

25 January 2017
AIM: WYN



Wynnstay Group plc
(“Wynnstay” or the “Group” or the “Company”)

Final Results
For the year ended 31 October 2016

Key points

- Satisfactory results in line with market expectations despite tough trading environment
- Group revenue of £368.14m (2015: £377.38m) – impacted by deflation
- Profit before tax of £7.29m (2015: £8.34m)
Underlying pre-tax profit* of £7.37m (2015: £9.05m)
- Earnings per share of 30.01p (2015: 34.66p)
- Net cash increased to £4.28m (2015: £2.14m), helped by strong cash generation
- Net assets increased to £86.95m (2015: £82.86m)
- Proposed final dividend of 8.00p – takes total for the year to 12.00p (11.10p), up 8.11%
- Agricultural Division – revenue of £249.74m; operating profit of £3.01m
 - affected by agri-sector downturn, especially dairy
 - ongoing investment in facilities to support efficiencies and growth
- Specialist Retail Division – revenue of £118.28m; operating profit of £4.54m
 - integration of Agricentre outlets (acquired October 2015) completed
 - geographic reach strengthened
- Trading environment showing signs of recovery with improving output prices for farmers
 - new financial year has started in line with management expectations

**Underlying pre-tax profit includes Group’s share of pre-tax profit from joint ventures and associate investments but excludes the exceptional item and share based payments. A reconciliation is shown in note 14.*

Ken Greetham, Chief Executive of Wynnstay, said:

“Our results are in line with market expectations and reflect the tough trading environment, which stemmed from an imbalance in world markets and has led to low output prices for farmers, most apparent in the dairy sector. Despite the backdrop, we continued to invest significantly across the Group to support efficiencies and future growth plans, and have further extended our trading reach in the South of England through our Wynnstay Store outlets.

Over recent months, there has been a recovery in output prices for farmers, mainly as a result of the devaluation of Sterling, and the new financial year has started in line with management expectations. We remain optimistic of further improvement and are focused on continuing to develop Wynnstay's market presence. The Group's breadth of products and balanced spread of activities remains key strengths."

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CHAIRMAN'S STATEMENT

OVERVIEW

Wynnstay has performed in line with market expectations delivering a result which, although lower than the previous year's, reflects, as anticipated, the adverse trading environment experienced across the wider agricultural industry. The breadth of the Group's activities, which includes arable, feeds and retail, traditionally provides an internal hedge against variable returns within the industry. However the downturn in UK agriculture has affected most sectors, mirroring world trends. Against this challenging backdrop, the underlying pre-tax profit* of £7.37m (2015: £9.05m) on revenues of £368.14m (£377.38m) is, in my view, creditable.

Within the Agricultural Division there was an overall reduction in contribution mainly reflecting margin pressure associated with the mix of products sold during the year. Feed demand reduced, reflecting national trends, but sales of straight feeds and arable products increased. Seed sales were at record levels and sales of fertiliser rose as some farmer customers placed orders ahead of price increases in the autumn. Grain volumes were slightly lower than the record of the previous year. The feed and arable aspects of the business are well placed for future growth as farmers begin to experience some recovery in output prices.

The Specialist Retail Division continues to develop. There are now 52 Wynnstay Stores and 25 Just for Pets outlets. The businesses acquired during the previous financial year have now been integrated and we have opened new stores during the year. Overall sales have increased, although, as expected given the challenging trading environment, like-for-like sales and profit contribution are behind the prior year's level. The retail aspect of the Group's operations is an important route to market for our own agricultural products along with those supplied by UK and international businesses, and also provides another important point of contact with our farmer customer base.

In line with the corporate plan, we continued to invest in the Group's infrastructure, expanding and modernising our bagged feed production facilities. Further investment is planned to support our ongoing development in the feed and arable sectors.

The agricultural trading environment is now demonstrating early signs of recovery, with a welcome improvement in farm output prices, mainly as a result of a weaker Sterling but also a rebalancing of some agricultural markets.

FINANCIAL RESULTS

Revenues for the year to 31 October 2016 at £368.14m (2015: £377.38m) were once again impacted by continuing deflation in many product categories for much of the period. Sales from the Agricultural Division contributed £249.74m (2015: £270.05m) to total revenue, reflecting average lower unit values for most feed, seed, grain and fertiliser products, together with the reduced demand for dairy-related items. Specialist Retail revenue contributed £118.28m (2015: £107.19m), with the increase being driven by a full year's contribution from acquisitions made towards the end of last year, particularly the Agricentre business.

