NWF GROUP PLC

Connecting essential suppliers with their customers

NWF Group plc

Annual Report and Accounts 2024

NWF Group is a specialist distributor across the UK.

Our purpose

Connecting essential suppliers with their customers

Our values

Collaboration | Courage | Care | Challenge

Read more on **page 4**

Our vision

Innovators in specialist distribution, delivering value sustainably

Scan the QR code to watch our CEO interview

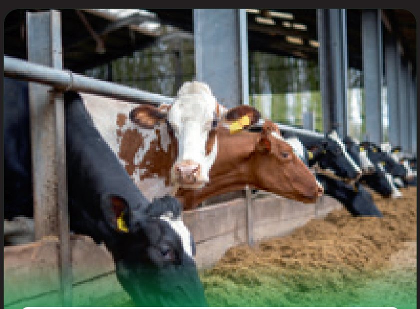
Our business performance:

Fuels

Read more on **pages 14 and 15**

Food

Read more on **pages 16 and 17**



Feeds

Read more on **pages 18 and 19**

Financial highlights for the year ended 31 May 2024

Revenue

£950.6m

-9.8%

24	950.6
23	1,053.9
22	878.6

Headline operating profit[1]

£14.2m

-32.4%

24	14.2
23	21.0
22	21.8

Headline profit before tax[1]

£12.5m

-36.2%

24	12.5
23	19.6
22	20.9

Headline EBITDA[1]

£19.4m

-24.8%

24	19.4
23	25.8
22	26.6

Net cash/(debt)[2]

£10.0m

-6.3m

24	10.0
23	16.3
22	9.0

Dividend per share

8.1p

+3.8%

24	8.1
23	7.8
22	7.5

1 Headline operating profit excludes exceptional items and amortisation of acquired intangibles. Headline profit before taxation excludes exceptional items, amortisation of acquired intangibles and the net finance cost in respect of the Group's defined benefit pension scheme. Headline EBITDA excludes exceptional items and amortisation of acquired intangibles.

2 Net cash/(debt) excluding IFRS 16 lease liabilities.

Contents

At a glance

Specialist distribution across the UK

What we do

Fuels

Specialist liquid fuel distributor

NWF Fuels Limited is a leading bulk liquid fuel distributor delivering over 659 million litres across the UK to 107,000 customers.

Headline operating profit

£7.9m

-38.8%

Read more on **pages 14 and 15**

Food

Leading ambient grocery consolidator

Boughey Distribution Limited is a leading consolidator of ambient grocery products to UK supermarkets with over 1,400,000ft^2 of warehousing and significant distribution assets.

Headline operating profit

£3.7m

-11.9%

Read more on **pages 16 and 17**

Feeds

Specialist in ruminant feed

NWF Agriculture Limited has grown to be a leading national supplier and distributor of ruminant animal feed to 4,400 customers in the UK.

Headline operating profit

£2.6m

-33.3%

Read more on **pages 18 and 19**

Investment case

Focus on return on capital

Return on capital employed is a key metric

16.5%

Group ROCE (2023: 27.6%)

Acquisition opportunities

Solid track record with ambition

7

completed Fuels acquisitions since 2019

Management and operational capability

Growing to service customer demand

3

new warehouses since 2020

Asset backing

Strong balance sheet

£237.7m

total assets (2023: 217.6m)

Strong business investment

Cash invested in development

£8.4m

Growing dividend

Increased dividend for 13 consecutive years

8.1p

total dividend per share (2023: 7.8p)

Our purpose and values

Our purpose and values

Collaboration

- Working together as one NWF team
- Being inclusive and supportive
- Aligning behind one vision for the future of the Group and its businesses
- Recognising and sharing best practice across the Group

Care

- Acting with integrity
- Safety first every time all the time
- Being open, honest and respectful with all our stakeholders

Courage

- Curious and inquisitive with a thirst for learning that can be applied to the business
- Constantly growing our understanding of our customers and markets
- Determination to be the best at what we do

Challenge

- Ambitious for continuous improvement
- Innovative and imaginative
- Questioning the status quo

Purpose

Connecting essential suppliers with their customers.

Why we exist

All three current Group businesses operate, and have core competencies, in specialist distribution markets. As such, our reason to exist as a Group is to add value to supply chains by applying our expertise in connecting suppliers and their customers who otherwise would struggle to connect or would connect in a sub-optimal manner.

Vision

What we want to achieve

Innovators in specialist distribution, delivering value sustainably.

What this will mean in practice

Innovators

Doing it better, easier, faster than the competition; solving customers' problems; modernising traditional markets; developing new approaches and doing things differently.

Specialist distribution

Requiring skill and expertise; operating in critical supply chains for customers; service led markets; difficult operations through complexity/regulation; ability to add value above and beyond price competition.

Value

Generating returns for our shareholders and other stakeholders; delivering a high level of service to customers; improving, enhancing and optimising supply chains for our customers.

Sustainably

Long-term partner for stakeholders; reliable, responsible and accountable; aware of our environment and our communities.

See how we are going to achieve our vision through our strategy

A Group skilled at delivering growth and returns

The Group has delivered a solid financial performance as it experienced more challenging conditions than in recent years, with market pricing normalising for Fuels and Feeds.

Fuels

With 107,000 customers being supplied across 27 fuel depots, Fuels operates in markets that are large and robust and, as a business, it has consistently proved it can effectively manage the volatility in oil prices. The industry remains highly fragmented, with many small operators, which we continue to believe provides an opportunity for NWF to further increase its market share.

Read more on **pages 14 and 15**

Food

The business operates in a competitive supply chain and needs to continually demonstrate the value and service that it provides to food manufacturers and importers. The business has a leading position in consolidating ambient grocery products, with high service levels, industry leading capability and a strong operating performance being the key components of its customer proposition.

Read more on **pages 16 and 17**

Feeds

NWF provides nutritional advice to farmers across the country with 41 trained nutritional advisors analysing forage and farmers' objectives to deliver feed to optimise performance. Feed is then produced from mills across the UK and delivered directly to farmers, with the majority of the business being dairy, but also supporting beef and sheep farmers.

Read more on **pages 18 and 19**

Chair's statement

A solid set of results

Philip Acton
Non-Executive Chair

Summary

- A solid set of results for the Group in line with market expectations.
- Continued increase in shareholder returns; proposed increase in the total dividend of 3.8% to 8.1p per share, reflecting the solid performance and the Board's confidence in the prospects of the business.

Total dividend per share

8.1p

(2023: 7.8p)

> **"I would like to take the opportunity to thank everyone at NWF for their support and commitment over the last 11 years."**

Overview

In what will be my final annual Chair's Statement, I am pleased to report a solid set of results for the Group in line with market expectations. As anticipated, after two years of outperformance, the Group experienced a normalisation of the Fuel and Feeds markets, alongside a strong contribution from the Food business.

As a consequence of the Group's strong cash generation and the confidence in the Group's future prospects, the Board is recommending a final dividend of 7.1p per share, to be paid to shareholders on 6 December 2024 (2023: 6.8p), giving a total dividend of 8.1p per share (2023: 7.8p), which represents a 3.8% increase on the prior year. This is the 13th year that the Group has increased the total dividend reflecting the track record of profitability and cash generation.

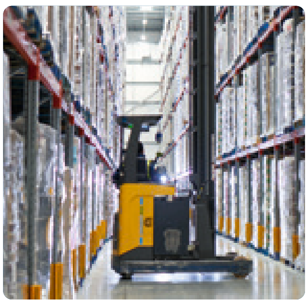
Our business

NWF is a specialist distributor operating in UK markets. Each of our trading businesses is a leading player in its chosen market and benefits from scale and capability barriers to entry. All three businesses are profitable and cash generative. Each business trades under different brands:

Fuels

NWF Fuels Limited (including a number of local sub-brands)

Read our Business review on page 14



Food

Boughey Distribution Limited

Read our Business review on page 16

Feeds

NWF Agriculture Limited, SC Feeds, New Breed (UK) Limited and Jim Peet

Read our Business review on page 18

Key areas of focus for the Board in 2024

Responding proactively to normalising market conditions

The Group has responded well to challenging market conditions throughout the year. In Fuels, a long period of customer concern around security of supply, which commenced during the Covid-19 pandemic and continued due to the conflict in Ukraine, came to an end as both supply and the oil price were very stable across the year. This resulted in more competitive pricing, particularly of commercial diesel and gas oil, with a corresponding impact on gross margins. The Group responded by actively managing the cost base of the Fuels business through optimising the sales team and fleet size whilst targeting increased commercial volumes. In Feeds, the milk price returned to a more normal level following the record high prices experienced in the summer and autumn of 2022. This coincided with a significant increase in electricity costs. The business responded by effectively managing both its gross margin and operational cost base.

Read more about our ESG ambitions on **pages 30 and 31**

Read more on our Section 172(1) Statement on **page 44**

Delivering on strategy

The Group has a long-term growth strategy of development through targeted acquisitions, organic investment, including a significant investment in new fleet, and continuous improvement initiatives. During the year, the Group expanded the capacity of its Food business by 39% through the investment in the new warehouse at Lymedale to support growing customer demand. We will continue to pursue similar opportunities if supported by demand from our customers. The Group also remains committed to a strategy to expand its network of fuel delivery depots to increase market share and increase efficiency. Early in the financial year, the Group acquired the trade and assets of Geoff Boorman Fuels LLP, but subsequently the market experienced a lower level of interest in selling by target business owners as the fuel market normalised. However, since the start of the new financial year the Group has seen an increase in its active pipeline of opportunities. The Group is also looking at opportunities to expand the Food business through targeted acquisitions.

Cash generation

Cash generation remains a focus for the Group and it is good to report a strong year end net cash balance of £10.0 million (excluding lease liabilities) after the investment in the new warehouse at Lymedale, which highlights both the cash-generative nature of our business and the capability and flexibility to finance growth investment opportunities.

Rewarding good service

The consistent focus on excellence in customer service remains critical across the Group to win new business and ensure we can continue to pass on cost increases as a specialist distributor.

Philip Acton
Non-Executive Chair
30 July 2024

ESG framework

The Board recognises the importance and value of ESG. We have established a target of net zero by 2040 and continued the focus on our four sustainability pillars across the Group. An executive steering committee meets regularly, reviewing detailed performance measures. We have continued to progress our CFD disclosures, providing further qualitative information on our climate risks and opportunities.

We continue to adopt the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'), which we believe has been constructed in a simple, practical and effective style and that meaningful compliance with its ten principles should provide shareholders with confidence in how the Group operates.

Employees

The Group continues to employ more than 1,400 people across our three businesses and Head Office. I would like to offer my personal thanks to all our employees for their outstanding efforts and commitment to the Group over the last year.

Board changes

After 11 years as a Board member of the Group, I will be standing down as Chair at the Annual General Meeting on 26 September 2024 and, as announced on 18 July 2024, will be replaced by Amanda Burton who joined the Board in July 2024. As also announced on 18 July 2024, Tim Cooper will also be joining the Board as a Non-Executive Director and Chair of the Remuneration Committee.

I look forward to updating shareholders on the Group's continuing progress at the time of the Annual General Meeting on 26 September 2024.

Read more about our ESG ambitions on **pages 30 and 31**

Chief Executive Officer's review

NWF has delivered a solid set of results

Chris Belsham
Chief Executive Officer

Summary

- Solid results for the Group in line with the expected normalisation of pricing in the Fuels and Feeds markets.
- In Fuels, low demand for heating oil resulting from the mild winter mitigated through increased commercial volume and management of the cost base.
- Strong performance in Food with increased storage levels and throughput supporting the investment in the new 52,000 pallet space warehouse at Lymedale, a 39% increase in operating capacity to support continued customer demand.
- Effective management of gross margin and operational costs in Feeds as the milk price reduced from the record high of the previous financial year.
- Performance to date in the current financial year has been in line with the Board's expectations.

Net cash

£10.0m

(2023: net cash £16.3m)

Overview

NWF has delivered a solid result in line with market expectations. Food has delivered a strong performance whilst Fuels and Feeds have responded effectively to the normalisation of their respective markets. Strategic growth has continued with the investment in the new warehouse at Lymedale.

The continued focus on cash has maintained a year end net cash position (excluding lease liabilities) following the investment in Lymedale. This continues to demonstrate the ongoing cash-generative nature of our business and the ability to fund acquisitions and development. We are once again proposing an increased dividend as part of our continuing focus on driving shareholder returns.

Fuels delivered increased volumes in part benefitting from increased commercial customer orders as the mild weather across the winter resulted in low demand for domestic heating oil. Margins normalised throughout the year from the abnormally elevated levels experienced in the prior year, as the market experienced stable supply conditions and a stable oil price. The lower demand for heating oil led to more competitive pricing of diesel and gas oil. Against this backdrop, the business actively managed its cost base through optimising its sales team and tanker fleet.

The Food business delivered another year of strong performance improvement. As planned, the level of customer demand for our services resulted in the utilisation of overflow warehousing which was managed efficiently in advance of the new warehouse at Lymedale being operational. The fit out of the new 52,000 pallet space warehouse at Lymedale commenced in January and progressed in line with its business plan with the site becoming partially operational for both storage and distribution. The new facility will support the growth of the business into FY25 and beyond.

Feeds delivered a solid performance from slightly lower volumes as ideal grass growing conditions across the summer and autumn provided farmers with extra forage for the winter. This was partially mitigated by the wet winter and spring which extended the usual winter season demand into April. Weaker milk prices and reduced volatility in raw material prices compared to the prior year resulted in the expected normalisation of gross margins. Against this backdrop, the business has delivered effective management of both margin and operational costs.

The Group delivered headline operating profit of £14.2 million (2023: £21.0 million) and headline profit before tax of £12.5 million (2023: £19.6 million). Operating profit was £14.3 million (2023: £20.6 million). Diluted headline earnings per share was 19.2p (2023: 31.3p).

Cash management remains strong with net cash of £10.0 million (2023: net cash of £16.3 million) excluding lease liabilities, after £9.7 million of net capital expenditure (2023: £2.2 million).

Outlook

In Fuels, we are the third largest distributor in the UK and have a clear growth strategy to consolidate a fragmented fuels distribution market and drive great efficiency whilst delivering organic volume growth. With a strong pipeline, acquisitions are being actively pursued and the opportunity for growth remains significant. We continue to invest in enhancing the capabilities for the Fuels business, including investment in the tanker fleet.

In Food, the delivery of the new warehouse at Lymedale is progressing in line with the business plan and we are targeting further additional business to support our ambition to continue to expand our warehouse and transport operations through further warehouse development or targeted acquisitions. Having absorbed ramp-up costs in FY24, Lymedale is expected to have a net neutral impact in FY25, whilst incurring IFRS 16 interest charges in respect of the warehouse lease and associated additional leased vehicles.

In Feeds, stable commodity and milk prices are expected to result in solid demand and we are continuing to seek volume growth on the back of our Academy, additions to the sales team and utilising an effective national operations platform.

The Group has demonstrated its capability to deliver a solid performance in more challenging conditions than the prior year. We continue to focus on our long-term growth strategy of development through targeted acquisitions, organic investment including significant investment in new fleet and improvement initiatives, supported by our strong financial position and confidence in NWF's potential and prospects.

Performance to date in the current financial year has been in line with the Board's expectations. Overall, the Board continues to remain confident about the Group's prospects.

Chris Belsham
Chief Executive Officer
30 July 2024

Thank you

On behalf of the Group, I would like to thank Philip Acton for his outstanding service and contribution to the business over the last 11 years. Philip joined the Board in 2013 and became the Chair in 2017. In recent years, he kindly agreed to extend his tenure to assist the executive leadership succession and we have greatly benefitted from his support and counsel. We wish Philip all the best for the future when he steps down from the Board at the AGM.

Q&A

Our CEO and CFO answer questions on our opportunities in the next year

Chris Belsham
Chief Executive Officer

Katie Shortland
Chief Financial Officer

Chris Belsham (CB) was appointed to the Board in 2017 and succeeded Richard Whiting as Chief Executive Officer on his retirement this year. Katie Shortland (KS) joined the Group as Chief Financial Officer, bringing with her a wealth of experience across a number of industries including infrastructure, engineering and manufacture. The Executive Leadership Team, comprising Chris, Katie and the Managing Directors of the businesses, have defined the Group's purpose as 'connecting essential suppliers with their customers'. This year they have introduced a Group vision and values being Collaboration, Courage, Care and Challenge. For further details see page 4.

The year has seen a normalising effect within the Fuels and Feeds business, alongside expansion into a new warehouse within the Food business. Chris and Katie strive for excellence in their ambitions for the Group, so we've put a number of questions to them to understand how the Group will change under their leadership.

Q How is the strategy going to change under the new leadership team?

CB The strategy of the Group is twofold. Firstly, each of our businesses is aiming to be a leader and the number one benchmark in each of the markets in which they operate. This will be achieved through continuous improvement and change initiatives.

Secondly, we will deploy capital into both organic and inorganic step change growth opportunities which give us the best return on investment, and build on our existing core competencies.

Q What is the overall future investment strategy for the Group?

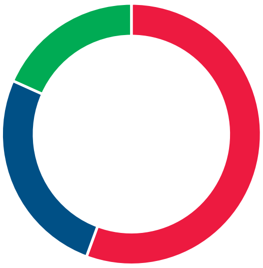
CB Currently, we believe the best return on investment will be achieved through continuing to consolidate the fragmented fuels distribution market and through supporting customer demand in our Food business through further investment in new warehousing or a target acquisition.

Q What is your required rate of return on investments?

KS Across the Group, we will continually assess opportunities that are both organic and inorganic and will allocate capital accordingly. Each investment may differ in terms of the nature and timing of the outlay and will be evaluated on individual merit as well as assessing the overall cost and risk to the Group. Typically, we will look to achieve a rate of return comfortably above our internal cost of capital with the most recent Lymedale warehouse reflecting a 20% IRR. Additionally, our most recent Fuels acquisitions have reflected a 6–7x EBIT multiple. With a continued strong balance sheet of £85.4 million net assets, we continue to review our investment opportunities.

Q What is your approach to funding requirements?

KS With total assets across the Group of £237.7 million, NWF has a strong baseline for investment growth. In addition to this, the business generates a strong cash conversion through its operating activities and has access to key funding facilities to support continued investment, leaving it in a very positive position to support business and dividend growth.



Headline operating profit at segmental level

Fuels	£7.9m
Food	£3.7m
Feeds	£2.6m

Q **Please tell us more about the normalisation you have seen in the year on margins in Fuels and Feeds?**

CB Our Fuels business benefits when there is market concern regarding security of supply. Generally this is caused by a weather event which results in short periods of elevated margins. In recent years both the Covid-19 pandemic and then the conflict in Ukraine caused an extended period of concern around supply of fuel which supported Group margins. In the last financial year, supply conditions have been very stable, which resulted in the rapid normalisation of margins.

Our Feeds business similarly benefitted from a rapid rise in the milk price in the summer of 2022, which led to significantly higher margins in the business. The milk price has subsequently declined to more normal levels, resulting in the normalisation of Feeds margins in the second half of FY23 and thereafter.

Q **Whilst inflationary pressures have started to ease, have you seen any continuing short-term cost pressures, e.g. around leasing?**

KS As a specialist distributor the Group has 358 vehicles, of which over 98% are leased. The leases across the businesses vary marginally but will typically be for five to seven years. With the continuation of high increases in interest rates since autumn 2022, this has led to an increase in vehicle cost and associated lease cost. The Group continues to look for ways to manage this cost pressure through the phasing of fleet renewal, the extension of lease terms, managing the number of leased trucks and reviewing other cost efficiency activities.

Q **Please tell us more about the commonalities between the three businesses?**

CB All of our businesses provide a critical service connecting customers and suppliers, who otherwise would be unable to trade directly with each other. In our Fuels and Feeds businesses we enable large suppliers to distribute their products efficiently to individually small customers. In Food we enable food manufacturers and importers to integrate with the supply chain of large retailers.

Q **What are the barriers to entry to the markets in which the Group operates?**

CB All of our businesses require scale, a well invested asset base, deep sector knowledge and operational capability.

Q **What progress have you made on the Group's energy transition during the year?**

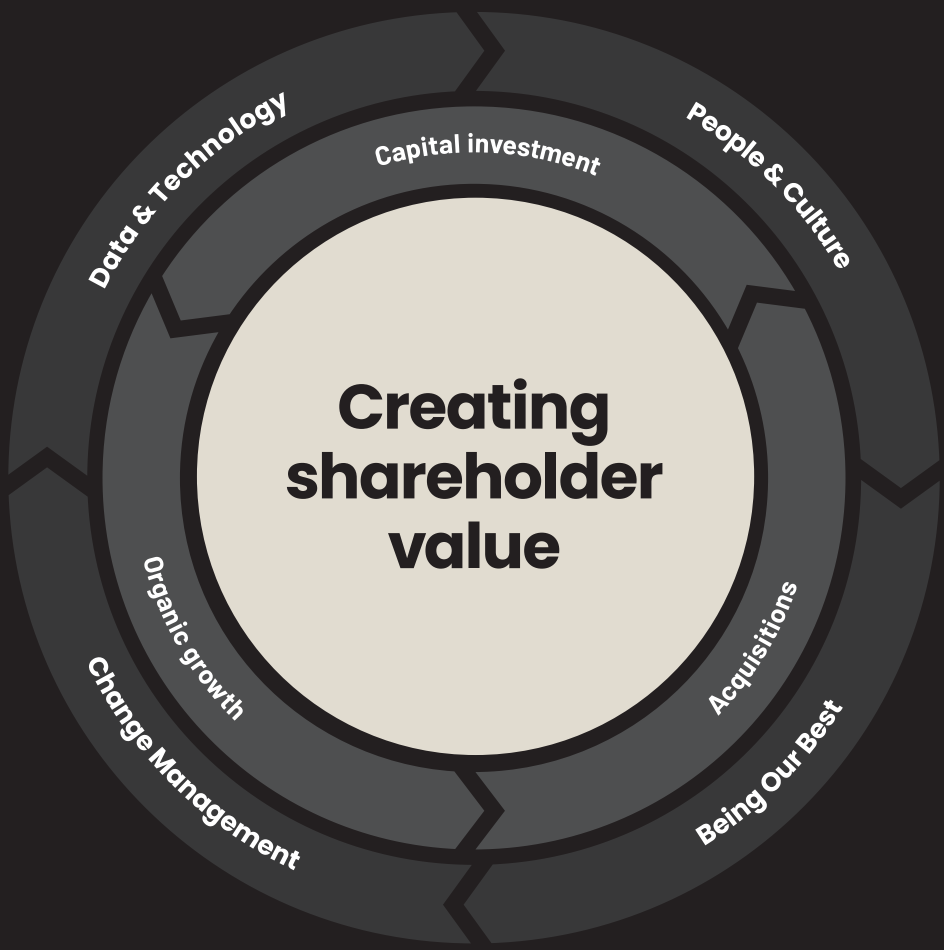
KS With our last year's report reflecting our first year of CFD reporting we continue to focus on this as a business to improve our maturity of thinking, discussion and planning across the Group. We have refined this further this year with some subtle changes across our risk and opportunities as well as consideration of the financial impacts of each risk or opportunity. In the more near term we continue to monitor any changes in regulations regarding energy transition to ensure our strategy remains appropriate.

Q **The Group continues to focus on its people and being skilled for growth; how does the people strategy play into the overall refreshed strategy?**

CB The continued success and development of our Group is dependent on having a highly motivated and skilled team of colleagues operating across all three of our businesses. The focus in the next 12 months is to train our managers throughout the Group to be more effective in leading teams and delivering operational improvement.

Business model

Focused on value creation



Supported by our ESG strategy

Create a culture of safety

Invest in our people

Build strong partnerships

Respect the environment

Read more about our ESG strategy on **page 27**

Future strategy

Where we do it

The value we create

Fuels

- M&A – continued consolidation through bolt-on and larger transactions
- Optimising our sales model for commercial and domestic markets
- Development of national accounts
- Optimising efficiency and lower cost to serve through fleet management
- Energy transition e.g. HVO

- Industry leading customer service from 27 depots across the UK
- Scale delivers efficiency and value for commercial and domestic customers
- Delivery flexibility focusing on delivering to oil users who have experienced a run-out
- Supply agreements with major oil companies for security of supply and competitive pricing

Food

- Continued growth and development of customer pipeline
- Further warehouse expansion supported by customer demand
- Targeted M&A to deliver national operational footprint and associated efficiency

- Market leading national ambient grocery consolidation service
- High service levels
- Efficient warehousing and transport delivering a value proposition for food manufacturers and importers
- High warehouse and vehicle asset utilisation

Feeds

- Utilise national operations platform
- Increase market share through continued investment in the NWF Academy
- Increase product range offering to existing customer base
- Optimising our sales model for direct-to-farm and wholesale customers

- Key nutritional advisor to over 4,400 ruminant farmers across the UK
- Technical support for farmers to improve yields and farm profitability
- Manufacture of high quality products
- High asset utilisation of mills and blend sheds delivering value to customers
- Efficient transport fleet delivering direct to farm

Customers

Excellent service provided to over 111,525 customers across the Group, our number one priority.

Total customers

111,525

(2023: 104,250)

Suppliers

Our partnerships with suppliers are vital to ensure we meet all stakeholder needs and play an essential role in our business.

Read more about our engagement with suppliers on **page 45**

Environment

We recognise that we operate in industries that can have a significant impact on the environment and that we have a responsibility to minimise its impact.

Read more about our ESG policies on **pages 36 and 37**

Shareholders

Total shareholder return by the continued profitable development of our businesses through a combination of organic growth, capital investment and selective acquisitions.

Total dividend per share

8.1p

(2023: 7.8p)

Read more about our engagement with shareholders on **page 46**

Business review: Fuels

Fuels

Customers **107,000** (2023: 100,000)	Fuel depots owned **27** (2023: 27)	Acquisitions **7** since 2019
Litres of fuel delivered **659m** (2023: 636m)	People **319** (2023: 329)	

Our strategy

1. M&A – continued consolidation through bolt-on and larger transactions
2. Optimising our sales model for commercial and domestic markets
3. Development of national accounts
4. Optimising efficiency and lower cost to serve through fleet management
5. Energy transition e.g. HVO

"Fuels experienced a normalisation of margins this financial year. Commodities have been stable throughout and we had a mild winter. We have successfully managed our cost base throughout this period."

Dave Walmsley
Managing Director, Fuels

Business KPIs

Revenue

£677.8m

-10.5%

24	677.8
23	757.2
22	621.1

Headline operating profit

£7.9m

-38.8%

24	7.9
23	12.9
22	17.2

Volume (litres)

659m

+3.6%

24	659
23	636
22	663

Review of the year

Fuels experienced more challenging market conditions than recent years, as customer concerns regarding the security of supply, which had commenced in the pandemic and continued through the start of the conflict in Ukraine, came to an end and the market experienced a year of stable supply and low volatility in the oil price. As expected, this led to a normalisation of market pricing and therefore margins. The second mild winter in a row reduced demand for heating oil which increased competition for commercial diesel and gas oil volumes with a corresponding further impact on market price and therefore margin. We responded to these market dynamics through targeting additional commercial volume whilst actively managing our cost base to optimise our sales team and size of our tanker fleet.

Volumes increased by 3.6% to 659 million litres (2023: 636 million litres). Revenue decreased by 10.5% to £677.8 million (2023: £757.2 million) as a consequence of lower oil prices. The average Brent Crude oil price in the year was $83 per barrel compared to $90 per barrel in the prior year. The volatility during the year was low with a high of $92 per barrel in September 2023 and a low of $75 per barrel in June 2023.

Headline operating profit was £7.9 million (2023: £12.9 million) as a consequence of a normalisation in the market and a stronger mix towards commercial volumes which results in a net profit of 1.2 pence per litre.

One trade and asset acquisition was completed in the last financial year: Geoff Boorman Fuels LLP (Kent) for £2.6 million in July 2023. This accretive acquisition adds 19 million litres of fuel to our business in a full year. The acquisition pipeline of active opportunities has significantly improved in recent months and this remains a focus for our development activity. Whilst we have a proven post-acquisition integration plan we are undertaking further improvement initiatives to drive more efficiency and value from acquisitions.

The Fuels business operates a network of 27 depots which service domestic and mainly SME commercial customers in the local area. We believe there is significant opportunity to grow this network and improve its efficiency by reducing the distance travelled for each delivery as we increase the depot density in a given region. The depot network also provides the opportunity to supply larger, more complex, commercial customers who require reliable service in multiple locations. As such, we continue to invest in enhancing the capabilities for the Fuels business, including investment in the tanker fleet, which we believe will improve efficiencies and provide a strong platform for continued growth through both acquisitions and organic volume growth.

With nearly 107,000 customers (2023: 100,000) being supplied across 27 fuel depots in the year (2023: 27), Fuels operates in large and robust markets and, as a business, it has consistently proved it can effectively manage the impact of volatility in oil prices. The industry remains highly fragmented, with many small operators, which provides NWF with further opportunities to consolidate the market and increase its market share. We continue to closely monitor developments in biofuels such as HVO to ensure the business is well placed to participate in the energy transition of the UK economy.

Business review: Food

Food

Pallets stored	Trucks
137,000	**154**
(2023: 122,000)	(2023: 144)

People	Trailers
826	**391**
(2023: 785)	(2023: 320)

Our strategy

1. Continued growth and development of customer pipeline
2. Further warehouse expansion supported by customer demand
3. Targeted M&A to deliver national operational footprint and associated efficiency

"Continued strong customer demand delivered a strong performance and supported the investment in the Lymedale warehouse expansion."

Angela Carus
Managing Director, Food

Business KPIs

Revenue

£77.7m

+9.6%

24	77.7
23	70.9
22	62.6

Headline operating profit

£3.7m

-11.9%

24	3.7
23	4.2
22	2.8

Pallets stored

137,000

+12.3%

24	137,000
23	122,000
22	118,000

Review of the year

Food delivered a strong performance improvement as a result of increased storage levels which supported a higher level of pallet throughput. As planned, the new business gained from existing and new accounts required the utilisation of overflow warehousing throughout the year. This was managed efficiently with a high level of service maintained for customers and additional costs to the business effectively controlled.

The increased demand from customers supported the investment in the new warehouse at Lymedale, signed and announced in January 2024 with the fit-out commencing immediately and progressing in line with its business plan to be partially operational by 31 May 2024 (and fully operational by autumn of FY25) to support the future growth of the business.

Revenue increased by 9.6% to £77.7 million (2023: £70.9 million). Storage overall was at an average of 137,000 pallets (2023: 122,000 pallets), with warehouses effectively utilised across the year. Demand for our customers' products increased in spite of food inflation continuing through the year. Throughput was 6.0% higher than prior year whilst storage levels were up 12%, highlighting a positive overall increase in the stock turn of our customers' products.

As a result of the Lymedale investment, the capacity of the Food business will increase by 52,000 pallets to a total of 187,000 owned pallets spaces, supporting strategic growth and ongoing demand from its customers for ambient grocery consolidation and distribution. The Group's capacity was 100,000 pallet spaces prior to the opening of the Crewe warehouse in 2020.

The pipeline of new business from existing and new accounts continues to be strong and provides confidence in the prospects for the business. We continue to look for opportunities to service this customer demand, whether through further additional warehouse facilities or through targeted acquisitions.

Headline operating profit was £3.7 million (2023: £4.2 million). This included the ramp-up costs of £1.7 million in respect of the opening and fit out of the new warehouse at Lymedale.

Demand for our customers' products continues to be stable and the outlook for most product categories handled by the business is resilient. The business operates in a competitive supply chain and needs to continually demonstrate the value and service that it provides to food manufacturers and importers. We are a leading specialist in consolidating ambient grocery products in the UK, with high service levels, industry leading systems and a consistent operating performance being the key components of the customer proposition.

Business review: Feeds

Feeds

Tonnes **499,000** (2023: 514,000)	Trucks **48** (2023: 39)
People **252** (2023: 226)	Trailers **14** (2023: 17)

Our strategy

1. Utilise national operations platform
2. Increase market share through continued investment in NWF Sales Academy
3. Increase product range offering to existing customer base
4. Optimising our sales model for direct-to-farm and wholesale customers

"Normalised market conditions and effective operational management have created efficiencies, delivering a solid result."

Andrew Downie
Managing Director, Feeds

Business KPIs

Revenue

£195.1m

-13.6%

24	195.1
23	225.8
22	194.9

Headline operating profit

£2.6m

-33.3%

24	2.6
23	3.9
22	1.8

Volume (tonnes)

499,000

-2.9%

24	499,000
23	514,000
22	528,000

Review of the year

Total feed volume decreased by 2.9% to 499,000 tonnes (2023: 514,000 tonnes). This reflected the ideal grass growing conditions across the summer and autumn which provided farmers with significant forage stocks for the winter. This was partly mitigated by the wet winter and spring which extended the usual winter season demand into April. The overall ruminant market volume increased by 1.4%, according to DEFRA data.

Following extremely volatile prices in the prior year, FY24 saw very stable commodity prices with a basket of commodities[1] only moving within a range of 15% in the year (2023: 29%). This volatility in the prior year was driven by uncertainty around the Ukraine war and its material impact on agricultural commodity markets.

Revenue was lower at £195.1 million (2023: £225.8 million) reflecting mainly lower commodity prices. Headline operating profit was £2.6 million (2023: £3.9 million) with the prior year having benefited from record high milk prices and volatility in commodity prices. With the normalisation in the market, and the significant increase in electricity costs, the business focused on effective management of both margin and the operational cost base.

We have continued investment in the NWF Academy in which new trainees engage on an 18-month structured training programme to become future NWF nutritionists. The Academy has recruited a fifth group to the programme, which has been well received across the industry. Graduates of the programme are now developing as successful nutritionists in our national sales team.

The average milk price for the year of 38.0p per litre compared to an average in the prior year of 46.9p per litre. The peak milk price in the year was 39.2p per litre compared to a record high of 51.6p per litre in the prior year. At the end of the financial year the milk price was stable at 38.1p per litre. Milk production was 0.8% lower at 12.3 billion litres (2023: 12.4 billion litres).

Feeds has a very broad customer base, working with over 4,400 farmers across the UK. This base, and the underlying robust demand for milk and dairy products, results in a reasonably stable overall demand for ruminant feed deliveries in most market conditions.

1 A basket of commodities consists of the weighted average raw material spot price for 12 standard ingredients of a basic ruminant diet.

Group financial review

A strong balance sheet to enable growth

Katie Shortland
Chief Financial Officer

Summary

- Headline profit before tax of £12.5 million (2023: £19.6 million).
- Profit before tax of £12.2 million (2023: £18.9 million).
- Diluted headline EPS of 19.2p (2023: 31.3p).
- Net cash (excluding lease liabilities) of £10.0 million (2023: £16.3 million).
- The balance sheet remains in a robust position with the Group cash positive at the year end, highlighting the resilience of the Group and providing significant capacity to support investment-driven growth.

"Headline operating profit of £14.2 million, headline profit before tax of £12.5 million and net cash position of £10.0 million."

Group results

Group revenue decreased by 9.8% to £950.6 million (2023: £1,053.9 million) with revenue reflecting a normalised commodity position across Fuels and Feeds and an increase in activity levels in Food. Headline operating profit was £14.2 million, a decrease of 32.4% (2023: £21.0 million). Operating profit decreased by 30.6% to £14.3 million (2023: £20.6 million).

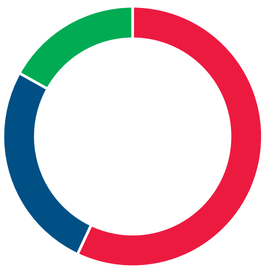
Financing costs increased by £0.4 million to £2.1 million, reflecting increases in IFRS 16 interest costs of £0.7 million to £1.3 million, offset with a decrease in interest on bank debt of £0.4 million to £0.4 million (2023: £0.8 million). Headline interest cover was 35.5x (excluding IAS 19 net pension finance costs and IFRS 16 lease interest) (2023: 26.3x).

Headline profit before taxation decreased by 36.2% to £12.5 million (2023: £19.6 million). Profit before taxation decreased by £6.7 million to £12.2 million (2023: £18.9 million). There were £0.8 million of net exceptional items in the year (2023: £Nil).

The tax charge for the year was £3.1 million (2023: £4.0 million). The effective tax rate for the year was 25.4% (2023: 21.2%). The post-tax profit for the year was £9.1 million (2023: £14.9 million).

