NORISH

ANNUAL
REPORT & FINANCIAL STATEMENTS
2020

ANNUAL REPORT 2020

FINANCIAL CALENDAR 2021

Announcement of preliminary results	12 March 2021
Annual Report posted to shareholders	31 March 2021
Annual General Meeting	To be arranged
Announcement of interim results	To be advised

CORPORATE PROFILE

Background

Norish plc ("Norish") is a leading provider of temperature controlled warehousing and related services to the food manufacturing, distribution, retail and food service sectors. Norish was founded in 1975 and became a public company in 1986. Its shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

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

Norish is also involved in both product sourcing (Meat, Dairy and Fish) and a dairy farming operation in Kilkenny, Ireland.

Norish is developing an A2-protein milk supply and combining this with novel dairy processing IP, to develop an early-life stage milk-based beverage, targeting high-value export markets, through its subsidiary Grass 2 Milk based in Naas, Ireland.

Group Operations

Kieran Mahon – Group Managing Director - kieran.mahon@norish.com

Northern Industrial Estate
Bury St Edmunds
Suffolk IP32 6NL
Tel: 01293 862498
Mob: 00 353 87 987 9111

Locations and Segments

Temperature controlled Division

- Brierley Hill, West Midlands (Cold store)
- Wrexham, Clwyd (Cold store)
- Bury St. Edmunds, Suffolk (Cold store)
- Braintree, Essex (Cold store)
- Lympne, Kent (Cold store)
- Gillingham, Kent (Cold store)

Product Sourcing

- Newry, Northern Ireland (Townview Foods Limited offices)
- Dublin, Ireland (Foro International Connections Limited offices)

Dairy Farming

- Kilkenny, Ireland (Cantwellscourt Farm)
- Naas, Ireland (Grass 2 Milk)

Discontinued Operations

- Dublin, Ireland (Juice business based at Foro International Connections Limited offices)
- Dublin, Ireland (FMCG business based at Foro International Connections Limited offices)

FINANCIAL HIGHLIGHTS

	2020 £'000	2019 £'000
Revenue - Continuing operations	33,361	34,100
Operating profit-continuing	2,289	2,663
Profit before tax-continuing	1,977	2,315
Basic earnings per share – continuing (pence)	5.02p	6.33p
Diluted earnings per share – continuing (pence)	5.02p	6.33p
Net debt to EBITDA (times)	2.1	2.2
Dividend paid per share		
- interim for current year	Nil	Nil
- final for previous year	Nil	1.90c
	Nil	1.90c

Capital employed	**£'000**	£'000
Shareholders' funds	18,852	17,253
Net borrowings	8,705	9,692
	27,557	26,945
Gearing – excluding goodwill (see Note 1 below)	53%	65%

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

CHAIRMAN'S STATEMENT

Norish plc (AIM: NSH), is pleased to announce its results for the year ended 31 December 2020.

Notwithstanding Covid 19 and Brexit associated disruption, our business performed very well in the period under review.

- The cold store division saw an EBITDA decline of only 2%, despite greatly reduced pallet intakes and slower stock turn.
- Our dairy division continues to execute to plan, commercialising A2 protein milk products from our unique milk source.
- The protein sourcing business continued to be profitable in the period under review.
- Balance sheet further improved, with net debt reduced.
- Strategic review of Cold Store Assets initiated.

Group Financial Highlights

- Group revenue reduced by 2% to £33.4m (2019: £34.1m)
- Profit before tax reduced by 14% to £1.98m (2019: £2.31m)
- Diluted adjusted Eps decreased by 21% to 5.02p (2019: 6.33p)
- Effective tax rates increased to 23.7% (2019: 17.8%)
- Operating margins decreased by 90 bps to 6.9% (2019: 7.8%)
- Dividend proposed at 2.0 €cent per share (2019: proposed not paid of 1.90 €cent per share)
- Net debt was reduced from Stg£9.7m at start of year to Stg£8.7m at year end.
- Interest cover was 7.3 times (2019: 7.7 times)

Diluted adjusted EPS is calculated using profit for the financial year from continuing operations as the measure of earnings. Financial information above, including comparative information, is from continuing operations only.

Divisional Highlights

£'m	Cold Stores			Sourcing			Dairy		
	2020	2019	% Growth	**2020**	2019	% Growth	**2020**	2019	% Growth
Revenue	**14.6**	15.1	(3.3%)	**17.8**	18.2	(2.2%)	**1.0**	0.9	11%
EBITDA	**4.6**	4.7	(2.1%)	**0.3**	0.4	(25%)	**0.0**	0.0	0%
Operating Profit	**3.0**	3.3	(9.1%)	**0.3**	0.4	(25%)	**(0.1)**	(0.1)	0%
Operating Margin	**20.5%**	21.9%		**1.8%**	2.2%		**(10%)**	(11%)	

Cold Store division

Cold stores, which comprise our largest business activity, saw a modest 3.3% reduction in sales (from Stg£15.1m to Stg£14.6m), a very creditable performance in a year, which saw some of our end user markets, both Chinese and domestic, closed for a number of months during the year, because of the Pandemic Covid 19 outbreak.

Pallets receipted, the lifeblood of our business, were down 19%, year on year, while blast freezing volumes were down 8%, year on year. Average stock turn dis-improved from 6.6 weeks in 2019 to 7.5 weeks in 2020. Average month end occupancy for 2020 was 87%. This compares with average occupancy of 95% in 2019.

Against that context, divisional profits came in at a robust Stg£3m, a 9.1% decline on the Stg £3.3m in the prior year. Divisional margins stood at 20.5% in 2020, 140 basis points below the 21.9% margin outturn for 2019.

The year was characterised by a good if brief start, a decline through to June, with markets bottoming out in July and August and strongly recovering since then. The overall result reflects prompt and significant cost control, together with continued pricing initiatives in place around sales mix and tiered pricing.

Sourcing Division

Sales at our sourcing division declined by 2.2% in 2020, compared with the same period in 2019, from £18.2m to £17.8m. Operating profit declined by a corresponding 25%, from £0.4m to £0.3m, reflecting the trading impact of COVID-19.

The Group's original investment in the main Sourcing subsidiary, Townview Foods, has been fully recouped and the structures are in place to continue development of this business.

Dairy Division

Our subsidiary, Grass to Milk Company, completed a key milestone in its development; delivering its first shipment of A2 protein product to China in the final quarter of 2020.

Cantwellscourt Farm Ltd's operating performance in 2020 was consistent with our expectations. Our herd, now fully converted to producing A2 milk, generated revenue 11% ahead year on year. This was driven by better production output per cow and reflective increase in milk market pricing.

Our farming enterprise continues to improve across key operating KPI's. Cantwellscourt Farm is providing A2 protein milk supply to Grass to Milk Company in the first instance.

CHAIRMAN'S STATEMENT *(CONTINUED)*

Discontinued

During 2020, the group decided to discontinue the ambient warehousing in Ireland. A loss in the current year of £0.07m was incurred, compared to £0.06m last year.

Outlook

I am pleased to report that the improvement in the cold store division in the later months of 2020, has continued through January and February and into March of 2021.

Our product sourcing division has been impacted by Covid 19 and Brexit in January & February 2021. We expect to see this to recover in the second quarter of 2021. We have identified an opportunity to develop a protein export business to South Africa, and we expect to see growth in this area during 2021.

We are happy with the progress made with the development of our A2 protein milk supply via Cantwellscourt Farm. Grass to Milk Company has launched its first A2 protein, using our own unique milk source. We plan to ramp up production in 2021 in conjunction with our commercial partners in the Chinese market. We will continue to execute on our strategy; continuing to develop dairy products with functional nutrition benefits, derived from our unique A2 protein grass-fed milk source.

Strategic Review

Over the course of the year, Norish received a number of expressions of interest, from third parties, for some or all of its cold stores. As a result, the board of Norish are now carrying out a strategic review in respect of all of the assets and businesses within this division.
The strategic review is at an early stage and the outcome cannot be determined at this time.

Dividend

The board recommends the payment of a final dividend of 2.0 €cent per share. This will be paid on 15 October 2021 to those shareholders on the register on the 24 September 2021. It will bring the total dividend in respect of the financial year to 2.0 €cent per share, against Nil €cent per share last year.

On behalf of the board, I would like to thank the management team and staff for their commitment and contribution in 2020.

Ted O'Neill
11 March 2021

FINANCIAL REVIEW

The average cold store occupancy decreased from 95% to 87%, pallets received decreased 19% and blast freezing throughput decreased 8%.

Sales

Total Group revenue decreased by 2% to £33.4m (2019: £34.1m). Cold store revenues decreased by 3.3% to £14.6m (2019: £15.1m). Revenues were mainly down on the lower pallets received and lower blast freezing volumes. Revenues in the sourcing division decreased by 2.2% to £17.8m (2019: £18.2m).

Gross profit

Gross profit decreased by 12% to £2.97m (2019: £3.37m).

Operating profit

Operating profit decreased by 14% to £2.29m (2019: £2.66m).

Finance expense (net)

Finance expense decreased to £0.31m (2019: £0.35m).

Loss from discontinued operations

During 2020, the group decided to discontinue the ambient warehousing in Ireland following on from the group exit in 2018 in the Juice business for the ready to drinks market. A loss in the current year of £0.07m was incurred, compared to £0.06m last year.

Earnings per share

The basic adjusted earnings per share decreased by 21% to 5.02p (2019: 6.33p).

Capital

During the period we invested £2.2m (2019: £2.3m) in investing activities. £1.74m was invested in plant and equipment of which £0.36m was invested in Blast Freezers at the Wrexham store and £1.24m in other capital expenditure for the cold store division. £0.14m was invested in dairy division. We also invested £0.7m in respect of the commercialisation of our A2 protein milk business. We sold and purchased Biological assets which netted £0.2m in surplus cash.

Cash Position

Net debt decreased to £8.7m (2019: £9.7m). Cash generated from operations amounted to £3.2m (2019: £3.5m) and financing activities absorbed £0.5m (2019: £1.8). Investment in assets was made of £2.2m (2019: £2.3m).

FINANCIAL REVIEW *(CONTINUED)*

Dividend

The board recommends the payment of a final dividend of 2.0 €cent per share. This will be paid on 15 October 2021 to those shareholders on the register on the 24 September 2021. It will bring the total dividend in respect of the financial year to 2.0 €cent per share, against Nil €cent per share last year.

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, and various items, such as trade receivables, trade payables etc., that arise directly from its operations. The main purposes 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 main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Group's policies for managing each of these risks are summarised below.