Profit before taxation reduced by 12.59% to £7.29m (2015: £8.34m). Underlying pre-tax profit*, which includes results from joint ventures and associates but excludes share based payments and exceptional items, was £7.37m (2015: £9.05m), a decrease of 18.56% year-on-year. The Agricultural Division contributed £3.01m (2015: £4.13m), reflecting a reduction in compound and blended feed volumes, which was only partially offset by increased straight feeds as customers sought to cut

costs. Our Specialist Retailing activities also made a lower contribution of £4.54m (2015: £5.08m), mainly as a result of the costs associated with new store openings and integration, together with reduced demand for certain products. Other activities showed a reduced loss of £0.10m (2015: loss of £0.26m) which reflected the lower share based payment charge for the period.

Net finance costs decreased to £0.14m (2015: £0.24m), with average net debt reducing through the year. Basic earnings per share was 30.01p per share (2015: 34.66p).

Cash generation remained strong during the year, with an EBITDA performance of £10.17m (2015: £11.70m before exceptional items) and the net cash position at the year end stood at £4.28m (2015: £2.14m). Balance sheet net assets increased to £86.95m (2015: £82.86m) at the year end equating to £4.48 (2015: £4.31) per share.

DIVIDEND

The Board is pleased to propose the payment of a final dividend of 8.00p per share. This, together with the interim dividend of 4.00p per share, paid on 31 October 2016, takes the total dividend for the year to 12.00p, an increase of 8.11% on last year (2015: 11.10p).

The final dividend, which is subject to shareholder approval, will be paid on 28 April 2017 to shareholders on the register on 31 March 2017. A scrip dividend alternative will continue to be available as in previous years. The last date for election for the scrip dividend will be 18 April 2017.

THE BOARD

On 1 April 2016, we were pleased to welcome Steve Ellwood to the Board as a Non-executive Director. Steve has substantial experience in the agricultural and agri-food sector, having worked for twenty-five years at HSBC Bank's agricultural banking operations, including as Head of Agriculture for 10 years. He remains active in the sector both through significant industry initiatives and as a Non-executive Director of several agricultural companies.

COLLEAGUES

Our colleagues across the Group have once again worked with skill, energy and commitment over the year and, on behalf of the Board, I would like to acknowledge everyone's contribution. Wynnstay's achievements to date are built on clear strategy and successful teamwork.

OUTLOOK

The Group has performed well over recent years and, despite the challenges faced by the industry over the last twelve months, Wynnstay remains in a strong position to progress in the UK market.

While uncertainties for the industry remain, particularly as the UK Government negotiates the exit from the European Union, the Board remains confident of the opportunities that exist for UK agriculture as the world market for agricultural products becomes more balanced.

In recent months, there has been some recovery in output prices for farmers and there are early signs of increased demand for certain products, particularly in the livestock sector. Changing global dynamics and weaker sterling have triggered an increase in input prices and the industry is therefore likely to experience the return of inflation. Wynnstay is well placed with a robust balance sheet and strong cash flows. Our broad range of products and expanding route-to-market brings further

opportunity as we look forward. We continue to work on delivering our corporate plan and remain focused on meeting the requirements of our important customer base.

Jim McCarthy
Chairman

CHIEF EXECUTIVE REVIEW

INTRODUCTION

The Group's results are in line with market expectations and reflect the tough trading environment which has impacted UK farmers and our industry as a whole. These difficult conditions stem from an imbalance in world markets, which have led to low output prices for farmers. This has been most apparent in the livestock sector, particularly dairy and has led to a reduced demand for feed and associated products nationally.

While underlying pre-tax profit* at £7.37m is below last year's strong performance (2015: £9.05m), as we expected, we view this outcome as satisfactory given the market backdrop. Revenues at £368.14m (2015: £377.38m) mainly reflect the impact of deflation, with the reduction in demand for feed offset by higher volumes of other products.

During the course of the year, we completed the integration of the businesses we acquired in the previous year, which extended the Group's trading into the South of England. We also launched a new retail store next to Sedgemoor Livestock Market, one of the largest agricultural markets in the country, and opened three new Just for Pets outlets.

We are investing significantly across the Group and completed a major investment in new packaging facilities for bagged animal feed. This investment enables us to satisfy the growing requirement for bagged feed as we increase the number of Wynnstay stores. Further investment is now targeted across our arable and feed operations to support growth and efficiencies within the business.