The headline earnings per share of 19.2p represented a decrease of 38.9% (2023: 31.4p); diluted headline earnings per share decreased by 38.7% to 19.2p (2023: 31.3p). The proposed full year dividend per share increased by 3.8% to 8.1p which reflects the Board's confidence in the future prospects of the Group. The proposed dividend equates to a dividend cover ratio of 2.4x.

The finance costs in respect of the defined benefit pension scheme were £0.4 million (2023: £0.3 million).



Business results for the year ended 31 May 2024

Fuels	55.6%
Food	26.1%
Feeds	18.3%

Balance sheet summary

The Group increased net assets by £7.5 million to £85.4 million (2023: £77.9 million) reflecting a profit for the year of £9.1 million (2023: £14.9 million) and a reduction in the pension deficit driven by the Company strategy.

Tangible and intangible assets increased by £6.8 million to £82.3 million as at 31 May 2024 (2023: £75.5 million) as a result of the Food warehouse expansion at Lymedale (£5.8 million), and the trade and assets of Geoff Boorman Fuels LLP in Fuels (£2.6 million). Right of use assets increased by £16.8 million to £45.9 million as a result of the Lymedale warehouse expansion. The depreciation (excluding IFRS 16 depreciation on right of use assets) and amortisation charges for the year to 31 May 2024 were £5.0 million and £0.9 million respectively (2023: £4.8 million and £0.6 million respectively).

Group level ROCE[1] (based on headline operating profit) was 16.5% as at 31 May 2024 (2023: 27.6%) reflecting the profit achieved in year and the increased investment in the business.

Net working capital increased by £3.4 million in the year. The Group's inventories increased by £0.7 million to £8.1 million (2023: £7.4 million) with trade and other receivables increasing to £88.7 million (2023: £87.4 million) reflecting customer mix and a decrease in trade and other payables to £91.1 million (2023: £92.5 million) as oil and commodity prices reduced.

Net cash (excluding lease liabilities) decreased by £6.3 million to £10.0 million (2023: net cash £16.3 million), as a result of investment in business working capital movements driven by volume, timing and customer mix and a reduction in the pension scheme deficit.

The deficit of the Group's defined benefit pension scheme decreased by £5.1 million to £4.5 million (2023: £9.6 million). The value of pension scheme assets increased by £3.3 million to £32.9 million (2023: £29.6 million) as a result of investment returns and contribution. The value of the scheme liabilities decreased by £1.8 million to £37.4 million (2023: £39.2 million). There was a decrease in the discount rate used to calculate the present value of the future obligations (2024: 5.25%; 2023: 5.35%). The discount rate is based on the yield available on AA rated corporate bonds, which decreased during the year.

Group results for the year ended 31 May 2024

	2024 £m	2023 £m
Revenue	**950.6**	1,053.9
Cost of sales and administrative expenses	**(936.3)**	(1,032.9)
Headline operating profit[1]	**14.2**	21.0
Net exceptional items	**0.8**	—
Amortisation of acquired intangibles	**(0.7)**	(0.4)
Operating profit	**14.3**	20.6
Financing costs	**(2.1)**	(1.7)
Headline profit before tax[1]	**12.5**	19.6
Net exceptional items	**0.8**	—
Amortisation of acquired intangibles	**(0.7)**	(0.4)
Interest on the net defined benefit liability	**(0.4)**	(0.3)
Profit before taxation	**12.2**	18.9
Income tax expense	**(3.1)**	(4.0)
Profit for the year	**9.1**	14.9
Headline EPS[1]	**19.2p**	31.4p
Diluted headline EPS[1]	**19.2p**	31.3p
Dividend per share	**8.1p**	7.8p
Headline dividend cover[1]	**2.4**	4.0
Headline interest cover	**35.5**	26.3

1 Headline operating profit is statutory operating profit of £14.3 million (2023: £20.6 million) before exceptional items of £0.8 million (2023: £Nil) and amortisation of acquired intangibles of £0.7 million (2023: £0.4 million). Headline profit before taxation is statutory profit before taxation of £12.2 million (2023: £18.9 million) after adding back the net finance cost in respect of the Group's defined benefit pension scheme of £0.4 million (2023: £0.3 million), the exceptional items and amortisation of acquired intangibles. Headline EPS also takes into account the taxation effect thereon. Headline dividend cover is calculated using diluted headline EPS. ROCE is headline operating profit of £14.2 million over capital employed of £85.4 million.

Balance sheet as at 31 May 2024

	2024 £m	2023 £m
Tangible and intangible fixed assets	**82.3**	75.5
Right of use assets	**45.9**	29.1
Net working capital	**5.7**	2.3
Current income tax assets	**0.6**	—
Reimbursement assets	**1.8**	1.7
Net derivative financial instruments	**0.3**	0.1
Net cash (excluding IFRS 16 lease liabilities)	**10.0**	16.3
Lease liabilities	**(46.3)**	(29.8)
Provision for liabilities	**(3.3)**	(2.7)
Current income tax liabilities	**—**	(0.8)
Deferred income tax liabilities	**(7.1)**	(4.2)
Retirement benefit obligations	**(4.5)**	(9.6)
Net assets	**85.4**	77.9

Cash flow and banking facilities

The closing net cash (excluding IFRS 16 lease liabilities) was £10.0 million (2023: net cash £16.3 million).

The cash impact of working capital movements was a cash outflow of £3.0 million. Net cash generated from operating activities and after IFRS 16 lease payments was £11.0 million (2023: £22.6 million) representing a cash conversion ratio of 77.5% of headline operating profit (2023: 107.6%).

Net capital expenditure in the year at £9.7 million (2023: £2.2 million) was higher than the annual depreciation charge, excluding IFRS 16 depreciation, of £5.0 million (2023: £4.8 million) largely due to the investment in the Lymedale warehouse.

The Group's banking facilities, totalling £61.0 million, were renewed in May 2023 and are committed through to 31 May 2026 as a minimum with the exception of the bank overdraft facility of £1.0 million which is renewed annually. There remains substantial facility headroom available to support the development of the Group. Within the total facility of £61.0 million, the Group has an invoice discounting facility, the availability of which depends on the level of trade receivables available for refinancing and which is subject to a maximum drawdown of £50.0 million. In addition, the Group has agreed an accordion of £10.0 million on each invoice discounting facility and the revolving credit facility. The banking facilities are provided subject to ongoing compliance with conventional banking covenants against which the Group has substantial levels of headroom.

Group financial review continued

Cash flow and banking facilities continued

Cash flow and banking facilities for the year ended 31 May 2024

	2024 £m	2023 £m
Operating cash flows before movements in working capital and provisions	**28.3**	32.9
Working capital movements	**(3.0)**	4.1
Net finance costs	**(1.7)**	(1.4)
Tax paid	**(2.7)**	(3.1)
Net cash generated from operating activities	**20.9**	32.5
Capital expenditure (net of receipts from disposals)	**(9.7)**	(2.2)
Capitalised costs associated with leases	**(1.1)**	—
Acquisition of subsidiaries – cash paid (net of cash acquired)	**(2.6)**	(9.5)
Net cash used in investing activities	**(13.4)**	(11.7)
Repayment of capital element of leases	**(9.9)**	(9.9)
Dividends paid	**(3.9)**	(3.7)
Net cash used in financing activities	**(13.8)**	(13.6)
Net increase in cash and cash equivalents	**(6.3)**	7.2
Cash and cash equivalents at beginning of year	**16.3**	9.1
Cash and cash equivalents at end of year	**10.0**	16.3

Going concern

The Group's banking facilities, provided by NatWest Group, were renewed on 31 May 2023 are committed until 31 May 2026, which provides a credit facility of £61.0 million includes a £1.0 million overdraft that is renewed annually. The Group is profitable, cash generative, has a strong balance sheet position and a good relationship with its lender. As at 31 May 2024 the Group had available funds of £71.0 million (based on cash balances, invoice discounting availability, RCF and overdraft facilities), against which the Group was not utilised.

The Board has prepared cash flow forecasts for the period to 31 May 2026. Under this base case scenario, the Group is expected to continue to have significant headroom relative to the funding available to it and to comply with its banking covenants.

The Board has also considered a severe downside scenario based on a significant and sustained reduction in Fuels' profitability alongside underperformance in Food and Feeds. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs. Under this scenario, the Group would still expect to have sufficient headroom in its financing facilities.

Accordingly, the Directors, having made suitable enquiries, and based on financial performance to date and forecasts along with the available banking facilities, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Share price

The market price per share of the Company's shares at 31 May 2024 was 190.5p (2023: 259.5p) and the range of market prices during the year was between 275.0p and 173.5p.

Katie Shortland
Chief Financial Officer
30 July 2024

A robust risk management process

Effective risk management aids decision making, underpins the delivery of the Group's strategy and objectives and helps to ensure that the risks the Group takes are adequately assessed and actively managed.

Risk management framework

The Board is ultimately responsible for the Group's risk management framework. The risk management process involves the identification and prioritisation of key risks, and the development of appropriate controls and plans for mitigation, together with a comprehensive system of review. There are a number of ways in which risks are identified and assessed across the Group.

At a business level, the management teams are responsible for identifying and assessing new risks, as well as monitoring existing risks. Risks are assessed using consistent measurements of impact and likelihood. Changes to existing risks, the emergence of new risks and plans for mitigation are discussed at monthly management meetings held with the Executive Directors, and recorded in the respective business risk register, as appropriate. The business management teams are responsible for the maintenance of their risk registers. Each business risk register is reviewed twice a year by the Executive Directors.

At a Group level, there is a continuous process of considering risk. New and emerging risks are identified through the reviews conducted at a business level, the experience brought by the Executive and Non-Executive Directors and the engagement of certain external specialists in areas including IT security, health and safety, pensions, taxation and climate. As at business level, each risk is assessed based upon its impact and likelihood. The Group maintains a consolidated risk register whereby each recorded risk has a designated owner who is responsible for ensuring that effective controls are in place to mitigate the risk. The consolidated Group risk register is reviewed at least twice a year by the Audit Committee.

The Board obtains assurance that the risk management and related control systems in place are effective through a rolling programme of risk and controls testing across the Group and internal control updates to the Audit Committee at each meeting. Further details can be found on page 59.

The transitional risk of climate change is considered to be a principal risk. Further information relating to both transitional and physical risks and opportunities of climate change can be found in our CFD reporting on pages 39 to 42.

As with all businesses, the Group is affected by a number of risks and uncertainties, some of which are beyond our control. The table overleaf shows the principal risks and uncertainties which could have a material adverse impact on the Group. This is not an exhaustive list and there may be risks and uncertainties of which the Board is not aware, or which are believed to be immaterial, which could have an adverse effect on the Group.

Risk management framework

Identify risk

Business reviews
Executive and Non-Executive Directors
External specialists

Assess risk

Impact
Likelihood

Respond

Avoid
Mitigate
Transfer

Implement mitigation

Controls
Designated owner

Review performance

Risk and controls testing
Updates to Audit Committee

Principal risks and uncertainties continued

Risk impact key

Increased | No change | Decreased

1 Commodity prices and volatility in raw material prices	2 Transitional risks of climate change
Risk description and impact	
The Group's Fuels and Feeds businesses operate in sectors which are vulnerable to volatile commodity prices both for fuel and for raw materials, which will impact performance if not passed on to customers.	The long-term profitability of our current businesses is more likely to be impacted by Government strategy and policy in relation to the decarbonisation of the economy, rather than as a direct impact of climate change. The view of the Board is that the main risk to the Group is a transitional risk as the Government introduces policies which could negatively impact the Group. There are also potential additional costs to the Group, arising from the need to redesign and replace infrastructure as a result of ambitions towards decarbonisation.
Mitigating actions	
The Group maintains close relationships with key suppliers, enabling optimal negotiation of prices, and where appropriate implements purchasing framework agreements. The Feeds business utilises forward contracts for key raw materials to ensure that the impact of volatility can be partially mitigated through committed prices and volumes. Multiple sources of supply are maintained for all key raw materials.	The Directors monitor the regulatory environment on an ongoing basis to identify and anticipate changes in requirements which may impact the Group and also consider the impact on the financial statements.
Change	
Commodity prices have not fluctuated significantly throughout the year and have been successfully managed.	Changes in the regulatory environment and focus on the decarbonisation of the economy may result in long-term risk to Group profitability.
Key risk indicator	
• Brent Crude oil prices • Raw material commodity prices	• Government consultations and ambitions towards decarbonisation
Governance oversight	
The Executive team meets with the senior management teams in each business each month, to review and discuss performance, including consideration of the impact of input price volatility. Key prices are monitored daily with actions taken on customer price if required.	The Board is responsible for managing for the long-term transitional risks to the Group.

Risk impact key

Increased | No change | Decreased

3 Pension scheme volatility	4 Infrastructure and IT systems
Risk description and impact	
Increases in the ongoing deficit associated with the Group's defined benefit pension scheme would adversely impact the strength of the Group's balance sheet and could lead to an increase in cash contributions payable by the Group.	IT system failures or business interruption events (such as cyber incidents) could have a material impact on the Group's ability to operate effectively.
Mitigating actions	
The defined benefit pension scheme has been closed to new entrants since 2002 and closed to future accrual from April 2016. Regular meetings are held with both the scheme's trustees and professional advisors to monitor and review the investment policy, the Group's funding requirements and any other available opportunities to mitigate this risk.	The Group has internal IT support teams together with close relationships with key software vendors and consultants. Significant investment has been made by the Group in upgrading and maintaining its core IT systems in each of the three operating businesses following the cyber incident in a previous year. The Group employs a Chief Information Officer ('CIO') and has continued its relationship with its external Chief Information and Security Officer ('CISO').
Change	
No change. Remains a principal risk.	No change. Remains a principal risk.
Key risk indicator	
• RPI/CPI inflation rates • Mortality rate assumptions • Scheme asset performance	• IT investment as a proportion of Group operating profit
Governance oversight	
The Executive team provides the Board with regular updates from meetings with the scheme trustees and advice taken from professional advisors. The Board meets with professional advisors once a year.	The Group Chief Information Officer ('CIO') and Chief Information and Security Officer ('CISO') provide regular updates to the Executive team and the Board.

Principal risks and uncertainties continued

Risk impact key

Increased · No change · Decreased

5 Non-compliance with legislation and regulations	6 Impact of weather on earnings volatility	7 Strategy development and change management
Risk description and impact		
The Group operates in diverse markets and each sector has its own regulatory and compliance frameworks which require ongoing monitoring to ensure that the Group maintains full compliance with all legislative and regulatory requirements. Any incident of major injury or fatality or which results in significant environmental damage could result in reputational or financial damage to the Group.	The demand for both the Fuels and Feeds businesses is impacted by weather conditions and the severity of winter conditions, which directly affect the short-term demand for heating oil and animal feeds. The inherent uncertainty regarding weather conditions represents a risk of volatility in the profitability of the Fuels and Feeds businesses.	Significant development of the Group is only achievable via a significant acquisition, several smaller transactions or material investment.
Mitigating actions		
Expertise within the businesses is supplemented by ongoing advice from professional advisors and the involvement of the Head Office function which closely monitors existing business practices and any anticipated changes in regulatory practices or requirements. The Group employs appropriately qualified and experienced health and safety personnel and retains health and safety specialists to ensure compliance.	Whilst the Fuels business seeks to mitigate this risk through the provision of a range of fuels, including commercial fuels, there will always be volatility in the profitability of the Fuels business related to weather. The Feeds business seeks to mitigate the extent of weather conditions on the profitability of the business through its concentration on the key dairy sector where there is a strong underlying demand.	The Board maintains oversight of Group strategy development. The Group management team is engaged in ongoing review of competitor activity, development, acquisition and market opportunities. All potential investments are subject to a review of their ability to generate a return on capital employed and their strategic fit with the Group. The Group conducts appropriate internal and external due diligence prior to completing any acquisition.
Change		
No change. Remains a principal risk.	No change. Remains a principal risk in Fuels and Feeds.	No change. Remains a principal risk.
Key risk indicator		
• Number of LTIs/RIDDORs • Employee training hours • Number of HMRC inspections	• Volatility of earnings • Number and severity of weather events	• Performance of investments against business case
Governance oversight		
Business Managing Directors are responsible for compliance with laws and regulations and provide regular updates to the Board via the Company Secretary.	The Executive team meets with the senior management teams each month, to review and discuss performance, including consideration of the impact of weather events on earnings volatility.	The Executive team performs periodic strategic reviews of the Group and presents these to the Board for discussion and debate.

Refining our approach to ESG

Our ESG strategy was launched in 2020 after conducting a materiality assessment that looked at defining what mattered most to our stakeholders, both internally and externally. As outlined below, there are a number of material issues that have been defined against each pillar; these are our top priorities across the Group and where we feel we can have the greatest impact.

We've had continued strong engagement with the strategy and we have been strengthening our approach to effectively deliver results against our targets. Key to this has been building a strong governance mechanism.

Strategic objectives

People material issues:
- Employee engagement
- Training and development
- Diversity and inclusion

Create a culture of safety

Safety material issues:
- Safety first
- Road risk management
- Fleet management

Invest in our people

Build strong partnerships

Environment material issues:
- Operating responsibly
- Climate change and carbon

Respect the environment

Partnerships material issues:
- Customer relations
- Supply chain management
- Community relations

Sustainability governance

Strengthening our approach to how we govern sustainability has been a primary focus for the Group this year. We believe that by building the right structures across the business it will help improve progress against our long-term ambitions, ensure the quality of our sustainability reporting and also encourage our employees to do more for good.

The Board has overall responsibility for, and provides oversight of, the Group's sustainability performance. This includes the approval of targets and KPIs to measure progress and to ensure the correct level of funding and resourcing is provided to ensure the Group achieves consistent results across all four sustainability pillars.

The ESG Steering Committee consists of representatives from across all three businesses and it is responsible for implementing the Group's sustainability strategy. Key responsibilities include identifying and implementing new initiatives, providing training and support to areas of the business that need upskilling and monitoring data to ensure progress is being achieved.

The ESG Steering Committee is also responsible for creating separate working groups which use their expertise to drive improvements and progress sustainability initiatives within the Group.

ESG continued

The ESG Steering Committee meets regularly and includes the following individuals:

Board

For details of the Board see **pages 50 and 51**

Executive Leadership Team

Fuels | **Food** | **Feeds**

ESG Committee

- Chris Belsham, Chief Executive Officer
- Katie Shortland, Chief Financial Officer
- Dave Walmsley, Fuels Managing Director
- Angela Carus, Food Managing Director
- Andrew Downie, Feeds Managing Director
- Tom Harland, Company Secretary
- Matt Stanbury, Group HR Director
- Samantha Douglas, Group Financial Controller

Targeted actions

A requirement when forming this Committee was to ensure it included the appropriate mix of skills, experience, operational and commercial knowledge to address the ESG risks and opportunities relevant to NWF. We recognise that to realise the full value from our sustainability strategy, we must continue to identify opportunities, develop initiatives and embed these throughout our businesses and operations with progress regularly reported back to the Board; the ESG Steering Committee plays a key role in achieving this.

The Chief Executive Officer has been delegated the responsibility for climate-related issues and the Group's ESG strategy. The Chief Executive Officer briefs the Board on the work of the ESG Steering Committee. The Board has the ultimate responsibility for reviewing the appropriateness of climate risk management processes and controls in place within the Group.

Key achievements

Through the ESG Steering Committee, we have progressed a number of workstreams during the year in order to improve the value added by our sustainability strategy. These workstreams have included:

- the enhancement of our health and safety culture and structure, through recruiting a Group HR Director responsible for setting and delivering an updated strategy through collaboration across the Group;
- continued engagement with our businesses to measure the metrics that have been defined as the most relevant indication of performance against our four strategic pillars;
- engaging with our customers through the targeted use of surveys to understand the voice of our customers; and
- investment in people and their learning and development to create a motivated and sustainable workforce.

Given the diverse nature of our three businesses, our focus, having already established relevant and appropriate metrics, has been to measure and understand them as we work towards setting targets to enable our ambitious 2040 net zero target. Our ESG update on pages 29 to 43 comprises predominantly Group consolidated metrics, but we also include a number of business-specific measures where we have concluded these are more appropriate and insightful.

Established monthly reporting for the three businesses continues to be presented alongside monthly management reporting, and more targeted quarterly reporting is delivered to the Executive Leadership Team ('ELT') via the ESG Committee. Furthermore, another significant area of focus for the ESG Steering Committee has been identifying, developing and progressing the key initiatives that will drive performance against these metrics. These are reported in further detail on pages 30 to 37.

Finally, we have further developed our ESG Roadmap, in which we reflect on our progress to date and begin to map out the work the Group plans to undertake over the next two years, and in the longer term, in order to make progress towards our 2040 ambitions. Our ESG Roadmap to 2040 is detailed on pages 30 and 31.

What we have achieved so far

The Group has made significant progress on its ESG framework in 2024.

Create a culture of safety

The health, safety and welfare of our employees and the wider community are a top priority in our operations across all of our businesses. Our safety practices are overseen by the Group HR Director and the Health and Safety Officers, who are assisted by the engagement of specialist external advisors. Regular audits are undertaken as well as internal monthly and external annual reporting to the Board. Whilst the incidence of RIDDOR reportable accidents has decreased year on year, our aim is to reduce this further.

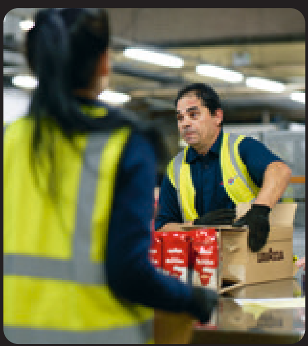
For more information see **page 32**

Number of RIDDORs

7

-58.8%

24	7
23	17
22	9
21	12



Invest in our people

Our long-term success is dependent upon our people. We are committed to building a workforce for the future where our people are healthy and happy and can fulfil their potential. We recognise that engaged employees, who feel valued, are crucial to our business, and it also means they continue to be motivated and deliver the best possible service to our customers.

For more information see **pages 33 and 34**

Employee net promoter score

6.8

No change

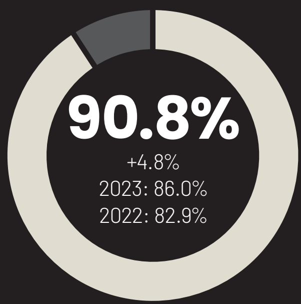
24	6.8
23	6.8
22	6.0

Build strong partnerships

The strength of our partnerships is at the heart of every decision we make. We continue to seek new ways to collaborate and innovate with our customers and suppliers to deliver long-term sustainable value.

For more information see **page 35**

Group OTIF



Respect the environment

We strive for continual improvement when it comes to our environmental performance, monitoring carbon emissions and waste across our supply chain and promoting a healthy environment.

For more information see **pages 36 and 37**

Scope 1, 2 and 3 emissions (tCO_2e)

29,879

+1.7%

24	29,879
23	29,374
22	30,062
21	30,699

ESG continued

Our ESG Roadmap to 2040

Our sustainability progress and future goals

Critical to our success in meeting our overall ESG target of meeting net zero by 2040 is collaboration between our businesses and key stakeholders. Our focus in the next reporting period will be to define key milestone targets and start to understand how we define and measure our Scope 3 emissions.

Strategic objectives

- **Create** a culture of safety
- **Build** strong partnerships
- **Invest** in our people
- **Respect** the environment

Where are we now?

2024

- Committed to four long-term ESG ambitions including a net zero target.
- Enhanced reporting of our key ESG reporting measures across four strategic objectives.
- Specific ESG initiatives developed.
- Development of the measurement of our metrics.
- Embedded ESG Steering Committee.
- Enhancement of our CFD disclosures.
- Introduction of our Group-wide Supplier Code of Conduct.
- Continued improvement of our near miss reporting and in embedding a culture of safety.
- Measurement of employee and customer NPS score.

Key achievements

- A renewed focus on health and safety following the successful recruitment of a Group HR Director. Health and safety teams across the businesses are now working in close collaboration to drive a refreshed strategy and improve the score of key safety metrics. A near miss reporting tool has been rolled out successfully across the Group to support this.
- We have measured the diversity of our colleague population to support with the creation of a diversity and inclusion policy.
- RIDDORs have reduced by 58.8%.
- 100% of our fleet met EURO 6 standards.
- Achievement of B Corp accreditation in Food.

For more information on our ESG initiatives see **pages 30 to 37**

What will we do over the next two years?

2025 2026

- Embed a refreshed people and health and safety strategy following the recruitment of the Group HR Director.
- Deliver a robust management training programme to all levels of our manager colleagues throughout the Group.
- Development of our CFD disclosures.
- Embed ESG initiatives within the NWF business model.
- Continued investment in fleet and trialling of emerging technologies.
- Creation of a diversity and inclusion policy.
- Implementation of new learning and development programmes for our people.

Key targets

- Aim to reduce number of road accidents, lost time injuries and RIDDORs from current reported metrics, embedding a behavioural safety approach to encourage positive, open dialogue about safety in all our operations.
- Maintain and improve OTIF scores and, having provided our Supplier Code of Conduct to our suppliers, ensure this is maintained and provided to all new suppliers.
- Roll out further employee engagement surveys and identify key areas to improve employee satisfaction and wellbeing. Develop our diversity and inclusion strategy. Set a target for our net promoter score by business.
- To focus on driver behaviour to improve miles per gallon ('MPG').

2020 baseline metrics

- 1,517 driver training hours in Food. Improved to 8,989 in 2024.
- 17 RIDDORs. Now at 7 at 31 May 2024.
- 18 Feeds Academy trainees. Total trained to date 46.
- Total emissions of 31,533 tCO_2e.Decreased by 5.2% to 31 May 2024.
- 21.21 tCO_2e/sq ft[1], reduced to 19.8 tCO_2e/sq ft[1] at 31 May 2024.

1 tCO_2e/year defined as tonnes of CO_2 equivalent per year.

ESG initiatives developed during 2024

Development of our Health and Safety Charter

For more information regarding this see **page 32**

Development of our CFD disclosures

For more information regarding CFD see **pages 39 to 43**

Enhancing our recording of metrics

For more information on our ESG initiatives during 2024 see **pages 32 to 37**

What are our medium-term commitments and ambitions?

2027›

- Improve standards and policies, risk assessments and collaboration with our supply chain to maximise positive impacts for our stakeholders.
- Broaden our training and professional development programmes and wider employee wellness initiatives.
- Continue to invest in the latest truck technology and fuel sources, and plan for renewable energy transition.

Focus on:

Continuously improving our offer to customers in Fuels

Within our Stoke depot, we launched a trial initiative, led by Dan Beckett (pictured), to re-evaluate every aspect of their operating model to tackle some of the challenges the industry faces head-on. We saw the six-month project outperform expectations and have reshaped the approach to domestic customers nationally on the strength of these results.

Dan Busby said, 'Challenging the status quo and hitting the reset button wasn't easy to do, but we developed solutions from our 'voice of the customer' campaign and put the answers into practice'.

Dan Beckett added, 'Change is never easy but everyone approached this trial with such a positive attitude and we have yielded great results. We are fanatical about delivering great service!'.

ESG continued

Create a culture of safety

Implement a safety-first approach

We implement a safety-first approach in all activities and our 2040 ambition is to reduce accidents and incidents to a minimal level, with a zero-harm target.

Focus on road safety

A common feature of our three businesses is their fleet and across the Group we operate over 350 commercial vehicles. Road safety for our employees and the general public is therefore of significant importance. All safety incidents, including personal injuries, product spills, road traffic accidents and near misses, are recorded and thoroughly investigated to identify the underlying causes and control weaknesses and learn from any errors. Health and safety information is reported to the Board monthly, with any incidents reported immediately and an improvement plan outlined. We continually work to improve our performance towards a goal of zero harm.

Progress in 2024

During the year, health and safety teams have been working in close collaboration across the Group, led by the Group HR Director, driving forward our commitment to ensuring a zero-harm working environment.

The following initiatives are examples of the progress we have made in championing safety across the Group:

- Near miss reporting has been implemented across the Group and is now being measured.
- Feeds achieved its ISO 14001 and Fuels retained its compliance status. Food is working towards accreditation.
- Fuels maintained its ISO 45001 and 9001 ratings.
- All of our non-electric fleet is EURO 6 compliant.
- Food maintained its BRCGS supply chain assurance AA rated standard.
- Regular health and safety audits of key locations by both internal and external parties.
- Food maintained its accreditation as a member of the 'Driver Vehicle and Standards Agency Earned Recognition' scheme.
- Monthly reporting to the Board with an annual review by external advisors.

The Group monitors accidents and injuries in line with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013, and the number of reportable incidents across the Group in the year ended 31 May 2024 was 7 (2023: 17).

Our 2040 ambitions

Zero harm

Reduce accidents and incidents to a minimal level with a zero-harm target

Number of accidents per 1m km

7.29

2023: 7.14
2022: 3.81

Number of driver training hours per year

12,545

2023: 10,225
2022: 7,034

LTIs

4.5

2023: 16.1
2022: 23.1

RIDDORs

7

2023: 17
2022: 9

Focus on:

The future of our Group

Matt Stanbury joined the Group in January 2024 as Group HR Director. He says: 'It's an exciting time to be joining the business, with a refreshed strategy with a strong focus on our people. Our vision is to train and retain the best talent in the market and to create specialist skills delivered through exceptional behaviours, equipping our colleagues to be the best in their area, so that our customers get the elite service they deserve'.

Matt continued: 'Recognising our people have a proven track record of excelling in challenging conditions, our focus will be on creating an 'NWF Group standard' which our management teams will utilise to equip our colleagues with the best skills to enable them to drive performance and efficiency across the Group. Our newly created values (see page 4) will underpin this element of our people strategy. I believe by building strong foundations in the HR and health and safety functions of the businesses, we make a commitment to our people that we are investing in them and in turn they will amaze our customers!'.

By unifying communication and education and utilising new software systems across all the businesses, the Group's health and safety performance is yielding results. Matt concludes: 'This is a great new chapter for the Group and the investment in our people will bring tangible results'.

Invest in our people

Progress in 2024

Engagement with our employees remains paramount to our success.

The following initiatives demonstrate the outcomes of engagement with our employees and further development of ESG initiatives to develop our people and promote wellbeing across the Group:

- We have continued our regular programme of free fitness classes provided by a local team of personal trainers in our on-site studio at Wardle and Crewe. We have further invested in equipment to enhance the performance and quality of these sessions. We have also invested in and updated our gym app which provides access to virtual workouts for all our colleagues working across our various locations.
- The Group continues to undertake employee surveys and in 2022 we rolled out the first in a new programme of Group-wide employee engagement surveys. The third annual survey took place in spring 2024. The overall engagement survey score has remained in line with prior year at 6.8 with a strong participation rate highlighting that our colleagues voices continue to be valued.
- Our Feeds Sales Training Academy continues to thrive in its fifth year and to produce the Feeds advisors of the future. The Fuels Aspire programme welcomed its second cohort, developing the future managers and leaders of the business.
- Our Food business was named winner of the 'Employer of the Year' award at the Cheshire Chamber of Commerce Business Awards, reflecting the significant progress that has been made to develop the culture of the business.

boughey
60 YEARS 1964-2024
ANNIVERSARY

- Our Food business celebrated its 60th anniversary during the year with a celebration day for all employees held in June 2024.
- Across the Group we celebrated 352 employees (2023: 320 employees) with over ten years' service, equivalent to 24.8% of our employees.

Our 2040 ambitions

Opportunities for all

Deliver a culture of equality, diversity and inclusion supported by a programme of development in place for every employee

Learning and development expenditure

£0.2m

2023: £0.3m
2022: £0.3m

Voluntary labour turnover

15.7%

2023: 17.0%
2022: 24.4%

Employee NPS

6.8

2023: 6.8
2022: 6.0

Focus on:

Collaborating with colleagues

Luke Armitage joined our Fuels business as Operations Director in May 2023. Luke states 'A key aspect of driving operational excellence is harnessing the power of technology to unlock new opportunities for growth and stay ahead of the competition'.

Luke believes collaboration has been instrumental in the success so far: 'By working closely with the other businesses within the Group, we've shared resources and expertise to mutual benefit; our collaboration led to the construction of new fuel tanks in Wardle, which serve the needs of all three businesses. Additionally, by partnering with the Food business, we've been able to access their workshop facilities to keep our vehicles in optimal condition, minimising downtime and ensuring reliable service delivery'.

'With a focus on safety, compliance, and customer satisfaction, we're poised to achieve our goals and solidify our reputation as a leader in the industry'.

ESG continued

Invest in our people continued

Case study – Innovation

Robotics supporting health and safety

In partnership with a German bionics company, our Food business has invested in two robotic suits, designed to support warehouse colleagues lifting during shifts. The robotic suits are worn like small backpacks and can add up to 30kg of lifting assistance to the lower back. Made with ultralight carbon fibre, the waterproof exoskeleton incorporates the unique AI-based Smart Safety Companion ergonomic early warning system to provide alerts of signs of poor posture and incorrect lifting practices in real time. This actively assists in preventing fatigue and resultant errors and potential injuries.

Danny Earp, Food Warehouse Operations Director, speaking about the new innovation, said: 'Our aim is to provide a safe and secure work environment for our colleagues. We hope that this technology will reduce strain and stress and ultimately minimise personal injuries and incidents. Our colleagues work incredibly hard and we hope to maintain the same productivity levels while doing more to protect their backs while lifting'.

Focus on: Innovation

Robotic process automation

Throughout the year, the Food business has been looking at ways to utilise new technologies to increase accuracy and efficiency and remove manual processes.

The team has worked with an external expert to implement automation processes using a software robot technology, robotic process automation ('RPA'). Initially, RPA was introduced in customer services, which helped increase data accuracy and turnround time for processing customer information.

Food Finance Director Alex Hall comments: 'We now have a dedicated team of colleagues to enable us to identify and roll out the next phase of innovative use of RPA technology across our business, further enhancing our customer and supplier experience'.

Build strong partnerships

Customer relationships

We want to gain a deeper understanding of our customers' needs so we can continue to offer them more choice, better quality and improved standards, as well as great value.

The following initiatives demonstrate how we are seeking to improve engagement with our customers across the Group:

- All three businesses have undertaken surveys to assess their customer NPS, enhancing our understanding of our customer base and allowing us to further develop strategies to retain and grow our business.
- Fuels developed its customer offering through trialling new and innovative ways of working in its Stoke depot. For further details, please see page 31.
- Following a rigorous assessment phase, Food achieved its B Corp certification. For further details, please see page 43.
- Food has employed a new Commercial Director to support the delivery of strategic objectives, following the growth into the new Lymedale warehouse.
- Food has continued to encourage its customers to remove waste from the supply chain and participate in the FareShare initiative, delivering over 49,000 tonnes of food that would have otherwise gone to landfill.
- Feeds is supporting farmers with reducing carbon emissions through development of its new fusion range of products. For further details, please see page 37.

Supply chain management

It is critical to NWF that we work together with suppliers to promote responsible business practices. We continue to utilise our now established supplier due diligence process and the Supplier Code of Conduct. Following roll out in 2023, all new suppliers are issued with the Code. Our Supplier Code of Conduct codifies our commitment to conducting our business sustainably, responsibly and to the highest professional and ethical standards and formally establishes the minimum standards that must be met by any entity that supplies products or services to the Group.

Furthermore, the following ESG initiatives have been pursued during the year:

- Fuels has continued to distribute its lower carbon part-renewable HVO30 and HVO100 product to commercial and agricultural customers.
- Following the outcome of the customer survey within Fuels, and working in conjunction with our ERP provider, enhancements to the existing technology have been made.
- Our Feeds business continues to work with suppliers to create a range of compound feeds which do not contain soya or palm kernel, which has been launched under the 'Sustain' range of feeds.
- We took ownership of an electric truck in our Food business during the year, using it to support the Palletline business in FY24. Expansion of our use of electric vehicles is expected in our Food and Feeds businesses.

Our 2040 ambitions

Leverage business partnerships

Develop, test and adopt emerging technologies to support sustainable delivery and value for our customers

OTIF
Fuels

82.8%
2023: 71.5%
2022: 65.7%

Food

97.9%
2023: 96.4%
2022: 96.7%

Feeds

91.7%
2023: 90.2%
2022: 86.2%

Focus on: Collaboration

Use of technology in finance – Fuels and Food

Collaboration between the businesses has paid dividends this year with Food partnering with its sister company Fuels to utilise their existing software for enhancing and automating the invoice approval process. The software reads key information from the invoices, applying coding and approval information that is then uploaded to the ERP system. This new approach has significantly reduced the amount of paper used in the business and improved the efficiency of the approval process.

Fuels Finance Director Erica Parkinson commented: 'This collaboration is a great example of leveraging knowledge and expertise across the Group and enhancing both businesses' capabilities'.

