

## **Norish plc**

### **Interim results 2011**

#### **Results**

Norish plc announces pre-tax profits of £186,000 for the six months ended 30 June 2011. This compares with pre-tax profits of £208,000 for the same period last year. Turnover from continuing operations increased by 7% to £5,338,000. Earnings per share decreased to 1.8p, compared to 2.1p for the same period last year.

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

Our ambient site at York did not perform as well as the same period last year due to an across the board fall off in stock holding and throughput which we expect to correct to some degree in the second half of the year.

We currently use R22 refrigeration gas at 3 of our cold stores. R22 is a Hydrochlorofluorcarbon (HCFC) which is classed as an ozone depleting gas and with effect from 1<sup>st</sup> January 2010 it is no longer possible to purchase virgin R22. However, the use of re-cycled R22 is still permitted until 31<sup>st</sup> December 2014. We currently have an option to purchase 44,808 kg of re-cycled R22 at £4.05 per kg which is below the current market value. Under IAS39 Financial Instruments (Recognition and measurement) we have accounted for a unrealised profit of £100,000 in the first half of the year, which compares with £208,000 for the same period last year.

#### **Dividend**

The board does not recommend a payment of an Interim dividend, unchanged from last year.

#### **Financial Strength**

Shareholders funds at 30 June 2011 were £7,563,000 compared with £7,500,000 at 31 December 2010. Net debt at 30 June 2011 was £7,628,000, compared with a net debt of £8,135,000 at 30 June 2010.

**Ted O'Neill**  
**Chairman**

**13 September 2011**

**Norish plc**  
**Consolidated income statement**  
**For the six months ended 30 June 2011**

	<b>Six months ended 30 June 2011 (Unaudited)</b>	Six months ended 30 June 2010 (Unaudited)	Year ended 31 December 2010 (Audited)
	<b>£'000</b>	£'000	£'000
<b>Continuing operations</b>			
Revenue	<b>5,338</b>	4,983	10,654
Cost of sales	<b>(5,004)</b>	(4,686)	(9,850)
<b>Gross profit</b>	<b>334</b>	297	804
Other income	<b>100</b>	208	410
Administrative expenses	<b>(185)</b>	(185)	(481)
<b>Operating profit from continuing operations</b>	<b>249</b>	320	733
Finance expenses	<b>(96)</b>	(136)	(278)
Finance income	<b>33</b>	24	97
<b>Profit on continuing activities before taxation</b>	<b>186</b>	208	552
Tax on profit on ordinary activities	<b>(37)</b>	(26)	(111)
<b>Profit for the period attributable to shareholders</b>	<b>149</b>	182	441
<b>Profit per share expressed in pence per share:</b>			
From continuing operations			
- basic	<b>1.8p</b>	2.1p	5.2p
Weighted average number of ordinary shares	<b>8,466,230</b>	8,466,230	8,466,230
- diluted	<b>1.8p</b>	2.1p	5.2p
Weighted average number of diluted ordinary shares	<b>8,466,230</b>	8,466,230	8,466,230

**Norish plc**  
**Interim balance sheet**  
**As at 30 June 2011**

	<b>As at 30 June 2011 (Unaudited)  £'000</b>	As at 30 June 2010 (Unaudited)  £'000	As at 31 December 2010 (Audited)  £'000
<b>Assets</b>			
<b>Non current assets</b>			
Goodwill	216	216	216
Property, plant and equipment	15,313	15,675	15,384
Derivate financial instruments	579	277	479
	<b>16,108</b>	<b>16,168</b>	<b>16,079</b>
<b>Current assets</b>			
Trade and other receivables	2,940	3,040	2,494
Financial assets: Fair value of interest rate swaps	5	-	-
Current tax asset	10	-	10
Cash and cash equivalents	172	8	194
	<b>3,127</b>	<b>3,048</b>	<b>2,698</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(2,420)	(2,217)	(2,556)
Financial liabilities: Fair value of interest rate swaps	-	(86)	(13)
Current tax liabilities	(37)	(110)	-
Bank overdraft and loans	(1,519)	(1,334)	(666)
	<b>(3,976)</b>	<b>(3,747)</b>	<b>(3,235)</b>
<b>Net current assets</b>	<b>(849)</b>	<b>(699)</b>	<b>(537)</b>
<b>Non-current liabilities</b>			
Bank loans	(6,109)	(6,809)	(6,442)
Provisions	(496)	(527)	(509)
Deferred tax	(1,091)	(899)	(1,091)
	<b>(7,696)</b>	<b>(8,235)</b>	<b>(8,042)</b>
<b>Net assets</b>	<b>7,563</b>	<b>7,234</b>	<b>7,500</b>
<b>Equity</b>			
Share capital	1,493	1,493	1,493
Share premium account	3,156	3,156	3,156
Capital conversion reserve fund	23	23	23
Retained earnings	2,891	2,562	2,828
<b>Equity attributable to equity holders of the parent</b>	<b>7,563</b>	<b>7,234</b>	<b>7,500</b>