The UK's decision to leave the EU brings a degree of uncertainty to the agricultural industry, however the macroeconomics of food demand are encouraging. Wynnstay is well positioned within the sector for ongoing development both organically and via acquisition.

REVIEW OF ACTIVITIES

Agricultural Division

The Agricultural Division provides a wide range of products for agricultural enterprises and offers a marketing facility for combinable crops. Traditionally, the breadth of our operations has provided a natural internal hedge against sector variations. However the downturn in farm output prices experienced over the last two years has been widely felt across most sectors. The downturn was especially evident in the dairy sector, with milk prices falling below the cost of production for most farmers. The resultant fall in demand for feed and associated products has been felt nationally and our feed activities were similarly affected. By contrast, despite low grain prices reducing crop farmers' income, our arable activities contributed an improved performance year-on-year.

The Agricultural Division's operating profit contribution for the year was £3.01m, (2015: £4.13m). Revenues reduced to £249.74m (2015: £270.05m), which reflected ongoing deflation (although this reversed in the autumn). We saw increased activity in traded materials and higher fertiliser volumes, with this increase offsetting the decrease in feed and grain volumes.

The strong link between the Agricultural Division and the Specialist Retail Division, with its network of Wynnstay Stores, creates an efficient and coordinated route to market for a broad range of products. Our ability to act as a "one-stop shop" to customers is an important aspect of our business and we aim to be the supplier of choice across our trading regions.

Feed Products

Demand for livestock feed was down year-on-year, mirroring national trends. As previously indicated, the reduced demand was particularly evident in the dairy sector, especially for blended feed, some of which was replaced by straight feeds. This reduction reflected a decision on the part of farmers to search for production efficiency and, for some, not to feed for marginal milk volume. The resultant reduction in UK milk yields was the catalyst for an upward movement in milk prices in the late summer. Feed demand over the winter period has improved and there are encouraging signs that demand will continue to strengthen.

Our strategy of working with specialists across all activities continues. We believe that the ability to provide detailed product advice to farmers will become increasingly important as farming enterprises look for efficiencies. Our dairy specialists are part of this initiative and work alongside both farm sales colleagues and Wynnstay Stores staff. We are also evolving our customer relationship management systems to support our wider initiatives with farmers.

Glasson

Our long established Glasson business has built a strong reputation for its commercial activities, which include the trading of raw materials, processing of specialist feed products and the supply of fertiliser both wholesale and direct-to-farm.

Glasson's contribution this year was lower than the prior year with margin pressure across all products and a reduction in fertiliser volumes which was also evident in the FertLink joint venture.

Arable Products

Our arable activities have continued to perform well despite the subdued market environment. Demand for all products was higher year-on-year, which was reflected in volumes. However, as we expected, there was also some pressure on margins. Sales of cereal and herbage seed have been buoyant and broken previous records. Demand for fertiliser was subdued at the beginning of the year although we were well placed to satisfy the spring market. An active buying spell in the autumn helped increase volumes for the year as a whole ahead of the previous year.

Grain volumes, which are marketed by our in-house business GrainLink, were strong in the first half, but the smaller 2016 harvest resulted in reduced activity in the second half on a like-for-like basis.

During the year, we started to combine the management of the Woodheads seed and grain business with the Wynnstay seed and GrainLink operations, and expect to complete this process over the coming months.

Specialist Retail Division

Wynnstay Stores, now at 52 country stores, forms the main part of the Specialist Retail Division, with Youngs Animal Feeds and our dedicated pet products chain, Just for Pets, complementing this activity.

The main features of the year were the integration of Agricentre and the opening of new pet stores, including a new concept store, 'Bessie and Boo'. Total revenues rose by 10% to £118.28m (2015: £107.19m) although contribution reduced by 10.6% to £4.54m (2015: £5.08m). This reflected margin pressure and opening costs within the new stores.

Wynnstay Stores

The Group's network of Wynnstay Stores has increased significantly over recent years and our outlets provide a wide range of products for farmers and country dwellers. We have now completed the integration of the Agricentre business, acquired in October 2015, and all the outlets have been rebranded "Wynnstay Agricentre". We expect the acquired stores to make a positive contribution to the Group's results during 2017. In August, we opened a new store next to the Sedgemoor Livestock Market, near Bridgwater. Sedgemoor is a strategically important trading area and complements the newly acquired Wynnstay Agricentre stores.

