



NORISH

N O R I S H P L C

Annual Report & Accounts

2007

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FINANCIAL CALENDAR 2008

Announcement of preliminary results	6 March
Annual Report posted to shareholders	1 April
Annual General Meeting	1 May
Announcement of interim results	4 September

CORPORATE PROFILE

Background

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

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

GROUP OPERATIONS

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

Northern Industrial Estate
Bury St Edmunds
Suffolk IP32 6NL
Tel: 0870 7351318
Mob: 07879 447427

Locations

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

FINANCIAL HIGHLIGHTS

	2007	2006
	£'000	£'000
Turnover - Continuing operations	10,994	10,671
Operating profit	1,026	829
Profit before tax	617	488
Basic earnings per share	6.0p	3.5p
Dividend paid per share		
- interim for current year	Nil	€1.25c
- final for previous year	Nil	€1.25c
	Nil	€2.50c
Gearing – excluding goodwill (see Note 1 below)	82%	106%
Capital employed	£'000	£'000
Shareholders' funds	6,816	6,297
Net debt	5,424	6,416
	12,240	12,713

Note 1

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

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report of Norish Plc for 2007.

During 2007 the Group performed well compared to 2006, mainly as a result of additional sales activity and a reduction in the group administrative expenses following the closure of the Dartford Head office.

Results

The Group announces pre-tax profits of £0.6m. This compares with pre-tax profits of £0.5m for last year. The profit per share from operations is 6.0p compared to 3.5p for last year. Net debt at the year-end decreased by £1.0m from £6.4m to £5.4m.

Operations

All of our cold stores performed better than last year. However, performance in the second half of the year was restricted by outbreaks of Avian Flu and Foot and Mouth Disease, adversely affecting inbound and outbound movements of stock at several of our sites.

Our ambient site at York opened the year with high occupancy but, as a result of changes in a major customer's supply chain, storage volume declined resulting in the site currently making a marginal profit. A focused sales strategy has been initiated for the site which we are confident will deliver new opportunities.

The Bury St Edmunds, Wrexham and East Kent sites all secured new business with high throughput which has resulted in the improved performance from these stores.

Dividend

The board recommends the payment of a final dividend of €1.25c per share. This will bring the total dividend in respect of the financial year to €1.25c per share unchanged from last year.

Board

I am very pleased to report that Raymond French was appointed to the board on 1 March 2007. He is also a Director of the funds of Global Asset Management, (GAM) and Anglo Irish Bank Corporation (IOM) plc.

Personnel

On behalf of the board, I would like to thank our Managing Director, Norman Hatcliff our Finance Director, Aidan Hughes and their management team and staff for their commitment and contribution in 2007.

Trading Outlook

We have started 2008 with good occupancy levels and would expect our cold storage division to continue to perform well. However, the reduction in volumes at our ambient food storage business poses challenges to the profitability of this area of the business.



Ted O'Neill
Chairman

5 March 2008

FINANCIAL REVIEW

Reporting currency

The Group, the parent company of which is a public limited company incorporated in Ireland, continues to report its results in Sterling, as all of its operating activities are carried out in the United Kingdom. The financial information contained in the profit and loss account and balance sheets is also expressed in Euro, solely for convenience, at the rate of €1 = £0.733.

Turnover and operating profit

Turnover from operations increased from £10.7 to £11.0m. The group operating profit from operations increased from £0.8m to £1.0m, representing 9.0% (2006 – 7.4%) of turnover.

For our operations, the number of pallets into our sites decreased by 6% to 313,584, blast freezing volumes increased 5% to 58,226 pallets and closing customer stocks at the year end decreased by 27% to 48,155 pallets. Our average energy price per unit decreased by 7% in 2007, however, the number of units consumed has increased by 1% due mainly by the increased activity at the sites. Profitability was improved by a combination of the provision of added value services to customers and increased storage and handling rates during the year.

Key ratios

Basic earnings and adjusted earnings per share increased to 6.0p, compared with 3.5p in 2006.

Year-end gearing (after eliminating goodwill) was 82% compared with 106% at 31 December 2006.

Depreciation totalled £0.5m (2006: £0.5m).

Cash position

The Group's operating cash inflow for the year was £1.7m (2006: £1.5m). Net debt decreased by £1.0m during the year to £5.4m. The Group retains adequate term loan and overdraft facilities to meet its ongoing operating needs.

Treasury policy and management

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

Financial risk management

The Group's financial instruments comprise borrowings, cash 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.

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 and liquidity risk. The Group's policies for managing each of these risks are summarised below.

FINANCIAL REVIEW (CONTINUED)

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank and other borrowings at both fixed and floating rates of interest, and working capital. The Group determines the level of borrowings at fixed rates of interest having regard to current market rates and future trends. At the year-end, £3.75 million of the term loan balance is fixed at a rate of 5.86% until 2 March 2009 by the use of an interest rate swap, with £2.75 million of the term loan at floating rates.

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, 92% of the Group's borrowings were due to mature in more than one year.

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



Aidan Hughes
Finance Director
5 March 2008

SHAREHOLDER INFORMATION

Shareholder analysis at 5 March 2008

Number of shares	Number of accounts	Percentage of accounts	Number of shares (000)	Percentage of shares
1 – 1,000	137	46.8	63	0.7
1,001 – 10,000	98	33.4	402	4.8
10,001 – 100,000	43	14.7	1,447	17.1
Over 100,000	15	5.1	6,554	77.4
Total	293	100.0	8,466	100.0

Share price data (€)	High	Low	31 December
Year ended 31 December 2007	71p (€0.97)	54p (€0.74)	54p (€0.74)
Year ended 31 December 2006	71.5p (€1.07)	62p (€0.93)	63p (€0.94)

The market capitalisation of Norish plc at 31 December 2007 was £4.6m (€6.3m) compared with £5.3m (€8.0m) at 31 December 2006, and £4.6m (€6.0m) at 5 March 2008.

Investor relations

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

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

Registrars

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

- 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.

Amalgamation of accounts

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

Dividends

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

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

SHAREHOLDER INFORMATION (CONTINUED)

CREST

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

Annual General Meeting

The Annual General Meeting will be held at Bewleys Hotel, Leopardstown, Central Park, Leopardstown, Dublin 18 on Thursday 1 May 2008 at 11am.

BOARD OF DIRECTORS

Executive Directors

Managing Director

Norman Hatcliff (53) joined the group in January 2000 as Operations Director of the Temperature Controlled Division and was appointed Managing Director in September 2006. He has been a member of the board since August 2004. He has extensive experience in the temperature controlled storage industry, initially with Tempco Severnside and subsequently with Exel Logistics. He joined TDG plc in 1990, and was Operations and Commercial Director of TDG Novacold from 1996 to 1999.

Finance Director & Company Secretary

Aidan Hughes (43) joined Norish as Group Accountant in 1996 and was appointed Finance Director in September 2006. He has carried out the role of Company Secretary since 2004. He is a Chartered Accountant and has had previous experience in the travel industry.

Non-Executive Directors

Chairman

Ted O'Neill (56) was appointed to the board and became Chairman in 2004. He is currently the Chief Executive Officer of Newcourt Group plc and Chairman of Accommodation and Building Systems Limited, both in Ireland, and was previously founder and Chief Executive Officer of port services and transport group Imari Limited and a director of Seafield plc.

Torgeir Mantor (51) was appointed to the board in 1993. He is Chairman of Norse Group, USA and VisionMonitor Software LLC, both in Houston, Texas, and is a director of Tore B. Mantor AS and ProPac AS, both in Norway.

Willie McCarter (60) was appointed to the board in 2004, and was subsequently appointed as the Senior Independent Non-Executive Director. He is also a director of Cooley Distillery plc and was formerly Chairman of the International Fund for Ireland and the Enterprise Equity Venture Capital Group.

Raymond French (62) was appointed to the board on 1 March 2007. He is also a Director of the funds of Global Asset Management, (GAM) and Anglo Irish Bank Corporation (IOM) plc.

