

Norish plc

Directors' report and financial statements

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Norish plc

Corporate profile

Background

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

Norish comprises two distinct, but complementary divisions, Norish Food Care and BWA. Norish Food Care operates strategically located temperature controlled distribution centres, each of which provides storage, freezing, picking, order assembly and distribution services to food companies engaged in processing, wholesaling and retailing. BWA provides a comprehensive range of ambient warehousing services including importation, storage, part processing and delivery to manufacturers, importers and commodity dealers in the UK. BWA handles cocoa and coffee beans, and many other food and non-food products.

Strategy

Making acquisitions pay

All acquisitions are integrated into the Norish Group so as to extract value both from business growth and cost reduction.

Investment in technology

Norish invests in e-commerce for new ways to add value in the way it attracts, services and retains customers.

Cost control

Management vigorously controls costs and eliminates duplication across the Group.

Targeting growth opportunities

Norish actively seeks opportunities to extend and build on its market positions in the UK temperature controlled and ambient warehousing sectors.

A culture of success

Management continues to build a high performance culture which supports innovation and diversity and links employee rewards to business results.

Norish plc

Group Operations

Norish Food Care

Norman Hatcliff - Operations Director

Franklyn House
38 Bell Street
Reigate
Surrey RH2 7BA
Tel: 01737 221133
Email: norman.hatcliff@norish.com

Locations

- Northern Industrial Estate, Bury St. Edmunds, Suffolk
- Pedmore Road, Brierley Hill, West Midlands
- Ash Road South, Wrexham Industrial Estate, Wrexham
- 1 Benfield Way, Lakes Road, Braintree, Essex
- Units R1-R8 Lympe Industrial Estate, Lympe, Kent

BWA

Brian White - Managing Director

6 Lloyds Avenue
London, EC3N 3AX
Tel: 0207 480 7637
Email: bwhite@bwagencies.co.uk

Eric Allen - Operations Director

Mulberry Way
Belvedere
Kent, DA17 6BU
Tel: 0208 310 9300
Email: allene@bwagencies.co.uk

Locations

- Units 4, 5 & 6, Mulberry Way, Belvedere, Kent
Units 11, 12 and 20, Fishers Way, Belvedere, Kent
- Blocks C & D, Walton Avenue, Felixstowe, Suffolk
Block G, Dooley Road, Felixstowe, Suffolk
East Fort, Langer Road, Felixstowe, Suffolk
- Unit 10, Pacific Road, Bootle, Liverpool, Merseyside
- Station Lane, Shipton by Beningbrough, York

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Financial Highlights

	Year ended 31 Dec. 2000	Year ended 31 Dec. 1999
Turnover (Stg£000)	13,606	12,617
Operating profit (Stg£000)	2,135	2,383
Profit before taxation (Stg£000)	2,018	2,322
Basic earnings per ordinary share (Stgp)	17.6	19.1
Adjusted earnings per share: excluding goodwill and associate (Stgp)	16.6	18.3
Dividend per share (€cent)	5.3	5.1
Dividend cover (times)	5.4	5.7
Return on average capital employed	18.4%	23.3%
Net gearing	55%	64%

Balance sheet

	2000 Stg£ 000	1999 Stg£000
Fixed assets	14,384	13,400
Current assets	3,130	3,647
Total assets	17,514	17,047
Current liabilities	(4,524)	(3,829)
Capital employed	12,990	13,218
Long term liabilities	(3,932)	(5,383)
Shareholders' funds	9,058	7,835

Norish plc

Chairman's Statement

I am pleased to present the Annual Report of Norish plc for 2000, a year of challenge in relation to both of our divisions.

Results

Profit before tax was Stg£2.02m (€3.23m) compared with Stg£2.32m (€3.74m) in 1999. Basic earnings per share were Stg17.6p (€28.2c) compared with Stg19.1p (€30.7c) in 1999. Adjusted earnings per share (excluding goodwill, income from and profit on disposal of associate) were Stg16.6p (€26.6c) compared with Stg18.3p (€29.3c) in 1999.

Dividend

At the interim stage we declared a dividend of Ir1.0p (€1.27c) per ordinary share (1999: Ir1.0p). In anticipation of the changeover to Euro in January 2002 the Board has decided to recommend a final dividend for 2000 of €4.0c per share (Ir3.15p), (1999: Ir3.0p). This represents a 5% increase on the 1999 final dividend. The company operates a twin share scheme, whereby shareholders will receive dividends in Euro unless they elect to be paid in pounds sterling.

It is proposed to pay the final dividend on 25 May 2001, to shareholders on the register at close of business on 27 April 2001.

Operations

Over-capacity in the UK cold storage industry continues to depress demand for our temperature controlled services, and I believe that we have performed well in difficult circumstances. Cocoa imports can vary from year to year against the background of relatively static consumption levels, and we experienced a marked reduction in UK cocoa imports in 2000. While this clearly affected our BWA subsidiary, it was counteracted to some extent by significant expansion of the non-commodity element of the business. The operating performance of the Group is covered in detail in the Chief Executive's Operating Review.

As referred to in the Interim Statement we disposed of the Group's interest in the associated undertaking in Ireland in June 2000 for a consideration of Stg£0.3m.

Norish plc

Chairman's Statement (*continued*)

Acquisition and development activity

Acquisition expenditure amounted to Stg£0.80m. In March 2000 we acquired East Kent Cold Storage Company Ltd. for a consideration of Stg£0.45m. In July we paid Stg£0.35m for the goodwill and ambient warehousing business of RSH Flowers (Distribution) Ltd. at York. While both were quite modest acquisitions, in each case they represent a strategic move into an area where we believe we can grow the business in partnership with our customers.

The programme of systems upgrading is well advanced, and implementation is now under way in both divisions. When this is complete customers will be offered interactive Internet access to the Group's warehouse management system.

Outlook

In the current year our cold storage division continues to experience the effects of over-capacity in the UK market, causing downward pressure on charging rates, activity levels and occupancies. There are signs however that some rationalisation of capacity may take place in the short to medium term. We expect our ambient division to derive some benefit from increased UK cocoa imports later this year.

We continue to seek additional well-located cold storage and ambient warehousing businesses.

Conclusion

I would like to pay a special tribute to Reddy Brennan, who retired as a Director during the year, having served on the board for fourteen years.

I wish finally to thank my board and management colleagues and all Company staff whose commitment and efforts have played a key role in difficult circumstances in the delivery of these results.

Brian A. Joyce
Chairman

1 March 2001

Norish plc

Chief Executive's Review

Overview

The Company grew in scale within the United Kingdom and completed its withdrawal from the Irish cold storage market in a challenging year for both sectors of the business. By the end of the year we were operating from five cold stores and eight ambient warehouses.

Cold Storage Division

This was a difficult year for cold storage with the effects of over-capacity biting hard, particularly in the second half of the year. None the less our belief that well-located and well-operated stores are worth developing remains intact. In March we bought East Kent Cold Storage Company Limited, and its results for the remainder of the year met our expectations. In part of the business over-dependence on a major customer led to a severe downturn as the customer itself lost ground, in an ever-challenging market place. Blast freezing sales were reduced because of the difficulties in the pig industry.

Ambient Warehousing Division

There are three main components within this business - cocoa, coffee and general cargo. It was not surprising that activity relating to cocoa was mostly concerned with deliveries out of store as the previous year saw record imports. Coffee traffic remained steady throughout the year and the Company, as reported in the Interim Statement, grew substantially in general warehousing.

In July we purchased the ambient warehousing business of RSH at Beningbrough, near York. We expect to develop the business base of this operation, which is situated three miles from a major customer.

Staff

The new management team settled well and they and all our employees deserve our appreciation for their response to the ever-increasing demands with which they are faced.

Outlook

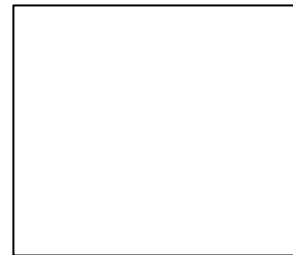
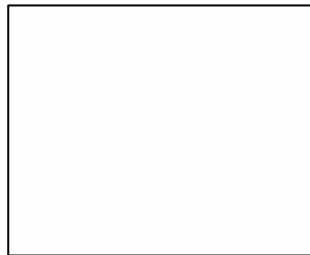
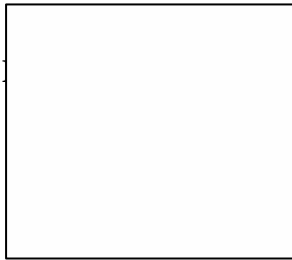
The cold storage market will remain difficult despite some encouraging signs of competitors tackling the over-capacity issue. The climate change control levy will place an extra burden on cold stores and their customers. BWA has substantial bookings for cocoa and coffee imports and continues to develop its general traffic.

Paul C. Byrne
Chief Executive

1 March 2001

Norish plc

Board of Directors



Non-executive Directors

Chairman

Brian Joyce (60) was appointed to the Norish board as Chairman in 1993. A former Chief Executive of the Irish Dairy Board, he is currently Chairman of several prominent companies including EBS Building Society, Celtic Anglian Water and Mater Private Hospital.

Torgeir Mantor (44) was appointed to the board in 1993. He is Chairman of Norse Services Houston Inc. and CommonVision LLC, both in Houston, Texas, and is a director of Tore B. Mantor A/S and ProPac A/S, both in Norway.

John Paterson (62) joined the board in 1994. He has extensive experience in the food industry, and also in insurance broking and financial services. He is a director of the Beth Johnson Housing Association.