Total sales for the year increased by 12%, benefiting from the newly acquired business. However, like-for-like sales reduced, primarily reflecting lower fertiliser sales and a reduced volume of hardware and ancillary products in the dairy sector.

With 52 outlets, Wynnstay Stores provide an important platform for the continued development of our agricultural business as well as a key route to market for UK and international suppliers.

Just for Pets

Our chain, Just for Pets, now comprises 25 stores, having added three new stores during the financial year. We opened a new store in Nottingham in November 2015, followed by a new boutique store, 'Bessie and Boo', near Evesham in May, and, in July, we opened a Just for Pets outlet at Maypole near Birmingham. The contribution from the business is behind the previous year's level, reflecting the opening costs and maturity curve associated with new outlets as well as a small reduction in like-for-like sales.

Youngs Animal Feeds

Youngs Animal Feeds manufactures and distributes a range of equine products to specialist outlets across the centre of the UK. The business performed in line with expectations and we believe that there are further opportunities available to it as we continue to expand the Specialist Retail Division as a whole.

Joint Ventures and Associates

The Group has four joint venture businesses (Bibby Agriculture, Wyro Developments, FertLink and Total Angling) as well as two associate businesses (Wynnstay Fuels and Celtic Pride). These businesses extend the Group's activities and strengthen marketing channels for a number of products.

Staff

The dedicated commitment of our colleagues across the Group is key to the success of Wynnstay and I would like to take this opportunity to record my personal appreciation for the contribution of all staff during the year.

OUTLOOK

The broad spread and balanced nature of Wynnstay's activities remains a key strength and the business remains focused on deepening its relationship with customers through the provision of additional specialist products and services. This will be particularly important as the agricultural industry adapts to the changes resulting from the decision for the UK to leave the EU. Whilst it is too early to get a clear direction from the Government on future agricultural policy, the food and farming sectors are strategically important and make a significant contribution to the UK economy. The Group's breadth of products and its geographical coverage, combined with balance sheet strength, means that Wynnstay is well placed to continue to develop as a major supplier to a broad customer base.

In the short term there has been a recovery in output prices for farmers, mainly as a result of the recent devaluation of Sterling, and the new financial year has started in line with management expectations. I look forward to providing an update at Wynnstay's AGM on 21 March 2017, which will be held at a new venue, The Albrighton Hall Hotel and Spa in Shrewsbury.

Ken Greetham
Chief Executive

WYNNSTAY GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 October 2016

	Note	2016		2015	
		£000	£000	£000	£000
Revenue	2		368,143		377,382
Cost of sales			(310,750)		(321,874)
GROSS PROFIT			57,393		55,508
Manufacturing distribution and selling costs			(45,522)		(42,265)
Administrative expenses			(4,889)		(4,666)
Other income			454		476
GROUP OPERATING PROFIT BEFORE INTANGIBLE AMORTISATION, SHARE BASED PAYMENT COSTS AND EXCEPTIONAL ITEM			7,436		9,053
Intangible amortisation and share based payments			(78)		(344)
Exceptional item	4		-		(319)
GROUP OPERATING PROFIT	5		7,358		8,390
Interest income	3	69		50	
Interest expense	3	(209)	(140)	(290)	(240)
Share of profits in associate and joint ventures accounted for using the equity method			93	245	
Share of tax incurred by associate and joint ventures	6	(26)	67	(58)	187
PROFIT BEFORE TAXATION			7,285		8,337
Taxation	7		(1,456)		(1,667)
PROFIT FOR THE YEAR			5,829		6,670
Earnings per 25p share	9		30.01p		34.66p
Diluted earnings per 25p share	9		29.81p		34.27p

All of the above are derived from continuing operations.

