NORISH

ANNUAL
REPORT & ACCOUNTS
2011

ANNUAL REPORT 2011

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FINANCIAL CALENDAR 2011

Announcement of preliminary results	8 March
Annual Report posted to shareholders	30 March
Record date for Final Dividend	20 April
Annual General Meeting	7 May
Dividend payment	18 May
Announcement of interim results	13 September

CORPORATE PROFILE

Background

Norish plc is a leading warehousing company dedicated to serving the food manufacturing, distribution and retailing sectors. Norish was founded in 1975 and became a public company in 1986. Its shares are listed on the Alternative Investment Market of the London Stock Exchange.

Norish mainly operates strategically located temperature controlled storage centres, each of which provides storage, freezing, picking, order assembly services to food companies engaged in processing, wholesaling and retailing.

Group Operations

Norman Hatcliff – Managing Director - norman.hatcliff@norish.com

Northern Industrial Estate
Bury St Edmunds
Suffolk IP32 6NL
Tel: 01293 862498
Mob: 07879 447427

Locations

- Bury St. Edmunds, Suffolk (Cold store)
- Brierley Hill, West Midlands (Cold store)
- Wrexham, Clwyd (Cold store)
- Braintree, Essex (Cold store)
- Lympne, Kent (Cold store)
- Gillingham, Kent (Cold store)
- Leeds, Yorkshire (Cold store)
- Shipton by Beningbrough, York (Ambient warehouse)

FINANCIAL HIGHLIGHTS

	2011	2010
	£'000	£'000
Revenue - Continuing operations	**11,213**	10,654
Operating profit	**666**	733
Profit before tax	**406**	552
Basic earnings per share	**4.3p**	5.2p
Dividend paid per share		
- interim for current year	**Nil**	Nil
- final for previous year	**1.25c**	Nil
	1.25c	Nil
Gearing – excluding goodwill (see Note 1 below)	**87%**	95%

Capital employed	**£'000**	£'000
Shareholders' funds	**8,025**	7,500
Net borrowings	**6,797**	6,914
	14,822	14,414

Note 1
The above gearing figures are expressed as net borrowings (total borrowings less cash) divided by net assets (excluding goodwill).

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report of Norish Plc for 2011.

Results

Norish plc results for the year ended 31st December 2011 as follows:

- Turnover increased to £11.2m compared with £10.7m for 2010.
- Pre-tax profits of £406,000 compared to £552,000 for 2010.
- Net assets increased to £8m compared with £7.5m for 2010.
- Net debt decreased to £6.8m from £6.9m.
- Earnings per share decreased to 4.3p from 5.2p

Financial Strength

Shareholders funds at 31 December 2011 were £8m compared with £7.5m at 31 December 2010. Net debt at 31 December 2011 was £6.8m which decreased from £6.9m as at 31 December 2010.

Operations

Our cold store business performed better this year, primarily due to increased turnover. However, the business suffered from increased power costs and an increase in labour intensive handling activities for some of our customers.

Our ambient site at York performed just below 2010 levels. It had a better second half of the year compared to the first half. This should carry forward into 2012.

We currently use R22 refrigeration gas at 3 of our cold stores. R22 is a Hydrochlorofluorcarbon (HCFC) which is classed as an ozone depleting gas and with effect from 1st January 2010 it is no longer possible to purchase virgin R22. However, the use of re-cycled R22 is still permitted until 31st December 2014. We currently have an option to purchase 44,808 kg of re-cycled R22 at £4.05 per kg which is below the current market value. Under IAS39 Financial Instruments(Recognition and measurement) we have accounted for an unrealised profit of £190,000 for the year.

Our pre-tax profits of £406,000 were adversely affected by a non cash derivative amount of £89,000 in 2011 against a credit of £97,000 in 2010.

Dividend

The board recommends the payment of a final dividend of 1.25 cent per share. This will be paid on the 18th May 2012 to those shareholders on the register on the 20th April 2012. It will bring the total dividend in respect of the financial year to 1.25 cent per share unchanged from last year.

CHAIRMAN'S STATEMENT *(CONTINUED)*

Personnel

On behalf of the board, I would like to thank the management team and staff for their commitment and contribution in 2011.

Ted O'Neill
Chairman
7 March 2012

FINANCIAL REVIEW

Reporting currency

The Group, the parent company of which is a public limited company incorporated in Ireland, continues to report its results in Sterling, as all of its operating activities are carried out in the United Kingdom.

Revenue and operating profit

Revenue from operations increased from £10.7m to £11.2m. The group operating profit from operations remained unchanged at £0.7m, representing 5.9% (2010 – 6.9%) of revenue.

For our operations, the number of pallets into our sites increased by 5% to 421,462, blast freezing volumes increased by 16% to 45,900 pallets and closing customer stocks at the year end increased by 6% to 49,054 pallets. Our average energy price per unit increased by 44% in 2011 and the number of units consumed increased by 4% due mainly to the additional blast freezing volumes.

We have started the year with higher than expected occupancy levels, and in the current economic climate it is difficult to forecast activity levels for the remainder of the year.

Key ratios and depreciation

Basic earnings and diluted earnings per share decreased to 4.3p compared with 5.2p in 2010.

Year-end gearing (after eliminating goodwill) was 87% compared with 95% at 31 December 2010.

Depreciation totalled £0.6m (2010: £0.6m).

Cash position

The Group's operating net cash inflow for the year was £0.5m (2010: £0.9m). Net debt decreased to £6.8m from £6.9m at 31 December 2010.The Group retains adequate term loan and overdraft facilities to meet its ongoing operating needs.

Treasury policy and management

The treasury function, which is managed centrally, handles all Group funding, debt, cash, working capital and foreign exchange exposures. Group treasury policy concentrates on the minimisation of risk in all of the above areas and is overseen and approved by the Board. Speculative positions are not taken.

Financial risk management

The Group's financial instruments comprise borrowings, cash, derivatives, and various items, such as trade receivables, trade payables etc, that arise directly from its operations. The main purpose of the financial instruments not arising directly from operations is to raise finance for the Group's operations.

The Group may enter into derivative transactions such as interest rate swaps, caps or forward foreign currency transactions in order to minimise its risks. The purpose of such transactions is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The Group is currently holding a position on refrigerant gas that it uses at 3 of its cold store sites. It is expecting to trade some of this volume over the next 1 to 2 years.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and refrigerant gas price risk. The Group's policies for managing each of these risks are summarised below

FINANCIAL REVIEW *(CONTINUED)*

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank and other borrowings at both fixed and floating rates of interest, and working capital. The Group determines the level of borrowings at fixed rates of interest having regard to current market rates and future trends. At the year-end, £6.442m term loans of which £6m are at floating base rate plus a bank margin of 1.2% and £0.442m are at floating base rate plus a bank margin of 2.75%. The Group holds an interest rate swap on £3m at 1.45% against Bank of England base rate which expires in August 2016. It also has a base interest rate cap for £3m at 5% which expires in April 2014.

Liquidity risk

The Group's policy is that, in order to ensure continuity of funding, a significant portion of its borrowings should mature in more than one year. At the year-end, 88% of the Group's borrowings were due to mature in more than one year.

The Group achieves short-term flexibility by means of invoice finance and overdraft facilities.

Refrigerant gas price risk

The Group has an option to purchase R22 refrigeration gas which is used at 3 of the cold store sites. R22 is a Hydrochlorofluorcarbon (HCFC) which is classed as an ozone depleting gas and with effect from 1st January 2010 it is no longer possible to purchase virgin R22. However, the use of re-cycled R22 is still permitted until 31st December 2014. We currently have an option to purchase 44,808 kg of re-cycled R22 at £4.05 per kg which is below the current market value. Under IAS39 we have accounted for an unrealised profit of £190,000(2010: £410,000) for the year which is based on a fair value price of £19 per kg as at 31st December 2011. The contract will be mainly used for commodity trading.

The Group is in close contact with its professional advisors and the main suppliers of R22 gas in the market and intend to sell some or all of its position over the next 1 to 2 years.

Aidan Hughes
Finance Director
7 March 2012

SHAREHOLDERS INFORMATION

Shareholder analysis at 7 March 2012

Number of shares	Number of accounts	Percentage of accounts	Number of shares (000)	Percentage of shares
1 – 1,000	124	47.1	54	0.6
1,001 – 10,000	83	31.6	343	3.7
10,001 – 100,000	40	15.2	1,159	12.4
Over 100,000	16	6.1	7,757	83.3
Total	**263**	**100**	**9,313**	**100.0**

Share price data (€)

	High	**Low**	**31 December**
Year ended 31 December 2011	42.5p (€0.51)	36.5p (€0.44)	36.5p (€0.44)
Year ended 31 December 2010	42p (€0.49)	33p (€0.37)	42p (€0.49)

The market capitalisation of Norish plc at 31 December 2011 was £3.4m (€4.1m) compared with £3.6m (€4.2m) at 31 December 2010, and £3.4m (€4.1m) at 7 March 2012.

Investor relations

Investor enquiries should be addressed to Aidan Hughes, Company Secretary, at:

- Norish plc, Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL
- Email: aidan.hughes@norish.com

Registrars

Administrative enquiries relating to the holding of Norish shares should be directed to the Company's Registrars whose address is:

- Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA.
- Telephone: +44 (0121) 585 1131

Amalgamation of accounts

Shareholders who have multiple accounts in their name and who receive duplicate mailings should contact the Company's Registrars in order to have these accounts amalgamated.

Dividends

Dividends due to certain shareholders will be paid net of withholding tax, which is currently 20%. Provided certain administrative procedures are adhered to, a withholding tax exemption will apply to certain classes of shareholder.

Individuals who are tax resident in Ireland are not entitled to a withholding tax exemption.

CREST

Norish participates in the CREST share settlement scheme. Shareholders may continue to hold paper share certificates or they may hold their shares electronically.

Annual General Meeting

The Annual General Meeting will be held at Norish cold store, The Gateway, Pedmore Road, Brierley Hill, West Midlands, Suffolk, DY5 1LJ, on Wednesday 9 May 2012 at 11am.

BOARD OF DIRECTORS

Executive Directors

Executive Chairman

Ted O'Neill (60) was appointed to the board and became Chairman in 2003. He is an investor in a number of other companies based in Ireland.

Managing Director

Norman Hatcliff (57) joined the group in January 2000 as Operations Director of the Temperature Controlled Division and was appointed Managing Director in September 2006. He has been a member of the board since August 2004. He has extensive experience in the temperature controlled storage industry, initially with Tempco Severnside and subsequently with Exel Logistics. He joined TDG plc in 1990, and was Operations and Commercial Director of TDG Novacold from 1996 to 1999.

Finance Director & Company Secretary

Aidan Hughes (47) joined Norish as Group Accountant in 1996 and was appointed Finance Director in September 2006. He has carried out the role of Company Secretary since 2004. He is a Chartered Accountant and has previous experience in the travel industry.