Hans Thorsen (65) was appointed to the board in 1978 when he was Chief Executive of the Lorentzen-Lysaker Group, owner of the Norwegian cold storage company, Ostlandske Fryserier A/S. He is a director of several Norwegian companies.

Executive Directors

Chief Executive

Paul Byrne (52) joined the Group and was appointed to the board as Chief Executive in 1998. He held various posts in Transport Development Group plc (TDG) since joining them in 1977. He became a main board director in 1993, and was appointed Managing Director of their Consumer Division in 1994. He is an honours economics graduate and a Fellow of the Institute of Logistics.

Finance Director & Group Secretary

Greg O'Hara (60) joined the Group's UK division as Financial Controller in 1989. He has been Group Secretary since 1994 and was appointed Finance Director in 1999. He is a Chartered Accountant with previous management experience in the retail and manufacturing sectors.

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Senior Management

Brian White

Brian White (59) is Managing Director of Belvedere Warehousing Ltd. and its subsidiary B.W. Agencies Ltd. (collectively BWA), which were acquired by Norish in May 1999. Brian built up the BWA business over a period of twenty-two years, during which time he introduced many added-value services, in particular the cocoa bulking process, to the cocoa and coffee warehousing industry.

Norman Hatcliff

Norman Hatcliff (46) joined the Group in January 2000 as Operations Director of Norish Food Care. Norman has extensive experience in the cold storage industry, initially with Tempco Severnside and subsequently with Exel Logistics. He joined TDG in 1990, and was Operations and Commercial Director of TDG Novacold from 1996 to December 1999.

Eric Allen

Eric Allen (44) is Operations Director of BWA. Eric previously worked in BWA for seventeen years before moving to TDG Pinnacle as Regional Manager (South) in 1994. He was subsequently appointed Regional Director, and rejoined BWA in June 1999 immediately following its acquisition by Norish.

Aidan Hughes

Aidan Hughes (36) joined Norish in 1996 when he was appointed Group Accountant. Aidan manages Group central administration, heads up the BWA accounting function and handles Group treasury and consolidation procedures. Following qualification as a Chartered Accountant in 1991, Aidan worked in the management services and travel industries.

Bill O'Leary

Bill O'Leary (57) joined the Group in January 2000 as Management Accountant. He is responsible for Norish Food Care accounting, together with Internal Audit and I.T. project management. Bill, who is a Certified Accountant, previously held Finance Director positions in the cold storage and logistics industries.

Norish plc

Financial Review

Reporting currency

The Group continues to report its results in pounds Sterling, as all of its operating activities are carried out in the United Kingdom. The financial information contained in the profit and loss account and balance sheet is also expressed in Euro, solely for convenience, at the rate of €1 = Stg£0.6241, the closing rate for the period. Reference throughout the Annual Report to pounds refers to Sterling unless otherwise stated.

Turnover and operating profit

All of the Group's turnover during the year under review arose in the United Kingdom. Turnover in Norish Food Care, the Group's cold storage division, fell by 3.4% to £7.08m. The gross profit in this division was £2.02m, representing 28.5% of turnover. The gross profit in 2000 was supplemented by compensation received from a landlord as detailed in Note 2 to the financial statements. Over-capacity in the cold storage industry continued to depress demand for our services.

The ambient warehousing division, BWA, recorded turnover of £6.53m and a gross profit of £1.05m, a margin of 16.1%. This compares unfavourably with the turnover of £5.29m and gross profit of £1.22m for the eight months post-acquisition period in 1999. While reduced UK cocoa imports led to falling stock levels throughout the year, this was partly counteracted by significant growth in the non-commodity element of the business.

Group operating profit reduced by 10.4% to £2.14m.

Associated undertaking

The Group's interest in its Irish associate was disposed of in June at a profit of £0.25m. Income from the associate was £0.02m up to the date of disposal, compared with £0.19m in respect of the previous year.

Profit before taxation

Group profit before taxation, at £2.02m, was 13.1% below the previous year.

Taxation

The tax charge of £0.53m represents an effective rate of tax on profits of 26.2% compared with 30.5% in 1999.

Norish plc

Financial Review (*continued*)

Key ratios

Basic earnings per share reduced from 19.1p to 17.6p. Adjusted earnings per share (excluding goodwill, and income from and profit on sale of associate) decreased from 18.3p to 16.6p.

The Group's return on average capital employed reduced from 23.3% in 1999 to 18.4% in 2000.

Interest cover was 6.2 compared with 10.1 in 1999.

Dividend cover was 5.4 compared with 5.7 in 1999.

Year-end gearing was 55% compared with 64% at 31 December 1999.

Acquisition and capital expenditure

Total acquisition and capital expenditure was £2.02m. Acquisition expenditure related to the purchase for £0.45m of East Kent Cold Storage Company Ltd., and the purchase for £0.35m of the ambient warehousing business of RSH at Beningbrough, near York.

Depreciation and goodwill amortisation totalling £1.04m (1999: £0.85m) was charged.

Cash position

The Group's operating cash flow for the year was £2.85m (1999: £3.11m). Net debt, including loan notes, at the year-end was £4.99m (1999: £5.04m). The Group retains adequate term loan and overdraft facilities and is well placed to support future growth and development.

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 liquid resources, and various items, such as trade debtors, trade creditors etc., that arise directly from its operations. The main purpose of the financial instruments not arising directly from operations is to raise finance for the Group's operations.

Norish plc

Financial Review (*continued*)

The Group may enter into derivative transactions such as interest rate swaps 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. It is Group policy not to trade in financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity 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 borrowings and working capital, at both fixed and floating rates of interest. 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, interest rates on all of the Group's borrowings were fixed in advance for three months.

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, 54% of the Group's borrowings were due to mature in more than one year.

The Group achieves short-term flexibility by means of a revolving credit facility and overdraft facilities.

Foreign exchange risk

As all of the Group's trading activities take place in the United Kingdom the Group borrows in sterling currency only, and now reports its results in sterling currency.

Shareholders' funds

Shareholders' funds increased during the year by 15.6% to £9.06m as follows:

	£m
Shareholders' funds at 31 December 1999	7.84
Shares issued	0.01
Attributable profit	1.49
Dividends	(0.28)
Shareholders' funds at 31 December 2000	9.06

Greg O'Hara
Finance Director

1 March 2001

Norish plc

Shareholder information

Shareholder analysis at 1 March 2001

	Number of accounts	Percentage of accounts	Number of shares (000)	Percentage of shares
1 – 1,000	140	41.18	65	0.77
1,001 – 10,000	135	39.71	555	6.56
10,001 – 100,000	49	14.41	1,488	17.57
Over 100,000	16	4.70	6,358	75.10
Total	340	100.00	8,466	100.00

Share price data (€)

	High	Low	31 December
Year ended 31 December 2000	1.50	1.20	1.25
Year ended 31 December 1999	2.03	1.10	1.25

The market capitalisation of Norish plc at 31 December 2000 was Stg£6.60m (€10.58m) compared with Stg£6.56m (€10.56m) at 31 December 1999, and Stg£6.97m (€11.01m) at 1 March 2001.

Investor relations

Investor enquiries should be addressed to Greg O'Hara, Finance Director & Secretary, at:

- Norish plc, Franklyn House, 38 Bell Street, Reigate, Surrey, RH2 7BA
- Email: greg.ohara@norish.com

Registrars

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

- Computershare Services (Ireland) Ltd., Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.
- Telephone: +353 (0)1 2163100

Shareholders may check their shareholding details, submit enquiries and notify changes of address etc. at www.computershare.com. Access to the site is controlled by a system of security checks.

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Shareholder 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

The Twin Share Scheme gives shareholders the option of receiving payment of dividends in Euro currency from Norish plc, or if they so elect, in pounds sterling from Norish (UK) plc. Forms of Election for this purpose may be obtained from the Secretary at the above address.

Due to changes in the taxation of dividends in Ireland, dividends no longer carry a tax credit. In addition, dividends due to certain shareholders will be paid net of withholding tax, which from 6 April 2000 has been at the rate of 22%. Provided certain administrative procedures are adhered to, a withholding tax exemption will apply to certain classes of shareholder. The Company wrote to all such shareholders in March 2000 setting out the up-to-date position and enclosing the appropriate declaration forms to enable them to apply for exemption from the withholding tax provisions.

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

CREST

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

Annual General Meeting

The Annual General Meeting will be held in Jurys Hotel, Ballsbridge, Dublin 4 on Thursday 3 May, 2001 at 12 noon. The Notice of Meeting is printed in the final section of this Report, which will be accompanied by a proxy form.

Norish plc

Corporate information

Directors

Brian Joyce *- Chairman
Paul Byrne - Chief Executive
Greg O'Hara - Finance Director/Secretary
Torgeir Mantor *
John Paterson *
Hans Thorsen *
* *non-executive*

Audit Committee

Brian Joyce
John Paterson
Hans Thorsen

Remuneration Committee

Brian Joyce
John Paterson

Nomination Committee

Consists of all Directors

Registered Office

1 Stokes Place
St. Stephen's Green
Dublin 2

Operational Head Office

Franklyn House
38 Bell Street
Reigate
Surrey, RH2 7BA

Solicitors

Mason Hayes & Curran
7 Fitzwilliam Square
Dublin 2

Burges, Salmon
Narrow Quay House
Narrow Quay
Bristol, BS1 4AH

Stockbrokers

Davy Stockbrokers
49 Dawson Street
Dublin 2

Bankers

HSBC plc
Anglo Irish Bank Corporation plc
Bank of Ireland plc

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Registrars

Computershare Services (Ireland) Ltd.
Heron House, Corrig Road
Sandyford Industrial Estate
Dublin 18

Norish plc

Directors' Report

The Directors present their Annual Report together with the audited financial statements of the Group for the year ended 31 December 2000.