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

WYNNSTAY GROUP PLC

CONSOLIDATED BALANCE SHEET

As at 31 October 2016

	Note	2016 £000	2015 £000
ASSETS			
NON-CURRENT ASSETS			
Goodwill		18,147	18,155
Investment property		2,372	2,372
Property, plant and equipment		20,535	19,424
Investments accounted for using equity method		3,457	3,680
Intangibles		109	124
		44,620	43,755
CURRENT ASSETS			
Inventories		31,344	31,694
Trade and other receivables		50,316	48,607
Financial assets			
- loan to joint venture		2,786	2,802
Cash and cash equivalents	10	10,111	9,750
		94,557	92,853
TOTAL ASSETS		139,177	136,608
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities – borrowings	11	(2,626)	(3,643)
Trade and other payables		(44,750)	(44,739)
Current tax liabilities		(905)	(861)
		(48,281)	(49,243)
NET CURRENT ASSETS		46,276	43,610
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings	11	(3,202)	(3,972)
Trade and other payables		(388)	(246)
Deferred tax liabilities		(358)	(292)
		(3,948)	(4,510)
TOTAL LIABILITIES		(52,229)	(53,753)
NET ASSETS		86,948	82,855
EQUITY			
Share capital	12	4,874	4,848
Share premium		28,848	28,439
Other reserves		2,933	2,890
Retained earnings		50,293	46,678
TOTAL EQUITY		86,948	82,855

WYNNSTAY GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 October 2016

Group	Share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
At 1 November 2014	4,777	27,633	2,796	42,025	77,231
Profit for the year	-	-	-	6,670	6,670
Total comprehensive income for the year	-	-	-	6,670	6,670
Transactions with owners of the Company recognised directly in equity :					
Shares issued during the year	71	806	-	-	877
Own shares acquired by ESOP trust	-	-	(380)	-	(380)
Own share disposed of by ESOP trust	-	-	140	-	140
Dividends	-	-	-	(2,017)	(2,017)
Equity settled share- based payment transactions	-	-	334	-	334
Total contributions by and distributions to owners of the Company	71	806	94	(2,017)	(1,046)
At 31 October 2015	4,848	28,439	2,890	46,678	82,855
Profit for the year	-	-	-	5,829	5,829
Total comprehensive income for the year	-	-	-	5,829	5,829
Transactions with owners of the Company recognised directly in equity:					
Shares issued during the year	26	409	-	-	435
Own shares acquired by ESOP trust	-	-	(20)	-	(20)
Dividends	-	-	-	(2,214)	(2,214)
Equity settled share based payment transactions	-	-	63	-	63
Total contributions by and distributions to owners of the Company	26	409	43	(2,214)	(1,736)
At 31 October 2016	4,874	28,848	2,933	50,293	86,948

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

WYNNSTAY GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Cash generated from operations	13	8,897	8,609
Interest received		69	50
Interest paid		(209)	(290)
Tax paid		(1,346)	(1,519)
Net cash flows from operating activities		7,411	6,850
Cash flows from investing activities			
Acquisition in the year		-	(3,287)
Proceeds from sale of property, plant and equipment		224	313
Purchase of property, plant and equipment		(2,748)	(1,836)
Proceeds on sale of investments		290	150
Purchase of intangibles		(3)	-
Own shares acquired by ESOP trust		(20)	(380)
Own shares disposed of by ESOP trust		-	140
Net cash flows used by investing activities		(2,257)	(4,900)
Cash flows from financing activities			
Net proceeds from the issue of ordinary share capital		435	877
Net proceeds from drawdown of new loans		-	3,500
Finance lease principal repayments		(849)	(985)
Repayment of borrowings		(2,162)	(1,967)
Dividends paid to shareholders		(2,214)	(2,017)
Net cash flows generated from financing activities		(4,790)	(592)
Net increase in cash and cash equivalents		364	1,358
Cash and cash equivalents at the beginning of the period		9,747	8,389
Cash and cash equivalents at the end of the period	10	10,111	9,747

WYNNSTAY GROUP PLC

NOTES TO THE ACCOUNTS

1. 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 of these approved financial statements.

2. **SEGMENTAL REPORTING**

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

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

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

Specialist Retail – supply 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 segment result that is assessed by the Board. Other information provided to the Board is measured in a manner consistent with that in the financial statements.

Inter-segmental transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

No segment has any reliance on any individual customer.