Non-Executive Directors

Torgeir Mantor (55) was appointed to the board in 1993. He is Chairman of Norse Group, USA and VisionMonitor Software LLC, both in Houston, Texas, and is a director of Tore B. Mantor AS and ProPac AS, both in Norway.

Willie McCarter (64) was appointed to the board in 2004, and was subsequently appointed as the Senior Independent Non-Executive Director. He was a director of Cooley Distillery plc up to January 2012 and was formerly Chief Executive of Fruit Of The Loom International, Chairman of the International Fund for Ireland and the Enterprise Equity Venture Capital Group.

CORPORATE INFORMATION

Directors
Ted O'Neill - Executive Chairman
Norman Hatcliff (British) – Managing Director
Aidan Hughes – Finance Director
Torgeir Mantor (Norwegian) *
Willie McCarter *
** non-executive*

Company Secretary
Aidan Hughes

Audit Committee
Torgeir Mantor
Willie McCarter

Remuneration Committee
Torgeir Mantor
Willie McCarter

Nomination Committee
Consists of all Directors

Registered Office
6th Floor
South Bank House
Barrow St
Dublin 4

Operational Head Office
Northern Industrial Estate
Bury St Edmunds
Suffolk
IP32 6NL

Domicile
Republic of Ireland

Company Registration
Registered in Ireland under
Registration number - 51842

Solicitors
Mason Hayes & Curran
South Bank House
Barrow St
Dublin 4

Burges Salmon LLP
One Glass Wharf
Bristol, BS2 0ZX

Nomad and Brokers
Davy
Davy House
49 Dawson Street
Dublin 2

Bankers
HSBC Bank plc
Bank of Ireland plc

Auditor
Grant Thornton
Chartered Accountants
24-26 City Quay
Dublin 2

Registrars
Neville Registrars Limited
Neville House
18 Laurel Lane
West Midlands
B63 3DA

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements of the Group for the year ended 31 December 2011.

Principal Activities and Review of Business

Norish plc is a provider of temperature controlled, ambient storage and related services to the food industry in the United Kingdom.

Our cold store business performed better this year, primarily due to increased turnover. However, the business suffered from increased power costs and an increase in labour intensive handling activities for some of our customers.

Our ambient site at York performed just below 2010 levels. It had a better second half of the year compared to the first half. This should carry forward into 2012.

Details of the Group's subsidiary undertakings are set out in Note 28 to the financial statements.

Further commentaries on the Group's development and performance, including the principal risks and uncertainties facing the business, are contained in the Chairman's Statement and the Financial Review on pages 4 to 7.

Dividends

The board recommends the payment of a final dividend of 1.25 cent per share. This will be paid on the 18 May 2012 to those shareholders on the register on the 20 April 2012. It will bring the total dividend in respect of the financial year to 1.25 cent per share unchanged from last year.

Post Balance Sheet Events

No significant events have taken place since the year-end that would result in adjustment to the financial statements or the inclusion of a note thereto.

Transactions with Related Parties

Consultancy services totalling £2,000 (2010: £4,000) were provided by a relative of a director during the year.

Creditor payment policy

It is the company's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions.

The average supplier payment terms for 2011 for the Group and the main subsidiary Norish Ltd, was 47 days. This was calculated by taking the year end creditors listing as a percentage of the total supplies and services invoiced during the year, multiplied by 365 days.

Key risks and uncertainties

Please refer to the Financial Review on pages 6 – 7 to understand the key financial risks facing the company and management's approach to same.

In respect of operational risks our largest customer accounts for 14% (2010 – 15.9%) of the Group's turnover. However, the directors are satisfied that this business could be replaced if it was ever lost.

In the event of their being a power supply failure at one of our sites, the majority of the operations will come to a standstill. Refrigeration plant, lights, computer and telephone systems will not operate. Contingencies in place include alternative site operation for computer systems, portable power generation for systems and lighting, commitment by power network operators to supply emergency power generation.

The majority of our commercial arrangements are non contractual. As a result, there is a risk that customers could terminate agreements to use Norish facilities without giving notice, thus placing revenue streams at risk. To mitigate against this, regular review meetings are held with all major customers in order to determine trends and changes in customer's requirements.

Key performance indicators

For our operations, the number of pallets into our sites increased by 5% to 421,462, blast freezing volumes increased by 16% to 45,900 pallets and closing customer stocks at the year end increased by 6% to 49,054 pallets. Our average energy price per unit increased by 44% in 2011 and the number of units consumed increased by 4% due mainly to the additional blast freezing volumes.

Directors

The Board currently comprises the Executive Chairman, Managing Director, Finance Director and two non-executive Directors. Under the criteria adopted by the Committee on Corporate Governance, Torgeir Mantor would not be perceived to be independent due to his interests in the Company's shares. None of the non-executive Directors are involved in the day-to-day management of the Group.

The names of the Group's Directors at 31 December 2011 together with brief biographical notes are set out on page 10.

In accordance with Article 87 of the Company's Articles of Association, Mr Torgeir Mantor retires by rotation, and being eligible, offers himself for re-election. In accordance with Article 94 of the Company's Articles of Association, Mr Norman Hatcliff retires, and being eligible, offers himself for re-election.

The Executive Chairman, Managing Director and Finance Director have service contracts with the Group company's that are terminable by either party giving 12 months' notice. None of the non-executive Directors have service contracts.

All directors have third party indemnity insurance in place.

Interests of Directors and Secretary

There were no contracts or arrangements during the year in which a Director of the Company was materially interested and which were significant in relation to the Group's business.

The interests, all of which are beneficial, of the Directors and the Secretary who held office at 31 December 2011 (including their respective family interests) in the share capital of Norish plc were as follows:

	31 December 2011 Ordinary Shares	31 December 2010 Ordinary Shares
Ted O'Neill	**2,668,353**	**2,453,353**
Norman Hatcliff	**49,116**	**18,903**
Aidan Hughes	**205,000**	**193,340**
Torgeir Mantor *	**12,600**	**12,600**
Willie McCarter	-	-

* *Torgeir Mantor is a director of T. B. Mantor AS, which also holds 1,130,025 (2010: 1,027,295) shares and is owned by the Mantor family.*

The interests of the Directors and Secretary in options, granted in accordance with the Company's share option scheme, to subscribe for ordinary shares in the Company, are as follows:

	1 Jan 2011	Cancelled/ Lapsed in year	Granted in year	31 Dec 2011	Exercise Price	Exercisable from	Expiry date
Norman Hatcliff	3,000	(3,000)	-	-	€0.75c	May 2004	May 2011
	140,000	-	-	140,000	58p	June 2011	June 2018
Total	**143,000**	**(3,000)**	**-**	**140,000**			

	1 Jan 2011	Cancelled/ Lapsed in year	Granted in year	31 Dec 2011	Exercise Price	Exercisable from	Expiry date
Aidan Hughes	3,000	(3,000)	-	-	€0.75c	May 2004	May 2011
	110,000	-	-	110,000	58p	June 2011	June 2018
Total	**113,000**	**(3,000)**	**-**	**110,000**			

The mid-market price of an ordinary share on 31 December 2011 was 36.5p (€0.44) and the price range during the year was between 42.5p (€0.51) and 36.5p (€0.44). Apart from the interests disclosed above, neither the Directors nor the Secretary had an interest at any time during the year in the share capital of the Company or Group companies. There have been no changes in the above interests between 31 December 2011 and the date of this Report.

Pensions

Executive Directors are entitled to become members of the Group's defined contribution pension scheme or, if preferred, to receive payment of a fixed percentage of salary into an approved personal pension scheme.

Substantial shareholdings

At 7 March 2012 the Company had been advised of the following shareholdings in excess of 3% of its issued share capital:

	Number of shares	Percentage held
Ted O'Neill	2,668,353	28.65
John Teeling	1,145,783	12.30
T.B. Mantor AS	1,130,025	12.13
Tom Cunningham	897,511	9.64
Leslie McCauley	518,600	5.57

Apart from these holdings, the Company has not been notified of any other interest of 3% or more in its issued share capital.

Subsidiary companies

The statutory information required by sub-sections (4) and (5) of Section 158 of the Companies Act, 1963 is presented in Note 28 to the financial statements.

Executive share option scheme

The percentage of share capital that can be issued under the scheme and the individual grant limits comply with the published guidelines of the Irish Association of Investment Managers.

The aggregate nominal value of shares issued under the scheme may not exceed 10% of the nominal value of the issued ordinary share capital. Between 1989 and 2011 the Company issued a total of 1,252,237 ordinary options. In 2011 the Company issued no share options.

To date 46,000 options have been exercised and 956,237 options have expired. At 31 December 2011 options were outstanding over 250,000 ordinary shares.

Group website

Our website, *www.norish.com,* provides our customers, shareholders and the general public with useful information on the Group's facilities and services, together with key financial data, company announcements etc.

Personnel development

The Group is committed to ensuring that its employees are capable of achieving the highest standards in their employment by providing training at all levels for current and future business needs. Emphasis is placed on training in key areas such as computer skills, safe driving of vehicles and the proper utilisation of materials handling equipment. The Group seeks to ensure that all employees receive up-to-date information on current business events and developments pertaining to their own work place.

Disabled employees

The policy of Norish plc is to offer the same opportunities to disabled people as to all employees in respect of recruitment, promotion and career development depending on their skills and abilities. Employees who become disabled will, wherever possible, be rehabilitated, retrained and redeployed if necessary.

Electoral Act, 1997

The Group did not make any political contributions during the year.

Environmental policies

The Group continues to implement improved working practices with a view to minimising harmful environmental impacts. It is committed to maintaining its efforts in the area of energy conservation by way of improving the insulation within the cold store sites and replacing refrigeration doors with modern highly efficient refrigeration doors. It is also replanting one of its larger sites, West Midlands in 2012, with a new highly efficient ammonia refrigeration system which will significantly reduce the power consumption at the site.

Country of Incorporation

Norish plc was incorporated and is domiciled in the Republic of Ireland under company number 51842.

Significant Customers

During 2011, £1.571m or 14% of the Group's revenues depended on a single customer in the cold storage segment. (2010 : £1.697m or 15.9%)

Corporate governance

The Directors are committed to the UK Corporate Governance Code (2010).

Principles of good corporate governance

The Directors are accountable to the shareholders for good corporate governance and the following voluntary statement describes how the relevant principles of good governance set out in the 2010 UK Corporate Governance Code in Norish plc.

Board of Directors

The Board of Directors comprises an Executive Chairman, Managing Director and Finance Director and two Non-Executive Directors. On appointment all non-executive directors receive comprehensive briefing documents on the Group and its operations, and further appropriate briefings are provided to non-executive directors on an ongoing basis. Willie McCarter is the Senior Independent Non-Executive Director.