ESG continued

Respect the environment

Our approach to CFD

Climate-related Financial Disclosures ('CFD') require companies to identify, measure, quantify and report upon the risks and opportunities of climate change. Last year we presented our first CFD disclosures, in compliance with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and Sections 414C, 414CA and 414CB of the Companies Act 2006 to place requirements on certain publicly quoted companies and large private companies to incorporate CFD-aligned climate disclosures in their annual reports. Our CFD Report can be found on pages 39 to 42.

Below we set out the pillars of CFD and our approach:

Our 2040 ambitions

Net zero emissions

Achieve net zero carbon emissions within our own operations by 2040

MPG
Fuels

9.76
2023: 9.72
2022: 7.76

Food

10.44
2023: 10.44
2022: 10.32

Feeds

6.82
2023: 6.70
2022: 6.85

Fleet meeting EURO 6 standards

100%
2023: 97%
2022: 94%

Average age of fleet

3.18 years
2023: 3.47 years
2022: 3.14 years

Pillars	Recommended disclosure	NWF alignment	Further information
Governance	Disclosure of governance structures, oversight and management processes in place to manage climate-related risks and opportunities.	• Responsibility for climate-related issues and our ESG strategy is held by our CFO. • The Board has overall responsibility for reviewing the risk management processes and controls in place within the Group and ensuring that they are appropriate, which includes climate-related and ESG risk. • Our ESG Steering Committee is responsible for reviewing performance against our KPIs and monitoring the progress of climate/ESG-related initiatives.	Corporate Governance Statement on pages 53 to 58. ESG framework on page 27. Principal Risks and Uncertainties on pages 23 to 26.
Strategy	Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where material.	• Further work has been completed to define our 'Roadmap to 2040' and embed climate/ESG-related issues within the Group's long-term business model and strategy.	Q&A with Chief Executive Officer and Chief Financial Officer on page 10. Business reviews on pages 14 to 19. Roadmap to 2040 on pages 30 and 31.
Risk management	Disclosure of how the organisation identifies, assesses and manages climate-related risks.	The Group's risk management programme, which assesses key risks and the required internal controls, is delegated to Directors and managers and is reviewed twice annually by the Audit Committee. Principal risks, including climate-related risks, are identified and addressed using the risk management process detailed on pages 23 to 26. Climate-related risks and opportunities are set out on pages 40 and 41.	Principal Risks and Uncertainties on pages 23 to 26. Corporate Governance Statement on pages 53 to 58.
Metrics and targets	Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where material.	The Group has outlined its long-term ambitions for 2040, which include a net zero target. Our carbon emissions are disclosed in accordance with SECR requirements. The Group has defined its KPI metrics for ESG reporting.	ESG framework on pages 27 to 43.

Energy consumption

Energy consumption

The Carbon Intensity Ratio 1 (tCO_2e/commercial vehicle) and Carbon Intensity Ratio 2 (tCO_2e/1,000 sq ft of warehouse and office space) have seen reductions by 0.4% and 8.2% respectively. This is due to the installation of LED lighting across our sites and depots and we continue to look for ways to reduce our energy consumption further.

Mitigating our carbon emissions

We are challenging ourselves to think differently, and by driving efficiencies across our operations we aim to minimise the amount of waste and plastics we produce, use resources more responsibly and ultimately protect the natural environment.

Our current environmental initiatives include:

- where possible, electricity contracts are from 100% renewable energy sources;
- enhancing infrastructure through partnering with key customers in Food to install electric truck charging points;
- investment in low carbon diets within our Feeds business;
- solar panels have been installed on the warehouses at our Longtown mill; and
- a commitment to invest in a clean, modern and efficient fleet.

Focus on:

Reducing our carbon emissions

Our Feeds team continues to innovate to produce products which help its customers achieve higher milk yields, better cattle growth rate and higher lambing percentages. They work with their customers to provide the public with safe, high quality food with high welfare standards, produced in a sustainable manner.

Paul Mardell, our Feeds Technical Development Manager, said: 'We are working closely with our customers to meet the challenges and recognise the benefits of addressing public demand for reduced carbon products. Farmers are also recognising that reducing carbon emissions per litre of milk or kilogram of meat and improving efficiency and profitability are not mutually exclusive.' He continued, 'Our Carbon Reduction Project is aimed at driving carbon emission reduction throughout our supply chain, from sourcing and manufacturing, to use on farms. Focused training is provided to our sales teams, starting at our Academy, to ensure we are able to deliver quality advice to farmers'.

But the Feeds' Carbon Reduction Project doesn't just stop at the farm gate; environmental and efficiency gains are being delivered across our mills, with wind energy generated through the Aspatria site and Longtown's solar panels producing over 86,000 kWh of energy per year.

ESG continued

SECR Statement

We measure and report our energy and carbon data across the entire Group (Food, Fuels and Feeds), providing comprehensive data to substantiate our overall environmental impact.

Our SECR Statement includes all emission sources required under the 2019 regulations for the financial year ended 31 May 2024. Information regarding energy efficiency action taken during the year can be found on page 37.

NWF Group generated 29,879 carbon dioxide equivalent tonnes ('tCO_2e') of emissions during the year (2023: 29,374). 80% of this energy is consumed by making deliveries to customers using our transport fleet. Our transport fleet efficiency is a key part of our energy saving initiatives, looking for savings through more efficient driving, investment in clean modern vehicles and optimum routing.

We have chosen two carbon intensity ratios that reflect our business performance. Our carbon intensity ratio for the year ended 31 May 2024 was 88.65 tCO_2e per commercial vehicle (2023: 89.01), and 19.81 tCO_2e per 1,000 sq ft of warehouse and office space (2023: 21.59), representing an 8.2% decrease on last year. This can be partly attributed to reduced electricity usage as a result of lower volumes of feed manufactured.

In order to calculate the carbon emissions, we have used the emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023. One of the requirements of the SECR regulations is to report our total UK energy use in kilowatt hours ('kWh'); for this we have used the 2023 conversion factors. The Scope 1 and 2 emissions reported are for all facilities across the Group under our operational control. This includes all distribution centres, manufacturing sites, oil depots and offices, plus fleet under our ownership. Scope 3 transport emissions relate to those emissions from employees who use their own or hire car vehicles in the course of business. Other fuel emissions include kerosene used for creating steam in feed manufacturing facilities and gas oil/LPG used to fuel on-site vehicles. As NWF Group is a UK-based company, it is not required to report any global activity emissions. Purchased electricity has been calculated based on location-based emissions factors.

Carbon emissions (tCO_2e)[1]	2023/24	As restated[2] 2022/23	As restated[2] 2021/22
Transport (Scope 1)	**23,871**	23,058	23,218
Transport (Scope 3)	**69**	55	33
Purchased electricity (Scope 2)	**3,898**	4,108	4,639
Other fuels (Scope 1)	**2,041**	2,153	2,172
Total emissions	**29,879**	29,374	30,062
Carbon intensity ratio 1 (tCO_2e/commercial vehicle)	**88.65**	89.01	91.10
Carbon intensity ratio 2 (tCO_2e/1,000 sq ft of warehouse and office space)	**19.81**	21.59	22.09
Total UK energy usage (kWh)	**116,244,695**	115,531,843	116,737,255

1 tCO_2e/year defined as tonnes of CO_2 equivalent per year.

2 Prior year carbon intensity ratio 1 and carbon intensity ratio 2 have been restated to reflect updated information received after the year end date.

Fleet management

Across our businesses we promote sustainable logistics, investing in clean fleet and energy initiatives to achieve this. In addition, our strategy to maximise fleet capacity to minimise empty running miles provides the best environmental solution across all our businesses.

Our approach to CFD

NWF recognises the potential positive and negative impact that it can have on the environment from its manufacture and distribution activities and has committed to reaching net zero on carbon emissions by 2040. The steps the Group is currently taking to meet this ambitious target include installation of solar panels, utilisation of electric vehicles within our fleet and continuous review of new fuels in the marketplace. We have also completed projects to enhance the MPG achieved per truck to reduce our carbon emissions without the use of new technology.

We have produced CFD disclosures that align with the current TCFD requirements in compliance with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and Sections 414C, 414CA and 414CB of the Companies Act 2006 that place requirements on certain publicly quoted companies and large private companies to incorporate TCFD-aligned climate disclosures in their annual reports, but recognise that further work is required for full TCFD disclosure requirements to be met. We continue to review the full disclosure framework and recognise that the level of granularity required as part of our disclosures will increase over time, and as such we will make appropriate enhancements to our current disclosures. Since our last report we have expanded our scenario analysis to include a more detailed qualitative assessment of the financial impact of our risks and opportunities.

We have considered how the full requirements of TCFD align to the UK Companies Act and have presented a 'Non-Financial and Sustainability Information Statement' that we have referenced as 'TCFD' throughout this report that focuses on the eight disclosure requirements as prescribed by the Companies Act.

Governance

The Board is ultimately responsible for the Group's risk management framework which includes both climate-related risks and opportunities. The risks and opportunities relating to climate change are identified, considered and managed at a business level, and consolidated at a Group level. Business unit management completes reporting which includes the climate-related risks and associated metrics, which are reviewed by an ESG Steering Committee. The ESG Committee is part of the Executive Leadership Teams remit, who review CFD reporting alongside the Group's other environmental initiatives, its CFD disclosures. Reports detailing both our ESG and CFD metrics are reported on a quarterly basis, and initiatives tracked to improve our performance in this area. For further details of the structure of this Committee, please see page 28 and page 55.

The ESG Committee meets quarterly and includes the following individuals:

- the Chief Executive Officer and Chief Financial Officer;
- the Group HR Director;
- the Company Secretary;
- the Group Financial Controller; and
- the Managing Directors for the Group's three businesses (Fuels, Food and Feeds).

For more information see **page 28**

The Chief Executive Officer has been delegated the responsibility for climate-related issues and the Group's ESG strategy. The Chief Executive Officer briefs the Audit Committee and Board three times per year on the work relating to ESG discussed by the Executive Leadership Team. The Board has the ultimate responsibility for reviewing the appropriateness of climate risk management processes and controls in place within the Group.

Risk management

The transitional risk of climate change is considered a principal risk for the Group; therefore, it is governed in line with the Group's overall risk management framework. For further details please see page 24.

The risk management process involves the identification and prioritisation of key risks, the development of appropriate controls and the plans for mitigation. There are a number of ways in which risks are identified and assessed and managed across the Group.

At a business level, the management teams are responsible for identifying and assessing new risks, as well as managing existing risks. Risks are assessed using consistent measurements of impact and likelihood. Changes to existing risks, the emergence of new risks and plans for mitigation are discussed at monthly management meetings held with the Executive Directors, and recorded in the respective business risk registers, as appropriate. The business management teams are responsible for the maintenance of their business risk registers. Each business risk register is further reviewed twice a year by the Executive Directors.

At a Group level, there is a continuous process of considering risk. New and emerging risks are identified through the reviews conducted at a business level and the experience brought by the Executive and Non-Executive Directors. The Group maintains a consolidated risk register whereby each recorded risk has a designated owner who is responsible for ensuring that effective controls are in place to mitigate the risk. The consolidated Group risk register is reviewed at least twice a year by the Audit Committee.

Historically, the risk identification process has reviewed how the Group will be impacted by Government strategy and policy in relation to the decarbonisation of the economy, rather than the direct impact of climate change. Over time, we will seek to further embed specific and material climate-related risks and opportunities into our risk management framework to ensure an integrated approach.

Strategy

We have identified climate-related risks and opportunities over three time horizons which are defined below:

- **short term:** up to five years, in line with our forecasting cycle;
- **medium term:** five to ten years, when we anticipate that there will be further legislative changes to support and enable the transition to a lower carbon economy; and
- **long term:** beyond ten years, which we reflect has implications for the Group's long-term growth plans.

The Group is comprised of three business units, which are each impacted by climate differently. There will be many value creation opportunities as the world transitions to a low carbon economy; however, the Group will also be exposed to physical and transition risks. We have identified a range of such risks and opportunities across different time horizons and indicated our resilience to the impact of these as listed in the table overleaf.

Risk register and summary of climate scenario analysis results

Risk and opportunities identified at business level are consolidated and reviewed by the ESG Committee. Our established risk management process has been utilised to determine if a climate risk or opportunity may have a material impact using consistent measurements of impact and likelihood; for further details of this please see page 40. Those risks and opportunities determined to have a material impact are noted overleaf, and have been expanded in the current year to further review the impact in each of our qualitative scenarios.

CFD continued

Risk register and summary of climate scenario analysis results continued

Scenario analysis – 'What if?'

Transition risk will crystallise as we move to a low carbon economy; we have, as a Group, not yet conducted an in-depth quantitative scenario analysis. However, we have considered the broader qualitative ramifications of climate change to our business model and the Group by considering two possible scenarios, which we deem at this stage to be a suitable and relevant baseline scenario set to work from. The time horizon we have considered our scenarios over is to 2040, in line with our commitment to achieving net zero.

Scenario A: Significant steps towards addressing climate change are taken, resulting in higher transition risks

In this scenario, we assume an early committed action by society to reduce global emissions in conjunction with policies and legislation immediately implemented towards a low carbon economy intensifying over time. This action is viewed as an effective way to limit global warming to less than 2°C in line with the Paris Agreement.

Scenario B: Limited action towards addressing climate change leading to potentially higher physical risks

In this scenario, consumer preferences do not shift and/or policies to address climate change are not implemented sufficiently, resulting in ambitions falling behind Paris Agreement targets and resulting in an increase in global temperatures above 3°C, with associated sea level rises and extreme weather changes.

We have already conducted the initial stages of research into the broader physical impacts of sea level rises and increased flooding in line with the leading consensus from the IPCC (2021). In this scenario, we see an impact in both our supply chain and low lying depots, which are at risk of flooding.

As the Group gains more experience with qualitative scenario analysis, we will endeavour to develop our scenarios and associated analysis utilising quantitative information to illustrate potential pathways and outcomes. In this way, we will be able to provide a more in-depth quantitative assessment of the climate risks and opportunities faced by our businesses. We believe these scenarios cover a varied range to provide a robust assessment of future outcomes relevant to the Group's business.

The Group is well placed to be able to adapt to each of these scenarios, with a system of monitoring incoming regulation and development of new products and services as well as a management structure that allows for the free flow of information between our businesses and the Group. In considering our risks and opportunities, we have reviewed the specific impacts of each of these two scenarios and their impact on our business units and activities.

Risk detail	Impact	Potential financial impact	Scenario with greatest impact	Resilience
Transition: Policy and legal				
(1) Mandates on regulation of existing products and services. **Time horizon** Long term	**Fuels:** A key part of value creation is from the commercial and domestic oil market. With increased regulation and associated costs on domestic oil, we would expect to see our customer base transition their traditional oil boilers to alternative low carbon fuels, air or ground source heat pumps, or biomass boilers, resulting in revenue loss. We also anticipate there to be increasing difficulty in sourcing capital funding for carbon intensive industries such as Fuels, with increased regulation and pressure on banks and investors.	In the event of a transition to low carbon liquid fuels, there would be a relatively low capital spend to convert our fleet and facilities to store and deliver the fuel.	A	In response to these risks, we have assessed that our Fuels business can quickly adapt its operating model to transporting alternative low carbon fuels, as we already have the relevant infrastructure and skills for this development. Our industry and Group are acutely aware of the carbon intensive nature of our business models and thus there will likely be an industry-wide technological adaptation and adoption process.
(2) Increased price of GHG emissions through carbon tax. **Time horizon** Medium term	**Group:** The prevalence of carbon pricing is expected to expand, thereby causing the price of carbon to increase.	This may lead to an increase in direct compliance costs and an indirect cost increase of carbon pricing pass-through in the supply chain.	A	As a Group, we are tracking greenhouse gas emissions from each of our businesses, with metrics implemented to reduce GHG emissions across the Group. We have a wind turbine installed at a Feeds site, which is energy neutral, and have also installed solar panels at our Longtown mill, with plans to increase the amount of self-generated renewable energy used across the Group in the coming years. For further details of our wind turbine and solar panels see page 37.
Transition: Technology				
(3) Development of emerging low carbon technology. **Time horizon** Medium to long term	**Group:** Our business is typically guided by industry-wide technological advancement into low carbon technologies. There is an increasing shift towards electric vehicles and a non-fossil fuel fleet because of Government policy changes.	Costs throughout the supply chain are anticipated to increase as the cost of leases and capital outlay for low carbon emission vehicles increase.	A	We use HVO100 powered vehicles at our main Wardle site. Across the Group we have invested in a number of electric vehicles, taking advantage of current subsidies in place.

Risk detail	Impact	Potential financial impact	Scenario with greatest impact	Resilience
Transition: Market				
(4) Change in consumer preferences. **Time horizon** Long term	**Fuels:** The shift away from oil heating towards lower carbon intensive fuel types, particularly amongst domestic customers, which could result in a risk of loss of revenue. **Feeds:** Changes in consumer demand could impact dairy and meat consumption nationally, impacting our customer base and overall demand for feed. Where demand exists it is expected to be for more sustainable sources such as low methane emitting animal products.	**Fuels:** Potential reduction in revenue from domestic fuel sales. **Feeds:** Potential reduction in revenue due to consumer demand. Increased cost of investment focused on low methane producing products.	A	**Fuels:** There is an ongoing process to review new liquid fuel products in the market, and an assessment of our preparedness to adapt our fleet for these new fuels. We are also monitoring the development of all energy sources including hydrogen as a potential solution for our customers' heating and transportation requirements. **Feeds:** Is engaged in a product monitoring process and trialling alternative, low methane producing feed products to help reduce emissions.
Physical: Chronic				
(5) Average increase in global temperature (operations). **Time horizon** Long term	**Fuels:** The proximity to the coast and river flood plains of a limited number of our depots could impact our ability to operate from those locations in extreme weather scenarios, leading to a loss of revenue and assets. **Food:** The Food business will also be impacted, to a lesser extent than the rest of the Group. Currently, we operate ambient storage facilities, but with increased average temperatures this may have an impact on our stored goods. **Group:** An increase in the frequency and severity of extreme weather events will increase the potential for harm to occur to our employees, e.g. through flooded homes or heatwaves, or make working conditions harmful.	**Fuels:** Potential loss of revenue and assets in the longer term, with higher insurance premiums to mitigate potential loss of profit or repairs in the medium term. **Food:** Increased cost of investment to convert warehouse space to be temperature regulated. **Group:** Potential revenue impact from employees being unable to work safely, and increased cost to make working environments safer.	B	Within the Fuels business we have a nationwide network of depots, and supplies could be diverted to impacted areas of the country should one of our depots be temporarily closed. Our Food business has been working with some of our customers to provide cooled warehouses, to mitigate potential damage to our customers' produce. Further downstream of our business we have engaged with our customer base to understand how they might increase their own resilience in their business models. As the risk continues to evolve, we will look to emerging technologies to ensure that the employees of the Group can continue to operate in safe working environments.
(6) Average increase in global temperature (supply chain). **Time horizon** Long term	**Food:** The prevalence of more extreme weather patterns will increase degradation to the UK road infrastructure, increasing the potential damage to our fleet and increasing the time of delivery and potential damage to goods transported. **Feeds:** When identifying physical risks to the Feeds business, we expect to see an increased interruption to our supply chain as harvest patterns shift.	**Food:** Potential increased direct costs for vehicle repair and maintenance and higher insurance premiums as a result of increased claims for damage in the market. **Feeds:** Potential revenue decline with livestock losses due to extreme weather events reducing our customer base and, finally, an increase in the competition for raw materials to produce feed.	B	In our Food business we invest in the latest vehicle technology and have our own on-site garage to reduce the cost of vehicle repairs. In our Feeds business, we have begun to increase diversification in our supply chain and engage with our suppliers to understand how they might mitigate these impacts in supply.

CFD continued

Opportunities

In addition to climate-related risks, we have identified a number of opportunities for NWF in the transition to a lower carbon economy.

Opportunity detail	Impact		Scenario with greatest impact	Strategic response
Transition: Resource efficiency				
(1) Reduce Scope 1 and 2 emissions to a minimum and use more efficient modes of transport by converting fleet. **Time horizon** Long term	**Group:** There is a large opportunity for the Group to be more resource efficient, particularly as part of its energy consumption. Consequently this could lead to reduced operating costs. This will also contribute significantly to the net zero by 2040 target. **Group:** Utilising renewable energy and alternative drive concepts through emerging technology will ultimately reduce our carbon emissions and create efficiencies, enhancing our reputation with our customers. Improving the efficiency of our fleet will increase the useful economic life of the vehicles we use and create potential cost savings.	Reduced cost of purchased electricity through self-generated renewable energy. A reduction in Scope 1 and 2 emissions may be achieved through the installation of solar panels at sites across the Group and the expanded use of renewable energy in its operations.	A	We have installed solar panels at our Longtown mill and a wind turbine at our Aspatria site, and are considering further installations across the Group. The company car scheme operated at Group level and in our Fuels and Food businesses is a non-fossil fuel scheme. All of our electricity consumed across our main sites comes from 100% renewable sources. We are also working with external parties to review how we save energy costs across the Group, in a bid to reduce our Scope 1 and 2 emissions and create cost savings. We are already using, to a limited extent, electric vehicles in the Food business and will continue to work with our commercial vehicle suppliers to understand how emerging technologies can benefit the Group.
Transition: Products and services				
(2) Growth in low carbon heating market. **Time horizon** Long term	**Fuels:** The Fuels business has the opportunity to offer an alternative liquid heating fuel. This can be achieved through technological advancements to produce wide-scale, lower carbon fuel alternatives, ultimately reducing our Scope 3 emissions. At present, there is no meaningful change in consumer demand towards lower carbon alternatives.	Increased revenue or margin from sale and distribution of low carbon alternative fuels.	A	We are continuing to support the distribution of lower carbon part-renewable HVO30 and HVO100 products to commercial and agricultural customers.

Metrics and targets

To measure progress against our net zero 2040 target, we have key performance indicators in place to monitor our Scope 1, 2 and 3 emissions across the entire Group (Fuels, Food and Feeds).

In order to calculate our emissions, we use emissions factors from the UK Government's GHG Conversion Factors for Company Reporting 2023. Data is consolidated using the operational control approach. These metrics are tracked monthly as part of management reporting.

We are committed to playing our part in the UK's ambition to achieve net zero by 2050, and developing our own Net Zero Transition Plan. As such, the Group has set an ambitious target to achieve net zero by 2040 across our own operations (Scope 1 and 2 emissions). We are also looking to perform a more detailed assessment to understand the most relevant and addressable elements of our Scope 3 emissions within our value chain to enable us to start measuring them.

The Board appreciates the importance of setting mid-term targets, but recognises further analysis of existing data is required before robust targets are set, which can be meaningfully linked to the Group's long-term target.

Similarly, the Group has included ESG measures in the annual bonus for personal objectives incorporated into the remuneration policy for the executives. The climate-related KPIs used to monitor progress against our net zero 2040 target are on page 36.

Read more about our energy and carbon emissions on **page 38**

Focus on: Sustainability

An update on our B Corp ambitions

Last year we reported that we had applied for B Corp certification within our Food business (Boughey Distribution Limited) and are now able to confirm that the business achieved certification in June 2024.

B Corp's purpose is to measure a company's entire social and environmental impact and certification is a designation that a business is meeting high standards of verified performance, accountability and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

The process of achieving B Corp accreditation has improved the operations of the business on a day-to-day basis, benefitting colleagues and supporting customers who want to deal with a sustainable supplier.

The achievement of B Corp accreditation has been led by Sarah Hall, ESG Quality Manager in the Food business. Paying tribute to Sarah's contribution, Managing Director Angela Carus commented, 'within our business, Sarah has instigated new initiatives with real purpose and energy and, alongside our plans to become certified, she has trained to become a Leadership for Good mentor, providing her with the knowledge to guide other companies and customers to become part of the B Corp movement'.

For further details please see **https://boughey.co.uk/boughey-achieves-b-corp-certification/**

Certified B Corporation

Stakeholders and Section 172

How we engage with our stakeholders

NWF Group plc depends on the trust and confidence of all its stakeholders to operate sustainably in the long term.

The Group seeks to build strong partnerships, create a culture of safety, invest in its people, respect the environment in which it operates and generate sustainable value for shareholders.

The Directors of NWF Group plc ('the Group') have discharged their duties as set out in Section 172(1) of the Companies Act 2006; they have had regard to the matters set out in Section 172(1) (a) to (f) when performing their duty to promote the success of the Group for the benefit of its members as a whole. In doing so, the Directors must have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Group's employees;

(c) the need to foster the Group's business relationships with suppliers, customers and others;

(d) the impact of the Group's operations on the community and the environment;

(e) the desirability of the Group maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Group.

The Board's understanding of the interests of the Group's stakeholders is informed by the programme of stakeholder engagement detailed overleaf.

Section 172 considerations are embedded in decision making at Board level and throughout the Group. Examples of how the Directors discharged their Section 172 duty when taking principal decisions during the year are set out on pages 47 and 48.

Customers

With over 150 years' experience in adding value to our customers' businesses, our commitment to customer service remains critical to our success.

Stakeholder expectations

- Reliable service, on time and in full.
- Quality products representing value for money.
- Knowledgeable and responsive teams which provide technical excellence in their respective fields.

Why we engage

- To reinforce our customer-focused culture and focus on delivering excellence in customer service.
- To ensure high levels of availability and delivery metrics, achieving high service levels and delivering value.
- To develop customer-focused solutions, ensuring the Group understands and responds to evolving customer needs.
- To drive improvements and reduce complaints.

How we engage

- Each business has experienced customer service teams engaging with customers on a daily basis. Through our customer service teams and sales representatives, we are in constant communication with our large and diverse customer base.
- Regular monitoring of performance against service level agreements and quality standards.
- Customer visits and attendance at relevant industry trade fairs and shows.
- Regular programme of site tours for customers and other community groups or business partners.

Outcomes of engagement

- Following customer satisfaction surveys performed across the Group in early 2023, we have an understanding of our customer views and are able to put targeted actions into place to enhance our offering.
- An increase in the capacity of the Food business following the investment in a newly constructed purpose-built warehouse to support the continued customer demand.
- The Fuels domestic customer trial in Stoke was based on feedback from customers. The approach is now being rolled out across the entire domestic customer base.

Suppliers

Through collaborative and mutually beneficial relationships, NWF can continue to deliver efficient, quality services and high standards in a sustainable manner.

Stakeholder expectations
- Compliance with contractual terms and conditions.
- Co-operation to allow our suppliers to improve their products and services and to resolve any issues.
- To be treated fairly.

Why we engage
- To maintain strong relationships to ensure high supplier standards.
- To seek new ways to collaborate and innovate.
- To ensure our suppliers conduct their business in an ethical and sustainable manner.
- To enable our operations to become more efficient and ensure continuity of supply and competitive pricing.

How we engage
- Holding regular meetings and/or site visits with key suppliers.
- Feedback from suppliers is monitored and provided to the Executive Directors who update the Board at regular intervals.

Outcomes of engagement
- The Fuels business is working closely with fuel producers to monitor the next generation of fuels.
- Continued roll-out of our Supplier Code of Conduct to all suppliers.

Employees and community

Our employees are fundamental to the long-term success and execution of the Group’s strategy.

Stakeholder expectations
- Fair salary and benefits.
- An inclusive and diverse workplace with opportunities for personal development and flexible working, in a safe working environment.
- Job security and satisfaction, with support for wellbeing and the opportunity for feedback.

Why we engage
- To ensure that all employees are valued and are given the opportunity to provide feedback and participate in shaping the development of the Group.
- To underpin our culture of safety and ensure that employees at all levels in the business play a role in promoting and upholding a strong focus on health and safety, for the benefit of the Group and the wider community.
- To ensure we maintain a skilled, technically competent and motivated workforce and provide appropriate opportunities for development and personal growth.
- To encourage equal opportunities and a more diverse workforce.

How we engage
- The Chief Executive Officer holds a presentations for staff, where the financial results of the Group and development of its strategy are shared, with employees invited to discuss and ask questions.
- We undertake regular surveys to invite regular feedback tailored to specific needs.
- At a business level, regular employee briefings are conducted, either via floor briefings or monthly newsletters, to enable regular sharing of information.
- Intranet, email communication and newsletters are used to keep employees up to date with business and Group activities.

Outcomes of engagement
- We continue to offer an agile working policy to promote flexible working, and have improved office spaces across the Group.
- We continue to offer our programme of free weekly fitness classes in our on-site studio, provided by a local team of personal trainers.

Stakeholders and Section 172 continued

Shareholders

Our aim is to provide a transparent, clear, consistent message across our communication channels, giving shareholders the opportunity for direct, personal contact with our senior executives on a regular basis.

Stakeholder expectations

- Responsible and sustainable growth ambitions.
- Share price accretion.
- Progressive dividend policy.
- Resilience to adverse market conditions.

Why we engage

- To ensure the Group responds to the evolving needs and interests of shareholders and aligns its strategy accordingly.
- To communicate and explain how we aim to deliver growth and create value, by maximising the potential of the business.
- To give shareholders the opportunity for direct, personal contact with our Board members on a regular basis.

How we engage

- Investor roadshows are held twice a year to coincide with the Group's half year and final results, allowing our institutional investors to meet with the Chief Executive Officer and Chief Financial Officer.
- Recorded webcasts presenting our half year and final results are made available for investors through the Group's website, ***nwf.co.uk***. The Investors section of the website also includes access to the Annual Report and Accounts, presentations and trading updates.
- The AGM provides further opportunity for the shareholder community to engage directly with the Board of Directors.

Outcomes of engagement

- Engagement with our shareholders has influenced our acquisition, capital investment and progressive dividend policy.

The environment

We strive for continual improvement when it comes to our environmental performance, monitoring carbon emissions and waste across our supply chain and promoting a healthy environment.

Stakeholder expectations

- For the Group to operate as efficiently as possible and maintain high environmental standards.
- For the environmental impact of the Group to be minimised.

Why we engage

- To ensure adherence to relevant environmental legislation and regulations.
- To better understand environmental challenges and how we can contribute to meeting those challenges.
- To ensure that high environmental standards are respected at each of the Group's sites.

How we engage

- We work with our customers and suppliers to improve the efficiency of our operations.
- We engage with customers to understand environmental challenges they face and then innovate to develop solutions to try to alleviate those challenges.

Outcomes of engagement

- Investment in clean, modern fleets.
- Enhancement to trucks to improve efficiency and MPGs.

Decision making by the Board

Board information

- CEO communications re. competitive activity, market trends and analyst reports.
- Professional experience and qualification.
- Training and induction.
- Monthly provision of Board papers including financial and non-financial information.
- Advice and presentations by internal and external subject matter experts.

Board strategic discussion

- The Board satisfies itself that the information provided is sufficient, accurate and comprehensive to support decision making. Further information is sought, if required.
- Section 172 considerations are taken into account in the Board's strategic discussions, including the long-term impacts on the Group and its stakeholders.

Board decision

- Feedback from outcomes/actions of decisions are communicated back to the Board.
- Actions are taken to implement the Board's decisions.

Stakeholders

- Customers
- Suppliers
- Employees and community
- Shareholders
- Environment

Section 172 considerations

- Likely long-term consequences
- Employee interests
- Relationships with customers, suppliers and others
- The impact on the community and environment
- Maintaining a reputation for high standards of business conduct
- Acting fairly between members of the Group

Decision 1: Board succession

Matters for discussion	Section 172 considerations	Actions and outcomes
Succession planning for our Board and senior management team is a key matter for consideration and discussion by the Board. During the year, the Board considered the successor for the Group Chair as Philip Acton previously announced intentions to step down as Chair, following a limited extension to Philip's tenure as Chair until the 2024 AGM. During the year, Richard Whiting retired from his role as Chief Executive Officer with effect from 29 February 2024. Chris Belsham, formerly Group Finance Director, was appointed Chief Executive Officer upon Richard's retirement. Katie Shortland joined the Group as Chief Financial Officer on 2 October 2023 following an extensive recruitment process as the successor to Chris Belsham's role as Group Finance Director. Philip Acton, Chair, announced his tenure would be extended for a limited period until the 2024 AGM where a new Chair will be appointed.	The Board considered the appropriate skills, experience and qualifications necessary for the Group's long-term success. Determining the needs of the Group and its employees and the need to foster the Group's relationships with customers and suppliers were also critical in the decision-making process.	An external executive search and leadership consulting firm was appointed to assist the Board in the search for the successor to the key role of Chair. The Board was delighted to accept the recommendation from the Nomination Committee that Amanda Burton be appointed as Chair with effect from 26 September 2024. The Board continues to review and monitor Board composition and succession planning. For more information on Chris Belsham, Chief Executive Officer, see page 50. Further details on Katie Shortland, Chief Financial Officer, can be found on page 50.

Stakeholders and Section 172 continued

Decision 2: Acquisition of lease for Boughey Distribution Ltd

Matters for discussion	Section 172 considerations	Actions and outcomes
A key strategy of the Group is to target warehouse expansion, backed by retailer and customer demand. During the year, the Group made significant investment, signing a lease between its subsidiary Boughey Distribution Limited and Aver Property General Partner Limited and Aver Property Nominee Limited ('the Lease') at Lymedale Business Park in Newcastle-under-Lyme ('Lymedale' or 'the Warehouse').	Prior to signing the Lease, the Board carefully considered the business case to ensure that our investment would deliver an appropriate return for our shareholders. The Board considered the appropriateness of the warehouse facility in light of the start-up costs and the impact on the local community to ensure the long-term success of the site once fully operational. The Board considered the impact to its customer base and ensured appropriate plans were in place to guarantee continuity of service.	The investment will increase capacity in the Food business by 52,000 pallets, supporting strategic growth and ongoing demand from customers for ambient grocery consolidation and distribution.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Our leadership team

Board of Directors

N A R D

Philip Acton
Non-Executive Chair
Appointed: August 2013

Skills and experience

- Considerable board, leadership and strategy skills derived from Executive and Non-Executive roles.
- Extensive experience in mergers and acquisitions, operations and finance.
- Broad sector experience in agriculture, warehousing, distribution, engineering and manufacturing.
- Qualified Chartered Accountant with a degree in accounting and finance.

Professional development

1 2 3 4 5 6 7 8

Other appointments

N/A

Past appointments

Chief Operating Officer for Genus Europe and Asia. Group Finance Director Genus plc. Group Finance Director Scholes Group plc.

D

Chris Belsham
Chief Executive Officer
Appointed: April 2017

Skills and experience

- Strategic and leadership experience at both NWF Group plc and as Head of Corporate Finance and Equity Partner at Irwin Mitchell LLP.
- Extensive mergers and acquisition, valuation and financing expertise across a range of sectors following 14 years as a corporate finance advisor with KPMG with a focus on listed clients.
- Qualified Chartered Accountant and Fellow of the Institute of Chartered Accountants for England and Wales, having qualified with PwC in 1999.

Professional development

1 2 3 4 5 6 7 8

Other appointments

N/A

Past appointments

Equity Partner and Head of Corporate Finance at Irwin Mitchell LLP.

Katie Shortland
Chief Financial Officer
Appointed: October 2023

Skills and experience

- An experienced finance and business leader with extensive experience working in infrastructure, engineering and manufacturing.
- Member of the Chartered Institute of Management Accountants.

Professional development

1 2 3 4 5 6 7 8

Other appointments

N/A

Past appointments

Finance and Transformation Director at Midland Expressway Limited and Director of Finance at Meggitt. Katie qualified as an accountant in 2001 during her career with Rolls-Royce plc.

A R N

Richard Armitage
Senior Independent Non-Executive Director
Appointed: July 2020

Skills and experience

- Extensive financial, strategic, mergers and acquisitions and governance experience, gained within a range of commercial organisations including consumer goods and distribution.
- A board-level executive in large complex organisations for the last 14 years.
- Experience of investor relations and debt capital markets, with strong banking relationships.
- Qualified Chartered Management Accountant.

Professional development

1 2 3 4 5 6 7 8

Other appointments

Chief Financial Officer at Morgan Advanced Materials plc

Past appointments

Chief Financial Officer at Victrex plc.

Amanda Burton
Non-Executive Director and Chair Designate
Appointed: July 2024

Skills and experience

- Substantial board, leadership and strategic experience gained from senior positions across the public, private and charity sectors.
- Qualified solicitor having worked in a variety of legal and operational roles over 30 years, including as Chief Operating Officer of Clifford Chance LLP and General Counsel, executive director and divisional chair at Meyer International PLC.