CORPORATE INFORMATION

Directors

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

Company Secretary

Aidan Hughes

Audit Committee

Torgeir Mantor
Willie McCarter
Raymond French

Remuneration Committee

Torgeir Mantor
Willie McCarter
Raymond French

Nomination Committee

Consists of all Directors

Registered Office

6th Floor
South Bank House
Barrow St
Dublin 4

Operational Head Office

Northern Industrial Estate
Bury St Edmunds
Suffolk
IP32 6NL

Solicitors

Mason Hayes & Curran
6th Floor
South Bank House
Barrow St
Dublin 4

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

Nomad and Brokers

NCB
3 George's Dock
IFSC
Dublin 1

Bankers

HSBC Bank plc
Bank of Ireland plc

Auditor

Grant Thornton
Chartered Accountants
24-26 City Quay
Dublin 2

Registrars

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

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements of the Group for the year ended 31 December 2007.

Principal Activities and Review of Business

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

The main risks to the business in 2008 will be the empty capacity at our York ambient site. The site is producing a small profit and has 60,000 sq ft of available space which is qualifying for discretionary rate relief. This rate relief will be withdrawn in April 2008 as a result of changes brought by the UK Government.

The management team are focused on marketing the site using a combination of our own sales resources, commercial property agents, internet marketing agencies and the network of contacts that have been developed within the team over time. We are confident that this strategy will be effective.

Secondly, high occupancy levels in the cold storage market may have the effect of restricting manufacturers' forward stock-build planning if space commensurate with requirements is not available.

However, we have managed to move away from seasonal business which has the effect of reducing volume spikes and risk of our capacity not meeting customer's requirements.

Details of the Group's subsidiary undertakings are set out in Note 24 to the financial statements.

Further commentaries on the Group's development and performance, including the principal risks and uncertainties facing the business, are contained in the Chairman's Statement and the Financial Review on pages 3 to 5.

Dividends

No interim dividend was paid during the year.

The Directors recommend the payment of a final dividend of €1.25c

Post Balance Sheet Events

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

Transactions with Related Parties

There were no transactions with related parties requiring disclosure under IAS 24 during the year.

DIRECTORS' REPORT (CONTINUED)

Directors

The Board currently comprises the Chairman, Managing Director, Finance Director and three non-executive Directors. Under the criteria adopted by the Committee on Corporate Governance, Torgeir Mantor and Raymond French would not be perceived to be independent due to their 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 at 31 December 2007 together with brief biographical notes are set out on page 8.

On 1 March 2007 Raymond French was appointed to the board as a non-executive director..

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

The Managing Director and Finance Director have service contracts with the Group companies that are terminable by either party giving 12 months' notice. Neither the Chairman nor the non-executive Directors have service contracts.

Interests of Directors and Secretary

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

The interests, all of which are beneficial, of the Directors and the Secretary who held office at 31 December 2007 (including their respective family interests) in the share capital of Norish plc were as follows:

	31 December 2007	31 December 2006
	Ordinary Shares	Ordinary Shares
Ted O'Neill	569,000	424,000
Norman Hatcliff	10,000	10,000
Aidan Hughes	193,340	13,000
Torgeir Mantor *	12,600	12,600
Willie McCarter	-	-
Raymond French**	40,000	40,000

* *Torgeir Mantor is a director of T. B. Mantor AS, which also holds 763,017 (2006: 763,017) shares and is owned by the Mantor family.*

** *Raymond French is a director of Kappa Alpha Ltd, which hold 999,684 shares.*

DIRECTORS' REPORT (CONTINUED)

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 2007	Granted in year	31 Dec 2007	Exercise Price €	Exercisable from	Expiry date
Norman Hatcliff	5,000	-	5,000	1.30	Mar 2003	Mar 2010
	3,000	-	3,000	0.75	May 2004	May 2011
	-	140,000	140,000	0.79	Sept 2010	Sept 2017
Total	8,000	140,000	148,000			
Aidan Hughes	3,750	-	3,750	2.22	Feb 2001	Feb 2008
	5,000	-	5,000	1.55	Mar 2003	Mar 2010
	3,000	-	3,000	0.75	May 2004	May 2011
	-	110,000	110,000	0.79	Sept 2010	Sept 2017
Total	11,750	110,000	121,750			

The mid-market price of an ordinary share on 31 December 2007 was 54p (€0.74) and the price range during the year was between 71p (€0.97) and 54p (€0.74). 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 2007 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 5 March 2008 the Company had been advised of the following shareholdings in excess of 3% of its issued share capital:

	Number of shares	Percentage held
Kappa Alpha	999,684	11.80
John Teeling	835,093	9.86
T.B. Mantor AS	763,017	9.01
Tom Cunningham	710,593	8.39
F & C Asset Management Plc	667,623	7.89
Ted O'Neill	569,000	6.72
Leslie McCauley	518,600	6.13
Focus Investments	319,539	3.77

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

DIRECTORS' REPORT (CONTINUED)

Subsidiary companies

The statutory information required by sub-sections (4) and (5) of Section 158 of the Companies Act, 1963 is presented in Note 24 to the financial statements.

Executive share option scheme

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

The aggregate nominal value of shares issued under the scheme may not exceed 10% of the nominal value of the issued ordinary share capital. Between 1989 and 2007 the Company issued a total of 1,002,237 ordinary options. In 2007 the Company issued 250,000 share options.

To date 46,000 options have been exercised and 686,487 options have expired. At 31 December 2007 options were outstanding over 269,750 ordinary shares.

Group website

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

Personnel development

The Group is committed to ensuring that its employees are capable of achieving the highest standards in their employment by providing training at all levels for current and future business needs. Emphasis is placed on training in key areas such as computer skills, safe driving of vehicles, 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.

DIRECTORS' REPORT (CONTINUED)

Corporate governance

The Directors are committed to the revised Combined Code on Corporate Governance, published in July 2003 (“the 2003 Combined Code”).

Principles of good corporate governance

The Directors are accountable to the shareholders for good corporate governance and the following voluntary statement describes how the relevant principles of good governance set out in the 2003 Combined Code are applied in Norish plc.

Board of Directors

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

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

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

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

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

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

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

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

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

The Chairman holds regular business review meetings with Senior Management.

DIRECTORS' REPORT (CONTINUED)

Attendance

The Board meets regularly and details of attendances by individual Directors at meetings of the Board and its Committees during the year ended 31 December 2007 are as follows:

Table of attendance

	Board	Remuneration	Audit
Meetings held	5	1	1
<i>Meetings Attended:</i>			
Ted O'Neill	5	-	-
Norman Hatcliff	5	-	-
Aidan Hughes	5	-	-
Torgeir Mantor	3	1	1
Willie McCarter	5	1	1
Raymond French*	4	-	-

* *Raymond French has attended all meetings since joining the board.*

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

Norish plc's remuneration policies and procedures meet with the Best Practice Provisions of the Irish Stock Exchange's requirements on Directors' remuneration. In particular the Company has applied all of the relevant principles set out in Section 1 of the 2003 Combined Code. In designing schemes of performance-related remuneration, the Remuneration Committee has given full consideration to the provisions in Schedule A to the 2003 Combined Code.

Details of the interests of Directors and Secretary in shares and options are set out earlier in this Report and details of Directors' remuneration are given in Note 22 to the financial statements.

Relations with Shareholders

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

DIRECTORS' REPORT (CONTINUED)

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

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

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

The Group's internal controls, including financial controls, are reviewed systematically by 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.

DIRECTORS' REPORT (CONTINUED)

Audit Committee and Auditors

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

The Group's policy regarding external auditor independence and the provision of non-audit services by the external auditors is that, where appropriate, non-audit related work is put out to competitive tender. Details of the year's fees payable to the external auditors are given in Note 8 to the financial statements.