It is the practice of the Group that the Board comprises at least two non-executive Directors.

Due to the small size of the board, all Directors are members of the Nomination Committee.

The Board takes the major strategic decisions and retains full effective control while allowing operating management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework.

Torgeir Mantor would not be perceived to be independent due to his interests in the Company's shares. However, it is the opinion of the Board that the Non-Executive Directors are independent of management and have no business or other relationship which could interfere materially with the exercise of their judgement.

The Board delegates to committees, which have specific terms of reference and which are reviewed periodically, the responsibility in relation to audit and senior executive remuneration issues. Minutes of these committees are supplied to all Directors for information and to provide the Board with an opportunity to have its views taken into account.

The Board has a regular schedule of meetings together with further meetings when required. In addition, there is a formal schedule of matters reserved specifically to the Board for its decision, including the approval of the annual financial statements, budgets, significant contracts, significant capital expenditure and senior management appointments.

The Non-Executive Directors meet with the Executive Chairman separately during the year to discuss the business and strategy.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Group's professional advisors are available for consultation by the Board as required. Individual Directors may take independent professional advice, if necessary, at the Group's expense.

The Executive Chairman holds regular business review meetings with Senior Management.

Attendance

The Board meets regularly and details of attendances by individual Directors at meetings of the Board and its Committees during the year ended 31 December 2011 are as follows:

Table of attendance

	Board	Remuneration	Audit
Meetings held	**4**	**1**	**1**
Meetings Attended:			
Ted O'Neill	**4**	**N/A**	**N/A**
Norman Hatcliff	**4**	**N/A**	**N/A**
Aidan Hughes	**4**	**N/A**	**N/A**
Torgeir Mantor	**4**	**1**	**1**
Willie McCarter	**4**	**1**	**1**

No nomination meetings were held during the year.

Directors' Remuneration

The remuneration of Directors and senior management is determined by the Remuneration Committee consisting solely of the non-executive Directors whose names are listed on page 11. The Remuneration Committee is chaired by Mr Willie McCarter. This committee also recommends the granting of share options to Executive Directors and senior management. In considering and agreeing salaries and benefits as well as performance related incentives the Committee aims to ensure that remuneration packages are competitive and that individuals are fairly rewarded relative to their responsibilities, experience and value to the Group. The committee takes advice where appropriate from external professional advisors in assessing salary levels and determining its remuneration policy and practice.

Norish plc's remuneration policies and procedures meet with the Best Practice Provisions of the Irish Stock Exchange's requirements on Directors' remuneration. In particular the Company has applied all of the relevant principles set out in UK Corporate Governance Code (2010). In designing schemes of performance-related remuneration, the Remuneration Committee has given full consideration to the provisions in UK Corporate Governance Code (2010).

Details of the interests of Directors and Secretary in shares and options are set out earlier in this Report and details of Directors' remuneration are given in Note 26 to the financial statements.

Relations with Shareholders

Recognising the importance of communications with shareholders the Board seeks to provide through its Annual Report a clear and balanced assessment of Group performance and prospects. The Group's Internet website, *www.norish.com*, provides investors with the full text of the Annual and Interim Reports. The Chairman and Directors maintain an ongoing dialogue with the Company's institutional shareholders on strategic issues. All shareholders are encouraged to attend the Annual General Meeting.

Internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that an ongoing process for identifying, evaluating and managing the significant risks faced by the Group has been put in place for the year under review and up to the date of approval of the annual report and accounts, and that this process is regularly reviewed by the board and accords with the 2010 UK Corporate Governance Code.

The Board has reviewed the effectiveness of the system of internal control. In particular it has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed.

The Group's overall internal control system includes:

- an organisation structure with clearly defined lines of authority and accountability;
- appropriate terms of reference for Board committees with clearly stated responsibilities;
- a budgeting and monthly financial reporting system for all Group business units, which enables close monitoring of performance against plan and facilitates remedial action where necessary;
- comprehensive policies and procedures in relation to financial controls, capital expenditure, operational risk and treasury and credit risk management.

The Group's system of internal financial controls is established to provide reasonable assurance of :

- the maintenance of proper accounting records and the reliability of financial information;
- the safeguarding of assets against unauthorised use or disposal; and
- the prevention or early detection of material errors or irregularities.

The Group's internal controls, including financial controls, are reviewed systematically by the Audit Committee. In these reviews the emphasis is placed on areas of significant risk. The Finance Director is responsible for carrying out detailed risk assessments in all business units and for reporting to divisional and ultimately senior management on the effectiveness of the internal control system.

Audit Committee and Auditors

The Audit Committee is chaired by Willie McCarter. The other member is Torgeir Mantor. Its written terms of reference deal clearly with its authority and duties. The committee meets to review the group's annual financial statements before their submission to the Board, to review the appropriateness and effectiveness of the Group's internal controls, accounting policies and procedures and financial reporting and also to assess the effectiveness of the external audit and the Group Internal Audit function.

The Group's policy regarding external auditor independence and the provision of non-audit services by the external auditors is that, where appropriate, non-audit related work is put out to competitive tender. Details of the year's fees payable to the external auditors are given in Note 9 to the financial statements.

The Directors and senior management, the Group's external auditors and internal audit, as appropriate, attend meetings of the committee.

Compliance statement

Norish has complied during the year to 31 December 2011 with all provisions of the Principles of Good Governance and Code of Best Practice as contained in the 2010 UK Corporate Governance Code except for the following matters:

- The Board's Nomination Committee consists of all members of the Board. This decision was taken because of the small size of the board.

- Due to the small size of the Board, performance evaluation of the Board, its Committees and Directors has not been conducted.

- Most of the directors have a direct interest in the share capital of Norish plc as detailed on page 14. Willie McCarter is the only director who does not have any beneficial interest in the share capital.

Going concern

The Directors, having made appropriate enquiries, have a reasonable expectation that the Group as a whole has adequate resources to continue in operation for the foreseeable future. This includes sufficient banking facilities of which £2.1m (2010: £1.3m) were undrawn at the year end and a portfolio of freehold and long leasehold properties. They have also reviewed the Bank Covenant position for the next 2 years and it is for this reason they consider it appropriate to adopt the going concern basis in preparing the financial statements.

Accounting records

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL. The Executive Chairman maintains records in Ireland for the purposes of Section 202(6) of the Companies Act, 1990.

Auditor

In accordance with Section 160(2) of the Companies Act 1963 the auditors, Grant Thornton, Registered Auditors, will continue in office.

On behalf of the board:

T.J. O'Neill	N.A Hatcliff	7 March 2012
Chairman	*Managing Director*	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the parent company financial statements in accordance with Generally Accepted Accounting Practice in Ireland.

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss of the group for that period.

In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 the parent company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2009, and the Alternative Investments Market (AIM) rules. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts 1963 to 2009.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

T.J. O'Neill	N.A. Hatcliff
Chairman	*Managing Director*

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORISH PLC

We have audited the group and parent company financial statements (the 'financial statements') of Norish plc for the year ended 31st December 2011 including the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the Company Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As set out in the Statement of Directors Responsibilities, the company's directors' are responsible for the preparation of the Annual Report and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and the parent company financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by Chartered Accountants Ireland.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report, is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act 1990 and Regulations 9 and 13 of the European communities (Directive 2006/46/EC) Regulations, 2009. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, and the parent company financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2009, and the European Communities (Companies: Group Accounts) Regulations, 1992. We also report to you whether in our opinion proper books of account have been kept by the company, whether at the balance sheet date, there exists a financial situation requiring the convening of an Extraordinary General Meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Corporate Profile and Information, the Financial Highlights, the Directors' Report, the Chairman's Statement, Shareholder and Board of Directors information, the Financial Review and the Historical Financial Summary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORISH PLC *(CONTINUED)*

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group's affairs as at 31 December 2011 and of the group's result for the year then ended; and
- the group financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992;
- the parent company financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2011; and
- the parent company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The company's balance sheet is in agreement with the books of account.

In our opinion, the information given in the directors' report is consistent with the financial statements.

The net assets of the company as stated in the balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2011 a financial situation which, under section 40(1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the company.

Sinead Donovan

SINEAD DONOVAN (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Auditor
7 March 2012

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Continuing operations			
Revenue	5	**11,213**	10,654
Cost of sales		**(10,375)**	(9,850)
Gross profit		**838**	804
Other income	6	**190**	410
Administrative expenses		**(362)**	(481)
Operating profit from continuing operations		**666**	733
Finance expenses-interest paid	8	**(186)**	(278)
Finance expenses- fair value loss swaps/caps	8	**(89)**	-
Finance income	8	**15**	97
Profit on continuing activities before taxation	9	**406**	552
Income taxes – Corporation tax	10	**(80)**	81
Income taxes – Deferred tax	10	**36**	(192)
Profit for the period attributable to owners of the parent		**362**	441
Other comprehensive income		**-**	-
Total comprehensive income for the period attributable to owners of the parent		**362**	441
Earnings per share expressed in pence per share:			
From continuing operations	11		
- basic		**4.3p**	5.2p
- diluted		**4.3p**	5.2p

The notes on page 30 to 66 are an integral part of these consolidated financial statements.

Approved on behalf of the board on 7 March 2012 by:

T.J. O'Neill
Chairman

N.A. Hatcliff
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2011

	Notes	2011 £'000	2010 £'000
Assets			
Non current assets			
Goodwill	12	**216**	216
Property, plant and equipment	13	**15,379**	15,384
Derivative financial instruments	14	**669**	479
		16,264	16,079
Current assets			
Trade and other receivables	15	**2,827**	2,494
Current tax asset		**-**	10
Cash and cash equivalents	23	**50**	194
Total assets		**2,877**	2,698
Liabilities			
Current liabilities			
Trade and other payables	17	**(2,892)**	(2,556)
Financial liabilities: Fair value of interest rate swaps/caps	16	**(102)**	(13)
Current tax liabilities		**(81)**	-
Borrowings	18	**(991)**	(666)
		(4,066)	(3,235)
Net current liabilities		**(1,189)**	(537)
Non-current liabilities			
Borrowings	18	**(5,856)**	(6,442)
Provisions	19	**(139)**	(509)
Deferred tax	20	**(1,055)**	(1,091)
		(7,050)	(8,042)
Net assets		**8,025**	7,500
Equity			
Share capital	21	**1,674**	1,493
Share premium account		**3,229**	3,156
Capital conversion reserve fund	22	**23**	23
Retained earnings		**3,099**	2,828
Equity attributable to equity holders of the parent		**8,025**	7,500

The notes on page 30 to 66 are an integral part of these consolidated financial statements.