Professional development

1 2 3 4 5 6 7 8

Other appointments

Non-Executive Director at: Post Office Limited, HSS Hire Group plc, Elevate Services Inc and Chair and Trustee of Green Light Trust

Past appointments

Non-Executive Director at: Battersea Dogs and Cats Home, Connells Limited, Countryside Partnerships plc, Seckford Education Trust and Skipton Building Society.

Tim Cooper
Non-Executive Director
Appointed: July 2024

Skills and experience

- Extensive experience in a variety of senior management positions across a range of sectors, most recently as an executive director and member of the executive leadership team at Victrex plc.
- Substantial experience as a Non-Executive Director and Remuneration Committee Chair.

Professional development

1 2 3 4 5 6 7 8

Other appointments

Non-Executive Director at Renold plc and Pressure Technologies plc

Past appointments

Executive Director at Victrex plc.

Tom Harland
Company Secretary
Appointed: March 2024

Skills and experience

- An experienced company secretary and corporate governance professional who joined as Interim Company Secretary in January 2024.
- Solicitor.
- Extensive experience in quoted company requirements.
- Legal and governance experience gained within a range of commercial organisations.
- Significant experience on wide ranging property matters.

Professional development

1 2 3 4 5 6 7 8

Other appointments

N/A

Past appointments

N/A

Committee key

- Chair
- A Audit
- D Disclosure
- N Nomination
- R Remuneration

Professional development

- 1 External advisor updates
- 2 Professional network
- 3 Institute updates
- 4 Investor forums
- 5 Self study
- 6 Industry bodies
- 7 Other non-executive roles
- 8 Member of Institute of Directors

Skills

Mergers and acquisitions	(5)
Finance	(4)
Strategy and leadership	(4)
Board experience	(1)
Sector experience	(2)
Sales and marketing	(1)
Operations	(1)

Our leadership team continued

Executive Leadership Team

Dave Walmsley
Managing Director, Fuels

Experience
Appointed Managing Director of the Fuels business in November 2022. Previously held the position of Managing Director of SIG Distribution and senior positions at Palletways and Lyreco.

Key skills
- Strategy and leadership
- Operations
- Sales and marketing

Professional development
1 2 3 4 5 6 7 8

Angela Carus
Managing Director, Food

Experience
Appointed Managing Director of the Food business in January 2022. Angela has worked in the logistics sector since leaving school and held a variety of senior positions before joining the Group from Culina, where she was a Director of Operations.

Key skills
- Strategy and leadership
- Sector experience
- Operations
- Sales and marketing

Professional development
1 2 3 4 5 6 7 8

Andrew Downie
Managing Director, Feeds

Experience
Appointed Managing Director of the Feeds business in February 2015. Previously held the position of Head of Operations at ABF plc and senior positions at AB World Foods and Patak's Foods Limited.

Key skills
- Strategy and leadership
- Operations
- Finance
- Mergers and acquisitions
- Sales and marketing

Professional development
1 2 3 4 5 6 7 8

Professional development

1 External advisor updates
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8 Member of Institute of Directors

Continuous improvement

Philip Acton
Non-Executive Chair

"**The Board recognises the fundamental importance of maintaining a strong corporate governance framework in order to continue to create long-term value.**"

Dear shareholder,

On behalf of the Board, I am pleased to present NWF Group plc's Corporate Governance Statement for the year ended 31 May 2024. This statement provides details of our current governance framework and practices and how we discharge our governance duties.

Whilst 2023/24 has been a challenging year, I am delighted that the Group has achieved a strong performance despite the inflationary and cost of living challenges. The Group has reaffirmed its clear, long-term strategy and improved performance whilst mitigating, wherever possible, the risks faced by the businesses.

In my role as Chair, I am responsible for the Board including its effective leadership and composition, assessing and improving its performance, and leading the Group's corporate governance culture to ensure that an appropriate governance framework is embedded within the Group and its businesses. The Board recognises the fundamental importance of maintaining a strong corporate governance framework in order to continue to create long-term value and 2023/24 has seen the Group's governance framework continue to develop.

The Group has continued to adopt the Quoted Companies Alliance Corporate Governance Code ('the QCA Code') as the basis of its governance structure and has complied with all principles of the QCA Code throughout the year. Given the Group's size, we also endeavour to have regard to the provisions of the UK Corporate Governance Code to the extent that we believe this is appropriate. As such, all Board Directors are required to stand for annual re-election and our independence policy states that Non-Executive Directors are unable to serve for more than nine years save for in exceptional circumstances. In keeping with the Group's independence policy and as announced last year I will be stepping down from my role as Chair after 11 enjoyable and successful years. As announced in August 2023 my tenure was extended until the 2024 AGM in order to oversee the transition of roles (as detailed below) and to continue to facilitate effective succession planning.

I am pleased to announce that Amanda Burton will assume the role of Chair of the Group on 26 September 2024 following an extensive recruitment process.

Amanda brings a wealth of experience to the Group; further details can be found in the Nomination Committee Report on pages 62 and 63. I wish her and the Group all the best in the next stage of its journey.

As previously announced Richard Whiting retired from the Board and Chief Executive Officer role effective from 29 February 2024. In line with the Group's succession plan Chris Belsham was appointed to the role of Chief Executive Officer with effect from 1 March 2024. Chris Belsham's internal appointment reflects the Group's decision to promote internal talent, providing stability and 'know-how' in what has been very a challenging macro-economic environment.

As announced, Katie Shortland was appointed as Chief Financial Officer on 2 October 2023. Katie's finance and business leadership experience will be pivotal in the execution of the next phase of the Group's growth strategy.

Maintaining a skilled and well-balanced Board is integral to the long-term success of the Group and the Non-Executive Directors ('NEDs') play a key role by providing independent challenge and scrutiny. In recognition of this, the Board has recruited Tim Cooper as a NED replacing Dawn Moore who resigned from the Board in September 2023. The appointment will increase the Board's skill set and experience whilst providing another layer of scrutiny and challenge.

As a consequence of this appointment, the total NED appointments is in line with Principle 6 of the QCA Code.

The Board recognises that sustainability of the Group is key to its long-term success. As such, 2023/24 saw a continued focus on strengthening our approach to how we govern sustainability (further details can be found on pages 27 and 28).

The Board acknowledges that a prerequisite of a strong corporate governance framework is a healthy corporate culture. The Group has focused on instilling a uniformed corporate culture across the Group throughout 2023/24 predicated upon ethical values, integrity and transparency.

For our strategy and business model to succeed in creating sustainable value in the long term, and to enable the mitigation of our principal risks and uncertainties (as detailed on pages 23 to 26), positive relationships with the Group's various stakeholders must be cultivated. This will only be achieved through integrity and transparency. The Board monitors the Group's culture through engagement with the Group's stakeholders (further details on how we engage can be found on pages 44 to 46), the regular review of the Group's consolidated risk register and any changes to the principal risks and uncertainties, and externally facilitated employee and customer surveys which allow us both to engage and identify areas of focus.

In order to promote a healthy corporate culture, the Group operates a whistleblowing policy which allows concerns regarding unethical or unsafe behaviours to be raised in confidence and promptly investigated. To ensure ethical values and behaviours are recognised and respected, the Group has a suite of policies in place covering areas such as anti-corruption and bribery, equal opportunities, prevention of the facilitation of tax evasion and modern slavery. As a result, the Board is satisfied at this time that an ethical culture exists within the Group.

Philip Acton

Philip Acton
Non-Executive Chair
30 July 2024

Corporate governance statement continued

Delivering growth and building trust

Our strategy

The Group's strategy is to consolidate and optimise its operations to deliver long-term sustainable value for its shareholders and stakeholders. This is achieved by the implementation of the Group's acquisition strategy, focused on the consolidation of the highly fragmented fuel market (further details can be found on pages 14 and 15), and investing in the Group's people, businesses and technology to create innovative services. The Group's business model is set out on pages 12 and 13 and on the Business Model page of our website, ***nwf.co.uk/about-us/business-model***.

Effective risk management and internal control

The achievement of the Group's strategy is dependent upon the effective identification and management of new and existing risks. The Board recognises though that the risks faced by the Group also present opportunities for innovation and growth. The principal risks and uncertainties affecting the Group, and how these risks are identified, assessed, managed and reviewed, are explained on pages 23 to 26.

The Board has overall responsibility for ensuring that the Group maintains an effective system of internal control which directs the Group's activities in order to ensure the safeguarding of assets, to assist in the delivery of the Group's strategic, financial and operational ambitions and to provide it with reasonable assurance regarding the reliability of financial information that is used within the business.

There are, however, inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board obtains assurance that the risk management and related control systems in place are effective in a number of ways. During the year a rolling programme of risk and controls testing has been undertaken across the Group with a focus on various key areas of risk identified. This programme was undertaken through a combination of internal and external resource and the results were reported to the Board. The Group's risk management programme, which assesses key risks and the required internal controls that are delegated to Directors and managers at all levels in the Group, is reviewed regularly in order to ensure that it continues to meet the Board's requirements. Although the Group does not have a formal internal audit function, targeted reviews and visits to operations are conducted by the Head Office team and professional advisors. The results of these reviews are communicated back to the Audit Committee. An internal control update is provided to the Audit Committee at each meeting. Further details can be found on pages 59 to 61.

Engagement with our shareholders and stakeholders

The Board is committed to open and honest two-way dialogue with the Group's shareholders and stakeholders in order to both understand their views, needs and expectations and provide a fair and understandable assessment of the Group's position which will allow shareholders and other stakeholders to make informed decisions about the Group.

Whilst the Group has a diverse range of shareholders, they can be broadly categorised as follows:

1. three independent pension funds registered in Iceland (each holding c.5% of the issued share capital) as set out on page 69;
2. other institutional investors;
3. private individuals; and
4. employees and ex-employees.

The Board has a proactive approach to shareholder liaison, led by the Chief Executive Officer, and feedback is provided regularly to the Board. This approach includes our AGM (where votes in favour are consistently over 75%), biannual investor roadshows and annual meetings with significant shareholders.

The Chair and the Non-Executive Directors will always make themselves available to meet with shareholders. Each AGM is a particular opportunity for this. Normal relationships with shareholders are maintained by the Executive Directors, who brief the Board on shareholder issues and who relay the views of the Group's advisors to the Board.

The Investors section of our website, ***nwf.co.uk/investors***, includes historical Annual Reports, Notices of AGMs and voting history for a minimum of five years.

Details of how we engage with our other stakeholders and the outcomes of this engagement can be found on pages 44 to 46. During the year, the level of reporting to the Board on stakeholder engagement and concerns has continued to be a priority in line with our commitment to sustainability.

Key shareholder engagements

June 2023
- Trading update and renewed banking facilities RNS

July 2023
- Acquisition and Notice of Results RNS

August 2023
- Board changes: CEO retirement/appointment and CFO appointment and Chair succession update RNS
- Preliminary Results online meetings/CEO and Group FD presentation/RNS

September 2023
- AGM Final Results RNS
- AGM Statement and trading update RNS
- AGM held at Wychwood Park Hotel, Weston, Crewe

December 2023
- Trading update RNS

January 2024
- Acquisition of lease and Notice of Half Year Results RNS
- Half Year Results online meetings/CEO and CFO presentation/RNS

March 2024
- Directorate change RNS

April 2024
- Presentations to prospective investors

Maintaining a dynamic management framework

Board

Matters reserved for the Board

- Setting the Group's values, standards, strategic aims and objectives.
- Approval of budgets and reviewing performance in line with these.
- Extension or cessation of the Group's activities.
- Approval of financial reports and policies, dividends and the dividend policy.
- Ensuring maintenance of a sound system of internal control and risk management.
- Approval of major capital projects, material contracts and major investments.
- Changes to the structure, size and composition of the Board, membership of Board Committees and succession planning.
- Approval of remuneration policies.

Remuneration Committee

Its remit is to:

- determine appropriate short and long-term total reward packages for the Executive Directors; and
- satisfy itself that good practices apply to all Group employees through the relevant management structures.

Audit Committee

Its remit is to:

- monitor the integrity of financial reporting; and
- keep under review the Group's internal control and risk management systems.

Nomination Committee

Its remit is to:

- develop and maintain a rigorous and transparent procedure for making recommendations on Board, and material subsidiary company board appointments; and
- ensure plans are in place for orderly succession to Board and senior management positions.

Disclosure Committee

Its remit is to:

- consider whether announcements are required to be made in relation to inside information.

Executive Directors and Executive Leadership Team

Their remit is to:

- implement the strategy agreed by the Board; and
- manage the Group on a day-to-day basis.

ESG Committee

See ESG section on **pages 27 and 28**

A clearly defined Board structure

The principal roles of the Board are to provide effective leadership, ensure an ethical corporate culture and effective risk management system are embedded throughout the Group, oversee external reporting and set the Group's strategy in order to deliver shareholder value.

A formal schedule of matters requiring Group Board approval, which is available in its entirety at ***nwf.co.uk/about-us/governance/board-responsibilities***, is maintained and regularly reviewed to ensure sufficient separation between the responsibilities of the Board and the operation of the Group's business.

Board Committees

There are currently four Board Committees to which the Board delegates specific responsibilities: the Audit Committee, Remuneration Committee, Nomination Committee and Disclosure Committee. The responsibilities of each Committee are detailed in its terms of reference which are reviewed annually and are available on the Group's website. Further details on the activities of the Audit Committee, the Remuneration Committee and the Nomination Committee can be found on pages 59 to 61, pages 64 to 67 and pages 62 and 63 respectively. The Chair of each Committee formally reports to the Board in respect of the Committee's activities and recommendations.

Executive Directors and Executive Leadership Team

The implementation of the strategy agreed by the Board and day-to-day management of the Group is delegated to the Executive Directors and senior management. This structure allows for decisions to be made in an efficient manner by the most appropriate people. Each businesses senior management team has a monthly meeting with the Executive Directors to report on the businesses progress and any challenges. Senior management also regularly attends Board meetings to brief the Board on business opportunities and developments.

Corporate governance statement continued

Maintaining an experienced and capable Board with clearly defined roles

In order for the Board to be effective, there needs to be clearly defined roles for Board members, an appropriate balance of Executive and Non-Executive Directors, sufficient time committed by Directors to their roles, a comprehensive, tailored induction for each Director upon joining the Board and the provision of quality information in a timely manner. The Board must comprise an appropriate balance of skills, experience and personal qualities.

Director induction

Upon joining the Group, each Director completes a full, formal and tailored induction programme. This programme ensures each new Director is fully informed, engaged and supported, enabling the Director to effectively contribute to the Group from the start of their appointment.

Information

Once appointed, each Director is provided with a comprehensive information pack which includes:

- a summary of the Group's history and markets;
- details of the Group's strategy;
- guidance on their legal and regulatory responsibilities as a Director of an AIM-listed business;
- information on the Group's corporate governance arrangements, including key policies and procedures;
- minutes and papers from the Board and relevant Committee meetings from at least the last six months;
- copies of the latest Board and relevant Committee evaluations;
- the latest shareholder analysis;
- an ESG briefing;
- organigrams; and
- details of key contacts and key advisors.

Engagement

A tailored engagement programme is created for each new Director which includes activities such as:

- briefings with the Chief Executive Officer and the Chief Financial Officer;
- meeting with the Company Secretary;
- one-to-ones with the senior management team;
- meetings with individuals within the Group to enhance the Director's understanding of the businesses and its culture; and
- key site visits.

Board composition

The Board currently comprises a Non-Executive Chair, a Senior Independent Non-Executive Director, two Independent Non-Executive Directors and two Executive Directors. As previously announced, Richard Whiting retired from his role as Chief Executive Officer on 29 February 2024 and was replaced by Chris Belsham. Katie Shortland joined the Board as Chief Financial Officer on 2 October 2023.

Board composition

- Non-Executive Chair (1)
- Executive Directors (2)
- Senior Independent Non-Executive Director (1)
- Independent Non-Executive Director (2)

Diversity

- Male (4)
- Female (2)

Length of tenure

- 0 – 3 years (3)
- 4 – 6 years (2)
- Over 7 years (1)

Board roles

The roles of Chair and Chief Executive Officer are separated and clearly understood and have been agreed by the Board. The Chair is responsible for the Board including its effective leadership and composition, assessing and improving its performance, and leading the Group's corporate governance culture. The Chief Executive Officer is responsible for developing the Group's strategy and the operating performance of the Group.

The Senior Independent Non-Executive Director conducts the Chair's annual appraisal and acts as a sounding board for the other Directors. Further information on the role of the Senior Independent Director can be found at ***nwf.co.uk/about-us/governance/corporate-governance-statement***.

The Company Secretary has specific responsibilities to assist the Chair and the rest of the Board to uphold the best corporate governance standards. A full role description for the Company Secretary is available at ***nwf.co.uk/about-us/governance/corporate-governance-statement***.

Board operation

The Board normally meets ten times a year with additional meetings being called when required.

The number of Board and Committee meetings held in the year ended 31 May 2024, together with the attendance record for each Director, is detailed below.

Comprehensive briefing papers are circulated to Directors one week in advance of each scheduled meeting to allow sufficient time for the consideration of the papers provided.

Skills and experience

The importance of the Board having an appropriate mix of skills, qualities and experience in order to deliver the strategic objectives of the Company for the benefit of its shareholders and stakeholders is understood. All Directors have extensive and varied experience and the Board as a whole contains a diverse mix of personal qualities. The biographical details of the current Directors, including their skills and experience, are set out on pages 50 and 51. The biographical details of the new Non-Executive Directors are included in the Nomination Committee Report on page 63. The biographical details of the senior management team are set out on page 52.

To ensure that the Directors have the necessary up-to-date experience, skills and capabilities, each Director undergoes an annual performance appraisal and the Board's effectiveness as a whole is evaluated on an annual basis (further details can be found on page 58). A training log is maintained in respect of all Directors and senior management and is updated on a quarterly basis. In addition, the Group's Nominated Advisor and Broker provides an annual briefing to the Board on areas including regulatory updates, the AIM Rules and Market Abuse Regulation requirements. An annual health and safety briefing is also provided to the Board by the Group's external health and safety advisors, providing the Directors with information on current health and safety trends. Information on upcoming legal, regulatory and accounting changes are also prepared internally and provided to the Board as and when appropriate.

All Directors and senior management are able to access the advice and services of the Company Secretary. Furthermore, all Directors have access to the Group's advisors and are able, if necessary, to take independent professional advice in the furtherance of their duties at the Group's expense.

The Board and the Committees to the Board are supported by external advisors on a regular basis in respect of matters such as remuneration, pensions, taxation, property and health and safety. Deloitte LLP continued to act as professional advisors to the Remuneration Committee during the year. Grant Thornton also continued to act as the Group's virtual Chief Information and Security Officer to oversee the Group's information security regime.

Independence

The Board recognises the importance of the diverse expertise and experience brought by its Non-Executive Directors as well as the need for the periodical refreshing of the Board. The Board has reviewed the independence of each Non-Executive Director and considers that all are independent. The factors considered by the Board in reaching this conclusion included all Non-Executive Directors being financially independent of the Company and none of the Non-Executive Directors being connected with, or a, major shareholder or member of a stakeholder group. All Directors will continue to be re-elected on an annual basis and, prior to being proposed for re-election, will undergo a performance evaluation to ensure their performance continues to be effective and that their independence is maintained, where appropriate.

Time commitment

The Board has adopted a formal time commitments (overboarding) policy which states that when making new appointments, and considering additional appointments for existing Directors, the Board shall take into account other demands on the Director's time. Significant commitments shall be disclosed with an indication of the time involved and additional external appointments shall not be undertaken without prior approval of the Board.

Full-time Executive Directors are permitted to take a maximum of one non-executive directorship or other significant appointment, subject to prior approval of the Board. Non-Executive Directors are required to limit their number of board appointments to a total of five public company board roles. Non-Executive Directors who are in a full-time executive role can only hold a single non-executive role at any time. The Chair shall be a non-executive director and shall not be a serving full-time director on another board. An independent board chair role will count as two board roles.

Non-Executive Directors' time commitments are reviewed annually to ensure each Director has sufficient time to fulfil their role.

Attendance of Directors at meetings during year ended 31 May 2024

	Board	Disclosure Committee[1]	Audit Committee	Remuneration Committee	Nomination Committee
T P Acton (Non-Executive Chair)	■■■■■■■■■■	■■■■	■■■	■■■	■■
R J Armitage (Senior Independent Non-Executive Director)	■■■■■■■■■■	––––	■■■	■■■	■■
C J Belsham (Chief Executive Officer from 1 March 2024)	■■■■■■■■■■	■■■■	–––	–––	––
K J Shortland (Chief Financial Officer)[2]	––■■■■■■■■	––––	–––	–––	––
D M Moore (Independent Non-Executive Director)[3]	■–––––––––	––––	■––	■––	––
R A Whiting (Chief Executive Officer to 29 February 2024)[4]	■■■■■■■■––	■■■■	–––	–––	––

■ Attended ◣ Did not attend – Not required to attend

1 The Disclosure Committee met twice in January 2024.

2 K J Shortland appointed 2 October 2023.

3 D M Moore resigned 28 September 2023.

4 R A Whiting resigned 29 February 2024.

Corporate governance statement continued

Seeking continuous improvement

Process

The Board annually conducts an appraisal, led by the Chair and supported by the Company Secretary, of its performance consisting of individual assessments using comprehensive questionnaires that are completed by all Directors. An appraisal of the Chair's performance is also conducted annually by the Senior Independent Non-Executive Director. Further, the Audit, Remuneration and Nomination Committees annually consider their own performance using prescribed questionnaires. All questionnaires are prepared following consideration of the QCA Code, the QCA Audit Committee Guide, the QCA Remuneration Committee Guide and the UK Corporate Governance Code, as applicable. The Board appraisal questionnaire in 2024 covered topics such as strategy, sustainability and Board composition.

External facilitation of the Board appraisal has not been used to date, although this is kept under review, but does include an external view from the Group's Nominated Advisor.

Feedback

Following completion of the appraisals, the results are reviewed, and feedback is given to the Board by the Senior Independent Non-Executive Director in respect of the assessment of the Chair, and by the Chair in respect of the assessment of the Board as a whole. Feedback from the Committee appraisals is provided by the Committee Chairs to the Board.

Outcomes

The appraisal conducted in 2024 was on a consistent measurement basis, allowing the Board to consider its performance and progress over a four-year period. The appraisal showed no material change in the score achieved compared with 2023, and consistent improvement compared to 2021 and 2022. Actions identified from the 2024 appraisal included:

- to keep under review whether the Board appraisal should be externally facilitated;
- to enhance disclosure of the Directors' skill sets and how these are kept up to date; and
- to review and enhance website disclosures where appropriate.

Philip Acton
Non-Executive Chair
30 July 2024

Monitoring all aspects of reporting and risk

Richard Armitage
Chair of the Audit Committee

Meetings in 2024

3

(2023: 3)

Members of the Audit Committee

R J Armitage (Chair)	■ ■ ■
T P Acton	■ ■ ■
D M Moore[1]	■ — —

1 D M Moore resigned as of 28 September 2023.

■ Attended
◣ Did not attend
— Not required to attend

Dear shareholder,

I am pleased to present the Audit Committee Report for the year ended 31 May 2024.

Composition

The Audit Committee consists of the Chair and one other Non-Executive Director and is chaired by myself as a Senior Independent Non-Executive Director. The Audit Committee met on three occasions during the year, consistent with the prior year.

Responsibilities

The Audit Committee has terms of reference in place which have been formally approved by the Board and are made available at the AGM and on the Group's website. Its primary responsibilities include reviewing the effectiveness of the Group's internal control systems, and monitoring the integrity of the Group's financial statements. The Committee reports to the Board on all these matters. The Committee defers to the wider Board on the matters of bribery, whistleblowing and modern slavery and the Group policies concerning these matters can be found at ***nwf.co.uk***.

Key areas of focus in the year ended 31 May 2024

The Audit Committee has monitored the Group's financial performance and resilience as market conditions have normalised, particularly within our Fuels and Feeds businesses.

Whilst the planned changes to the UK Corporate Governance Code have been amended, the Audit Committee has continued to sponsor activities within the Group aimed at enhancing our internal controls and preparing for expected future compliance requirements. Specific activities this year have included building a multi-year roadmap to enhance our internal control framework, and expanding the use of internal control checklists that ensure all parts of the Group are following agreed control procedures.

The Audit Committee continues to pay particular attention to the development of the Group's IT systems in order to ensure there is continued progress in enhancing the resilience of the Group's information systems.

In the forthcoming financial year 2024/25, the Audit Committee will review our preparedness for failure to prevent fraud offence within the Economic Crime and Transparency Act 2023, and further development of our CFD disclosures, further details of which are provided on page 39.

Experience of the Audit Committee

The Audit Committee currently comprises the Chair and one Non-Executive Director, both of whom are qualified accountants and possess extensive financial leadership experience.

Audit Committee report continued

External audit

The Audit Committee also approves the appointment and remuneration of the Group's external auditors and satisfies itself that they maintain their independence regardless of any non-audit work performed by them. The Group adopts the following policy governing the performance of non-audit work by the auditors: the auditors are permitted to provide non-audit services which are not, and are not perceived to be, in conflict with auditor independence, providing they have the skill, competence and integrity to carry out the work, and are considered to be the most appropriate advisors to undertake such work in the best interests of the Group. All assignments are monitored by the Committee.

The respective responsibilities of the Directors and external auditors in connection with the financial statements are explained in the Statement of Directors' Responsibilities on page 70 and the Auditors' Report on pages 59 to 61. Details of services provided by, and fees payable to, the auditors are shown in note 5 of the Group financial statements.

Whilst the Audit Committee has not adopted a formal policy in respect of the rotation of the external auditors, one of its principal duties is to make recommendations to the Board in relation to the appointment of the external auditors. Various factors are taken into account by the Committee in this respect, including the quality of the reports provided to the Committee, the level of service provided and the level of understanding of the Group's business.

PricewaterhouseCoopers LLP have been the Group's external auditors for many years. The Audit Committee considers that the relationship with the auditors is working well and remains satisfied with their effectiveness and independence. Accordingly, it has not considered it necessary to date to require the firm to re-tender for the audit work. The auditors are required to rotate the audit partner responsible for the Group and subsidiary audits every five years. The previous audit partner, following a period of absence, has rotated off the audit after a one-year term, and has been replaced by Jonathan Greenaway as audit partner. There are no contractual obligations restricting the Group's choice of auditors. As an AIM-listed Group, the Group does not have a requirement to put the audit out to tender every ten years; however, this is kept under review by the Audit Committee to decide if tendering is appropriate.

Internal audit

The Group does not have a formal internal audit function but each year Head Office and professional advisors perform targeted reviews of operations and on-site visits, which are agreed in advance with the Audit Committee. The Head Office function performs a rolling programme of internal control reviews with the businesses. External auditors are engaged to conduct annual internal control reviews into specifically identified risk areas. The results of these reviews are communicated back to the Audit Committee. This approach is considered appropriate and proportionate for the size of the organisation.

Internal control and risk management

An internal control update is provided to the Audit Committee at each meeting. The principal risks are also reviewed and any changes in risk ratings are discussed to ensure that appropriate risk mitigations are in place where relevant.

Going concern

The Board has prepared cash flow forecasts for the period to 31 May 2026. Under this base case scenario, the Group is expected to continue to have significant headroom relative to the funding available to it and to comply with its banking covenants.

The Board has also considered a severe downside scenario based on a significant and sustained reduction in Fuels' profitability alongside underperformance in Food and Feeds. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs. Under this scenario, the Group would still expect to have sufficient headroom in its financing facilities.

Significant issues considered in relation to the financial statements

The Audit Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The Committee reviews accounting papers prepared by management which provide details on the main financial reporting judgements. The Committee also reviews reports by the external auditors on the half year and full year results which highlight any issues arising from their work undertaken in respect of the half year review and year end audit. The specific areas of risk in relation to the financial statements reviewed by the Committee were:

1. Acquisition accounting

On 7 July 2023, Geoff Boorman Fuels LLP was acquired by the Group and hived up into the Fuels business on the same day. The acquisition and resulting intangibles balance are material balances and as such management has reviewed the assumptions used in deriving the balances, which have been considered appropriate.

2. The carrying value of goodwill and property, plant and equipment

The Group's goodwill and property plant and equipment are material balances. Annual impairment reviews are performed which use key judgements including estimates of future business performance and cash generation, discount rates and long-term growth rates. The Committee is comfortable with the key assumptions applied and that no impairment of goodwill or other intangibles was required this year.

3. The carrying value of trade receivables

The Group holds material trade receivable balances, and the calculations of provisions for impairment are estimates of future events and therefore uncertain. The Committee has reviewed the current year provisions against trade receivables, including an assessment of the adequacy of the prior year provisions, and is satisfied with management's conclusions that the provisioning levels are appropriate.

4. Pensions including obligations and assumptions

The Group's defined benefit pension scheme is material to its financial position. The amounts shown in the balance sheet are highly sensitive to changes in key actuarial assumptions which are set by reference to advice from professional advisors. Full disclosure of the pension scheme is provided in note 26 to the financial statements.

5. Exceptional items

The Committee has considered the presentation of the Group financial statements and, in particular, the presentation of exceptional items. The Committee has discussed these items with management and agreed that the presentation is consistent with the Group's accounting policy and provides more meaningful information to shareholders about the underlying performance of the Group.

6. Alternative performance measures ('APMs')

The Group refers to a number of APMs throughout the Annual Report and Accounts. APMs are used by the Group to provide further clarity and transparency on the Group's financial performance. The APMs are used internally by management to monitor business performance, for budgeting and for determining Directors' remuneration.

The Committee is aware that the APMs are non-IFRS measures. APMs used by the Group are as follows:

- headline operating profit, which refers to reported operating profit after adding back exceptional items and amortisation of acquired intangibles;
- headline profit before tax, which refers to reported profit before tax after adding back the net finance cost in respect of the Group's defined benefit pension scheme, exceptional items and amortisation of acquired intangibles;
- headline EBITDA, which refers to reported operating profit after adding back exceptional items and amortisation of acquired intangibles. The headline EBITDA calculation excludes the impact of IFRS 16 depreciation;
- headline earnings, which refers to profit for the year after adding back the net finance cost in respect of the Group's defined benefit pension scheme, exceptional items, amortisation of acquired intangibles and the exceptional impact of remeasuring deferred tax balances, and taking into account the tax effect thereon;
- headline EPS, which refers to the reported EPS calculation based on headline earnings;
- headline ROCE, which refers to the return on capital based on headline operating profit; and
- net debt, which is adjusted to exclude the impact of the adoption of IFRS 16.

The Committee considers that the APMs, all of which exclude the impact of non-recurring items or non-operating events, provide useful information for shareholders on the underlying trends and performance of the Group.

7. Sustainability reporting and Climate-related Financial Disclosures ('CFD')

The Committee has considered the Group's response to CFD requirements and the progress made in enhancing the disclosures. The Committee has discussed these items with management and agreed that adequate improvements have been made and a roadmap for future enhancements has been clearly set out.

Richard Armitage
Chair of the Audit Committee
30 July 2024

Nomination Committee report

Planning for the future

Philip Acton
Chair of the Nomination Committee

Meetings in 2024

2

(2023: 5)

Members of the Nomination Committee

T P Acton (Chair)	■ ■
R J Armitage	■ ■
D M Moore[1]	— —

1 D M Moore resigned as of 28 September 2023.

■ Attended
◣ Did not attend
— Not required to attend

Dear shareholder,

I am pleased to present the Nomination Committee Report which covers the year ended 31 May 2024.

Composition

The Nomination Committee consists of myself, as Chair of the Committee, and one independent Non-Executive Director.

The Nomination Committee meets at least twice a year and this year it met on two occasions.

Responsibilities of the Nomination Committee

The Nomination Committee has an established annual schedule of events as well as terms of reference in place which have been formally approved by the Board, are annually reviewed and updated, and are available at ***www.nwf.co.uk/investors/aim-rule-26***. The Committee's main responsibilities include developing and maintaining a rigorous and transparent procedure for making recommendations on Board, and material subsidiary company board, appointments and ensuring plans are in place for orderly succession to Board and senior management positions. The Committee reports to the Board on all matters under its remit.

The Committee has a key role in ensuring the Board, its Committees and senior management team have the appropriate balance of skills, experience, qualities and capabilities they need to be successful and effective now, and as the businesses evolve. The process by which Board and other senior management appointments are determined is detailed in the Committee's terms of reference.

Key areas of focus in the year ended 31 May 2024

Succession planning has been the main area of focus for the Nomination Committee during the year.

Specific activities undertaken include:

- recommendation of a successor for the outgoing Chair; and
- recommendation of the appointment of an additional Non-Executive Director.

Succession of the Chair

This process was led by Richard Armitage as the Senior Independent Director, undertaking a rigorous process to establish my successor, with the support of executive search and leadership consulting firm Odgers Berndston. Odgers Berndston is independent and has no other connection to the Group.

The skills, experience, qualities and capabilities required were identified through interviews with each of the Executive Directors and a review of the results of the appraisals of the Board, its Committees, Chair and individuals Directors. Following a thorough evaluation of the candidates against the criteria identified, Amanda Burton was announced as Chair Designate on 18 July 2024. Amanda is an experienced Director who is currently Senior Independent Director and Chair of Remuneration Committee of HSS Hire Group PLC, Senior Independent Director of Elevate Services Inc, a privately owned international law company headquartered in Los Angeles, Chair of Remuneration Committee of Post Office Limited and Chair and trustee of Green Light Trust, a leading provider in East Anglia of education and wellbeing programmes for the most disadvantaged in society, using woodlands as a catalyst to engage with participants. Amanda was appointed to the Board on 18 July 2024 and will be appointed as Chair on 26 September 2024 and will be subject to election by shareholders at the AGM to be held on that date.

Recommendation of appointment of an additional Non-Executive Director

Following an extensive search, again with the help of Odgers Berndston the Nomination Committee recommended to the Board the appointment of a further Non-Executive Director, Tim Cooper. Tim brings considerable experience gained over 30 years from across the public and private sectors and across multiple industries to the Board. A former Executive Director of Victrex plc, Tim is currently Senior Independent Director and Chair of the Remuneration Committee at both Pressure Technologies plc and Renold plc.

Tim's executive career includes managing director roles at Avery Berkel Group, Tellermate plc, Aerovac Group, Umeco Composites Process Materials and Victrex Polymer Solutions plc.

Tim's appointment to the Board was announced on 18 July 2024 and his appointment date was 18 July 2024. He will be appointed as Remueration Committee Chair on 26 September 2024 and will be subject to elections by shareholders at the AGM to be held on that date.

Review of existing succession plans

A review of the existing succession plans for the Board has been undertaken during the year, with some of the outcomes of the review being described above. The results of the appraisals undertaken by the Board, its Committees and in respect of the Chair (as detailed on page 58) have informed the development of the existing succession plans.

Succession planning will remain an area of focus for the Committee in 2024/25 and will be extended to encompass other senior management positions.

Key activities in 2023/24

Board, Committee and senior management team composition

- Reviewed the composition of the Board and its Committees to identify the skills, experience, qualities and capabilities required of the Chair's successor and the new Non-Executive Director.
- Undertaken a comprehensive search for a new Non-Executive Director and Chair of the Remuneration Committee.
- Following a rigorous process recommended to the Board the appointment of Amanda Burton as Chair of the Board.

Succession planning

- Reviewed the existing succession plans for the Board.

Nomination Committee evaluation

The Committee continues to annually evaluate its performance. Further details can be found on page 58.

Philip Acton

Philip Acton
Chair of the Nomination Committee
30 July 2024

Directors' remuneration report

Rewarding performance

Richard Armitage
Chair of the Remuneration Committee

Meetings in 2024

3

(2023: 8)

Members of the Remuneration Committee

R J Armitage (Chair)	■ ■ ■
T P Acton	■ ■ ■
D M Moore[1]	■ — —

1 D M Moore resigned as of 28 September 2023.

■ Attended
◣ Did not attend
— Not required to attend

Dear shareholder,

I am pleased to present the Directors' Remuneration Report for the year ended 31 May 2024.

As an AIM-listed entity, the Group is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended, nor the principles in respect of Directors' remuneration in the UK Corporate Governance Code 2018. Nevertheless, the Board recognises the importance of providing shareholders with appropriate information with respect to Executive remuneration and has followed the guidance contained in the Quoted Companies Alliance Remuneration Committee Guide when preparing this report.

The aim of this report is to provide shareholders with information to understand our remuneration strategy and its linkage to the Group's financial performance. The report consists of three sections: this introduction, the Directors' remuneration policy, which, for the first time, will be put to shareholders for an 'advisory' vote, and an annual report on remuneration, which will again be the subject of a separate 'advisory' shareholder vote.

