

Norish plc

Interim results 2014

Results

Norish plc (AIM: NSH), is pleased to announce its interim results for the six months ended 30 June 2014.

Highlights

- In May the Group raised £2.1 million (gross) through a Placing and Open Offer
- In April the Group agreed a term loan for £1.5 million
- The funds raised allowed the Group to complete the purchase of the Birmingham site for £2.4m gross and to invest £663,000 increasing its blast freezing facilities
- The acquisition of the Birmingham site will eliminate rental and landlord costs of £400,000 per annum
- The investment in blast freezing facilities will eliminate annual rental costs of £164,000
- Turnover from continuing temperature controlled business increased to £5.8m from £5.5m
- The Group entered into a new three year agreement with its largest customer in April 2014
- Net debt at £8.4 million which is up from £8.3 million
- Net assets for the period were £10.3 million compared to £8.3 million in 2013
- The Group established its new Republic of Ireland based commodity trading business in July 2014

Current trading and outlook

Turnover was down 2% to £11.1 million in the period. This was attributable to a reduction in turnover from Town View Foods of 8% to £5.4 million as the business continues to recover from the horse meat scandal which hit in February 2013. Turnover from continuing temperature controlled business increased to £5.8m from £5.5m

The Group continues to be well positioned to benefit from opportunities in the Chinese Pork Export Market in the second half of 2014. The sale of the York site is progressing and Management expect that the sale will complete by December 2014. The Leeds site is being marketed for sale. Both sites are classified as held for sale at the period end.

Management remain confident that full year results will be in line with expectations.

Dividend

The board does not recommend the payment of an interim dividend.

Ted O'Neill
Chairman

Norish plc
Consolidated income statement
For the six months ended 30 June 2014

	Six months ended 30 June 2014 (Unaudited) £'000	Six months ended 30 June 2013 (Unaudited) £'000	Year ended 31 December 2013 (Audited) £'000
Continuing operations			
Revenue	11,144	11,422	22,811
Cost of sales	(10,602)	(10,776)	(21,744)
Gross profit	542	646	1,067
Other (expense)/income	-	(25)	315
Administrative expenses	(236)	(231)	(472)
Operating profit from continuing operations	306	390	910
Finance expenses - interest paid	(118)	(110)	(236)
Finance expenses - fair value gain/(loss) swaps/caps	-	73	134
Finance expenses – notional interest	(24)	(54)	(45)
Profit on continuing activities before taxation	164	299	763
Tax on profit/(loss) on ordinary activities	(41)	(74)	104
Profit for the period attributable to owners of the parent from continuing operations	123	225	867
Loss from discontinued activities	(16)	(4)	(946)
Profit/(loss) for the period	107	221	(79)
Other comprehensive income	-	-	-
Total comprehensive income/(expense) for the period attributable to owners of the parent	107	221	(79)
Earnings per share expressed in pence per share:			
From continuing operations			
- basic	1.1p	2.2p	8.4p
- diluted	1.1p	2.2p	8.4p
From discontinued operations			
- basic	(0.1)p	0p	(9.1)p
- diluted	(0.1)p	0p	(9.1)p
Weighted average number of diluted ordinary shares	11,069,070	10,146,185	10,371,347

Norish plc
Interim balance sheet
As at 30 June 2014

	As at 30 June 2014 (Unaudited)	As at 30 June 2013 (Unaudited)	As at 31 December 2013 (Audited)
	£'000	£'000	£'000
Assets			
Non current assets			
Goodwill	2,338	2,554	2,338
Property, plant and equipment	15,987	13,080	12,951
Derivate financial instruments	-	397	-
	18,325	16,031	15,289
Current assets			
Trade and other receivables	3,886	3,877	3,560
Inventories	8	107	5
Cash and cash equivalents	109	42	49
Assets of disposal group classified as held for sale	2,458	3,224	2,434
	6,461	7,250	6,048
Liabilities			
Current liabilities			
Trade and other payables	(4,005)	(3,247)	(3,313)
Financial Liabilities at fair value through profit or loss	(172)	(267)	(172)
Current tax liabilities	(69)	(337)	(28)
Borrowings	(1,762)	(2,885)	(2,531)
Borrowings of disposal group classified as held for sale	(1,300)	(1,300)	(1,375)
Liabilities of disposal group classified as held for sale	(95)	(105)	(93)
	(7,403)	(8,141)	(7,512)
Net current assets	(942)	(891)	(1,464)
Non-current liabilities			
Borrowings	(5,485)	(4,193)	(3,901)
Financial Liabilities at fair value through profit or loss	(546)	(1,423)	(593)
Provisions	(200)	(190)	(185)
Deferred tax	(863)	(1,046)	(864)
	(7,094)	(6,852)	(5,543)
Net assets	10,289	8,288	8,282
Equity			
Share capital	3,280	1,841	2,056
Share premium account	4,139	3,276	3,463
Capital conversion reserve fund	23	23	23
Retained earnings	2,847	3,148	2,740
Equity attributable to equity holders of the parent	10,289	8,288	8,282