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

Compliance statement

Norish has complied during the year to 31 December 2007 with all provisions of the Principles of Good Governance and Code of Best Practice as contained in the 2003 Combined Code except for the following matters:

- The Board's Nomination Committee consists of all members of the Board. This decision was taken because of the small size of the board.
- Due to the small size of the Board, performance evaluation of the Board, its Committees and Directors has not been conducted.

Going concern

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

DIRECTORS' REPORT (CONTINUED)

Accounting records

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

Transition to International Financial Reporting Standards (IFRS)

The consolidated financial statements of Norish plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, International Accounting Standards (IAS) and IFRIC interpretations as at 31st December 2007 and the comparative figures have been adjusted accordingly.

Directors responsibilities

Directors are responsible for preparing the parent company financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Auditor

On 11 September 2007, Grant Thornton were appointed auditors to Norish plc in accordance with Section 160(7) of the Companies Act 1963. A resolution under Section 160(1) of the Companies Act 1963 will be proposed at the Annual General Meeting to be held on the 1st May 2008

On behalf of the board:



T.J. O'Neill
Chairman



N.A Hatcliff
Managing Director

5 March 2008

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2006, the European communities (Companies: Group Accounts) Regulations, 1992, Article 4 of the IAS Regulations and the Listing Rules of the Alternative Investment Market. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts 1963 to 2006.

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

On behalf of the Board



T.J. O'Neil
Chairman



N.A. Hatcliff
Managing Director

5 March 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORISH PLC

We have audited the group and parent company financial statements (the 'financial statements') of Norish plc for the year ended 31ST December 2007 including the Statement of Accounting Policies, the Consolidated Income and Expense, the Consolidated Balance Sheet, the Consolidated Reconciliation of Changes in Shareholders Equity, the Consolidated Cash Flow Statement and the Company Financial Statements, including the Company Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

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

This report, is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, and the parent company give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2006, and the European Communities (Companies: Group Accounts) Regulations, 1992. We also report to you whether in our opinion: proper books of account have been kept by the company, whether at the balance sheet date, there exists a financial situation requiring the convening of an Extraordinary General Meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheets is in agreement with the books of account.

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group's affairs as at 31ST December 2007 and of the group's profit for the year then ended: and
- the group financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2006 and the European Communities (Companies: Group Accounts) Regulations, 1992
- the parent company financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31ST December 2007, and
- the parent company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

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

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

The net assets of the company as stated in the balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31ST December 2007 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.



Grant Thornton

5th March 2008

CONSOLIDATED INCOME STATEMENT

<i>for the year ended 31 December 2007</i>	Note	2007 €'000	2007 £'000	2006 £'000
Continuing operations				
Revenue	5	14,999	10,994	10,671
Cost of sales		(13,232)	(9,699)	(9,474)
Gross profit		1,767	1,295	1,197
Administrative expenses		(367)	(269)	(368)
Operating profit from continuing operations		1,400	1,026	829
Finance expenses	7	(596)	(437)	(425)
Finance income	7	38	28	84
Profit on continuing activities before taxation	8	842	617	488
Income taxes	9	(153)	(112)	(190)
Profit for the period attributable to shareholders		689	505	298
Earnings per share expressed in pence per share:				
From continuing operations				
- basic	10	8.2cent	6.0p	3.5p
- diluted	10	8.2cent	6.0p	3.5p

The notes on page 26 to 58 are an integral part of these consolidated financial statements.

Approved on behalf of the board on 5th March 2008 by:



T.J. O'Neil
Chairman



N.A. Hatcliff
Managing Director

5 March 2008

CONSOLIDATED BALANCE SHEET

<i>at 31 December 2007</i>	Note	2007 €'000	2007 £'000	2006 £'000
Assets				
Non current assets				
Goodwill	11	295	216	216
Property, plant and equipment	12	17,055	12,501	12,903
		<u>17,350</u>	<u>12,717</u>	<u>13,119</u>
Current assets				
Trade and other receivables	13	3,326	2,438	2,762
Financial assets: Fair value of interest rate swaps	14	39	29	44
Cash and cash equivalents		1,468	1,076	584
		<u>4,833</u>	<u>3,543</u>	<u>3,390</u>
Liabilities				
Current liabilities				
Trade and other payables	15	(2,945)	(2,159)	(2,394)
Current tax liabilities		(357)	(262)	(154)
Borrowings	16	(682)	(500)	(500)
		<u>(3,984)</u>	<u>(2,921)</u>	<u>(3,048)</u>
Net current assets		<u>849</u>	<u>622</u>	<u>342</u>
Non-current liabilities				
Borrowings	16	(8,186)	(6,000)	(6,500)
Deferred tax	17	(714)	(523)	(664)
		<u>(8,900)</u>	<u>(6,523)</u>	<u>(7,164)</u>
Net assets		<u>9,299</u>	<u>6,816</u>	<u>6,297</u>
Equity				
Share capital	18	2,037	1,493	1,493
Share premium account		4,306	3,156	3,156
Capital conversion reserve fund	19	31	23	23
Retained earnings		2,925	2,144	1,625
		<u>9,299</u>	<u>6,816</u>	<u>6,297</u>
Equity attributable to equity holders of the parent		<u>9,299</u>	<u>6,816</u>	<u>6,297</u>

The notes on page 26 to 58 are an integral part of these consolidated financial statements.

Approved on behalf of the board on 5th March 2008 by:



T.J. O'Neil
Chairman



N.A. Hatcliff
Managing Director

5 March 2008

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital Conversion Reserve	Retained earnings	Total
For the year ended 31 December 2007	£'000	£'000	£'000	£'000	£'000
At 1 January 2006	1,493	3,156	23	1,471	6,143
Net profit for the year	-	-	-	298	298
Total recognised income and expense for the year	-	-	-	298	298
Equity dividends paid (recognised directly in equity)	-	-	-	(144)	(144)
At 31 December 2006	1,493	3,156	23	1,625	6,297
Net profit for the year	-	-	-	505	505
Total recognised income and expense for the year	-	-	-	505	505
Credit in respect of employee share schemes	-	-	-	14	14
At 31 December 2007	1,493	3,156	23	2,144	6,816

The notes on page 26 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

<i>for the year ended 31 December 2007</i>	Notes	2007 €'000	2007 £'000	2006 £'000
Profit on continuing activities before taxation		842	617	488
Adjustments for:				
Finance expenses		596	437	425
Finance income		(38)	(28)	(84)
Depreciation – property, plant and equipment		756	554	521
Employee share schemes		19	14	-
Changes in working capital:				
Decrease in trade and other receivables		462	339	142
Decrease in payables		(320)	(235)	(15)
Cash generated from operations		2,317	1,698	1,477
Interest paid - bank loans and overdrafts		(596)	(437)	(420)
Taxation (paid) / refunded		(198)	(145)	194
Net cash from operating activities		1,523	1,116	1,251
Investing activities				
Interest received		59	43	40
Fair value gains on swaps adjustment		(21)	(15)	-
Disposal of Plant		27	20	-
Purchase of property, plant and equipment		(235)	(172)	(347)
Net cash used in investing activities		(170)	(124)	(307)
Financing activities				
Dividends paid to shareholders	20	-	-	(144)
Term loan repayments		(682)	(500)	(500)
Net cash used in financing activities		(682)	(500)	(644)
Net increase in cash and cash equivalents		671	492	300

The notes on page 26 to 58 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1 General information

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

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

2 Summary of significant accounting policies

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

Basis of preparation

The consolidated financial statements of Norish plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and their interpretations as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), applicable Irish law and the Listing Rules of the Alternative Investment Market.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Forthcoming accounting standards

At the date of approval of these financial statements the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009)
Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (effective 1 January 2009)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)
Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations (effective 1 January 2009)
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)
- IFRS 8 Operating Segments (effective 1 January 2009)
- IFRIC 11 IFRS 2 - Group and Treasury Share Transactions (effective 1 March 2007)
- IFRIC 12 Service Concession Arrangements (effective 1 January 2008)
- IFRIC 13 Customer Loyalty Programmes (effective 1 July 2008)
- IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)

Basis of consolidation

The consolidated financial statements include the results of Norish plc and its subsidiary undertakings for that period.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Business combinations and goodwill

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

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

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

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

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Historical cost includes all expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when the costs provide enhancement, it is probable that future economic benefits associated from the item will flow to the Group and the cost of the enhancement can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

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

Freehold buildings	50 years
Leasehold buildings	35 years
Plant and equipment	3 to 14 years

Freehold land is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Impairment charges

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

Revenue recognition

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

An appropriate portion of handling revenue is deferred until the despatch of goods out.