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 there are £1.7m term loans of which £1.32m are at floating base rate plus a bank margin of 1.85% and £0.18m are at a floating rate of 3.75% and £0.2m are at Euribor plus a bank margin of 1.85%.

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, 76% of the Group's term loan borrowings were due to mature in more than one year. The Group achieves short-term flexibility by means of invoice finance and overdraft.

Credit risk

The Group's policy is to minimise exposure to credit risk by performing the appropriate customer due diligence and monitoring the exposure to credit risk. Furthermore, for much of the Group's trading activities the Group has physical custody over customer's inventory.

Foreign exchange risk

The Group's policy is to manage foreign exchange risk which arises principally in the product sourcing division. The Group does this by mainly purchasing euros at a fixed rate forward and using this rate in establishing a selling price for its goods in order to maintain an acceptable margin.

Aidan Hughes
Finance Director

SHAREHOLDERS INFORMATION

Shareholder analysis at 11 March 2021

Number of shares	Number of accounts	Percentage of accounts	Number of shares (000)	Percentage of shares
1 – 1,000	99	45	40	0
1,001 – 10,000	73	33	290	1
10,001 – 100,000	31	14	779	3
Over 100,000	19	8	28,961	96
Total	**222**	**100**	**30,070**	**100**

Share price data (€)

	High	Low	31 December
Year ended 31 December 2020	112.5p (€1.25)	57.5p (€0.65)	112.5p (€1.25)
Year ended 31 December 2019	77.0p (€0.65)	56.9p (€0.62)	77.0p (€0.65)

The market capitalisation of Norish plc at 31 December 2020 was £33.8m (€37.6m) compared with £23.1m (€27.2m) at 31 December 2019, and £29.9m (€34.9m) at 11 March 2021.

Investor relations

Investor enquiries should be addressed to Gerard Murphy, Company Secretary, at:

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

Registrars

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

- Computershare, Citywest Business Campus, Dublin 24, D24 AK82
- Telephone: +353 (01) 447 5566

SHAREHOLDERS INFORMATION *(CONTINUED)*

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 when payable to 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.

ELECTRONIC SETTLEMENT

On 18 February 2021, an Extraordinary General Meeting of shareholders was held, at which shareholders approved resolutions to authorise the migration of Norish's ordinary shares held electronically in the UK-based CREST settlement system to Euroclear Bank. Settlement of share trades in the Euroclear Bank system commenced on 15 March 2021. Shareholders may continue to hold paper share certificates or they may hold their shares electronically.

Annual General Meeting

No date has yet been agreed for the Annual General Meeting. Notice will follow later this year.

BOARD OF DIRECTORS

Executive Directors

Executive Chairman
Ted O'Neill (69) was appointed to the board and became Chairman in 2003. He is a Chartered Accountant and an investor and director of private companies, based in Ireland.

Group Managing Director
Kieran Mahon (55) Kieran was appointed to the Board on 19 August 2015 and joined Norish from Davy, where he was an equity analyst. Kieran holds a Masters Degree in Business Administration from Dublin City University.

Finance Director
Aidan Hughes (56) joined Norish as Group Accountant in 1996 and was appointed Finance Director in September 2006. He is a Chartered Accountant and has previous experience in the travel industry.

Company Secretary
Gerard Murphy (35) is a Chartered Accountant and has been with Norish since the acquisition of Townview Foods Limited in October 2012. He was appointed Company Secretary in April 2018.

Non-Executive Directors

Torgeir Mantor (64) 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, a company based in Norway.

Willie McCarter (73) 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.

Seán Savage (74) was appointed to the board in 2012 and has previous experience in the food industry, having started his career in 1970 with Cadbury plc, where he worked as a plant manager and supervisor across a number of Cadbury's Irish plants. He was general manager of Manor Farm Chickens from 1985 to 1994, before establishing Eatwell UK in 1995. He sold the company to Goodman Group in 2003 and remained with the company until 2004.

CORPORATE INFORMATION

Directors
Ted O'Neill – Executive Chairman
Kieran Mahon – Group Managing Director
Aidan Hughes – Finance Director
Torgeir Mantor (Norwegian) *
Willie McCarter *
Seán Savage*
** non-executive*

Company Secretary
Gerard Murphy

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

Nomad and Brokers
Davy
Davy House
49 Dawson Street
Dublin 2

Bankers
HSBC Bank plc
Bank of Ireland plc

Chartered Accountants and Statutory Auditors
Grant Thornton
Chartered Accountants and Statutory Audit Firm
13-18 City Quay
Dublin 2

Registrars
Computershare
Citywest Business Campus
Dublin 24
D24 AK82

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements of the Group for the financial year ended 31 December 2020.

Principal Activities and Review of Business

Norish plc is a provider of temperature controlled services, protein and product sourcing, and dairy farming in the United Kingdom and Ireland.

The protein and product sourcing division is based in Newry, Northern Ireland. It procures supplies of raw and cooked beef, mutton, lamb, pork and poultry products from around the world in order to supply major food manufacturing and wholesale companies across the UK, including Northern Ireland.

Townview Foods Limited, which we purchased in October 2012 contributed £318,000 (2019: £410,000). Turnover fell in 2020 which has impacted the contribution.

The temperature controlled division which comprises the freehold sites at Wrexham, Birmingham, Bury St. Edmunds, Braintree (leasehold), Gillingham (long term leasehold at a peppercorn rent) and East Kent (leasehold). The number of pallets into our stores decreased by 19%, blast freezing volumes decreased by 8% and our average occupancy decreased from 95% to 87%.

Details of the Group's subsidiary undertakings are set out in Note 27 to the financial statements.

A review of both the Group's performance during the year and its position at the year end are given in the Chairman's Statement and Financial Review on pages 3 to 7.

Dividends

The board recommends the payment of a final dividend of 2.0 €cent per share. This will be paid on 15 October 2021 to those shareholders on the register on the 24 September 2021. It will bring the total dividend in respect of the financial year to 2.0 €cent per share, against Nil €cent per share last year.

Post Balance Sheet Events

The improvement in the cold store division in the later months of 2020, has continued into January, February of 2021. This notwithstanding more difficult comparisons with markets closed this year due to Covid 19, a situation which did not take place fully until March of last year.

Our product sourcing division has been impacted by Covid 19 and Brexit in January & February 2021. We do expect to see this to recover in the second quarter. We have identified an opportunity to develop a protein export business to South Africa, and we expect to see growth in this area during 2021.

We are happy with the significant progress made with the development of our A2 protein milk supply via Cantwellscourt Farm. Grass to Milk Company has launched its first A2 protein, using our own unique milk source. We plan to ramp up production in 2021 in conjunction with our commercial partners in the Chinese market. We will continue to execute on our strategy; continuing to develop dairy products with functional nutrition benefits, derived from our unique A2 protein grass-fed milk source.

The United Kingdom left the EU on the 31 January 2020. The Group's balance sheet is in excellent shape and leaves the Group well positioned to benefit from any disruption and consequent opportunity which may arise. The Group is exposed on the uncertainties that Brexit may bring to its customers, however the directors have plans to mitigate the potential risks.

Transactions with Related Parties

Product sales totalling £Nil (Marketing services 2019: £110,000) were provided to a company where one of our Directors held a shareholding during the year. As at 31 December 2020 a balance of £Nil was outstanding (2019: £39,000).

Creditor payment policy

It is the Group'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 2020 for the Group was 56 days (2019: 51 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 to 7 to understand the key financial risks facing the Group and management's approach to same.

In respect of operational risks our largest customer accounts for 15% (2019 – 12%) of the Group's turnover from continuing operations. However, the directors are satisfied that this business could be replaced if it was ever lost.

In the event of there being a power supply failure at one of our storage sites, the majority of the operations in our storage business 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.

In the event of a food related health concern in respect of key products bought and sold by Townview Foods Limited, there could be a significant decrease in customer demand. To mitigate against this, a range of products are bought and sold so as not to unnecessarily concentrate risk into one particular food group.

The majority of our commercial arrangements are non-contractual. As a result, there is a risk that customers could terminate agreements to either use Norish facilities or buy Norish goods 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.

The directors and the Group's management team are closely monitoring developments during the Covid-19 crisis and assessing the potential impact they may have on the Group's people, its activities, operations and financial position. The directors note that this is a dynamic situation however are they satisfied that the group is in a strong financial position to withstand potential future challenges in this context.

DIRECTORS' REPORT *(CONTINUED)*

Town View Foods would be exposed to both Brexit and Covid. In respect of Brexit moving product between borders will be slow in early 2021, but is expected to improve once hauliers establish the most efficient way of moving product between Europe and the UK. Covid has impacted the foodservice industry but with the clear UK roadmap out of Covid, this is set to improve from April 2021 onwards. Town View foods is a low cost base model and will have a minimal cash impact on the Group.

The Cold Store Division will not be impacted by these risks.

Key performance indicators

For our cold store operations, the number of pallets into our sites decreased by 19% to 291,970, blast freezing volumes decreased by 8% to 124,986 pallets and closing customer stocks at the year end decreased marginally by 8% to 42,917 pallets. Our average electricity price per unit increased by 5% in 2020 and the number of units consumed increased by 1%.

Directors

The Board currently comprises the Executive Chairman, Managing Director, Finance Director and three non-executive Directors. Under the criteria adopted by the Committee on Corporate Governance, Torgeir Mantor and Sean Savage would not be perceived to be independent due to their 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 2020 together with brief biographical notes are set out on page 10.

In accordance with regulation 90 (a) of the Company's Constitution, Mr Torgeir Mantor and Mr Willie McCarter retire by rotation, and being eligible, offer themselves for re-election. In accordance with regulation 90 (b) of the Company's Constitution, Mr Ted O'Neill retires, and being eligible, offers himself for re-election.

The Executive Chairman, Group Managing Director and Finance Director have service contracts with the Group companies 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 2020 (including their respective family interests) in the share capital of Norish plc were as follows:

	31 December 2020 Ordinary Shares	**31 December 2019 Ordinary Shares**
Ted O'Neill	**3,034,000**	**3,034,000**
Kieran Mahon	**1,985,286**	**1,985,286**
Aidan Hughes	**267,500**	**267,500**
Torgeir Mantor *	**12,600**	**12,600**
Willie McCarter	**-**	**-**
Seán Savage	**1,000,333**	**1,000,333**
Gerard Murphy	**-**	**-**

* *Torgeir Mantor is a director of T. B. Mantor AS, which also holds 1,243,027 (2019: 1,243,027) shares and is owned by the Mantor family. Torgeir Mantor is also a director and shareholder of Vestergyllen AS, which holds 24,152 shares (2019: 24,152).*

Neither the directors or the secretary had any other interests in either shares or share options of the company.