Approved on behalf of the board on 7 March 2012 by:

T.J. O'Neill
Chairman

N.A. Hatcliff
Managing Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Share capital £'000	Share premium £'000	Capital Conversion Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2010	**1,493**	**3,156**	**23**	**2,373**	**7,045**
Net profit for the year	-	-	-	441	441
Total comprehensive income for the year	**-**	**-**	**-**	**441**	**441**
Credit in respect of employee share schemes	-	-	-	14	14
Equity dividends paid (recognised directly in equity)				-	-
At 31 December 2010	**1,493**	**3,156**	**23**	**2,828**	**7,500**
Net profit for the year	-	-	-	362	362
Total comprehensive income for the year	**-**	**-**	**-**	**362**	**362**
Credit in respect of employee share schemes	-	-	-	1	1
Issue of share capital	181	73	-	-	254
Equity dividends paid (recognised directly in equity)				(92)	(92)
At 31 December 2011	**1,674**	**3,229**	**23**	**3,099**	**8,025**

The notes on page 30 to 66 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2011

	Notes	**2011**	2010
		£'000	£'000
Profit on continuing activities before taxation		**406**	552
Adjustments for:			
Finance expenses		**275**	278
Finance income		**(15)**	(97)
Fair value (losses)/gains on interest rate swaps/caps		**(89)**	97
Depreciation – property, plant and equipment		**569**	608
Employee share schemes		**1**	14
		1,147	1,452
Changes in working capital and provisions:			
Increase in trade and other receivables		**(523)**	(413)
Increase in payables		**425**	186
Decrease in provisions		**(370)**	(60)
Cash generated from operations		**679**	1,165
Interest paid - bank loans and overdrafts		**(186)**	(278)
Taxation refund/(paid)		**11**	(13)
Net cash from operating activities		**504**	874
Investing activities			
Interest received		**15**	-
Purchase of property, plant and equipment		**(564)**	(966)
Net cash used in investing activities		**(549)**	(966)
Financing activities			
Dividends paid to shareholders	24	**(92)**	-
Share issue proceeds		**254**	-
Invoice finance receipts		**278**	-
Finance lease funding		**155**	-
Finance lease capital repayments		**(28)**	-
Term loan advance		**-**	500
Term loan repayments		**(666)**	(659)
Net cash used in financing activities		**(99)**	(159)
Net decrease in cash and cash equivalents		**(144)**	(251)
Cash and cash equivalents and bank overdrafts, beginning of period	23	**194**	445
Cash and cash equivalents end of period	23	**50**	194

The notes on page 30 to 66 are an integral part of these consolidated financial statements.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information
Norish plc is a provider of temperature controlled, ambient storage and related services to the food industry in the United Kingdom.

The company is listed on the Alternative Investments Market ("AIM"), and is incorporated and domiciled in the Republic of Ireland. The address of its registered office is Norish plc, 6th Floor, South Bank House, Barrow Street, Dublin 4, Republic of Ireland.

2 Summary of significant accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated**.**

Basis of preparation
The consolidated financial statements of Norish plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, applicable Irish law and the AIM rules.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Going concern

The Directors, having made appropriate enquiries, have a reasonable expectation that the Group as a whole has adequate resources to continue in operation for the foreseeable future. This includes sufficient banking facilities of which £2.1m (2010 : £1.3m) were undrawn at the year end and a portfolio of freehold and long leasehold properties. They have also reviewed the Bank Covenant position for the next 2 years and it is for this reason they consider it appropriate to adopt the going concern basis in preparing the financial statements.

Forthcoming accounting standards

Amendment to IAS 12 Income Taxes (effective 1 January 2012)
Amendment to IAS 32 Presentation and classification of rights issue (effective 1 January 2012)
IFRS 9 Financial instruments (effective 1 January 2013)

Changes in accounting policies

The Group has adopted the following new interpretations, revision and amendments to IFRS issued by the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2011:

- Improvements to IFRS's 2010

Improvements to IFRS's 2010
The Improvements to IFRS's 2010 made several minor amendments to IFRS's. None of the improvements are relevant to the Group and have not resulted in a change of accounting policy or presentation.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2013)
The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.
Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement IFRS 9 until all of its chapters have been published and they can comprehensively assess the impact of all changes.

Consolidation Standards
A package of consolidation standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's Consolidated Financial Statements.

IFRS 10 Consolidated Financial Statements (IFRS 10)
IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27) and SIC 12 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

IFRS 11 Joint Arrangements (IFRS 11)
IFRS 11 supersedes IAS 31 Interests in Joint Ventures (IAS 31). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

IFRS 12 Disclosure of Interests in Other Entities (IFRS 12)
IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to IAS 27 and IAS 28 Investments in Associates and Joint Ventures (IAS 28)
IAS 27 now only deals with separate financial statements. IAS 28 brings investments in joint ventures into its scope. However, IAS 28's equity accounting methodology remains unchanged.

IFRS 13 Fair Value Measurement (IFRS 13)
IFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

Amendments to IAS 1 Presentation of Financial Statements (IAS 1 Amendments)
The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Amendments to IAS 19 Employee Benefits (IAS 19 Amendments)
The IAS 19 Amendments include a number of targeted improvements throughout the Standard. The main changes relate to defined benefit plans. They:
• eliminate the 'corridor method', requiring entities to recognise all gains and losses arising in the reporting period
• streamline the presentation of changes in plan assets and liabilities
• enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.
The amended version of IAS 19 is effective for financial years beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this revised standard on the Group's Consolidated Financial Statements.

Basis of consolidation
The Group's Consolidated Financial Statements include the results of Norish plc and its subsidiary undertakings for that period.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. 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.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

The accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Where necessary, consolidation adjustments have been made to ensure that the Group accounts apply consistent accounting policies.

Business combinations and goodwill
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Goodwill represents the excess of the fair value of the purchase consideration for the subsidiary undertakings over the fair value of the identifiable assets, including any intangible assets identified, and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisitions is capitalised and subject to impairment review at least annually, but also when there are indications that the carrying value may not be recoverable. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and is not subsequently reversed.

Prior to 1 January 1997, goodwill was written off to reserves in the year of acquisition. Goodwill after this date until the adoption of IFRS on 1 January 2006 was capitalised and amortised over its useful economic life, which was presumed to be 20 years. The Group has elected not to apply IFRS 3 "Business combinations"(as updated by IFRS 3(R)) retrospectively to business combinations that took place before 1 January 2006 and, as a result, all goodwill arising from prior business combinations has been frozen at this date. Any goodwill remaining on the consolidated statement of financial position at transition is no longer being amortised but is subject to impairment review.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Historical cost includes all expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the costs provide enhancement, it is probable that future economic benefits associated from the item will flow to the Group and the cost of the enhancement can be measured reliably. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount. All other repair and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

With the exception of freehold land, depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal annual instalments over their estimated useful economic lives (or lease terms if shorter) which are as follows:

Freehold buildings	50 to 55 years
Leasehold buildings	35 years
Plant and equipment	3 to 10 years

Freehold land is not depreciated.

Impairment charges

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

The goodwill relates solely to the York site which is a separate cash-generating unit within the ambient storage division, where an impairment review is carried out annually.

Any impairment recognised are recorded in the Consolidated Statement of Comprehensive Income.

Revenue recognition

Revenue, which arises principally from storage and handling income, represents net sales to customers outside the Group, and excludes Value Added Tax. Income from sub-letting of warehouses is also included in revenue.

Handling revenue when invoiced relates to the receipt and eventual delivery of goods. The portion that relates to the delivery is recognised when the goods are delivered out of store.

Revenue in respect of the storage is invoiced in advance and is recognised over the period that the storage is provided

Revenue from all other activities is recognised in the periods in which the services are provided.

Financial assets/liabilities
The Group classifies its financial assets/liabilities in the following categories: at fair value through profit or loss, loans and receivables, or available for sale. The classification depends on the purpose for which the financial assets/liabilities were acquired. Management determines the classification of its financial assets/liabilities at initial recognition.

An assessment of whether a financial asset is impaired is made at least at each reporting date. Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are considered for impairment on a case for case basis when they are past due at the Consolidated Statement of Financial Position date or when objective evidence is received that a specific counterparty will default.

a) Financial assets/liabilities at fair value through profit or loss
The financial assets/liabilities relate to derivatives. The Group utilises interest rate swaps to hedge against its interest rate exposure. The Group has also protected its interest in refrigerant gas by way of an option to purchase. The interest rate swaps and refrigerant gas are initially recorded at fair value and the fair value is re-measured at each consolidated statement of financial position date. Fair value is obtained from external market valuations on the basis that there is an active market for the refrigerant gas and the interest rate swaps and caps. Gains and losses arising from changes in fair value are recognised in the profit or loss in the period in which they arise. All recognised gains or losses resulting from the settlement of the interest rate swap contract are recorded within Finance Expenses in the profit or loss. All recognised gains or losses resulting from the option to purchase refrigerant gas are recorded in Other Income in the profit or loss. The Group does not hedge account.

b) Loans and receivables
These are non derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the Consolidated Statement of Financial Position date, which are classified as non-current assets. Loans and receivables are carried at amortised cost.

Purchases and sales of financial assets are recognised on the trade date (the date at which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive the cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any impairment recognised are recorded in the Consolidated Statement of Comprehensive Income.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently re-measured at amortised cost, less provision for impairment. Trade receivables are first assessed individually for impairment, or collectively where the receivables are not individually significant. Where there is no objective evidence of impairment for an individual receivable, it is included in a group of receivables with similar credit risk characteristics and these are collectively assessed for impairment. Movements in the provision for impairment of trade receivables are recorded in the profit or loss.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Taxation
Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Consolidated Statement of Financial Position date.

The Group have applied the dual recovery method of deferred tax, where deemed appropriate, with regard to properties which are expected to be disposed of in the near future. This allows the Group to calculate the basis of recovery of the depreciable amount through use, followed by the recovery of the residual value through disposal.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss, except where they relate to items that are charged or credited directly to other comprehensive income in which case the related deferred tax is also charged or credited directly to other comprehensive income.

Foreign currencies
Transactions in foreign currencies by individual entities are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Consolidated Statement of Financial Position date and the gains or losses on translation are included in the other comprehensive income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined. The gains or losses on translation are included in the other comprehensive income.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Leased assets
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Expenditure on operating leases is charged to the profit or loss on a basis representative of the benefit derived from the asset, normally on a straight-line basis over the lease period. Benefits received as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are capitalised and included in property, plant and equipment at fair value. Leases of land and buildings are classified separately and are split into a land and building element in accordance with the relative fair values of the leasehold interest at the date the asset is recognised initially. Depreciation is calculated using expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease. The capital elements of obligations under finance leases are recorded as liabilities. The interest elements is charged to the profit or loss over the lease term to give a constant periodic rate of interest on the outstanding liability.

Pension costs
The costs of providing defined contribution pensions are charged to administrative expenses as they fall due. The scheme funds are administered by trustees and are independent of the Group's finances. Differences between the amounts charged to the profit or loss and payments made to the pension scheme are treated as prepayments or accruals, as necessary.