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

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

Financial assets

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

a) Financial assets at fair value through profit or loss

These are financial assets held for trading, including derivatives. The Group utilises interest rate swaps to hedge against its interest rate exposure. The interest rate swaps are initially recorded at fair value and the fair value is remeasured at each balance sheet date. Fair value is estimated using the present value of estimated cash flows. Gains and losses arising from changes in fair value are recognised in the Income Statement in the period in which they arise. All recognised gains or losses resulting from the settlement of the contract are recorded within Finance Expenses in the Income Statement. The Group does not meet the criteria for hedge accounting in respect of these derivative instruments.

b) Loans and receivables

These are non derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are carried at amortised cost. Loans and receivables are classified as "Trade and other receivables" in the Balance Sheet.

c) Available for sale financial assets

These are non-derivatives that are either designated in this category or not classified in any of the other categories. The Group has not designated any assets as available for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Regular purchases and sales of financial assets are recognised on the trade date (the date at which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive the cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Trade receivables

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

Taxation

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

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

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

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to equity.

Foreign currencies

The consolidated financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. The Group determines the functional currency of each entity and items included in the financial statements of each entity are measured using that functional currency.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Leased assets

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

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

Assets held under finance leases are capitalised and included in property, plant and equipment at fair value. Depreciation is calculated using expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease. The capital elements of obligations under finance leases are recorded as liabilities. The interest elements of the rental obligations are allocated to accounting periods over the lease term to give a constant periodic rate of interest on the outstanding liability.

Pension costs

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

Dividends

Distributions to equity holders are not recognised in the income statement, but are disclosed as a component of the movement in shareholders' equity. Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Net cash and cash equivalents

Net cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months, reduced by overdrafts to the extent that there is a right of offset against other cash balances.

Euro

The primary financial statements, presented in pounds sterling as of and for the year ended 31 December 2007 are also expressed in Euro (€), solely for information purposes, at the rate of €1 = £0.733, the conversion rate applicable on 31 December 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Share based payments

The Group issues equity-settled share-based payments to certain employees. In accordance with IFRS 2, "Share-based payments", equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

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

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

Employer's taxes on share options

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

3 Financial risk management

3.1 Financial risk factors

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

a) Market risk

i) Foreign exchange risk

As the group has no transactions in currency other than Pounds sterling, it is not subject to foreign exchange risk.

ii) Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes to market interest rates.

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2007 and 2006, the Group's borrowings at variable rate were denominated in Pounds Sterling.

The Group manages its cash flow interest rate risk by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swap, the Group agrees with HSBC Bank plc to exchange, at quarterly intervals, the difference between fixed contract rates and floating-rate interest amounts by reference to the agreed notional amounts. The Group hedges a minimum 50% of the Group debt against interest rate fluctuations.

At 31 December 2007, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £21,000 lower, mainly as a result of higher interest expenses on floating rate borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

At 31 December 2006, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £25,000 lower, mainly as a result of higher interest expenses on floating rate borrowings.

b) Credit risk

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

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

c) Liquidity risk

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

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

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity Groupings based on the remaining period at the balance sheet to the contractual maturity period. The amounts disclosed in the table below are the contractual undiscounted cash flows.

At 31 December 2007:	Within 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Greater than 5 years £'000	Total £'000
Trade creditors	641	-	-	-	641
Bank overdraft	-	-	-	-	-
Invoice finance	-	-	-	-	-
Term Loan Interest	414	381	943	1,059	2,797
Bank loans	500	500	1,500	4,000	6,500
	<u>1,555</u>	<u>881</u>	<u>2,443</u>	<u>5,059</u>	<u>9,938</u>

At 31 December 2006:	Within 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Greater than 5 years £'000	Total £'000
Trade creditors	1,075	-	-	-	1,075
Bank overdraft	-	-	-	-	-
Invoice finance	-	-	-	-	-
Term Loan Interest	437	414	1,043	1,324	3,217
Bank loans	500	500	1,500	4,500	7,000
	<u>2,012</u>	<u>914</u>	<u>2,543</u>	<u>5,824</u>	<u>11,292</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, to return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio, calculated as net debt (cash less total debt) divided by shareholders equity (excluding goodwill).

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

The gearing ratios at 31 December 2007 and 2006 were as follows:

	2007	2006
	£'000	£'000
Total borrowings	6,500	7,000
Less cash and cash equivalents	1,076	584
Net debt	5,424	6,416
Net assets	6,816	6,297
Less goodwill	216	216
Capital employed	6,600	6,081
Gearing ratio	82%	106%

The Group has significantly improved the gearing ratio through a combination of minimising Capital Expenditure and generating profits.

3.3 Fair value estimation

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

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

4 Critical accounting estimates and judgements

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

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

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy set out in Note 2. The recoverable amounts of cash generating units have been based on the fair value of the sites less costs to sell. (Note 11)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Segmental information

a) Primary reporting format – Business Segments

At 31 December 2007 the Group is organised into 2 main business segments:

- Ambient storage locations
- Cold storage locations

Turnover from continuing operations in 2007 includes £908,000 (2006: £858,000) in relation to the sub-letting of Felixstowe warehouses. This is attributed to the ambient storage segment.

The segment results for the year ended 31 December 2007 are:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Total segment revenue	1,784	9,210	-	10,994
Revenue	1,784	9,210	-	10,994
Operating profit	149	1,146	(269)	1,026
Finance income				28
Finance cost				(437)
Profit before income tax				617
Income tax expense				(112)
Profit for the year				505
Other segment items:				
	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Depreciation (Note 12)	103	424	-	527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The segment results for the year ended 31 December 2006 are:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Total segment revenue	2,289	8,382	-	10,671
	<u>2,289</u>	<u>8,382</u>	<u>-</u>	<u>10,671</u>
Revenue	2,289	8,382	-	10,671
Operating profit	347	482	-	829
Finance income				84
Finance cost				(425)
Profit before income tax				488
Income tax expense				(190)
Profit for the year				298
				<u><u>298</u></u>
Other segment items:				
	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Depreciation (Note 12)	85	436	-	521
	<u>85</u>	<u>436</u>	<u>-</u>	<u>521</u>

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

Segment liabilities consist primarily of trade and other payables. Unallocated liabilities comprise items such as current tax liabilities, deferred tax and borrowings.

Capital expenditure comprises additions to property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The segment assets and liabilities at 31 December 2007 and the capital expenditure for the year then ended are as follows:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Assets	2,792	12,073	1,395	16,260
Liabilities	472	1,588	7,384	9,444
	=====	=====	=====	=====
Capital expenditure (Note 12)	5	167	-	172
	=====	=====	=====	=====

The segment assets and liabilities at 31 December 2006 and the capital expenditure for the year then ended are as follows:

	Ambient Storage £'000	Cold Storage £'000	Unallocated £'000	Total £'000
Assets	2,885	12,704	920	16,509
Liabilities	435	1,839	7,938	10,212
	=====	=====	=====	=====
Capital expenditure (Note 12)	2	345	-	347
	=====	=====	=====	=====

b) Secondary reporting format- geographical segments

The Group operates in one geographical segment, being the United Kingdom.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Staff costs

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

	2007	2006
Management	13	13
Administration	14	13
Technical	5	6
Operational	83	80
	<u>115</u>	<u>112</u>

The aggregate payroll costs of these persons were as follows:

	2007 £'000	2006 £'000
Wages and salaries	2,449	2,387
Share based payments (Note 18)	14	-
Social security costs	239	226
Other pension costs	95	98
	<u>2,797</u>	<u>2,711</u>

There were no prepayments or accruals included above for pension costs at 31 December 2007.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Group is of the opinion that there are no other key management personnel other than the executive and non-executive directors. Details of directors' remuneration are set out in Note 22.