Norish plc
Consolidated statement of changes in equity
For the six months ended 30 June 2014

	Share capital (Unaudited) £'000	Share premium (Unaudited) £'000	Capital Conversion Reserve (Unaudited) £'000	Retained Earnings (Unaudited) £'000	Total (Unaudited) £'000
At 1 January 2013	1,841	3,276	23	2,927	8,067
Net profit for the period	-	-	-	221	221
Equity dividends paid (recognised directly in equity)	-	-	-	-	-
At 30 June 2013	<u>1,841</u>	<u>3,276</u>	<u>23</u>	<u>3,148</u>	<u>8,288</u>
Net loss for the period	-	-	-	(300)	(300)
Issue of share capital	215	190	-	-	405
Share issue costs	-	(3)	-	-	(3)
Equity dividends paid (recognised directly in equity)	-	-	-	(108)	(108)
At 31 December 2013	<u>2,056</u>	<u>3,463</u>	<u>23</u>	<u>2,740</u>	<u>8,282</u>
Net profit for the period	-	-	-	107	107
Issue of share capital	1,224	857	-	-	2,081
Share issue costs	-	(181)	-	-	(181)
Equity dividends paid (recognised directly in equity)	-	-	-	-	-
At 30 June 2014	<u>3,280</u>	<u>4,139</u>	<u>23</u>	<u>2,847</u>	<u>10,289</u>

Norish plc
Consolidated cash flow statement
For the six months ended 30 June 2014

	Six months Ended 30 June 2014 (Unaudited) £'000	Six months ended 30 June 2013 (Unaudited) £'000	Year Ended 31 December 2013 (Audited) £'000
Profit on continuing activities before taxation	164	299	763
Loss on discontinued activities	(16)	(4)	(946)
Finance expenses	142	164	281
Finance income	-	(73)	(134)
Unrealised gain on derivative financial instrument	-	25	422
Deferred consideration	-	-	(737)
Goodwill impairment	-	-	216
Depreciation – property, plant and equipment	287	326	1,331
	577	737	1,196
Changes in working capital:			
(Increase)/decrease in inventories	(3)	(23)	79
(Increase)/decrease in trade and other receivables	(350)	207	550
Increase in current liabilities held for sale	2	-	92
Increase/(decrease) in payables	692	(552)	(589)
Increase in provisions	15	45	40
Cash generated from operations	933	414	1,368
Interest paid - bank loans and overdrafts	(118)	(110)	(236)
Taxation paid	-	(303)	(617)
Net cash from operating activities	815	1	515
Investing activities			
Payments to acquire subsidiary	-	(110)	(110)
Disposal of plant	-	-	41
Purchase of property, plant and equipment	(3,323)	(171)	(324)
Net cash used in investing activities	(3,323)	(281)	(393)
Financing activities			
Dividends paid to shareholders	-	-	(108)
Deferred consideration payments	(71)	(53)	(171)
Share issue proceeds	2,081	-	405
Share issue costs	(181)	-	(3)
Invoice finance (payments)/receipts	(892)	661	370
Overdraft receipts	(128)	-	128
Finance lease capital repayments	(36)	(23)	(51)
Finance Lease advance	663	-	-
Term loan advance	1,500	-	-
Term loan repayments	(367)	(366)	(746)
Net cash used in financing activities	2,568	219	(176)
Net increase/(decrease) in cash and cash equivalents	60	(61)	(54)
Cash and cash equivalents, at beginning of period	49	103	103
Cash and cash equivalents end of period	109	42	49

Note: The accounting policies applied throughout the period are consistent with those applied for the year ended 31 December 2013, as set out in the 2013 Annual Report.

Enquiries:

Norish

Aidan Hughes, Finance Director

Davy

Anthony Farrell

Telephone: + 44 1293 862 498

Telephone: + 353 1 679 6363