2. SEGMENTAL REPORTING – (continued)

The segment results for the year ended 31 October 2016 are as follows:

Year ended 31 October 2016	Agriculture £000	Specialist Retail £000	Other £000	Total £000
Revenue from external customers	249,736	118,281	126	368,143
Segment result	2,934	4,493	(69)	7,358
Share of results of associate and joint ventures before tax	72	51	(30)	93
	3,006	4,544	(99)	7,451
Interest income				69
Interest expense				(209)
Profit before tax				7,311
Income taxes (includes tax of associate and joint ventures)				(1,482)
Profit for the year attributable to equity shareholders				5,829
Segment net assets	32,173	43,388	7,104	82,665
Corporate net cash (note 11)				4,283
Total net assets				86,948

Year ended 31 October 2015	Agriculture £000	Specialist Retail £000	Other £000	Total £000
Revenue from external customers	270,047	107,193	142	377,382
Segment result	3,953	5,006	(250)	8,709
Share of results of associate and joint ventures before tax	181	76	(12)	245
	4,134	5,082	(262)	8,954
Exceptional item				(319)
Interest income				50
Interest expense				(290)
Profit before tax				8,395
Income taxes (includes tax of associate and joint ventures)				(1,725)
Profit for the year attributable to equity shareholders				6,670
Segment net assets	30,843	42,727	7,150	80,720
Corporate net cash (note 11)				2,135
Total net assets				82,855

3. FINANCE COSTS

	2016	2015
	£000	£000
Interest expense:		
Interest payable on borrowings	(95)	(176)
Interest payable on finance leases	(114)	(114)
Interest and similar charges payable	(209)	(290)
Interest income	69	50
Interest receivable	69	50
Finance costs	(140)	(240)

4. EXCEPTIONAL ITEM

	2016	2015
	£000	£000
Exceptional costs	-	319

Exceptional costs relate to the previous years expenses associated with the acquisition and re-organisation of the business and certain trading assets of Agricentre Farm Supplies.

5. GROUP OPERATING PROFIT

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

	2016	2015
	£000	£000
Staff costs	28,292	25,428
Depreciation of property, plant and equipment:		
- owned assets	2,141	1,968
- under finance leases	627	697
Amortisation of intangibles	15	10
Profit on disposal of fixed assets	(128)	(260)
Other operating lease rentals payable	3,489	3,243
Repairs and maintenance expenditure on plant, property and equipment	1,781	1,693
Trade receivables impairment	8	116

Services provided by the Group's auditor:

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

	2016	2015
	£000	£000
Audit services – statutory audit	94	97
Tax services	8	8
XBRL tagging	2	2

Included in the Group Audit fee are fees of £5,000 (2015: £5,000) paid to the Group's auditor in respect of the parent company. The fees relating to the parent company this year are borne by one of the Group's subsidiaries.

6. SHARE OF POST-TAX PROFITS/(LOSSES) OF ASSOCIATE AND JOINT VENTURES

	2016	2015
	£000	£000
Share of post-tax profit in associate	31	39
Share of post-tax profits/(losses) in joint ventures	36	148
Total share of post-tax profits/(losses) of associate and joint ventures	67	187

7. TAXATION

	2016	2015
	£000	£000
Analysis of tax charge in year		
Current tax		
- Continuing operations	1,703	1,736
- Adjustments in respect of prior years	(181)	(34)
Total current tax	1,522	1,702
Deferred tax		
- Accelerated capital allowances	(66)	(35)
Total deferred tax	(66)	(35)
Tax on profit on ordinary activities	1,456	1,667

8. DIVIDENDS

	2016	2015
	£000	£000
Final dividend paid for prior year	1,436	1,300
Interim dividend paid for current year	778	717
	2,214	2,017

Subsequent to the year end it has been recommended that a final dividend of 8.00p net per ordinary share (2015: 7.40p) be paid on 28 April 2017. Together with the interim dividend already paid on 31 October 2016 of 4.00p net per ordinary share (2015: 3.70p), this would result in a total dividend for the financial year of 12.00p net per ordinary share (2015: 11.10p).

9. EARNINGS PER SHARE

	Basic earnings per share		Basic earnings per share before exceptional item		Diluted earnings per share		Diluted earnings per share before exceptional	
	2016	2015	2016	2015	2016	2015	2016	2015
Earnings attributable to shareholders (£'000)	5,829	6,670	5,829	6,989	5,829	6,670	5,829	6,989
Weighted average number of shares in issue during the year (number '000)	19,425	19,243	19,425	19,243	19,557	19,463	19,557	19,463
Earnings per ordinary 25p share (pence)	30.01	34.66	30.01	36.32	29.81	34.27	29.81	35.91

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

Basic earnings before exceptional item per 25p ordinary share is calculated by dividing the earnings with the full exceptional item added back, without any tax adjustment, 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 and warrants) taking into account their exercise price in comparison with the actual average share price during the year.

For diluted earnings before exceptional item 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.

10. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

	2016 £000	2015 £000
Cash and cash equivalents per balance sheet	10,111	9,750
Bank overdrafts	-	(3)
Cash and cash equivalents per cash flow statement	10,111	9,747

11. FINANCIAL LIABILITIES – BORROWINGS

Current

	2016	2015
	£000	£000
Bank loans and overdrafts due within one year or on demand:		
Secured overdrafts	-	3
Secured loans	905	2,162
	905	2,165
Loan capital (unsecured)	664	667
Other loanstock (unsecured)	16	16
Net obligations under finance leases	1,041	795
	2,626	3,643

Non-current

	2016	2015
	£000	£000
Bank loans:		
Secured	1,986	2,888
	1,986	2,888
Net obligations under finance leases	1,216	1,084
	3,202	3,972

Bank loans and overdrafts include overdrafts totalling £nil (2015: £222,233) relating to subsidiary companies, which are secured by debentures over the assets of those companies.

Finance lease obligations are secured on the assets to which they relate.

FINANCIAL LIABILITIES – BORROWINGS (continued)

	2016 £000	2015 £000
Borrowings are repayable as follows:		
On demand or within one year	2,626	3,643
In the second year	1,605	1,473
In the third to fifth years inclusive	1,597	2,499
Over five years	-	-
	<u>5,828</u>	<u>7,615</u>
Finance leases included above are repayable as follows:		
On demand or within one year	1,041	795
In the second year	729	572
In the third to fifth years inclusive	487	512
Over five years	-	-
	<u>2,257</u>	<u>1,879</u>
The net borrowings are:		
Borrowings as above	5,828	7,615
Cash and cash equivalents	<u>(10,111)</u>	<u>(9,750)</u>
Net cash	<u>(4,283)</u>	<u>(2,135)</u>

12. SHARE CAPITAL

	2016		2015	
	No. of shares '000	£000	No. of shares '000	£000
Authorised				
Ordinary shares of 25p each	<u>40,000</u>	<u>10,000</u>	40,000	10,000
Allotted, called up and fully paid				
Ordinary shares of 25p each	<u>19,495</u>	<u>4,874</u>	19,391	4,848

During the year 77,429 shares (2015: 81,733) were issued with an aggregate nominal value of £19,357 (2015: £20,433) and were fully paid up for equivalent cash of £367,244 (2015: £430,808) to shareholders exercising their right to receive dividends under the Company's scrip dividend scheme.

A total of 26,800 (2015: 200,812) shares with an aggregate nominal value of £6,700 (2015: £50,203) were issued for a cash value of £67,804 (2015: £446,868) to relevant holders exercising options in the Company. No other shares were issued for cash in this financial year (2015: Nil).

13. CASH GENERATED FROM OPERATIONS

	2016	2015
	£000	£000
Profits for the year	5,829	6,670
Adjustments for:		
Tax	1,456	1,667
Depreciation of tangible fixed assets	2,768	2,665
Amortisation of other intangible fixed assets	15	10
Profit on disposal of property, plant and equipment	(128)	(260)
Interest income	(69)	(50)
Interest expense	209	290
Share of results of joint ventures and associate	(67)	(187)
Share based payments	63	334
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):		
Decrease in short term loan to joint ventures	16	-
Decrease in inventories	350	287
(Increase)/ Decrease in trade and other receivables	(1,709)	143
Increase/ (Decrease) in payables	164	(2,960)
Cash generated from operations	8,897	8,609

14. RECONCILIATION OF UNDERLYING PRE-TAX PROFIT

	2016	2015
	£	£
Profit before tax	7,285	8,337
Share-based payments	63	334
Share of tax incurred by associate and Joint ventures	26	58
Exceptional item	-	319
Underlying pre-tax profit	7,374	9,048

15. RESPONSIBILITY 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.

J J McCarthy
P M Kirkham
B P Roberts
K R Greetham
D A T Evans
H J Richards
S J Ellwood

16. CONTENT OF THIS REPORT

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 October 2016 or 31 October 2015, but is derived from those accounts.

Statutory accounts for 2015 have been delivered to the Registrar of Companies. The auditor, KPMG Audit Plc, has reported on the 2015 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 2016 will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor, KPMG 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 posted to shareholders during the week commencing 7 February 2017. 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.

15. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at The Lakeside Suite, Albrighton Hall Hotel and Spa, Ellesmere Road, Albrighton, Shrewsbury, SY4 3AG on 21 March 2017 at 11.45am.