Principal Activities and Review of Business

Norish plc is a significant provider of temperature controlled food storage and distribution services to the food industry in the United Kingdom through its Norish Food Care Limited subsidiary. B. W. Agencies Limited (BWA), which was acquired in May 1999, is a leading provider of added value ambient warehousing services to a variety of commodity and non-food industries.

Details of the Group's subsidiary undertakings are set out in Note 29 to the financial statements.

Commentaries on the business of the Group are contained in the Chairman's Statement, the Chief Executive's Review and the Financial Review on pages 4, 5 and 8 respectively.

Results

The profit on ordinary activities before taxation for the year amounted to Stg£2.02 million. Details of the results for the year are set out in the consolidated profit and loss account on page 26 and in the related notes.

Dividends

An interim dividend of Ir1.0p per share was paid on 19 October 2000. In anticipation of the changeover to Euro on 1 January 2002 the Directors recommend the payment of a final ordinary dividend of €1.0c per share. Subject to shareholder approval this dividend will be paid on 25 May 2001 to shareholders on the register on 27 April 2001.

Twin share scheme

The Company operates a twin share scheme. This scheme entitles shareholders to elect to receive dividends from a UK subsidiary, Norish (UK) plc, or from Norish plc itself, subject to certain limitations. Full details are available on request from the Group Secretary. Those shareholders who completed a Form of Election to have future dividends paid on the "A" Ordinary Shares of Norish (UK) plc will receive their dividends in sterling currency from that company. Such election will remain in force until revoked or until the shares have been disposed of.

Norish plc

Directors' Report (*continued*)

Post balance sheet events

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

Transactions with Related Parties

There were no transactions with related parties requiring disclosure under FRS 8 during the year.

Directors

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

The names of the Group's Directors together with brief biographical notes are set out on page 6.

In accordance with Article 87 of the Company's Articles of Association, Brian Joyce and Hans Thorsen retire by rotation, and being eligible, they offer themselves for re-election.

The Chief Executive and Finance Director have service contracts with the Company which do not contain provisions which could result in the payment of compensation for loss of office in excess of one year's salary and benefits in kind. No service contract provides for a notice period in excess of one year. None of the non-executive Directors has a service contract.

Norish plc

Directors' Report (*continued*)

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 of the Directors and the Secretary (including their respective family interests) in the share capital of Norish plc at 31 December 2000 together with their interests at 31 December 1999 were as follows:

	31 December 2000		31 December 1999	
	Beneficial shares	Non-beneficial shares	Beneficial shares	Non-beneficial shares
Brian Joyce	154,340	-	154,340	-
Paul Byrne	-	-	-	-
Torgeir Mantor *	12,600	-	12,600	-
Greg O'Hara	57,350	4	57,350	11
John Paterson	5,000	-	5,000	-
Hans Thorsen	-	-	-	-

* *Torgeir Mantor is a director of T. B. Mantor A/S, which holds 718,782 shares and is owned by the Mantor family.*

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

	1 Jan 2000	Granted/ (exercised) in 2000	31 Dec 2000	Exercise Price €	Exercisable from	Expiry date
Paul Byrne	80,000	-	80,000	1.95	Sept 2001	Sept 2008
	40,000	-	40,000	1.55	March 2002	March 2009
	-	60,000	60,000	1.30	March 2003	March 2010
Total	120,000	60,000	180,000			
Greg O'Hara	28,000	-	28,000	0.96	Sept 1999	Sept 2006
	10,000	-	10,000	1.20	Feb 2000	Feb 2007
	5,000	-	5,000	2.22	Feb 2001	Feb 2008
	12,000	-	12,000	1.55	March 2002	March 2009
	-	5,162	5,162	1.30	March 2003	March 2010
Total	55,000	5,162	60,162			

Norish plc

Directors' Report (*continued*)

The mid-market price of an ordinary share on 31 December 2000 was €1.25 and the price range during the year was between €1.20 and €1.50. Apart from the interests disclosed above neither the Directors nor the Secretary had an interest at any time during the year in the share capital of the Company or Group companies. There have been no changes in the above interests between 31 December 2000 and the date of this Report.

Pensions

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

Substantial shareholdings

At 1 March 2001 the Company had been advised of the following shareholdings in excess of 3% of its issued share capital:

	Number of shares	Percentage held
Aberdeen Asset Managers Limited	1,078,000	12.73
Standard Life Assurance Company	775,000	9.15
T. B. Mantor A/S	718,782	8.49
Friends First	685,291	8.09
ESB Superannuation Fund	526,993	6.22
W. L. McCauley	518,600	6.13
2M's Special Pension Fun	350,000	4.13
Kappa Alpha Limited	257,713	3.04

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

Subsidiary companies

The statutory information required by sub-sections (4) and (5) of Section 158 of the Companies Act, 1963 is presented in Note 29 to the financial statements.

Norish plc

Directors' Report (*continued*)

Executive share option scheme

The Norish plc Share Option Scheme was approved by shareholders at an Extraordinary General Meeting held on 19 May 1994. The percentage of share capital which can be issued under the scheme and the individual grant limits comply with the published guidelines of the Irish Association of Investment Managers. The scheme provides for the granting of both basic and second tier options.

Share options are offered to executive Directors and senior management to encourage identification with shareholders' interests, and to help them to build up over time a shareholding in the Company that is material in relation to their net worth. The Remuneration Committee believes this policy has facilitated the recruitment, retention and motivation of high quality managers who are vital to the future growth and success of Norish.

This policy has been consistently applied and has not changed since the inception of the scheme.

The aggregate nominal value of shares issued under the scheme may not exceed 10% of the nominal value of the issued ordinary share capital. No more than 5% may be ordinary options and no more than 5% may be second tier options.

Between 1989 and 1999 the Company issued a total of 498,250 ordinary options. In 2000 the Company issued 75,162 options at an exercise price of €1.30.

To date 46,000 options have been exercised and 161,000 options have expired, including 10,000 during 2000. The Company has not so far issued any second tier options. A balance of 434,211 options is available to be issued, of which 10,900 are ordinary options and 423,311 are second tier options.

New Share Option Scheme

A resolution to approve and adopt a new Share Option Scheme will be put to shareholders at the Annual General Meeting. The new scheme will comply with the most recent guidelines issued by the Irish Association of Investment Managers. A circular, which contains a letter from the Chairman together with the full text of the proposed new scheme, is enclosed with the Annual Report.

Research and development

Development of a Group website, www.norish.com was completed during the year. The website provides our customers, shareholders and the general public with useful and up-to-date information on the Group's facilities and services, together with key financial data, company announcements etc. Further development, including the provision of e-commerce facilities, will follow.

Norish plc

Directors' Report (*continued*)

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, proper utilisation of materials handling equipment, etc. The Group seeks to ensure that all employees receive up-to-date information on current business events and developments pertaining to their own work place.

Disabled employees

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

Electoral Act, 1997

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

Environmental policies

The Group continues to implement improved working practices with a view to minimising harmful environmental impacts. It has initiated policies designed to further this end and monitors adherence to these policies. It is committed to maintaining its efforts in the area of energy conservation.

Health and safety

Norish ensures the health, safety and welfare of employees by providing safe workplaces and complying fully with all relevant health and safety standards including those imposed by the Safety, Health and Welfare at Work Act, 1989. Safety statements have been prepared and are in place at all Group locations, in each of which an active safety committee plays an important role in maintaining health and safety standards.

Norish plc

Directors' Report (*continued*)

Euro

On January 1, 1999 the Republic of Ireland and ten other member states of the European Union participated in the launch of a single currency, the Euro. Exchange rates of the participating states against the Euro were irrevocably fixed on that date. During the two-month period beginning on January 1, 2002 the Euro will replace all participating national currencies.

While the Group is trading exclusively in the United Kingdom, which is not participating in the single currency, it has decided that its systems should be fully Euro compliant. Accordingly it has appointed a Euro task force to identify and implement any changes that may be required to accounting and I.T. systems. The costs associated with Euro conversion are not expected to be material, and will be expensed as they are incurred.

Corporate governance

The Directors continue to be committed to maintaining the highest standards of corporate governance and they support the Combined Code published in June 1998 by the Committee on Corporate Governance.

Principles of good corporate governance

The Directors are accountable to the shareholders for good corporate governance and the following statement describes how the relevant principles of good governance set out in the Combined Code are applied in Norish plc.

Board of Directors

The Board of Directors comprises four non-executive Directors and two executive Directors. The roles of Chairman and Chief Executive are separate with clearly defined responsibilities attaching to each. 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.

It is the practice of the Group that the Board comprises a majority of non-executive Directors.

All Directors of the Company are required to submit themselves for re-election at least every three years.

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.

Norish plc

Directors' Report (*continued*)

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

The performance of the Group is closely monitored at all times. The Board meets on a bimonthly basis and management supplies the Board with comprehensive information each month to enable it to discharge its duties.

Certain matters are specifically reserved to the Board for its decision. The non-executive Directors are independent of management and each Director brings an independent judgement to bear on all matters dealt with by the Board including those relating to strategy, performance, resources and standards of conduct.

The Directors have access to the advice and services of the Group Secretary who 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.

Directors' Remuneration

The remuneration of Directors and senior management is determined by the Remuneration Committee consisting solely of the non-executive Directors whose names are listed on page 12. This committee also recommends the granting of share options to executive Directors and senior management. In considering and agreeing salaries and benefits as well as performance related incentives the Committee aims to ensure that remuneration packages are competitive and that individuals are fairly rewarded relative to their responsibilities, experience and value to the Group. The committee takes advice where appropriate from external professional advisors in assessing salary levels and determining its remuneration policy and practice.