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 11 March 2021 the Company had been advised of the following shareholdings in excess of 3% of its issued share capital:

	Number of shares	**Percentage held**
MI Select Managers UK Equity Fund	3,567,025	11.86
Ted O'Neill	3,034,000	10.09
Kieran Mahon	1,985,286	6.60
CF Miton	1,446,901	4.81
John Teeling	1,364,465	4.54
T.B. Mantor AS	1,243,027	4.13
Tom Cunningham	1,049,497	3.49
Seán Savage	1,000,333	3.33

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

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.

To date 156,000 options have been exercised and 1,096,237 options have expired. At 31 December 2020 there were no options outstanding.

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 either the current and prior financial 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 has also replaced 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. We engaged a new energy supplier who allocated 100% renewable energy we consumed at the cold store division.

Country of Incorporation

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

Significant Customers

During 2020, £5.1m or 15% (2019: £4.5m or 12%) of the Group's revenues from continued operations depended on a single customer in the cold store segment (2019: cold store segment).

Corporate governance

The Directors recognise the importance of good corporate governance and have chosen to apply the Quoted Companies Alliance Governance Code (the QCA Code). The QCA Code was developed by the QCA in consultation with a number of significant institutional small company investors, as an alternative corporate governance code, applicable to AIM companies. The underlying principle of the QCA code is that "the purpose of good corporate governance is to ensure that the Group is managed in an efficient, effective and entrepreneurial manner, for the benefit of all shareholders, over the longer term".

Below we describe the principles of the QCA code and how the Group has complied with it.

Establish a strategy and a business mode, which promotes long term value for shareholders

Application (as set out by QCA)

The Board must be able to express a shared view of the Group's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the Group intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long term growth is underpinned by a clear set of values aimed at protecting the Group from unnecessary risk and securing its long term future.

What we do and why

Norish's strategy is to grow each of its three business units by adopting specific strategies for each unit individually. We prefer to pursue organic growth in the first instance while maintaining a strong balance sheet (as measured by debt to EBITDA and interest cover multiples). We focus on improving returns on patient capital and generating cash, which ultimately drives a virtuous cycle of earnings per share growth. Our diluted adjusted EPS declined by 21% at group level. Within this overall figure, cold stores profits were down marginally by 9.1% from £3.3m to £3m, Townview Foods' profits declined by 25% from £0.4m to £0.3m and dairy was unchanged. We consider that the dairy business has moved substantially towards realising its vision of supplying high value dairy products from our own farms to the Chinese market. Grass2Milk sold four containers of A2 toddler milk to the Chinese market in 2020. Forward orders are for 300 containers in 2021.

Seek to understand and meet shareholders needs and expectations

Application (as set out by QCA)

Directors must develop a good understanding of the needs and expectations of all elements of the Group's shareholder base. The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.

What we do and why

Management responds promptly to shareholder requests for meetings. The Chairman liaises with the Group's major shareholders and ensures their views are fully communicated to the Board. The AGM provides a forum to meet private shareholders. The Directors make themselves available to listen to the views of shareholders informally, following the AGM.

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.

Take into account wider stakeholder and social responsibilities and their implications for long term success

Application (as set out by QCA)

Long term success relies upon good relations with a range of different stakeholder groups, both internal (workforce) and external (suppliers, customers, regulators and others). The Board needs to identify the Group's stakeholders and understand their needs, interests and expectations.

Where matters that relate to the Group's impact on society, the communities within which it operates or the environment have the potential to affect the Group's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the Group's strategy and business model.

Feedback is an essential part of all control mechanisms. Systems need to be put in place to solicit, consider and act on feedback from all stakeholder groups.

What we do and why

The Board of Norish plc visits its operating sites where relevant local management present on all aspects of the business; customers, employees, suppliers, regulators and others. The Board is acutely aware of the impact any business can have on the environment and actively looks to reduce such impacts.
For more information, please see our Environmental Policies section on page 16.

Embed effective risk management, considering both opportunities and threats, throughout the organisation

Application (as set out by QCA)

The Board needs to ensure that the Group's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business; including the Group's supply chain, from key suppliers to end-customer.

Setting strategy includes determining the extent of exposure to the identified risks that the Group is able to bear and willing to take (risk tolerance and risk appetite).

What we do and why

Management considers risk to the business including operational and financial risk on an ongoing basis.

The Board considers risk to the business at every Board meeting. The Group formally reviews and documents the principal risks to the business, at least annually. Risk management on page 13 details risks to the business and how these are mitigated. Financial risk factors are covered on page 7.

Maintain the Board as a well-functioning, balanced team, led by the Chair

Application (as set out by QCA)

The Board members have a collective responsibility and legal obligation to promote the interests of the Group and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the Board.

The Board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring decision or insight.

The Board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a Board judgment.

The Board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.

What we do and why

The Group is controlled by its Board of Directors. Ted O'Neill, Executive Chairman, is responsible for the running of the Board.

All Directors receive regular and timely information about the Group's financial and operational performance. Relevant information is circulated to the Directors in advance of Board meetings.

The Board comprises three Executive Directors, three non- Executive Directors, together with the Company Secretary.

The Board considers that all non- Executive Directors bring an independent judgment to meetings, notwithstanding varying durations of service.

Ensure that between all, the Directors have the necessary up to date experience, skills and capabilities

Application (as set out by QCA)

The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition.

The Board should not be dominated by one person or group of people. Strong personal bonds can be important but can also divide a board.

As companies evolve, the mix of skills and experience required on the Board will change and the Board composition will need to evolve to reflect this change.

What we do and why

The Company Secretary supports the Executive Chairman, in addressing the ongoing training needs of Directors.

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Application (as set out by QCA)

The Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.

The Board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.

It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for boards. No member of the Board should become indispensable.

What we do and why

A number of the Board members and Company Secretary have undergone personal development training in recent years, this is on-going.

Promote a corporate culture that is based on ethical values and behaviours

Application (as set out by QCA)

The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.

The policy set by the Board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Group.

The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.

The policy set by the Board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Group.

The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Group.

The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statement issued by the Group.

What we do and why

Our values guide us in our daily commercial lives. We work hard to make a satisfactory return for our shareholders, while taking cognisance of all other stakeholders in the process. We do this by challenging ourselves in everything we do, holding ourselves to account. This requires a very open, transparent organisation where nobody is afraid to engage to the highest levels in the organisation. This empowers all of our employees to put forward their opinions, grow with the organisation and ultimately make it a bottom up ideas business. We are very mindful of family and in that regard the Group is committed to maintaining its efforts in the area of energy conservation. We engaged a new energy supplier who provides us with 100% renewable energy at the cold store division.

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Application (as set out by QCA)

The Group should maintain governance structures and processes in line with its corporate culture and appropriate to its:

- size and complexity; and
- capacity, appetite and tolerance for risk.

The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Group.

What we do and why

The Board of Directors comprises an Executive Chairman, Group Managing Director and Finance Director and three 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 or Sean Savage would not be considered to be independent due to their interests in the Group's shares. Torgeir Mantor has also served on the Board for more than 10 years, 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 judgment.

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.

DIRECTORS' REPORT *(CONTINUED)*

The directors attended Board meetings and committees of the Board as set out below:

	Board	Remuneration	Audit
Meetings held	**4**	**1**	**1**
Meetings Attended:			
Ted O'Neill	**4**	**N/A**	**N/A**
Kieran Mahon	**4**	**N/A**	**N/A**
Aidan Hughes	**4**	**N/A**	**N/A**
Torgeir Mantor	**2**	**1**	**1**
Willie McCarter	**3**	**1**	**1**
Seán Savage	**4**	**1**	**1**
Gerard Murphy – company secretary	**4**	**N/A**	**N/A**

The nomination committee meets as required. There were no meeting during the year.

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.

Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Application (as set out by QCA)

A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Group.

In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base. This will assist with:

- the communication of shareholders' views to the Board; and
- the shareholders' understanding of the unique circumstances and constraints faced by the Group.

It should be clear where these communication practices are described (annual report or website).

What we do and why

Norish plc encourages two-way communication with both its private and institutional shareholders and responds promptly for meeting requests.

Management strive to proactively meet shareholders after both interim and full year results publication or at any period in between, which is not in a close period.

The Chairman speaks with our major shareholders and ensures their views are communicated fully to the Board.

DIRECTORS' REPORT *(CONTINUED)*

Relevant Audit Information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

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.

The Group has forecast revenue and profits in excess of the current year for the next twelve months, resulting largely from significant contracts signed in the cold stores division during the financial year.

The Group borrowings are underpinned by a portfolio of freehold and long leasehold properties and at the financial year end there were agreed, but undrawn facilities of £2.1m along with cash reserves of £1.5m.

The Group also has the ability to raise equity funds through the London Stock Exchange (AIM) market. In the current climate cold storage assets are in high demand and therefore the board would consider selling one or more of these assets, or entering a sale and leaseback arrangement, if circumstances required it.

Taking into account all of the above, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Research and Development

As described below, the Group's principal research and development activity is the development of A2-protein based dairy products. During the year, costs of £705,000 (2019: £419,000) were capitalised in this regard.

DIRECTORS' REPORT *(CONTINUED)*

Future developments

The improvement in the cold store division in the later months of 2020, have continued into January, February of 2021. This notwithstanding more difficult comparisons with markets closed this year due to Covid 19, a situation which did not take place fully until March of last year.

Our product sourcing division has been impacted by Covid 19 and Brexit in January & February 2021. We do expect to see this to recover in the second quarter. We have identified an opportunity to develop a protein export business to South Africa, and we expect to see growth in this area during 2021.

We are happy with the significant progress made with the development of our A2 protein milk supply via Cantwellscourt Farm. Grass to Milk Company has launched its first A2 protein, using our own unique milk source. We plan to ramp up production in 2021 in conjunction with our commercial partners in the Chinese market. We will continue to execute on our strategy; continuing to develop dairy products with functional nutrition benefits, derived from our unique A2 protein grass-fed milk source.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 6th Floor, South Bank House, Barrow Street, Dublin 4.

Auditor

In accordance with Section 383(2) of the Companies Act 2014 the Chartered Accountants and Statutory Audit Firm, Grant Thornton, will continue in office.

On behalf of the board:

T.J. O'Neill	**A.V. Hughes**	**11 March 2021**
Chairman	***Finance Director***	

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable Irish law and regulations.