7 Financial income and expenses

	2007 £'000	2006 £'000
Interest income on bank accounts	43	40
Fair value gains on interest rate swaps	(15)	44
Finance income	<u>28</u>	<u>84</u>
Finance expense - Interest expense on bank overdrafts and loans	(437)	(425)
Net finance costs	<u>(409)</u>	<u>(341)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Profit before tax

The following items have been charged to the income statement in arriving at profit before tax:

	2007	2006
	£'000	£'000
Depreciation of property, plant and equipment(Cost of Sales)	527	521
Loss on disposal of property, plant and equipment	27	-
Staff costs, including share based payments (Note 6)	2,797	2,711
Rentals payable under operating leases		
- Buildings	1,929	1,820
- Plant and machinery	618	600
Auditors' remuneration - audit	34	41
- non-audit services	25	11

9 Income tax expense

(a) Analysis of charge in year	2007	2006
	£'000	£'000
UK		
Corporation tax at 30% (2006: 30%)	252	175
Adjustment in respect of previous periods	(10)	(10)
Ireland		
Corporation tax at 12.5% (2006: 12.5%)	11	-
Adjustment in respect of previous periods	-	(6)
Current tax charge	253	159
Deferred tax (credit)/charge (Note 17)	(141)	31
	112	190

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(b) Factors affecting tax charge for year	2007	2005
	£'000	£'000
Profit on ordinary activities before taxation	617	488
Profit on ordinary activities multiplied by standard UK tax rate (30%)	185	146
<i>Effects of:</i>		
Other expenses not deductible for tax purposes	80	60
Adjustment in respect tax payable on Irish Income (12.5%)	(15)	-
Adjustments in respect of previous periods	(10)	(16)
Adjustments in respect of IBA and tax rate change	(128)	-
Total tax charge for year	112	190

10 Earnings per share

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

	2007	2006
Profit attributable to ordinary shareholders (£'000)	505	298
Weighted average number of ordinary shares outstanding	8,466,230	8,466,230
Basic earnings per share - continuing operations	6.0p	3.5p

For the purposes of calculating diluted earnings per share, dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or the date of grant for those options issued during the year.

	2007	2006
Profit attributable to ordinary shareholders (£'000)	505	298
Weighted average number of ordinary shares outstanding	8,466,230	8,466,230
Dilutive effect of share options	3,372	1,630
Weighted average number of shares for the calculation of diluted earnings per share	8,469,602	8,467,860
Diluted earnings per share - total	6.0p	3.5p

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Goodwill

The cost and net book value of goodwill at 1 January 2006, 31 December 2006 and 31 December 2007 was £216,000. The goodwill relates to the acquisition of the ambient storage business, acquired in 2000.

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

The goodwill has been fully allocated to the York warehouse, as this is the Group's only ambient storage warehouse.

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

No impairment was recorded in 2007 (2006: £nil) and no reasonably foreseeable change in a key assumption would have given rise to an impairment, in either year.

12 Property, plant and equipment

	Land £'000	Freehold and Leasehold Buildings £'000	Plant and Equipment £'000	Total £'000
Cost				
At 1 January 2007	2,718	11,043	5,747	19,508
Additions	-	-	172	172
Disposals	-	(2)	(673)	(675)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	2,718	11,041	5,246	19,005
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
At 1 January 2007	-	2,418	4,187	6,605
Charge for year	-	199	328	527
Eliminated on Disposal	-	(2)	(626)	(628)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	2,615	3,889	6,504
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
31 December 2007	2,718	8,426	1,357	12,501
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Group	Land £'000	Freehold and Leasehold Buildings £'000	Plant and Equipment £'000	Total £'000
Cost				
At 1 January 2006	2,718	11,043	5,400	19,161
Additions	-	-	347	347
	-----	-----	-----	-----
At 31 December 2006	2,718	11,043	5,747	19,508
	=====	=====	=====	=====
Depreciation				
At 1 January 2006	-	2,216	3,868	6,084
Charge for year	-	202	319	521
	-----	-----	-----	-----
At 31 December 2006	-	2,418	4,187	6,605
	=====	=====	=====	=====
Net book value				
31 December 2006	2,718	8,625	1,560	12,903
	=====	=====	=====	=====

13 Trade and other receivables

	2007 £'000	2006 £'000
Trade receivables	1,443	1,660
Less: Provision for impairment of trade receivables	-	-
	-----	-----
Trade receivables - net	1,443	1,660
Prepayments	995	1,102
	-----	-----
	2,438	2,762
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

As at 31 December 2007, no trade receivables (2006: £nil) were impaired. There have been no movements to the provision for impairment of trade receivables in the year. The other classes within trade and other receivables do not contain impaired assets.

As of 31 December 2007, trade receivables of £391,000, were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2007 £'000	2006 £'000
Up to 3 Months	381	677
Over 3 Months	10	45
	<hr/>	<hr/>
	391	722
	<hr/> <hr/>	<hr/> <hr/>

14 Financial assets at fair value through profit or loss

The Group has a term loan with HSBC Bank plc (Note 16). £3.75m (2006 £3.75m) of the term loan is at a fixed interest rate of 5.86% until 2 March 2009 by use of an interest rate swap.

The notional principal amount of the outstanding interest rate swap contract at 31 December 2007 was £3.75m (2006: £3.75m).

Financial assets at fair value through profit or loss are presented within the section on investing activities in the cash flow statement.

Changes in fair value of financial assets through profit or loss are recorded within finance income in the income statement.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

15 Trade and other payables

	2007 £'000	2006 £'000
Trade payables	641	1,075
Value added tax and payroll taxes	345	371
Accruals and deferred income	1,173	948
	<hr/>	<hr/>
	2,159	2,394
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 Borrowings

	2007	2006
	£'000	£'000
Current bank borrowings	500	500
Non-current bank borrowings	6,000	6,500
	<u>6,500</u>	<u>7,000</u>

In 2005 the Group arranged the following borrowing facilities with HSBC Bank plc and its subsidiary HSBC Invoice Finance Limited.

- (a) HSBC Bank plc agreed to a term loan of £7.5 million drawn down in December 2005 over a maximum period of 15 years and an overdraft facility of £0.5 million which is reviewed annually.
- (b) HSBC Invoice Finance Limited agreed to allow the Group to borrow up to a maximum amount equivalent to 10% of trade debtors.

£3.75m (2006: £3.75m) of the term loan is at a fixed interest rate of 5.86% until 2 March 2009 by use of an interest rate swap (Note 14). The balance of the term loan attracts interest at LIBOR plus 0.97%.

Overdraft interest is charged quarterly at an interest rate of bank base rate plus 1.25%. Invoice finance interest is charged on a daily basis at bank base rate plus 1.25%.

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

- (1) debentures creating first fixed and floating charges over all the assets, past present and future of Norish Limited and its subsidiaries;
- (2) unlimited multilateral guarantees given by all Group companies each guaranteeing payment of the liabilities of the other;
- (3) legal mortgages held over the Bury St. Edmunds, Wrexham and York properties.

The fair value of the Group's financial liabilities as at 31 December 2007 was as follows:

	2007		2006	
	Book Value	Fair Value	Book Value	Fair Value
	£'000	£'000	£'000	£'000
Current bank borrowings	500	500	500	500
Non-current bank borrowings	6,000	6,000	6,500	6,500
	<u>6,500</u>	<u>6,500</u>	<u>7,000</u>	<u>7,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Group pays interest at the market rate of LIBOR plus a margin of 0.97% which is reviewed quarterly. It is assumed that the Book Value reflects the Fair Value.