Norish plc's remuneration policies and procedures meet with the Best Practice Provisions of the Irish Stock Exchange's requirements on Directors' remuneration. In particular the Company has applied all of the relevant principles set out in Section 1 of the Combined Code. In designing schemes of performance-related remuneration, the Remuneration Committee has given full consideration to the provisions in Schedule A to the Code.

Details of the interests of Directors and Secretary in shares and options are set out earlier in this Report while details of Directors' remuneration are given in Note 27 to the financial statements.

Norish plc

Directors' Report (*continued*)

Relations with Shareholders

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

Accountability and audit

The Directors have considered and adopted fully the recommendations of the Turnbull Working Group, which was set up to provide guidance to assist listed companies in implementing the Code provisions relating to internal control. The Directors hereby report on the Group's system of internal control.

Internal control

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

The Board confirms that an ongoing process for identifying, evaluating and managing the significant risks faced by the Group has been put in place for the year under review and up to the date of approval of the Annual Report and Accounts, and that this process is regularly reviewed by the Board and accords with *Internal Control: Guidance for Directors on the Combined Code* (the Turnbull guidance).

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

The Group's overall internal control system includes

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

Norish plc

Directors' Report (*continued*)

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

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

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

Audit Committee and Auditors

The Board maintains an objective and professional relationship with the Company's auditors. The Audit Committee, a formally constituted committee of the Board, is comprised of non-executive Directors whose names are listed on page 12. Its written terms of reference deal clearly with its authority and its duties. The Audit Committee meets periodically with the external auditors. The external auditors have full and unrestricted access to the Committee.

Compliance statement

Norish has complied during the year to 31 December 2000 with all the Principles of Good Governance and Code of Best Practice ("the Combined Code") derived by the Committee on Corporate Governance from the Committee's Final Report and from the Cadbury and Greenbury Reports, except for the following matters:

Nomination Committee

The board appointed a Nomination Committee consisting of all members of the Board, on 2 March 2000. This decision was taken because of the small size of the board.

Senior independent non-executive Director

The Board comprises a non-executive Chairman, two executive Directors and three non-executive Directors. In view of the size of the Group and the composition of the board, which has a non-executive Chairman, the Board has not considered it appropriate to appoint a senior independent non-executive Director. This matter will be kept under review.

Norish plc

Directors' Report (*continued*)

Going concern

The Directors, having made appropriate enquiries, have a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operation for the foreseeable future. For this reason they consider it appropriate to adopt the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities

This statement is made in order to distinguish for shareholders the relative responsibilities of the Directors and of the Auditors in relation to the financial statements. It should be read in conjunction with the statement on the responsibilities of Directors and Auditors contained in the Auditors' Report on page 21.

Company law requires the Directors to prepare financial statements for each year which, in accordance with applicable Irish law and accounting standards, give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss for that year. In preparing those financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently:
- make judgements and estimates that are reasonable and prudent:
- 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 keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Acts 1963 to 1999 and all Regulations to be construed as one with those Acts. They have a general duty to act in the best interests of the Company and must therefore take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 160(2) of the Companies Act, 1963, the auditors, KPMG, Chartered Accountants, will continue in office.

On behalf of the board:

B.A. Joyce
Chairman

P.C. Byrne
Chief Executive

1 March 2001

Auditors' report to the members of Norish plc

We have audited the financial statements, expressed in pounds Sterling, on pages 23 to 44 and the detailed information on share options set out in the Directors' Report on page 15.

Respective responsibilities of Directors and Auditors in relation to the annual report

The directors are responsible for preparing the Annual Report. As described on page 20, this includes responsibility for preparing the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. As also required by the Acts, we state whether we have obtained all the information and explanations we require for our audit, whether the Company's balance sheet is in agreement with the books of account and report to you our opinion as to whether

- the Company has kept proper books of account;
- the Directors' Report is consistent with the financial statements;
- at the balance sheet date a financial situation existed that may require the Company to hold an extraordinary general meeting, on the grounds that the net assets of the Company, as shown in the financial statements, are less than half of its share capital.

We also report to you if, in our opinion, information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Group is not disclosed.

We review whether the statement on pages 17 to 20 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Auditors' report to the members of Norish plc *(continued)*

Basis of opinion

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

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

Opinion

In our opinion, the financial statements, expressed in pounds Sterling, give a true and fair view of the state of affairs of the Group and the Company at 31 December 2000 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1999 and all Regulations to be construed as one with those Acts.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The balance sheet of the Company, expressed in pounds Sterling, is in agreement with the books of account.

In our opinion, the information given in the Directors' Report on pages 14 to 20 is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet on page 28, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2000 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

KPMG
Chartered Accountants
Registered Auditors

1 March 2001

Norish plc

Statement of accounting policies

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

Basis of preparation

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

Basis of consolidation

The consolidated financial statements for the year to 31 December 2000 include the results of Norish plc and its subsidiary undertakings for that period. The Group includes its share of the profits and losses of associated undertakings in the consolidated profit and loss account up to the date of disposal. All significant inter-company profits, transactions and account balances have been eliminated.

Turnover

This represents the invoiced value of goods and services, exclusive of value added tax, net of inter-group transactions.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. No depreciation is provided on freehold land. The charge for depreciation is calculated to write down the cost of other tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives, which are as follows:

Freehold buildings	40 years
Long leasehold buildings	40 years
Plant and equipment	5 to 10 years
Fixtures and fittings	10 years
Motor vehicles	5 years

Taxation

The charge for corporation tax is based on the results for the year. Deferred tax is accounted for in respect of timing differences between profit as computed for tax purposes and profit as stated in the financial statements to the extent that such differences are expected to reverse in the foreseeable future.

Norish plc

Statement of accounting policies *(continued)*

Foreign currencies

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

Government grants

Capital grants received are shown as deferred income and credited to the profit and loss account by instalments on a basis consistent with the depreciation policy of the relevant assets.

Other grants are credited to the profit and loss account to offset the matching expenditure.

Leased assets

Expenditure on operating leases is charged to the profit and loss account on a basis representative of the benefit derived from the asset, normally on a straight line basis over the lease period.

Where fixed assets are financed by financing arrangements which give rights approximating to ownership they are treated as if they had been purchased outright at their fair value and the corresponding commitments are shown in the balance sheet as obligations under finance leases and hire purchase contracts. Depreciation of fixed assets acquired under finance leases and hire purchase contracts is calculated to write off the attributed cost over the shorter of the lease or contract term and their estimated useful lives by equal annual instalments. The excess of the total rentals over the amount capitalised is treated as interest, which is charged to the profit and loss account in proportion to the amounts outstanding under the lease and hire purchase contracts.

Pensions

The cost of providing defined contribution pensions is charged against profits. The scheme funds are administered by trustees and are independent of the Group's finances. Differences between the amounts charged in the profit and loss account and payments made to the pension fund are treated as prepayments or liabilities.

Norish plc

Statement of accounting policies (*continued*)

Capitalisation of interest

Interest attributable to progress payments made on construction work in progress is capitalised and included in the cost of the related asset.

Financial fixed assets

Investments in subsidiary undertakings

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

Investments in associated undertakings

Associated undertakings are accounted for using the equity method. The Group's share of the profits less losses of associated undertakings is included in the consolidated profit and loss account. The Group's interest in their net assets or liabilities is included as a fixed asset investment in the consolidated balance sheet at an amount representing the Group's share of the fair value of the net asset at acquisition plus the Group's share of post acquisition retained profits and losses.

Investments in associated undertakings are shown in the Company balance sheet as financial assets and are valued at cost less provisions for impairment in value.

Goodwill

Purchased goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets when they were acquired. Any excess of the aggregate of the fair value of the identifiable net assets acquired over the fair value of the acquisition cost is negative goodwill.

Purchased goodwill arising on acquisitions prior to 1 January 1997 was eliminated against reserves on acquisition and negative goodwill arising on such acquisitions was credited directly to reserves as a matter of accounting policy. On disposal of the business any goodwill so treated is included in determining the profit or loss on sale of the business.

Purchased goodwill arising on acquisitions after 1 January 1997 is capitalised in the balance sheet and amortised over the estimated economic life of the goodwill.

Euro

The financial statements, presented in pounds Sterling as of and for the year ended 31 December 2000 are also expressed in Euro (€), solely for information purposes, at the rate of €1 = Stg£0.6241, the conversion rate applicable on 31 December 2000.