Irish 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 and Company financial statements in accordance with the Companies Act 2014 and International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company as at the financial year end date, and of the profit or loss of the Group and Company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for ensuring that the Group and Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group'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 ***Chairman***	A.V Hughes ***Finance Director***	**11 March 2021**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORISH PLC

We have audited the financial statements of Norish Plc ("the Company") and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity for the financial year ended 31 December 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, Norish Plc's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Group and the Company as at 31 December 2020 and of the Group's financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accountancy Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue as a going concern included:

- Evaluating management's trading expectations, cash flow forecasts, the basis upon which they were prepared and key assumptions therein, including the testing of calculations and mathematical accuracy;
- Challenging the trading forecasts prepared by management with reference to contracts in place, historical performance and pricing, considering alternative scenarios in order to ascertain the extent of change in underlying assumptions that either individually or collectively would lead to alternative conclusions;
- Making inquiries of management and reviewing the board minutes and communications with commercial partners in order to ascertain future plans and to consider their impact on management's budgets and cash flow projections;
- Considering the funding facilities and alternative sources of funding available to the directors; and
- Assessing the adequacy of the disclosures with respect to the going concern assertion.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Key audit matters

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

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the valuation of the intangible assets. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations below, our areas of focus included:

- Accuracy, valuation and allocation of development costs
- Existence, valuation and allocation of trade receivables.

How we tailored the audit scope

The Group has three operating segments that are operated principally in the United Kingdom, with operations in the Republic of Ireland since 2014. We tailored the scope of our audit taking into account the areas where the risk of misstatement was considered material to the Group, such as the carrying value of intangible assets and the existence and valuation of trade receivables.

In establishing the overall approach to our audit we assessed the risk of material misstatement at a Group level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at Norish plc.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the entity and its environment and the relative complexity of the Group, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group as follows: 1% of Revenues for the financial year ended 31 December 2020. We have applied this benchmark because the Group's trading volumes and associated revenues are key performance metrics used by the Group's stakeholders.

We have set performance materiality for the Group at 75% of materiality, having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the entity and it's control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the board of directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

Significant matters identified
The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant risks together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

a. Accuracy, valuation and allocation of development costs (see note 11)
Capitalised development costs of £1,269,000 are deemed significant to our audit, given the significance of the position at December 31, 2020, the technological developments in the industry, as well as the specific criteria that are required to be met for capitalisation. This involves management judgment, such as with respect to technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure the costs reliably. In addition, determining whether there is any indication of impairment of the carrying value of such assets, requires management judgement and an assessment of assumptions which are affected by future market or economic developments.

We have performed audit procedures over the accuracy, valuation and allocation of amounts recognised. Our audit procedures, included determining the stage of the development, assessing the recognition criteria for intangible assets, challenging the key assumptions used or estimates made in capitalising development costs, assessing the accuracy and completeness of the costs capitalised, and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for this project and performing reviews for indicators of impairment. We also assessed the adequacy of the company's disclosure in Note 11, Other intangible assets.

No issues were identified during the course of our audit.

b. Existence , valuation and allocation of trade receivables (See note 14)
Given the significance of the net trade receivables balance, £6,335,000, as of 31 December 2020, it is material to the financial statements, and consequently was a key area of focus for the audit. We have considered the risk of impairment of the trade receivable balances; we have reviewed management's assessment of the impairment of the trade receivables balance as a result of expected credit losses, in addition to the performance of substantive procedures over existence and recoverability of trade receivables.

Our audit approach involved the use of sampling to select a sample of trade receivable balances for testing to determine existence and recoverability by verification to relevant post year end cash receipts or alternative procedures. Furthermore, we reviewed trade receivables outside normal credit terms to assess likelihood of recoverability in conjunction with management's allowance for credit losses, as well as management's disclosure of these considerations in accordance with IFRS 9.

No issues were identified during the course of our audit.

Other information
Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Directors' Report, Chairman's Statement and Financial Review. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Statement of directors' responsibilities, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

Responsibilities of the auditor for the audit of the financial statements

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Responsibilities of the auditor for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on consolidated financial statements, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit, and the group auditor remains solely responsible for the audit opinion.

The auditor also provides those charged with governance with a statement that they have complied with relevant ethical requirements regarding independence, including the Ethical Standards for Auditors (Ireland), and communicates with them all relationships and other matters that may reasonably be thought to bear on their independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Crawford
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Audit Firm
Dublin

11 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Continuing operations			
Revenue	5	**33,361**	34,100
Cost of sales		**(30,389)**	(30,733)
Gross profit		**2,972**	3,367
Other income		**182**	107
Administrative expenses		**(865)**	(811)
Operating profit from continuing operations		**2,289**	2,663
Finance income – interest receivable	7	**1**	1
Finance expenses – lease interest	7	**(196)**	(229)
Finance expenses – interest on bank loans	7	**(117)**	(120)
Profit on continuing activities before taxation	8	**1,977**	2,315
Income taxes – Corporation tax	9	**(224)**	(247)
Income taxes – Deferred tax	9	**(245)**	(165)
Profit for the financial year from continuing operations		**1,508**	1,903
Loss for the financial year from discontinued operations	28	**(71)**	(62)
Profit for the financial year attributable to owners of the parent		**1,437**	1,841
Other comprehensive income		**162**	**-**
Total comprehensive income for the financial year attributable to owners of the parent		**1,599**	1,841

The accompanying notes on pages 38 to 75 form an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2020 (continued)

	Notes	2020	2019
Earnings per share expressed in pence per share:			
From continuing operations	10		
- basic		**5.02p**	6.33p
- diluted		**5.02p**	6.33p
From discontinued operations	10		
- basic		**(0.24)p**	(0.21)p
- diluted		**(0.24)p**	(0.21)p

The accompanying notes on pages 38 to 75 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2020

	Notes	**2020**	2019
		£'000	£'000
Non-current assets			
Goodwill	11	**2,338**	2,338
Intangible assets	11	**1,269**	564
Property, plant and equipment	12	**22,898**	22,777
Biological assets	13	**770**	824
		27,275	26,503
Current assets			
Trade and other receivables	14	**7,526**	6,857
Inventories	15	**58**	1,105
Cash and cash equivalents	23	**1,550**	1,054
Assets of disposal group classified as held for sale	28	**381**	277
		9,515	9,293
TOTAL ASSETS		**36,790**	35,796
Equity attributable to owners of the parent			
Share capital	21	**5,640**	5,640
Share premium account	21	**7,321**	7,321
Other reserves	22	**141**	(21)
Retained earnings		**5,750**	4,313
TOTAL EQUITY		**18,852**	17,253
Non-current liabilities			
Borrowings	18	**5,514**	5,935
Deferred tax	20	**1,244**	1,002
		6,758	6,937
Current liabilities			
Trade and other payables	16	**6,288**	6,564
Current tax liabilities	17	**151**	231
Borrowings	18	**4,741**	4,811
		11,180	11,606
TOTAL EQUITY AND LIABILITIES		**36,790**	35,796

The accompanying notes on page 38 to 75 form an integral part of these consolidated financial statements.

Approved on behalf of the board on 11 March 2021 by:

T.J. O'Neill
Chairman

A. Hughes
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Share capital £'000	Share premium £'000	Other Reserves £'000	Treasury shares £'000	Retained Earnings £'000	Total £'000
At 1 January 2019	**5,640**	**7,321**	**103**	**(563)**	**3,484**	**15,985**
Profit for the financial year	-	-	-	-	1,841	1,841
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**1,841**	**1,841**
Transfer of treasury shares	-	-	-	563	(563)	-
Equity dividends paid	-	-	-	-	(449)	(449)
Foreign exchange gain	-	-	(124)	-	-	(124)
Transactions with owners	**-**	**-**	**(124)**	**563**	**(1,012)**	**(573)**
At 31 December 2019	**5,640**	**7,321**	**(21)**	**-**	**4,313**	**17,253**
Profit for the financial year	-	-	-	-	1,437	1,437
Foreign exchange gain	-	-	162	-	-	162
Total comprehensive income for the financial year	**-**	**-**	**162**	**-**	**1,437**	**1,599**
Equity dividends paid	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**5,640**	**7,321**	**141**	**-**	**5,750**	**18,852**

The accompanying notes on pages 38 to 75 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 December 2020	**Notes**	**2020**	2019
		£'000	£'000
Cash flow from operating activities			
Profit on continuing activities before taxation		**1,977**	2,315
Gain on biological assets	13	**(182)**	(107)
Foreign exchange (gain)/loss		**(55)**	97
Loss on discontinued activities	28	**(71)**	(62)
Finance expenses	7	**316**	349
Finance income	7	**(1)**	(1)
Depreciation – property, plant and equipment-net	12	**1,789**	1,649
Operating cash flows before changes in working capital		**3,773**	4,240
Changes in working capital and provisions:			
Decrease/(Increase) in inventories	15	**1,047**	(481)
Increase in trade and other receivables	14	**(669)**	(607)
(Increase)/Decrease in current assets held for sale		**(104)**	47
Decrease in current liabilities held for sale		**-**	(15)
(Decrease)/Increase in payables	16	**(276)**	1,118
Net cash inflow from operations		**3,771**	4,302
Interest paid	7	**(316)**	(349)
Interest received	7	**1**	1
Taxation paid	9	**(304)**	(406)
Net cash generated from operating activities		**3,152**	3,548
Cash flow from investing activities			
Investment in intangible assets	11	**(705)**	(419)
Purchase of property, plant and equipment	12	**(1,741)**	(1,734)
Sale of biological assets	13	**346**	209
Purchase of biological assets	13	**(65)**	(324)
Net cash used in investing activities		**(2.165)**	(2,268)
Cash flows from financing activities			
Dividends paid to shareholders	23	**-**	(449)
Invoice finance payments		**(150)**	(502)
Finance lease capital repayments		**(845)**	(979)
Term loan advance		**-**	300
Finance lease advance		**882**	271
Term loan repayments		**(378)**	(410)
Net cash outflow used in financing activities		**(491)**	(1,769)
Net increase/(decrease) in cash and cash equivalents		**496**	(489)
Cash and cash equivalents beginning of the financial year		**1,054**	1,543
Cash and cash equivalents end of the financial year	22	**1,550**	1,054

The accompanying notes on pages 38 to 75 form an integral part of these financial statements.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Norish plc is a provider of temperature controlled, ambient storage, supplies of commodity to major food manufacturing and wholesale companies, dairy farming and other related services to the food industry in the United Kingdom and Republic of Ireland.

The Group is listed on the Alternative Investments Market ("AIM") of the London Stock Exchange 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. Norish plc is registered in Republic of Ireland under registration number 51842.

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 on a going concern basis and in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, being Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and endorsed for use by the EU at 1 January 2020. They have also been prepared with those parts of the Companies Act 2014 applicable to companies reporting under IFRS as adopted by the EU.