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

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

	2007	2006
	£'000	£'000
Floating rate, expiring within one year		
Invoice finance	144	166
Bank overdraft	500	500
	<u> </u>	<u> </u>
	644	666
	<u> </u>	<u> </u>

17 Deferred income tax

	2007	2006
	£'000	£'000
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	-	-
Deferred tax asset to be recovered within 12 months	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	496	523
Deferred tax liabilities to be recovered within 12 months	27	141
	<u> </u>	<u> </u>
	523	664
	<u> </u>	<u> </u>
Deferred tax liabilities (net)	523	664
	<u> </u>	<u> </u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Deferred tax liabilities	Accelerated capital allowances £'000	Fair value gains £'000	Total £'000
At 1 January 2006	633	-	633
Charged to the income statement	18	13	31
<hr/>			
At 31 December 2006	651	13	664
Charged to the income statement	(136)	(5)	(141)
<hr/>			
At 31 December 2007	515	8	523
<hr/> <hr/>			

The deferred tax liability due after more than one year prior to offsetting is £496,000 (2006: £523,000)

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

	2007 £'000	2006 £'000
At 1 January	664	633
Income statement charge	(141)	31
Tax charged directly to equity	-	-
	<hr/>	<hr/>
	523	664
	<hr/> <hr/>	<hr/> <hr/>

The deferred income tax charged to equity in 2007 is related to the share option scheme.

18 Share capital

	2007 £'000	2006 £'000
<i>Authorised</i>		
20,000,000 Ordinary shares of €25c each	3,527	3,527
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of €25c each	Number	£'000
At 1 January 2006, 31 December 2006 and 31 December 2007	8,466,230	1,493
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Share options

The Board shall in its absolute discretion select any number of individuals who may at the intended Date of Grant be Participants and invite them to apply for the grant of Options to acquire Shares in the Company. The Subscription Price at which Shares may be acquired on the exercise of any Option granted in response to the application shall be determined by the Board but shall not be less than the mid-market value of the Share on the day the invitation to apply for the Option is issued or the nominal value of the Share.

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

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

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

	2007		2006	
	Options	Weighted	Options	Weighted
	Number	Average	Number	Average
		Exercise		Exercise
		Price		Price
Outstanding at 1 January	27,250	0.97	115,250	0.77
Granted	250,000	0.58	-	-
Forfeited	-	-	(88,000)	0.70
Lapsed	(7,500)	0.88	-	-
Exercised	-	-	-	-
	<u>269,750</u>	<u>0.61</u>	<u>27,250</u>	<u>0.97</u>
Outstanding at 31 December				
	<u>19,750</u>	<u>1.05</u>	<u>27,250</u>	<u>0.97</u>
Exercisable at 31 December				

The share options outstanding at the end of the year have expiry dates from February 2008 to September 2017 and exercise prices ranging from 58p to £1.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

The following assumptions were used for the option grant in 2007:

Grant date	18th September 2007
Share price at grant date	£0.58
Exercise price	£0.58
Shares under option	250,000
Vesting period (years)	3
Expected volatility	40%
Expected life (years)	3.5
Risk free rate	5%
Dividend yield	3%
Fair value per option	17p

19 Capital conversion fund

	2007	2006
	£'000	£'000
Capital conversion fund	23	23

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

20 Dividends

	2007	2006
	£'000	£'000
Final dividend paid in respect of the previous year of € Nil(2006: €1.25c) per ordinary share	-	72
Interim dividend paid in respect of the current year of € Nil (2006: €1.25c) per ordinary share	-	72
Total dividends paid	-	144

The board have decided to declare a final dividend of €1.25cent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Commitments and contingencies

(a) Operating leases

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

The Group also leases various plant and equipment under operating lease agreements. The lease expenditure charged in the year is shown in Note 8.

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

	2007	2007	2007	2006	2006	2006
	Land and operating	Other		Land and	Other	
	Buildings	leases	Total	Buildings	leases	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Expiring:</i>						
Within one year	1,869	548	2,417	1,869	579	2,448
Between two and five years	4,639	1,276	5,915	5,479	1,449	6,928
Beyond five years	2,771	-	2,771	3,745	72	3,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,279	1,824	11,103	11,093	2,100	13,193
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(b) Guarantees on leasehold properties

The annual operating lease commitment on land and buildings of £1,869,000 (2006: £1,869,000) arises on leasehold properties, of which £1,300,000 (2006: £1,300,000) is subject to parent company guarantees.

The operating lease commitment is stated gross of annual sub-lease income of £908,000 (2006: £865,000).

(c) Capital commitments

At 31 December 2007, the Group had £70,000 (2006 : £213,000) of capital projects authorised of which £70,000 (2006 : £213,000) was contracted at 31 December 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Directors' remuneration

	2007 £'000	2006 £'000
Aggregate emoluments	300	254
Company pension contributions	17	10
	<hr/>	<hr/>
	317	264
	<hr/> <hr/>	<hr/> <hr/>

The highest paid Director received total emoluments including pension contributions of £157,000 (2006:£123,000).

Details of directors' interests in shares and share options are set out on pages 11 and 12.

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

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

23 Pensions

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

Total pension costs for the year were £95,000 (2006: £98,000).

There were no prepayments or accruals for pension costs at 31 December 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24 Group undertakings

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

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

Norish plc	6th Floor, South Bank House, Barrow Street, Dublin 4, Republic of Ireland
Norish (U.K.) plc, Norish (N.I.) Limited	Stokes House, College Square East, Belfast BT1 6DH
Norish Limited, Belvedere Warehousing Limited, Norish Warehousing Limited	Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL

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

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

25 Post balance sheet events

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26 Related party transactions

There are no related party transactions that require disclosure under IAS 24 Related Party Disclosures.

27 Approval of financial statements

The Board of Directors approved these financial statements on 5th March 2008.

28 Explanation of transition to IFRS

The Group's financial statements for the year ending 31 December 2007 are the first annual financial statements that comply with IFRS. The last financial statements under UK GAAP were for the year ended 31 December 2006 and the date of transition was therefore 1 January 2006.

Presented below are the reconciliation of profit for the year ended 31 December 2006 and the reconciliations of equity at 1 January 2006 (date of transition to IFRS) and at 31 December 2006 (date of last UK GAAP financial statements) as required by IFRS 1.

The most significant changes required to the financial statements of the Group arising from the adoption of IFRS are:

- The cessation of goodwill amortisation;
- The recording of a holiday pay accrual; and
- The measurement of derivative financial instruments at fair value.

28.1 Summary of impacts to the financial statements

a) Summary income statement impact for the year ended 31 December 2006

The table below shows the impact of IFRS adoption on the Group consolidated income statement for the year ended 31 December 2006:

	Year ended 31 December 2006 £'000
Reported profit - UK GAAP	253
IFRS adjustments:	
i): IFRS 3 "Business Combinations"	15
ii): IAS 19 "Employee Benefits"	(1)
iii): IAS 39 "Financial Instruments" (net of deferred tax)	31
Sub total of adjustments	45
Restated profit – IFRS	298

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

b) Net asset adjustments

The table below shows the impact of IFRS adoption on the Group consolidated net assets at 1 January 2006 and at 31 December 2006:

	As at 31 December 2006 £'000	As at 1 January 2006 £'000
Total shareholders' equity - UK GAAP	6,254	6,145
IFRS Adjustments:		
i): IFRS 3 "Business Combinations"	15	-
ii): IAS 19 "Employee Benefits"	(3)	(2)
iii): IAS 39 "Financial Instruments" (net of deferred tax)	31	-
Sub total of adjustments	<u>43</u>	<u>(2)</u>
Total shareholders' equity - IFRS	<u>6,297</u>	<u>6,143</u>

28.2 Transitional arrangements

Under the provisions of IFRS 1 "First time Adoption of IFRS" specific exemptions may be applied in certain areas as part of the transition of the financial statements to IFRS. The Group has elected to apply the following exemptions:

- **IFRS 2 "Share-based Payment"**

IFRS 2 has been adopted from the transition date and is only being applied to share options granted on or after 7 November 2002 that had not vested on 1 January 2006, the date of transition to IFRS.