The data within this report does not form part of the audited Annual Report and Accounts.

Composition

The Remuneration Committee consists of the Chair and one independent Non-Executive Director and is currently chaired by myself as an independent Non-Executive Director.

Group performance in 2023/24

The Group's financial performance is detailed in the Strategic Report on pages 8 to 26. Overall Group performance has been taken into consideration by the Remuneration Committee when determining remuneration matters.

Key pay out-turns for 2023/24

For 2023/24, the performance achieved against financial and operational targets resulted in 93% of the maximum annual bonus being paid.

Given our headline earnings per share ('EPS') performance of 19.2p at 31 May 2024, 0% of the LTIP awards granted in August 2021 will vest in August 2024.

Remuneration policy review

The annual review of our remuneration policies, with our external advisors, has been conducted to ensure that the policies are aligned to growth ambitions and the current marketplace. No changes to the remuneration policies were required following the annual review.

Looking forward to 2024/25

During 2023/24, the Committee considered the extent to which ESG targets should be incorporated into the annual bonus and LTIP performance criteria. ESG considerations will be reflected in the annual bonus targets for 2024/25 through the inclusion in individual's personal objectives.

An in-depth review of our remuneration policies will continue to be undertaken annually with the assistance of external advisors, to ensure alignment with the current marketplace and our growth ambitions.

A review of the structure of the annual bonus scheme will also be conducted in 2024/25 for all roles within the Committee's scope, alongside an evaluation of job families.

Base salary for Executive Directors

As of 1 June 2024, Chris Belsham and Katie Shortland received a 3.0% increase in basic salary to £392,430 and £211,150 respectively. This was the same as the average increase for the Group's employees.

Advisory vote

At the AGM to be held on 26 September 2024, this report, excluding the remuneration policy section, will again be subject to an 'advisory' shareholder vote (Resolution 10). The remuneration policy will be subject to a separate 'advisory' vote (Resolution 11).

Richard Armitage
Chair of the Remuneration Committee
30 July 2024

Remuneration policy

The Group's remuneration principles are as follows:

- remuneration structures should be appropriate to the business, efficient and cost effective in delivery;
- complexity is discouraged in favour of simple and understandable remuneration structures;
- remuneration structures should seek to align executive and shareholder interests including through a meaningful level of personal shareholding;
- remuneration structures should promote long-term focus through features such as deferral and measuring performance over the long term;
- structures should include performance adjustments (malus) and/or clawback provisions;
- pay should be aligned to the long-term sustainable success and the desired corporate culture throughout the organisation with increases in base salary of executives being aligned to, or less than, those of the wider workforce; and
- the Remuneration Committee ensures that rewards properly reflect business performance.

2024/25 remuneration policy

The principles of our approved remuneration policy are as follows:

Element	Operation	Maximum opportunity	Performance metrics
Base salary Designed to attract and retain Directors with the skills and experience needed to deliver long-term sustainable growth. Positioned competitively in line with the market.	Reviewed annually. Any changes will normally take effect from 1 June each year.	There is no maximum salary; however, any increase will usually correspond to or, where appropriate, be less than the level of increase applied across the Group.	Base salary reviews and any increases are based upon pay conditions throughout the Group, the Directors' experience, skills and performance, market conditions and the Group's performance.
Annual bonus To reward and motivate based upon challenging personal objectives and budget.	Performance is measured over one financial year with weightings and targets being reviewed and set at the start of each financial year. Malus and clawback provisions will be applied in a number of cases, including, but not limited to: • a gross misstatement of the performance of the business; or • gross misconduct; or • a miscalculation of the extent to which targets have been met. 20% of the annual bonus received for the Chief Executive Officer and Chief Financial Officer roles (upon C J Belsham and K J Shortland assuming those roles respectively) will be subject to a two-year deferral period with the deferred bonus being in the form of Company shares.	100% of base salary.	For 2024/25, 75% of the bonus will be based on headline profit before tax performance with the remaining 25% based on the achievement of personal objectives.

Directors' remuneration report continued

Remuneration policy continued

2024/25 remuneration policy continued

Element	Operation	Maximum opportunity	Performance metrics
Long-Term Incentive Plan To align the interests of the Executive Directors with shareholders.	Awards are usually made annually. Performance is measured over three years. Malus and clawback provisions will be applied in a number of cases, including, but not limited to: • a gross misstatement of the performance of the business; or • gross misconduct; or • a miscalculation of the extent to which targets have been met. Upon vesting, a Company holding period of two years applies to all awards made after 2020. Executive Directors are expected to hold shares of value equivalent to 100% of their salary by the fifth anniversary of their appointment.	100% of base salary at the time of the award.	For 2024/25, the awards will be subject to EPS performance as follows: • 30% may vest for performance of RPI + 2% per annum; and • up to a maximum of 100% may vest for performance of RPI + 8% per annum.
Pension and benefits To provide a competitive package to attract and retain skilled and experienced Directors.	The Executive Directors are entitled to receive pension contributions from the Group. They can elect for those contributions to be paid in the form of taxable pension allowance or direct payments into a defined contribution pension scheme. The Executive Directors are entitled to a standard Director benefits package, including a company car and private medical cover.	In respect of pension contributions, 6% of base salary for C J Belsham and 6% of base salary for K J Shortland. For all new Executive Director appointments, pension contributions will be a maximum of 6% of base salary, in line with the wider workforce.	None.

Annual report on remuneration 2023/24

Directors' emoluments

Name of Director	Fees/basic salary £'000	Benefits £'000	Bonus £'000	LTIP £'000	Pension £'000	**2024 Total £'000**	2023 Total £'000
Executive							
C J Belsham	289	12	65	—	23	**389**	551
R A Whiting	246	15	62	—	65	**388**	954
K J Shortland[1]	137	12	102	—	9	**260**	—
Non-Executive							
T P Acton	84	—	—	—	—	**84**	82
R J Armitage	45	—	—	—	—	**45**	43
D M Moore[2]	18	—	—	—	—	**18**	—
Aggregate emoluments	819	39	229	—	97	**1,184**	1,866

1 K J Shortland was appointed on 2 October 2023, her bonus amount includes an award of £69,331, 50% of which will be paid in shares.

2 D M Moore resigned on 28 September 2023.

Annual bonus

For the year ended 31 May 2024, Executive Directors were eligible to receive a bonus of up to 100% of base salary, subject to the achievement of challenging headline profit before tax targets and personal objectives.

2024 bonus targets	Determination	Performance against targets
Up to 75% of basic salary based on headline profit before tax.	The profit element of the bonus has a minimum threshold set at 95% achievement of budget. If this is achieved, 30% of the maximum available bonus for this element may be paid. If headline profit before tax is as budgeted, 50% of the maximum available bonus for this element may be paid. If headline profit before tax is 125% of budget, the maximum available bonus for this element may be paid. A sliding scale operates between these thresholds.	The maximum available profit-related bonus will be paid in respect of headline PBT performance in FY24.

2024 bonus targets	Determination	Performance against targets
Up to 25% of base salary based on personal objectives.	C J Belsham considers the extent to which personal objectives have been achieved by K J Shortland to determine the award under the personal objectives element of the bonus. The Chair of the Board considers the extent to which personal objectives have been achieved by C J Belsham. In both cases, the Remuneration Committee has the ultimate approval on the achievement.	93% achievement of personal objectives.[1]

1 This is the average figure for C J Belsham and K J Shortland in respect of the achievement of personal objectives.

Long-Term Incentive Plan

The table below summarises the outstanding Performance Share Plan awards. 2021 awards are based on absolute EPS performance in the year ending 31 May 2024. 2022 awards are based on absolute EPS performance in the year ending 31 May 2025. 2023 awards are based on absolute EPS performance in the year ending 31 May 2026.

	Award date	Share price at date of grant	Number of shares vesting at maximum	Face value of shares vesting at maximum	EPS for maximum vesting[1]	Number of shares vesting at threshold (30%)	EPS for threshold vesting[1]	Performance year ending
C J Belsham	3 August 2021[2]	217.0p	85,714	£185,999	33.1p	25,714	28.3p	31 May 2024
	31 January 2023[2]	230.0p	83,261	£191,500	52.2p	24,978	44.4p	31 May 2025
	1 August 2023	267.5p	73,738	£197,249	43.3p	22,121	36.6p	31 May 2026
K J Shortland	2 October 2023[2]	221.0p	92,760	£205,000	43.3p	27,828	36.6p	31 May 2026
R A Whiting	3 August 2021[2,3]	217.0p	130,636	£283,479	33.1p	39,191	28.3p	31 May 2024
	31 January 2023[2,3]	230.0p	80,799	£185,792	52.2p	24,234	44.4p	31 May 2025
	1 August 2023[3]	267.5p	30,654	£82,000	43.3p	9,196	36.6p	31 May 2026

1 EPS targets based on headline EPS – year ended 31 May 2024 for the 2021 award, year ending 31 May 2025 for the 2022 award and year ending 31 May 2026 for the 2023 awards. EPS targets for maximum and threshold vesting are based on the forecast RPI as at 31 May 2024.

2 A holding period of two years will apply to all awards made after 2020 upon vesting.

3 The maximum and minimum number of shares available to vest have been pro-rated to reflect R A Whiting's performance period following his retirement on 29 February 2024.

C J Belsham and R A Whiting exercised options over 107,590 and 179,066 shares respectively during the year, at the three-month average price of 214.81p.

On the basis of the EPS achieved for the year ended 31 May 2024, it is expected that 0% of the maximum award for C J Belsham and R A Whiting, in respect of the awards granted on 3 August 2021, will vest in 2024.

Directors' interests

The Directors who held office at 31 May 2024 had the following interests in the ordinary shares of the Group:

Name of Director	**31 May 2024 Number**
T P Acton	**30,000**
R J Armitage	**10,000**
C J Belsham	**172,845**
K J Shortland	**–**

Payments for loss of office

No payments for loss of office were made during the year ended 31 May 2024 to previous Directors (2023: none).

Terms and conditions for Non-Executive Directors

Non-Executive Directors do not have service contracts but appointment letters setting out their terms of appointment. All Non-Executive Directors are appointed for one year with renewal for further one-year terms if performance is satisfactory, normally renewable on a similar basis subject to re-election at the Group's AGM.

Directors' report
for the year ended 31 May 2024

The Directors present their report together with the audited Annual Report and Accounts of the Parent Company ('the Company') and the Group for the year ended 31 May 2024.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent Company's performance, business model and strategy.

Business review and future developments
A review of the performance of the Group during the year, including principal risks and uncertainties, key performance indicators and comments on future developments, is included in the Strategic Report and is included in this report by cross-reference. The Strategic Report has been reviewed and approved by the Board of Directors.

Results and dividends
The Group recorded revenue in the year of £950.6 million (2023: £1,053.9 million) and profit after tax of £9.1 million (2023: £14.9 million).

The Directors recommend a final dividend for the year of 7.1p per share (2023: 6.8p) which, if approved at the AGM, will be payable on 6 December 2024. Together with the interim dividend paid during the year of 1.0p per share (2023: 1.0p), this will result in a total dividend of 8.1p per share (2023: 7.8p) amounting to £4.0 million (2023: £3.9 million).

Financial risk management
Information relating to the principal risks and uncertainties of the Group has been included within the Strategic Report and is included in this report by cross-reference. Further information relating to the financial risks of the Group has been included within note 23, Financial instruments and risk management.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Group Financial Review on pages 20 to 22. The financial position of the Group and its cash flows, liquidity position and borrowing facilities are also described in the Group Financial Review. In addition, note 23 of the Group financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to price, interest rate, credit and liquidity risk. Accordingly, the Directors, having made suitable enquiries, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future based on the following factors:

- The Group has an agreement with NatWest Group for credit facilities totalling £61.0 million. With the exception of the bank overdraft facility of £1.0 million, which is renewed annually, these facilities are committed through to 31 May 2026. The Group is profitable and cash generative, has a strong balance sheet position and has a good relationship with its banker. As at 31 May 2024 the Group had available funds of £71.0 million (based on cash balances, invoice discounting availability, RCF and overdraft facilities), against which the Group was utilising £Nil.
- The Board has prepared cash flow forecasts for the period to 31 May 2026. Under this base case scenario, the Group is expected to continue to have significant headroom relative to the funding available to it and to comply with its banking covenants.
- The Board has also considered a severe downside scenario based on a significant and sustained reduction in Fuels' profitability alongside underperformance in Food and Feeds. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs. Under this scenario, the Group would still expect to have sufficient headroom in its financing facilities.
- On the basis of the above, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Forward-looking statements
The Annual Report and Accounts include certain statements that are forward-looking statements. These statements appear in a number of places throughout the Strategic Report and include statements regarding the Group's intentions, beliefs or current expectations and those of its officers, Directors and employees concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Group's businesses. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.

Directors and their interests
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

- Philip Acton
- Richard Armitage
- Chris Belsham
- Katie Shortland (appointed 2 October 2023)
- Amanda Burton (appointed 18 July 2024)
- Tim Cooper (appointed 18 July 2024)
- Richard Whiting (resigned 29 February 2024)
- Dawn Moore (resigned 28 September 2023)

The Directors who held office as at 31 May 2024 had the following interests in the ordinary shares of the Group.

Name of Director	31 May 2024 Number
T P Acton	30,000
R J Armitage	10,000
C J Belsham	172,845
K J Shortland	–

In addition to the interests in ordinary shares shown above, the Group operates a Performance Share Plan ('the LTIP') for senior executives, under which certain Directors have been granted conditional share awards. Subject to achieving performance targets, the maximum number of ordinary shares which could be issued to Directors in the future under such awards is shown below:

	31 May 2024 Number
C J Belsham	242,713
K J Shortland	92,760

Further information on the Directors' interests in the LTIP conditional share awards can be found in the Directors' Remuneration Report.

The market price of the Group's shares at the end of the financial year was 190.5p (31 May 2023: 259.5p) and the range of market prices during the year was between 173.5p and 275.0p.

No changes took place in the interests of Directors between 31 May 2024 and the date of signing the financial statements.

Further details on related party transactions with Directors are provided in note 31 of the Group financial statements.

Directors' indemnities
The Group has made qualifying third party indemnity provisions for the benefit of the Directors, which were in force during the year and up to the date of this report.

Major shareholdings as at 31 May 2024

Name of shareholder	Number	%
Close Brothers Asset Management	**2,721,578**	**5.50**
Interactive Investor	**2,576,954**	**5.21**
Festa Lífeyrissjóður	**2,382,389**	**4.82**
Sameinaði Lífeyrisjóðurinn	**2,382,389**	**4.82**
Lífeyrissjóður Vestmannaeyja	**2,382,389**	**4.82**
Cazenove Capital Management	**1,894,494**	**3.83**
Schroder Investment Management	**1,703,653**	**3.45**
Hargreaves Lansdown	**1,552,307**	**3.14**

Employee engagement

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in its performance.

The Group is committed to an active equal opportunities policy from recruitment and selection, through training and development, performance reviews and promotion to retirement. The Group's policy is to promote an environment free from discrimination, harassment and victimisation, where all employees receive equal treatment regardless of gender, colour, ethnic or national origin, health condition, disabilities, age, marital or civil partner status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

Further information and examples of the Group's engagement with our employees can be found in our Section 172 Statement on page 44 and sustainability strategy on pages 27 and 37.

Business relationships

The Group recognises its responsibility to act fairly in our engagements with customers, suppliers, investors and any regulators, all of whom are integral to the success of the Group. The strength of the Group's business relationships is vital and the Group aims to collaborate with customers and suppliers to deliver long-term sustainable solutions.

Further information and examples of the Group's engagement with customers, suppliers and others can be found in our Section 172 Statement on pages 44 to 48 and sustainability strategy on pages 27 to 37.

Takeover Directive requirements

The Group has one class of equity share, namely 25p ordinary shares. The shares have equal voting rights and there are no special rights or restrictions attaching to any of them or their transfer to other persons.

Rules governing the appointment and replacement of Directors, and those relating to the amendment of the Group's Articles of Association, are contained within those Articles of Association, a copy of which is located on the Group's website (***www.nwf.co.uk***).

Notice of AGM

A Notice of AGM, with explanatory notes, accompanies these financial statements.

Corporate governance

The Group's statement on corporate governance can be found in the Corporate Governance Statement which is incorporated by reference and forms part of this Directors' Report.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the AGM.

By order of the Board

Tom Harland
Company Secretary
Wardle
Nantwich
Cheshire
CW5 6BP
Registered number: 02264971
30 July 2024

Statement of Directors' responsibilities in respect of the financial statements

for the year ended 31 May 2024

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards ('IFRS') and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

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

By order of the Board

Tom Harland

Tom Harland
Company Secretary
Wardle
Nantwich
Cheshire
CW5 6BP
Registered number: 02264971
30 July 2024

Independent auditors' report
to the members of NWF Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- NWF Group plc's Group financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 May 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the Consolidated and Parent Company balance sheets as at 31 May 2024; the Consolidated income statement, the Consolidated and Parent Company statements of comprehensive income, the Consolidated and Parent Company statements of changes in equity and the Consolidated cash flow statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- The Group consists of four trading components alongside its Parent Company and other holding companies. Our audit focused on those components with the most significant contribution to the Group's results, being NWF Agriculture Limited, NWF Fuels Limited, Boughey Distribution Limited along with NWF Group plc (the 'Parent Company').
- The components within the scope of our work accounted for 97% of Group revenue and 95% of Group profit before tax.

Key audit matters

- Defined benefit pension plan liabilities (Group and Parent).

Materiality

- Overall Group materiality: £570,000 (2023: £944,000) based on 5% of adjusted profit before tax.
- Overall Parent Company materiality: £489,000 (2023: £520,000) based on 1% of total assets.
- Performance materiality: £427,000 (2023: £708,000) (Group) and £366,000 (2023: £390,000) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

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

Calculation of the fair value of the intangible assets acquired, which was a key audit matter last year, is no longer included because of the significantly lower carrying value of acquired intangibles within the current period. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report continued

to the members of NWF Group plc

Report on the audit of the financial statements continued

Our audit approach continued

Key audit matters continued

Key audit matter	How our audit addressed the key audit matter
Defined benefit pension plan liabilities (Group and Parent) Refer to note 2 (Material accounting policies), page 87 (Critical accounting estimates and judgements) and note 26 (Retirement benefit obligations) within the Notes to the Group financial statements and note 1 (Material accounting policies) and page 117 (Critical accounting estimates and judgements) within the Notes to the Parent Company financial statements. The Group and the Parent Company have a defined benefit pension plan net liability of £4.5 million (2023: £9.6 million), which is significant in the context of both the overall balance sheet of the Group and the Parent Company. A major constituent of this net liability is the value attributed to the gross liabilities of the pension scheme. The valuation of these gross liabilities of £37.4 million (2023: £39.2 million) requires significant judgement and expertise primarily in respect of the key actuarial assumptions used. These assumptions include both financial assumptions, e.g. the discount rate and inflation, but also key demographic assumptions, e.g. mortality rates. Modest changes in a number of these key assumptions can have a material impact on the calculation of the liability and therefore a significant effect on the financial position of the Group and the Parent Company. We therefore focused our work on this area.	We performed the following procedures: • obtained the external actuary's report used in valuing the scheme's liabilities. Using our experience of the valuation of similar schemes,and our own pension specialists, we challenged a number of the key inputs in the report and evaluated the methodologies adopted by the actuary in forming the valuation consistent with industry practice and our expectations; • agreed the key financial assumptions used within the valuation of the scheme's liabilities, including the discount and inflation rates, to our internally developed benchmarks. Further we considered the appropriateness and reasonableness of the approach taken to setting the mortality assumptions; • assessed the membership data used in valuing the schemes' liabilities and tested any significant changes since the last valuation; and • reviewed the related disclosures within the financial statements for reasonableness and to determine if they are consistent with relevant accounting standards. Based on our work performed, we concluded that the actuarial assumptions used in calculating the pension liability were within an acceptable range and appropriate disclosures have been made in the financial statements.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into eight reporting components consisting of four trading entities, along with a Parent Company and three holding companies and the Group financial statements are a consolidation of these reporting components. The reporting components vary in size. The trading entities are all based in the UK and operate their own accounting function, which report to the Group finance team.

Our audit focused on those components with the most significant contribution to the Group's results, being NWF Agriculture Limited, NWF Fuels Limited and Boughey Distribution Limited along with NWF Group plc (the 'Parent Company').

Audit work across the Group, including the trading entities and Parent Company, was performed by the same audit team based out of our Manchester office.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Parent Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Parent Company's financial statements.

Report on the audit of the financial statements continued

Our audit approach continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Parent Company
Overall materiality	£570,000 (2023: £944,000).	£489,000 (2023: £520,000).
How we determined it	5% of adjusted profit before tax.	1% of total assets.
Rationale for benchmark applied	Profit before tax is considered to be a key metric to assess the performance of the Group, and is a generally accepted auditing benchmark. In the current year, profit before tax was adjusted for exceptional items of £0.8 million (2023: £nil).	Total assets are considered to be appropriate as the Parent Company is not profit oriented. The Parent Company is a holding company, with assets relating to investments in subsidiaries and investment property which is utilised by the Group's trading entities. Total assets is a generally accepted auditing benchmark. The Company has been included as a full scope component in the scope of the Group audit and was audited to a lower capped materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £260,000 and £540,000.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £427,000 (2023: £708,000) for the Group financial statements and £366,000 (2023: £390,000) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £28,500 (Group audit) (2023: £45,000) and £24,000 (Parent Company audit) (2023: £21,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the members' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We assessed management's basecase forecast, as well as their severe but plausible downside scenario, which have formed the basis for the Group's assessment and conclusions with respect to their ability to continue as a going concern;
- We obtained the terms of the Group's financing facility and related covenants, and considered the availability of bank facilities and compliance with covenants over the going concern period;
- We agreed the opening position of the Group's cash flow forecasts to the June 2024 management accounts. We also agreed the gross debt and cash per the 31 May 2024 audited financial statements to the cash flow forecast;
- We evaluated the historical accuracy of the budgeting process to assess the reliability of the forecasts;
- We held discussions with management to assess and challenge the key assumptions made, using our knowledge of the business and industry and performed sensitivities over the key assumptions; and
- We reviewed the disclosures within the Annual Report and Accounts with respect to going concern and are satisfied that they are consistent with the assessment performed.

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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

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

Independent auditors' report continued
to the members of NWF Group plc

Report on the audit of the financial statements continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' Report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, AIM listing rules and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to improve financial performance, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- discussions with the Audit Committee and management including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- reviewing minutes of meetings of those charged with governance;
- identifying and testing journal entries, in particular those with unusual account combinations which impact revenue or reduce expenditure to manipulate the financial performance of the Group; and
- assessing key judgements and estimates made by management for evidence of inappropriate bias, including the valuation of the defined benefit pension plan liabilities and the calculation of the fair value of the intangible assets acquired.

Report on the audit of the financial statements continued

Responsibilities for the financial statements and the audit continued

Auditors' responsibilities for the audit of the financial statements continued

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of members' remuneration specified by law are not made; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
30 July 2024

Consolidated income statement

for the year ended 31 May 2024

	Note	2024 £m	2023 £m
Revenue	3,4	**950.6**	1,053.9
Cost of sales		**(903.4)**	(999.8)
Gross profit		**47.2**	54.1
Administrative expenses		**(32.9)**	(33.5)
Headline operating profit[1]		**14.2**	21.0
Exceptional income	5	**1.3**	—
Exceptional expenses	5	**(0.5)**	—
Amortisation of acquired intangibles	14	**(0.7)**	(0.4)
Operating profit		**14.3**	20.6
Finance costs	7	**(2.1)**	(1.7)
Headline profit before taxation[1]		**12.5**	19.6
Net finance cost in respect of the defined benefit pension scheme		**(0.4)**	(0.3)
Exceptional income	5	**1.3**	—
Exceptional expenses	5	**(0.5)**	—
Amortisation of acquired intangibles	14	**(0.7)**	(0.4)
Profit before taxation	5	**12.2**	18.9
Income taxation expense	8	**(3.1)**	(4.0)
Profit for the year attributable to equity shareholders		**9.1**	14.9
Earnings per share (pence)			
Basic	10	**18.4**	30.2
Diluted	10	**18.4**	30.1
Headline earnings per share (pence)[1]			
Basic	10	**19.2**	31.4
Diluted	10	**19.2**	31.3

1 Headline operating profit is statutory operating profit of £14.3 million (2023: £20.6 million) before exceptional income of £1.3 million (2023: £Nil), exceptional expenses of £0.5 million (2023: £Nil) and amortisation of acquired intangibles of £0.7 million (2023: £0.4 million). Headline profit before taxation is statutory profit before taxation of £12.2 million (2023: £18.9 million) after adding back the net finance cost in respect of the Group's defined benefit pension scheme of £0.4 million (2023: £0.3 million), the exceptional items and amortisation of acquired intangibles. Headline earnings per share also takes into account the taxation effect thereon.

The results relate to continuing operations (2023: continued operations).

The notes on pages 81 to 111 form part of these Group financial statements.

Consolidated statement of comprehensive income

for the year ended 31 May 2024

	Note	2024 £m	2023 £m
Profit for the year attributable to equity shareholders		**9.1**	14.9
Items that will not be reclassified to income statement:			
Remeasurement gain/(loss) on defined benefit pension scheme	26	**3.1**	(2.3)
Tax on items that will not be reclassified to income statement		**(0.7)**	1.0
Total other comprehensive income/(expense)		**2.4**	(1.3)
Total comprehensive income for the year		**11.5**	13.6

The notes on pages 81 to 111 form part of these Group financial statements.

Consolidated balance sheet

as at 31 May 2024

	Note	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	12	**49.0**	43.7
Right of use assets	13	**45.9**	29.1
Intangible assets	14	**33.3**	31.8
		128.2	104.6
Current assets			
Inventories	15	**8.1**	7.4
Trade and other receivables	16	**88.7**	87.4
Current taxation assets		**0.6**	—
Reimbursement assets	17	**1.8**	1.7
Cash and cash equivalents	18	**10.0**	16.3
Derivative financial instruments	23	**0.3**	0.2
		109.5	113.0
Total assets		**237.7**	217.6
Current liabilities			
Trade and other payables	19	**(91.1)**	(92.5)
Current taxation liabilities		**—**	(0.8)
Lease liabilities	21	**(8.0)**	(9.8)
Provisions for liabilities	22	**(1.9)**	(1.9)
Derivative financial instruments	23	**—**	(0.1)
		(101.0)	(105.1)
Non-current liabilities			
Lease liabilities	21	**(38.3)**	(20.0)
Provisions for liabilities	22	**(1.4)**	(0.8)
Deferred taxation liabilities	24	**(7.1)**	(4.2)
Retirement benefit obligations	26	**(4.5)**	(9.6)
		(51.3)	(34.6)
Total liabilities		**(152.3)**	(139.7)
Net assets		**85.4**	77.9
Equity			
Share capital	25	**12.4**	12.4
Share premium		**0.9**	0.9
Retained earnings		**72.1**	64.6
Total shareholders' funds		**85.4**	77.9

The Group financial statements on pages 76 to 111 were approved by the Board of Directors on 30 July 2024 and were signed on its behalf by:

C J Belsham
Director

K J Shortland
Director

The notes on pages 81 to 111 form part of these Group financial statements.

Consolidated statement of changes in equity

for the year ended 31 May 2024

	Share capital £m	Share premium £m	Retained earnings £m	Total shareholders' funds £m
Balance at 1 June 2022	12.3	0.9	54.9	68.1
Profit for the year attributable to equity shareholders	–	–	14.9	14.9
Items that will not be reclassified to income statement:				
Remeasurement gain on defined benefit pension scheme (note 26)	–	–	(2.3)	(2.3)
Tax on items that will not be reclassified to income statement	–	–	1.0	1.0
Total other comprehensive expense	–	–	(1.3)	(1.3)
Total comprehensive income for the year	–	–	13.6	13.6
Transactions with owners:				
Issue of shares	0.1	–	(0.1)	–
Dividends paid (note 9)	–	–	(3.7)	(3.7)
Value of employee services	–	–	(0.6)	(0.6)
Credit to equity for equity-settled share-based payments	–	–	0.5	0.5
Total transactions with owners	0.1	–	(3.9)	(3.8)
Balance at 31 May 2023	12.4	0.9	64.6	77.9
Profit for the year attributable to equity shareholders	**–**	**–**	**9.1**	**9.1**
Items that will not be reclassified to income statement:				
Remeasurement gain on defined benefit pension scheme (note 26)	**–**	**–**	**3.1**	**3.1**
Tax on items that will not be reclassified to income statement	**–**	**–**	**(0.7)**	**(0.7)**
Total other comprehensive income	**–**	**–**	**2.4**	**2.4**
Total comprehensive income for the year	**–**	**–**	**11.5**	**11.5**
Transactions with owners:				
Dividends paid (note 9)	**–**	**–**	**(3.9)**	**(3.9)**
Debit to equity for equity-settled share-based payments	**–**	**–**	**(0.1)**	**(0.1)**
Total transactions with owners	**–**	**–**	**(4.0)**	**(4.0)**
Balance at 31 May 2024	**12.4**	**0.9**	**72.1**	**85.4**

The notes on pages 81 to 111 form part of these Group financial statements.

Consolidated cash flow statement

for the year ended 31 May 2024

	Note	2024 £m	2023 £m
Net cash generated from operations	28	**25.3**	37.0
Net finance costs		**(1.7)**	(1.4)
Income tax paid		**(2.7)**	(3.1)
Net cash generated from operating activities		**20.9**	32.5
Cash flows used in investing activities			
Purchase of intangible assets	14	**–**	(0.1)
Purchase of property, plant and equipment	12	**(10.3)**	(3.1)
Capitalised costs associated with leases		**(1.1)**	–
Acquisition of trade and assets – cash paid (net of cash acquired)		**(2.6)**	(9.5)
Proceeds on sale of property, plant and equipment		**0.6**	1.0
Net cash used in investing activities		**(13.4)**	(11.7)
Cash flows used in financing activities			
Principal elements of lease payments		**(9.9)**	(9.9)
Dividends paid	9	**(3.9)**	(3.7)
Net cash used in financing activities		**(13.8)**	(13.6)
Net (decrease)/increase in cash and cash equivalents	29	**(6.3)**	7.2
Cash and cash equivalents at beginning of year	29	**16.3**	9.1
Cash and cash equivalents at end of year	29	**10.0**	16.3

The notes on pages 81 to 111 form part of these Group financial statements.

Notes to the Group financial statements
for the year ended 31 May 2024

1. General information

NWF Group plc ('the Company') is a public limited company incorporated and domiciled in England, United Kingdom, under the Companies Act 2006. The principal activities of NWF Group plc and its subsidiaries (together 'the Group') are the sale and distribution of fuel oils, the warehousing and distribution of ambient groceries and the manufacture and sale of animal feeds. Further information on the nature of the Group's operations and principal activities is set out in note 4 of the Group financial statements.

The address of the Company's registered office is Wardle, Nantwich, Cheshire CW5 6BP. The Company has its primary listing on AIM, part of the London Stock Exchange.

The Group financial statements were authorised for issue by the Board of Directors on 30 July 2024.

2. The Group's material accounting policies

The Group's material accounting policies are set out below.

Basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IFRS') and with the requirements of the Companies Act 2006 applicable to companies reporting under those standards. The Group financial statements have been prepared under the going concern basis and on the historical cost convention modified for the revaluation of certain financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, which are outlined in the critical accounting estimates and judgements section of these accounting policies. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The accounting policies have been applied consistently throughout the period, other than where new policies have been adopted.

Going concern

Based on financial performance to date and forecasts along with the available banking facilities, there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The Group's banking facilities, provided by NatWest Group, were renewed on 31 May 2023, are committed until 31 May 2026 and provide a credit facility of £61.0 million, which includes a £1.0 million overdraft that is renewed annually. The Group is profitable and cash generative and has a strong balance sheet position and a good relationship with its lender. As at 31 May 2024 the Group had available funds of £71.0 million (based on cash balances, invoice discounting availability, RCF and overdraft facilities) against which the Group has not utilised.

The Board has prepared cash flow forecasts for the period to 31 May 2026. Under this base case scenario, the Group is expected to continue to have significant headroom relative to the funding available to it and to comply with its banking covenants.

The Board has also considered a severe downside scenario based on a significant and sustained reduction in Fuels' profitability alongside underperformance in Food and Feeds. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs. Under this scenario, the Group would still expect to have sufficient headroom in its financing facilities.

The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Alternative performance measures ('APMs')

The Directors consider that the; headline operating profit, headline profit before taxation, headline EBITDA, headline ROCE and headline earnings per share measures, referred to in these Group financial statements, provide useful information for shareholders on underlying trends and performance.

Headline operating profit is reported operating profit after adding back exceptional items and amortisation of acquired intangibles.

Headline profit before taxation is reported profit before taxation after adding back the net finance cost in respect of the Group's defined benefit pension scheme, exceptional items and amortisation of acquired intangibles, to show the underlying performance of the Group.

As the headline operating profit and headline profit before taxation exclude the income or costs detailed above the Directors acknowledge this may result in the headline metrics being materially higher or lower than the statutory operating profit and profit before tax.

Headline EBITDA refers to reported operating profit after adding back exceptional items, depreciation on property, plant and equipment and amortisation of acquired intangibles. The headline EBITDA calculation excludes the impact of IFRS 16 depreciation.

Headline ROCE refers to the return on capital employed calculated as headline operating profit as a proportion of year end net assets.

The calculation of headline earnings includes any exceptional impact of remeasuring deferred tax balances. The calculations of basic and diluted headline earnings per share are shown in note 10 of the Group financial statements.

Adoption of new and revised standards

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 June 2023.

Notes to the Group financial statements continued

for the year ended 31 May 2024

2. The Group's material accounting policies continued

Adoption of new and revised standards continued

The Company has adopted the following new standards, amendments and interpretations now applicable. None of these standards and interpretations have had any material effect on the Company's results or net assets.

Standard or interpretation	Content	Applicable for financial year beginning on
Amendments to FRS 101 and FRS 102	International Tax Reform	1 January 2023
Amendments to IAS 1	Presentation of Financial Statements	1 June 2023
Amendments to IAS 8	Accounting Policies	1 June 2023
Amendments to IAS 12	Income Taxes	1 June 2023
Amendments to IFRS 17	Insurance Contracts	1 June 2023
IFRS Practice Statement 2	Making Materiality Judgements	1 June 2023

The following standards, amendments and interpretations are not yet effective and have not been adopted early by the Company:

Standard or interpretation	Content	Applicable for financial year beginning on
Amendments to IAS 7 and IFRS 7	Supplier Finance	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 June 2024
Amendments to IFRS 16	Leases on Sale and Leaseback	1 June 2024

These standards are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

Consolidation

The Group financial statements incorporate the financial statements of NWF Group plc ('the Company') and entities controlled by the Company (its 'subsidiaries') made up to 31 May each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the initial accounting for a business combination is incomplete by the end of the first reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the date of acquisition that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed at the date of acquisition, and is subject to a maximum of one year.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, estimated returns, rebates and discounts, and after eliminating sales within the Group. Accumulated experience is used to estimate and provide for these items, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group does not expect to have any contracts where the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Specific types of revenue are recognised as follows:

2. The Group's material accounting policies continued

Revenue recognition continued

Fuels and Feeds

Revenue from the sale of goods in each of these segments is recognised when they are delivered to the customer and the performance obligations have been met; that is, the products are delivered to the specific location, the risk of loss has been transferred and the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered, since this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Revenue from sale of fuels includes fuel duty.

Food

Revenue from storage, handling and re-packaging of customers' products is recognised when the relevant service has been performed and the performance obligations have been met. For distribution, revenue performance obligations are met when the customers' products arrive at the destination.

Customers are invoiced on a daily, weekly or monthly basis and consideration is payable when invoiced. A receivable is recognised when the services are provided, since this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments. Segment reporting information is shown in the notes of the Group financial statements.

Taxation

The income taxation expense represents the sum of current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current taxation is based on taxable profits for the year. Taxable profit differs from profit as reported in the income statement 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 Group's liability for current taxation is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. However, deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profits or losses.

Deferred taxation is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred taxation asset is realised or the deferred taxation liability is settled.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current taxation liabilities and when the deferred taxes relate to the same fiscal authority.

Borrowing costs

Borrowing costs that are directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Dividend distribution

The distribution of a dividend to the Company's shareholders is recognised in the Group's financial statements in the period in which it is approved by the Company's shareholders.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly related to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably. All other repairs and maintenance expenditure is charged to the income statement during the financial period in which it is incurred.