Dividends
Distributions to equity holders are not recognised in the profit or loss, but are disclosed as a component of the movement in shareholders' equity. Dividends unpaid at the consolidated statement of financial position date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements. Dividends are paid in Euros. Under the Twin Share Scheme Shareholders can opt to receive their dividends in Sterling if they make the appropriate election in time to the company register. The Euro amount is converted to Sterling at the official exchange rate 14 days before the payment date.

Net cash and cash equivalents
Net cash and cash equivalents in the Consolidated Statement of Financial Position and Consolidated Cash Flow Statement comprise of cash at bank and in hand and short-term deposits with an original maturity of less than three months.

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Share based payments
The Group issues equity-settled share-based payments to certain employees. In accordance with IFRS 2, “Share-based payments”, equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes pricing model. 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 the number of shares that will eventually vest.

The Group has applied the exemption available, and has applied the provisions of IFRS 2 only to those options granted after 7 November 2002 and which were outstanding at 1 January 2006 and all options issued since that date.

The share-based payments charge is allocated to administrative expenses on the basis of headcount.

Employer’s taxes on share options
Employer’s National Insurance in the UK and equivalent taxes in other jurisdictions are payable on the exercise of certain share options. In accordance with IFRS 2, this is treated as a cash-settled transaction. A provision is made, calculated using the fair value of the Group’s shares at the Consolidated Statement of Financial Position date, pro-rated over the vesting period of the options.

Equity
Share capital represents the nominal value of shares that have been issued.

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, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately with equity.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, fair value refrigerant gas risk) credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. The Group uses certain derivative instruments to minimise certain risk exposures.

a) Market risk
i) Foreign exchange risk
As the group has no major transactions in currency other than Pounds sterling, it is not subject to foreign exchange risk. The only foreign currency transaction is in respect of those dividends that are paid in Euros.

ii) Cash flow and fair value interest rate risk
As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes to market interest rates.

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2011 and 2010, the Group's borrowings at variable rate were denominated in Pounds Sterling.

The Group manages its cash flow interest rate risk by using interest rate swaps and caps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swap, the Group agrees with HSBC Bank plc to exchange, at quarterly intervals, the difference between fixed contract rates and floating-rate interest amounts by reference to the agreed notional amounts.

At 31 December 2011, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £32,000 lower, mainly as a result of higher interest expenses on floating rate borrowings.

At 31 December 2010, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £30,000 lower, mainly as a result of higher interest expenses on floating rate borrowings.

b) Credit risk
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk in relation to trade receivables is reduced because, in most cases, the Group has physical custody of the customer's inventory. While this does not legally constitute collateral in respect of trade receivables, it does provide the Group with a degree of leverage over customers with overdue receivables balances.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group aims to ensure that a significant portion of its borrowings should mature in more than one year.

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the Consolidated Statement of Financial Position to the contractual maturity period. The amounts disclosed in the table below are the contractual undiscounted cash flows.

At 31 December 2011:

	Within 1 year £'000	**1 to 2 years £'000**	**2 to 5 years £'000**	**Greater than 5 years £'000**	**Total £'000**
Trade payables	1,559	-	-	-	1,559
Bank overdraft	-	-	-	-	-
Invoice finance	278	-	-	-	278
Finance Leases	56	56	31	-	143
Term loan Interest	110	112	314	272	808
SWAP Interest	44	44	116	-	204
Bank loans	667	667	2,000	3,108	6,442
	2,714	**879**	**2,461**	**3,380**	**9,434**

At 31 December 2010:

	Within 1 year £'000	**1 to 2 years £'000**	**2 to 5 years £'000**	**Greater than 5 years £'000**	**Total £'000**
Trade payables	1,166	-	-	-	1,166
Bank overdraft	-	-	-	-	-
Invoice finance	-	-	-	-	-
Term loan Interest	173	172	540	629	1,514
Bank loans	666	666	2,000	3,776	7,108
	2,005	**838**	**2,540**	**4,405**	**9,788**

d) Refrigerant gas risk

Refrigerant gas risk is evaluated regularly by management to ensure that sufficient supplies are available to meet day to day requirements together with ensuring that the groups asset is not exposed to adverse market rate risk. Professional advisors are engaged to advise management on the market conditions.

At 31 December 2011 and 31 December 2010, if refrigerant R22R gas price per kg had been £1 lower, post tax profit for the year would have been £39,000 lower.

3.2 Capital risk management

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 for shareholders and benefits for 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, to return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio, calculated as net borrowings (cash less total borrowings) divided by shareholders equity (excluding goodwill). The group has managed to increase shareholders funds from £7.5m to £8m. This has resulted in the gearing ratio reducing from 95% to 87% as detailed below.

The Group's strategy is to reduce the net borrowings as soon as possible.

The gearing ratios at 31 December 2011 and 2010 were as follows:

	2011	2010
	£'000	£'000
Total borrowings	**6,847**	7,108
Less cash and cash equivalents	**50**	194
Net borrowings	**6,797**	6,914
Net assets	**8,025**	7,500
Less goodwill	**216**	216
Capital employed	**7,809**	7,284
Gearing ratio	**87%**	95%

3.3 Fair value estimation

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short term nature of trade receivables and payables.

Assets measured at fair value as at 31 December 2011

	Total £'000	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets at fair value through profit or loss				
Interest rate swaps/caps	102	102	-	-
Available for sale financial assets				
Derivative financial instruments	669	-	669	-
Total	**771**	**102**	**669**	

The group has had two independent valuations obtained on the fair value option price of the R22 refrigeration gas. One of these valuations was in the form of a Black Scholes calculation, and the other a discounted cash flow model. The annual discount factor applied was 7.3% and a critical assumption was that the R22 refrigeration gas will be disposed of within the 2012 and 2013 financial years when the full value will be realised.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

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

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy set out in Note 2. The recoverable amounts of cash generating units have been based on the fair value of the sites less costs to sell. (Note 12)

The Group provides for dilapidations in respect of properties that it leases where a repairing obligation exists. The Group takes professional advice in this area and uses its best judgement to provide for these where necessary under provisions and accruals. It is uncertain as to when they are likely to be paid.

The Group recognises revenue in the period which the services are provided. An appropriate proportion of handling revenue invoiced in advance is deferred until the inventory is despatched.

As disclosed in note 14 to the financial statements, the group hold an option to purchase 44,808kg of re-cycled R22 at £4.05 per kg which is below current market value. Under IAS 39 the group must assign a fair value to this option and this must be done by applying a recognised valuation technique. In order to assess the valuation at 31 December 2011, the group obtained an independent valuation of the option which was calculated by applying the Black Scholes model. Key assumptions used in this calculation were, maturity being within 2 years; risk free interest rate of 2.5% and annual volatility factor of 50%.

In order to further support the above valuation, the group prepared a discounted cash-flow, with the assistance of a valuation expert. The key assumptions applied to this calculation were an annual discount factor of 7.3%; price points were selected based on the Groups stated strategy for sale which is within 2 years; price trajectories set based on current market information with an assumed maximum price of £30 per kg applied and probabilities assigned based on the current market knowledge of the R22 market.

The Group has made a critical judgement and applied the dual recovery method with regard to deferred tax in respect of its property portfolio. This could materially impact on future results if this fails to materialise. It is expected to sell one of its freehold properties within the next 3 years, which if this does not materialise then it will have an impact on the deferred tax calculation in future years.

The Group has carried out an impairment review at its Wrexham site in 2011. It has made an assumption of increasing the contribution at the site by way of cost reduction in 2012 and expects the contribution to grow by 2.5% per annum thereafter. The annual discount factor applied in this review was 7.3% and a critical assumption is that the site will be disposed of within 3 years.

5 Segmental information

Management currently identifies the Group's two service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segment operating results. The Group operates in one geographical segment, being the United Kingdom.

Segment information can be analysed as follows for the reporting periods under review:

- Ambient storage locations
- Cold storage locations

During 2011 £1.571m or 14% of the Group's revenues depended on a single customer in the cold storage segment.(2010 £1.697m or 15.9%).

Revenue from continuing operations in 2011 includes £206,000 (2010: £206,000) in relation to the sub-letting of Felixstowe warehouses. This is attributed to the ambient storage segment.

The segment results for the year ended 31 December 2011 are:

	Ambient Storage	**Cold Storage**	**Unallocated**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Total segment revenue	890	10,323	-	11,213
Revenue	**890**	**10,323**	**-**	**11,213**
Operating profit	134	532	-	666
Finance income	-	-	15	15
Finance cost-fair value loss			(89)	(89)
Finance cost-Interest paid	-	-	(186)	(186)
Profit before income tax	134	532	(260)	**406**
Income tax – corporation tax	-	-	(80)	(80)
Income tax – deferred tax	-	-	36	36
Profit for the year	**134**	**532**	**(304)**	**362**

Other segment items:

	Ambient Storage	**Cold Storage**	**Unallocated**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Depreciation (Note 13)	61	508	-	**569**

The segment results for the year ended 31 December 2010 are:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Total segment revenue	865	9,789	-	10,654
Revenue	**865**	**9,789**	**-**	**10,654**
Operating profit	185	548	-	733
Finance income	-	-	97	97
Finance cost	-	-	(278)	(278)
Profit before income tax	185	548	(181)	**552**
Income tax – corporation tax	-	-	81	81
Income tax – deferred tax	-	-	(192)	(192)
Profit for the year	**185**	**548**	**(292)**	**441**

Other segment items:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Depreciation (Note 13)	62	546	-	**608**

Segment assets consist primarily of property, plant and equipment, goodwill, refrigerant gas, trade and other receivables. Unallocated assets comprise financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables. Unallocated liabilities comprise items such as current tax liabilities, deferred tax, financial liabilities at fair value through consolidated statement of comprehensive income, provisions and borrowings.

Capital expenditure comprises additions to property, plant and equipment.

The segment assets and liabilities at 31 December 2011 and the capital expenditure for the year then ended are as follows:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Assets	2,724	15,414	1,003	19,141
Liabilities	337	2,075	8,704	11,116
Capital expenditure (Note 13)	3	561	-	564

The segment assets and liabilities at 31 December 2010 and the capital expenditure for the year then ended are as follows:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Assets	2,789	15,702	286	18,777
Liabilities	509	1,983	8,785	11,277
Capital expenditure (Note 13)	-	966	-	966

6 Other income

	2011 £'000	2010 £'000
Fair value gain	**851**	661
Option price payable at exercise date	**(181)**	(181)
Price paid to obtain option	**(70)**	(70)
Less: gain recognised in prior years	**(410)**	-
	190	410

We currently use R22 refrigeration gas at 3 of our cold stores. R22 is a Hydrochlorofluorcarbon (HCFC) which is classed as an ozone depleting gas and with effect from 1st January 2010 it is no longer possible to purchase virgin R22. However, the use of re-cycled R22 is still permitted until 31st December 2014. We currently have an option to purchase 44,808 kg of re-cycled R22 at £4.05 per kg which is below the current market value. Under IAS39 we have accounted for an unrealised profit of £190,000 for the year which is based on a fair value option price of £14.95 per kg at 31st December 2011. The quantity of gas is expected to be in excess of our own use requirement.

