

Norish plc

Preliminary Statement of Annual Results 2008

Results

Norish plc results for the year ended 31st December 2008 as follows:

- Operating profits of £787,000 compared to £1,026,000 for 2007.
- Pre - tax profits of £111,000 compared to £617,000 for 2007.
- Financial expenses up to £696,000 from £437,000. This was significantly impacted in 2008 by a non-cash movement of £227,000 (2007 £15,000).
- Deferred tax charge of £809,000 was significantly impacted in 2008 by a non-cash movement of £767,000. This compares with a deferred tax credit of £141,000 in 2007.
- Overall results were adversely impacted by a net £930,000 (**NON-CASH ITEMS**) in respect of deferred tax and interest rate SWAPS.

The cold stores' profitability was adversely affected by reduced occupancy levels and a significant drop in blast freezing volumes during the year. However, through strict management control we were able to reduce our costs in line with the fall in turnover to reduce the overall impact on profit.

Our ambient site at York suffered from a further reduction in stock holding as a result of the conclusion of changes in its' major customer's supply chain. This has resulted in reduced profits compared with 2007. Management efforts to source new business continue.

Financial Strength

Shareholders funds at 31 December 2008 were £6,390,000 compared with £6,816,000 at 31 December 2007. Net debt at 31 December 2008 was £8,048,000, compared to a net debt of £5,424,000 at 31 December 2007. The increase in net debt results mainly from the Gillingham purchase in March 2008. Our un-drawn banking facilities at 31 December 2008 were £1,324,000 (2007: £644,000).

Acquisition

During March 2008 we completed the purchase of a cold store at Gillingham, Kent for £3,100,000. The acquisition is in a prime location situated close to London. The store, which is now fully operational, will make a positive contribution to the results in 2009. The purchase was funded by a combination of surplus cash and a 15 year term loan of £2,000,000.

In February 2009 we agreed to lease a 3,100 pallet cold store at Leeds for an initial rent of £15,000. We have an option to purchase this site before February 2010 for £1,000,000.

Dividend

The board recommends the payment of a final dividend of €1.25c per share. This will be paid on the 22nd May 2009 to those shareholders on the register on the 24th April 2009. It will bring the total dividend in respect of the financial year to €1.25c per share unchanged from last year.

Outlook

We have started the year with reasonable occupancy levels, but because of the current economic climate it is difficult to forecast activity levels for the remainder of the year. However, we are continuing to pursue business development opportunities and we also expect to benefit from reduced power and interest costs compared to 2008.

Ted O'Neill
Chairman

5th March 2009

The results herein do not represent full accounts. Full accounts for the year ended 31 December 2008, upon which the Auditors have given an unqualified audit report, have not yet been filed with the Registrar of Companies. Full accounts for the year ended 31 December 2007 containing an unqualified audit report from the Auditors have been delivered to the Registrar of Companies.

The audited consolidated income statement, balance sheet and cash flow statement in sterling currency, with comparatives, are attached.

Consolidated Income Statement

for the year ended 31 December 2008

	2008	2007
	£'000	£'000
Continuing operations		
Revenue	9,693	10,994
Cost of sales	(8,958)	(9,699)
	<hr/> 735	<hr/> 1,295
Other income	326	-
Administrative expenses	(274)	(269)
Operating profit from continuing operations	<hr/> 787	<hr/> 1,026
Finance expenses	(696)	(437)
Finance income	20	28
	<hr/> 111	<hr/> 617
Profit on continuing activities before taxation	<hr/> 111	<hr/> 617
Income taxes – Corporation tax	342	(253)
Income taxes – Deferred tax	(809)	141
	<hr/> (356)	<hr/> 505
(Loss)/profit for the period attributable to shareholders	<hr/> (356)	<hr/> 505
Earnings per share expressed in pence per share:		
From continuing operations		
- basic	(4.2)p	6.0p
- diluted	(4.2)p	6.0p

Consolidated Balance Sheet

at 31 December 2008

	2008	2007
	£'000	£'000
Assets		
Non current assets		
Goodwill	216	216
Property, plant and equipment	15,285	12,501
	15,501	12,717
Current assets		
Trade and other receivables	2,690	2,438
Financial assets: Fair value of interest rate swaps	-	29
Current tax asset	236	-
Cash and cash equivalents	15	1,076
Total assets	2,941	3,543
Liabilities		
Current liabilities		
Trade and other payables	(2,068)	(2,159)
Financial liabilities: Fair value of interest rate swaps	(198)	-
Current tax liabilities	-	(262)
Borrowings	(796)	(500)
	(3,062)	(2,921)
Net current(liabilities)/ assets	(121)	622
Non-current liabilities		
Borrowings	(7,267)	(6,000)
Provisions	(391)	-
Deferred tax	(1,332)	(523)
	(8,990)	(6,523)
Net assets	6,390	6,816
Equity		
Share capital	1,493	1,493
Share premium account	3,156	3,156
Capital conversion reserve fund	23	23
Retained earnings	1,718	2,144
Equity attributable to equity holders of the parent	6,390	6,816

Consolidated Statement of Changes in Equity
For the year ended 31 December 2008

	Share capital £'000	Share premium £'000	Capital Conversion Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2007	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
Net loss for the year	-	-	-	(356)	(356)
Total recognised income and expense for the year	-	-	-	(356)	(356)
Credit in respect of employee share schemes	-	-	-	14	14
Equity dividends paid (recognised directly in equity)				(84)	(84)
At 31 December 2008	1,493	3,156	23	1,718	6,390

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	2008	2007
	£'000	£'000
Profit on continuing activities before taxation	111	617
Adjustments for:		
Finance expenses	696	437
Finance income	(20)	(28)
Depreciation – property, plant and equipment	541	554
Employee share schemes	14	14
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(223)	339
Increase/(decrease) in payables	107	(235)
Increase in provisions	391	-
Cash generated from operations	1,617	1,698
Interest paid - bank loans and overdrafts	(469)	(437)
Taxation (paid) / refunded	(156)	(145)
Net cash from operating activities	992	1,116
Investing activities		
Interest received	20	43
Fair value losses/(gains) on swaps adjustment	(227)	(15)
Disposal of Plant	-	20
Purchase of property, plant and equipment	(3,325)	(172)
Net cash used in investing activities	(3,532)	(124)
Financing activities		
Dividends paid to shareholders	(84)	-
Term loan advance	2,000	-
Term loan repayments	(600)	(500)
Net cash used in financing activities	1,316	(500)
Net increase in cash and cash equivalents	(1,224)	492