Norish plc

Consolidated profit and loss account for the year ended 31 December 2000

	Note	2000 €000	2000 Stg£ 000	1999 Stg£ 000
Group turnover				
Continuing operations	2	20,498	12,793	12,617
Acquisitions	2	<u>1,303</u>	<u>813</u>	-
		21,801	13,606	12,617
Cost of sales	2	(16,877)	(10,533)	(9,492)
		<u>4,924</u>	<u>3,073</u>	<u>3,125</u>
Gross profit				
Administrative expenses	2	(1,503)	(938)	(742)
		<u>3,248</u>	<u>2,027</u>	<u>2,383</u>
Group operating profit				
Continuing operations		3,248	2,027	2,383
Acquisitions	2	173	108	-
		<u>3,421</u>	<u>2,135</u>	<u>2,383</u>
Share of operating profit of associated undertaking		32	20	194
Profit on disposal of associated undertaking		407	254	-
		<u>3,860</u>	<u>2,409</u>	<u>2,577</u>
Profit on ordinary activities before interest				
Interest receivable and other income		27	17	63
Interest payable and similar charges	3	(654)	(408)	(320)
Share of net interest of associated undertaking		-	-	2
		<u>3,233</u>	<u>2,018</u>	<u>2,322</u>
Profit on ordinary activities before taxation	4			
Tax on profit on ordinary activities	5	(846)	(528)	(709)
		<u>2,387</u>	<u>1,490</u>	<u>1,613</u>
Profit on ordinary activities after taxation				
Equity dividends - paid	6	(107)	(67)	(83)
- proposed	6	(338)	(211)	(200)
		<u>(445)</u>	<u>(278)</u>	<u>(283)</u>
		<u>1,942</u>	<u>1,212</u>	<u>1,330</u>
Profit for the financial year				
Profit and loss account at beginning of year		5,086	3,174	1,846
Foreign currency translation movement		-	-	(2)
		<u>7,028</u>	<u>4,386</u>	<u>3,174</u>
Profit and loss account at end of year				
Basic earnings per ordinary share	7	<u>28.2c</u>	<u>17.6p</u>	19.1p
Diluted earnings per ordinary share	7	<u>28.1c</u>	<u>17.5p</u>	19.0p
Adjusted earnings per ordinary share	7	<u>26.6c</u>	<u>16.6p</u>	18.3p

Approved on behalf of the board on 1 March 2001 by:

B.A. Joyce
Chairman

P.C. Byrne
Chief Executive

Norish plc

Consolidated balance sheet at 31 December 2000

	<i>Note</i>	2000 €000	2000 Stg£ 000	1999 Stg£000
Fixed assets				
Intangible assets - goodwill	8	6,187	3,861	3,311
Tangible fixed assets	9	16,861	10,523	10,063
Investment in associated undertaking	10	-	-	26
		<hr/>	<hr/>	<hr/>
		23,048	14,384	13,400
Current assets				
Debtors	11	4,813	3,004	2,872
Cash at bank and in hand		202	126	775
		<hr/>	<hr/>	<hr/>
		5,015	3,130	3,647
Creditors: amounts falling due within one year	12	(7,249)	(4,524)	(3,829)
		<hr/>	<hr/>	<hr/>
Net current liabilities		(2,234)	(1,394)	(182)
		<hr/>	<hr/>	<hr/>
Total assets less current liabilities		20,814	12,990	13,218
Creditors: amounts falling due after more than one year	12	(4,809)	(3,001)	(4,451)
Provisions for liabilities and charges	13	(1,492)	(931)	(932)
		<hr/>	<hr/>	<hr/>
Net assets		14,513	9,058	7,835
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves				
Called up share capital	14	2,392	1,493	1,490
Share premium account	15	5,057	3,156	3,148
Capital conversion reserve fund	15	36	23	23
Profit and loss account	16	7,028	4,386	3,174
		<hr/>	<hr/>	<hr/>
Shareholders' funds - equity	17	14,513	9,058	7,835
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Approved on behalf of the board on 1 March 2001 by:

B.A. Joyce
Chairman

P.C. Byrne
Chief Executive

Norish plc

Company balance sheet at 31 December 2000

	<i>Note</i>	2000 €000	2000 Stg£ 000	1999 Stg£000
Fixed assets				
Financial fixed assets	10	949	592	594
Current assets				
Debtors	11	7,097	4,429	4,374
Cash at bank and in hand		3	2	1
		<hr/>	<hr/>	<hr/>
		7,100	4,431	4,375
Creditors: amounts falling due within one year	12	(364)	(227)	(202)
		<hr/>	<hr/>	<hr/>
Net current assets		6,736	4,204	4,173
		<hr/>	<hr/>	<hr/>
Net assets		7,685	4,796	4,767
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves				
Called up share capital	14	2,392	1,493	1,490
Share premium account	15	5,057	3,156	3,148
Capital conversion reserve fund	15	36	23	23
Profit and loss account	16	200	124	106
		<hr/>	<hr/>	<hr/>
Shareholders' funds - equity		7,685	4,796	4,767
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Approved on behalf of the board on 1 March 2001 by:

B.A. Joyce
Chairman

P.C. Byrne
Chief Executive

Norish plc

Consolidated statement of cash flows for the year ended 31 December 2000

	<i>Note</i>	2000 €000	2000 Stg£ 000	1999 Stg£000
Net cash inflow from operating activities	20	4,558	2,845	3,112
Dividends from associated undertaking		266	166	101
Returns on investments and servicing of finance	22	(391)	(244)	(128)
Taxation		(1,102)	(688)	(1,392)
Capital expenditure and financial investment	22	(1,747)	(1,090)	(333)
Acquisitions and disposal	22	(868)	(542)	(3,492)
Equity dividends paid		(428)	(267)	(301)
		<hr/>	<hr/>	<hr/>
Cash inflow/(outflow) before financing activities		288	180	(2,433)
Financing activities	22	(2,272)	(1,418)	1,715
		<hr/>	<hr/>	<hr/>
Decrease in cash in the year		(1,984)	(1,238)	(718)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net debt

	<i>Note</i>	2000 €000	2000 Stg£ 000	1999 Stg£000
Decrease in cash in the year		(1,984)	(1,238)	(718)
Decrease/(increase) in debt		2,203	1,375	(1,715)
Decrease in finance leases		87	54	-
		<hr/>	<hr/>	<hr/>
Change in net debt resulting from cash flows		306	191	(2,433)
Finance leases acquired with subsidiary		-	-	(340)
Deferred consideration on acquisition of subsidiary		-	-	(2,750)
Interest on zero coupon loan notes		(236)	(147)	-
		<hr/>	<hr/>	<hr/>
Decrease/(increase) in net debt in the year		70	44	(5,523)
Net debt at 1 January		(8,067)	(5,035)	488
		<hr/>	<hr/>	<hr/>
Net debt at 31 December	23	(7,997)	(4,991)	(5,035)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Norish plc

Consolidated statement of total recognised gains and losses *for the year ended 31 December 2000*

	2000 €000	2000 Stg£ 000	1999 Stg£000
Profit for the financial year	1,942	1,212	1,330
Foreign currency translation movement	-	-	(2)
Total recognised gains and losses relating to the year	1,942	1,212	1,328

Norish plc

Notes

forming part of the financial statements

1 Segmental reporting

- (i) All of the Group's turnover and operating income arises from the provision of temperature controlled and ambient warehousing services in the United Kingdom. All of the Group's assets are located in Ireland and the United Kingdom.
- (ii) The average number of persons employed by the Group including executive directors was 135 (1999: 125) and is analysed into the following categories:-

<i>Average number of persons employed</i>	2000	1999
Management/supervision	25	23
Clerical/data processing	25	24
Technical	7	7
Operational	78	71
	<u>135</u>	<u>125</u>
	<u><u>135</u></u>	<u><u>125</u></u>

The aggregate payroll costs of these persons were as follows:

	2000	1999
	Stg£ 000	Stg£ 000
Wages and salaries	2,464	2,151
Social welfare costs	232	222
Other pension costs	121	90
	<u>2,817</u>	<u>2,463</u>
	<u><u>2,817</u></u>	<u><u>2,463</u></u>

2 Components of operating profit

	2000			1999
	Continuing operations		Total	Continuing operations
	Stg£ 000	Acquisitions	Stg£ 000	Stg£ 000
Turnover	12,793	813	13,606	12,617
Cost of sales - gross	(10,432)	(681)	(11,113)	(9,492)
Less: compensation credit received	580	-	580	-
	<u>(9,852)</u>	<u>(681)</u>	<u>(10,533)</u>	<u>(9,492)</u>
Gross profit	2,941	132	3,073	3,125
Amortisation of goodwill	(167)	(24)	(191)	(110)
Other administrative expenses	(747)	-	(747)	(632)
Operating profit	<u>2,027</u>	<u>108</u>	<u>2,135</u>	<u>2,383</u>
	<u><u>2,027</u></u>	<u><u>108</u></u>	<u><u>2,135</u></u>	<u><u>2,383</u></u>

The credit to cost of sales of £580,000 relates to compensation received for loss, damage and expense sustained in relation to one of the group's premises.

Norish plc

Notes (continued)

3 Interest payable and similar charges	2000	1999
	Stg£ 000	Stg£ 000
On bank overdraft and loans wholly repayable within five years	241	171
Interest on zero coupon loan notes	147	126
Interest on hire purchase arrangements	20	23
	-----	-----
	408	320
	=====	=====
 4 Statutory and other information	 2000	 1999
	Stg£ 000	Stg£ 000
Depreciation	845	736
	=====	=====
Amortisation of goodwill	191	110
	=====	=====
Rentals payable under operating leases		
- Buildings	2,898	1,825
- Plant and machinery	335	262
	=====	=====
Auditors' remuneration	32	30
	=====	=====
Government grants- capital	(43)	(43)
	=====	=====
 5 Tax on profit on ordinary activities	 2000	 1999
	Stg£ 000	Stg£ 000
Corporation tax - UK at 30% (1999: 30.25%)	487	781
Underprovision/(overprovision) related to prior year	29	(8)
Corporation tax - Ireland at 24%	13	-
	-----	-----
	529	773
Tax on profit of associated undertaking - Irish	-	22
Deferred tax credit (note 13)	(1)	(86)
	-----	-----
	528	709
	=====	=====

Norish plc

Notes (continued)