7 Staff costs

The average number of persons employed by the Group including executive directors is analysed into the following categories:

	2011	2010
Management	**15**	16
Administration	**16**	13
Technical	**7**	6
Operational	**84**	83
	122	118

The aggregate payroll costs of these persons were as follows:

	2011 **£'000**	2010 £'000
Wages and salaries	**2,951**	2,938
Share based payments (Note 21)	**1**	14
Social security costs	**286**	286
Other pension costs	**130**	101
	3,368	3,339

There was an accrual for £Nil (2010 £Nil) included above for pension costs at 31 December 2011.

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Group is of the opinion that there are no other key management personnel other than the executive and non-executive directors. Details of directors' remuneration are set out in Note 26.

8 Financial income and expenses

	2011 £'000	2010 £'000
Interest income	**15**	-
Fair value gains on interest rate swaps/caps	**-**	97
Finance income	**15**	97
Fair value losses on interest rate swaps/caps	**(89)**	-
Finance expense - Interest expense on bank overdrafts and loans	**(186)**	(278)
Finance costs	**(275)**	(278)
Net finance costs	**(260)**	(181)

9 Profit before tax

The following items have been charged to the Consolidated Statement of Comprehensive Income in arriving at profit before tax:

	2011 £'000	2010 £'000
Depreciation of property, plant and equipment (Cost of Sales)	**569**	608
Staff costs, including share based payments (Note 7)	**3,368**	3,339
Rental Income	**(206)**	(206)
Rentals payable under operating leases		
- Buildings	**931**	1,302
- Plant and machinery	**814**	636
Auditors' remuneration - audit	**23**	23
- non-audit services	**-**	-

10 Income taxes

(a) Analysis of charge/(credit) in year	2011 £'000	2010 £'000
UK		
Corporation tax at 26.5% (2010: 21%)	**74**	3
Adjustment in respect of previous periods	**(2)**	(81)
Ireland		
Corporation tax at 12.5% (2010: 12.5%)	**8**	(3)
Adjustment in respect of previous periods	**-**	-
Current tax charge/(credit)	**80**	(81)
Deferred tax (credit)/charge (Note 20)	**(17)**	191
Deferred tax in respect of IBA	**(19)**	1
Deferred tax (credit)/charge	**(36)**	192

(b) Factors affecting tax charge for year	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	**406**	552
Profit on ordinary activities multiplied by standard UK tax rate 26.5%(21%)	**108**	(116)
Effects of:		
Other expenses not deductible for tax purposes	**27**	(16)
Adjustment in respect tax payable on Irish Income (12.5%)	**8**	(1)
Adjustments in respect of previous periods	**(2)**	81
Adjustments in respect of IBA and tax rate change	**(97)**	(59)
Total tax charge for year	**44**	(111)

The group did not qualify for small companies corporation tax in 2011 and pays tax mainly at the higher rate of 26.5%.(2010 : 21%).

The deferred tax credit of £36,000 (2010: charge £192,000) has arisen under IAS 12. In 2009 the company applied the dual recovery method in respect of one of its main assets which triggered a tax credit. The credit in 2011 relates to the temporary difference between the carrying value of the asset in the consolidated statement of financial position and its tax base. The dual recovery method continues to be applied as disposal of the asset is anticipated.

11 Earnings per share

Basic earnings per share figures are calculated by dividing the weighted average number of Ordinary Shares in issue during the period into the profit after taxation attributable to the owners of the parent for the year.

	2011	2010
Profit attributable to owners of parent (£'000)	**362**	441
Weighted average number of ordinary shares outstanding	**8,510,301**	8,466,230
Basic earnings per share - continuing operations	**4.3p**	5.2p

For the purposes of calculating diluted earnings per share, dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period.

	2011	2010
Profit attributable to owners of parent (£'000)	**362**	441
Weighted average number of ordinary shares outstanding	**8,510,301**	8,466,230
Dilutive effect of share options	**-**	-
Weighted average number of shares for the calculation of diluted earnings per share	**8,510,301**	8,466,230
Diluted earnings per share - total	**4.3p**	5.2p

The exercise prices of all share options in issue are above the market share price and hence have no dilutive effect in the current year.

12 Goodwill

The cost and net book value of goodwill at 31 December 2011 and 31 December 2010 was £216,000. The goodwill relates to the acquisition of the ambient storage business, acquired in 2000.

The goodwill has been allocated to the Group's cash generating units (CGUs) identified at each warehouse location. The cold storage warehouses throughout the United Kingdom are aggregated to form the cold storage business segment.

The goodwill has been fully allocated to the York warehouse. This warehouse forms part of the Group's ambient storage business segment.

The recoverable amount of the CGU is based on the fair value of the site less costs to sell. The fair value is calculated with reference to the active land market.

No impairment was recorded in 2011 (2010: £nil) and no reasonably foreseeable change in a key assumption would have given rise to an impairment, in either year.

The accumulated impairment at 31 December 2011 and 31 December 2010 was Nil.

13 Property, plant and equipment

Group	**Land**	**Freehold and Leasehold Buildings**	**Plant and Equipment**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 January 2011	2,718	14,884	6,011	23,613
Additions	-	-	564	564
Transfer	448	(448)	-	-
At 31 December 2011	3,166	14,436	6,575	24,177
Depreciation				
At 1 January 2011	-	3,364	4,865	8,229
Charge for year	-	269	300	569
At 31 December 2011	-	3,633	5,165	8,798
Net book value				
31 December 2011	**3,166**	**10,803**	**1,410**	**15,379**

Included within the net book value of £15,379,000 is £155,000 (2010: £nil) relating to assets held under finance lease. The depreciation charged in the financial statements in the year in respect of such assets amount to £3,000 (2010: £nil).

	Land	Freehold and Leasehold Buildings	Plant and Equipment	Total
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 January 2010	2,718	14,094	5,835	22,647
Additions	-	790	176	966
At 31 December 2010	2,718	14,884	6,011	23,613
Depreciation				
At 1 January 2010	-	3,097	4,524	7,621
Charge for year	-	267	341	608
At 31 December 2010	-	3,364	4,865	8,229
Net book value				
31 December 2010	**2,718**	**11,520**	**1,146**	**15,384**

14 Derivative financial instruments

Refrigerant gas	**2011 £'000**	2010 £'000
At 1 January 2011	**479**	-
Fair value gain	**190**	410
Price paid to obtain option	-	69
At 31 December 2011	**669**	479

The Group currently use R22 refrigeration gas at 3 of its cold stores. R22 is a Hydrochlorofluorcarbon (HCFC) which is classed as an ozone depleting gas and with effect from 1st January 2010 it is no longer possible to purchase virgin R22. However, the use of re-cycled R22 is still permitted until 31st December 2014. The Group have an option to purchase 44,808 kg of re-cycled R22 at £4.05 per kg which is below the current market value. Under IAS39 an unrealised profit of £190,000 for the year has been accounted which is based on a fair value option price of £14.95 per kg as at 31st December 2011.

Under IAS 39 the group must assign a fair value to this option and this must be done by applying a recognised valuation technique. In order to assess the valuation at 31 December 2011, the group obtained an independent valuation of the option which was calculated by applying the Black Scholes model. Key assumptions used in this calculation were, maturity being within 2 years; risk free interest rate of 2.5% and annual volatility factor of 50%.

In order to further support the above valuation, the group prepared a discounted cash-flow, with the assistance of a valuation expert. The key assumptions applied to this calculation were an annual discount factor of 7.3%; price points were selected based on the Groups stated strategy for sale which is within 2 years; price trajectories set based on current market information with an assumed maximum price of £30 per kg applied and probabilities assigned based on the current market knowledge of the R22 market.

Some of this gas will be required for our own use but it is difficult to quantify the volume at this stage, however the majority of the contract will be used for commodity trading. As the majority of the contract is for commodity trading, it cannot be regarded as an own use contract and therefore the whole contract is within the scope of IAS 39.

An amount of £69,000 was paid to obtain the option in the 2010 financial year.

15 Trade and other receivables

	2011 £'000	2010 £'000
Trade receivables	**1,729**	1,563
Less: Provision for impairment of trade receivables	**-**	-
Trade receivables - net	**1,729**	1,563
Other receivables	**144**	-
Prepayments	**954**	931
	2,827	2,494

All amounts fall due within one year therefore the fair value is considered to be approximately equal to the carrying value. All of the Group's trade and other receivables are denominated in Pounds sterling.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

The group has entered into a confidential invoice discounting facility. This facility is secured on the trade receivables above.

As at 31 December 2011 no trade receivables (2010: £nil) were impaired. There have been no movements to the provision for impairment of trade receivables in the year. The other classes within trade and other receivables do not contain impaired assets.

As of 31 December 2011, trade receivables of £509,000, were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2011 £'000	2010 £'000
Up to 3 Months	**504**	453
Over 3 Months	**5**	3
	509	456

16 Financial liabilities: Fair value of interest rate swaps/caps

The notional principal amount of the outstanding interest rate swaps contract at 31 December 2011 was £3m (2010: £3m).

The Group has an interest rate Cap in place for £3m (2010 : £3m) at 5% until 28 April 2014.

Financial assets/liabilities at fair value though profit or loss are presented within the section on investing activities in the Cash Flow Statement.

Changes in fair value of financial assets/liabilities through profit or loss are recorded within finance income/expense in the Consolidated Statement of Comprehensive Income see note 8.

Movement on the fair value of the interest rate swap is as follows:

	2011	2010
	£'000	£'000
Balance as at beginning of year	**(13)**	(110)
Fair vale gain/(loss) on interest rate swaps/caps – as presented in the Consolidated Statement of Comprehensive Income	**(89)**	97
Balance as at end of year	**(102)**	(13)

The above assessment has been performed applying valuation techniques derived from quoted prices.
This assessment has been consistent between periods and as such it is considered that level 2 of the fair value hierarchy as defined in IFRS 7 has been applied consistently.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

17 Trade and other payables

	2011	2010
	£'000	£'000
Trade payables	**1,559**	1,166
Value added tax and payroll taxes	**352**	352
Accruals and deferred income	**981**	1,038
	2,892	2,556

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

18 Borrowings

	2011	2010
	£'000	£'000
Current		
Finance Leases	**46**	-
Invoice finance	**278**	-
Term Loans	**667**	666
	991	666
Non Current		
Finance Leases	**81**	-
Non-current bank borrowings	**5,775**	6,442
	5,856	6,442
Total Borrowings	**6,847**	**7,108**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

The Group arranged the following borrowing facilities with HSBC Bank plc and its subsidiary HSBC Invoice Finance Limited.