**Norish plc**  
**Consolidated statement of changes in equity**  
**For the six months ended 30 June 2011**

	<b>Share capital (Unaudited) £'000</b>	<b>Share premium (Unaudited) £'000</b>	<b>Capital Conversion Reserve (Unaudited) £'000</b>	<b>Retained earnings (Unaudited) £'000</b>	<b>Total (Unaudited) £'000</b>
At 1 January 2010	1,493	3,156	23	2,373	7,045
Net profit for the period	-	-	-	182	182
Credit in respect of employee share schemes	-	-	-	7	7
Equity dividends paid (recognised directly in equity)	-	-	-	-	-
At 30 June 2010	<u>1,493</u>	<u>3,156</u>	<u>23</u>	<u>2,562</u>	<u>7,234</u>
Net profit for the period	-	-	-	259	259
Credit in respect of employee share schemes	-	-	-	7	7
Equity dividends paid (recognised directly in equity)	-	-	-	-	-
At 31 December 2010	<u>1,493</u>	<u>3,156</u>	<u>23</u>	<u>2,828</u>	<u>7,500</u>
Net profit for the period	-	-	-	149	149
Credit in respect of employee share schemes	-	-	-	7	7
Equity dividends paid (recognised directly in equity)	-	-	-	(93)	(93)
<b>At 30 June 2011</b>	<b><u>1,493</u></b>	<b><u>3,156</u></b>	<b><u>23</u></b>	<b><u>2,891</u></b>	<b><u>7,563</u></b>

**Norish plc**  
**Consolidated cash flow statement**  
**For the six months ended 30 June 2011**

	<b>Six months Ended 30 June 2011 (Unaudited)  £'000</b>	Six months ended 30 June 2010 (Unaudited)  £'000	Year Ended 31 December 2010 (Audited)  £'000
Profit on continuing activities before taxation	<b>186</b>	208	552
<b>Adjustments for:</b>			
Finance expenses	<b>96</b>	136	278
Finance income	<b>(33)</b>	(24)	(97)
Fair value gains on interest rate swaps/caps	<b>15</b>	24	97
Depreciation – property, plant and equipment	<b>286</b>	303	608
Employee share schemes	<b>7</b>	7	14
<b>Changes in working capital:</b>			
Increase in trade and other receivables	<b>(551)</b>	(750)	(413)
(Decrease)/increase in payables	<b>(146)</b>	(57)	186
(Decrease) in provisions	<b>(13)</b>	(41)	(60)
<b>Cash generated from operations</b>	<b>(153)</b>	(194)	1,165
Interest paid - bank loans and overdrafts	<b>(96)</b>	(136)	(278)
Taxation paid	<b>-</b>	-	(13)
<b>Net cash from operating activities</b>	<b>(249)</b>	(330)	874
<b>Investing activities</b>			
Interest received	<b>15</b>	-	-
Purchase of property, plant and equipment	<b>(215)</b>	(950)	(966)
<b>Net cash used in investing activities</b>	<b>(200)</b>	(950)	(966)
<b>Financing activities</b>			
Dividends paid to shareholders	<b>(93)</b>	-	-
Term loan advance	<b>-</b>	500	500
Term loan repayments	<b>(333)</b>	(325)	(659)
<b>Net cash used in financing activities</b>	<b>(426)</b>	175	(159)
<b>Net decrease in cash and cash equivalents</b>	<b>(875)</b>	(1,105)	(251)
Cash and cash equivalents and bank overdrafts, at beginning of period	<b>194</b>	445	445
<b>Cash and cash equivalents and bank overdrafts, end of period</b>	<b>(681)</b>	(660)	194

**Note:** The accounting policies applied throughout the period are consistent with those applied for the year ended 31 December 2010, as set out in the 2010 Annual Report.