	*£'000s*
Cash and cash equivalents per balance sheet	**2,860**	2,137	6,636
Bank overdrafts	**(7,040)**	(9,258)	(1,519)
Cash and cash equivalents per cash flow statement	**(4,180)**	(7,121)	5,117

12. Cash generated (used in)/generated from operations

	Unaudited six months ended 30 April 2014	Unaudited six months ended 30 April 2013	Audited year ended 31 October 2013
	£'000s	*£'000s*	*£'000s*
Profit for the period	**3,671**	3,951	6,171
Adjustments for:			
Taxation	**1,030**	1,259	1,850
Depreciation of tangible fixed assets	**1,270**	1,208	2,522
Amortisation of intangibles	**4**	-	-
(Profit) on disposal of property, plant and equipment	**(64)**	-	(131)
Interest income	**(26)**	(38)	(46)
Interest income	**188**	313	524
Share of results of joint ventures and associate	**-**	-	(269)
Share based payment expenses	**24**	103	182
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)			
Decrease in short term loan to joint ventures	**100**	155	185
(Increase) in inventories	**(6,736)**	(4,720)	(1,000)
(Increase) in trade and other receivables	**(15,533)**	(17,696)	(1,600)
Increase in payables	**10,688**	17,243	4,568
Cash (used in)/ generated from operations	**(5,384)**	1,778	12,956

During the six months to 30 April 2014, the Group purchased property, plant and equipment of £973,000 (2013: £1,002,000) of which £260,000 (2013: £414,000) relates to assets acquired under finance leases.

13. Other reserves

Included in Other reserves are share-based payments: the group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

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

14. Group financial commitments

As at 30 April 2014, the Group's contingent liabilities in respect of bank guarantees for one of its joint ventures amount to £125,000 (2011: £125,000).

15. Capital commitments

As at the 30 April 2014 the Group had capital commitments as follows:

	Unaudited as at 30 April 2014	Unaudited as at 30 April 2013	Audited as at 31 October 2013
	£'000s	*£'000s*	*£'000s*
Contracts placed for future capital expenditure not provided in the financial statements	**1,007**	315	95

16. Related parties

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

	Transaction value			**Balance outstanding**		
	Unaudited Six months ended 30 April 2014	Unaudited Six months ended 30 April 2013	Audited Year ended 31 October 2013	**Unaudited As at 30 April 2014**	Unaudited As at 30 April 2013	Audited As at 31 October 2013
	£'000s	*£'000s*	*£'000s*	*£'000s*	*£'000s*	*£'000s*
Sales of goods to Joint ventures and associate	**11,772**	9,843	13,774	**4,459**	2,344	2,219
Purchases of goods from Joint ventures and associate	**8,114**	5,573	12,387	**7,452**	4,048	1,142
Interest receivable from Joint ventures and associate	**-**	-	72	**-**	-	-
Loans with joint ventures	**-**	-	-	**2,967**	3,097	3,067

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