(a) HSBC Bank plc agreed to a term loan of £7.5 million drawn down in December 2005 over a maximum period of 15 years and an overdraft facility of £0.3 million which is reviewed annually.

(b) HSBC Bank plc agreed to a term loan of £2 million drawn down in March 2008 over a maximum period of 15 years.

(c) HSBC Bank plc agreed to a term loan of £0.5 million drawn down in February 2010 over a maximum period of 15 years

(d) HSBC Bank plc agreed to a term loan of £0.9 million drawn down in January 2012 over a maximum period of 10 years

(e) HSBC Invoice Finance Limited agreed to allow the Group to borrow up to an amount equivalent to 80% *(2010 – 70%)* of trade debtors subject to a maximum limit of £1.2m(*2010 – £1m)* which is reviewed annually.

Overdraft interest is charged quarterly at an interest rate of bank base rate plus 2% (*2010 - 2%*). Invoice finance interest is charged on a daily basis at bank base rate plus 2.05%(*2010 – 2.05%*). Term Loans (a) & (b) are charged quarterly at an interest rate of base rate plus 1.2%. (2010 - 1.2%). Term Loan (c) & (d) above are charged quarterly at an interest rate of base rate plus 2.75% (2010 – 2.75%).

The group has the following SWAPS and CAPS in place:

(a) £3m *(2010 £3m*) base rate cap fixing of 5% which expires on the 28th April 2014.

(b) £3m (*2010 £Nil*) swap at a fixed rate of 1.45% against base expiring on the 10th August 2016.

The liabilities of Norish Plc pursuant to these facilities agreements are secured by:

(1) debentures creating first fixed and floating charges over all the assets, past present and future of Norish Limited and its subsidiaries;

(2) unlimited multilateral guarantees given by all Group companies each guaranteeing payment of the liabilities of the other;

(3) legal mortgages held over the Bury St. Edmunds, Wrexham, York, Gillingham and Leeds properties.

The fair value of the Group's financial liabilities as at 31 December 2011 was as follows:

	2011		2010	
	Book Value £'000	**Fair Value £'000**	Book Value £'000	Fair Value £'000
Current bank borrowings	**991**	**991**	666	666
Non-current bank borrowings	**5,856**	**5,856**	6,442	6,442
	6,847	**6,847**	7,108	7,108

The Group pays interest at the base rate plus a margin of 1.20% and 2.75% which is reviewed quarterly. It is assumed that the Book Value reflects the Fair Value.

The carrying amounts of the Groups borrowings are all denominated in Pounds Sterling.

The un-drawn committed facilities available to the Group are set out below:

	2011 £'000	2010 £'000
Floating rate, expiring within one year		
Term Loan	**900**	-
Invoice finance	**922**	1,000
Bank overdraft	**300**	300
	2,122	1,300

The term loan was drawn down in January 2012.

19 Provisions

	2011 £'000	2010 £'000
At 1 January 2011	**509**	568
Utilisation of provision(transfer to accruals on settlement agreement)	**(237)**	20
Charged to the Consolidated Statement of Comprehensive income	**25**	(44)
Utilisation of provision(expenditure incurred in year)	**(158)**	(35)
At 31 December 2011	**139**	509

The provisions are in respect of property dilapidation costs at four of the group's sites.

The provisions relate solely to property dilapidations. It is uncertain as to what the final amounts will be and when they are likely to be paid. The board have taken professional advice when calculating the extent of the provision.

As the dilapidations will not fall due until a period of at lest twelve months after the Consolidated Statement of Financial Position, they are held as non-current liabilities.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

20 Deferred tax

	2011	2010
	£'000	£'000
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	**-**	-
Deferred tax asset to be recovered within 12 months	**-**	-
	-	-
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	**1,010**	1,064
Deferred tax liabilities to be recovered within 12 months	**45**	27
	1,055	1,091
Deferred tax liabilities (net)	**1,055**	1,091

The movement in deferred tax liabilities and assets during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	**Accelerated capital allowances**	**Fair value gains**	**Total**
	£'000	**£'000**	**£'000**
At 1 January 2010	930	(31)	899
Charged to the Consolidated Statement of Comprehensive Income	114	78	192
At 31 December 2010	1,044	47	1,091
Charged/(credited) to the Consolidated Statement of Comprehensive Income	(38)	2	(36)
At 31 December 2011	**1,006**	**49**	**1,055**

The deferred tax liability due after more than one year prior to offsetting is £1,010,000 (2010: £1,064,000)

The gross movement on the deferred income tax amount is as follows:

	2011	2010
	£'000	£'000
At 1 January	**1,091**	899
Consolidated Statement of Comprehensive Income (credit)/charge	**(36)**	192
Tax charged directly to equity	**-**	-
	1,055	1,091

As a result of using the deferred tax dual recovery method in regard to the sale of assets it could potentially give rise to a deferred tax asset totalling £66,000(2010:£66,000). However the board feels that it is highly unlikely that this will ever be recoverable and have not provided this amount in the accounts.

21 Share capital

	2011	2010
	£'000	£'000
Authorised		
20,000,000 Ordinary shares of €25c each	**3,527**	3,527

Allotted, called up and fully paid	**Number**	**£'000**
Ordinary shares of €25c each		
At 1 January 2010	8,466,230	1,493
Issued during the year	-	-
At 31 December 2010	8,466,230	1,493
Issued during the year	846,622	181
At 31 December 2011	**9,312,852**	**1,674**

The total Ordinary shares in issue are 9,312,852 (2010: 8,466,230). These are all fully paid up. During the year, the company issued 846,622 Ordinary shares of €25c each for a total cash consideration of £253,987.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

Share options

The Board shall in its absolute discretion select any number of individuals who may at the intended date of grant be participants and invite them to apply for the grant of options to acquire shares in the company. The subscription price at which shares may be acquired on the exercise of any option granted in response to the application shall be determined by the Board but shall not be less than the mid-market value of the share on the day the invitation to apply for the option is issued or the nominal value of the share.

The shares can be exercised between the third and the tenth anniversary of the date of grant, provided the Board is satisfied that there has been an increase in the earnings per share at least equivalent to the percentage increase in the Consumer Price Index plus 5% (or such greater percentage as is fixed by the Board) compound per annum;

The Group has applied the exemption available, and has applied the provisions of IFRS 2 only to those options granted after 7 November 2002 and which were not vested at 1 January 2006 and all options granted since that date.

Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	2011		2010	
	Options Number	**Weighted Average Exercise Price**	Options Number	Weighted Average Exercise Price
Outstanding at 1 January	**256,000**	**0.58**	261,000	0.59
Granted	**-**		-	-
Cancelled	**-**		-	-
Lapsed	**(6,000)**	**0.65**	(5,000)	1.12
Exercised	-	-	-	-
Outstanding at 31 December	**250,000**	**0.58**	256,000	0.58
Exercisable at 31 December	**250,000**	**0.58**	6,000	0.65

The share options outstanding at the end of the year expire June 2018 at an exercise price of 58p.

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model. While the Black-Scholes model does not take into account the performance conditions attached to the award, the directors are of the opinion that the charge recorded would not be materially different if a lattice model (which would take such conditions into account) had been employed. The following assumptions were used for the option grant in 2007:

Modification date	27th June 2008
Grant date	18th September 2007
Share price at grant date	£0.58
Exercise price	£0.58
Shares under option	250,000
Vesting period (years)	3
Expected volatility	40%
Expected life (years)	3.5
Risk free rate	5%
Dividend yield	3%
Fair value per option	£42,500

A modification was carried out on the 27th June 2008 so that the shares would qualify under the Enterprise Management Incentive Scheme (EMI).The original shares issued under a HMRC unapproved company share option scheme were cancelled and new shares were issued to replace these under the EMI scheme.

Expected volatility was calculated at 40% which was relatively typical at the time of the grant of shares for a FTSE 100 company. The company has a 18% volatility over the past 5 years in September 2008 and November 2010.

22 Capital conversion reserve fund

	2011	2010
	£'000	£'000
Capital conversion reserve fund	**23**	23

During 1999 the company re-denominated the authorised share capital of the company from Irish Punts to Euro in accordance with Section 26 of the European Monetary Union Act 1998. This resulted in a reduction in respect of the issued shares which was transferred to the Capital conversion fund.

23 Cash and cash equivalents

	2011 £'000	2010 £'000
Cash at bank and on hand	**50**	194
	50	194

24 Dividends

	2011 £'000	2010 £'000
Final dividend paid in respect of the previous year of 1.25cent (2010: €Nil) per ordinary share	**92**	-
Interim dividend paid in respect of the current year of Nil cent (2010: €Nil) per ordinary share	**-**	-
Total dividends paid	**92**	-

The board recommends the payment of a final dividend of 1.25 cent per share. This will be paid on the 18th May 2012 to those shareholders on the register on the 20th April 2012. It will bring the total dividend in respect of the financial year to 1.25 cent per share unchanged from last year.

25 Commitments and contingencies

(a) Operating leases

The Group leases various warehouses under non-cancellable operating lease agreements. The leases have varying lease terms, escalation clauses and renewal rights.

The Group also leases various plant and equipment under operating lease agreements. The lease expenditure charged in the year is shown in Note 9.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2011	**2011**	**2011**	2010	2010	2010
		Other			Other	
	Land and	**operating**		Land and	operating	
	Buildings	**leases**	**Total**	Buildings	leases	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Expiring:						
Within one year	**917**	**515**	**1,432**	1,248	595	1,843
Between two and five years	**3,278**	**814**	**4,092**	4,795	1,080	5,875
Beyond five years	**4,794**	**-**	**4,794**	5,012	-	5,012
	8,989	**1,329**	**10,318**	11,055	1,675	12,730

(b) Guarantees on leasehold properties

The annual operating lease commitment on land and buildings of £917,000 (2010: £1,233,000) arises on leasehold properties, of which £370,000 (2010: £700,000) is subject to parent company guarantees.

The operating lease commitment is stated gross of annual sub-lease income of £206,000 (2010: £206,000).

(c) Capital commitments

At 31 December 2010, the Group had £929,000 (2010 : £43,000) of capital projects authorised of which £929,000 (2010 : £43,000) was contracted at 31 December 2011.

26 Directors' remuneration

	2011 £'000	2010 £'000
Ted O'Neill	**118**	151
Norman Hatcliff	**143**	173
Aidan Hughes	**98**	128
Torgeir Mantor	**12**	12
William McCarter	**12**	12
	383	476

	2011 £'000	2010 £'000
Aggregate emoluments	**324**	457
Company pension contributions	**59**	19
	383	476

Details of directors' interests in shares and share options are set out on pages 14 and 15.