All options outstanding at the transition date were granted before 7 November 2002, therefore the Group has not recorded a charge to the income statement in the year ended 31 December 2006.

- **IFRS 3 "Business Combinations"**

IFRS 3 has been adopted from the transition date and is only being applied to acquisitions made on or after 1 January 2006.

IFRS 3 also requires goodwill to be carried at cost with impairment reviews carried out at least annually. The Group has applied the standard from the transition date and so the net carrying value of goodwill at 31 December 2005 has been brought forward as the cost at 1 January 2006, with no amortization charge from that date.

In addition, intangible assets that were previously included within goodwill because they could not be sold separately without disposing of the business of the entity, are not required to be shown separately for acquisitions made before 1 January 2006.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28.3 Details of changes

i) IFRS 3 “Business Combinations”

IFRS 3 deals with accounting for business combinations including goodwill and intangible fixed assets.

Under UK GAAP, the Group adopted FRS 10 “Goodwill and intangible assets”, from 1 January 1997 and goodwill arising on acquisitions after this date was capitalised and amortised over its useful economic life, which was presumed to be twenty years. Goodwill arising before this date was eliminated against reserves. In addition, the Group tested for impairment when there was an indication that the carrying value of an asset might be impaired.

Under IFRS 3, goodwill is no longer amortised, and impairment tests are performed annually or whenever there is an indication that the carrying value of an asset might be impaired.

At the transition date, the Group had goodwill assets with a net book value of £216,000 which under the transitional arrangements laid out in IFRS 1 was deemed to be the cost carried forward for this asset from that date.

During the year ended 31 December 2006, under UK GAAP, a goodwill amortisation charge of £15,000 was made, which has been credited back to the income statement under IFRS.

No acquisitions were made by the Group after 1 January 2006.

ii) IAS 19 “Employee Benefits”

IAS 19 requires companies to make an accrual for holiday pay. At the date of transition a £2,000 holiday pay accrual was recognised with a corresponding adjustment being made to retained earnings. At 31 December 2006, the accrual increased to £3,000.

iii) IAS 39 “Financial Instruments”

In March 2006, the Group entered into an interest swap agreement to hedge the Group’s interest rate exposure. Under UK GAAP, the Group’s policy was that swap instruments were not recognised until the hedged future transaction occurred, when the gain or loss was recorded in the Profit and Loss account to offset the gain or loss on the hedged item.

Under IAS 39, such an instrument is classified as “fair value through profit and loss” and is required to be recorded at its fair value at each balance sheet date, with movements in the fair value recorded in the income statement, unless hedge accounting criteria are met.

The Group does not meet the hedge accounting criteria set out within this standard, therefore the movement in the fair value of the swap has been recorded in the Income Statement. At 31 December 2006, the fair value of the hedge was £44,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28.4 Summary of impacts to the Balance sheet, income statement and cash flow statement

a) Restatement of the balance sheet as at 1 January 2006 from UK GAAP to IFRS

	Reformatted UK GAAP as previously stated	Employee benefits IAS 19	As restated in accordance with IFRS
	£'000	£'000	£'000
Assets			
Non current assets			
Goodwill	216	-	216
Property, plant and equipment	13,077	-	13,077
	<u>13,293</u>	<u>-</u>	<u>13,293</u>
Current assets			
Trade and other receivables	2,904	-	2,904
Current tax assets	199	-	199
Cash and cash equivalents	284	-	284
	<u>3,387</u>	<u>-</u>	<u>3,387</u>
Liabilities			
Current liabilities			
Trade and other payables	(2,402)	(2)	(2,404)
Borrowings	(500)	-	(500)
	<u>(2,902)</u>	<u>(2)</u>	<u>(2,904)</u>
Net current assets	<u>485</u>	<u>(2)</u>	<u>483</u>
Non-current liabilities			
Borrowings	(7,000)	-	(7,000)
Deferred tax	(633)	-	(633)
	<u>(7,633)</u>	<u>-</u>	<u>(7,633)</u>
Net assets	<u>6,145</u>	<u>(2)</u>	<u>6,143</u>
Equity			
Share capital	1,493	-	1,493
Share premium account	3,156	-	3,156
Capital conversion reserve fund	23	-	23
Retained earnings	1,473	-	1,471
Equity attributable to equity holders of the parent	<u>6,145</u>	<u>(2)</u>	<u>6,143</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

b) Restatement of the income statement for the year ended 31 December 2006 from UK GAAP to IFRS

	Reformatted UK GAAP as previously stated £'000	Business combinations IFRS 3 £'000	Employee benefits IAS 19 £'000	Financial instruments IAS 39 £'000	As restated in accordance with IFRS £'000
Continuing operations					
Revenue	10,671	-	-	-	10,671
Cost of sales	(9,474)	-	-	-	(9,474)
Gross profit	<u>1,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,197</u>
Administrative expenses	(382)	15	(1)	-	(368)
Operating profit from continuing operations	<u>815</u>	<u>15</u>	<u>(1)</u>	<u>-</u>	<u>829</u>
Finance expenses	(425)	-	-	-	(425)
Finance income	40	-	-	44	84
Profit on continuing activities before taxation	<u>430</u>	<u>15</u>	<u>(1)</u>	<u>44</u>	<u>488</u>
Tax on loss on ordinary activities	(177)	-	-	(13)	(190)
Profit for the period attributable to shareholders	<u>253</u>	<u>15</u>	<u>(1)</u>	<u>31</u>	<u>298</u>
Earnings per share expressed in pence per share:					
From continuing operations					
- basic	2.99p				3.5p
- diluted	2.99p				3.5p

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

c) Restatement of the balance sheet as at 31 December 2006 from UK GAAP to IFRS

	Reformatted UK GAAP as previously stated	Business combinations IFRS 3	Employee benefits IAS 19	Financial instruments IAS 39	As restated in accordance with IFRS
	£'000	£'000	£'000	£'000	£'000
Assets					
Non current assets					
Goodwill	201	15	-	-	216
Property, plant and equipment	12,903	-	-	-	12,903
	<u>13,104</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>13,119</u>
Current assets					
Trade and other receivables	2,762	-	-	-	2,762
Financial asset: Fair value of interest rate swap	-	-	-	44	44
Cash and cash equivalents	584	-	-	-	584
	<u>3,346</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>3,390</u>
Liabilities					
Current liabilities					
Trade and other payables	(2,391)	-	(3)	-	(2,394)
Current tax liabilities	(154)	-	-	-	(154)
Borrowings	(500)	-	-	-	(500)
	<u>(3,045)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3,048)</u>
Net current assets	<u>301</u>	<u>-</u>	<u>(3)</u>	<u>44</u>	<u>342</u>
Non-current liabilities					
Borrowings	(6,500)	-	-	-	(6,500)
Deferred tax	(651)	-	-	(13)	(664)
	<u>(7,151)</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(7,164)</u>
Net assets	<u>6,254</u>	<u>15</u>	<u>(3)</u>	<u>31</u>	<u>6,297</u>
Equity					
Share capital	1,493	-	-	-	1,493
Share premium account	3,156	-	-	-	3,156
Capital conversion reserve fund	23	-	-	-	23
Retained earnings	1,582	15	(3)	31	1,625
Equity attributable to equity holders of the parent	<u>6,254</u>	<u>15</u>	<u>(3)</u>	<u>31</u>	<u>6,297</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

d) Restatement of the cash flow statement for the year ended 31 December 2006 from UK GAAP to IFRS