The financial statements have been prepared under the historical cost convention other than as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets at that time.

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 (see note 4).

The financial statements are presented in Great British Pounds Sterling (£) which is both the Group's and Company's functional and presentational currency, rounded to the nearest thousand pounds.

The directors and the Group's management team are continuing to closely monitor developments during the Covid-19 crisis and assessing the potential impact they may have on the Group's people, its activities, operations and financial position. The directors note that this continues to be a dynamic situation however they are satisfied that the group is in a strong financial position to withstand potential future challenges in this context.

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.

The Group has forecast revenue and profits in excess of the current year for the next twelve months, resulting largely from significant contracts signed in the cold stores division during the financial year.

The Group borrowings are underpinned by a portfolio of freehold and long leasehold properties and at the financial year end there were agreed, but undrawn facilities of £2.1m along with cash reserves of £1.5m.

The Group also has the ability to raise equity funds through the London Stock Exchange (AIM) market. In the current climate cold storage assets are in high demand and therefore the board would consider selling one or more of these assets, or entering a sale and leaseback arrangement, if circumstances required it.

Taking into account all of the above, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

The IFRS adopted by the EU as applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 31 December 2020. The accounting policies adopted are consistent with those of the previous financial year.

Changes in accounting policies
Some accounting pronouncements which have become effective from 1 January 2020 and have therefore been adopted do not have a significant impact on the Group's financial results or position as follows:

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to References to the Conceptual Framework (Various Standards)
- COVID-19 Rent Related Concessions (Amendments to IFRS 16)

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

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The directors do not consider that Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early, will have a significant impact upon the Group.

Basis of consolidation

The Group's Consolidated Financial Statements include the results of Norish plc and its subsidiary undertakings for that period. As of 31 December 2020, all subsidiary undertakings have a reporting date of 31 December.

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 results of entities reporting in other than the Group's presentation currency are consolidated using the closing rate method where assets and liabilities are translated at the rate of exchange at the date of the Statement of Financial Position and items of income and expense are translated at date of the transaction. Foreign exchange differences are recognised in other comprehensive income.

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. Contingent consideration is recognised at its fair value at the acquisition date. It is both classified and subsequently measured in accordance with the Group's accounting policy for financial instruments. Transactions costs that are directly attributable to the business combination are expensed as incurred and included within administrative expenses.

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. Goodwill on 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. Each asset's 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 statement of comprehensive income 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 property	50-55 years
Plant and machinery (plant and equipment category)	10 years
Fixtures and fittings (plant and equipment category)	10 years
Equipment (plant and equipment category)	5-20 years

Freehold land is not depreciated. Gains or losses arising on disposal of property, plant and equipment are recognised in the statement of comprehensive income.

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.

Impairment reviews of goodwill are carried out annually and any impairment recognised is recorded in the Consolidated Statement of Comprehensive Income.

Revenue recognition
Revenue is only recognised when certain criteria are met.

Firstly, a contract must exist. A contract exists when: it has been approved and the parties are committed to performing their respective obligations; each party's rights can be identified; payment terms can be identified; the contact has commercial substance; and it is probable that consideration will be collected in respect of goods and services transferred to the customer.

Secondly, the Group must be able to identify the performance obligations within the contract. A performance obligation is a promise to transfer either a distinct good or service or a series of distinct goods or services. At contract inception, the Group assesses the goods or services promised to a customer and identifies each promise to transfer as either: a good or service that is distinct; or a series of distinct goods and services that are substantially the same and have the same pattern of delivery to the customer.

Thirdly, it is necessary to determine the transaction price. This involves an assessment of whether or not the revenue might be variable, contain a significant financing component, include non-cash consideration or involve payments back to the customer.

Fourthly, it is necessary to allocate the transaction price. The transaction price is allocated to each separate performance obligation based on their relative standalone selling prices. Discounts are typically allocated to all performance obligations in an arrangement based on their relative standalone selling prices. i.e. so that discount is allocated proportionately across all performance obligations.

Revenue is then recognised when or as performance obligations are satisfied by transferring control of the promised goods or services to the customer.

Revenue, which arises principally from storage and handling income and the sale of goods, represents net sales to customers outside the Group, and excludes discounts and Value Added Tax. Income from sub-letting of warehouses is also included in revenue and is recognised on a time apportioned basis.

Handling revenue relates to the receipt and eventual delivery of goods. The portion that relates to receipt is recognised on invoice which coincides with the receipt into store. Similarly, the portion that relates to 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 the sale of goods in the product sourcing business is recognised on an invoice basis which coincides with dispatch of goods and is the point when the customer obtains control over the goods.

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 into the following categories: amortised cost; fair value through the statement of comprehensive income; or fair value through profit or loss (FVTPL). 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.

Currently, the Group only has financial assets held at amortised cost. Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect; and
- its contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. A financial asset is only derecognised if substantially all of the risks and rewards of ownership have been transferred outside the Group.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The Group's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. The Group currently does not have any financial liabilities carried at FVTPL. All interest-related charges are included within finance costs or finance income. Financial liabilities are only derecognised once they are extinguished.

The Group offsets financial assets and financial liabilities when, and only when, the Group currently has a legally enforceable right of set-off and intends either to settle on a net basis or to realise the financial assets and settle the financial liabilities simultaneously.

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 Statement of Financial Position date.

The Group has 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 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.

Discontinued operations
Where a component of the Group is classified as a discontinued operation, that component is stated at the lower of its carrying amount and fair value less cost to sell. The post-tax profit or loss or the component, together with any post-tax gain or loss in relation to remeasuring the carrying amount of the component, are recognised is a single line item in the Statement of Comprehensive Income. Assets and liabilities relating to the component are presented separately in the Statement of Financial Position.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Foreign currencies

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

Leased assets

The Group enters into contracts as a lessee in respect of property and equipment leases in its temperature controlled business segment. Property leases are typically negotiated for periods of up to 30 years and equipment leases for periods up to 6 years. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Leased assets (continued)
Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

Right-of-use assets are presented within property, plant and equipment. Lease liabilities are presented within borrowings.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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 statement of comprehensive income, 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.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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 which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents include bank overdrafts repayable on demand where one exists. Since the characteristics of such banking arrangements are that the bank balance could fluctuate from being positive to overdrawn at a given point in time, they are considered an integral part of the Group's cash management.

Inventories
Inventories are valued at the lower of cost and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the products to their present location and condition. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Equity
Share capital represents the nominal value of shares that have been issued. Share Premium includes any premiums received on issue of share capital. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately with equity.

Joint share ownership plan (JSOP)
The JSOP is a trust-based arrangement established to hold shares in the Company that may vest, dependent on certain vesting conditions, to employees of the Group. The JSOP was established for the benefit of the Group through the remuneration of key employees. Furthermore, the Group funds the JSOP and is exposed to both upside and downside risk associated with holding the shares. Accordingly, Management consider that the Group exercises control over the JSOP which has been included in these consolidated financial statements.

Investment in subsidiaries
Investment in subsidiaries are recognised at cost less impairment. Impairments are recognised in accordance with the Group's accounting policy on impairment charges.

As assessment is made at each reporting date whether or not there are indications that the Company's investment in subsidiaries is impaired. Where such an indication exists, the Company estimates the recoverable amount to determine where or not an impairment charge is required.

Biological assets
Biological assets are measured on initial recognition and at each subsequent reporting date at fair value less estimated point of sale costs. Agricultural produce which is harvested from biological assets is measured at its fair value less estimated point of sale costs at the point of harvest. Movements in fair value less estimated point of sale cost are recognised in the Consolidated Statement of Comprehensive Income.

Intangible assets
The Group recognises internally generated intangible assets to the extent that they are both identifiable and can be measured reliably. Recognition only occurs when the Group is satisfied that the project is feasible such that the asset will be available for use or sale; that the Group has the intention to complete the intangible asset and either use or sell it; that the Group has the ability to either use or sell the intangible asset; that it is probable that the intangible asset will generate future economic benefits; and that the Group has available sufficient resources to complete the development of the intangible asset.

Intangible assets are written off in equal annual instalments over their useful economic life when the product is fully developed and ready for market, which is expected to be 5 years. Amortisation is included within administrative expenses.

Provisions
Provisions for legal disputes or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3 Financial risk management

3.1 Financial risk factors

Both the Group's consideration of and response to the COVID-19 pandemic are included in note 2.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk, contingent consideration 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
The Group has exposure to foreign exchange risk in respect of its commodity trading division. It mitigates this risk by mainly purchasing euros at a fixed rate forward and using this rate in establishing a selling price for its goods in order to both maintain an acceptable margin and the ensure the Group has sufficient balances of the appropriate currencies.

ii) Fair value and cash flow 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 2020 and 2019, the Group's borrowings at variable rate were denominated in Pounds Sterling.

At 31 December 2020, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £40,000 lower, mainly as a result of higher interest expenses on floating rate borrowings.

At 31 December 2019, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £40,000 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.

3.1 Financial risk factors (continued)

The Group performs appropriate customer due diligence and monitors the exposure to credit risk. The credit risk (see note 14) in relation to trade receivables is also 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 2020:

	Within 1 year £'000	**1 to 2 years £'000**	**2 to 5 years £'000**	**Greater than 5 years £'000**	**Total £'000**
Trade payables	4,220	-	-	-	4,220
Invoice finance	3,336	-	-	-	3,336
Lease liabilities	992	929	2,124	1,168	5,213
Term loan interest	32	27	26	-	85
Bank loans	414	414	879	-	1,707
	8,994	**1,370**	**3,029**	**1,168**	**14,561**

At 31 December 2019:

	Within 1 year £'000	**1 to 2 years £'000**	**2 to 5 years £'000**	**Greater than 5 years £'000**	**Total £'000**
Trade payables	4,342	-	-	-	4,342
Invoice finance	3,485	-	-	-	3,485
Lease liabilities	756	648	2,252	1,521	5,177
Term loan interest	49	39	59	-	147
Bank loans	570	371	1,069	74	2,084
	9,202	**1,058**	**3,380**	**1,595**	**15,235**

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 shareholders' funds of £18.9m up from £17.3m last year. In 2020, we decreased the Gearing ratio from 65% to 53%.

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

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive gearing. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The gearing ratios at 31 December 2020 and 2019 were as follows:

	2020	2019
	£'000	£'000
Total borrowings	**10,255**	10,746
Less cash and cash equivalents	**(1,550)**	(1,054)
Net borrowings	**8,705**	9,692
Net assets	**18,852**	17,253
Less goodwill	**(2,338)**	(2,338)
Capital employed	**16,514**	14,915
Gearing ratio	**53%**	65%

3.3 Fair value estimation

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.