Notes to the Group financial statements continued

for the year ended 31 May 2024

2. The Group's material accounting policies continued

Property, plant and equipment continued

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to reduce their cost to their residual values over their useful economic lives, as follows:

Freehold and long leasehold buildings	10 – 50 years
Plant and machinery	3 – 12 years
Cars and commercial vehicles	4 – 8 years

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its estimated recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Assets under construction are not depreciated until they are put into use.

Gains and losses on disposal are determined by comparing the proceeds of disposal with the carrying value and are recognised in the income statement.

Right of use assets and lease liabilities

Under IFRS 16, a right of use asset and lease liability are recognised for all leases except 'low value' and 'short-term' leases where lease payments are recognised on a straight-line basis over the lease term. For the Group, the standard results in the recognition of almost all leases on the balance sheet as a right of use asset, with a corresponding lease liability.

At the inception of a contract, the Group performs an assessment to determine whether the contract is, or contains, a lease. Key aspects of this determination are the specific identification of an asset that is subject to the lease and that the lease conveys the right to direct and control the use of the identified asset for a period of time.

Where a contract is determined to contain a lease, the lease liability is recognised from the commencement date of the lease, the commencement date being defined as the date at which the lessor makes the underlying asset available for use. The lease liability is recognised at an amount equal to the present value of the future lease payments during the lease term.

Lease payments are discounted using the Group's incremental borrowing rate, since the interest rate implicit in the Group's leases is not readily determinable.

After the commencement date, lease payments are allocated between the outstanding lease liability on the balance sheet and finance costs. Finance costs are charged to the income statement over the lease period using the effective interest method.

A right of use asset is initially recognised at the commencement date and measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred by the Group and an estimate of any cost for dismantling or restoring the asset at the end of the lease term.

The right of use asset is subsequently depreciated in accordance with the depreciation requirements in IAS 16 'Property, Plant and Equipment' which results in depreciation on a straight-line basis over the shorter of the asset's useful life and the lease term. The Group also applies IAS 36 'Impairment of Assets' to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Remeasurement of the lease liability occurs if, after the commencement date, there is a change in future lease payments or a change in the lease term. Any remeasurement of the lease liability results in a corresponding adjustment of the right of use asset. If the carrying amount of the right of use asset has already been reduced to zero, the remaining remeasurement is recognised in the income statement. The Group remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flows, using an unchanged discount rate. Reassessment of leases in the Group occurs where lease consideration changes due to a market rent review clause or where there are changes to variable lease payments dependent on an index or rate.

A lease modification arises where there is a change in scope of the lease, or the consideration for the lease, which was not part of the original terms and conditions of the lease. In the event of a lease modification, the Group accounts for this as a separate lease, providing the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price, to reflect the circumstances of the particular contract.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included within intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised immediately in the income statement and are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to each of the Group's cash-generating units ('CGUs') for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which they arose, identified according to operating segment.

Brands

Separately acquired brands are shown at historical cost less accumulated amortisation. Brands acquired in a business combination are recognised at fair value at the date of acquisition. Brands have a finite useful life and are carried at cost less accumulated amortisation and represent an acquired intangible asset. Amortisation is calculated, using the straight-line method, to allocate the cost of brands over their estimated useful lives of either ten or twenty years.

2. The Group's material accounting policies continued

Intangible assets continued

Customer relationships

Separately acquired customer relationships are shown at historical cost less accumulated amortisation. Customer relationships acquired in a business combination are recognised at fair value at the date of acquisition. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and represent an acquired intangible asset. Amortisation is calculated, using the straight-line method, to allocate the cost of these assets over their estimated useful lives of ten years.

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs incurred to acquire computer software licences and directly attributable costs incurred to bring the software into use are capitalised. Directly attributable costs include software development employee costs. Capitalised computer software costs are amortised over their estimated useful lives on a straight-line basis (three to seven years).

Cloud-based software provided under a Software as a Service ('SaaS') arrangement is assessed separately to determine whether any power to obtain future economic benefit from the software arises and if access to those benefits can be restricted. If not, such costs are recognised as an expense. A further assessment of any configuration and customisation costs associated with the SaaS arrangement is made to determine if such services are distinct from the provision of the software and therefore establish the appropriate period over which to expense such costs.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

Investments

Investments in Group undertakings are stated at cost, unless their value has been impaired in which case they are valued at the lower of their realisable value or value in use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average costing method. The cost of finished goods and goods for resale comprises purchase cost and, in the case of finished goods, the cost of transporting the goods to their stock location. Net realisable value comprises the estimated selling price in the ordinary course of business less applicable variable selling expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Under IFRS 9, the Group elected to use the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Under the accounting standard, the Group continues to establish a provision for impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

In addition, IFRS 9 requires the Group to consider forward-looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Group considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for receivables impairment, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable, it is written off against the provision for receivables impairment. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Derivative financial instruments and hedging activities

A derivative is initially recognised at fair value on the date that the associated contract is entered into and then is remeasured at fair value at each subsequent balance sheet date.

The method of recognising the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. During the current and prior year, none of the Group's derivative financial instruments have been designated as effective hedges. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Reimbursement assets

The Group recognises reimbursement assets in respect of third party claims made against the Group, but which under the terms of its insurance policy, the Group is indemnified. All of the expenditure required to settle such claims will be reimbursed by the insurer under the terms of the policy, and therefore it is virtually certain that reimbursement will be received.

Notes to the Group financial statements continued
for the year ended 31 May 2024

2. The Group's material accounting policies continued

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. The Group recognises cash when it is within its control and, in accordance with IFRS 9, when it has the contractual right to obtain cash from the bank. Cash in transit between Group companies at a period end is recognised within the receiving company's balance sheet. Cash in transit to or from external entities at a period end is not recognised where the Group does not have the contractual right to obtain the cash and is therefore not deemed to exercise control over it. The Group's cash recognition policies are aligned with IAS 7 as follows: in respect of incoming receipts via electronic transfer, the Group recognises cash as a financial asset on the transfer settlement date, and not before. In respect of cheques received, the Group classifies these as 'promissory notes' and recognises within cash equivalents all cheques dated and deposited with the bank up to and including the reporting period end. In respect of card receipts, the Group recognises a cash equivalent on the transaction date as they are readily convertible to cash and the credit risk is deemed very low. In respect of outgoing payments, where there is often a delay between the remittance date and the transfer settlement date, the Group de-recognises the cash from financial assets on the transfer remittance date, and not after. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Within the banking arrangement is the right to offset.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Exceptional items

The Group's income statement separately identifies exceptional items. Such items are those that, in the Directors' judgement, are one-off in nature or non-operating and need to be disclosed separately by virtue of their size or incidence and may include, but are not limited to, restructuring costs, acquisition-related costs, costs of implementing new systems, cyber-related costs, impairment of assets and income from legal or insurance settlements. In determining whether an item should be disclosed as an exceptional item, the Directors consider quantitative as well as qualitative factors such as the frequency, predictability of occurrence and significance. This is consistent with the way financial performance is measured by management and reported to the Board. Disclosing exceptional items separately provides additional understanding of the performance of the Group.

Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

Retirement benefit obligations

The Group operates various pension schemes, including defined contribution and defined benefit schemes.

Defined contribution schemes

For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance schemes on a mandatory, contractual or voluntary basis. The contributions are recognised as an employee benefit expense in the income statement when they are due. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

Defined benefit scheme

The Company is the sponsoring employer in a funded Group-operated defined benefit pension scheme, the NWF Group Benefits Scheme, and has therefore recognised the defined liability, in full, on the Company balance sheet.

The liability recognised in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of scheme assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. The Group has considered the recognition requirements of IFRIC 14 and determined that they do not apply to the scheme.

The net pension finance cost is determined by applying the discount rate, used to measure the defined benefit pension obligation at the beginning of the accounting period, to the net pension obligation at the end of the accounting period taking into account any changes in the net pension obligation during the period as a result of cash contributions and benefit payments.

Pension scheme expenses are charged to the income statement within administrative expenses.

Actuarial gains and losses are recognised immediately in the statement of comprehensive income. Net defined benefit pension scheme deficits before tax relief are presented separately on the balance sheet within non-current liabilities. The attributable deferred taxation asset is shown net within deferred taxation liabilities in the balance sheet and is subject to the recognition criteria as set out in the accounting policy on deferred taxation.

Share-based payments

In the year ended 31 May 2024, the Group operated one (2023: one) equity-settled share-based payment plan, details of which can be found in note 27 of the Group financial statements.

The fair value of the employee services received in exchange for the grant of share awards is recognised as an expense. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of 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 and adjusted for the effect of non-market-based vesting conditions.

2. The Group's material accounting policies continued

Share-based payments continued

Fair value is measured by the use of a Black Scholes 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.

Employer social security contributions payable in connection with the grant of share awards are considered an integral part of the grant itself and the charge is treated as a cash-settled transaction.

Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue.

Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme – valuation assumptions

The balance sheet carrying value of the defined benefit pension scheme surpluses or deficits are calculated using independently commissioned actuarial valuations. These valuations, including the impact of GMP, are based on a number of assumptions, including the most appropriate mortality rates to apply to the profile of scheme members and the financial assumptions regarding discount rates and inflation. All of these are estimates of future events and are therefore uncertain. Further details can be found in note 26 of the Group financial statements.

Assessment of impairment

The Group tests annually for impairment of goodwill and fixed asset balances, which involves using key judgements including estimates of future business performance and cash generation and discount rates.

The recoverable amounts of CGUs are determined using value in use calculations. The value in use calculations use post-tax cash flow projections based on the Board-approved budget for the year ending 31 May 2025 and four years of the businesses strategic plans thereafter. Subsequent cash flows are extrapolated using an estimated growth rate of 2%.

These value in use calculations are subject to a series of sensitivity analyses using reasonable assumptions concerning the future performance of the CGUs and assessing the impact of a 1% increase in the discount rate. For further details of our assessment of impairment please see note 14.

Carrying value of trade receivables

The Group holds material trade receivable balances and the calculations of provisions for impairment are estimates of future events and therefore uncertain. IFRS 9 requires the Group to consider forward-looking information and the probability of default when calculating expected credit losses. The Group considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses.

Valuation of acquired intangibles

IFRS 3 requires separately identifiable intangible assets to be recognised on acquisitions. The principal estimates used in valuing these intangibles are generally based on the future cash flow forecast to be generated by these assets and the selection of appropriate discount rates to apply to the cash flows.

A 1% increase in the discount rate applied to the future cash flows would reduce the value attributable to acquired intangibles by £0.1 million.

Assessment of insurance claim provision and corresponding reimbursement assets

Under IAS 37, a provision for third party insurance claims is recognised for the full amount of the liability at the point in time that the obligation can be reliably estimated. The Group considers this to be when the insurance company assesses the claim and when it registers it as accepted. Correspondingly, a reimbursement asset for an equal amount is recognised at the same time, when it becomes virtually certain that the reimbursement will be received if the entity settles the liability.

From a completeness perspective, the Directors are not aware of any other critical judgements within the Group that give rise to a significant risk of material adjustment within the next financial year.

3. Revenue

An analysis of the Group's revenue is as follows:

	2024 £m	2023 £m
Sale of goods	**872.9**	983.0
Rendering of services	**77.7**	70.9
	950.6	1,053.9

Notes to the Group financial statements continued
for the year ended 31 May 2024

4. Segment information
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 Fuels, Food and Feeds.

The Board considers the business from a products/services perspective. In the Board's opinion, all of the Group's operations are carried out in the same geographical segment, namely the UK.

The nature of the products/services provided by the operating segments is summarised below:

Fuels	–	sale and distribution of domestic heating and industrial and road fuels
Food	–	warehousing and distribution of clients' ambient groceries and other products to supermarket and other retail distribution centres
Feeds	–	manufacture and sale of animal feeds and other agricultural products

Segment information about the above businesses is presented below.

The Board assesses the performance of the operating segments based on a measure of operating profit ('headline 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-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets exclude deferred taxation assets and cash and cash equivalents. Segment liabilities exclude taxation, borrowings and retirement benefit obligations. Excluded items are part of the reconciliation to consolidated total assets and liabilities.

2024	Fuels £m	Food £m	Feeds £m	Group £m
Revenue				
Total revenue	**684.9**	**77.8**	**195.1**	**957.8**
Inter-segment revenue	**(7.1)**	**(0.1)**	**–**	**(7.2)**
Revenue	**677.8**	**77.7**	**195.1**	**950.6**
Result				
Headline operating profit	**7.9**	**3.7**	**2.6**	**14.2**
Amortisation of acquired intangibles	**(0.7)**	**–**	**–**	**(0.7)**
Exceptional income				**1.3**
Exceptional expenses				**(0.5)**
Operating profit as reported				**14.3**
Finance costs (note 7)				**(2.1)**
Profit before taxation				**12.2**
Income taxation expense (note 8)				**(3.1)**
Profit for the year				**9.1**
Other information				
Depreciation and amortisation	**6.4**	**7.5**	**3.2**	**17.1**
Property, plant and equipment additions (note 12)	**1.7**	**6.9**	**1.7**	**10.3**

2024	Fuels £m	Food £m	Feeds £m	Group £m
Balance sheet				
Assets				
Segment assets	**99.6**	**76.8**	**51.3**	**227.7**
Cash and cash equivalents (note 18)				**10.0**
Consolidated total assets				**237.7**
Liabilities				
Segment liabilities	**(71.6)**	**(44.4)**	**(24.7)**	**(140.7)**
Deferred taxation liabilities (note 24)				**(7.1)**
Retirement benefit obligations (note 26)				**(4.5)**
Consolidated total liabilities				**(152.3)**

4. Segment information continued

2023	Fuels £m	Food £m	Feeds £m	Group £m
Revenue				
Total revenue	765.0	70.9	225.8	1,061.7
Inter-segment revenue	(7.8)	—	—	(7.8)
Revenue	757.2	70.9	225.8	1,053.9
Result				
Headline operating profit	12.9	4.2	3.9	21.0
Amortisation of acquired intangibles	(0.4)	—	—	(0.4)
Operating profit as reported				20.6
Finance costs (note 7)				(1.7)
Profit before taxation				18.9
Income taxation expense (note 8)				(4.0)
Profit for the year				14.9
Other information				
Depreciation and amortisation	6.0	6.3	3.0	15.3
Property, plant and equipment additions (note 12)	0.7	1.1	1.3	3.1

2023	Fuels £m	Food £m	Feeds £m	Group £m
Balance sheet				
Assets				
Segment assets	101.9	50.0	49.4	201.3
Cash and cash equivalents (note 18)				16.3
Consolidated total assets				217.6
Liabilities				
Segment liabilities	(78.0)	(23.2)	(23.9)	(125.1)
Deferred taxation liabilities (note 24)				(4.2)
Current taxation liabilities				(0.8)
Retirement benefit obligations (note 26)				(9.6)
Consolidated total liabilities				(139.7)

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2024 £m	2023 £m
Cost of inventories recognised as an expense (included in cost of sales)	**822.8**	929.4
Depreciation of property, plant and equipment (note 12)	**5.0**	4.8
Depreciation of right of use assets (note 13)	**11.2**	9.9
Amortisation of other intangible assets (note 14)	**0.9**	0.6
(Profit) on disposal of property, plant and equipment (note 28)	**(0.3)**	(0.5)
Staff costs (note 6)	**62.9**	58.6
Provision for receivables impairment (note 16)	**2.9**	2.3
Unused amounts reversed/receivables written off in the year	**(3.0)**	(2.0)
Exceptional items	**(0.8)**	—

Notes to the Group financial statements continued
for the year ended 31 May 2024

5. Profit before taxation continued
Exceptional items by type are as follows:

	2024 £m	2023 £m
Legal claim settlement[1]	1.3	–
ERP implementation costs[2]	(0.5)	–
Net exceptional income	0.8	–

1 Following a decision by the European Commission sanctioning a cartel during the period 1997 to 2011, NWF participated in a group action to recover damages arising from certain supplier expenses relating to that period. The parties are no longer in dispute regarding this matter. Settlement monies of £1.3 million were received.

2 ERP implementation costs comprise initial preliminary appraisals relating to a future ERP implementation within the Group.

Services provided by the Company's auditors
During the year, the Group obtained the following services from the Company's auditors:

	2024 £'000	2023 £'000
Fees payable to the Company's auditors for the audit of the Company and consolidated annual financial statements	592	58
Fees payable to the Company's auditors for other services:		
– audit of the financial statements of the Company's subsidiaries pursuant to legislation	–	498
– non-audit assurance services	3	2
– taxation compliance services	12	33
Total auditors' remuneration	607	591

Fees relating to the audit of the financial statements in the current year ending 31 May 2024 included £Nil of additional costs relating to the previous year that have not recurred in the current year.

During the year the Board have made the decision to vote in favour of the trading subsidiary companies taking advantage of audit exemption S479a as conferred by the Companies Act 2006. As a result the audit fee is no longer attributable to the subsidiary companies.

6. Staff costs
The average monthly number of persons (including Directors) employed in the Group during the year was:

	2024 Number	2023 Number
Fuels	338	332
Food	814	763
Feeds	248	224
Head Office	20	20
	1,420	1,339

Staff costs (including Directors) are outlined below.

Total Directors' remuneration for the year to 31 May 2024 was split between short-term employee benefits of £1.2 million (2023: £1.3 million) and share-based payments of £Nil (2023: £0.4 million).

Total remuneration for the highest paid Director was £0.4 million (2023: £1.0 million). No shares were awarded under a Long-Term Incentive Plan (2023: 89,976). No options were exercised over shares during the year (2023: 179,066).

Directors' remuneration is also set out in the Directors' Remuneration Report, within the table entitled Directors' emoluments on page 66.

	2024 £m	2023 £m
Wages and salaries	55.5	50.9
Social security costs	5.8	5.7
Share-based payments (note 27)	(0.1)	0.5
Other pension costs (note 26)	1.7	1.5
	62.9	58.6

In addition to the above staff costs, the Group incurred no termination costs (2023: £Nil), and £2.7 million (2023: £2.4 million) in respect of costs of agency workers.

Other pension costs above are amounts charged to operating profit in respect of defined contribution pension schemes.

7. Finance costs

	2024 £m	2023 £m
Interest on bank loans and overdrafts	**0.4**	0.8
Finance costs on lease liabilities relating to IFRS 16 (note 21)	**1.3**	0.6
Total interest expense	**1.7**	1.4
Interest on the net defined benefit liability (note 26)	**0.4**	0.3
Total finance costs	**2.1**	1.7

8. Income taxation expense

	2024 £m	As restated 2023 £m
Current taxation		
UK corporation tax on profits for the year	**1.5**	3.8
Adjustments in respect of prior years	**(0.2)**	—
Current tax expense	**1.3**	3.8
Deferred taxation		
Origination and reversal of temporary differences	**0.5**	—
Accelerated capital allowances	**1.4**	0.4
Adjustments in respect of prior years	**(0.1)**	(0.3)
Effect of increased tax rate on opening balances	**–**	0.1
Deferred tax expense (note 24)	**1.8**	0.2
Total income tax expense	**3.1**	4.0

Deferred tax has been further split to separate deferred tax on accelerated capital allowances, prior year figures have been restated to show the comparative. The restatement has had no impact on the total income tax expense.

Pillar Two legislation has been enacted in the UK, the jurisdiction that the Group operates. The legislation will be effective for the Group's financial year beginning 1 June 2024. The Group is in scope of the enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax provisioning and financial statements for the constituent entities in the Group. The Group operates and pays income tax solely within the United Kingdom, the profit before tax for the year ended 31 May 2024 was £12.2 million and tax expense recognised in the income statement was £3.1 million, giving an effective tax rate of 25.4%. Based on this assessment, the Group does not expect a material exposure to Pillar Two income taxes for any of the entities within the Group. The Group has applied the mandatory temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

During the year ended 31 May 2024, corporation tax has been calculated at tax of 25% of estimated assessable profits for the year (2023: blended tax of 20% (being 19% until 31 March 2023, and 25% thereon)).

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2024 £m	2023 £m
Profit before taxation	**12.2**	18.9
Profit before taxation multiplied by the standard rate of UK corporation tax of 25.0% (2023: 20.0%)	**3.1**	3.8
Effects of:		
– income not taxable	**(0.1)**	—
– expenses not deductible for tax purposes	**–**	0.4
– super-deduction allowance	**–**	(0.1)
– non-qualifying depreciation	**0.2**	—
– impact of share-based payments	**0.2**	0.1
– impact of increased tax rate on opening balances	**–**	0.1
– adjustments in respect of prior years	**(0.3)**	(0.3)
Total income taxation expense	**3.1**	4.0

Notes to the Group financial statements continued
for the year ended 31 May 2024

8. Income taxation expense continued

A debit of £0.7 million (2023: £0.6 million credit) has been recognised in the statement of comprehensive income. This relates to the deferred tax movement on the actuarial gain on the defined benefit pension scheme of £3.1 million (2023: £2.3 million loss) (note 24).

The tax charge in the current year is the same (2023: higher) than the standard tax charge.

9. Dividends paid

	2024 £m	2023 £m
Final dividend for the year ended 31 May 2023 of 6.8p (2022: 6.5p) per share	**3.4**	3.2
Interim dividend for the year ended 31 May 2024 of 1.0p (2023: 1.0p) per share	**0.5**	0.5
Amounts recognised as distributions to equity shareholders in the year	**3.9**	3.7
Proposed final dividend for the year ended 31 May 2024 of 7.1p (2023: 6.8p) per share	**3.5**	3.4

The proposed final dividend is subject to approval at the AGM on 26 September 2024 and has not been included as a liability in these Group financial statements.

10. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	2024	2023
Earnings (£m)		
Earnings for the purposes of basic and diluted earnings per share being profit for the year attributable to equity shareholders	**9.1**	14.9
Number of shares ('000)		
Weighted average number of shares for the purposes of basic earnings per share	**49,426**	49,355
Weighted average dilutive effect of conditional share awards	**13**	196
Weighted average number of shares for the purposes of diluted earnings per share	**49,439**	49,551
Earnings per ordinary share (pence)		
Basic earnings per ordinary share	**18.4**	30.2
Diluted earnings per ordinary share	**18.4**	30.1
Headline earnings per ordinary share (pence)		
Basic headline earnings per ordinary share	**19.2**	31.4
Diluted headline earnings per ordinary share	**19.2**	31.3

The calculation of basic and diluted headline earnings per share is based on the following data:

	2024 £m	2023 £m
Profit for the year attributable to equity shareholders	**9.1**	14.9
Add back/(deduct):		
Net finance cost in respect of defined benefit pension scheme (note 26)	**0.4**	0.3
Net exceptional items (note 5)	**(0.8)**	—
Amortisation of acquired intangibles (note 14)	**0.7**	0.4
Tax effect of the above	**0.1**	(0.1)
Headline earnings	**9.5**	15.5

11. Business combinations

On 7 July 2023, the Group acquired the trade and specified assets of Geoff Boorman Fuels LLP, a 17 million litre fuel distributor servicing rural Kent and East Sussex. The purchase price for the acquisition was £2.6 million and the net cash outflow was £2.7 million after acquisition costs.

Details of the total consideration and the provisional fair values of the assets and liabilities acquired are shown below:

	Fair value of assets acquired £m
Intangible assets – goodwill	1.3
Intangible assets – brand	0.8
Intangible assets – customer relationships	0.2
Property, plant and equipment	0.3
Trade and other receivables	0.5
Trade and other payables	(0.1)
Deferred taxation liability	(0.4)
	2.6

Provisional goodwill of £1.3 million arises from the acquisition and is attributable to the acquired business and the expected economies of scale from combining the operations of the Group and the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

As the acquisition was made in the year, the above amounts are provisional and subject to adjustment.

Net cash outflow arising on the acquisition:

	£m
Total consideration – cash paid on completion	(2.6)
Acquisition-related costs	(0.1)
Net consideration paid	(2.7)

Acquisition-related costs of £0.1 million have been charged to the income statement in the year ended 31 May 2024.

The following amounts have been recognised within the consolidated income statement in respect of the acquisition made in the year: revenue – £9.2 million; and operating profit before tax – £0.3 million.

Had the acquisition taken place at the start of the financial year, the consolidated income statement would include: revenue – £10.0 million; and operating profit before tax – £0.3 million.

Notes to the Group financial statements continued
for the year ended 31 May 2024

12. Property, plant and equipment

	Freehold land and buildings £m	Long leasehold land and buildings £m	Plant and machinery £m	Cars and commercial vehicles £m	Assets under construction £m	Total £m
Cost						
At 1 June 2022	38.3	3.1	34.6	4.4	—	80.4
Additions	0.4	—	2.5	0.2	—	3.1
Acquired through business combinations	—	—	0.1	0.4	—	0.5
Disposals	(0.2)	—	(4.4)	(2.5)	—	(7.1)
At 31 May 2023	38.5	3.1	32.8	2.5	—	76.9
Adjustments to b/fwd*	0.1	0.2	0.6	(0.7)	—	0.2
Additions	0.2	0.1	7.8	0.4	1.8	10.3
Acquired through business combinations	—	—	—	0.3	—	0.3
Reclassification	0.1	—	(0.1)	—	—	—
Transfer from right of use asset	—	—	0.1	0.3	—	0.4
Disposals	(0.2)	—	(2.5)	(1.2)	—	(3.9)
At 31 May 2024	**38.7**	**3.4**	**38.7**	**1.6**	**1.8**	**84.2**
Accumulated depreciation and impairment						
At 1 June 2022	13.5	0.5	18.7	2.3	—	35.0
Charge for the year	0.9	0.1	3.0	0.8	—	4.8
Disposals	(0.2)	—	(4.1)	(2.3)	—	(6.6)
At 31 May 2023	14.2	0.6	17.6	0.8	—	33.2
Adjustments to b/fwd*	—	0.1	0.7	(0.4)	—	0.4
Charge for the year	0.9	0.2	3.2	0.7	—	5.0
Transfer from right of use asset	—	—	—	0.2	—	0.2
Disposals	—	—	(2.5)	(1.1)	—	(3.6)
At 31 May 2024	**15.1**	**0.9**	**19.0**	**0.2**	**—**	**35.2**
Carrying amount						
At 31 May 2024	**23.6**	**2.5**	**19.7**	**1.4**	**1.8**	**49.0**
At 31 May 2023	24.3	2.5	15.2	1.7	—	43.7

* Included within the 'adjustments to b/fwd' lines in the table above for both cost and depreciation include a correction in relation to accumulated rounding differences. It also includes an adjustment to cost of motor vehicles of £0.7 million and plant and machinery of £0.1 million to adjust previous business acquisitions to be included at net book value. The adjustment has had no impact on the net book value.

The Group has pledged certain freehold land and buildings with a carrying value of £20.0 million (2023: £20.6 million) to secure banking facilities granted to the Group.

Depreciation charges are recognised in administrative expenses in the consolidated income statement.

13. Right of use assets

	Properties £m	Commercial vehicles £m	Total £m
Cost			
At 1 June 2022	9.5	39.4	48.9
Additions	—	11.3	11.3
Acquired	0.2	—	0.2
Disposals	—	(0.8)	(0.8)
At 31 May 2023	9.7	49.9	59.6
Adjustments to b/fwd*	—	(10.7)	(10.7)
Additions	20.3	7.8	28.1
Acquired	—	—	—
Disposals	(0.1)	(5.0)	(5.1)
Transfers out to property, plant and equipment	—	(0.4)	(0.4)
At 31 May 2024	**29.9**	**41.6**	**71.5**
Accumulated depreciation and impairment			
At 1 June 2022	3.4	18.0	21.4
Charge for the year	1.5	8.4	9.9
Disposals	—	(0.8)	(0.8)
Transfers out to property, plant and equipment	—	—	—
At 31 May 2023	4.9	25.6	30.5
Adjustments to b/fwd*	—	(10.7)	(10.7)
Charge for the year	2.2	9.0	11.2
Disposals	(0.1)	(5.1)	(5.2)
Transfers out to property, plant and equipment	—	(0.2)	(0.2)
At 31 May 2024	**7.0**	**18.6**	**25.6**
Carrying amount			
At 31 May 2024	**22.9**	**23.0**	**45.9**
At 31 May 2023	4.8	24.3	29.1

* Included within the 'adjustments to b/fwd' line in the table above for both cost and depreciation is an adjustment of £10.7 million in relation to Boughey Distribution Limited, a subsidiary of NWF Group plc. In the prior year the subsidiary disposed of assets costing £10.7 million with accumulated depreciation of £10.7 million the disposal was not included within the above note. As the disposal has no impact on the net book value this has not been considered as a prior year error.

Depreciation charges are recognised in administrative expenses in the consolidated income statement.

Notes to the Group financial statements continued
for the year ended 31 May 2024

14. Intangible assets

	Goodwill £m	Computer software £m	Customer relationships £m	Brands £m	Total £m
Cost					
At 1 June 2022	28.2	7.0	2.2	1.4	38.8
Additions	—	0.1	—	—	0.1
Acquisition of business (note 11)	6.5	—	2.3	0.8	9.6
Disposals	—	(0.1)	—	—	(0.1)
At 31 May 2023	34.7	7.0	4.5	2.2	48.4
Additions	—	—	—	—	—
Acquisition of business (note 11)	1.3	—	0.2	0.8	2.3
Disposals	—	(0.2)	—	—	(0.2)
At 31 May 2024	**36.0**	**6.8**	**4.7**	**3.0**	**50.5**
Accumulated amortisation and impairment					
At 1 June 2022	8.1	6.4	0.7	0.9	16.1
Charge for the year	—	0.2	0.3	0.1	0.6
Disposals	—	(0.1)	—	—	(0.1)
At 31 May 2023	8.1	6.5	1.0	1.0	16.6
Charge for the year	—	0.2	0.5	0.2	0.9
Disposals	—	(0.2)	(0.1)	—	(0.3)
At 31 May 2024	**8.1**	**6.5**	**1.4**	**1.2**	**17.2**
Carrying amount					
At 31 May 2024	**27.9**	**0.3**	**3.3**	**1.8**	**33.3**
At 31 May 2023	26.6	0.5	3.5	1.2	31.8

Amortisation or impairment charges have been charged to administrative expenses in the consolidated income statement.

Customer relationships

Customer relationships are allocated as follows:

	2024 £m	2023 £m
Fuels	**3.3**	3.5

Brands

Brands are allocated as follows:

	2024 £m	2023 £m
Fuels	**1.8**	1.2

14. Intangible assets continued

Goodwill

Goodwill acquired is allocated, at acquisition, to cash-generating units ('CGUs') that are expected to benefit from that business combination. The carrying value of goodwill is allocated as follows:

	2024 £m	2023 £m
Feeds	**4.4**	4.4
Fuels	**23.5**	22.2
	27.9	26.6

The Group tests annually for impairment of goodwill, or more frequently if there are indications that goodwill may be impaired. The recoverable amounts of CGUs are determined using value in use calculations. The value in use calculations use post-tax cash flow projections based on the Board-approved budgets and four years of business strategic plans thereafter. Subsequent cash flows are extrapolated using an estimated growth rate of 2%.

The Group identifies its CGUs as the smallest identifiable group of assets that generate cash inflows, and which are largely independent of the cash inflows of the other assets or groups of assets. CGU-specific discount rates are applied in each of the impairment tests as the principal risks and uncertainties associated with each CGU may vary as they operate in different industries and as such the Group risks identified on pages 24 to 26 may impact each CGU differently.

The value in use calculations described above indicate ample headroom and therefore do not give rise to impairment concerns.

Value in use assumptions and sensitivities

The rates used to discount the projected cash flows, equating to the pre-tax discount rates based on comparative businesses, are as follows:

	2024 %	2023 %
Fuels	**13.84**	13.16
Feeds	**13.60**	11.90

The headroom on the value in use calculations for Fuels and Feeds are £41.7 million and £15.3 million respectively. The following sensitivities have been performed on the CGU Board-approved forecasts, the impact of which still result in satisfactory headroom and do not give rise to further impairment:

	Reduction in value in use	
	Fuels £m	Feeds £m
Decrease EBITDA by 10%	**19.2**	**9.8**
Increase discount rate by 1%	**8.5**	**4.5**

15. Inventories

	2024 £m	2023 £m
Raw materials and consumables	**3.3**	3.2
Finished goods and goods for resale	**4.8**	4.2
	8.1	7.4

There is no significant difference between the replacement cost of work in progress and finished goods for resale and their carrying amounts. Inventories are stated after provisions for impairment of £Nil (2023: £Nil).

Notes to the Group financial statements continued

for the year ended 31 May 2024

16. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**85.0**	85.7
Less: provision for impairment	**(3.0)**	(3.1)
Trade receivables – net	**82.0**	82.6
VAT recoverable	**1.1**	0.6
Other receivables	**0.2**	0.1
Prepayments and accrued income	**5.4**	3.3
Contract assets	**—**	0.8
	88.7	87.4

The fair value of trade and other receivables is equivalent to their carrying amount. Trade and other receivables are non-interest bearing and are substantially denominated in Sterling. Under IFRS 9, the Group is required to utilise objective evidence as well as consider forward-looking information and the probability of default when calculating expected credit losses. The maturity of financial assets and history of write-offs is therefore used as an indicator as to the probability of default. Trade receivables are written off when they have been overdue for a number of years, or if a customer has entered into insolvency and there is no expectation of recovery.

The loss allowance as at 31 May 2024 and 31 May 2023 was determined as follows for trade receivables:

31 May 2024	Current	<30 days past due	30 to 60 days past due	>60 days past due	Total
Expected loss rate	**2.12%**	**2.13%**	**6.25%**	**61.11%**	
Gross carrying amount (£m)	**70.6**	**9.4**	**3.2**	**1.8**	**85.0**
Loss allowance (£m)	**1.5**	**0.2**	**0.2**	**1.1**	**3.0**

31 May 2023	Current	<30 days past due	30 to 60 days past due	>60 days past due	Total
Expected loss rate	1.39%	2.39%	6.32%	71.39%	
Gross carrying amount (£m)	70.5	10.1	3.1	2.0	85.7
Loss allowance (£m)	1.0	0.2	0.2	1.7	3.1

Movements on the Group provision for impairment of trade receivables are as follows:

	2024 £m	2023 £m
At 1 June	**3.1**	2.8
Provision for receivables impairment	**2.9**	2.3
Unused amounts reversed/receivables written off in the year	**(3.0)**	(2.0)
At 31 May	**3.0**	3.1

The other classes of receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable, limited by credit insurance applicable to the Fuels business.

17. Reimbursement assets

	2024 £m	2023 £m
Reimbursement assets	**1.8**	1.7

The Group recognises reimbursement assets in respect of third party claims made against the Group, but which under the terms of its insurance policy, the Group is indemnified. All of the expenditure required to settle such claims will be reimbursed by the insurer under the terms of the policy, and therefore it is virtually certain that reimbursement will be received. A corresponding provision for insurance claims has been recognised in note 22.

18. Cash and cash equivalents

	2024 £m	2023 £m
Cash and cash equivalents	**10.0**	16.3

The fair value of cash and cash equivalents is equivalent to their carrying amount.

19. Trade and other payables

	2024 £m	2023 £m
Current		
Trade payables	**82.4**	82.2
Social security and other taxes	**1.5**	1.3
Other payables	**0.2**	—
Accruals	**7.0**	9.0
	91.1	92.5

The fair value of trade and other payables is equivalent to their carrying amount.

20. Borrowings

The Group's banking facilities, provided by NatWest Group, were renewed on 31 May 2023 and are committed until 31 May 2026. The Group is profitable, cash generative and has a strong balance sheet position and a good relationship with its lender. Further information on the facilities, which total £61.0 million (2023: £61.0 million), is outlined below.

Invoice discounting advances

Under a Group netting arrangement the balance on the invoice discounting advance facility at 31 May 2024 was £Nil (2023: £Nil) consisting of £6.4 million (2023: £3.1 million) drawn on the facility offset by cash balances. The invoice discounting advance is a committed facility with an expiry date of 31 May 2026 (2023: 31 May 2026). The availability of invoice discounting facilities is dependent on the level of current trade receivables available for refinancing and is subject to a maximum drawdown of £50 million (2023: £50.0 million).

The facility is secured by way of a fixed and floating charge against the Group's trade receivables. Interest is charged at 1.25% (2023: 1.25%) per annum above the bank's base rate.

The Group incurred non-utilisation fees on its committed invoice discounting facility. The Group will incur non-utilisation fees only in respect of committed and undrawn facilities of up to £20 million (2023: £20.0 million).