6 Dividend	2000	1999
	Stg£ 000	Stg£ 000
Interim dividend paid of Ir£0.01 per ordinary share	67	83
Final dividend proposed of €0.04 per ordinary share (1999: Ir£0.03)	211	200
	-----	-----
	278	283
	=====	=====
7 Earnings per share	2000	1999
	Stg£ 000	Stg£ 000
<i>Basic</i>		
Profit attributable to ordinary shareholders	1,490	1,613
	=====	=====
Weighted average number of ordinary shares outstanding	8,461,730	8,448,230
	=====	=====
Basic earnings per share	17.6p	19.1p
	=====	=====
	2000	1999
	Stg£ 000	Stg£ 000
Profits for diluted earnings per share calculation	1,490	1,613
	=====	=====
Weighted average number of ordinary shares outstanding	8,461,730	8,448,230
Dilutive effect of share options	31,262	35,048
	-----	-----
Weighted average number of shares for the calculation of diluted earnings per share	8,492,992	8,483,278
	=====	=====
Diluted earnings per share	17.5p	19.0p
	=====	=====

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

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

Norish plc

Notes (continued)

7 Earnings per share (continued)	2000 Stg£ 000	Earnings per share Stgp	1999 Stg£000	Earnings per share Stgp
<i>Adjusted</i>				
Profit attributable to ordinary shareholders	1,490	17.6	1,613	19.1
Goodwill amortisation	191	2.2	110	1.3
Share of associated undertaking profit after tax	(20)	(0.2)	(174)	(2.1)
Profit on disposal of associated undertaking	(254)	(3.0)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Profits for adjusted earnings per share calculation	1,407	16.6	1,549	18.3
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Weighted average number of ordinary shares outstanding	8,461,730		8,448,230	
	<hr/> <hr/>		<hr/> <hr/>	
Adjusted earnings per share	16.6p		18.3p	
	<hr/> <hr/>		<hr/> <hr/>	

The adjusted earnings per share figure is presented in order to illustrate earnings per share on consistent basis over time after eliminating the impact of goodwill amortisation and of net income related to the associated undertaking disposed of during the year.

8 Goodwill	2000 Stg£ 000	1999 Stg£ 000
Group		
Purchased goodwill	3,861	3,311
	<hr/>	<hr/>
<i>Cost</i>		
At 1 January 2000	3,421	
Arising on acquisitions	741	
	<hr/>	
At 31 December 2000	4,162	
	<hr/> <hr/>	
<i>Amortisation</i>		
At 1 January 2000	110	
Charged during the year	191	
	<hr/>	
At 31 December 2000	301	
	<hr/> <hr/>	
<i>Net book value</i>		
At 31 December 2000	3,861	
	<hr/> <hr/>	
At 31 December 1999	3,311	
	<hr/> <hr/>	

Goodwill is amortised on a straight line basis over its useful life, which the directors estimate to be 20

years.

Norish plc

Notes (continued)

9 Tangible fixed assets

Group	Land Stg£ 000	Freehold and Long Leasehold Buildings Stg£ 000	Plant and Equipment Stg£ 000	Fixtures and Fittings Stg£ 000	Total Stg£ 000
<i>Cost</i>					
At 1 January 2000	1,434	7,275	4,517	1,005	14,231
Additions	-	-	1,039	180	1,219
Acquisitions	-	-	100	-	100
Disposals	-	-	-	(32)	(32)
At 31 December 2000	1,434	7,275	5,656	1,153	15,518
<i>Depreciation</i>					
At 1 January 2000	-	1,279	2,138	751	4,168
Charged during the year	-	243	520	82	845
Eliminated on disposal	-	-	-	(18)	(18)
At 31 December 2000	-	1,522	2,658	815	4,995
<i>Net book value</i>					
31 December 2000	1,434	5,753	2,998	338	10,523
31 December 1999	1,434	5,996	2,379	254	10,063

At 31 December 2000 the cost and aggregate depreciation of assets held under hire purchase contracts and included in plant and equipment was £530,000 (1999: £530,000) and £348,185 (1999: £295,185) respectively.

Norish plc

Notes (continued)

10 Financial fixed assets

	2000		1999	
	Group Stg£ 000	Company Stg£ 000	Group Stg£ 000	Company Stg£ 000
Shares in subsidiary undertakings	-	592	-	592
Investment in associated undertaking	-	-	26	2
	<u>-</u>	<u>592</u>	<u>26</u>	<u>594</u>
	<u>-</u>	<u>592</u>	<u>26</u>	<u>594</u>

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 29.

<i>Investment in associated undertaking</i>	2000		1999	
	Group Stg£ 000	Company Stg£ 000	Group Stg£ 000	Company Stg£ 000
At beginning of year	26	2	30	2
Share of retained profits	20	-	174	-
Dividends received and receivable	-	-	(175)	-
Foreign exchange difference	-	-	(3)	-
Disposals	(46)	(2)		
	<u>-</u>	<u>-</u>	<u>26</u>	<u>2</u>
At end of year	<u>-</u>	<u>-</u>	<u>26</u>	<u>2</u>

During the year the company disposed of its investment in its associated undertaking for a consideration of £300,000, giving rise to a profit of £254,000.

11 Debtors

	2000		1999	
	Group Stg£ 000	Company Stg£ 000	Group Stg£ 000	Company Stg£ 000
Trade debtors	2,041	-	1,889	-
Amount receivable from subsidiary undertakings	-	4,429	-	4,208
Other debtors	963	-	817	-
Dividends receivable from associated undertaking	-	-	166	166
	<u>3,004</u>	<u>4,429</u>	<u>2,872</u>	<u>4,374</u>
	<u>3,004</u>	<u>4,429</u>	<u>2,872</u>	<u>4,374</u>

All amounts fall due within one year.

Norish plc

Notes (continued)

12 Creditors

	2000		1999	
	Group Stg£ 000	Company Stg£ 000	Group Stg£ 000	Company Stg£ 000
<i>Amounts falling due within one year</i>				
Trade creditors	583	-	447	-
Dividend accrual	211	211	200	200
Corporation tax	312	13	471	-
Value added tax	184	-	229	-
PAYE	70	-	114	-
Capital accruals	180	-	65	-
Other creditors and accruals	654	3	589	2
Bank loans (note 19)	625	-	500	-
Bank overdrafts (note 19)	594	-	5	-
Zero coupon loan notes (note 19)	1,000	-	1,000	-
Hire purchase finance (note 19)	53	-	53	-
Deferred income	15	-	113	-
Government grants (note 18)	43	-	43	-
	<u>4,524</u>	<u>227</u>	<u>3,829</u>	<u>202</u>
<i>Amounts falling due after more than one year</i>				
Zero coupon loan notes	897	-	1,750	-
Bank loans (note 19)	1,750	-	2,250	-
Government grants (note 18)	156	-	199	-
Hire purchase finance (note 19)	198	-	252	-
	<u>3,001</u>	<u>-</u>	<u>4,451</u>	<u>-</u>

13 Provisions for liabilities and charges

Deferred taxation

Group	2000 Stg£ 000	1999 Stg£ 000
At beginning of year	932	922
Movements during the year (note 5)	(1)	(86)
Arising on acquisition	-	96
	<u>931</u>	<u>932</u>

The deferred tax provision arises from the excess of tax allowances over depreciation.
The full potential liability to deferred taxation has been provided for in these financial statements.

Norish plc

Notes (continued)

14 Called up share capital	2000	1999
	Stg£ 000	Stg£000
<i>Authorised</i>		
20,000,000 Ordinary shares of €25c each at €1 = Stg£0.7054	3,527	3,527
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of €25c each at €1 = Stg£0.7054	Number	Stg£ 000
At 1 January 2000	8,448,230	1,490
Issued in the year	18,000	3
	<u> </u>	<u> </u>
At 31 December 2000	8,466,230	1,493
	<u> </u>	<u> </u>

During the year, options over 18,000 ordinary shares were exercised at a price of Ir76p (Stg61p), options over 75,162 ordinary shares were granted and 10,000 options over ordinary shares lapsed.

At 31 December 2000 options were outstanding over 366,412 ordinary shares.

15 Reserves	Share premium	Capital conversion reserve fund
	Stg£ 000	Stg£ 000
At beginning of year	3,148	23
Premium on shares issued	8	-
	<u> </u>	<u> </u>
At end of year	3,156	23
	<u> </u>	<u> </u>

16 Retained profit at end of period	2000	1999
	Stg£ 000	Stg£000
By Norish plc	124	106
By subsidiaries	6,183	4,781
By associate	-	24
Consolidation adjustment		
- Goodwill eliminated against reserves	(1,627)	(1,627)
- Goodwill amortised on consolidation	(294)	(110)
	<u> </u>	<u> </u>
	4,386	3,174
	<u> </u>	<u> </u>

A separate profit and loss account for the Company is not prepared as provided for by Section 3(2) of the Companies (Amendment) Act, 1986. The profit for the year arising in Norish plc amounted to £296,000 (1999: £250,000).

Norish plc

Notes (continued)

17 Reconciliation of movements in shareholders' funds	2000 Stg£ 000	1999 Stg£000
Profit for the financial year	1,212	1,330
Foreign currency translation differences	-	(2)
Net share capital subscribed:		
At par	3	-
Share premium	8	-
	<hr/>	<hr/>
Net increase in shareholders' funds	1,223	1,328
Opening shareholders' funds	7,835	6,507
	<hr/>	<hr/>
Closing shareholders' funds	9,058	7,835
	<hr/> <hr/>	<hr/> <hr/>
18 Government grants	2000 Stg£ 000	1999 Stg£000
At beginning of year	242	285
Released to profit and loss account	(43)	(43)
	<hr/>	<hr/>
At end of year	199	242
	<hr/> <hr/>	<hr/> <hr/>

19 Financial assets and liabilities

Narrative disclosures concerning the Group's treasury policy and management are set out in the Financial Review on page 8.