Biological assets comprise of a herd of heifers, that are used for milk production, and bulls to impregnate the heifers. They are valued at fair value less cost to sell.

The Group's biological assets are measured at fair value less cost to sell at each balance sheet date. Biological assets include dairy herd, both mature and immature. The fair value measurements are categorized under Level 3 in the fair value hierarchy, as defined by IFRS 13. The fair value of the livestock is based on the valuation from the independent valuator, Grasstec. Livestock is measured at their fair value less estimated point-of-sale costs. The valuator used the market prices of livestock of similar age, breed and genetic merit, and the market situation in the dairy sector.

4 Significant management judgment in applying accounting policies and estimation uncertainty

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. See note 2 for consideration of the impact of the COVID-19 pandemic.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy set out in Note 2. Further details are set out in Note 11.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Amortisation is charged so as to allocate the cost of other intangible assets over their estimated useful economic lives, using the straight-line method. The estimated useful economic life has been estimated as 5 years. Amortisation commences when the intangible asset is available for use.

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 year, which if this does not materialise then it will have an impact on the deferred tax calculation in future years.

The Group values its biological assets at fair value less estimated point of sale costs.

As noted above, the Group enters into leases and the rate implicit in the relevant lease is not always readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

As described in note 2, estimation is involved is assessing lifetime expected credit losses in respect of trade and other receivables.

Distinguishing the research and development phases of the Group’s major dairy project (see note 11) and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

5 Segmental information

The operating segments of the Group are monitored and strategic decisions are made on the basis of segment operating results. The Group operates principally in the United Kingdom. Since the year ended 31 December 2014, the Group also had operations in the Republic of Ireland. These operations generated revenues of £3.4m (2019: £3.5m) with fixed assets of £5.2m (2019: £1.9m). During 2016, the Group commenced a dairy farm in the Republic of Ireland and during 2018 it established Grass to Milk which is developing A2 protein products.

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

- Product Sourcing business: Commodity trading (meat, fish and dairy)
- Temperature controlled: Operation of temperature-controlled storage centres
- Dairy farming: Dairy business developing an A2-protein milk supply with novel dairy processing IP
- Unallocated: Head office management related costs

A description of both the performance obligations and revenue recognition accounting policies associated with the above segments is included in note 2.

During 2020, £5.1m or 15% (2019: £4.5m or 12%) of the Group's revenues from continued operations depended on a single customer in the temperature controlled business (2019: temperature controlled business). The segment results from continuing operations for the year ended 31 December 2020 are:

	Dairy Farming	Product Sourcing	Temperature Controlled	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000
Total segment revenue	1,031	17,725	14,605	-	33,361
Revenue	**1,031**	**17,725**	**14,605**	**-**	**33,361**
Operating profit/(loss)	(113)	259	3,008	(865)	2,289
Finance income – interest receivable	-	-	1	-	1
Finance cost – Interest paid	(33)	(28)	(251)	-	(312)
Profit/(loss) before income tax	**(146)**	231	2,758	(865)	1,978
Income tax – corporation tax	46	(32)	(190)	(48)	(224)
Income tax – deferred tax	(28)	-	(217)	-	(245)
Profit/(loss) for the year	**(128)**	**199**	**2,351**	**(913)**	**1,509**

5 Segmental information (continued)

Other segment items:

	Dairy Farming £'000	Product Sourcing £'000	Temperature Controlled £'000	Unallocated £'000	Total £'000
Depreciation – continuing operations (Note 12)	171	60	1,558	-	**1,789**

The segment results for the year ended 31 December 2019 are:

	Dairy Farming £'000	Product Sourcing £'000	Temperature Controlled £'000	Unallocated £'000	Total £'000
Total segment revenue	892	18,156	15,052	-	34,100
Revenue	**892**	**18,156**	**15,052**	**-**	**34,100**
Operating profit/(loss)	(147)	369	3,252	(811)	2,663
Finance income – interest receivable	-	-	1	-	1
Finance cost – Interest paid	(36)	(31)	(282)	-	(349)
Profit/(loss) before income tax	**(183)**	338	2,971	(811)	2,315
Income tax – corporation tax	-	(50)	(167)	(30)	(247)
Income tax – deferred tax	(18)	-	(147)	-	(165)
Profit/(loss) for the year	**(201)**	**288**	**2,657**	**(841)**	**1,903**

Other segment items:

	Dairy Farming £'000	Product Sourcing £'000	Temperature Controlled £'000	Unallocated £'000	Total £'000
Depreciation – continuing operations (Note 12)	165	60	1,424	-	**1,649**

5 Segmental information (continued)

Segment assets in respect of the trading divisions, consists primarily of property, plant and equipment, goodwill, refrigerant gas, trade and other receivables. Unallocated assets comprise financial assets at fair value through the consolidated statement of comprehensive income.

Segment liabilities consist primarily of trade and other payables. Unallocated liabilities comprise of current tax liabilities.

Capital expenditure comprises additions to property, plant and equipment.

The segment assets and liabilities at 31 December 2020 and the capital expenditure for the year then ended are as follows:

	Dairy Farming	Product Sourcing	Temperature Controlled	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000
Assets	5,232	6,689	24,793	76	36,790
Liabilities	1,353	3,941	12,644	-	17,938
Capital expenditure (Note 12)	136	-	1,605	-	1,741

The segment assets and liabilities at 31 December 2019 and the capital expenditure for the year then ended are as follows:

	Dairy Farming	Product Sourcing	Temperature Controlled	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000
Assets	4,445	7,171	23,827	353	35,796
Liabilities	1,655	4,773	12,086	29	18,543
Capital expenditure (Note 12)	44	-	1,690	-	1,734

6 Staff costs

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

	2020	2019
Management	**18**	20
Administration	**24**	22
Technical	**13**	8
Operational	**116**	110
	171	160

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	**4,959**	4,645
Social security costs	**444**	419
Other pension costs	**145**	106
	5,548	5,170

There is an accrual for £25,000 (2019: £21,000) included above for pension costs at 31 December 2020.

The group capitalised employee costs of £211,000 (2019: £176,000) relating to the Grass to Milk business (2019: Grass to Milk business) as an intangible asset.

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 25.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

7 Financial income and expenses

	2020 £'000	2019 £'000
Interest receivable	**1**	1
Finance income	**1**	1
Interest expense on bank overdrafts and loans	**(117)**	(120)
Interest expense on leases	**(196)**	(229)
Finance costs	**(313)**	(349)
Net finance costs	**(312)**	(348)

8 Profit before tax

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

	2020 £'000	2019 £'000
Depreciation of property, plant and equipment (Cost of Sales)	**1,789**	1,649
Staff costs (Note 6)	**5,548**	5,170
Foreign exchange loss/(gain)	**13**	(2)
Auditor's remuneration- audit services	**60**	50
- non audit services	**81**	16

9 Income taxes

(a) Analysis of charge in year	**2020 £'000**	2019 £'000
UK		
Corporation tax at 19.00% (2019: 19.00%)	**178**	270
Adjustment in respect of previous periods	**(13)**	(35)
Ireland		
Corporation tax at 12.5% (2019: 12.5%)	**59**	12
Adjustment in respect of previous periods	**-**	-
Current tax charge	**224**	247
Deferred tax charge (Note 20)	**245**	165
Deferred tax charge	**245**	165

(b) Factors affecting tax charge for year	**2020 £'000**	2019 £'000
Profit on ordinary activities before taxation	**1,977**	2,315
Profit on ordinary activities multiplied by standard UK tax rate 19.00% (2019: 19.00%)	**376**	440
Effects of:		
Other expenses not deductible for tax purposes	**8**	9
Adjustment for tax effect of discontinued operations	**(15)**	(12)
Adjustment in respect tax payable on Irish Income (12.5%)	**(19)**	(20)
Adjustments in respect of previous periods	**(13)**	(35)
Adjustments in respect of IBA and tax rate change	**200**	76
Adjustments in respect of Research & Development	**(68)**	(46)
Total tax charge for year	**469**	412

The deferred tax charge of £245,000 (2019: £165,000) 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 charge in 2020 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.

10 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.

	2020	2019
Profit attributable to owners of parent – continuing (£'000)	**1,508**	1,903
Loss attributable to owners of parent – discontinuing (£'000)	**(71)**	(62)
	1,437	1,841
Weighted average number of ordinary shares outstanding	**30,070,378**	30,034,214
Basic earnings per share – continuing operations	**5.02p**	6.33p
Basic loss per share – discontinuing operations	**(0.24)p**	(0.21)p
Basic earnings per share	**4.78p**	6.12p

The share options issued under the Company's share option schemes were exercised during 2018 and none were outstanding at either 31 December 2020 or 31 December 2019. Accordingly, there are no dilutive instruments in issue.

11 Goodwill and intangible assets

The net book value of goodwill at 31 December 2020 was £2,338,000 (31 December 2019: £2,338,000) and relates to the Commodity Trading business segment. The goodwill arose on the acquisition of Townview Foods Limited in 2012 and this is the cash generating unit (CGU) to which the goodwill has been allocated.

The recoverable amount of the CGU is based upon value in use. The key assumption in determining value in use is the underlying profitability of the acquired business which depends upon a number of factors including prices and volumes negotiated with both key suppliers and customers. The business has an established trading history, which together with input from both the board and existing management team of Townview Foods Limited, is forecast to generate net cash flows for each of the next ten years. A discount rate of 12.3% has been used.

Other intangible assets

During 2018 work commenced on a major dairy project which included DNA testing and IP licencing costs. During the year the costs of £705,000 (2019: £419,000) were capitalised and the amount amortised/impaired was £Nil (2019: £Nil).

	2020	2019
	£'000	£'000
At 1 January	**564**	166
Additions	**705**	419
Foreign exchange loss	**-**	(21)
At 31 December	**1,269**	564

12 Property, plant and equipment

The company has carried out impairment reviews on a number of its properties. In carrying out the review an annual discount factor of 12.3% was applied to future cash flows and best estimates were used for realisable values at the end of the period. It was concluded that there were no impairments necessary in 2020 (2019: £Nil).