Directors' remuneration shown above comprises all of the fees, salaries, pensions and other benefits and emoluments paid to Directors.

The basis of the Directors' remuneration and the level of bonuses paid are fixed by the Remuneration Committee of the Board.

27 Pensions

The Group operates a defined contribution scheme. The assets of the scheme are independent of the assets of Norish plc and are invested with assurance companies and are held in trusts for the employees concerned.

Total pension costs for the year were £130,000 (2010: £101,000).

There was an accrual for £Nil (2010 £Nil) included above for pension costs at 31 December 2011.

28 Group undertakings

Subsidiary undertakings	Holding Direct	Holding Indirect	Nature of business
Incorporated in Northern Ireland			
Norish (U.K.) plc	100%		Investment company
Norish (N.I.) Limited	100%		Property management
Incorporated in England			
Norish Limited (subsidiary of Norish (N.I.) Limited)		100%	Property management
Belvedere Warehousing Limited (subsidiary of Norish Limited)		100%	Non-trading
Norish Warehousing Limited (subsidiary of Belvedere Warehousing Limited)		100%	Non-trading

(a) *The registered offices of Norish plc and its subsidiary undertakings are set out below:*

Norish plc	South Bank House, Barrow Street, Dublin 4, Republic of Ireland
Norish (U.K.) plc, Norish (N.I.) Limited	4 Royal Lodge Park Belfast BT8 7YP
Norish Limited, Belvedere Warehousing Limited, Norish Warehousing Limited	Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL

(b) *The issued share capital of the subsidiary undertakings is as follows:*

Norish (U.K.) plc	50,000 Ordinary shares of £1 each
Norish (N.I.) Limited	480,000 Ordinary shares of £1 each
Norish Limited	60,000 Ordinary shares of £1 each
Belvedere Warehousing Limited	8,000 Ordinary shares of £1 each
Norish Warehousing Limited	4,000 Ordinary shares of £0.25 each

29 Post-reporting date events

No significant events have taken place since the year-end that would result in adjustment to the financial statements or the inclusion of a note thereto.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

30 Related party transactions

Consultancy services totalling £2,000 (*2010 : £4,000*) were provided by a relative of a director during the year.

31 Approval of financial statements

The Board of Directors approved these financial statements on 7 March 2012.

COMPANY BALANCE SHEET

at 31 December 2011

	Note	**2011**	2010
		£'000	£'000
Fixed assets			
Investments – Shares in group undertakings	*4*	**651**	650
Current assets			
Debtors	*5*	**4,830**	4,598
Creditors: amounts falling due within one year	*6*	**(476)**	(468)
Net current assets		**4,354**	4,130
Net assets		**5,005**	4,780
Capital and reserves			
Called up share capital	*7*	**1,674**	1,493
Share premium account	*8*	**3,229**	3,156
Capital conversion reserve fund	*8*	**23**	23
Profit and loss account	*8*	**79**	108
Shareholders' funds	*9*	**5,005**	4,780

Approved on behalf of the board on 7th March 2012 by:

T.J. O'Neill
Chairman

N.A Hatcliff
Managing Director

NOTES TO THE ACCOUNTS

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation
The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by The Institute of Chartered Accountants in Ireland.

Financial fixed assets
Investments in subsidiary undertakings are shown at cost less provisions for impairment in value.

Taxation
Current tax, including Irish corporation tax and foreign tax, is provided on the Group's taxable profits, at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies
Transactions in foreign currencies are recorded in pounds sterling at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated into pounds sterling at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account. Non-monetary assets are translated at the rate prevailing at the date of the transaction.

Share capital and share premium were translated at the historic rate on the date when the Group changed its functional currency to pounds sterling.

Dividends
Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Share based payments
The Company issues equity-settled share-based payments to certain employees. In accordance with FRS 20, "Share-based payments", equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes pricing model. 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 the number of shares that will eventually vest.

The Group has applied the exemption available, and has applied the provisions of FRS 20 only to those options granted after 7 November 2002 and which were not vested by 1 January 2006.

It is the company policy to debit the annual charge to investments and credit reserves.

Financial instruments
Financial instruments are classified and accounted for in accordance to the substance of the contractual arrangement, either as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Shares are included in shareholders' funds. Other instruments are classified as liabilities if not included in shareholders funds and if they contain an obligation to transfer economic benefits. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2 Profits of the company

In accordance with Section 148(8) of the Companies Act, 1963 a separate profit and loss account for the Company has not been presented. The profit for the year arising in Norish plc amounted to £53,000 (2010: loss of £31,000).

3 Dividends paid and proposed

	2011 **£'000**	2010 £'000
Final dividend paid in respect of the previous year of 1.25 cent (2010: Nil cent) per ordinary share	**(92)**	-
Interim dividend paid in respect of the current year of Nil cent (2010: Nil cent) per ordinary share	**-**	-
Total dividends paid	**(92)**	-

4 Investments – Shares in group undertakings

	£'000
Cost and net book value at 1 January 2011	650
Capital contributions arising from FRS 20 charges	1
Cost and net book value at 31 December 2011	**651**

In the opinion of the Directors, the value of shares in subsidiary undertakings is not less than the original book value.

Details of the Company's subsidiary undertakings are presented in Note 26 to the consolidated IFRS accounts within these financial statements

5 Debtors

	2011 £'000	2010 £'000
Amount receivable from subsidiary undertakings	**4,760**	4,516
Other debtors	**70**	70
Current tax asset	**-**	12
	4,830	4,598

The balance included in other debtors falls due after one year.
All other amounts fall due within one year and no interest is payable by the subsidiaries.

6 Creditors: Amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to subsidiary undertakings	**468**	468
Corporation tax	**8**	-
	476	468

7 Called up share capital

	2011	2010
	£'000	£'000
Authorised		
20,000,000 Ordinary shares of €25c each	**3,527**	3,527

Allotted, called up and fully paid	**Number**	**£'000**
Ordinary shares of €25c each		
At 1 January 2010	8,466,230	1,493
Issued during the year	-	-
At 31 December 2010	8,466,230	1,493
Issued during the year	846,622	181
At 31 December 2011	**9,312,852**	**1,674**

The total Ordinary shares in issue are 9,312,852 (2010: 8,466,230). These are all fully paid up. During the year, the company issued 846,622 Ordinary shares of €25c each for a total cash consideration of £253,987.

8 Reserves

	Share Premium Account £'000	**Capital Conversion Reserve Fund £'000**	**Profit and Loss Account £'000**
At 1 January 2011	3,156	23	108
Profit for the financial year	-	-	53
Dividends paid (Note 3)	-	-	(83)
Share placing	73	-	-
Credit in respect of share based payments – FRS20 charge	-	-	1
At 31 December 2011	**3,229**	**23**	**79**

Details of the share based payment charge in accordance with FRS 20 are fully disclosed in Note 21 to the consolidated IFRS accounts within these financial statements.

The treatment under FRS 20 "Share Based Payments" is consistent with the treatment under IFRS.

9 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit/(loss) for the financial year	**53**	(31)
Dividends paid	**(83)**	-
Share equity	**254**	**-**
Credit in respect of share based payments	**1**	14
Net decrease in shareholders' funds	**225**	(17)
Opening shareholders' funds	**4,780**	4,797
Closing shareholders' funds	**5,005**	4,780

The group paid a total dividend in 2011 of £92,000 *(2010 : £Nil*) , of which £83,000 (2010 : £Nil was paid through the company and £9,000 (*2010 : £Nil*) was paid through Norish UK plc under the Twin Share Option Scheme.

10 Financial commitments

At the 31 December 2011, the Group had £929,000 (2010: £43,000) of capital projects authorised of which £929,000 (2010 £43,000) was contracted at 31 December 2011.

11 Financial commitments and contingencies

At the 31 December 2011, the Company has exposure for the debts of Norish Ltd totalling £6,847,000(2010: £7,108,000) to HSBC Bank plc.

The liabilities of Norish Limited pursuant to these facilities agreements are secured by:

(1) debentures creating first fixed and floating charges over all the assets, past present and future of Norish Limited and its subsidiaries;

(2) unlimited multilateral guarantees given by all Group companies each guaranteeing payment of the liabilities of the other;

(3) legal mortgages held over the Bury St. Edmunds, Wrexham, York , Gillingham and Leeds properties.

12 Related party transactions

The company has taken advantage of the exemptions within FRS 8 "Related Party Disclosures" not to disclose transactions and balances between 100% owned group companies.

HISTORICAL FINANCIAL SUMMARY

Consolidated income statement

	2007 £'000	2008 £'000	2009 £'000	2010 £'000	**2011 £'000**
	IFRS	IFRS	IFRS	IFRS	**IFRS**
Revenue	10,994	9,693	10,539	10,654	**11,213**
Trading profit - continuing	1,553	1,002	1,246	931	**1,045**
- discontinued	-	-	-	-	**-**
Other Income	-	326	-	410	**190**
Goodwill – amortisation	-	-	-	-	**-**
Profit on sale of property	-	-	-	-	**-**
Other exceptional items	-	-	-	-	**-**
Net finance expenses	(409)	(676)	(198)	(181)	**(260)**
Depreciation	(527)	(541)	(576)	(608)	**(569)**
Profit before taxation	617	111	472	552	**406**
Taxation	(112)	(467)	359	(128)	**(44)**
Profit for the financial year	505	(356)	831	424	**362**
Dividends	-	(84)	(192)	-	**(92)**

Consolidated balance sheet

	2007 £'000	2008 £'000	2009 £'000	2010 £'000	**2011 £'000**
	IFRS	IFRS	IFRS	IFRS	**IFRS**
Total assets less current liabilities					
Non-current assets	12,717	15,501	15,242	16,079	**16,264**
Current assets	3,543	2,941	3,005	2,698	**2,877**
Current liabilities	(2,921)	(3,062)	(3,101)	(3,235)	**(4,066)**
	13,339	15,380	15,146	15,542	**15,075**
Financed by					
Share capital	1,493	1,493	1,493	1,493	**1,674**
Share premium account	3,156	3,156	3,156	3,156	**3,229**
Capital conversion reserve fund	23	23	23	23	**23**
Retained earnings	2,144	1,718	2,373	2,828	**3,099**
Shareholders' funds - equity	6,816	6,390	7,045	7,500	**8,025**
Provisions	-	391	568	509	**139**
Deferred tax	523	1,332	899	1,091	**1,055**
Long term liabilities	6,000	7,267	6,634	6,442	**5,856**
	13,339	15,380	15,146	15,542	**15,075**

NORISH PLC

Registered Office
6th Floor
South Bank House
Barrow Street
Dublin 4

Operational Head Office
Northern Industrial Estate
Bury St Edmunds
Suffolk
IP32 6NL