The disclosures relating to financial liabilities and assets exclude short-term creditors and debtors. Financial liabilities attract fixed rates of which the weighted average is 7.34%. The weighted average period for which bank loan interest rates are fixed is three months. The weighted average period for which revolving credit interest rates are fixed is one week.

Overdraft interest is charged quarterly at an interest rate of bank base rate plus 1%.

Financial assets represent cash at bank held in a demand account at a one month fixed rate of 5.9063%.

The maturity profile of the carrying amount of financial liabilities is set out below:

	Within 1 year Stg£ 000	1 to 2 years Stg£ 000	2 to 5 years Stg£ 000	Total Stg£ 000
Bank overdrafts	594	-	-	594
Bank loans	625	500	1,250	2,375
Zero coupon loan notes	1,000	897	-	1,897
Hire purchase finance	53	53	145	251
	<hr/>	<hr/>	<hr/>	<hr/>
	2,272	1,450	1,395	5,117
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Norish plc

Notes (continued)

19 Financial assets and liabilities (continued)

The liabilities of Norish Food Care Limited pursuant to the facilities agreement with HSBC plc dated 14 April 1999 are secured by

- (1) debentures creating first fixed and floating charges over all the assets, past present and future of Norish Food Care Limited and its subsidiaries;
- (2) guarantees from Norish Food Care Limited and its subsidiaries each guaranteeing payment of the liabilities of the other;
- (3) first fixed charge over the assets of Norish Food Care Limited and its subsidiaries; and
- (4) a legal mortgage over the property and land at Northern Way, Bury St. Edmunds.

Zero coupon loan notes form part of the deferred consideration for the acquisition by Norish Food Care Limited of Belvedere Warehousing Limited and its subsidiary B.W. Agencies Limited in 1999. The deferred consideration is stated at its estimated net present value of £1.897 million (1999: £2.75 million) and the related financial cost is being recognised at a constant rate on the carrying amount of the debt.

These unsecured loan notes with principal of £2 million (1999: £3 million) rank as direct, unconditional, unsecured and unsubordinated obligations of Norish Food Care Limited pari passu with all other present and future unsecured and unsubordinated obligations of the company.

HSBC plc has unconditionally and irrevocably guaranteed the payment of principal of the loan notes in the amount of £2 million (1999: £3 million).

The undrawn committed facilities available to the Group are set out below:

	Within 1 year Stg£ 000	1 to 2 years Stg£ 000	2 to 5 years Stg£ 000	Greater than 5 years Stg£ 000	Total Stg£ 000
Revolving credit facility	-	2,000	-	-	2,000
Bank overdraft facility	281	-	-	-	281
	<u>281</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,281</u>

The revolving facility can be drawn in amounts of £100,000 and must be fully repaid by 7 May 2002.

The overdraft facility is repayable on demand and is reviewed annually.

20 Reconciliation of operating profit to net cash inflow from operating activities

	2000 Stg£ 000	1999 Stg£ 000
Operating profit	2,135	2,383
Depreciation	845	736
Amortisation of government grants	(43)	(43)
Movement in working capital (note 21)	(283)	(74)
Amortisation of goodwill	191	110
	<u>2,135</u>	<u>2,383</u>

Net cash inflow from operating activities

2,845

3,112

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Norish plc

Notes (continued)

21 Movement in working capital

	2000 Stg£ 000	1999 Stg£ 000
(Increase)/decrease in debtors	(298)	240
Increase/(decrease) in creditors	14	(314)
Decrease in stocks	1	-
	<u> </u>	<u> </u>
	(283)	(74)
	<u> </u>	<u> </u>

22 Analysis of cash flows for headings netted in the cash flow statement

	2000 Stg£ 000	1999 Stg£ 000
Returns on investments and servicing of finance		
Interest received	17	66
Interest paid	(241)	(170)
Finance lease interest	(20)	(24)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	(244)	(128)
	<u> </u>	<u> </u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,104)	(333)
Disposal of tangible fixed assets	14	-
	<u> </u>	<u> </u>
Net cash outflow from capital expenditure and financial investment	(1,090)	(333)
	<u> </u>	<u> </u>
Acquisitions and disposals		
Purchase of subsidiary undertaking (note 25)	(465)	(4,400)
Net cash acquired with subsidiary	-	908
Purchase of trade (note 25)	(377)	-
Proceeds from disposal of associated undertaking	300	-
	<u> </u>	<u> </u>
Net cash outflow from acquisitions and disposals	(542)	(3,492)
	<u> </u>	<u> </u>
Financing activities		
Bank loans repaid	(375)	(1,250)
Zero coupon loan notes repaid	(1,000)	-
Loans received	-	3,000
Capital element of finance lease and hire purchase rentals	(54)	(35)
Proceeds from issue of ordinary share capital	11	-
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from financing	(1,418)	1,715

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Norish plc

Notes (continued)

23 Analysis of net debt

	At 1 January 2000 Stg£ 000	Cash flow Stg£ 000	Non cash movements Stg£ 000	At 31 December 2000 Stg£ 000
Cash at bank and in hand	775	(649)	-	126
Overdrafts	(5)	(589)	-	(594)
	<u>770</u>	<u>(1,238)</u>	<u>-</u>	<u>(468)</u>
Debt due within 1 year	(1,500)	1,375	(1,500)	(1,625)
Debt due after 1 year	(4,000)	-	1,353	(2,647)
Finance leases and hire purchase contracts	(305)	54	-	(251)
	<u>(5,805)</u>	<u>1,429</u>	<u>(147)</u>	<u>(4,523)</u>
	<u>(5,035)</u>	<u>191</u>	<u>(147)</u>	<u>(4,991)</u>

24 Group net debt

	2000 Stg£ 000	1999 Stg£ 000
Loans and overdrafts repayable within one year	(2,219)	(1,505)
Loans repayable after more than one year	(2,647)	(4,000)
Finance leases and hire purchase contracts	(251)	(305)
Cash at bank and in hand	126	775
	<u>(4,991)</u>	<u>(5,035)</u>

Norish plc

Notes *(continued)*

25 Acquisitions

- (a) On 10 March 2000, Norish Food Care Limited acquired the entire issued share capital of East Kent Cold Storage Company Limited for a cash consideration of £450,000 (plus £15,000 acquisition costs). The book value and fair value of tangible fixed assets at the date of acquisition amounted to £21,000 and the goodwill arising was £444,000.

- (b) On 18 July 2000, B.W. Agencies Limited acquired the business and certain assets of RSH Flowers (Distribution) Limited for a cash consideration of £350,000 (plus £27,000 acquisition costs). The book value and fair value of assets at the date of acquisition was £80,000 and the goodwill arising on acquisition was £297,000.

Norish plc

Notes (continued)

26 Commitments and contingencies

(a) *Leasing*

The Group has commitments under operating leases to make payments totalling £2,554,000 (1999: £2,875,000) in the year to 31 December 2001 as follows:

	2000	2000	2000	1999	1999	1999
	Land and	Other	Total	Land and	Other	Total
	Buildings	operating		Buildings	operating	
	Stg£ 000	leases	Stg£ 000	Stg£ 000	leases	Stg£ 000
		Stg£ 000			Stg£ 000	
<i>Expiring:</i>						
Within one year	133	43	176	478	-	478
Between two and five years	-	172	172	828	-	828
Beyond five years	2,180	26	2,206	1,307	262	1,569
	<u>2,313</u>	<u>241</u>	<u>2,554</u>	<u>2,613</u>	<u>262</u>	<u>2,875</u>

(b) *Hire purchase*

The net obligations under hire purchase contracts at 31 December 2000 are analysed as follows:

	2000	2000	2000	1999	1999	1999
	Land and	Plant	Total	Land and	Plant	Total
	Buildings	Stg£ 000	Stg£ 000	building	Stg£ 000	Stg£ 000
	Stg£ 000			Stg£ 000		
<i>Expiring:</i>						
Within one year	-	53	53	-	53	53
Between two and five years	-	198	198	-	212	212
Beyond five years	-	-	-	-	40	40
	<u>-</u>	<u>251</u>	<u>251</u>	<u>-</u>	<u>305</u>	<u>305</u>

(c) *Capital*

The Group had no material capital commitments at 31 December 2000.

(d) *Guarantees on leasehold properties*

The annual operating lease commitment on land and buildings of £2,313,000 (1999: £2,613,000) arises on leasehold properties, of which £1,406,000 (1999: £1,406,000) is subject to parent company guarantees.

(e) *LIFFE guarantee*

HSBC Bank plc have issued, on behalf of a subsidiary, a performance bond guaranteeing amounts owed to LIFFE not exceeding £125,000 arising in the period from 31 March 2000 to 31 March 2001.

Norish plc

Notes (continued)

27 Directors' remuneration

	Basic salary Stg£ 000	Directors' fees Stg£ 000	Benefits in kind Stg£ 000	Annual bonus Stg£ 000	Pension Contributions Stg£ 000	Total Stg£ 000
Brian Joyce	-	20	-	-	-	20
Paul Byrne	120	-	8	31	21	180
Greg O'Hara	54	-	6	10	8	78
Reddy Brennan	-	9	-	-	-	9
Torgeir Mantor	-	9	-	-	-	9
John Paterson	-	9	-	-	-	9
Hans Thorsen	-	9	-	-	-	9
Total - 2000	174	56	14	41	29	314
Total - 1999	135	51	10	-	18	214

Directors' remuneration shown 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.

There were no loans to Directors during the year.