12 Property, plant and equipment (continued)

	Freehold Land £'000	Buildings £'000	Plant and Equipment £'000	Total £'000
Cost				
At 1 January 2020	3,544	20,337	15,893	39,774
Additions	-	140	1,601	1,741
Foreign exchange	-	165	35	200
At 31 December 2020	3,544	20,642	17,529	41,715
Depreciation				
At 1 January 2020	-	8,230	8,767	16,997
Charge for year	-	647	1,142	1,789
Foreign exchange	-	27	4	31
At 31 December 2020	-	8,904	9,913	18,817
Net book value				
31 December 2020	**3,544**	**11,738**	**7,616**	**22,898**

	Freehold Land £'000	Buildings £'000	Plant and Equipment £'000	Total £'000
Cost				
At 1 January 2019	3,544	20,462	14,213	38,219
Additions	-	24	1,710	1,734
Foreign exchange	-	(149)	(30)	(179)
At 31 December 2019	3,544	20,337	15,893	39,774
Depreciation				
At 1 January 2019	-	7,597	7,766	15,363
Charge for year	-	645	1,004	1,649
Foreign exchange	-	(12)	(3)	(15)
At 31 December 2019	-	8,230	8,767	16,997
Net book value				
31 December 2019	**3,544**	**12,107**	**7,126**	**22,777**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

12 Property, plant and equipment (continued)

Property, plant and equipment comprise both owned assets and leased assets as follows:

	2020	2019
	£'000	£'000
Owned property, plant and equipment	**19,114**	18,590
Right of use assets	**3,784**	4,187
At 31 December	**22,898**	22,777

The Group leases assets such as buildings, plant and vehicles. Information in respect of right-of-use assets where the Group is lessee is presented below:

31 December 2020	**Buildings**	**Plant & equipment**	**Total**
Depreciation charge for the year	**267**	**377**	**644**
Net book value	**2,398**	**1,386**	**3,784**
Additions	**-**	**256**	**256**

31 December 2019	Buildings	Plant & equipment	Total
Depreciation charge for the year	350	409	759
Net book value	2,665	1,522	4,187
Additions	-	271	271

Lease liabilities are secured on the underlying assets.

13 Biological Assets

During 2016 the Group acquired a dairy herd. The fair value less point of sale costs of the herd at the reporting date was £770,000 (2019: £824,000) resulting in a movement in fair value of £182,000 (2019: £107,000) which has been recognised in the Consolidated Statement of Comprehensive Income.

	2020	2019
	£'000	£'000
At 1 January	**824**	639
Foreign exchange	**45**	(39)
Additions	**65**	325
Disposals	**(346)**	(208)
Movement in fair value less estimated point of sale costs	**182**	107
At 31 December	**770**	824

14 Trade and other receivables

	2020	2019
	£'000	£'000
Trade receivables	**6,340**	5,937
Less: allowance for credit losses	**(5)**	(7)
Trade receivables - net	**6,335**	5,930
Other receivables	**456**	413
Prepayments	**1,058**	791
Transfer to disposal group (note 28)	**(323)**	(277)
	7,526	6,857

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 2020 trade receivables of £5,000 (2019: £7,000) were impaired as a result of credit losses. The other classes within trade and other receivables do not contain impaired assets.

14 Trade and other receivables (continued)

As of 31 December 2020, trade receivables of £1,678,000 (2018: £1,109,000), were past due of which £Nil (2019: £Nil) were 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:

	2020	2019
	£'000	£'000
Up to 3 months	**1,673**	1,073
Over 3 months	**5**	36
	1,678	1,109

15 Inventories

	2020	2019
	£'000	£'000
Goods for resale	**182**	1,114
Stock write down provisions	**(66)**	(9)
Transfer to disposal group (note 28)	**(58)**	-
	58	1,105

Goods for resale consist of commodity products purchased by Townview Foods Limited and Foro International Connections Limited for resale. As at 31 December 2020, a stock write down provision was made of £66,000 (2019: £9,000). In the opinion of the directors, the replacement cost of the inventories did not differ significantly from the figures shown above. The amount of stock charged through the Statement of Comprehensive Income was £17,114,000 (2019: £17,854,000).

16 Trade and other payables

	2020	2019
	£'000	£'000
Trade payables	**4,220**	4,342
Value added tax	**704**	308
Payroll taxes	**130**	111
Accruals	**1,158**	1,729
Deferred income	**76**	74
	6,288	6,564

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

17 Current tax liabilities

	2020	2019
	£'000	£'000
Corporation tax - UK	**210**	202
Corporation tax – Ireland	**(59)**	29
	151	231

The above liabilities are all payable within 1 year.

18 Borrowings

	2018	2019
	£'000	£'000
Current		
Lease liabilities	**992**	756
Invoice finance	**3,336**	3,485
Term Loans	**413**	570
	4,741	4,811
Non Current		
Lease liabilities	**4,221**	4,421
Non-current bank borrowings	**1,293**	1,514
	5,514	5,935
Total Borrowings	**10,255**	10,746

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

(a) HSBC Bank plc agreed to a term loan of £2.2m drawn down in February 2018 over a maximum period of 7 years.

(b) Finance Ireland Agri agreed a term loan for £0.27m (€0.3m) drawn down in December 2017 for a maximum period of 8 years.

(c) HSBC Invoice Finance Limited agreed to allow the Group to borrow up to an amount equivalent to 90% of trade debtors in respect of Norish Limited debtors, 90% in respect of Townview Foods Limited debtors, and 90% in respect of Foro International Connections Limited subject to an overall maximum limit of £5m (2019: £5m) which is reviewed annually.

18 Borrowings (continued)

(d) HSBC Bank plc agreed to a term loan of £0.3m (€0.35m) drawn down in March 2019 over a maximum period of 5 years.

Overdraft interest is charged quarterly at an interest rate of bank base rate plus 2.25% (2019: 2.25%). Invoice finance interest is charged on a daily basis at bank base rate plus 1.85% (2019: 1.85%). Term Loan (a) above is charged quarterly at an interest rate of bank base rate plus 1.85% (2019: 1.85%). Term Loan (b) is charged monthly at an interest rate of 3.75% (2019: 3.75%). Term Loan (d) is charged quarterly at euribor plus 1.85%.

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; and

(3) legal mortgages held over the Bury St. Edmunds, West Midlands, and Gillingham properties.

The fair value of the Group's financial liabilities as at 31 December 2020 was as follows:

	2020		2019	
	Book Value £'000	**Fair Value £'000**	Book Value £'000	Fair Value £'000
Current bank borrowings	**4,741**	**4,741**	4,811	4,811
Non-current bank borrowings	**5,514**	**5,514**	5,935	5,935
	10,255	**10,255**	10,746	10,746

The Group pays interest at the base rate plus a margin of 1.85% to 3.75% which is reviewed quarterly. It is assumed that the Book Value reflects the Fair Value.

The carrying amounts of the Group's borrowings are all denominated in Pounds Sterling.

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

	2020 £'000	2019 £'000
Floating rate, expiring within one year		
Invoice finance	**1,652**	930
Stock finance	**0**	364
Bank overdraft	**400**	400
	2,052	1,694

19 Lease liabilities

Lease liabilities can be analysed as follows:

	2020 £'000	2019 £'000
Maturity analysis – contractual undiscounted cash flows:		
Less than one year	**992**	756
One to two years	**929**	792
Two to three years	**904**	730
Three to four years	**721**	698
Four to five years	**499**	558
More than five years	**1,168**	1,643
Total undiscounted lease liabilities	**5,213**	5,177
Lease liabilities included in the Consolidated Statement of Financial Position		
Current	**992**	756
Non-current	**4,221**	4,421
	5,213	5,177
Amounts recognised in profit or loss in relation to lease liabilities		
Interest on lease liabilities	**196**	229
Expenses relating to short-term leases	**223**	245
Expenses relating to low value leases (excluding short term leases)	**-**	-
Amounts recognised Consolidated Statement of Cash Flows In relation to lease liabilities		
Total cash outflow for leases	**419**	474

The Group leases various warehouses under non-cancellable lease agreements and are typically negotiated for periods of up to 30 years. The Group also leases various items of plant and equipment under non-cancellable lease agreements for periods up to 6 years. An analysis of right to use assets is shown in note 12.

For the financial year-end, the average effective borrowing rate was 3.0%. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

At 31 December 2020, the Group had no commitments to any future leases. There is no option to extend and no option remaining for early termination.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

20 Deferred tax

	2020	2019
	£'000	£'000
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	**1,224**	982
Deferred tax liabilities to be recovered within 12 months	**20**	20
	1,244	1,002

Temporary differences all relate to property, plant and equipment. The movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	**Property, plant and equipment**	**Total**
	£'000	**£'000**
At 1 January 2019	839	839
Foreign exchange	(2)	(2)
Charged to the Consolidated Statement of Comprehensive Income	165	165
At 31 December 2019	1,002	1,002
Foreign exchange	(3)	(3)
Charged to the Consolidated Statement of Comprehensive Income	245	245
At 31 December 2020	**1,244**	**1,244**

The deferred tax liability due after more than one year prior to offsetting is £1,224,000 (2019: £982,000).

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 £97,000 (2019: £97,000). 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 and Share Premium

Share Capital

	2020	2019
	£'000	£'000
Authorised		
60,000,000 (2019: 60,000,000) Ordinary shares of 25€c each	**10,836**	10,836

Allotted, called up and fully paid	**Number**	**£'000**
Ordinary shares of 25€c each		
At 1 January 2019	30,070,378	5,640
Issued during the year	-	-
At 31 December 2019	30,070,378	5,640
Issued during the year	-	-
At 31 December 2020	**30,070,378**	**5,640**

No new shares were issued during either 2019 or 2020. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at a shareholders' meeting.

Share Premium

	2020	2019
	£'000	£'000
At 1 January and 31 December	**7,321**	7,321

Joint Share Ownership Plan

During 2016 the Group agreed to establish a Joint Share Ownership Plan (JSOP) whereby employees or directors may be invited to acquire, jointly with a trust, shares in the company. The employee or director benefits from future growth in the share price subject to certain performance criteria being met. There were no transactions connected with the JSOP during either 2019 or 2020. However, during 2020 the performance criteria were met such that shares held by the plan can be acquired by the participants.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

22 Other reserves

	2020 **£'000**	2019 £'000
Capital conversion reserve fund	**23**	23
Foreign exchange	**118**	(44)
	141	(21)

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 reserve fund.

The foreign exchange reserve comprises foreign exchange differences on translating the results and net assets of foreign operations controlled by the Group, movements in which are recorded in other comprehensive income.

23 Cash and cash equivalents

	2020 **£'000**	2019 £'000
Cash at bank and on hand	**1,550**	1,054
	1,550	1,054

24 Dividends

	2020 **£'000**	2019 £'000
Final dividend paid in respect of the previous year of Nil€ cent (2019: 1.90€ cent) per ordinary share	**-**	449

The Board recommends the payment of a final dividend of 2.00€ cent per share. This will be paid on 15 October 2021 to those shareholders on the register on 24 September 2021. It will bring the total dividend in respect of the financial year to 2.00€ cent per share compared with Nil€ cent last year.