Revolving credit facility

The Group has a revolving credit facility of £10.0 million (2023: £10.0 million) with an expiry date of 31 May 2026 (2023: 31 May 2026). Interest is charged on amounts drawn down at 1.72% per annum above SONIA (2023: 1.72% above SONIA) depending on the ratio of net debt to EBITDA. The amount drawn down under the revolving credit facility at 31 May 2024 is £Nil (2023: £Nil).

The Group incurs non-utilisation fees on its committed revolving credit facility. The Group will incur non-utilisation fees only in respect of committed and undrawn facilities of up to £10.0 million (2023: £10.0 million).

Notes to the Group financial statements continued
for the year ended 31 May 2024

20. Borrowings continued
Bank overdrafts
The Group's net bank overdraft facility at 31 May 2024 is repayable on demand and is subject to a maximum limit of £1.0 million (2023: £1.0 million). None of the facility was utilised at 31 May 2024 (2023: £Nil). Interest is charged at 1.5% per annum over the bank's base rate (2023: 1.5% per annum over the bank's base rate).

The above facilities are subject to quarterly covenant tests on interest cover and net debt to EBITDA ratios. The covenants have been set at levels that provide sufficient headroom and flexibility for the Group until maturity of the facilities in May 2026.

Bank borrowings amounting to £Nil (2023: £Nil) are secured by way of unscheduled mortgage debentures provided by the Company and certain subsidiaries within the Group to NatWest Group which incorporate a fixed charge over their book debts and floating charges over all their other assets.

In addition to the above, the Group has agreed accordion facilities on the invoice discounting facility of £10 million (2023: £10.0 million) and on the revolving credit facility of £10 million (2023: £10.0 million).

All bank borrowings are denominated in Sterling and are repayable as follows:

Bank borrowing facilities by expiry date
The Group has a number of bank borrowing facilities. The Group is in compliance with all covenants.

	2024		2023	
Facilities expiring:	**Facility £m**	**Amount drawn £m**	Facility £m	Amount drawn £m
Within one year	**50.0**	**–**	50.0	–
Between two and five years	**10.0**	**–**	10.0	–
	60.0	**–**	60.0	–

The availability of invoice discounting facilities included above, amounting to £49.0 million (31 May 2023: £49.0 million), is dependent on the level of trade receivables available for refinancing.

21. Lease liabilities

	Properties £m	Commercial vehicles £m	Total £m
Cost			
At 1 June 2022	6.5	21.8	28.3
Additions	–	11.3	11.3
Transferred in through business combinations	0.2	–	0.2
Lease liability payments (including finance costs)	(1.6)	(9.0)	(10.6)
Finance costs	0.1	0.5	0.6
At 31 May 2023	5.2	24.6	29.8
Additions	18.6	7.9	26.5
Disposals	–	(0.1)	(0.1)
Lease liability payments (including finance costs)	(1.6)	(9.6)	(11.2)
Finance costs	0.6	0.7	1.3
At 31 May 2024	**22.8**	**23.5**	**46.3**

Lease liabilities are comprised of the following balance sheet amounts:

	2024 £m	2023 £m
Current		
Amounts due within one year	**8.0**	9.8
Non-current		
Amounts due after more than one year	**38.3**	20.0
Total	**46.3**	29.8

21. Lease liabilities continued

Lease liabilities are as follows:

	2024 £m	2023 £m
Not more than one year		
Minimum lease payments	**10.1**	10.4
Interest element	**(2.1)**	(0.6)
Present value of minimum lease payments	**8.0**	9.8
Between one and five years		
Minimum lease payments	**27.7**	19.9
Interest element	**(5.8)**	(0.8)
Present value of minimum lease payments	**21.9**	19.1
More than five years		
Minimum lease payments	**19.9**	1.0
Interest element	**(3.5)**	(0.1)
Present value of minimum lease payments	**16.4**	0.9

22. Provisions for liabilities

	2024 £m	2023 £m
Current		
Provision for insurance claims	**1.8**	1.7
Provision for dilapidations	**0.1**	0.2
	1.9	1.9
Non-current		
Provision for dilapidations	**1.4**	0.8
Total	**3.3**	2.7

The Group recognises a provision for liabilities in respect of third party claims made against the Group. A corresponding reimbursement asset of £1.8 million (2023: £1.7 million) has been recognised as all of the expenditure required to settle such claims will be reimbursed by the insurer under the terms of the policy. As the Group expects insurance claims to be settled within one year, recognition of these balances is made within current assets and current liabilities. During the year £0.9 million of the provision has been utilised, £1.4 million of new provision has been created and £0.4 million has been released.

The Group also recognises current and non-current provisions for dilapidations totalling £1.5 million (2023: £1.0 million) in respect of leased properties and commercial vehicles. Movement on the provisions for dilapidations and other provisions has been recognised in the income statement.

23. Financial instruments and risk management

The Group's financial instruments comprise cash, bank overdrafts, invoice discounting advances, rolling credit facility, lease liabilities, commodity derivatives and various items such as receivables and payables, which arise from its operations. All financial instruments in 2024 and 2023 were denominated in Sterling. There is no material foreign exchange risk in respect of these instruments.

The carrying amounts of all of the Group's financial instruments are measured at amortised cost in the financial statements, with the exception of derivative financial instruments. Derivative financial instruments are measured subsequent to initial recognition at fair value.

IFRS 13 (amended) 'Financial Instruments: Disclosures' requires disclosure of financial instruments measured at fair value, grouped into Levels 1 to 3 below, based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1 above, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's derivative financial instruments as described on page 85 (forward supply contracts) were classified as Level 2 in the current and prior year. There were no transfers between levels in either the current or prior year.

Notes to the Group financial statements continued
for the year ended 31 May 2024

23. Financial instruments and risk management continued
Financial liabilities
The book value, fair value and interest rate profile of the Group's financial liabilities were as follows:

At 31 May 2024	Total book and fair value £m
Financial liabilities carried at amortised cost:	
Trade and other payables[1]	**89.6**
Lease liabilities repayable within one year	**8.0**
	97.6
Lease liabilities repayable after one year	**38.3**
Total	**135.9**

1 Excludes social security and other taxes.

At 31 May 2023	Total book and fair value £m
Financial liabilities carried at amortised cost:	
Trade and other payables[1]	92.5
Lease liabilities repayable within one year	9.8
Financial liabilities carried at fair value: derivatives	0.1
	102.4
Lease liabilities repayable after one year	20.0
Total	122.4

1 Excludes social security and other taxes.

Financial assets
The book value, fair value and interest rate profile of the Group's financial assets were as follows:

At 31 May 2024	Total book and fair value £m
Trade and other receivables[2]	**83.3**
Financial assets carried at amortised cost: cash and cash equivalents	**10.0**
Financial assets carried at fair value: derivatives	**0.3**
	93.6

2 Excludes prepayments.

At 31 May 2023	Total book and fair value £m
Trade and other receivables[2]	84.1
Financial assets carried at amortised cost: cash and cash equivalents	16.3
Financial assets carried at fair value: derivatives	0.2
	100.6

2 Excludes prepayments.

23. Financial instruments and risk management continued

Financial risk management

The Group's operations expose it to a variety of financial risks: price risk; interest rate risk; credit risk; and liquidity risk. Given the size of the Group, the Directors have not established a sub-committee of the Board to monitor financial risk management, but have established policies that are implemented and monitored by the Executive Directors.

Price risk

The Group is exposed to commodity price risk principally in respect of certain raw materials in the Feeds business and oil-related products in the Fuels business.

The Feeds business enters into forward supply contracts in order to manage the impact of price movements on its gross margin. At 31 May 2024, the Group had open forward supply contracts with a principal value of £39.8 million (2023: £39.6 million). The fair value of forward supply contracts recognised on the balance sheet is £0.3 million (2023: £0.1 million).

The fair value of forward supply contracts is based on generally accepted valuation techniques using inputs from observable market data on equivalent instruments at the balance sheet date. The contracts are settled on a gross cash basis and are classified as current assets or liabilities, as all contractual cash flows fall due to be settled in less than one year.

The Group has not designated any of these contracts as hedging instruments during the period under review. As a result, changes in the fair value of non-hedging forward supply contracts amounting to £0.2 million have been credited to the income statement in the year (2023: £Nil).

The Fuels business' oil-related products are subject to changes in the world commodity price for crude oil. However, the relatively low stockholding maintained and daily price monitoring systems used to determine selling prices enable the business to effectively manage the risk of gross margin erosion. Forward supply contracts are not utilised by this business.

The extent of these risks is regularly reviewed and assessed by the Executive Directors and reported back to the Board. This process is considered to be effective given the size and nature of the risks involved, but will be reviewed in the future should circumstances change.

Interest rate risk

The Group is exposed to interest rate risk due to its floating rate borrowings.

The Directors review the interest rate hedging policy on at least an annual basis. The Group monitors its exposure to interest rate risk primarily through sensitivity analysis. On the basis of the Group's analysis, it is estimated that a rise of one percentage point in interest rates on floating rate borrowings would have reduced 2024 profit before taxation by approximately £0.2 million (2023: £0.2 million).

Credit risk

Where appropriate, relevant credit checks are performed on potential customers before sales are made. The amount of exposure to any individual customer is controlled by means of a credit limit that is monitored regularly by management and, in the case of a financially material value, by the Executive Directors. In addition, the Fuels business maintains credit insurance for certain higher value accounts in order to manage the potential financial loss incurred on certain bad debts.

Liquidity risk

The Group actively maintains a mixture of medium-term and short-term debt finance, which is designed to ensure that it has access to sufficient available funds for ongoing working capital needs as well as planned capital investment and expansion generally. The amount of debt finance required is reviewed at least annually by the Directors.

All of the Group's financial instruments, with the exception of certain borrowings (see note 20), have a contractual maturity of less than one year, based on the earliest date on which the contractual cash flows are required to be settled.

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital risk on the basis of the net debt/EBITDA ratio. This ratio is calculated as net cash (excluding lease liabilities) divided by headline operating profit before interest, depreciation and amortisation as shown below:

	2024	2023
Cash and cash equivalents (£m)	**(10.0)**	(16.3)
Net (cash) (£m) (excluding lease liabilities)	**(10.0)**	(16.3)
Headline EBITDA (£m)	**19.4**	25.8
Net cash EBITDA ratio	**(0.5x)**	(0.6x)

The Group has set an internal covenant limit of 2.0x net debt/EBITDA.

Notes to the Group financial statements continued
for the year ended 31 May 2024

24. Deferred taxation assets and liabilities

The following are the principal categories of deferred taxation assets and liabilities recognised by the Group and the movements thereon during the current and prior year:

	As restated Accelerated tax depreciation £m	Retirement benefit obligations £m	As restated Other £m	Total £m
Deferred taxation liability/(asset) at 1 June 2022	5.9	(2.3)	(0.4)	3.2
Charge to income statement (note 8)	0.2	—	—	0.2
Deferred taxation on acquisitions*	0.9	—	—	0.9
Credit to equity	—	(0.1)	—	(0.1)
Deferred taxation liability/(asset) at 31 May 2023	7.0	(2.4)	(0.4)	4.2
Charge/(credit) to income statement (note 8)	1.0	0.5	0.3	1.8
Deferred taxation on acquisitions	0.4	—	—	0.4
Credit to equity	—	0.7	—	0.7
Deferred taxation liability/(asset) at 31 May 2024	**8.4**	**(1.2)**	**(0.1)**	**7.1**

* Deferred taxation on acquisitions in the prior year has been restated to more accurately reflect the categorisation of the tax as relating to accelerated tax on depreciation.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred taxes relate to the same fiscal authority. The deferred taxation assets disclosed above are deemed to be recoverable.

Deferred taxation assets of £Nil relating to losses brought forward have not been provided for, as it is not expected they can be utilised in the foreseeable future.

The majority of the deferred taxation balance is expected to reverse after more than 12 months.

25. Share capital

	Number of shares '000	Total £m
Authorised: ordinary shares of 25p each		
Balance at 1 June 2022, 31 May 2023 and 31 May 2024	80,000	20.0

	Number of shares '000	Total £m
Allotted and fully paid: ordinary shares of 25p each		
Balance at 1 June 2022	49,134	12.3
Issue of shares (see below)	274	0.1
Balance at 31 May 2023	49,408	12.4
Issue of shares (see below)	31	—
Balance at 31 May 2024	**49,439**	**12.4**

During the year ended 31 May 2024, 31,418 shares (2023: 273,800 shares) with an aggregate nominal value of £7,855 (2023: £68,450) were issued under the Group's conditional Performance Share Plan.

The maximum total number of ordinary shares, which may vest in the future in respect of conditional Performance Share Plan awards outstanding at 31 May 2024, amounted to 1,259,464 (31 May 2023: 1,202,049). These shares will only be issued subject to satisfying certain performance criteria (see the Directors' Remuneration Report and note 27).

There is a single class of ordinary shares in issue. There are no restrictions on dividends or the repayment of capital.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings includes all current and prior periods retained profits and losses.

26. Retirement benefit obligations

The Group operates several defined contribution pension schemes for qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The total cost charged to the income statement of £1.7 million (2023: £1.5 million) represents the contributions payable to these schemes by the Group at the rates specified in the scheme rules.

Amounts totalling £0.4 million were outstanding at the balance sheet date (2023: £Nil).

Defined benefit scheme

The Group operates a defined benefit pension scheme providing benefits based on final pensionable earnings, which is closed to future accrual.

NWF Group Benefits Scheme

The scheme is administered by a fund that is legally separated from the Group. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees are responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to new members during the year ended 31 May 2002 and closed to future accrual with effect from April 2016.

The triennial actuarial valuation of this scheme was completed in the year ended 31 May 2024, with a deficit of £7.6 million at the valuation date of 31 December 2022. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method. In these financial statements this liability has been updated in order to derive the IAS 19R valuation as of 31 May 2024. The next full triennial valuation will be completed in the year ending 31 May 2026.

The triennial valuation resulted in Group contributions of £2.1 million per annum. In addition, a continued percentage increase based on total dividend growth over £3.1 million will be paid.

The average duration of the benefit obligation at the balance sheet date is 12 years. The defined benefit obligation includes benefits for current employees, former employees and current pensioners. Approximately 43% of the liabilities are attributable to current and former employees and 57% to current pensioners.

The scheme typically exposes the Group to actuarial risks such as investment risk, interest rate risk and longevity risk, as described below:

- Investment risk: The present value of the defined benefit scheme liability is calculated using a discount rate determined by reference to high quality corporate bond yields. If the return on plan assets is below this rate, it will create a scheme deficit. Currently, the scheme has a relatively balanced investment in equities, bonds, property funds and alternatives, cash and diversified growth funds. Due to the long-term nature of scheme liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the scheme assets should be invested in equities, property funds and diversified growth funds to leverage the return generated by the fund.
- Interest risk: A decrease in the bond interest rate will increase the scheme liability but this will be partially offset by an increase in the return on the scheme's bond investments.
- Longevity risk: The present value of the defined benefit scheme liability is calculated by reference to the best estimate of the mortality of the scheme participants both during and after their employment. An increase in the life expectancy of the scheme participants will increase the scheme's liability.

The principal actuarial assumptions as at the balance sheet date, used for the purposes of the actuarial valuations, were as follows:

	2024 %	2023 %
Discount rate	**5.25**	5.35
Future salary increases	**n/a**	n/a
RPI inflation	**3.35**	3.15
CPI inflation	**2.85**	2.60
Pension increases in payment (LPI 5%)	**3.04**	2.86

Notes to the Group financial statements continued

for the year ended 31 May 2024

26. Retirement benefit obligations continued

Defined benefit scheme continued

NWF Group Benefits Scheme continued

The mortality assumptions adopted imply the following life expectancies:

	2024 Years	2023 Years
Current pensioners – male life expectancy at age 65	**20.0**	20.4
Future pensioners currently aged 45 – male life expectancy at age 65	**21.2**	21.7

The 2024 mortality assumptions above are based on S3PXA tables with CMI 2023 improvements and a long-term trend rate of 1.25% (2023: S3PXA tables with CMI 2021 improvements and a long-term trend rate of 1.25%).

The amounts recognised in the balance sheet in respect of the defined benefit scheme are as follows:

	2024 £m	2023 £m
Present value of defined benefit obligations	**(37.4)**	(39.2)
Fair value of scheme assets	**32.9**	29.6
Deficit in the scheme recognised as a liability in the balance sheet	**(4.5)**	(9.6)
Related deferred tax asset (note 24)	**1.2**	2.4
Net pension liability	**(3.3)**	(7.2)

Amounts recognised in the income statement in respect of the defined benefit scheme are as follows:

	2024 £m	2023 £m
Past service cost	**–**	–
Administrative expenses	**0.2**	0.4
Interest on the net defined benefit liability	**0.4**	0.3
Total cost recognised in the income statement	**0.6**	0.7

Gains and losses arising from the remeasurement of the net defined benefit liability have been reported in the statement of comprehensive income, as shown below:

	2024 £m	2023 £m
Actuarial gain/(loss) on plan assets	**1.1**	(11.9)
Actuarial gain arising on defined benefit obligations	**2.0**	9.6
Remeasurement gain/(loss)	**3.1**	(2.3)

Changes in the present value of the defined benefit obligation are as follows:

	2024 £m	2023 £m
At 1 June	**39.2**	49.0
Interest cost	**2.0**	1.7
Remeasurement losses/(gains):		
– actuarial losses/(gains) arising from changes in financial assumptions	**1.4**	(11.5)
– actuarial (gains)/losses arising from changes in demographic assumptions	**(0.5)**	0.3
– actuarial (gains)/losses on experience assumptions	**(2.9)**	1.6
Benefits paid	**(1.8)**	(1.9)
At 31 May	**37.4**	39.2

26. Retirement benefit obligations continued

Defined benefit scheme continued

NWF Group Benefits Scheme continued

Changes in the fair value of scheme assets are as follows:

	2024 £m	2023 £m
At 1 June	**29.6**	39.7
Interest income	**1.6**	1.5
Remeasurement gains/(losses):		
– actuarial gains/(losses) on plan assets	**1.1**	(11.9)
Contributions by employer	**2.7**	2.6
Expenses	**(0.3)**	(0.4)
Benefits paid	**(1.8)**	(1.9)
At 31 May	**32.9**	29.6

The major categories and fair values of scheme assets at the balance sheet date are as follows:

	Fair value of assets	
	2024 £m	2023 £m
Equity-linked bonds	**–**	9.6
LDI	**11.2**	6.2
Credit fund	**2.8**	5.5
Diversified growth fund	**8.1**	7.5
Cash	**0.8**	0.5
Equity	**7.3**	–
Asset backed securities	**2.4**	–
Annuity policies	**0.3**	0.3
Total	**32.9**	29.6

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property used by the Group at the balance sheet date.

The actual return on scheme assets was a £2.7 million gain (2023: £10.4 million loss).

Asset-liability matching reviews of the NWF Group Benefits Scheme are performed regularly. The results of reviews are used to assist the trustees and the Group to determine the optimal long-term asset allocation with regard to the structure of the liabilities of the scheme. They are also used to assist the trustees in managing the underlying volatility inherent in investment performance and the risk of a significant increase in the scheme deficit, by providing information used to determine the scheme's investment strategy.

The Board have considered whether any additional liabilities exist from the prior scheme amendments, which may be unwound as a result of the recent Virgin Media vs NTL Trustees and others ruling. As the high court decision was appealed in June 2024, the outcome is now uncertain so the implications of this have not been investigated or possible outcomes determined and no allowance has been made for this in the financial statements.

The main strategic choices that are formulated in an actuarial and technical policy document of the fund are described below:

- asset mix is based on a strategic allocation of 25% diversified growth funds, 35% liability-driven investment ('LDI') funds, 23% equity, 9% multi-asset credit and 8% asset backed securities;
- it is the policy of the fund to cover 85% of its exposure to the interest rate risk of the defined benefit liability by the use of LDI funds. LDI funds are derivative-based investments that give leveraged exposures to the bond markets;
- inflation risk is mitigated by the use of LDI funds to cover 85% of the exposure;
- the fund does not have a material foreign exchange exposure and does not, therefore, use foreign exchange derivatives to hedge its foreign exchange risk;
- active management is within the diversified growth fund and the multi-asset credit fund; and
- there are 13 pensioner members with annuity policies held in the name of the pension scheme trustee. The arrangements are held with Aviva plc and Scottish Widows Limited. These policies fully match the pension obligations of those pensioners insured and are therefore set equal to the present value of the related obligations.

As all of the above assets are held in a pooled arrangement, they do not hold a quoted market price in active markets.

Notes to the Group financial statements continued

for the year ended 31 May 2024

26. Retirement benefit obligations continued

Defined benefit scheme continued

NWF Group Benefits Scheme continued

There has been no change in the processes used by the Group to manage its risks from the prior year.

Significant actuarial assumptions for the determination of the defined benefit liability are discount rate, price inflation and mortality. The sensitivity analyses shown below have been determined based on reasonably possible changes of the respective assumptions occurring at the balance sheet dates, while holding all other assumptions constant.

Impact on defined benefit obligation	Increase £m	Decrease £m
0.25% change in discount rate	(1.0)	1.0
0.25% change in RPI inflation	0.6	(0.6)
One-year change in the life expectancy at age 65	1.5	(1.5)

27. Share-based payments

In the year ended 31 May 2024, the Group operated one (2023: one) equity-settled share-based payment plan as described below.

The Group recognised total credit of £0.1 million (including NI) in respect of the LTIP's equity-settled share-based payment transactions in the year ended 31 May 2024 (2023: £0.5 million charge).

Long-Term Incentive Plan ('the Plan')

The Group operates a Performance Share Plan for senior executives, further details of which can be found in the Directors' Remuneration Report in the Group financial statements. Under the Plan, the Group has made awards of conditional shares, which have yet to be exercised, to certain Directors on 4 August 2020 (vesting date: August 2023), 3 August 2021 (vesting date: August 2024) and 31 January 2023 (vesting date: August 2025). The vesting of these conditional share awards is subject to the Group achieving absolute earnings per share targets.

Details of the maximum total number of ordinary shares, which may be issued in future periods in respect of conditional share awards outstanding at 31 May 2024, 31 May 2023, 31 May 2022, 31 May 2021 and 31 May 2020, are as shown below.

	2024 Number of conditional shares	2023 Number of conditional shares	2022 Number of conditional shares	2021 Number of conditional shares	2020 Number of conditional shares
At 1 June	**1,202,049**	1,386,289	1,400,421	1,441,604	1,216,945
Granted in the year	**508,982**	400,766	420,046	437,164	529,080
Exercised in the year	**(31,418)**	(529,080)	(245,657)	(478,347)	—
Lapsed/forfeited in the year	**(420,149)**	(55,927)	(188,521)	—	(304,421)
At 31 May	**1,259,464**	1,202,048	1,386,289	1,400,421	1,441,604

The estimate of the fair value of the services received in return for the conditional share awards is measured based on a Black Scholes model. The aggregate of the estimated fair values of the awards at 31 May 2024 shown above is £2.0 million (31 May 2023: £2.1 million), before taking into account the likelihood of achieving non-market-based performance conditions.

For awards granted in the current and prior years, the inputs into the Black Scholes model are as follows:

	2024 (1 Aug 2023 grant)	**2024 (2 Oct 2023 grant)**	2023	2022	2021	2020
Share price at grant date	**£2.68**	**£2.21**	£2.30	£2.17	£2.05	£1.66
Black Scholes fair value	**£2.45**	**£2.03**	£1.88	£1.96	£1.83	£1.49
Exercise price	**£Nil**	**£Nil**	£Nil	£Nil	£Nil	£Nil
Expected volatility	**26.14%**	**26.96%**	31.53%	30.40%	31.09%	25.13%
Expected life	**2.83 years**	**2.66 years**	2.33 years	2.83 years	2.82 years	2.84 years
Expected dividend yield	**3.09%**	**3.11%**	3.36%	3.57%	4.03%	3.91%
Risk-free interest rate	**4.82%**	**4.56%**	3.26%	0.10%	(0.13)%	0.38%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years. 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.

28. Net cash generated from operations

	2024 £m	2023 £m
Profit before taxation	**12.2**	18.9
Adjustments for:		
Depreciation of property, plant and equipment	**5.0**	4.8
Depreciation of right of use assets	**11.2**	9.9
Amortisation of other intangible assets	**0.9**	0.6
(Profit) on disposal on property, plant and equipment	**(0.3)**	(0.5)
Net finance costs	**2.1**	1.7
Fair value (profit) on financial derivative	**(0.2)**	(0.1)
Share-based payment (credit)/charge	**(0.1)**	0.5
Value of employee services	**–**	(0.7)
Contribution to pension scheme not recognised in income statement	**(2.5)**	(2.2)
Operating cash flows before movements in working capital and provisions	**28.3**	32.9
Movements in working capital:		
(Increase)/decrease in inventories	**(0.7)**	2.4
(Increase)/decrease in trade and other receivables	**(0.9)**	8.7
(Decrease) in trade and other payables	**(1.4)**	(7.0)
Net cash generated from operations	**25.3**	37.0

29. Analysis of cash and cash equivalents and reconciliation to net debt

	1 June 2023 £m	Cash flow £m	Other non-cash movements £m	31 May 2024 £m
Cash and cash equivalents (note 18)	16.3	(6.3)	–	**10.0**
Total Group (excluding lease liabilities)	16.3	(6.3)	–	**10.0**
Lease liabilities (excluding hire purchase obligations transferred)	(29.8)	9.9	(26.4)	**(46.3)**
Total Group (including lease liabilities)	(13.5)	3.6	(26.4)	**(36.3)**

30. Investments

	£m
Cost and carrying amount	
At 1 June 2023	–
At 31 May 2024	**–**

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company directly owns the whole of the issued ordinary shares of the following subsidiary undertakings:

Company	Business activity	Company number
NWF Agriculture Holdings Limited*	Holding company – Feeds operations	03704975
NWF Distribution Holdings Limited*	Holding company – Food operations	03707824
NWF Fuels Holdings Limited*	Holding company – Fuels operations	03706449
Dragon Petroleum Limited	Dormant	00574068
North Western Farmers Limited	Dormant	00666065
NWF Limited	Dormant	00833736

All of the above companies are registered and operate in England and Wales. The registered office for all directly owned subsidiary undertakings is Wardle, Nantwich, Cheshire CW5 6BP.

Notes to the Group financial statements continued
for the year ended 31 May 2024

30. Investments continued
The Company also indirectly owns all of the issued ordinary shares of the following subsidiary undertakings:

Company	Business activity	Registered office:	Company number
NWF Agriculture Limited*	Supplier of animal feedstuffs and seeds	Wardle, Nantwich, Cheshire CW5 6BP	01117234
New Breed (UK) Limited*	Supplier of animal feedstuffs and seeds	Wardle, Nantwich, Cheshire CW5 6BP	05509470
Boughey Distribution Limited*	Warehousing and food distribution	Wardle, Nantwich, Cheshire CW5 6BP	00797672
NWF Fuels Limited*	Fuel distribution	Jack Mills Way, Crewe, Cheshire, England CW2 5RX	01117133
Consols Oils Limited	Dormant	Jack Mills Way, Crewe, Cheshire, England CW2 5RX	02794100
Caldo Fuel Oil Limited (formerly Figaro Number Two Limited)	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00312715
David Hermon Hodge Group Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	11897150
David Hermon Hodge Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	07585473
Hermon Hodge Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	01247450
Preston Fuels Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	03289365
Ron Darch & Sons Co Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	01702395
Midland Fuel Oil Supplies Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	02299179
Staffordshire Fuels Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	03381217
Swan Petroleum Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00839259
Browns of Burwell Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00859488
Broadland Fuels Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	03284313
Knutsford Domestic Fuel Oil Company Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00658819
Figaro Number One Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	02346128
Sweetfuels Limited*	Dormant	Jack Mills Way, Crewe, Cheshire, England CW2 5RX	05484828

* The companies listed above that are entitled to do so have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006 relating to subsidiary companies. In order for the subsidiary companies to claim this exemption the Parent Company guarantees all outstanding liabilities which the subsidiary companies listed above are subject to at the end of the financial year, until they are satisfied in full. The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies listed above are liable in respect of those liabilities.

In addition to the above subsidiaries, NWF Group plc also holds an indirect investment in Palletline Limited. In 2015 Boughey Distribution Limited, a subsidiary company of NWF Group plc, acquired an investment of £31,000 in Palletline Limited as part of becoming a member in their distribution network. On 20 November 2015 the membership bond was converted into 2,000 ordinary £1 shares being 0.47% of the issued share capital.

31. Related party transactions
Key management compensation
The remuneration of key management personnel of the Group, who are the Executive and Non-Executive Directors of the Company, the Executive Directors of its subsidiaries and certain key managers of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures':

	2024 £m	2023 £m
Short-term employee benefits (salary and bonus)	**3.9**	4.2
Post-employment benefits	**0.3**	0.3
Share-based payments	**–**	0.6
	4.2	5.1

Further information on remuneration of Directors can be found in the Directors' Remuneration Report.

Directors' transactions
T P Acton purchased, at an agreed employee rate of Platts +4.0 pence per litre, goods to the value of £2,962 as a customer of the Group in the year ended 31 May 2024 (2023: £4,820). At 31 May 2024, the amount outstanding was £Nil (2023: £815). During the year, the highest amount outstanding totalled £815 (2023: £1,574).

R A Whiting purchased, in the normal course of business and under normal terms and conditions, goods to the value of £2,445 as a customer of the Group in the year ended 31 May 2024 (2023: £3,765). At 31 May 2024, the amount outstanding was a credit balance of £931 (2023: £822 credit balance). During the year, the highest amount outstanding was a credit balance of £2,466 (2023: £263 credit balance).

D S Downie purchased, in the normal course of business and under normal terms and conditions, goods to the value of £Nil as a customer of the Group in the year ended 31 May 2024 (2023: £1,005). At 31 May 2024, the amount outstanding was £Nil (2023: £Nil). During the year, the highest amount outstanding totalled £Nil (2023: £Nil).

31. Related party transactions continued

Directors' transactions continued

M Adcock purchased, at an agreed employee rate of Platts +4.0 pence per litre, goods to the value of £1,501 as a customer of the Group in the year ended 31 May 2024 (2023: £479). At 31 May 2024, the amount outstanding was £Nil (2023: £121 credit balance). During the year, the highest amount outstanding was a credit balance of £1,021 (2023: £121 credit balance).

M Nicholls purchased, at an agreed employee rate of Platts +4.0 pence per litre, goods to the value of £421 as a customer of the Group in the year ended 31 May 2024 (2023: £2,614). At 31 May 2024, the amount outstanding was £26 (2023: £Nil). During the year, the highest amount outstanding totalled £143 (2023: £Nil).

G Franks purchased, at an agreed employee rate of Platts +4.0 pence per litre, goods to the value of £1,894 as a customer of the Group in the year ended 31 May 2024 (2023: £1,247). At 31 May 2024, the amount outstanding was £Nil (2023: £Nil). During the year, the highest amount outstanding totalled £640 (2023: £767).

32. Commitments for capital expenditure

	2024 £m	2023 £m
Authorised and contracted but not provided for	**38.5**	6.3

The above commitments relate to Right of Use Asset costing £36.9 million and Property, Plant and Equipment costing £1.6 million.

33. Contingent liabilities

The Group's bank facilities are provided under an arrangement with NatWest Group. The Group has pledged security in favour of the bank over certain freehold land and buildings with a carrying value at 31 May 2024 of £20.0 million (2023: £20.6 million). This is secured by way of unscheduled mortgage debentures which incorporate a fixed charge over specified property including land, plant and machinery and goodwill and a floating charge over all other property, assets and rights owned now or in the future which are not subject to an effective fixed charge.

The Group has an arrangement with the bank under which cash balances are offset against borrowings. The Company has given a guarantee in respect of the net bank borrowings within the Group under this arrangement amounting to £Nil at 31 May 2024 (2023: £Nil). The Group has an intercompany cross-guarantee arrangement with the bank under which the Company and various subsidiaries provide security for each other.

The Company and certain subsidiaries have granted a fixed and floating charge in favour of the trustees of a defined benefit pension scheme ('the NWF Group Benefits Scheme'). This security, which is subordinated to the bank, creates a fixed charge over certain freehold land and buildings, subject to a maximum value of £5.0 million (2023: £5.0 million), and a floating charge over all other assets.

During the year Boughey Distribution Limited, a subsidiary company of NWF Group plc, acquired a new lease for a warehouse in Newcastle-under-Lyme. The property lease has been secured via a parental guarantee provided by the ultimate Parent Company NWF Group plc.

The Company has also given certain guarantees to third parties in respect of operating lease and supply agreement commitments due from various subsidiary companies.

No loss is expected to result from these arrangements.

34. Contingent assets

There are no contingent assets recognised by the Group as at 31 May 2024 (2023: £Nil).

35. Post-balance sheet events

There are no post-balance sheet events to disclose.

Parent Company balance sheet
as at 31 May 2024

	Note	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	3	**0.3**	0.3
Investment property	4	**21.2**	21.8
Investments	5	**15.3**	15.3
Lease receivable	6	**1.1**	2.3
Reimbursement asset	7	**0.5**	0.4
		38.4	40.1
Current assets			
Trade and other receivables	9	**4.9**	5.8
Lease receivable	6	**1.1**	1.2
Cash and cash equivalents		**4.3**	4.5
		10.3	11.5
Current liabilities			
Trade and other payables	10	**(2.7)**	(3.3)
Lease liabilities	11	**(1.3)**	(1.3)
Net current assets		**6.3**	6.9
Total assets less current liabilities		**44.7**	47.0
Non-current liabilities			
Lease liabilities	11	**(1.1)**	(2.5)
Provisions for liabilities	12	**(0.5)**	(0.5)
Deferred taxation liabilities	8	**(1.8)**	(0.6)
Retirement benefit obligations		**(4.5)**	(9.6)
Net assets		**36.8**	33.8
Capital and reserves			
Share capital	13	**12.4**	12.4
Share premium		**0.9**	0.9
Retained earnings		**23.5**	20.5
Total shareholders' funds		**36.8**	33.8

The Company's profit for the year was £4.6 million including dividends received (2023: £3.2 million).

The Parent Company financial statements on pages 112 to 123 were approved by the Board of Directors on 30 July 2024 and were signed on its behalf by:

C J Belsham
Director

K J Shortland
Director

The notes on pages 114 to 123 form part of these Parent Company financial statements.

Parent Company statement of comprehensive income
for the year ended 31 May 2024

	2024 £m	2023 £m
Profit for the year attributable to equity shareholders	**4.6**	3.2
Items that will not be reclassified to income statement:		
Remeasurement gain/(loss) on defined benefit pension scheme	**3.1**	(2.3)
Tax on items that will not be reclassified to income statement	**(0.7)**	1.0
Total other comprehensive income/(expense)	**2.4**	(1.3)
Total comprehensive income for the year	**7.0**	1.9

The notes on pages 114 to 123 form part of these Parent Company financial statements.

Parent Company statement of changes in equity
for the year ended 31 May 2024

	Share capital £m	Share premium £m	Retained earnings £m	Total shareholders' funds £m
Balance at 1 June 2022	12.3	0.9	22.6	35.8
Profit for the year	–	–	3.2	3.2
Remeasurement gain on defined benefit pension scheme	–	–	(2.3)	(2.3)
Tax on items that will not be reclassified to income statement	–	–	1.0	1.0
Total comprehensive income for the year	–	–	1.9	1.9
Transactions with owners:				
Issue of shares	0.1	–	(0.1)	–
Dividends paid	–	–	(3.7)	(3.7)
Value of employee services	–	–	(0.5)	(0.5)
Credit to equity for equity-settled share-based payments	–	–	0.3	0.3
Total transactions with owners	0.1	–	(4.0)	(3.9)
Balance at 31 May 2023	12.4	0.9	20.5	33.8
Profit for the year	**–**	**–**	**4.6**	**4.6**
Remeasurement gain on defined benefit pension scheme	**–**	**–**	**3.1**	**3.1**
Tax on items that will not be reclassified to income statement	**–**	**–**	**(0.7)**	**(0.7)**
Total comprehensive income for the year	**–**	**–**	**7.0**	**7.0**
Transactions with owners:				
Dividends paid	**–**	**–**	**(3.9)**	**(3.9)**
Debit to equity for equity-settled share-based payments	**–**	**–**	**(0.1)**	**(0.1)**
Total transactions with owners	**–**	**–**	**(4.0)**	**(4.0)**
Balance at 31 May 2024	**12.4**	**0.9**	**23.5**	**36.8**

The notes on pages 114 to 123 form part of these Parent Company financial statements.