28 Pensions

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

The total premium charged for the defined contribution scheme amounted to £121,000 (1999: £90,204).

29 Group undertakings

Subsidiary undertakings	Holding		Nature of business
	Direct	Indirect	
<i>Incorporated in Northern Ireland</i>			
Norish (U.K.) Plc	100%		Investment holding
Norish (N.I.) Limited	100%		Investment company

Norish plc

Notes (continued)

29 Group undertakings (continued)

Subsidiary undertakings	Holding		Nature of business
	Direct	Indirect	
<i>Incorporated in England</i>			
Norish Food Care Limited (subsidiary of Norish (N.I.) Limited)		100%	Public cold storage
Belvedere Warehousing Limited (subsidiary of Norish Food Care Limited)		100%	Property management
B.W. Agencies Limited (subsidiary of Belvedere Warehousing Limited)		100%	Ambient warehousing
East Kent Cold Storage Company Limited (subsidiary of Norish Food Care Limited)		100%	Public cold storage

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

Norish plc	1 Stokes Place, St. Stephen's Green, Dublin 2
Norish (U.K.) Plc	Stokes House, College Square East, Belfast BT1 6DH
Norish (N.I.) Limited	Stokes House, College Square East, Belfast BT1 6DH
Norish Food Care Limited	Franklyn House, 38 Bell Street, Reigate, Surrey, RH2 7BA
Belvedere Warehousing Limited	Franklyn House, 38 Bell Street, Reigate, Surrey RH2 7BA
B.W. Agencies Limited	Franklyn House, 38 Bell Street Reigate, Surrey RH2 7BA
East Kent Cold Storage Company Limited	Franklyn House, 38 Bell Street Reigate, Surrey RH2 7BA

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

Norish (U.K.) Plc	50,000 Ordinary shares of Stg£ 1 each
Norish (N.I.) Limited	480,000 Ordinary shares of Stg£ 1 each
Norish Food Care Limited	60,000 Ordinary shares of Stg£ 1 each
Belvedere Warehousing Limited	8,000 Ordinary shares of Stg£ 1 each
B.W. Agencies Limited	4,000 Ordinary shares of Stg£ 0.25 each
East Kent Cold Storage Company Limited	2 Ordinary shares of Stg£ 1 each

Norish plc

Notes *(continued)*

30 Post balance sheet events

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

31 Approval of financial statements

The board of directors approved these financial statements on 1 March 2001.

Norish plc

Historical financial summary Consolidated profit and loss account

	1996 Stg£000	1997 Stg£000	1998 Stg£000	1999 Stg£000	2000 Stg£ 000
Turnover	9,899	8,975	8,561	12,617	13,606
Trading profit	2,525	2,475	2,238	3,119	2,980
Exceptional items	365	593	-	-	254
Income from associate	68	351	342	194	20
Interest	(474)	(143)	6	(255)	(391)
Depreciation (net of grants)	(779)	(615)	(576)	(736)	(845)
Profit before taxation	1,705	2,661	2,010	2,322	2,018
Taxation	(312)	(695)	(570)	(709)	(528)
Profit after taxation	1,393	1,966	1,440	1,613	1,490
Minority interests	5	-	-	-	-
Profit attributable to shareholders	1,398	1,966	1,440	1,613	1,490
Dividends	-	(313)	(291)	(283)	(278)
Profit for the financial year	1,398	1,653	1,149	1,330	1,212

Norish plc

Historical financial summary Consolidated balance sheet

	1996 Stg£ 000	1997 Stg£ 000	1998 Stg£ 000	1999 Stg£ 000	2000 Stg£ 000
Capital employed					
Fixed assets and investments	7,126	6,791	7,234	13,400	14,384
Current assets	2,734	4,063	3,725	3,647	3,130
Current liabilities	(2,668)	(3,290)	(2,784)	(3,829)	(4,524)
	7,192	7,564	8,175	13,218	12,990
Financed by					
Called up share capital	1,668	1,462	1,513	1,490	1,493
Share premium account	4,615	3,034	3,148	3,148	3,156
Capital conversion reserve fund	-	-	-	23	23
Profit and loss account	(2,563)	881	1,846	3,174	4,386
	3,720	5,377	6,507	7,835	9,058
Shareholders' funds - equity					
Provisions for liabilities and charges	914	899	922	932	931
Long term liabilities	2,558	1,288	746	4,451	3,001
	7,192	7,564	8,175	13,218	12,990

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Norish plc will be held at Jurys Hotel, Ballsbridge, Dublin 4 on Thursday 3 May 2001 at 12 noon for the following purposes:-

1. To receive the Reports of the Directors and Auditors and the Financial Statements for the year ended 31 December 2000.
2. To confirm the Interim Dividend and to declare a Final Dividend.
3. To re-elect the following Directors who retire in accordance with the Articles of Association and being eligible offer themselves for re-election (as separate resolutions):
 - a) Brian Joyce
 - b) Hans Thorsen
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To consider and if thought fit pass the following resolution as an ordinary resolution:

That the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities within the meaning of section 20 of the Companies (Amendment) Act, 1983, ("the 1983 Act") (to include the reissue of any shares purchased pursuant to resolution 7) provided that:

- (a) the maximum amount of relevant securities which may be allotted under the authority hereby conferred shall be shares with an aggregate nominal value equivalent to one third of the nominal value of the issued share capital of the Company at the date of passing of this resolution;
- (b) the authority hereby conferred shall expire on a date which is fifteen months after the date of the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company save that the Company may, before such expiry, make an offer or agreement which would, or might, require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired;
- (c) all previous authorities under section 20 of the 1983 Act shall henceforth cease to have effect.

6. To consider and if thought fit pass the following resolution as a special resolution:

That the Directors be and they are hereby empowered pursuant to section 24 of the 1983 Act to allot equity securities (within the meaning of section 23 of the 1983 Act) (to include the reissue of any shares purchased pursuant to resolution 7) pursuant to the authority conferred by Resolution 5 as if subsection (1) of section 23 of the 1983 Act did not apply to any such allotment provided that this power shall be limited:

- (a) to the allotment (otherwise than in pursuance of paragraph (b) of this resolution) of equity securities with an aggregate nominal value equivalent to 5% of the nominal value of the issued share capital of the Company at the date of passing of this resolution;

- (b) to the allotment (otherwise than in pursuance of paragraph (a) of this Resolution) of equity securities in connection with a rights issue or placing and open offer in favour of shareholders where the equity securities are issued proportionately (or as nearly as may be) to the respective number of shares held by the shareholders but subject to such exclusions or arrangements as the Directors may deem necessary or expedient to make for the purposes of dealing with fractional entitlements arising or legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body in any territory;

and shall expire on the date which is 15 months after the date of the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry date make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

7. To consider and if thought fit pass the following resolution as a special resolution:

That the Company (and any subsidiary of the Company for the time being) be and is hereby authorised to make market purchases of any shares of and in the Company (including any contract of purchase which would or might be executed wholly or partly after the expiry date below) provided that:

- (a) the maximum number of shares which may be acquired pursuant to this authorisation shall be shares with an aggregate nominal value equivalent to 10% of the nominal value of the issued share capital of the Company at the date of passing of this resolution;
- (b) the maximum price at which a purchase pursuant to this authorisation will be made will be 5% above the average of the middle market quotation taken from the Irish, or at the option of the Directors, the London Stock Exchange Official List for the ten days before the purchase is made;
- (c) the minimum price which may be paid for shares purchased pursuant to this authorisation will be the par value thereof; and
- (d) this authorisation will expire on the date which is 15 months after the date of the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry date make an offer or agreement which would or might require a purchase after such expiry date as if the authorisation hereby conferred had not expired;
- (e) the maximum price at which any treasury shares may be re-issued off market (within the meaning of section 212 of the Companies Act 1990) shall not be more than 25% above and not more than 5% below the average of the middle market quotations of the relevant shares taken from the Irish, or at the option of the Directors, the London Stock Exchange Official List for the ten days before the relevant re-issue is made.

8. To consider and if thought fit pass the following resolution as an ordinary resolution:

That the Norish plc 2001 Share Option Scheme, as presented to the meeting and the text of which has been provided to shareholders in the circular dated 30 March 2001 entitled *Norish plc: Proposed new Share Option Scheme*, be approved and adopted as an employee share scheme of the Company.

By Order of the Board of Directors:

F.G. O'Hara
Secretary

Registered Office:
1 Stokes Place
St Stephen's Green
Dublin 2.

30 March 2001

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
2. Forms of Proxy, in order to be valid, must reach Computershare Services (Ireland) Ltd., Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than 48 hours before the time appointed for the holding of the meeting.
3. Copies of Directors' Service Contracts with the Company or any of its subsidiaries (unless expiring or terminable by the employing company without compensation within one year) or where any such contract is not reduced to writing a memorandum of its terms will be available for inspection at the registered office of the Company situated at 1 Stokes Place, St. Stephen's Green, Dublin 2 during normal business hours on any weekday (Saturdays and Public Holidays excepted) from the date of this notice until the date of the Annual General Meeting and on the day of the Meeting at Jurys Hotel, Ballsbridge, Dublin 4 for 15 minutes prior to and until the conclusion of the Annual General Meeting.
4. Notwithstanding the appointment of a Proxy, a member may attend and vote at the Annual General Meeting and such attendance will have the effect of cancelling the appointment of the Proxy.
5. Pursuant to Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996, the Company specifies that only those holders of ordinary shares registered in the register of members of the Company as at 12 noon on Friday 27 April 2001 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the relevant register of securities after that time and date shall be disregarded in determining the rights of any person to attend and vote at the meeting.