	Reformatted UK GAAP as previously stated £'000	Business combinations IFRS 3 £'000	Employee benefits IAS 19 £'000	Financial instruments IAS 39 £'000	As restated in accordance with IFRS £'000
Continuing operations					
Profit on continuing activities before taxation	430	15	(1)	44	488
Adjustments for:					
Finance expenses	425	-	-	-	425
Finance income	(40)	-	-	(44)	(84)
Depreciation – property, plant and equipment	521	-	-	-	521
Amortisation of intangible fixed assets	15	(15)	-	-	-
Changes in working capital:					
Decrease in trade and other receivables	142	-	-	-	142
Decrease in payables	(16)	-	1	-	(15)
Cash generated from operations	<u>1,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,477</u>
Cash absorbed by operating activities					
Interest paid – bank loans and overdrafts	(420)	-	-	-	(420)
Taxation paid	194	-	-	-	194
Net cash absorbed by operating activities	<u>(226)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226)</u>
Investing activities					
Interest received	40	-	-	-	40
Purchase of property, plant and equipment	(347)	-	-	-	(347)
Net cash used in investing activities	<u>(307)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(307)</u>
Financing activities					
Dividends paid to shareholders	(144)	-	-	-	(144)
Net cash absorbed from financing activities	<u>(144)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(144)</u>
Net increase in cash and cash equivalents					
	<u>800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>
Cash and cash equivalents at the beginning of the period	(7,216)	-	-	-	(7,216)
Cash and cash equivalents at end of period	<u>(6,416)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,416)</u>

COMPANY BALANCE SHEET

<i>At 31 December 2007</i>	<i>Note</i>	2007 €'000	2007 £'000	2006 £'000
Fixed assets				
Financial fixed assets	4	827	606	592
Current assets				
Debtors	5	6,520	4,779	4,702
Creditors: amounts falling due within one year	6	(652)	(478)	(467)
Net current assets		5,868	4,301	4,235
Net assets		6,695	4,907	4,827
Capital and reserves				
Called up share capital	7	2,037	1,493	1,493
Share premium account	8	4,306	3,156	3,156
Capital conversion reserve fund	8	31	23	23
Profit and loss account	8	321	235	155
Shareholders' funds	9	6,695	4,907	4,827

Approved on behalf of the board on 5th March 2008 by:



T.J. O'Neil
Chairman



N.A. Hatcliff
Managing Director

5 March 2008

NOTES TO THE ACCOUNTS

1 Accounting policies

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

Basis of preparation

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

Financial fixed assets

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

Turnover

Turnover, comprises of income from management charges to its subsidiaries.

Taxation

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

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

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

Foreign currencies

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

Dividends

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

Share based payments

In accordance with FRS 20, "Share-based payments", equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed in the subsidiary accounts where the relevant employees are employed and is reflected in the Financial Fixed Assets of the company on a straight-line basis over the vesting period, based on the Companies estimate of the number of shares that will eventually vest.

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

Euro

The primary financial statements, presented in pounds sterling as of and for the year ended 31 December 2007 are also expressed in Euro (€), solely for information purposes, at the rate of €1 = £0.733p, the conversion rate applicable on 31 December 2007.

2 Profits of the company

In accordance with Section 148(8) of the Companies Act, 1963 a separate profit and loss account for the Company has not been presented. The profit for the year arising in Norish plc amounted to £66,000 (2006: £152,000).

3 Dividends paid and proposed

	2007 £'000	2006 £'000
Final dividend paid in respect of the previous year of € Nil c(2006: €1.25c) per ordinary share	-	72
Interim dividend paid in respect of the current year of € Nil c (2006: €1.25c) per ordinary share	-	72
	-----	-----
Total dividends paid	-	144
	=====	=====

NOTES TO THE ACCOUNTS (CONTINUED)

4 Financial fixed assets

	£'000
Cost and net book value at 1 January 2007	592
Capital contributions arising from FRS 20 charges	14
	<u> </u>
Cost and net book value at 31 December 2007	<u>606</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 24 to the consolidated IFRS accounts within these financial statements

5 Debtors

	2007 £'000	2006 £'000
Amount receivable from subsidiary undertakings	4,779	4,702
	<u> </u>	<u> </u>
	<u>4,779</u>	<u>4,702</u>

All amounts fall due within one year.

6 Creditors: Amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to subsidiary undertakings	468	467
Corporation tax	10	-
	<u> </u>	<u> </u>
	<u>478</u>	<u>467</u>

7 Authorised share capital

	2007 £'000	2006 £'000
<i>Authorised</i>		
20,000,000 Ordinary shares of €25c each	3,527	3,527
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>	Number	£'000
Ordinary shares of €25c each		
At 31 December 2006 and 31 December 2007	<u>8,466,230</u>	<u>1,493</u>

Details of the share options that were granted by the company are presented in Note 18 to the consolidated IFRS accounts within these financial statements.

NOTES TO THE ACCOUNTS (CONTINUED)

8 Reserves

	Capital Share Premium Account £'000	Profit Conversion Reserve Fund £'000	and Loss Account £'000
At 1 January 2007	3,156	23	155
Profit for the financial year (Note 2)	-	-	66
Dividends paid (Note 3)	-	-	-
Credit in respect of share based payments	-	-	14
	<hr/>	<hr/>	<hr/>
At 31 December 2007	3,156	23	235
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Profit for the financial year	66	152
Dividends paid	-	(128)
Credit in respect of share based payments	14	-
	<hr/>	<hr/>
Net increase in shareholders' funds	80	24
Opening shareholders' funds	4,827	4,803
	<hr/>	<hr/>
Closing shareholders' funds	4,907	4,827
	<hr/> <hr/>	<hr/> <hr/>

10 Financial commitments

At the 31 December 2007, the Group had £70,000 (2006: £213,000) of capital projects authorised of which £70,000 (2006: £213,000) was contracted at 31 December 2007.

11 Financial commitments and contingencies

At 31 December 2007 and 2006 the Company had no annual commitments under non cancellable operating leases.

12 Related party transactions

The Company has taken advantage of the exemption from disclosure available to parent companies under FRS 8, "Related party disclosures", where transactions and balances between Group entities have been eliminated on consolidation.

HISTORICAL FINANCIAL SUMMARY

Consolidated income statement

	2003	2004	2005	2006	2007
	£'000	£'000	£'000	£'000	£'000
	Irish	Irish	Irish	IFRS	IFRS
	GAAP	GAAP	GAAP	IFRS	IFRS
Turnover	12,428	12,243	11,428	10,671	10,994
Trading profit - continuing	1,648	1,287	1,401	1,350	1,553
- discontinued	-	-	(441)	-	-
Goodwill – normal	(15)	(15)	(15)	-	-
Profit/(loss) on sale of property	-	-	1,000	-	-
Other exceptional items	(880)	-	(219)	-	-
Interest	(165)	(111)	(66)	(341)	(409)
Depreciation	(983)	(897)	(630)	(521)	(527)
Profit / (loss) before taxation	(395)	264	1,030	488	617
Taxation	90	(35)	(59)	(190)	(112)
Profit/(loss) for the financial year	(305)	229	971	298	505
Dividends	(152)	(119)	(191)	(144)	-

Consolidated balance sheet

	2003	2004	2005	2006	2007
	£'000	£'000	£'000	£'000	£'000
	Irish	Irish	Irish	IFRS	IFRS
	GAAP	GAAP	GAAP	IFRS	IFRS
Total assets less current liabilities					
Non-current assets	8,073	7,633	13,293	13,119	12,717
Current assets	3,006	2,849	3,387	3,390	3,543
Current liabilities	(3,708)	(3,723)	(2,902)	(3,048)	(2,921)
	7,371	6,759	13,778	13,461	13,339
Financed by					
Called up share capital	1,493	1,493	1,493	1,493	1,493
Share premium account	3,156	3,156	3,156	3,156	3,156
Capital conversion reserve fund	23	23	23	23	23
Profit and loss account	464	574	1,473	1,625	2,144
Shareholders' funds - equity	5,136	5,246	6,145	6,297	6,816
Deferred tax	718	654	633	664	523
Long term liabilities	1,517	859	7,000	6,500	6,000
	7,371	6,759	13,778	13,461	13,339



NORISH

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