25 Directors' remuneration

	2020	2019
	£'000	£'000
Aggregate emoluments	**533**	499
Company pension contributions	**40**	42
	573	541

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.

26 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 £145,000 (2019: £106,000). There was an accrual for £25,000 (2019: £21,000) included above for pension costs at 31 December 2020.

27 Group undertakings

Subsidiary undertakings	Holding Direct	Nature of business
Incorporated in Republic of Ireland		
Roebuck Investments Limited	95% (Note 1)	Intermediate holding company
Foro International Connections Limted	100%	Commodity trading
Cantwellscourt Farm Limited	100%	Dairy Farming
Grass to Milk Company Limited	85%	Dairy
Incorporated in Northern Ireland		
Norish (U.K.) plc	100%	Investment company
Norish (N.I.) Limited	100%	Property management
Townview Foods Limited (subsidiary of Roebuck Investments Limited)	100%	Commodity trading
Incorporated in England		
Norish Limited (subsidiary of Norish (N.I.) Limited)	100%	Cold storage

Note 1: As part of the transaction to acquire Townview Foods Limited in 2012, the vendor acquired a 5% interest in the ordinary shares of the acquisition vehicle, Roebuck Investments Limited, a subsidiary undertaking of Norish plc. Subject to certain conditions, Norish plc has the right to acquire these shares at their nominal value (£5) on or after 1 August 2018. Furthermore, through the ownership of the preferred ordinary shares in Roebuck Investments Limited, Norish plc has secured the entire equity interest in Townview Foods Limited to 1 August 2018 and beyond. Accordingly, the board consider that a financial liability of £5 should be recorded in these consolidated financial statements in respect of the vendor’s interest and that Norish plc should account for 100% of the equity interest in Townview Foods Limited.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

27 Group undertakings (continued)

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

Norish plc Roebuck Investments Limited Foro International Connections Limited Cantwellscourt Farm Limited Grass to Milk Company Limited	South Bank House, Barrow Street, Dublin 4, Republic of Ireland
Norish (U.K.) plc Norish (N.I.) Limited	79 Chichester Street Belfast BT1 4JE
Norish Limited	Northern Industrial Estate Bury St Edmunds, Suffolk, IP32 6NL
Townview Foods Limited	7 Carrivekeeney Road Newry, County Down, BT35 7LU

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

Norish (U.K.) plc	50,000 Ordinary shares of £1 each 10,146,180 A Ordinary shares of £0.0001 each
Norish (N.I.) Limited	480,000 Ordinary shares of £1 each 1 A Ordinary share of £1 each
Norish Limited	60,000 Ordinary shares of £1 each
Townview Foods Limited	100 Ordinary shares of £1 each
Roebuck Investments Limited	95 Ordinary shares of €1 each 5 Preferred ordinary shares of €1 each
Foro International Connections Ltd	1,000 Ordinary shares of £1each 472,120 Preferred shares of £1 each
Cantwellscourt Farm Limited	100,000 Ordinary shares of €1 each
Grass to Milk Company Limited	100 Ordinary shares of €1 each

28 Discontinued operations and assets classified as held for sale

During 2020, the group decided to discontinue the ambient warehousing in Ireland (the comparative operations have been re-presented to this extent), following the group's exit from the Juice business for the ready to drink market in 2018 (some costs for which continue to be incurred in 2019). During the year ended 31 December 2016, the Group discontinued the FMCG business in the commodity trading division to which some of the other current assets relate.

Financial information in respect of this component of the Group is summarised below.

	2020 £'000	2019 £'000
Operating cash flows	**-**	-
Investing cash flows	-	-
Financing cash flows	-	-
Total cash outflows	**-**	-

	2020 £'000	2019 £'000
Other current assets	**381**	277
Total assets of the disposal group classed as held for sale	**381**	277

	2020 £'000	2019 £'000
Trade and other payables	**-**	-
Total liabilities of the disposal group classed as held for sale	**-**	-

28 Discontinued operations and assets classified as held for sale (continued)

	2020	2019	2019
		Re-presented	
Previously			
	£'000	£'000	£'000
Revenue	**1,269**	2,400	Nil
Expenses	**(1,340)**	(2,462)	(135)
Loss after tax of discontinued operations	**(71)**	(62)	(135)

29 Post-reporting date events

The directors and the Group's management team continue to closely monitor developments during the Covid-19 crisis and assessing the potential impact they may have on the Group's people, its activities, operations and financial position. The directors note that this continue to be a dynamic situation however are they satisfied that the group is in a strong financial position to withstand potential future challenges in this context.

The United Kingdom left the EU on the 31 January 2020. The Company's balance sheet is in excellent shape and leaves the Company well positioned to benefit from any disruption and consequent opportunity which may arise. The Company is exposed on the uncertainties that Brexit may bring to its customers, however the directors have plans to mitigate the potential risks.

30 Related party transactions

Related parties include entities under common control, its subsidiaries, and key management. Product sales totalling £Nil (Product sales 2019: £110,000) were provided to a company where one of our directors held a shareholding during the year. As at 31 December 2020 a balance of £Nil was outstanding (2019: £39,000). Outstanding balances are unsecured, interest free and are usually settled in cash.

31 Controlling party

In the opinion of the directors there is no controlling party.

32 Approval of financial statements

The Board of Directors approved these financial statements on 11 March 2021.

COMPANY STATEMENT OF FINANCIAL POSITION

at 31 December 2020

	Notes	**2020**	2019
		£'000	£'000
Non-current assets			
Investments – Shares in group undertakings	5	**1,209**	1,209
		1,209	1,209
Current assets			
Trade and other receivables	6	**13,561**	12,652
		13,561	12,652
TOTAL ASSETS		**14,770**	13,861
Equity attributable to owners of the parent			
Share capital	8	**5,640**	5,640
Share premium account	8	**7,321**	7,321
Capital conversion reserve fund		**23**	23
Retained earnings		**1,398**	450
TOTAL EQUITY		**14,382**	13,434
Current liabilities			
Trade and other payables	7	**388**	388
Current tax liabilities	7	**-**	39
		388	427
TOTAL EQUITY AND LIABILITIES		**14,770**	13,861

The profit for the financial year arising in Norish plc amounted to £948,000 (2019: 990,000).

Approved on behalf of the board on 11 March 2021 by:

T.J. O'Neill
Chairman

A. Hughes
Finance Director

The accompanying notes on pages 78 to 81 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share Premium Account £'000	Capital Conversion Reserve Fund £000	Treasury Shares £'000	Profit And Loss Account £'000	Total £'000
At 1 January 2019	5,640	7,321	23	(563)	495	12,916
Profit for the financial year	-	-	-	-	990	990
Total comprehensive income for the financial year	-	-	-	-	990	990
Dividends paid (note 4)	-	-	-	-	(472)	(472)
Transfer of treasury shares	-	-	-	563	(563)	-
Transaction with owners	-	-	-	563	(1,035)	(472)
At 31 December 2019	**5,640**	**7,321**	**23**	**-**	**450**	**13,434**
Profit for the financial year	-	-	-	-	948	948
Total comprehensive income for the financial year	-	-	-	-	948	948
Transfer of treasury shares	-	-	-	-	-	-
Dividends paid(note 4)	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
At 31 December 2020	**5,640**	**7,321**	**23**	**-**	**1,398**	**14,382**

Share premium account: This represents the net proceeds from issuing shares in excess of the nominal value of those shares.

Capital conversion fund: 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.

Profit and loss account: The represents cumulative retained profits and losses net of distributions to shareholders.

NOTES TO THE COMPANY ACCOUNTS

1 Accounting policies

Norish plc is the parent company of the Norish plc group of companies. 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.

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

Basis of preparation

The individual financial statements of Norish plc have been prepared in accordance with IFRS as adopted by the European Union, applicable Irish law and the AIM rules. The accounting policies applied are described in the Basis of Preparation contained in the consolidated IFRS financial accounts within these financial statements.

The company has not prepared a Statement of cashflows, as required under IAS 1, as the company does not hold cash and has had no cash movements in the current or prior financial year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

NOTES TO THE COMPANY ACCOUNTS *(CONTINUED)*

2 Judgments in applying accounting policies and key sources of estimation uncertainty

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

3 Profit of the company

In accordance with Section 304 of the Companies Act, 2014 a separate profit and loss account for the Company has not been presented. The profit for the financial year arising in Norish plc amounted to £948,000 (2019: 990,000).

4 Dividends paid and proposed

	2020	2019
	£'000	£'000
Final dividend paid in respect of the previous year of Nil cent (2019: 1.90cent) per ordinary share	**-**	449

The company paid a total dividend in 2020 of £Nil (2019: £449,000), of which £Nil (2019: £449,000) was paid through the company.

5 Investments – Shares in group undertakings

	2020	2019
	£'000	£'000
Cost and net book value at 1 January and 31 December	**1,209**	1,209

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 27 to the consolidated IFRS accounts within these financial statements.

6 Debtors

	2020	2021
	£'000	£'000
Amount receivable from subsidiary undertakings	**13,545**	12,647
Other debtors	**16**	5
	13,561	12,652

Amounts due from subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

All of the Company's trade and other receivable as shown above are considered to approximate fair value.

7 Creditors: Amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed to subsidiary undertakings	**388**	388
Corporation tax	**-**	39
	388	427

Amounts due to subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

All of the Company's intra-group payables as shown above are considered to approximate fair value.

NOTES TO THE COMPANY ACCOUNTS *(CONTINUED)*

8 Called up share capital

	2020	2019
	£'000	£'000
Authorised		
60,000,000 (2018: 60,000,000) Ordinary shares of 25€c each	**10,836**	10,836

Allotted, called up and fully paid	**Number**	**£'000**
Ordinary shares of 25€c each		
At 1 January 2020	30,070,378	5,640
Issued during the year	-	-
At 31 December 2020	30,070,378	5,640
Issued during the year	-	-
At 31 December 2020	**30,070,378**	**5,640**

The total Ordinary shares in issue are 30,070,378 (2019: 30,070,378). These are all fully paid up.

Share Premium

	2020	2019
	£'000	£'000
At 1 January and 31 December	**7,321**	7,321

9 Financial commitments and contingencies

At the 31 December 2020, the Company has exposure for the debts of Norish Limited and Townview Foods Limited totalling £5,112,000 (2019: £5,375,000) 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; and

(3) legal mortgages held over the Bury St. Edmunds, West Midlands and Gillingham properties.

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