Notes to the Parent Company financial statements
for the year ended 31 May 2024

1. Parent Company's material accounting policies
Basis of preparation
The Company is a public limited company and is registered in England and Wales. The registered office address is Wardle, Nantwich, Cheshire CW5 6BP.

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'), on the going concern basis and under the historical cost convention and applicable accounting standards in the UK, and in accordance with the Companies Act 2006. The material accounting policies, which have been applied consistently to all the years presented, are set out below.

These financial statements and accompanying notes have been prepared in accordance with the reduced disclosure framework for all years presented.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:
- the following paragraphs of IAS 1 'Presentation of Financial Statements':
  - 10(d) (statement of cash flows);
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B – D (additional comparative information);
  - 40A – D (requirement for a third statement of financial position);
  - 111 (cash flow statement information); and
  - 134 – 136 (capital management disclosures);
- IFRS 7 'Financial Instruments: Disclosures';
- IAS 7 'Statement of Cash Flows';
- IAS 24 'Related Party Disclosures' – the requirement to disclose related party transactions between two or more members of a group;
- IAS 24 (paragraphs 17 and 18a) 'Related Party Disclosures' (key management compensation);
- IAS 16 'Property, Plant and Equipment' (paragraph 73(e)) – reconciliations between the carrying amount at the beginning and end of the period;
- paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets or liabilities);
- paragraph 38 of IAS 1, 'Presentation of Financial Statements', comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73 (e) of IAS 16 'Property, Plant and Equipment'; and
  - paragraph 118(e) of IAS 38 'Intangible Assets' (reconciliations between the carrying amount at the beginning and end of the period);
- paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets or liabilities);
- paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- paragraphs 130(f)(ii) (iii), 134(d)–(f) and 135(c)–(e) of IAS 36 'Impairment of Assets'.

As the Group financial statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101 in respect of the following disclosures:
- IFRS 2 'Share-based Payments' in respect of Group equity-settled share-based payments; and
- certain disclosures required by IFRS 13 'Fair Value Measurement' and disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

Adoption of new and revised standards
The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 June 2023.

The Company has adopted the following new standards, amendments and interpretations now applicable. None of these standards and interpretations have had any material effect on the Company's results or net assets.

Standard or interpretation	Content	Applicable for financial year beginning on
Amendments to FRS 101 and FRS 102	International tax reform	1 January 2023
Amendments to IAS 1	Presentation of Financial Statements	1 June 2023
Amendments to IAS 8	Accounting Policies	1 June 2023
Amendments to IAS 12	Income Taxes	1 June 2023
Amendments to IFRS 17	Insurance Contracts	1 June 2023
IFRS Practice Statement 2	Making Materiality Judgements	1 June 2023

The following standards, amendments and interpretations are not yet effective and have not been adopted early by the Company:

Standard or interpretation	Content	Applicable for financial year beginning on
Amendments to IAS 7 and IFRS 7	Supplier finance	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 June 2024
Amendments to IFRS 16	Leases on Sale and Leaseback	1 June 2024

These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

1. Parent Company's material accounting policies continued

Parent Company income statement

The Company has not presented its own income statement as permitted by Section 408 of the Companies Act 2006. The Company's profit for the year was £4.6 million including dividends received (2023: £3.2 million). The profit for the year is shown in the statement of changes in equity and on the face of the balance sheet. There are no material differences between the profit for the year in the current and prior year and its historical cost equivalent. Accordingly, no note of historical cost profits and losses has been presented.

Going concern

Based on financial performance to date and forecasts along with the available banking facilities, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Board has prepared cash flow forecasts for the period to 31 May 2026. Under this base case scenario, the Company is expected to continue to have significant headroom relative to the funding available to it and to comply with its banking covenants.

The Board has also considered a severe downside scenario based on a significant and sustained reduction in Fuels' profitability alongside underperformance in Food and Feeds. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs. Under this scenario, the Company would still expect to have sufficient headroom in its financing facilities.

The Company therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Dividend distribution

The distribution of a dividend to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which it is approved by the Company's shareholders (please refer to note 9 of the Group financial statements).

Property, plant and equipment

Property, plant and equipment are stated at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of property, plant and equipment over their useful economic life on a straight-line basis as follows:

Plant and machinery	3 – 12 years

Assets under construction are not depreciated until they are put into use.

Borrowing costs that are directly attributable to the construction of qualifying assets are capitalised.

Investment property

Owner-occupied land and buildings owned by the Company and which are rented to subsidiary companies are treated as investment properties in accordance with IAS 40 'Investment Property'. Investment properties are valued using the cost model. Investment properties are stated at cost, which includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of the investment property over its useful economic life on a straight-line basis over 10 – 50 years.

Investments

Investments in Group undertakings are stated at cost, unless their value has been impaired in which case they are valued at the lower of their realisable value or value in use.

Lease receivables and lease liabilities

The Company holds the head lease on a property which is occupied by a subsidiary company under a sub-lease arrangement. The Company recognises both a finance lease receivable and a lease liability in respect of this arrangement.

The finance lease receivable is measured initially at the amount of the net investment in the lease, which is the gross investment in the lease discounted using the implicit interest rate in the lease, in accordance with IFRS 16. The gross investment in the lease is the aggregate of the lease payments receivable. Each lease payment received is allocated between the receivable and finance income. The finance income is credited to the income statement over the lease period so as to produce a constant periodic recognition of interest on the remaining balance of the asset for each period.

At the inception of a contract, the Company performs an assessment to determine whether the contract is, or contains, a lease. Key aspects of this determination are the specific identification of an asset that is subject to the lease, and that the lease conveys the right to direct and control the use of the identified asset for a period of time.

Where a contract is determined to contain a lease, the lease liability is recognised from the commencement date of the lease, the commencement date being defined as the date at which the lessor makes the underlying asset available for use. The lease liability is recognised at an amount equal to the present value of the future lease payments during the lease term.

Lease payments are discounted using the Company's incremental borrowing rate at the time of the inception of the lease.

Reimbursement asset

The Company recognises a reimbursement asset where it has virtual certainty that an economic inflow of resources will be received.

Notes to the Parent Company financial statements continued
for the year ended 31 May 2024

1. Parent Company's material accounting policies continued
Deferred taxation
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts which have been prepared and approved by the Board. The deferred tax assets and liabilities are not discounted.

Provisions for liabilities
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Other receivables
Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Under IFRS 9, effective from 1 June 2018, the Group elected to use the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Under the new accounting standard, the Group continues to establish a provision for impairment of trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, IFRS 9 requires the Group to consider forward-looking information and the probability of default when calculating expected credit losses.

The measurement of expected credit losses reflects an unbiased and probability weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Group considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for receivables impairment, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable, it is written off against the provision for receivables impairment. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. The Company recognises cash when it is within its control, and in accordance with IFRS 9, when it has the contractual right to obtain cash from the bank. The Company's cash recognition policies are aligned with IAS 7.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Retirement benefit obligations
The Company operates various pension schemes, including defined contribution and defined benefit schemes.

Defined contribution schemes
For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance schemes on a mandatory, contractual or voluntary basis. The contributions are recognised as an employee benefit expense in the income statement when they are due. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

Defined benefit scheme
The Company is the sponsoring employer in a funded Group-operated defined benefit pension scheme, the NWF Group Benefits Scheme, and has therefore recognised the defined liability, in full, on the Company balance sheet.

The liability recognised in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of scheme assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. The Company has considered the recognition requirements of IFRIC 14 and determined that they do not apply to the scheme.

The net pension finance cost is determined by applying the discount rate, used to measure the defined benefit pension obligation at the beginning of the accounting period, to the net pension obligation at the end of the accounting period taking into account any changes in the net pension obligation during the period as a result of cash contributions and benefit payments.

Pension scheme expenses are charged to the income statement within administrative expenses.

1. Parent Company's material accounting policies continued

Defined benefit scheme continued

Actuarial gains and losses are recognised immediately in the statement of comprehensive income. Net defined benefit pension scheme deficits before tax relief are presented separately on the balance sheet within non-current liabilities. The attributable deferred taxation asset is included within the deferred taxation asset in the balance sheet and is subject to the recognition criteria as set out in the accounting policy on deferred taxation.

Share-based payments

In the year ended 31 May 2024, the Company operated one (2023: one) equity-settled share-based payment plan. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant.

The fair value determined at the grant date of equity-settled share-based payments issued to the Company's employees is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The fair value determined at the grant date of equity-settled share-based payments issued to employees of subsidiary undertakings is recognised as an addition to the cost of investment in subsidiary undertakings on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by the use of a Black Scholes 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.

Employer social security contributions payable in connection with the grant of share awards are considered an integral part of the grant itself and the charge is treated as a cash-settled transaction.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue.

Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme – valuation assumptions

The balance sheet carrying value of the defined benefit pension scheme surpluses or deficits are calculated using independently commissioned actuarial valuations. These valuations, including the impact of GMP, are based on a number of assumptions, including the most appropriate mortality rates to apply to the profile of scheme members and the financial assumptions regarding discount rates and inflation. All of these are estimates of future events and are therefore uncertain. Further details can be found in note 26 of the Group financial statements.

Assessment of impairment

The Company tests annually for impairment of investments and fixed asset balances, which involves using key judgements including estimates of future business performance and cash generation, discount rates and long-term growth rates.

The recoverable amounts of CGUs are determined using value in use calculations. The value in use calculations use post-tax cash flow projections based on the Board-approved budget for the year ending 31 May 2025 and four years of business strategic plans thereafter. Subsequent cash flows are extrapolated using an estimated growth rate of 2%.

These value in use calculations are subject to a series of sensitivity analyses using reasonable assumptions concerning the future performance of the CGUs and assessing the impact of a 1% increase in the discount rate.

From a completeness perspective, the Directors are not aware of any other critical judgements within the Group that give rise to a significant risk of material adjustment within the next financial year.

2. Remuneration of Directors and auditors

Details of Directors' remuneration are shown in the Directors' Remuneration Report on page 64. Details of auditors' remuneration are shown in note 5 of the Group financial statements.

Notes to the Parent Company financial statements continued

for the year ended 31 May 2024

3. Property, plant and equipment

	Plant and machinery £m	Total £m
Cost		
At 1 June 2023	1.1	1.1
Additions	0.1	0.1
Reclassification	(0.1)	(0.1)
At 31 May 2024	**1.1**	**1.1**
Accumulated depreciation		
At 1 June 2023	0.7	0.7
Charge for the year	0.1	0.1
At 31 May 2024	**0.8**	**0.8**
Carrying amount		
At 31 May 2024	**0.3**	**0.3**
At 31 May 2023	0.3	0.3

4. Investment property

	Investment property £m	Total £m
Cost		
At 1 June 2023	34.7	34.7
Additions	0.1	0.1
Reclassification	0.1	0.1
Disposals	(0.1)	(0.1)
At 31 May 2024	**34.8**	**34.8**
Accumulated depreciation		
At 1 June 2023	12.9	12.9
Charge for the year	0.7	0.7
At 31 May 2024	**13.6**	**13.6**
Carrying amount		
At 31 May 2024	**21.2**	**21.2**
At 31 May 2023	21.8	21.8

The fair value of the investment property at 31 May 2024 was £40.8 million (2023: £42.0 million). The valuation is based on a market valuation by an independent RICS valuer with recent experience in the location and category of the asset being valued. Rental income of £2.7 million (2023: £2.7 million) and direct operating expenses of £7.0 million (2023: £6.6 million (as restated to more accurately reflect direct operating expenses of the property)) arising from investment property have been recognised in the income statement.

5. Investments

	£m
Cost and carrying amount	
At 1 June 2023	15.3
At 31 May 2024	**15.3**

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company directly owns the whole of the issued ordinary shares of the following subsidiary undertakings:

Company	Business activity	Company number
NWF Agriculture Holdings Limited*	Holding company – Feeds operations	03704975
NWF Distribution Holdings Limited*	Holding company – Food operations	03707824
NWF Fuels Holdings Limited*	Holding company – Fuels operations	03706449
Dragon Petroleum Limited	Dormant	00574068
North Western Farmers Limited	Dormant	00666065
NWF Limited	Dormant	00833736

All of the above companies are registered and operate in England and Wales. The registered office for the above subsidiary undertakings is Wardle, Nantwich, Cheshire CW5 6BP.

The Company also indirectly owns all of the issued ordinary shares of the following subsidiary undertakings:

Company	Business activity	Registered office:	Company number
NWF Agriculture Limited*	Supplier of animal feedstuffs and seeds	Wardle, Nantwich, Cheshire CW5 6BP	01117234
New Breed (UK) Limited*	Supplier of animal feedstuffs and seeds	Wardle, Nantwich, Cheshire CW5 6BP	05509470
Boughey Distribution Limited*	Warehousing and food distribution	Wardle, Nantwich, Cheshire CW5 6BP	00797672
NWF Fuels Limited*	Fuel distribution	Jack Mills Way, Crewe, Cheshire, England CW2 5RX	01117133
Consols Oils Limited	Dormant	Jack Mills Way, Crewe, Cheshire, England CW2 5RX	02794100
Caldo Fuel Oil Limited (formerly Figaro Number Two Limited)	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00312715
David Hermon Hodge Group Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	11897150
David Hermon Hodge Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	07585473
Hermon Hodge Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	01247450
Preston Fuels Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	03289365
Ron Darch & Sons Co Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	01702395
Midland Fuel Oil Supplies Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	02299179
Staffordshire Fuels Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	03381217
Swan Petroleum Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00839259
Browns of Burwell Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00859488
Broadland Fuels Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	03284313
Knutsford Domestic Fuel Oil Company Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	00658819
Figaro Number One Limited	Dormant	Wardle, Nantwich, Cheshire CW5 6BP	02346128
Sweetfuels Limited*	Dormant	Jack Mills Way, Crewe, Cheshire, England CW2 5RX	05484828

* The companies listed above that are entitled to do so have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006 relating to subsidiary companies. In order for the subsidiary companies to claim this exemption the Parent Company guarantees all outstanding liabilities which the subsidiary companies listed above are subject to at the end of the financial year, until they are satisfied in full. The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies listed above are liable in respect of those liabilities.

In addition to the above subsidiaries, NWF Group plc also holds an indirect investment in Palletline Limited. In 2015 Boughey Distribution Limited, a subsidiary company of NWF Group plc, acquired an investment of £31,000 in Palletline Limited as part of becoming a member in their distribution network. On 20 November 2015 the membership bond was converted into 2,000 ordinary £1 shares being 0.47% of the issued share capital.

Notes to the Parent Company financial statements continued

for the year ended 31 May 2024

6. Lease receivable

Finance lease receivables are comprised of the following balance sheet amounts:

	2024 £m	2023 £m
Current		
Amounts receivable within one year	**1.1**	1.2
Non-current		
Amounts receivable after more than one year	**1.1**	2.3
Total	**2.2**	3.5

Lease receivables are as follows:

	2024 £m	2023 £m
Not more than one year		
Minimum lease receivables	**1.2**	1.3
Interest element	**(0.1)**	(0.1)
Present value of minimum lease receivables	**1.1**	1.2
Between one and five years		
Minimum lease receivables	**1.1**	2.4
Interest element	**–**	(0.1)
Present value of minimum lease receivables	**1.1**	2.3

7. Reimbursement asset

The Company recognises a reimbursement asset of £0.5 million (2023: £0.4 million) in respect of certain future lease dilapidations costs receivable from subsidiary companies occupying property under a sub-lease arrangement with the Parent Company.

8. Deferred taxation

The following are the principal categories of deferred tax assets and liabilities recognised by the Company and the movements thereon:

	Accelerated tax depreciation £m	Retirement benefit obligations £m	Other £m	Total £m
Deferred taxation liabilities/(assets) at 1 June 2023	3.3	(2.4)	(0.3)	0.6
(Credit)/debit to income statement	(0.1)	0.5	0.1	0.5
Debit to equity	–	0.7	–	0.7
Deferred taxation liabilities/(assets) at 31 May 2024	**3.2**	**(1.2)**	**(0.2)**	**1.8**

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The deferred income tax assets disclosed above are deemed to be recoverable.

9. Trade and other receivables

	2024 £m	2023 £m
Amounts owed by Group undertakings	**1.6**	0.5
Prepayments	**0.6**	0.7
Other receivables	**0.1**	–
Corporation tax recoverable	**2.4**	4.4
VAT recoverable	**0.2**	0.2
	4.9	5.8

All of the amounts owed by Group undertakings shown above are repayable on demand.

10. Trade and other payables

	2024 £m	2023 £m
Trade payables	**0.5**	0.7
Accruals	**2.1**	2.5
Other taxation and social security	**0.1**	0.1
	2.7	3.3

The Group has a net bank overdraft facility amounting to £1.0 million, none of which has been utilised by the Company at 31 May 2024 (2023: none utilised). This facility is secured by way of unscheduled mortgage debentures provided by the Company and certain subsidiaries within the Group to NatWest Group which incorporate a fixed charge over trade receivables and floating charges over all their other assets.

11. Lease liabilities

	Property £m	Total £m
Cost		
At 1 June 2022	5.1	5.1
Lease liability payments (including finance costs)	(1.4)	(1.4)
Finance costs	0.1	0.1
At 31 May 2023	3.8	3.8
Lease liability payments (including finance costs)	(1.5)	(1.5)
Finance costs	0.1	0.1
At 31 May 2024	**2.4**	**2.4**

Lease liabilities are comprised of the following balance sheet amounts:

	2024 £m	2023 £m
Current		
Amounts due within one year	**1.3**	1.3
Non-current		
Amounts due after more than one year	**1.1**	2.5
Total	**2.4**	3.8

Lease liabilities are as follows:

	2024 £m	2023 £m
Not more than one year		
Minimum lease payments	**1.4**	1.4
Interest element	**(0.1)**	(0.1)
Present value of minimum lease payments	**1.3**	1.3
Between one and five years		
Minimum lease payments	**1.1**	2.6
Interest element	**–**	(0.1)
Present value of minimum lease payments	**1.1**	2.5

Notes to the Parent Company financial statements continued

for the year ended 31 May 2024

12. Provisions for liabilities

The Company recognises a current liability for provisions of £Nil (2023: £Nil) and a non-current liability in respect of a provision for dilapidations on leased properties of £0.5 million (2023: £0.5 million).

13. Called up share capital

	Number of shares '000	Total £m
Authorised: ordinary shares of 25p each		
Balance at 1 June 2022, 31 May 2023 and 31 May 2024	80,000	20.0

	Number of shares '000	Total £m
Allotted and fully paid: ordinary shares of 25p each		
Balance at 1 June 2022	49,134	12.3
Issue of shares (see below)	274	0.1
Balance at 31 May 2023	49,408	12.4
Issue of shares (see below)	31	—
Balance at 31 May 2024	**49,439**	**12.4**

During the year ended 31 May 2024, 31,418 shares (2023: 273,800 shares) with an aggregate nominal value of £7,855 (2023: £68,450) were issued under the Group's conditional Performance Share Plan.

The maximum total number of ordinary shares, which may vest in the future in respect of conditional Performance Share Plan awards outstanding at 31 May 2024, amounted to 1,259,464 (31 May 2023: 1,202,049). These shares will only be issued subject to satisfying certain performance criteria (see the Directors' Remuneration Report and note 27 of the Group financial statements).

14. Employee benefit expense

	2024 £m	2023 £m
Wages and salaries	**2.1**	2.3
Social security costs	**0.3**	0.4
Share-based payments	**(0.1)**	0.3
Other pension costs	**0.1**	0.1
	2.4	3.1

The average monthly number of persons (including Directors) employed in the Company during the year was 20 (2023: 20).

15. Related party transactions

The Company has taken advantage of the exemption included in IAS 24 'Related Party Disclosures' to not disclose details of transactions with Group undertakings, on the grounds that it is the Parent Company of a group whose financial statements are publicly available.

Directors' transactions

T P Acton purchased, at an agreed employee rate of Platts +4.0 pence per litre, goods to the value of £2,962 as a customer of the Group in the year ended 31 May 2024 (2023: £4,820). At 31 May 2024, the amount outstanding was £Nil (2023: £815). During the year, the highest amount outstanding totalled £815 (2023: £1,574).

R A Whiting purchased, in the normal course of business and under normal terms and conditions, goods to the value of £2,445 as a customer of the Group in the year ended 31 May 2024 (2023: £3,765). At 31 May 2024, the amount outstanding was a credit balance of £931 (2023: £822 credit balance). During the year, the highest amount outstanding was a credit balance of £2,466 (2023: £263 credit balance).

D S Downie purchased, in the normal course of business and under normal terms and conditions, goods to the value of £Nil as a customer of the Group in the year ended 31 May 2024 (2023: £1,005). At 31 May 2024, the amount outstanding was £Nil (2023: £Nil). During the year, the highest amount outstanding totalled £Nil (2023: £Nil).

Details of the Directors' interests in the ordinary share capital of the Company are provided in the Directors' Report.

16. Share-based payments

The Performance Share Plan ('the LTIP')

The Company operates a Performance Share Plan for senior executives, further details of which can be found in the Directors' Remuneration Report in the Group financial statements.

Under the LTIP, the Company has made awards of conditional shares to certain Directors and employees, details of which can be found in note 27 of the Group financial statements.

The Company recognised total credit of £0.1 million (including NI) in respect of the LTIP's equity-settled share-based payment transactions in the year ended 31 May 2024 (2023: £0.5 million charge).

17. Pensions

The Company is the sponsoring employer in the NWF Group Benefits Scheme, a pension arrangement providing benefits based on final pensionable pay. Details of the NWF Group Benefits Scheme, its liabilities and assets, together with the principal assumptions used in the valuation of its liabilities, are given in note 26 to the Group financial statements.

Contributions into the scheme and amounts charged to the statement of comprehensive income during the year were £2.5 million (2023: £2.2 million). Amounts totalling £0.2 million were outstanding at the balance sheet date (2023: £Nil).

The Company also operated a money purchase scheme during the year and contributions during the year amounted to £0.1 million (2023: £0.1 million). There were no outstanding or prepaid contributions at the balance sheet date (2023: £Nil).

18. Contingent liabilities

The Company's bank facilities are provided under an arrangement with NatWest Group. The Company has pledged security in favour of the bank over certain freehold land and buildings with a carrying value at 31 May 2024 of £20.0 million (2023: £20.6 million). This is secured by way of unscheduled mortgage debentures which incorporate a fixed charge over specified property including land, plant and machinery and goodwill and a floating charge over all other property, assets and rights owned now or in the future which are not subject to an effective fixed charge.

The Company has an arrangement with the bank under which cash balances are offset against borrowings. The Company has given a guarantee in respect of the net bank borrowings within the Group under this arrangement amounting to £Nil at 31 May 2024 (2023: £Nil).

The Company and certain subsidiaries have granted a fixed and floating charge in favour of the trustees of a defined benefit pension scheme ('the NWF Group Benefits Scheme'). This security, which is subordinated to the bank, creates a fixed charge over certain freehold land and buildings, subject to a maximum value of £5.0 million (2023: £5.0 million), and a floating charge over all other assets.

During the year, Boughey Distribution Limited, a subsidiary company of NWF Group plc, obtained an operating lease for a warehouse in Newcastle-under-Lyme. The property lease has been secured via a parental guarantee provided by NWF Group plc. The fair value of the liability payable in the event of default is considered to be £Nil as the funds payable would be recovered in full from Boughey Distribution Limited.

The Company has also given certain guarantees to third parties in respect of operating lease and supply agreement commitments due from various subsidiary companies.

No loss is expected to result from these arrangements.

19. Contingent assets

There are no contingent assets recognised by the Company as at 31 May 2024 (2023: £Nil).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ('the Meeting') of NWF Group plc ('the Company') will be held at Wychwood Park Hotel, Weston, Crewe CW2 5GP on Thursday 26 September 2024 at 10.30a.m. to transact the business as specified below.

As Ordinary Business: to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions.

1. To receive, adopt and approve the Company's Annual Report and Accounts for the financial year ended 31 May 2024 together with the Directors' Report and Auditors' Report thereon.
2. To declare a final dividend of 7.1p per share for the financial year ended 31 May 2024 payable on 6 December 2024 to shareholders who are on the register of members of the Company at the close of business on 1 November 2024.
3. To elect Amanda Jane Burton as a Director of the Company.
4. To elect Timothy John Cooper as a Director of the Company.
5. To re-elect Chris James Belsham as a Director of the Company.
6. To re-elect Katie Jane Shortland as a Director of the Company.
7. To re-elect Richard James Armitage as a Director of the Company.
8. To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of the Meeting until the conclusion of the next Meeting of the Company at which the Company's accounts are laid before the Company.
9. To authorise the Directors or Audit Committee of the Company to set the auditors' remuneration.
10. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy contained within that report) as set out in the Company's Annual Report and Accounts for the financial year ended 31 May 2024.
11. To approve the Directors' Remuneration Policy as set out in the Company's Annual Report and Accounts for the financial year ended 31 May 2024.

As Special Business: to consider and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions except for Resolution 12 which will be proposed as an Ordinary Resolution.

Directors' authority to allot shares

12. That the Board of Directors of the Company ('the Board') be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ('the Act') to allot Relevant Securities (as hereinafter defined):

    12.1 up to an aggregate nominal amount of £4,119,948.42 (the equivalent of 16,479,794 ordinary shares); and

    12.2 comprising equity securities (as defined by Section 560 of the Act) up to an aggregate nominal amount of £8,239,896.84 (the equivalent of 38,959,588 ordinary shares) (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 12.1 above) in connection with an offer by way of a rights issue:

    (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective existing holdings; and

    (b) to holders of other equity securities as required by the rights of those securities,

    but subject to such limits, exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange,

    provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months after the date of the Meeting or, if earlier, the date of the next Meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Board may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

    This Resolution 12 revokes and replaces all unexercised authorities previously granted to the Board to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

    For the purposes of this Resolution 12, 'Relevant Securities' means:

    - shares in the Company other than shares allotted pursuant to:
      - an employee share scheme (as defined by Section 1166 of the Act); or
      - a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
      - a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; or
      - any right to subscribe for, or to convert any security into, shares in the Company other than rights to subscribe for, or convert any security into, shares allotted pursuant to an employee share scheme (as defined by Section 1166 of the Act). References to the allotment of Relevant Securities in this Resolution 12 include the grant of such rights.

General disapplication of pre-emption rights

13. That, subject to the passing of Resolution 12 on page 124, the Board be and it is hereby empowered, pursuant to Section 570 and Section 573 of the Act, to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 12 on page 124 or to sell treasury shares as if Section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to:

    13.1 the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of equity securities (but in the case of the authority granted under paragraph 12.2 of Resolution 12 on page 124, by way of a rights issue only) where the equity securities respectively attributable to the interests of all those persons at such record dates as the Board may determine are proportionate (as nearly as may be) to the respective numbers of equity securities then held by them subject to such limits, exclusions or other arrangements as the Board may consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, practical or legal difficulties under the laws of any territory or the requirements of any regulatory body or stock exchange or by virtue of equity securities being represented by depositary receipts or any other matter whatsoever;

    13.2 the allotment (otherwise than pursuant to paragraph 13.1 above) of equity securities up to an aggregate nominal amount of £1,235,984.53; and

    13.3 in each case such power shall expire upon the expiry of the general authority conferred by Resolution 12 on page 124, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted and/or shares held by the Company in treasury to be sold or transferred after such expiry and the Board may allot equity securities and/or sell or transfer shares held by the Company in treasury in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

    All previous unutilised authorities under Sections 570 and 573 of the Act shall cease to have effect (save to the extent that they are exercisable by reason of any offer or agreement made prior to the date of this Resolution 13 which would or might require shares to be allotted on or after that date).

By order of the Board

Tom Harland
Company Secretary
30 July 2024

Registered office
Wardle
Nantwich
Cheshire
CW5 6BP

Notes to the Notice of Annual General Meeting

These notes are important and require your immediate attention.

1. To attend the Meeting in person, please arrive at the venue for the Meeting by 10.00a.m. to enable your shareholding to be checked against the register of members of the Company and your attendance recorded.
2. Shareholders are encouraged to email any questions in respect of the Company's Annual Report and Accounts for the financial year ended 31 May 2024 or the Meeting to investor.relations@nwf.co.uk in advance of the Meeting. Responses to questions will be provided as soon as reasonably possible, following receipt.
3. A shareholder entitled to vote at the Meeting is entitled to appoint another person of his/her choice as that shareholder's proxy to exercise all or any of that shareholder's rights to attend, speak and vote at the Meeting on his/her behalf. A shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. Unless otherwise indicated on the form of proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
4. A proxy or proxies can be appointed by:
    - submitting a form of proxy electronically by accessing the shareholder portal at www.signalshares.com.

      To submit a form of proxy electronically, you will require your username and password. If you have not previously registered to use the shareholder portal then this can be done using your investor code ('IVC') (which can be found on your share certificate or by contacting Link Group as detailed in paragraph 12 below), along with your surname and postcode. Once the portal has been accessed, click on 'vote online' on the home page and follow the instructions. All electronic proxy appointments must be made by no later than 10.30a.m. on 24 September 2024 (or, in the event that the Meeting is adjourned, no later than 48 hours before the time appointed for the adjourned meeting);
    - CREST members using the CREST electronic proxy appointment service (as detailed in paragraph 6);

Notes to the Notice of Annual General Meeting continued

- completing and returning a paper form of proxy (which is enclosed with the document of which this Notice forms part). To appoint more than one proxy, the form of proxy should be photocopied and all completed forms returned together to Link Group in accordance with the instructions in paragraph 5 below; or
- if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.30a.m. on 24 September 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

5. If a paper form of proxy is used to appoint a proxy or proxies, the form of proxy must be completed, signed and returned, together with any power of attorney or any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, so that it is received no later than 10.30a.m. on 24 September 2024. In the event of a conflict between a blank paper form of proxy and a form of proxy which states the number of shares to which it applies, the specific form of proxy shall be counted first, regardless of whether it was sent or received before or after the blank form of proxy, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank form of proxy.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting to be held at 10.30a.m. on 26 September 2024 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message ('a CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Group (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the Meeting (or, in the event that the Meeting is adjourned, no later than 48 hours before the time appointed for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. If you wish to change your proxy instructions, you should submit a new proxy appointment using the methods detailed above. Your attention is particularly drawn to the deadline for receipt of proxy appointments (as detailed in paragraphs 4, 5 and 6 above) as these are applicable to amended proxy instructions. In the event that more than one valid proxy appointment is received for the same share or shares, the appointment received last before the deadline for receipt of proxy appointments will take precedence.

8. Only those shareholders entered on the register of members of the Company at the close of business on 24 September 2024 or, in the event that the Meeting is adjourned, on the register of members as at the close of business on the day two working days before the date of any adjourned meeting, shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after the close of business on 26 September 2024 or, in the event that the Meeting is adjourned, on the register of members after the close of business on the day two working days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

9. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

10. Copies of the following documents will be available for inspection at the Company's registered office during normal working hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the date of the Meeting and at the place of the Meeting for 15 minutes prior to and during the Meeting:

    - copies of all service agreements or letters of appointment under which the Directors of the Company are employed by the Company.

11. Addresses (including electronic addresses) in this document are included strictly for the purposes specified and not for any other purpose.

12. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

    - emailing at shareholderenquiries@linkgroup.co.uk or calling Link Group on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00a.m. and 5.30p.m. (UK time) Monday to Friday excluding public holidays in England and Wales.

Explanatory notes to the Notice of Annual General Meeting

Ordinary Business

Each resolution will be proposed as an Ordinary Resolution. This means that, for each of the resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

The Ordinary Resolutions are routine and deal with the presentation of the Annual Report and Accounts for the financial year ended 31 May 2024, the declaration of a final dividend, the reappointment of Chris James Belsham, Katie Jane Shortland, Richard James Armitage and the election of Amanda Jane Burton and Timothy John Cooper as Directors of the Company, and the reappointment of PricewaterhouseCoopers LLP as auditors as well as the authorisation of the Directors to set the auditors' remuneration and the approval of the Directors' Remuneration Report (excluding the Directors' remuneration policy contained within that report) and, by separate vote, the approval of the Directors' remuneration policy. The votes in respect of Resolution 10 and 11 will be 'advisory' only, which means that they are not binding on the Company, and the Directors' entitlement to remuneration is not conditional on their approval.

Biographical details of the Directors standing for election can be found on pages 50 and 51.

Special Business

Resolution 12 will be proposed as an Ordinary Resolution and Resolution 13 will be proposed as a Special Resolution. In order for a Special Resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 12 – authority to allot shares (Ordinary Resolution)

The authority conferred on the Directors at last year's Meeting to allot the share capital of the Company expires at the conclusion of the forthcoming Meeting. The Board recommends that this authority be renewed.

Paragraph 12.1 of Resolution 12 will, if passed, authorise the Directors to allot the Company's unissued shares up to a maximum nominal amount of £4,119,948.42, which represents an amount which is equal to one-third of the aggregate nominal value of the issued and unconditionally allotted ordinary share capital of the Company (excluding treasury shares) as it was at close of business on 31 July 2024, the latest practicable date before the publication of this Notice. As at close of business on 31 July 2024 the Company did not hold any treasury shares.

Paragraph 12.2 of Resolution 12 will, if passed, authorise the Directors to allot unissued shares in connection with a rights or other issue in favour of holders of equity securities (which would include ordinary shareholders) as required by the rights of those securities, up to a maximum aggregate nominal amount of £8,239,896.84 which represents an amount which is equal to two-thirds of the aggregate nominal value of the issued and unconditionally allotted ordinary share capital of the Company as it was at close of business on 31 July 2024 (such amount to be reduced by the nominal amount of any Relevant Securities issued under the authority conferred by paragraph 12.1 of Resolution 12).

The authorities sought in Resolution 12 are in substitution for all existing authorities, granted in the Company's Articles of Association or otherwise, and without prejudice to previous allotments made under such existing authorities. The authorities will each expire 15 months after the date of the Meeting or, if earlier, at the conclusion of the next Meeting of the Company. The Directors have no present intention of exercising these authorities but believe that it is in the best interests of the Company to have the authorities available so that the Board has the flexibility to take advantage of business opportunities as they arise.

Resolution 13 – disapplication of pre-emption rights (Special Resolution)

Resolution 13, which will be proposed as a Special Resolution, seeks to renew the authority conferred on the Directors at last year's Meeting to issue equity securities of the Company for cash without application of the pre-emption rights provided by Section 561 of the Act. The authority being sought provides for non-pre-emptive allotments of equity securities: (i) to ordinary shareholders in proportion to their shareholdings then existing; (ii) to holders of other equity securities as required by, or subject to (as the Directors consider necessary), the rights of those securities, and to deal with treasury shares, fractional entitlements and legal and practical problems in any territory, for example on a rights issue or other similar share issue; and (iii) for cash up to an aggregate nominal value of £1,235,984.53 which represents 10% of the issued ordinary share capital of the Company as it was at close of business on 31 July 2024, the latest practicable date before the publication of this Notice.

The authority being sought is in substitution for all existing authorities, granted in the Company's Articles of Association or otherwise, and without prejudice to previous allotments made under such authorities, and will expire 15 months after the date of the Meeting or, if earlier, at the conclusion of the next Meeting of the Company. The Directors have no present intention of exercising these authorities but believe that it is in the best interests of the Company to have the authorities available so that the Board has the flexibility to take advantage of business opportunities as they arise.

The authority sought and the limits set by this resolution will also disapply the application of Section 561 of the Act from a sale of treasury shares to the extent also specified in this resolution.

Financial calendar

Annual General Meeting	26 September 2024
Dividend: – Ex-dividend date – Record date – Payment date	 31 October 2024 1 November 2024 6 December 2024
Announcement of half year results	Early February 2025
Publication of Interim Report	Early February 2025
Interim dividend paid	May 2025
Financial year end	31 May 2025
Announcement of full year results	Early August 2025
Publication of Annual Report and Accounts	Late August 2025

Business contacts

Fuels	Tel: 01829 260900 ***www.nwffuels.co.uk***
Food	Tel: 01829 260704 ***www.boughey.co.uk***
Feeds	Tel: 0800 262397 ***www.nwfagriculture.co.uk***

Advisors

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Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL

Independent auditors
PricewaterhouseCoopers LLP
1 Hardman Square
Manchester M3 3EB

Bankers
NatWest Group
Corporate Banking
1st Floor
1 Hardman Boulevard
Manchester M3 3AQ

Nominated advisor and broker
Peel Hunt LLP
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100 Liverpool Street
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Solicitors
Brabners LLP
Horton House
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Exchange Street E
Liverpool L2 3YL

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